

Economic Benefits Statement

Atlas Business Park, Manchester

June 2023

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June 2023

Economic benefits of the proposals for Atlas Business Park, Manchester

A range of jobs created upon completion

A range of jobs, with 37% of logistics jobs now managerial or office-based¹

Well-paid jobs, with earnings in the sector typically some 9% higher than the average for the North West²



Around **580 jobs** accommodated on site

Predominantly full-time jobs, with 84% of logistics employees in the Manchester Region working full-time, far higher than the all-sector average³ (71%)

Steady jobs, with logistics employees in the North West typically working a 40-hour week, longer than the all-sector average² (33.4hrs)

215 net additional employment opportunities

directly or indirectly created for Manchester residents in a relatively deprived area where employment levels have struggled to recover from the Covid-19 economic downturn.³

Recurring financial benefits when complete



£31.2 million

gross value added to the Manchester economy each year, with **£40.2 million** added annually to the economy of Greater Manchester.



£640,000

paid annually in business rates to Manchester City Council

A temporary economic boost during construction



£36.7 million

invested in construction



95 jobs

directly or indirectly supported for Manchester residents during the year-long build



£31.3 million

gross value added to the Manchester economy during construction

¹ Prologis (September 2019) Delivering the future: the changing nature of employment in distribution warehouses

² ONS (2022) Annual Survey of Hours and Earnings, "transportation and storage" sector in the North West vs. all-sector regional average

³ ONS (2022) Business Register and Employment Survey, 2021

1. Introduction

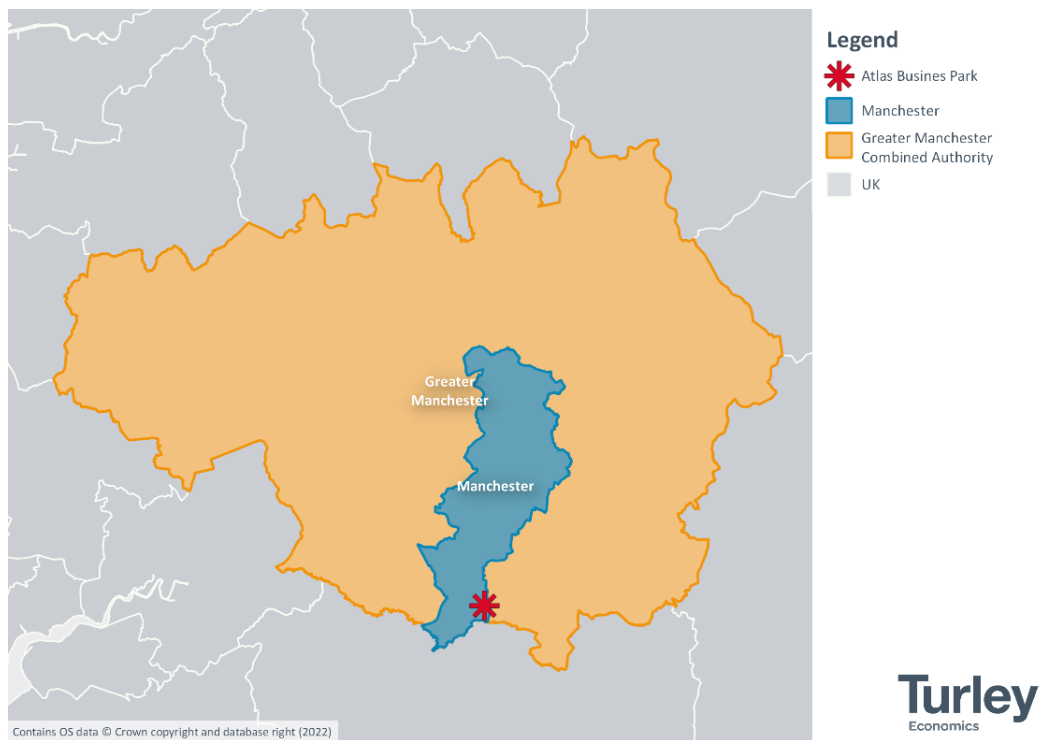
1.1 Turley Economics has been commissioned by Aviva Investors ('the applicant') to estimate the economic benefits that could be generated through its proposals for land adjacent to Atlas Business Park, off Simonsway in Wythenshawe ('the site'). Logistics and light industrial development¹ is proposed, comprising five warehouse units with associated office space and landscaping.

1.2 The description of development is as follows:

"Logistics and light industrial development (Use Class B2, B8 and E(g)(iii)) comprising five no. units totalling 411,300 sqft of floorspace, including ancillary office space, with associated landscaping, amenity space, car parking, cycle infrastructure, refuse storage, substations, and vehicular access off Simonsway"

1.3 The location of Atlas Business Park within Manchester and Greater Manchester (GM) is shown at Figure 1.1 below.

Figure 1.1: Atlas Business Park



1.4 This assessment has been informed by the latest edition of the Additionality Guide, produced in 2014 by the former Homes and Communities Agency² (HCA). This allows the net additional impact of the proposed development to be quantifiably estimated, accounting for factors such as leakage, displacement and multiplier effects.

¹ Use Class B2, B8 and E(g)(iii)

² Homes and Communities Agency (2014) Additionality Guide, 4th edition

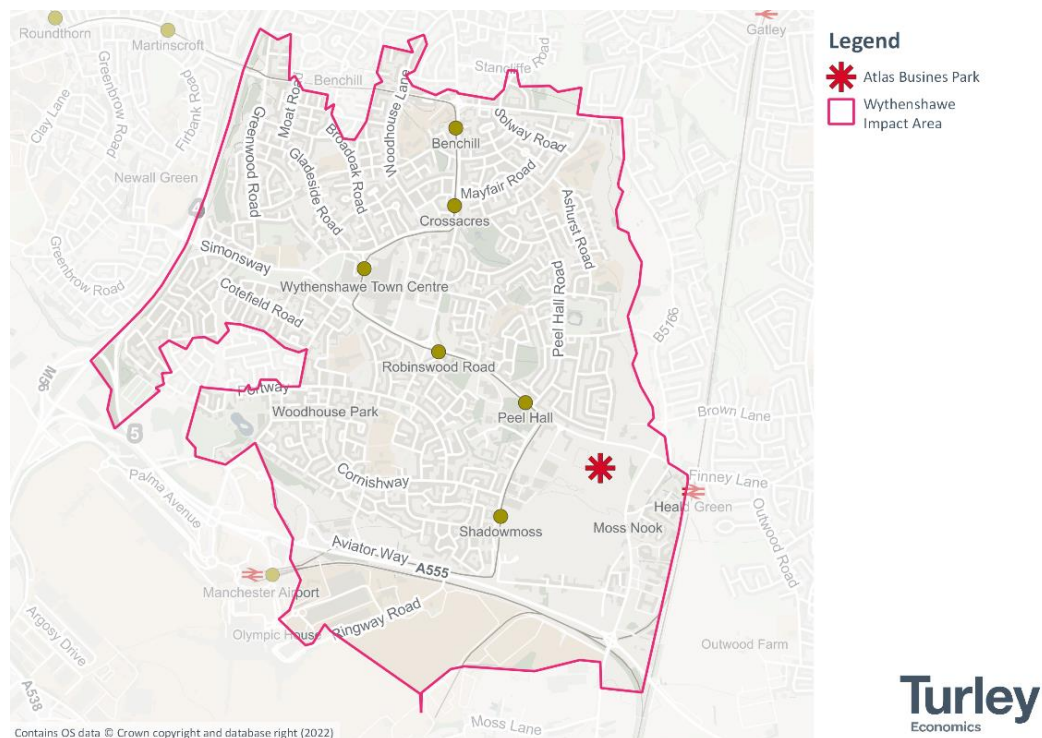
1.5 The remainder of this report is structured as follows:

- **Section 2: Local Economic Context** – a profile of the area surrounding the site and Manchester and GM more widely, to briefly introduce the individuals that stand to benefit most from the proposed development;
- **Section 3: Strategic Economic Ambitions** – considers the economic ambitions stated by a range of public bodies, from the Government down to Manchester City Council, to provide economic context for the proposed development at Atlas Business Park;
- **Section 4: Economic Benefits on Completion** – consideration of the number and types of jobs that will be created by the proposed development once it is operational, and their potential impact on the local economy;
- **Section 5: Economic Benefits during Construction** – a summary of the jobs that could be temporarily created while the proposed development is under construction;
- **Section 6: Responding to the Strategic Context** – a summary of how the proposed development responds to the economic profile of Wythenshawe and aligns to national, regional and local policy ambitions; and
- **Section 7: Summary and Conclusions** – a concise overview of the report's findings.

2. Local Economic Context

- 2.1 This section provides a profile of the area surrounding the site and the wider city of Manchester, to briefly introduce the individuals that stand to benefit most from the proposed development.
- 2.2 In order to profile Wythenshawe, several lower layer super output areas have been aggregated³. These are presented on the map in Figure 2.1, below.

Figure 2.1: Wythenshawe Impact Area



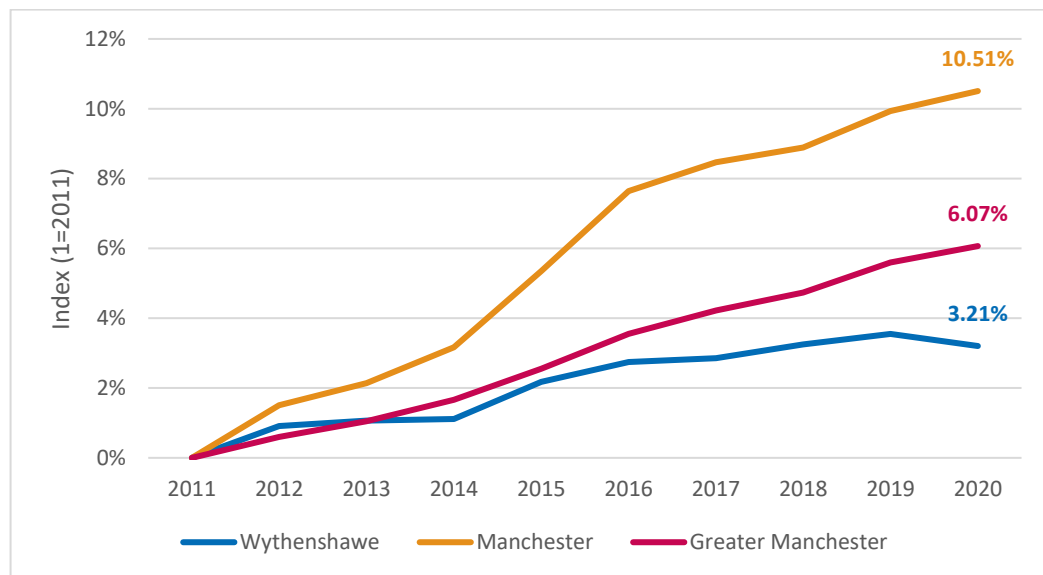
A growing population that is predominantly of working age

- 2.3 There are approximately 27,069 residents living in Wythenshawe, within close proximity to the site. The population of this area has increased by approximately 3.2% since 2011 which is a significantly lower rate of growth than the 10.5% seen in the city of Manchester.⁴

³ An amalgamation of lower layer super output areas (LSOAs) has been applied to define Wythenshawe. These were: Manchester 050B, Manchester 049C, Manchester 050C, Manchester 050D, Manchester 049D, Manchester 052A, Manchester 050E, Manchester 052B, Manchester 052C, Manchester 052D, Manchester 053A, Manchester 053B, Manchester 053C, Manchester 053E, Manchester 051E, Manchester 052E

⁴ ONS (2021) 2020 mid-year population estimates

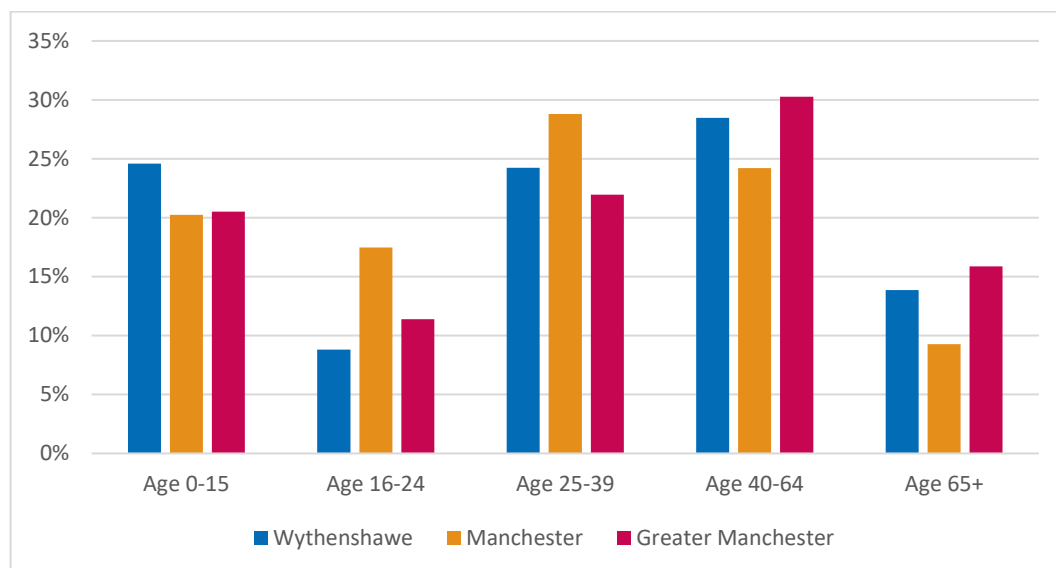
Figure 2.2: Indexed Change in Population of Wythenshawe, Manchester and GM (2011-20)



Source: ONS; Turley analysis

- 2.4 As Figure 2.3 shows, Wythenshawe has a greater proportion of residents aged 0-15 than both Manchester and GM. However, this trend reverses for the age cohort 16-24 where Wythenshawe has far fewer residents of this age than its geographical comparators. This may though be indicative of large numbers of people moving into Manchester for university purposes leading to skewed figures.
- 2.5 Over half (52.7%) of the Wythenshawe population falls into the age cohorts that can be reasonably assumed to represent 'working age', 25-39 and 40-64, which is only marginally smaller than the equivalent figure for Manchester (53.0%) and larger than the figure for GM (52.5%). This suggests that there is a reasonably large supply of labour in Wythenshawe.

Figure 2.3: Comparing the Age Profile of Wythenshawe, Manchester and Greater Manchester (2020)



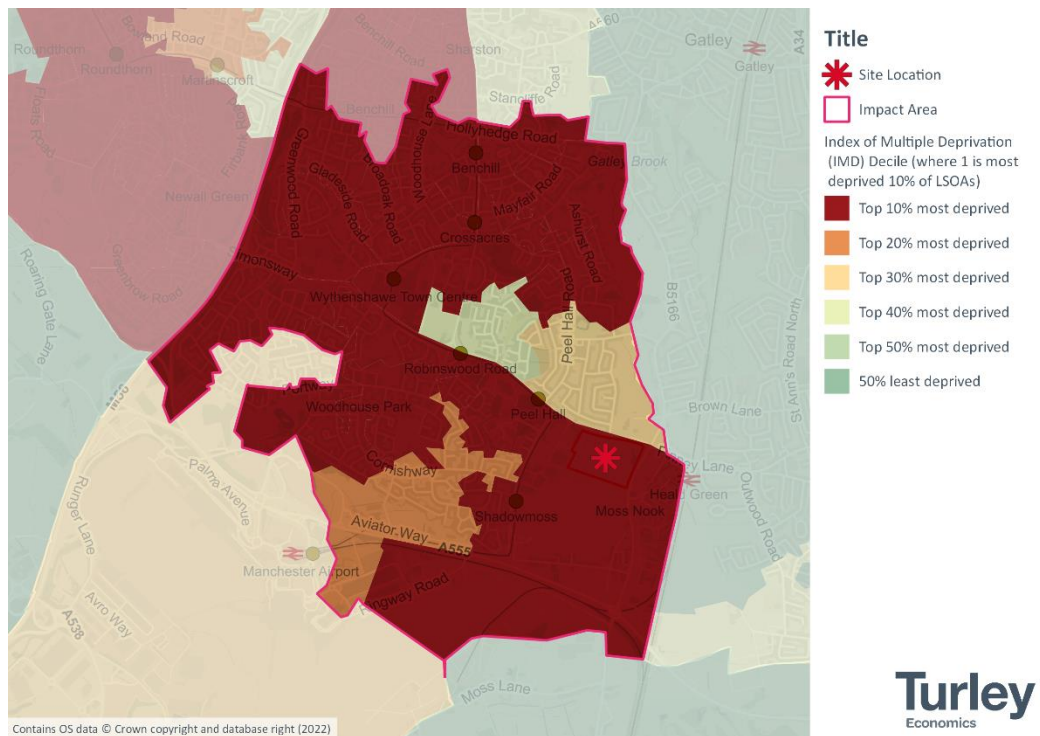
Source: ONS; Turley analysis

Unemployment and deprivation

- 2.6 Unemployment is an acute problem in Wythenshawe. There were 1,260 people claiming benefits associated with being out of work in Wythenshawe in October 2022, inclusive of 260 who were aged between 16 and 24⁵. This figure increases to 22,310 at the Manchester level, inclusive of 3,920 aged between 16 and 24.
- 2.7 Of the 16 LSOAs identified as being within the close vicinity of the site, 13 are in the top 10% most deprived nationally, based on the national Index of Multiple Deprivation (IMD). This includes a number of the neighbourhoods located adjacent to Atlas Business Park, as shown by Figure 2.4 below.

⁵ ONS (2022) Claimant Count. The claimant count is the number of people claiming Jobseeker's Allowance plus those who claim Universal Credit who are out of work.

Figure 2.4: Index of Multiple Deprivation 2019

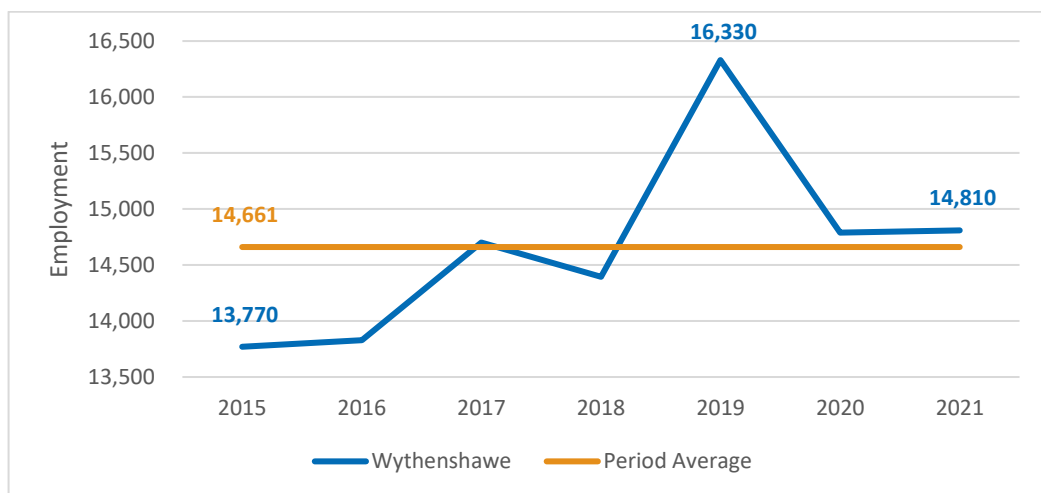


Source: MHCLG, 2019

Reversing employment loss

- 2.8 Wythenshawe reportedly accommodated approximately 14,810 jobs as of 2021, according to the Business Register and Employment Survey (BRES). While this is marginally higher than the 2015 – 2021 period average (14,661), it is nevertheless considerably lower than the period high of 16,330 jobs in 2019. This is shown in Figure 2.5, below.

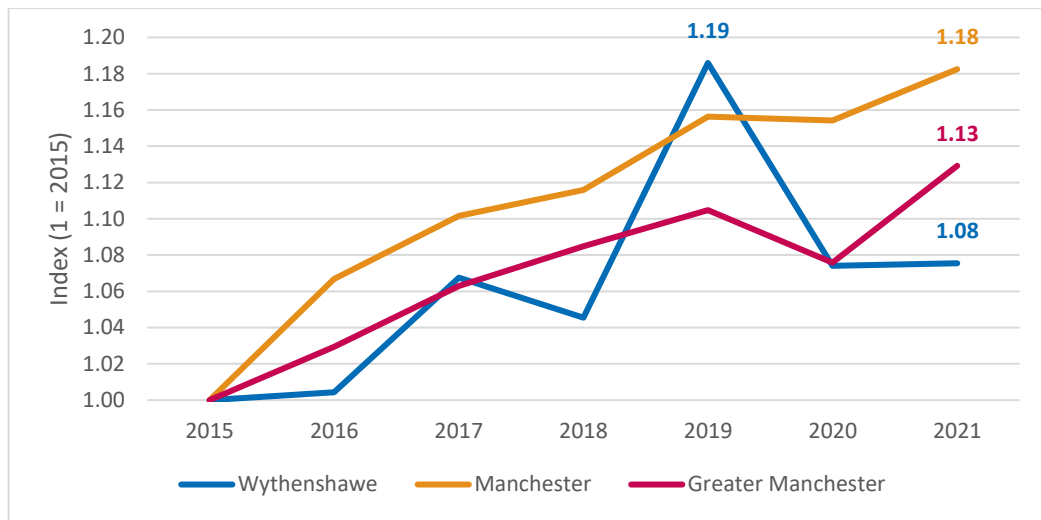
Figure 2.5: Employment level in Wythenshawe (2015 – 2021)



Source: BRES

- 2.9 Overall, employment has positively increased by 8% in Wythenshawe since 2015. However, this is a somewhat smaller level of growth than that recorded in Manchester (18%) and GM (13%). As discussed previously, a noticeable drop in employment in Wythenshawe was recorded between 2019 and 2020. The data presented in Figure 2.5 reaffirms this and suggests that Wythenshawe suffered from the economic downturn of the Covid-19 pandemic to a far greater extent. This may be due to its close proximity to Manchester Airport where economic activity was stifled as a result of restrictions placed on air travel during the pandemic.

Figure 2.6: Benchmarking Employment Growth in Wythenshawe (2015-21)



Source: BRES; Turley analysis

- 2.10 The table below breaks down the employment change in Wythenshawe by industry in the period 2019 – 2021. This table shows that job losses have been widespread with eleven industries negatively affected, however the greatest number of job losses have come in the manufacturing industry (470 job losses), the finance & insurance industry (345) and the professional, scientific and technical industries (285).

Table 2.1: Employment change by industry in Wythenshawe (2019 - 2021)

Industry	2019	2021	2019 – 2021 Change
Manufacturing	730	260	-470
Financial & insurance	1,045	700	-345
Professional, scientific & technical	3,325	3,040	-285
Transport & storage (inc postal)	700	435	-265
Information & communication	2,295	2,060	-235
Arts, entertainment, recreation & other services	300	185	-115
Retail	960	870	-90
Business administration & support services	2,530	2,490	-40

Property	455	420	-35
Motor trades	40	30	-10
Mining, quarrying & utilities	15	10	-5
Wholesale	650	655	5
Public administration & defence	340	340	0
Education	1,110	1,120	10
Health	1,105	1,200	95
Accommodation & food services	525	620	95
Construction	205	375	170

Source: BRES; Turley Analysis. Agriculture, forest and fishing excluded due to zero jobs in 2019 and 2021

Summary

- 2.11 Atlas Business Park is located in Wythenshawe, an area with a relatively large working age population. However, unemployment is an acute issue in the area with a considerable number of residents claiming benefits associated with being out of work and large swathes of the area are amongst the most deprived in the country.
- 2.12 Before 2020 and the Covid-19 pandemic, Wythenshawe had been relatively successful at creating new jobs with employment increasing by a fifth between 2019 and 2021. However, employment dropped considerably during the Covid-19 pandemic with several industries negatively affected. Employment levels in Wythenshawe failed to make a recovery comparable to Manchester and Greater Manchester.

3. Strategic Economic Ambitions

- 3.1 The Government expects planning decisions to ‘*help create the conditions in which businesses can invest, expand and adapt*’, confirming in the National Planning Policy Framework (NPPF) that ‘*significant weight*’ should be given to the ‘*need to support economic growth and productivity*’. It emphasises that this should take account of ‘*both local business needs and wider opportunities for development*’, in a way that allows an area to ‘*build on its strengths, counter any weaknesses and address the challenges of the future*’⁶.
- 3.2 This section therefore provides strategic economic context to the proposals for Atlas Business Park, outlining local and wider ambitions for economic growth as well as the identified opportunities that the proposals to introduce flexible employment space within Atlas Business Park could help to fulfil.

National Policy and Economic Strategy Context

National Planning Policy Framework

- 3.3 The NPPF – along with the accompanying Planning Practice Guidance (PPG)⁷ – sets out the Government’s planning policies for England. It is built around a policy commitment to sustainable development, outlining the expectation that future development will play in meeting economic and social objectives. Details of these objectives are provided at paragraph 8 of the NPPF:

“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; and

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”⁸

- 3.4 In order that sustainable development is pursued a positive way, at the heart of the NPPF is a “*presumption in favour of sustainable development*”⁹, which requires local authorities to ensure planning policies “*positively and proactively encourage sustainable economic growth*”¹⁰.

Levelling Up White Paper

- 3.5 The Levelling Up White Paper¹¹ outlines that a key objective of the Government over the period to 2030 is to close the gap in economic opportunities and outcomes

⁶ MHCLG (2021) National Planning Policy Framework, paragraph 81

⁷ Department for Levelling Up, Housing and Communities (2021) Planning Practice Guidance

⁸ MHCLG (2021) National Planning Policy Framework, paragraph 8

⁹ Ibid, paragraph 10

¹⁰ Ibid, paragraph 82

¹¹ Department for Levelling Up, Housing and Communities (2022) Levelling Up: White Paper

between those top performing and other areas, tackling geographic disparities. It is outlined that the 'six capitals' – physical, human, intangible, financial, social and institutional – are interdependent and success will only be achieved if each of them is thriving in a given place.

- 3.6 A key pillar of the policy regime is the setting of clear and ambitious medium-term missions in order to:
- *'Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging'* through missions related to boosting investment in research & development and improving local public transport connectivity and digital connectivity.
 - *'Spread opportunities and improve public services, especially in those places where they are weakest'*, through missions related to education, skills, health and wellbeing.
 - *'Restore a sense of community, local pride and belonging, especially in those places where they have been lost'*, through missions related to pride in place, housing and crime.
 - *'Empower local leaders and communities, especially in those places lacking local agency'*, through missions related to devolution deals and long-term funding settlements.

Plans for Growth and Jobs amid the Cost-of-Living Crisis

- 3.7 The UK Government's economic strategies, as expressed through its 'Build Back Better: Our Plan for Growth'¹² and 'Plan for Jobs'¹³ documents, outline the means by which the economic recovery of the UK following Covid-19 will aim to *"build back better"* by driving growth that creates high-quality jobs across the country.
- 3.8 The Plan for Growth, which builds upon and replaces the Government's Industrial Strategy, outlines that the UK's economic strategy will be built upon three *'core pillars of growth'*, these being:
- **Infrastructure**, to stimulate economic activity and drive long-term productivity;
 - **Skills**, to support productivity growth, with the importance of high-quality apprenticeships and technical education in key industries being emphasised; and
 - **Innovation**, with the Government stating its intention to support and incentivise the development of the creative ideas and technologies that will shape the UK's future high-growth, sustainable and secure economy.
- 3.9 The Plan highlights that the implementation of actions based on the three pillars will prioritise the delivery of the Government's 'levelling up' agenda, which is characterised

¹² HM Treasury (2021) Build Back Better: Our Plan for Growth

¹³ HM Treasury (2020) Plan for Jobs

as the need to ensure that everyday life is improved for communities throughout the UK, and that where people live should not be a barrier to their life chances.

- 3.10 The Plan for Jobs includes measures to protect and create jobs. The construction sector is described as “*vital for the recovery of the UK economy*”, and the Plan highlights the Government’s commitment to supporting ‘shovel ready’ infrastructure projects across the country, to ensure that projects which can support the UK’s economic recovery in the next few critical years proceed at pace.
- 3.11 The need for new jobs and a boost to pay and living standards remain of vital importance in the current context of inflationary pressures and the cost-of-living crisis, with ONS research indicating that 87% of adults in Great Britain have reported an increase in their living costs by September 2022¹⁴. Indeed, it is noted that high levels of inflation have led to ‘real’ wages (i.e. wages adjusted to take account of inflation) falling in recent months; real wages were 2.5% lower in the second quarter of 2022 compared with a year earlier, and excluding bonuses, real wages fell by 3.0% – a record decline¹⁵.

Regional Policy and Strategy Context

Greater Manchester ‘Places for Everyone’

- 3.12 The draft ‘Places for Everyone’ (PfE)¹⁶ document sets out the Greater Manchester Combined Authority’s (GMCA) long-term plan for most of the city region’s housing and economy, excluding only Stockport.
- 3.13 Policy JP-J 1: ‘Supporting Long-Term Economic Growth’ states that “*a thriving, inclusive and productive economy will be sought in our boroughs*”¹⁷, outlining that there will be a focus on facilitating the development of high-value clusters in prime sectors and maximising the potential of the key growth locations, with one of these being the Manchester Airport Enterprise Zone. There is an aspiration to see increased employment activity around the airport.
- 3.14 Policy JP-Strat 9: “Southern Areas” states that “The economic competitiveness, distinctive local neighbourhood character and environmental attractiveness of the southern areas will be protected and enhanced”.¹⁸ In particular, the economic potential of Manchester Airport is highlighted as a key area where the benefits can be maximised.

¹⁴ House of Commons Library (2022) ‘Rising cost of living in the UK’ [Online]. Available at: <https://commonslibrary.parliament.uk/research-briefings/cbp-9428/>

¹⁵ House of Commons Library (2022) ‘Economic update: New Prime Minister faces challenging economic outlook’ [Online]. Available at: <https://commonslibrary.parliament.uk/economic-update-new-prime-minister-faces-challenging-economic-outlook/>

¹⁶ Greater Manchester Combined Authority (2020) Greater Manchester’s Plan for Homes, Jobs and the Environment: Greater Manchester Spatial Framework Publication Plan 2020 – Draft for Approval: October 2020

¹⁷ Ibid.

¹⁸ Ibid.

Local Policy and Strategy Context

Manchester Core Strategy

- 3.15 Manchester's Core Strategy¹⁹ was adopted in 2012 and sets out the planning principles and policies that will deliver Manchester City Council's (MCC) vision for the city as one *"with a growing economy"* and with *"an increased and sustainable healthy population and a community which both benefits from and drives the City's productivity upwards"*²⁰.
- 3.16 Policy EC1 – Employment and Economic Growth in Manchester identifies Manchester Airport and the surrounding area as a key location for major employment growth, with distribution and warehousing being a central part of this.
- 3.17 Policy EC10 stated that Wythenshawe was expected to provide 55ha of employment land over the plan period to 2027, with this mainly comprising of office, research & development, light industrial and logistics and distribution space. The Strategy also states that a key objective for the Wythenshawe area is to fully realise the economic and other benefits of proximity to the Airport for the residents of Wythenshawe.

Greater Manchester Strategy 2021-31

- 3.18 The Greater Manchester Strategy²¹ sets out the vision for the city region to deliver growth that benefits the people of GM, the place and the planet. In order to create a greener economy within GM, the Strategy targets being the first carbon neutral city region by 2038. In addition, it aims to ensure that policies are delivered which support the diverse community of GM by targeting resources at the communities that face the greatest obstacles in life. Finally, the Strategy aims to deliver a more prosperous GM by ensuring that it is more equitable and socially responsible.
- 3.19 Overall, the commitments of the Greater Manchester Strategy 2021-2031 can be summarised as follows:
- Create a carbon neutral city region by 2038, with better air quality and natural environment.
 - Enable the delivery of world-class smart digital infrastructure.
 - Realise the opportunities from GM's world-class growth and innovation assets, enabled by specific plans including PfE, Local Growth Plans, and Industrial Strategy to open up opportunities in all parts of the city region.
 - Support GM's businesses to grow sustainably, to become as prosperous as they can be.

¹⁹ Manchester City Council (2012) Manchester's Local Development Framework: Core Strategy Development Plan Document

²⁰ Ibid.

²¹ Greater Manchester Combined Authority (2021) Greater Manchester Strategy 2021-2031

- Support the creation of better jobs and good employment that has a purpose beyond growing shareholder value, utilising the opportunity to make a positive difference to our communities.
- Drive investment into GM’s growth locations and use that to create opportunities in adjacent town and local centres.

Wythenshawe Town Centre Development Framework (Draft)

- 3.20 In July 2022, MCC published their draft development framework for Wythenshawe Town Centre.²² Although Atlas Business Park is not located within Wythenshawe Town Centre, this framework nevertheless provides an important context to MCC’s overall regeneration ambitions for Wythenshawe.
- 3.21 The framework underlines that Wythenshawe has suffered with high levels of unemployment, poverty and deprivation. However, it also notes that in recent years property prices have risen rapidly and there has been significant investment in local schools, hospitals and transport infrastructure.
- 3.22 A central component of the vision for Wythenshawe Town Centre is around employment, with the need for improved employment opportunities a focus to reactivate the area.

Summary

- 3.23 Planning and economic strategy as expressed through PfE and MCC’s Core Strategy highlights the importance of growing the economy of Manchester and the wider city region, along with its population and workforce, and emphasising that significant levels of industrial development will be required in order to do so.

²² Manchester City Council (2022) Wythenshawe Town Centre: Development Framework Draft

4. Economic Benefits on Completion

- 4.1 This section presents the quantified economic impacts likely to be generated by the proposed development when complete and fully occupied. These impacts will all be net additional relative to the existing state of the site, which is understood to not currently support employment.

Gross jobs created on site

- 4.2 The number of jobs accommodated on site will depend on the profile of the eventual occupier(s). Planning permission is being sought for a mix of B2 and/or B8 use, with the former typically leading to a more intensive use of space – according to guidance published by the former Homes and Communities Agency²³ – but the latter presumably more likely to prevail in this logistics-led scheme. If the new facility is occupied in a manner comparable to a regional distribution centre, it is estimated that *at least* 515 full-time equivalent gross jobs will be accommodated on site²⁴. However, assuming that the scheme comes forward in an 80/20 logistics/industrial and manufacturing mix, then it is estimated there will be **approximately 580 full-time equivalent gross jobs** on site.²⁵
- 4.3 The logistics jobs alone are likely to be varied in nature. Prologis conducted a survey to determine the typical occupational split within the logistics sector in 2018, finding that office and managerial roles are making up an increasingly large proportion of jobs within logistics facilities, reaching 37% in that year²⁶. Prologis conducted the same survey in 2006 and found that these roles accounted for less than half as many jobs (18%).
- 4.4 Less than half (49%) of those working in logistics facilities now work in traditional warehouse roles, with this having sharply fallen since 2006 when they accounted for over two thirds of the workforce²⁷ (68%).
- 4.5 Employment opportunities in the transportation and storage sector are also much more likely to be full-time than other occupations. BRES data indicates that some 84% of employees in the sector within GM were working full-time as of 2021. This is higher than the all-sector average of 71%.²⁸ Further comparisons are made in Figure 3.2.

²³ Homes & Communities Agency (2015) Employment Density Guide 3rd Edition

²⁴ Alternatively, the site could accommodate circa 830 jobs if it is entirely used for manufacturing or industrial use (B2)

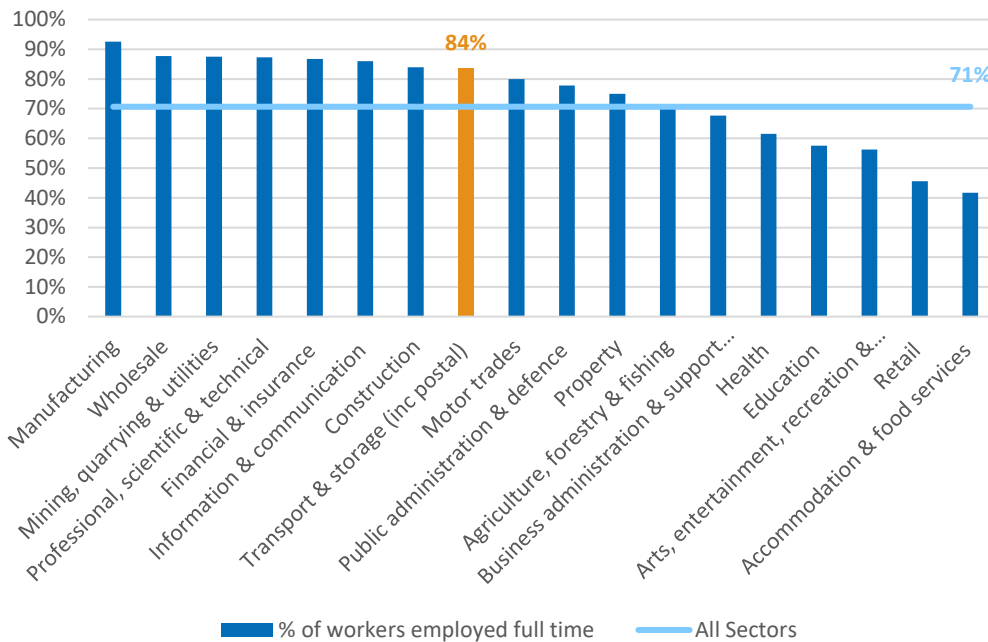
²⁵ Scheme mix informed by past experience of similar developments.

²⁶ Prologis (2019) Delivering the future: the changing nature of employment in distribution warehouses

²⁷ Ibid.

²⁸ ONS (2022) Business Register and Employment Survey: 2021

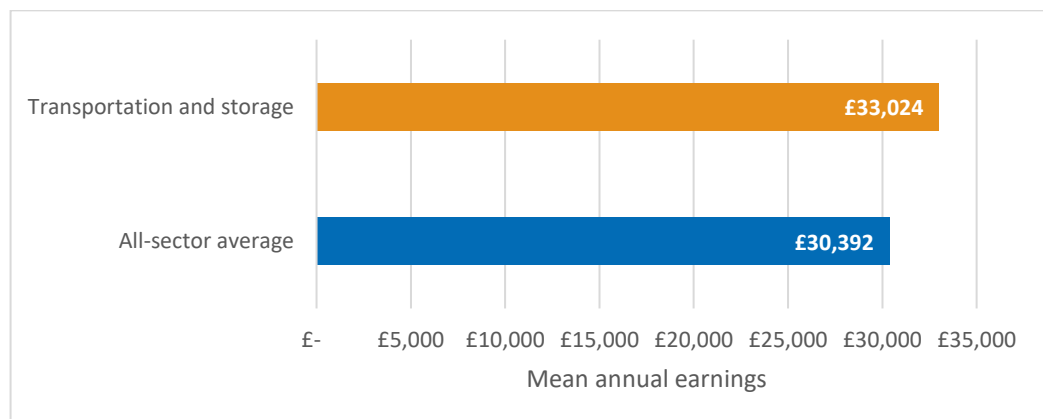
Figure 4.1: Proportion of GM employees working full-time, by industry (2021)



Source: Business Register and Employment Survey, 2021

- 4.6 Workers in the transportation and storage sector also tend to be better paid than those working in other sectors, at the regional level of the North West for which official data is available²⁹. In 2022, the Annual Survey of Hours and Earnings reported that mean earnings were approximately 9% higher in the sector compared to the all-sector average for the region.

Figure 4.2: Benchmarking Mean Earnings in the North West Transportation and Storage Sector (2022)

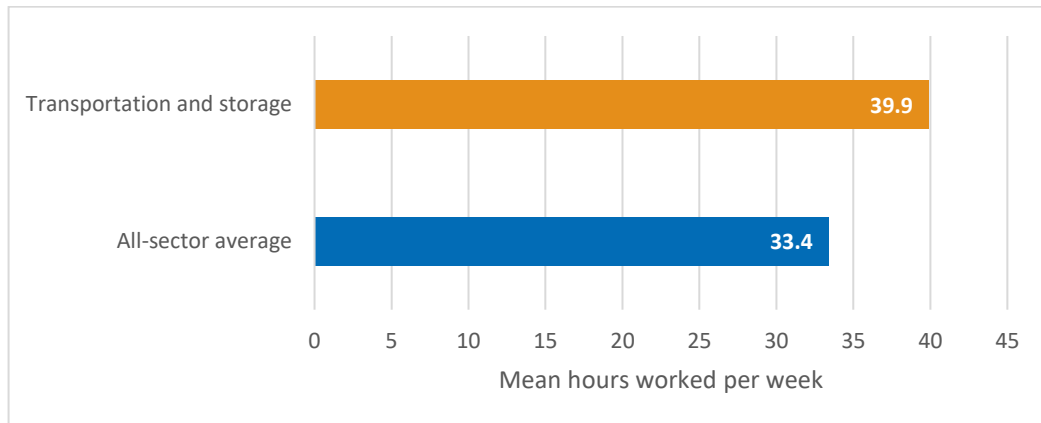


Source: Annual Survey of Hours and Earnings

²⁹ ONS (2022) Annual Survey of Hours and Earnings

- 4.7 While the logistics sector can be perceived to offer less rewarding work, sometimes with zero-hours contracts, it is actually the case that individuals employed in the transportation and storage sector in the North West last year worked 20% *more* hours each week than the all-sector average³⁰.

Figure 4.3: Mean Hours Worked per Week (2022)



Source: Annual Survey of Hours and Earnings

Net additional employment

- 4.8 While the above provides an indication of the number and type of jobs likely to be created on site, in gross terms, the *net additionality* of these jobs can also be estimated. This is a term that is used to refer to the final scale of employment that is generated once a number of economic considerations have been taken into account. The net additional employment is essentially the sum of the direct and indirect employment impacts of the proposed development.
- 4.9 The former HCA recommended a specific approach to calculating additionality which is still widely referenced³¹. It allows for the consideration of the following:
- **Deadweight** – the economic outcomes which would occur if the proposed development were not implemented;
 - **Leakage** – a measure of the extent to which employment will be taken up by persons residing outside of the target area;
 - **Displacement** – the extent to which investment in the proposed development will lead to existing companies or employees within the target area relocating activities to the site, rather than attracting new investment and employment from businesses located outside of the target area; and

³⁰ *Ibid*

³¹ 'Additionality' is defined in the Homes and Communities Agency (2014) Additionality Guide 4th Edition. The Guide advises on the assessment of the additional impact (or 'additionality') of interventions in terms of local and regional economic growth.

- **Multiplier effects** – further economic activity (jobs, expenditure or income) associated with additional local income (from employment), local supplier purchases and longer term expenditure effects.

- 4.10 These factors are considered below to estimate the net additional employment benefit generated by the proposed development, with the exception of deadweight which is considered to be zero given that the site's existing state does not support employment.

Leakage

- 4.11 The creation of logistics jobs at the proposed development can be expected to provide new employment opportunities both for local residents of Manchester as well as those residing in wider GM.
- 4.12 The last reported Census in 2011 found that circa 38% of those working in Manchester also reside in the city, with circa 83% of the city's jobs filled by residents of GM. It is therefore reasonable to assume that a rounded proportion of approximately 40% of jobs created through the operational of the proposed development will be contained within and accessed by residents of Manchester, expanding to 85% being filled by those residing somewhere in GM. The remaining 15% are assumed to live further afield.

Displacement

- 4.13 Displacement occurs when new development takes existing market share – in this case labour – from other existing local businesses.
- 4.14 As of October 2022, there were at least 80 Manchester residents claiming Jobseeker's Allowance (JSA) and seeking employment in transport and storage-related occupations, as well as further claimants receiving Universal Credit whose sought occupation is not reported³². Further latent labour force capacity also exists beyond the city in the rest of GM, with a further 430 people seeking employment in occupations relating to transport and storage.
- 4.15 It is therefore considered reasonable to make an allowance for only a low level of displacement in Manchester and GM. This recognises the relatively large supply of prospective logistics workers, as well as other claimants whose sought occupation is not known, and the scale of employment effect generated by the proposed development. Based on the benchmarks outlined in the Additionality Guide³³, a low rate of displacement (25%) has been assumed during the operational phase.

Multiplier Effects

- 4.16 Once operational, the proposed development will generate considerable expenditure on materials, goods and other services that will be purchased from a wide range of suppliers. This expenditure will have far-ranging benefits both locally and further afield, as it filters down the supply chain (indirect effects). Employees working on-site will also spend their wages on goods and services (induced effects).

³² ONS via Nomis (2022) Jobseekers Allowance by Occupation: October 2022

³³ HCA (2014) Additionality Guide 4th Edition

- 4.17 This will result in an amplification of the initial investment in the proposed development; in other words an economic multiplier effect, with linked benefits in terms of expenditure on goods and services locally. This will bring indirect employment and financial benefits for local individuals and firms, and could help to sustain employment across the local and wider economy.
- 4.18 Based on the Additionality Guide's recommendations³⁴, a sub-regional composite multiplier of 1.25 has been applied at the scale of the local authority, with a multiplier of 1.5 being applied at the scale of GM.

Net additional jobs for Manchester residents

- 4.19 After accounting for these additionality factors, it is estimated that the proposed development will directly generate 175 FTE employment opportunities for residents of Manchester, increasing to 370 for people living in GM.
- 4.20 A further 45 FTE jobs could be locally supported via indirect and induced effects, including contracts within the supply chain, salaries and onward expenditure in Manchester, with this increasing to 185 when considered at the scale of wider GM.
- 4.21 Overall, when rounded, the proposed development can therefore be expected to provide at least 215 net additional employment opportunities for residents of Manchester and at least 555 for people living throughout GM.

Table 4.1: Operational Phase Net FTE Employment Generation

FTE Employment Generation	Manchester	GM
Gross On-site Employment	580	
Net Direct Employment	175	370
Indirect / Induced Employment	45	185
Net Additional Employment (Total)	215	555

Source: Turley Economics, 2023

Note: figures may not sum due to rounding

Gross value added to the Manchester economy

- 4.22 Once operational, the proposed development can be expected to generate an increase in gross value added (GVA) which measures the value of output created (i.e. turnover) net of inputs purchased and used to produce a good or service (i.e. production of the output). GVA therefore provides a key measure of economic productivity.
- 4.23 Estimates sourced from economic data provider Experian indicate that the average FTE employee in the transport and storage industry and the manufacturing industry in Manchester generates circa £41,600 and £62,500 annually in GVA, respectively³⁵.
- 4.24 The proposed development has the potential to generate economic productivity in the form of a GVA uplift throughout its operational lifetime. It could deliver an annual

³⁴ Ibid.

³⁵ Experian (June 2022) UK Regional Planning Quarterly; average 2017 – 2021

£40.2 million GVA contribution to the wider economy of GM each year, depending on how the new floorspace is used. Circa £31.2 million of this annual total could relate to the local economy of Manchester. This is summarised in Table 4.3.

Table 4.2: Operational Phase - Net GVA Generation (per annum)

Net GVA Generation	Manchester	GM
Direct GVA Impact (£million)	£28.2 million	
Indirect / Induced GVA Impact (£million)	£3.1 million	£12.1 million
Net Additional Impact (Total) (£million)	£31.2 million	£40.2 million

Source: Turley Economics, 2022

Note: figures may not sum due to rounding

Business rates

- 4.25 Businesses pay non-domestic rates (known as business rates) to contribute to the cost of the local authority providing public services within which the business property is situated. The Government operates a Business Rate Retention Scheme (BRRS), which provides a direct link between business rates growth and the amount of money local authorities have to spend on local people and local services.
- 4.26 MCC is an authority with an increased Business Rates Retention Agreement and therefore keeps 99% of rates collected with the remaining 1% going to the GMCA³⁶.
- 4.27 Based on this level of business rates retention, there is potential for £640,000 per annum in business rates revenue to be retained by MCC going forward, as a result of the proposed development. This additional funding will contribute towards the delivery of public services and enable investment in maintaining and enhancing infrastructure within the locality. This will in turn generate associated socio-economic benefits and potentially attract further inward investment.

Summary

- 4.28 The proposed development at Atlas Business Park is expected to create **580 full-time equivalent jobs** on site, with most relating to logistics and likely to be:
- **Varied in nature**, given evidence that a growing number of logistics jobs are now managerial or office-based;
 - **Full-time**, this being more common in the GM logistics sector than in the sub-regional economy as a whole;
 - **Well-paid**, with earnings in the sector typically 9% higher than the average for the North West; and

³⁶ Department for Levelling Up, Housing & Communities (2022) The Local Government Finance Report (England) 2022 to 2023

- **Steady** in their offer of more working hours each week than the average job in the region.
- 4.29 The creation of these jobs on site could generate around **555 net additional employment opportunities** for individuals living throughout GM, when allowing for economic multipliers, displacement and leakage. Some **215 jobs** could be created in total for residents of Manchester.
- 4.30 The proposed development could also generate **circa £40.2 million in GVA** at the GM scale every year, including **£31.2 million in Manchester**, with the Council also set to retain **£640,000 of the additional business rates** paid every year.

5. Economic Benefits during Construction

- 5.1 This section outlines the economic impacts estimated to temporarily result from the proposed development during its construction phase.

Gross jobs supported by investment

- 5.2 It is understood that circa £36.7 million could be invested in the construction of the proposed development, based on information provided by the applicant.
- 5.3 Investment of this scale could be expected to support approximately 255 person-years of direct employment, based on the average turnover per employee in the construction industry in the North West³⁷. Given that construction is only expected to last for one year, this suggests that there will be circa 255 gross direct FTE construction-related jobs supported on and off-site.

Net additional jobs for Manchester residents

- 5.4 Net additional employment is a term, introduced in the previous section, that is used to refer to the final scale of employment that is generated once a number of economic considerations have been taken into account.
- 5.5 The creation of temporary construction jobs during the build period will provide new employment opportunities for the local and wider labour force in Manchester and GM. The positive economic impacts of the proposed development will extend beyond construction employment, as expenditure on construction materials, goods and other services will have far-ranging benefits both locally and further afield as it filters down the supply chain.
- 5.6 Allowing for the aforementioned additionality factors, it is estimated that the construction of the proposed development will directly generate 165 FTE employment opportunities for GM residents during construction, including 75 for residents of Manchester.
- 5.7 A further 80 indirect and induced FTE jobs could be annually supported throughout GM through economic multiplier effects, of which 20 could be local to Manchester.
- 5.8 In total, therefore, the direct and indirect impacts of the construction of the proposed development can be expected to annually create 245 net additional FTE employment opportunities for residents of GM, inclusive of 95 jobs for residents of Manchester. This is summarised at Table 5.1 overleaf.

³⁷ Department of Business, Energy and Industrial Strategy (2021) Business population estimates: Table 12 – North West

Table 5.1: Construction Phase Employment

Employment	Manchester	GM
Person-years of Employment	255	
Construction Period (Years)	1	
Gross FTE Employment	255	
Direct Net Additional FTE Employment	75	165
Indirect / Induced Net Additional FTE Employment	20	80
Total Net Additional FTE Employment	95	245

Source: Turley Economics, 2022

Note: figures may not sum due to rounding

Gross value added to the Manchester economy

- 5.9 Construction can also be expected to generate a temporary productivity boost, which can be measured in GVA.
- 5.10 Estimates sourced from Experian indicate that the average FTE employee in the construction industry in Manchester generates circa £117,400 annually in GVA³⁸.
- 5.11 Applying this and where appropriate the all-sector average to the net additional employment impact generated by construction of the proposed development indicates that an additional £35.3 million in GVA could be generated across GM during the construction period, inclusive of £31.3 million in Manchester itself. This is summarised in the following table.

Table 5.2: Construction Phase GVA

GVA	Manchester	GM
Direct Net Additional GVA (Annual)	£30 million	
Indirect / Induced Net Additional GVA (Annual)	£1.4 million	£5.3 million
Total Net Additional GVA (Construction Period)	£31.3 million	£35.3 million

Source: Turley Economics, 2022

Note: figures may not sum due to rounding

Summary

- 5.12 In summary, construction of the proposed development has the potential to generate the following economic impacts:
- Investment of circa **£36.7 million** in construction;

³⁸ Experian (June 2022) UK Regional Planning Quarterly; average 2017 – 2021

- **255** person-years of employment directly supported through construction investment, equivalent to **255** FTE gross direct jobs over the one-year build period;
- An average of **245** direct, indirect and induced net additional FTE employment opportunities generated for people living in GM during construction, including **95** for residents of Manchester; and
- Total net additional contribution of circa **£35.3 million** GVA to the economic output of the GM economy, of which **£31.3 million** will be concentrated in Manchester.

6. Responding to the Strategic Context

6.1 Table 6.1, below, details how the proposed development will respond to the economic profile of Wythenshawe and align with local, regional and national policy ambitions.

Table 6.1: How the proposed development responds to the strategic context in Wythenshawe

Policy Ambition	Wythenshawe Context	How the proposed development responds to this context...
Levelling Up: • 'Boost productivity, pay, jobs and living standards by growing the private sector, especially in those places where they are lagging' • 'Spreading opportunity'	• Large swathes of Wythenshawe have been identified as among the most deprived in GM, and indeed, England.	• The proposed development is estimated to generate circa £31.2 million in GVA at the Manchester scale every year. This would make it an important element of local supply chains and induce further economy activity and employment. • The Council could retain an estimated £640,000 of the additional business rates paid every year. This amount would enable the upkeep and improvement of Council services and public spaces in Wythenshawe.
Manchester Core Strategy: • To enable "a growing economy" with "a community which both benefits from and drives the City's productivity upwards. • Fully realise the economic and other benefits of proximity to the Airport for the residents of Wythenshawe	• Though Greater Manchester has exhibited employment growth in recent years, employment in Wythenshawe particularly has suffered a significant decline since 2019. In the Transport and Storage sector, 265 jobs have been lost since 2019.	• The creation of jobs on site could generate around 215 net additional employment opportunities for individuals living within Manchester, after allowing for economic multipliers, displacement and leakage. It is reasonable to assume many of these will be taken by people living close to the site, helping to reverse local employment loss and provide secure, well-paid employment in Wythenshawe. • The Proposed Development would provide employment predominantly in the

		Transport & Storage sector, where pay is above the regional all-sector average and work is more likely to be full-time than other sectors in Greater Manchester.
‘Places for Everyone’: • Sustaining Southern Competitiveness: “The economic competitiveness...of the southern areas will be protected and enhanced” • Manchester Airport is a key area where economic benefits can be maximised.	• Manchester Airport is recognised as an ‘anchor employer’ in Wythenshawe that generated £2.4 billion for the local economy prior to Covid-19.³⁹ Despite this, unemployment remains a challenge in Wythenshawe and lags behind both Manchester and Greater Manchester in terms of employment growth.	• The proposed development would further solidify Manchester Airport’s economic importance in Wythenshawe and strengthen its ability to retain economic benefits locally. • As above, the uplift in both GVA and jobs as a result of the Proposed Development would serve to sustain Southern competitiveness and provide opportunities to residents of Wythenshawe who are currently seeking employment.

³⁹ Director of City Centre Growth and Infrastructure, Manchester City Council (2022) Manchester Airport, report to Economy Scrutiny Committee – 10 March 2022.

7. Summary and Conclusions

- 7.1 Turley Economics has been commissioned by Aviva Investors to estimate the economic benefits that could be generated through its proposals for the development of land adjacent to Atlas Business Park, off Simonsway in Wythenshawe, which would see 35,424 sqm (GIA) of new logistics/ manufacturing space delivered.
- 7.2 This report has framed these benefits within the local context of Manchester and specifically Wythenshawe, parts of which rank amongst the most deprived areas in the country with residents more likely to be claiming unemployment benefits than their counterparts elsewhere in Manchester or GM. This particular area has also seen job losses since the onset of the Covid-19 pandemic, contrasting with the recovery of GM which is now – through Places for Everyone – aiming to foster a thriving and productive economy. There is a stated desire to sustain the competitiveness of south Manchester, while maximising the potential of its international assets such as Manchester Airport.
- 7.3 While the exact number will depend on the eventual split between logistics and manufacturing, the proposed development at Atlas Business Park can be expected to support these objectives by creating around **580 full-time equivalent jobs** on site, based on an indicative split. The prevailing logistics jobs alone are likely to be:
- **Varied in nature**, given evidence that a growing number of logistics jobs are now managerial or office-based;
 - **Full-time**, this being more common in the GM logistics sector than in the sub-regional economy as a whole;
 - **Well-paid**, with earnings in the sector typically 9% higher than the average for the North West; and
 - **Steady** in their offer of more working hours each week than the average job in the region.
- 7.4 The creation of these jobs on site could generate around **555 net additional employment opportunities** for individuals living throughout GM, when allowing for economic multipliers, displacement and leakage. Some **215 jobs** could be created in total for residents of Manchester, with a substantial number likely to be taken by residents of Wythenshawe – a relatively deprived community – given the site’s location.
- 7.5 The proposed development could also generate **circa £40.2 million in GVA** at the GM scale every year, including **£31.2 million in Manchester**, with the Council also set to retain **£640,000 of the additional business rates** paid every year.
- 7.6 Further economic benefits will also be temporarily generated while **circa £36.7 million** is invested in construction. This could be sufficient to create an average of **245 new employment opportunities** for residents of GM, including **95** for those living in Manchester, and add **£31.3 million in GVA** to the city region’s economy.

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