Prince’s Gate at Oldham Mumps

Regeneris

Updated Economic Impact Assessment

February 2016
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1. **Introduction**

**Context**

1.1 Regeneris Consulting is part of the WYG consultant team working for Oldham Council in the preparation of the planning application for the proposed Prince’s Gate mixed-use regeneration scheme at Oldham Mumps in Oldham Town Centre. The proposed development scheme follows on from the earlier ‘Eastern Gateway’ masterplanning work undertaken by BDP on behalf of the Council. The proposed scheme delivers the first phase of the Eastern Gateway masterplan, bringing forward some of its key components. These include retail, residential and leisure uses, as well as transport infrastructure improvements (particularly car parking and park and ride facilities).

1.2 The scheme is coming forward at an important time in the evolution and regeneration of Oldham Town Centre. It is one of several major investments currently moving forward in the Town Centre, including the Old Town Hall redevelopment, as well as other development schemes in the pipeline (see Figure 1.1).

1.3 The proposed development follows the investment by Transport for Greater Manchester (TfGM) to extend the Metrolink tram network to Oldham with a station at Oldham Mumps. The combination of the tram and the proposed development will deliver a significantly improved destination in this part of the Town Centre, while it will also enable improved access to the Town Centre, as well as links to Manchester City Centre and other parts of Greater Manchester.

*Figure 1.1 Oldham Town Centre - Wider Regeneration Context*

Source: Oldham Council/Regeneris Consulting
Scope of the Assessment

1.4 The economic impact assessment focuses upon the range of potential quantifiable economic impacts that could arise as a result of the proposed development, as well as identifying the less quantifiable wider benefits. The approach undertaken in this assessment focuses primarily on the gross economic impacts that would arise during the construction phase and once the development has been completed and is fully occupied. The economic impacts attributable to the proposed development are assessed at the Oldham local authority area level.

1.5 The scope of the assessment includes the following quantifiable economic impacts:

- temporary construction employment
- employment arising from the development and operation of the range of retail, office and hotel uses across the sites
- total annual gross value added (GVA) generated
- total annual employment income supported by this employment
- supply of new housing stock in Oldham in the form of apartments
- total residents and total annual resident expenditure arising as a result of new housing

Structure of the Report

1.6 The report is structured as follows:

- Section 2: an overview of the proposed Prince’s Gate development scheme
- Section 3: an overview of key regeneration and economic development policies and Oldham’s socio-economic context
- Section 4: presents the quantifiable economic impacts and outlines the wider benefits of the proposed scheme
- Section 5: presents the opportunity to maximise local benefit
- Section 6: presents the conclusions of the economic impact assessment

Use of the Report

1.7 It is intended that this report will be appended to the planning application of the scheme, and underpins the quantification of the scheme’s benefits.
2. **The Proposed Development**

**Background**

2.1 The proposed development scheme at Prince’s Gate is coming forward following a period of strategic planning policy development by Oldham Council and significant masterplanning activity for the Town Centre, including the Eastern Gateway area where BDP prepared the masterplan. The proposed development at Prince’s Gate is the first phase in the delivery of this masterplan.

2.2 Oldham Council’s Local Plan Core Strategy enshrines the concept of regeneration and economic growth. This is through policies which, when combined, aim to improve the scale and quality of the commercial, retail, leisure and evening economy of the Town Centre, as well as enhance transport infrastructure and the key gateways in the town (see Section 3 of this assessment). The rationale for the regeneration of the Town Centre is driven by a recognition by Oldham Council, and other stakeholders, that there are some significant weaknesses that, if left unaddressed, would continue to constrain the economic growth of the town and the wider Borough. These weaknesses include the following:

- significant leakage of retail expenditure and an uncompetitive Town Centre in comparison to improved neighbouring centres (quality of offer and environment);
- poor internal links in the Town Centre have resulted in some areas isolated and with low levels of economic activity;
- parts of the Town Centre environment have become rundown and neglected, with private sector investment becoming increasingly fragmented, leading to a reduction in confidence and quality of the built environment;
- the office market in the Town Centre is dominated by public sector users, with few major private sector employers;
- there is a limited housing offer within and around the Town Centre and the linkages to fringe residential areas are in many cases weak and unattractive; and
- there is a need to enhance the Town Centre leisure offer with a broader, more family friendly range of activities, alongside complementary retail and restaurant facilities.

2.3 The development of Prince’s Gate will play a major role in addressing these weaknesses and complement a wide range of other activities proposed for the Town Centre.

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1 Weaknesses summarised by drawing on analysis prepared by Amion Consulting as part of earlier impact assessments of the regeneration of the Town Centre and 'Eastern Approaches' on behalf of Oldham Council.
Overview of the Proposed Application Scheme

2.4 The proposed Prince's Gate development would redevelop land bounded by Mumps and Wallshaw Street to the north, Huddersfield Road to the east, Oldham Way to the south, and Rhodes Bank to the west (see Figures 2.1 and 2.2).

2.5 The proposed application comprises the following four sites (Sites A-D) and uses:

- **Site A**: Five units to be occupied for A1/A2/A3/A4/A5 purposes providing 10,794 square metres (gross internal) floorspace split over two storeys and with basement car parking (183 spaces). Marks and Spencer will be the anchor tenant at Site A. A full planning application is being submitted for the development of this plot.

- **Site B**: 1,121 square metres (gross internal) floorspace across six units to be used for A1/A2/A3/A4/A5 purposes at ground floor level and with either a hotel (Class C1) above (to a maximum of four storeys) or residential (Class C3). An outline planning application with all matters reserved is being submitted for the development of this plot.

- **Site C**: Class A1 food store (1,741 square metres (gross internal) floorspace) with 54 apartments (Class C3) above and with basement and surface level car parking (257 spaces). A discount food store could be the potential occupier for this site. A full planning application is being submitted for the development of this plot.

- **Site D**: Conversion and extension of vacant bank building for A1/A2/A3/A4/A5/B1 unit/s (645 square metres (gross internal) floorspace) at ground floor level, with 48 apartments (Class C3) above. A full planning application is being submitted for the development of this plot and a listed building consent; and

- Associated landscaping, servicing, access and highway improvement works.

2.6 The economic impact assessment has been based on this quantum of floorspace and indicative use classifications.

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2 Details of accommodation schedule provided by WYG

3 For the purposes of assessing employment impacts the hotel use has been modelled.
Figure 2.1 Proposed Development Sites at Prince’s Gate

Source: WYG/The Harris Partnership

Figure 2.2 Layout of Proposed Development Plots

Source: WYG/The Harris Partnership
Figure 2.3 Proposed Visualisations for Site A at Prince’s Gate

Source: WYG/The Harris Partnership
3. Local Context

3.1 This section of the report provides a brief overview of local planning and economic development policy context in which the proposed scheme is coming forward within, and outlines some of the key socio-economic challenges faced in the Borough.

Local Policy Context

Local Plan

3.2 Oldham Council adopted its Joint Core Strategy and Development Management Development Plan Document (the Joint DPD) in November 2011. The Joint DPD sets out the long term spatial vision, objectives and a development strategy and policies for the Borough to 2026. Some of the most relevant policies within the Joint DPD which will shape economic development and regeneration in the Borough, and which influence the proposed development at Prince’s Gate, are highlighted below.

3.3 More recently (February and March 2015\(^4\)) the Council has been consulting on its Site Allocations Development Plan Document (Site Allocations DPD) which will support the Joint DPD and be one of the key documents that combine to make the Council’s Local Plan. The Site Allocations DPD allocates land for development or protection to meet the Borough’s economic, environmental and social objectives. Oldham Town Centre is included in the Site Allocations DPD ‘Options Report’\(^5\) as a ‘broad development location’, rather than a series of individual sites. This provides the Council with the opportunity to bring forward a ‘flexible development framework’ for the Town Centre.

3.4 Key policies within the adopted 2011 Joint DPD which have shaped the proposals for the development and regeneration of the Town Centre and the Prince’s Gate scheme include:

- **Policy 13 Employment Areas:** Oldham Council identified an ‘Arc of Opportunity’ of key development locations for businesses which are critical to underpinning the Borough’s future economic prosperity. Oldham Town Centre is included as a key employment area for the Borough.

- **Policy 14 Supporting Oldham’s Economy:** This policy recognises the importance for Oldham to have range of sites to support the local economy. This is important in terms of providing land for existing businesses to expand and for new businesses to locate and to create employment in the Borough.

- **Policy 15 Centres:** This policy emphasises the important role centres have as focal points for commercial, shopping, social, civic, community and cultural activities, and play a major part in the Borough’s economy, identity and image. The policy aims to promote and enhance the vitality and viability of all the Borough’s centres, and to guide their development. This policy was informed by the conclusion from the Oldham Retail and Leisure Study 2009. This concluded that Oldham Town Centre should be the main location for major retail and leisure development. It should at least maintain, and if possible enhance, its existing role by improving the quality as well as the quantity of its retail offer. It also identified the need to improve the commercial leisure offer of the Town Centre with appropriate uses that create a pleasant and attractive environment.

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\(^4\) Oldham Council, Local Development Scheme timeframes

\(^5\) Oldham Council, December 2013
• **Policy 17 Gateways and Corridors**: This policy focused on the role of developments at key gateways and along transport corridors in the Borough. The policy aimed that developments should be high quality uses and contribute towards making the routes greener and more attractive.

### The Oldham Plan

3.5 The Oldham Partnership, a partnership of public, private and third sector, has developed a plan that forms the overarching strategy of the partnership, demonstrating its ambitions for the future of Oldham. The Oldham Plan (2013) has a number of key Priority Outcomes that the proposed development aligns with:

• **Priority Outcome 1: A place to invest with confidence.** This priority recognises the need to stimulate development activity in the Borough in order to create new employment, particularly within Oldham Town Centre. The creation of new employment floorspace at Prince’s Gate in the Town Centre and the addition of housing will have a significant impact here in achieving this priority outcome.

• **Priority Outcome 3: An enterprising and co-operative culture.** Creating a diverse business-base with strong links between Oldham businesses and the wider city region is important. Development in this area of the Town Centre, around the Metrolink station, will contribute towards forming a hub of employment activity in Oldham that is easily connected to the wider Greater Manchester conurbation.

• **Priority Outcome 4: Well Connected Communities and Businesses.** Creation of employment and new residential dwellings in the Town Centre will help to develop better connected communities within Oldham as well as linking them to the wider region. The proposed development will also enable employment opportunities to be developed in close proximity to areas of disadvantage.

### Socio-Economic Context

#### Demographic

3.6 Oldham is home to 227,000 people. The Borough has a relatively young population, with a lower than average proportion of people aged 65 and over compared with the average across Greater Manchester. Despite this, it has the second lowest proportion of working age (16-64) residents in the Greater Manchester conurbation. This is due to the particularly high proportion of children in the area, accounting for 22% of the population\(^6\). Looking to the future, and assuming that a significant proportion of the Borough’s child cohort remain in the area, this could potentially translate through into the Borough’s working age population at a time when an ageing demographic is becoming a major issue nationally. This will be important in strengthening the local labour supply to support the economic growth ambitions of the Borough.

\(^6\) ONS, Mid-Year Population Estimates, 2013
Employment

3.7 Around 77,000 people are currently in employment in Oldham. However, while the recession affected employment levels in Oldham, data for the period 2010-2013 shows that the Borough has seen steady levels of employment growth, with growth of 3.2% (+2,270 jobs). Employment growth in the Borough has been driven by increases in some forms of public sector employment over this period in healthcare (+1,600 jobs) and education (+800 jobs), which is surprising given the austerity measures over this period. Other growth has been in the transport and storage sector (+800 jobs), and in the business, property and professional sectors (+2,180 jobs). Nonetheless, the Borough has also experienced contractions in employment in manufacturing (-500 jobs), retail (-1,400) and public administration (-560 jobs).

Unemployment & Worklessness

3.8 Unemployment levels can be assessed by two measures. The first uses the ONS Annual Population Survey and is the ILO measure to compare unemployment levels between countries. The second uses the Job Seekers Allowance (JSA) claimant count numbers for areas. Claimant count unemployment is always lower than the APS measure as it only counts those who are actively seeking work and claiming unemployment benefit in the process.

3.9 On both measures of unemployment Oldham experiences higher than average levels. The ILO unemployment rate in Oldham is currently 9.2% amongst working age residents compared to 7.6% nationally. While Oldham has experienced a fall in its unemployment rate in recent years, it has the sixth highest unemployment rate across the Greater Manchester conurbation. In terms of claimant count, as of January 2015 there were 2,700 residents claiming Job Seeker’s Allowance (1.9%). The number of claimants in the Borough has almost halved between January 2014-2015, while the JSA rate is now equal to the national average (2.1%).
3.10 Amongst Oldham’s JSA claimants, Sales Assistants & Retail Cashiers were the highest sought occupations in Oldham (16% of all sought occupations). This data highlights the existing level of demand amongst claimants for the type of jobs that would be created by the Prince’s Gate scheme.

Figure 3.2 Claimant Count Rate January 2005 to January 2015

Source: ONS, JSA Claimant Count

3.11 While the JSA data points to a fall in claimants in the last year, a wider measure of worklessness in Oldham (i.e. the proportion of residents claiming any type of out of work benefit) shows that Oldham suffers from higher than average level of worklessness. Around 18,500 residents (13.1%) receive a form of out of work benefit (e.g. JSA, ESA/Incapacity Benefit, Lone Parent or others on income related benefits). This is above average when compared to the national picture (10.2%), while there are concentrations of worklessness in neighbourhoods in close proximity to the proposed development (e.g. in St Marys and Alexandra wards, worklessness is around a fifth of all working age residents).

Deprivation

3.12 The Borough of Oldham is ranked as the 37th most deprived local authority in England, while around a fifth (22%) of Oldham’s Lower Super Output Areas (LSOAs) lie in the 10% most deprived in the country\(^7\). The main areas of deprivation and disadvantage within the Borough occur in neighbourhoods in and around Oldham Town Centre, as shown by Figure 3.3. This reflects the above analysis on unemployment and worklessness, and reiterates that the proposed development scheme has the potential to create local jobs that, when combined with other local support initiatives, could be accessed by those currently outside of the labour market or those in greatest need.

\(^7\) ONS, Index of Multiple Deprivation, 2010
The proposed development scheme aims to tackle some of the underlying issues which have affected Oldham Town Centre in recent decades. These have included the following:

- While Oldham benefits from a large catchment population, the Town Centre experiences strong competition from Manchester City Centre, the Trafford Centre and other Town Centres which can be accessed by Oldham residents in relatively short travel times.

- Other centres have modernised and improved their retail, leisure and wider offer at a faster pace than Oldham, reflecting changing demands from residents seeking a different retail and leisure experience, which has been attractive to Oldham residents.

- This reduced level of competitiveness translates into lower levels of retail expenditure retention than would be expected for the Borough across comparison shopping. For example, the Borough only retains around 45% of all resident expenditure on clothing and footwear\(^8\), with expenditure leaking out to other centres. The Town Centre’s leisure offer is also currently limited, apart from bars and clubs, with few other amenities (including family amenities) drawing residents into the centre, particularly in the evening.

- While Oldham Town Centre does have some national retailers, it is characterised by local and independent shops and is perceived to have a higher proportion of ‘downmarket’ shops (approximately 40% according to Experian\(^9\)), and a high proportion of vacancies in retail units in some parts of the Town Centre.

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\(^8\) White Young Green, Oldham Retail and Leisure Study, 2009

\(^9\) Cited in Amion’s Town Centre Economic Impact Assessment, 2013
4. Economic Impact Assessment

Overview

4.1 This section of the report provides a comprehensive quantification of the range of temporary (i.e. construction) and permanent (i.e. operational) economic impacts, as well as a qualitative overview of the wider benefits that the proposed scheme would deliver for Oldham.

4.2 The assessment covers the following key economic impacts:
- temporary construction employment
- permanent employment arising from the development and operation of the range of retail, office, hotel and leisure uses across Sites A-D
- total annual gross value added (GVA) generated
- total annual employment income supported by this employment
- supply of new housing stock in Oldham in the form of apartments
- total residents and total annual resident expenditure arising as a result of new housing.

4.3 As part of the development of the BDP Eastern Gateway Masterplan prepared for Oldham Council, Amion Consulting were instructed to undertake an economic impact assessment of the masterplan. This was part of a wider role Amion had in assessing the economic impacts of a number of regeneration and investment projects across Oldham Town Centre. Their original assessment (October 2013) was based on the full masterplan for the Eastern Gateway area coming forward and being developed out in full. The assessment was then updated to reflect changes in the BDP masterplan (October 2014). Oldham Council used this assessment as part of its recent public consultation process.

4.4 This economic impact assessment has subsequently been undertaken by Regeneris Consulting to support the planning application for the Prince’s Gate development – the first phase in the delivery of the Eastern Gateway masterplan. The assessment of the economic impacts that will arise as a result of the scheme are therefore based upon the uses proposed within the Prince’s Gate development, rather than those proposed in the delivery of the whole Eastern Gateway masterplan.

Construction Employment Impacts

4.5 The proposed development will lead to temporary employment impacts during the construction phase. The assessment of temporary construction employment has been informed by an initial headline cost assessment by Turner and Townsend for each of the key development sites at Prince’s Gate, as well as providing insights on an appropriate build period. Turner and Townsend’s construction cost assessment is on-going and the information and insights provided are the best available at the time of this assessment. However, any caveats surrounding the information have been noted in this assessment.

4.6 Turner and Townsend estimate that the headline construction cost for the proposed development is approximately €43m in current prices. This does not take account of any associated costs for Site D (the old Bank site), but does take account of some wider infrastructure works, such as highways. While the precise timeline for the development has not been formerly agreed, a period of 3.5 years has been proposed.

10 Defined as the Oldham local authority area for the purposes of this assessment.
years, including six months for the provision of car parking at Site B, was proposed by Turner and Townsend as a reasonable construction timeframe for a scheme of this nature.

4.7 Using the DCLG/Offpat guidance\(^\text{11}\) on the level of construction output (or turnover)\(^\text{12}\) which supports 1 full-time equivalent (FTE) construction job, it is estimated that the whole development scheme could support approximately 680 person years of full-time equivalent (FTE) construction employment.

4.8 For the purposes of this assessment the 3.5 year build period has been used to estimate an average annual level of temporary construction employment. On this basis, the proposed scheme could support in the region of \textbf{195 FTE temporary construction jobs per annum}. This estimate is derived from construction cost estimates. As such, these are construction jobs which will be a mixture of both on-site roles, but also off-site pre-fabrication and supply chain employment through the various tiers of the supply chain.

4.9 While there is likely to be a requirement for some specialist construction companies to be used as part of the construction process, who may well be from outside of Oldham given the specification of the contract, there are likely to be a wide range of sub-contracting packages that would potentially be available to local contractors (e.g. groundworks, civil engineering, brick/block work, plastering, electrical, plumbing, landscaping) that could help to maximise the local employment impact from the scheme. To put this into context, there are currently around 800 construction companies trading in Oldham, while an average of around 90 residents a month have been seeking employment within the construction and development trades sector over the last 12 months.

4.10 Further multiplier effects are also likely to arise as a result of the construction process. For example, given the need to bring in specialised construction labour, demand for accommodation could arise, while construction workers are also likely to place demands on existing providers of food and drink. The construction phase of the development will provide some clear opportunities to ensure that existing businesses in the Town Centre can derive the maximum benefit from constructor and construction worker expenditure.

**Employment Impacts**

4.11 The assessment of the gross permanent employment impacts supported by the proposed development has been informed by several information sources. These include:

- Gross floorspaces for each site and unit within the proposed development, as well as indicative use classifications provided by WYG and The Harris Partnership

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\(^{12}\) In current prices
- Estimation of net internal areas (NIA) and net trade/sales areas drawn from official guidance\(^{13}\) or from operator insights and Regeneris research\(^{14}\).
- Employment densities for different use classifications drawn from official guidance or from operator insights and Regeneris research\(^{15}\).

### Table 4.1 Prince’s Gate Floorspace Summary Schedule

<table>
<thead>
<tr>
<th>Site</th>
<th>Uses</th>
<th>Sqm</th>
<th>Measurement Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Site A</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A1 (M&amp;S anchor)</td>
<td>Retail</td>
<td>4,645</td>
<td>GIA</td>
</tr>
<tr>
<td>A2</td>
<td>Retail</td>
<td>1,608</td>
<td>GIA</td>
</tr>
<tr>
<td>A3</td>
<td>Retail</td>
<td>1,370</td>
<td>GIA</td>
</tr>
<tr>
<td>A4</td>
<td>Retail</td>
<td>1,312</td>
<td>GIA</td>
</tr>
<tr>
<td>A5</td>
<td>Retail</td>
<td>1,859</td>
<td>GIA</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>10,794</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Site B</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B1</td>
<td>Retail</td>
<td>269</td>
<td>GIA</td>
</tr>
<tr>
<td>B2</td>
<td>Retail</td>
<td>215</td>
<td>GIA</td>
</tr>
<tr>
<td>B3</td>
<td>Retail</td>
<td>217</td>
<td>GIA</td>
</tr>
<tr>
<td>B4</td>
<td>Retail</td>
<td>132</td>
<td>GIA</td>
</tr>
<tr>
<td>B5</td>
<td>Retail</td>
<td>183</td>
<td>GIA</td>
</tr>
<tr>
<td>B6</td>
<td>Retail</td>
<td>105</td>
<td>GIA</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>1,121</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Site C</strong></td>
<td>Hotel</td>
<td>4,308</td>
<td>(80) GEA (rooms)</td>
</tr>
<tr>
<td>C1</td>
<td>Retail</td>
<td>1,741</td>
<td>GIA</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>1,741</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Site D</strong> *</td>
<td>Retail</td>
<td>271</td>
<td>GIA</td>
</tr>
<tr>
<td>Office unit</td>
<td>Office</td>
<td>374</td>
<td>GIA</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>645</strong></td>
<td></td>
</tr>
</tbody>
</table>

Note: *Site D – for this assessment around 60% of the 645 sqm of floorspace on the ground floor has been allocated for office uses, with 40% for retail uses. Source: WYG/The Harris Partnership

\(^{13}\) HCA Employment Densities Guide (2010), 2nd Edition

\(^{14}\) We liaised with Marks and Spencer’s regarding the net sales areas for their proposed store at Site A. Research was also undertaken of planning applications for discount food stores. For the purposes of this assessment we researched planning applications for Aldi as an example of a discount food store retailer. Operator insights and our research pointed to the net trade/sales area being approximately 70% of gross floorspace. Net internal areas (NIA) for other retail and office uses are derived by applying a 15% reduction to gross floorspaces as advised in the HCA guidance.

\(^{15}\) M&S’s operational employment requirements were provided directly by M&S. HCA employment density guidance was used for other retail, office and hotel uses (see below), while Regeneris researched similar planning applications and press releases regarding similar uses to those proposed at Prince’s Gate (e.g. for operators such as Aldi).
4.12 Based on the proposed schedule of accommodation, once fully occupied we estimate that the proposed development would support approximately 510 gross full-time equivalent (FTE) jobs (or 680 actual jobs). These jobs would be across a range of retail, leisure, office and hotel uses at Prince’s Gate. Given the distribution of uses across the floorspace at Prince’s Gate, retail employment dominates the type of employment opportunities available within the proposed development, accounting for around 90% of all jobs.

4.13 Site A, which will include the Marks and Spencer anchor store, is the key generator of employment at the Prince’s Gate development. This site contributes just under three-quarters of all employment as part of the whole scheme (383 FTE jobs). Marks and Spencer is expected to support nearly a fifth of all jobs at Site A (108 FTE jobs).

### Table 4.2 Prince’s Gate Employment Estimates

<table>
<thead>
<tr>
<th>Site</th>
<th>Total Employment</th>
<th>FTE jobs</th>
<th>Total Jobs</th>
<th>Distribution of Total Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site A</td>
<td>5 retail units, including M&amp;S Anchor store</td>
<td>383</td>
<td>512</td>
<td>75%</td>
</tr>
<tr>
<td>Site B</td>
<td>6 retail units and hotel (c. 80 bedroom)</td>
<td>69</td>
<td>96</td>
<td>14%</td>
</tr>
<tr>
<td>Site C</td>
<td>Discount food store</td>
<td>22</td>
<td>27</td>
<td>4%</td>
</tr>
<tr>
<td>Site D</td>
<td>Office and retail units</td>
<td>39</td>
<td>47</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>513</strong></td>
<td><strong>682</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: Regeneris Consulting

4.14 For clarity, the employment estimates generated in this assessment are lower than those presented in Amion’s impact assessments of the Eastern Gateway. The October 2014 updated assessment refers to the Eastern Gateway supporting 839 gross FTE jobs. However, the key reason for this is that the proposed Prince’s Gate development is just the first phase of the delivery.

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16 The estimation of total jobs is informed by a review of ONS BRES employment data for Oldham and Great Britain for the relevant sectors. This is in terms of total employees (total jobs) and total full-time and part-time jobs. A ratio of total jobs to FTE jobs can be estimated by assuming that two part-time jobs is equivalent to 1 FTE job. M&S provided their own estimate of total jobs, while research of Aldi planning applications complemented the BRES analysis for the supermarket ratio.

17 M&S operational employment provided by M&S. They forecast that the store will support 108 FTE jobs (or 130 jobs). Note: based on FTE jobs this equates to an employment density of 30 sqm per FTE job. As no other operators are identified for the other retail units an average employment density of 19 sqm per FTE job has been used (HCA Guidance) – the best available guide on these matters.

18 At present no operators are identified for the retail units at Site B. Retail employment has been estimated using an average employment density of 19 sqm per FTE job. Hotel employment has been derived based on a proposed 80 room ‘budget’ hotel operation and 3 jobs per bedroom (HCA Guidance). FTE hotel jobs are estimated by reviewing ONS BRES employment data for full-time and part-time ratios for the accommodation sector in Oldham and Great Britain.

19 Drawing on a review of a discount retailer’s (Aldi) planning applications, an average employment density of 55 sqm per FTE job has been used.

20 At present no operators are identified for the units at Site D. Retail employment has been estimated using an average employment density of 19 sqm per FTE job, while office employment has been estimated using average employment density of 12 sqm per FTE job.

21 Amion’s references to gross jobs in their reports does in fact refer to FTE jobs. Their October 2013 report estimated 1,600 gross jobs, while the more recent update in October 2014, following the finalised BDP masterplan, identified 839 gross jobs. Amion has confirmed that these should be reported as 839 FTE jobs.
of the Eastern Gateway masterplan. As such, there are key differences between the quantum and mix of floorspace which Amion based their assessment on and that assessed as part of this application. This assessment also draws on operator insights on store employment (M&S), as well on the proportion of space used for sales versus non-sales space (M&S, as well as other research undertaken by Regeneris, e.g. on planning applications for a discount food store).

Gross Value Added

4.15 Gross Value Added (GVA) measures the contribution to the economy of each individual producer, industry or sector in the UK. GVA is typically comprised of the compensation of employees (e.g. earnings), gross operating surpluses (e.g. profits), and paid taxes incurred as part of trading (e.g. business rates). GVA is a key measure in the estimation of the UK’s overall Gross Domestic Product (GDP).

4.16 Estimates of GVA per FTE job for different sectors can be derived by using approximate GVA estimates from the latest ONS Annual Business Survey (ABS) for Great Britain and employment data from the latest ONS Business Register and Employment Survey (BRES). GVA per FTE job estimates were developed for the retail sector, office based employment sector and the hotel accommodation sector.

4.17 Given the distribution of FTE jobs by sector in the proposed development (retail 91%, office 5%, and hotel 4%), a weighted combined GVA per FTE job estimate was derived - £36,900 per FTE job. On this basis, as a result of the operational employment supported at the proposed Prince’s Gate development, the scheme could deliver a gross GVA contribution of £18.9m per annum.

Annual Employment Income

4.18 Based on the total FTE employment supported by the Prince’s Gate development once it is fully occupied (c. 510 FTE jobs), it is estimated that the total annual employment income supported would be approximately £9m per annum.

4.19 This is based upon analysis of full-time median annual earnings for retail, office based, hotel and sports/recreation activities taken from ONS’s Annual Survey of Hours and Earnings (ASHE) for 2013.

The Prince’s Gate scheme has the potential to deliver a GVA contribution of around £19m per annum

510 FTE Jobs would support in the region of £9m of Employment Income per annum.

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22 This approach to measuring GVA is referred to as ONS’s ‘Income Based’ approach

23 GVA per FTE job estimates are based on the following ABS sector definitions: Retail sector - Division 47 (Retail Trade) - £35,700; Office based employment - Section N (Administration and Support Services), Section J (Information and Communication) and Section M (Professional, Scientific and Technical activities) - £57,800; Division 55.1 (Hotels and Similar Accommodation) - £37,100.
Total Residents & Household Expenditure

4.20 The proposed development includes provision for 102 residential units\(^{24}\). These are split between Site C (54 units) and Site D (48 units) respectively and are a mix of 1 and 2 bedroom apartments. The following table outlines the indicative profile of residential units in the proposed development.

<table>
<thead>
<tr>
<th>Sites</th>
<th>1 bed</th>
<th>2 bed</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site C</td>
<td>25</td>
<td>29</td>
<td>54</td>
</tr>
<tr>
<td>Site D</td>
<td>19</td>
<td>29</td>
<td>48</td>
</tr>
<tr>
<td>Total</td>
<td>44</td>
<td>58</td>
<td>102</td>
</tr>
</tbody>
</table>

| Total Residents | 56 | 107 | 163 |

Source: WYG/The Harris Partnership

4.21 Using DCLG evidence of average household occupancy the apartments have the potential to accommodate around 160 residents\(^{25}\) in Oldham Town Centre. This development is beneficial in both meeting housing need within Oldham, particularly for key workers, as well as contributing to the vibrancy and vitality of the Town Centre.

4.22 New households also play an important role in generating local expenditure, which in turn can support new jobs and businesses locally, as well as support existing local businesses and services. Based on the addition of 102 new households, it is estimated that the potential level of household expenditure retained in Oldham each year once all of the units are occupied would be in the order of £600,000 per annum\(^{26}\).

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\(^{24}\) Further residential units could be developed at Site B as opposed to the hotel scheme. If these did come forward the jobs and GVA impacts associated with the hotel would not arise. However, the additional apartments would lead to a higher number of residents as part of the scheme and a higher level of household expenditure.

\(^{25}\) Estimate has been rounded. They are based on DCLG research on mean household size by type of accommodation and by number of bedrooms, 2004-07 (Table 810). Mean household size for a 1 bedroom apartment is 1.3 residents, while it is 1.8 residents for 2 bedroom apartments.

\(^{26}\) The Regeneris housing impact model estimates the likely income of households in the proposed development based on the breakdown of accommodation (102 1 and 2 bedroom flats) and the likely price range of each flat type (obtained through recent house sales data or market insights). Income is determined by applying assumptions about the typical deposit for different house values. For owner occupied homes, annual household income is assumed to be one third of the mortgage value. For each income group, the typical expenditure on different categories of goods and services has been determined using the ONS Family Expenditure Survey. For each category we reach sensible assumptions about the proportion spent in the Borough. Our retention assumptions are informed by desk-based research on availability of local retail, leisure and other services, as well as reviewing the retail study prepared as part of the Oldham Local Plan process. The model then also deducts indirect taxation to arrive at an estimate for total retained local household expenditure.
Wider Benefits

4.23 The other proposed developments being brought forward in Oldham Town Centre (which were also each assessed by Amion and summarised by Oldham Council\(^ {27} \)) will support approximately 750 gross FTE jobs\(^ {28} \). Adding in the employment impact of the Prince’s Gate scheme (c.510 FTE jobs), the total gross employment impact for Oldham would be approximately **1,260 gross FTE jobs** once all sites have been developed and occupied. As such, the proposed Prince’s Gate development scheme would contribute approximately **40%** of all gross FTE jobs as part of the Town Centre’s redevelopment.

4.24 While the proposed development can secure a number of significant and quantifiable economic benefits for Oldham Town Centre and the wider Oldham economy, the Prince’s Gate scheme can also help deliver some wider benefits. These are often less quantifiable in nature, but are sometimes referred to as wider or catalytic benefits that arise as a result of developments. For the Prince’s Gate scheme these would include:

- **A step change in the offer of Oldham Town Centre**: The proposed scheme will deliver a fundamental step change in the quality of the retail offer in Oldham Town Centre, with new modern units and a range of occupiers to meet a variety of shopping needs. The development also includes leisure, hotel and some small office space, as well as residential apartments in a Town Centre location. Combined with provision of enhancements in parking, particularly supporting the concept of the ‘park and ride’ alongside the tram infrastructure, the Prince’s Gate development will demonstrably change this gateway to Oldham, and play a key role in the wider vision and strategy for the regeneration of the Town Centre.

- **A boost to image, perceptions and market confidence**: The proposed investment at Prince’s Gate is a clear signal of intent by Oldham Council to positively shape the image and perceptions of Oldham Town Centre amongst existing residents and businesses, as well as send a positive signal to investors about Oldham as an investment location in Greater Manchester and the North West. The delivery of a regenerated gateway, including an improved public realm, to the Town Centre is an important signifier of change and has the potential to play a catalytic role in bringing forward other development sites in the immediate and wider area in the medium to longer term. Taken together with the other significant investment and regeneration projects on-going in the town, or in the pipeline, this is an important juncture in boosting perceptions and market confidence in Oldham.

- **Regeneration and economic development**: The proposed development scheme, along with the investment in Metrolink, will deliver a significant improvement in the environment of this area of Oldham Town Centre. The scheme can also play an important role in addressing local labour market issues. The surrounding area of the proposed development is one which is marked by higher than average levels of unemployment and deprivation amongst the resident population. Given the mix of employment opportunities that would arise, particularly retail employment opportunities, given the right support by local partners and collaboration with occupiers, there are opportunities to maximise local benefit and to support local people into employment.

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\(^ {27} \) Oldham Council, Town Centre Economic Benefit briefing note (Version 3, 16th December 2014)

\(^ {28} \) Based on the clarification from Amion regarding ‘FTE jobs’ and ‘Jobs’. To arrive at this total combined FTE jobs estimate we have added all of the gross operational FTE jobs outlined in the summary table of other Town Centre projects in the Oldham Council briefing note (Amion estimates) and then we have added our estimate for Prince’s Gate to this.
5. **Maximising Local Benefit**

5.1 As the earlier socio-economic context section demonstrated, some areas of Oldham have clear issues around unemployment, worklessness and deprivation. In particular, the proposed scheme is located in close proximity to neighbourhoods with higher than average levels of socio-economic need and disadvantage. The proposed scheme not only presents an important opportunity to regenerate the Town Centre and improve the quality of its retail and service offer, but also to ensure that the local benefits arising as a result of the development are maximised.

5.2 Local benefits can arise during both the construction and operational phases of the proposed scheme. In terms of the construction phase, Section 4 of the assessment outlined how the proposed scheme, through sub-contracting and local recruitment approaches, can deliver benefits to local contractors and trades people, as well as for those seeking construction related employment opportunities. In respect of the operational phase, and the 510 gross FTE jobs expected to be created as part of the proposed scheme, maximising local benefits can be best achieved through ensuring access to employment opportunities for local people.

5.3 The majority of jobs will be in retail roles (approximately 90%) at the proposed development. Analysis of ONS Census 2011 travel to work distance data shows that Oldham residents currently employed in the retail sector typically travel relatively short (local) distances for retail employment (around 55% of existing retail workers travel less than 5km, while nearly 75% travel less than 10km\(^2\)). Based on this data, we would expect that a significant proportion of the jobs arising at Prince’s Gate have the potential to be taken by Oldham residents. Allied to this is that residents would spend their employment income in the Oldham economy and across the Greater Manchester conurbation.

5.4 The Prince’s Gate development therefore has the opportunity to be a **key source of new local employment** once it has been developed and is fully occupied. While the creation of retail and leisure employment can sometimes be associated with negative perceptions around lower levels of pay and skills, it is important to highlight the value that this sort of employment can have for local communities.

5.5 Labour market evidence from a range of sources (including the ONS Annual Population Survey) highlights that in general, retail employees tend to live closer to their place of work than employees in other sectors. This reflects a range of factors, including the level of average skills levels required by retail occupations. An example of this is a study of a new John Lewis and Waitrose store in Ipswich which found that 90% of the 375 employees lived within Ipswich district. Analysis of ONS population Census data reveals in a typical region in the UK, almost 71% of retail sector employees live and work in the same district\(^3\). This compares to 66% across all employment sectors.

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\(^2\) ONS Census 2011, DC7606EWla - Distance travelled to work by industry for Oldham.

\(^3\) Census of Population. The average level of out-commuting for employees in the retail sector for 39 districts within a chosen region (the North West) in the UK was 29.3%.
There is great potential for the proposed development scheme to also provide employment opportunities that can be filled by currently unemployed local residents and also younger working age residents in the Borough. A survey conducted amongst employees of the Westfield Stratford development in East London indicated that over a quarter of employees at the centre were previously unemployed immediately before securing employment at the new site. Recent studies in the UK also give a strong insight into the type of work most frequently sought after by the unemployed, and in particular unemployed young people:

- Records from the UK’s Jobseekers Allowance monthly claimant count show that more than a third of all claimants aged 16-24 are seeking employment in sales occupations, 8% more than claimants of all ages.
- In 2012 an average of 32% of adults in the UK aged 16-24 and claiming unemployed related benefits were seeking work as sales and retail assistants, a substantial proportion of all claimants and higher than the percentage for claimants of all ages (23%). Similarly, 7% of all claimants aged 16-24 sought an occupation in the construction sector.

A report by Robertson and Fennel (2007) concluded that retail developments are major generators of employment providing positions which are filled primarily by local residents requiring flexible working arrangements and those from deprived locations. According to a national survey conducted in the UK, 31% of retail sector jobs belong to employees under the age of 25; this compares to 13% across all sectors in the economy. Similarly, in the leisure sector around 33% of workers have this age profile, and over half of all sport and leisure assistants are aged 16-24.

The accessibility of jobs to local people will also be aided by the fact that a range of employment opportunities will be created, suitable for residents across the skills spectrum. These would include a variety of management, selling assistant and specialist roles in retail, as well as a variety of roles across the proposed hotel and gym operations.

It is also important to note the flexible nature of the jobs created as part of the scheme. Due to the nature of employment opportunities across the entire development, a large number of jobs would be part-time in nature. Importantly, this will benefit a range of different local residents groups, such as lone parents, students and older residents looking for shorter or/and more flexible work patterns.

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31 WSC & Newham, Employment Survey Summary Report, October 2011
32 Estimates are sourced from the Job Centre Plus administrative system via NOMIS
33 Ibid.
34 The Economic Effects of Regional Shopping Centres (Robertson and Fennel, 2007)
35 ONS, UK Labour Force Survey, 2010
6. Assessment Conclusions

6.1 The proposed Prince’s Gateway mixed-use development scheme is a major investment in the Eastern Gateway of Oldham Town Centre. In tandem with the Metrolink investment, the scheme will play an important role in regenerating the Town Centre. This is through a significant uplift in Town Centre service provision and its public realm, the creation of a destination in its own right, and as a key contributor to the wider vision and masterplan for Oldham Town Centre.

6.2 The following section and Figure 6.1 provides a summary overview of the economic and wider benefits that the proposed development can deliver for Oldham, while a summary of the potential to maximise local benefit is also provided.

Economic Impacts

- **Construction Employment**: The proposed development will lead to temporary employment impacts during the construction phase. It is estimated that the scheme, over a 3.5 year build period, would support 195 FTE temporary construction jobs per annum. These are construction jobs which will be a mixture of both on-site roles, but also off-site pre-fabrication and supply chain employment through the various tiers of the supply chain.

- **Operational Employment**: The proposed development would support around 510 gross full-time equivalent (FTE) jobs, or around 680 actual jobs across a range of retail, leisure, office and hotel uses. Site A, which will include the Marks and Spencer anchor store, is the key generator of employment at the Prince’s Gate development. This site contributes three-quarters of all employment as part of the whole scheme (383 FTE jobs). Marks and Spencer is expected to support just under a fifth of all jobs at Site A (108 FTE jobs).

- **Gross Value Added (GVA)**: The Prince’s Gate development has the potential to deliver a GVA contribution of around £19m per annum once fully developed and occupied.

- **Total Annual Employment Income**: The total annual employment income supported as a result of the 510 FTE jobs would be approximately £9m per annum. Given that the majority of jobs will be in retail roles (90%), and that Oldham residents currently employed in this sector typically travel relatively short (local) distances for retail employment, we expect that a significant proportion of jobs at Prince’s Gate will be taken by Oldham residents, with the associated employment income being spent in the Oldham economy and across the Greater Manchester conurbation.

- **Total new apartments, residents and retained local expenditure**: The 102 new apartments would accommodate around 160 residents in Oldham Town Centre. This is beneficial in both meeting housing need within Oldham, particularly for key workers, as well as contributing to the vibrancy and vitality of the Town Centre. The level of retained household expenditure in Oldham arising from these households is estimated to be around £600,000 per annum.
Wider Benefits

- **Significant new employment across the Town Centre**: The other proposed developments being brought forward in Oldham Town Centre will support approximately 750 gross FTE jobs. Adding in the employment impact of the Prince’s Gate scheme (c.510 FTE jobs), the total gross employment impact for Oldham would be approximately 1,260 gross FTE jobs once all sites have been developed and occupied. The proposed Prince’s Gate development scheme would contribute approximately 40% of all gross FTE jobs as part of the Town Centre’s redevelopment.

- **A step change in the offer of Oldham Town Centre**: The proposed scheme will deliver a fundamental step change in the quality of the retail offer in Oldham Town Centre, as well as provision of leisure, hotel and some office floor space, and residential units. The Prince’s Gate development will demonstrably change this gateway to Oldham and play a key role in the wider vision and strategy for the regeneration of the Town Centre.

- **A boost to image, perceptions and market confidence**: The delivery of a regenerated gateway to the town, including an improved public realm alongside the Metrolink expansion, is an important signifier of change for Oldham. It has the potential to play a catalytic role in bringing forward other development sites in the local area and alongside other projects on-going in the town, or in the pipeline, this is an important juncture in boosting perceptions and market confidence in Oldham.

- **Regeneration and economic development**: The surrounding area of the proposed development is one which is marked by higher than average levels of unemployment and deprivation amongst the resident population. Given the mix of employment opportunities that would arise, particularly retail employment opportunities, given the right support by local partners and collaboration with occupiers, there are opportunities to maximise local benefit and to support local people into employment.

**Figure 6.1 Summary Economic Impacts and Wider Benefits**

195 Construction Jobs per annum

102 Apartments

510 Gross FTE Jobs

160 Residents

£19m GVA per annum

£600,000 retained expenditure per annum

£9m of Employment Income per annum

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**Wider Benefits**

- A step change in the offer of Oldham Town Centre
- A boost to image, perceptions and market confidence
- A boost to regeneration and economic development

Source: Regeneris Consulting
Maximising Local Benefit

6.3 Some areas of Oldham have clear issues around unemployment, worklessness and deprivation. In particular, the proposed scheme is located in close proximity to neighbourhoods with higher than average levels of socio-economic need and disadvantage. The proposed scheme not only presents an important opportunity to regenerate the Town Centre and improve the quality of its retail and service offer, but also to ensure that the local benefits arising as a result of the development are maximised.

6.4 Local benefits can arise during both the construction and operational phases of the proposed scheme. In respect of the operational phase, and the 510 gross FTE jobs expected to be created as part of the proposed scheme, maximising local benefits can be best achieved through ensuring access to employment opportunities for local people. The majority of jobs in the scheme will be retail roles (c.90%). The scheme can therefore offer a range of benefits for local people, which include:

- predominantly a key source of local employment given the short distances travelled for retail roles (55% of existing Oldham residents working in retail travel less than 5km to work)
- opportunities for unemployed residents to return to work and employment opportunities for younger working age residents, many of who have struggled to enter the labour market during the recession (around a third of 16-24 year olds in the UK claiming JSA sought sales and retail roles)
- opportunities for residents across a broad skills spectrum, including management, supervisory and sales assistant roles
- provide flexible employment opportunities which can often be suitable to a wide range of groups including lone parents, students and older residents looking for shorter or/and more flexible work patterns.

Figure 6.2 Index of Multiple Deprivation Map

Source: ONS, Index of Multiple Deprivation, 2010