

**The Employment Land Requirement: Derivation and Alternative Prediction Methods.**

1. The final Employment Land Review (CD329) in line with guidance looked at a range of methods to get our employment land 'need' figure.
  - The first method was a quantitative analysis of the Greater Manchester Forecasting Model (GMFM) (converting projected job numbers at 2026 into floorspace and floorspace into hectares using plot ratios, densities and vacancy rates) (CD329, pages 42 – 52).
2. In April 2006, the Association of Greater Manchester Authorities (AGMA) agreed to adopt a single economic, population and household forecasting model within Greater Manchester. The GMFM is produced by Oxford Economics and is based on a series of assumptions. These are based upon nationally validated datasets and observed relationships between different variables.
3. The council extracted from the GMFM the employee projections for 2026 in the sectors of B1, B2 & B8.
4. The council then applied employment densities to these floorspace figures based on advice within 'English Partnership' Employment Densities: A Full Guide' (B1 19sqm, B2 34sqm and B8 50sqm).
5. The council next applied an assumed vacancy rate (5% B1 & 10% B2 and B8). This was based on ideal vacancy rates that had been applied in regional and sub regional reports.
6. Plot ratios were then factored in to these figures. The council assumed a standard ratio of 40%. This assumes that a building occupies 40% of a plot. This was in line with regional and sub regional reports.
7. Those floorspace projections were then converted into hectares.
8. The results of this method were (depending on what scenario was used) that Oldham could reduce the amount of employment land by between 34 – 52 hectares.
  - The second method was looking at Commercial and Industrial Floorspace and Rateable Value Statistics (CD329, pages 54 – 56).
9. ONS collected data on the amount of office, industrial and warehouse floorspace in Oldham from 1998 to 2008. The council took the average of each of these and projected them forward to 2026. ONS already applies vacancy rates to their figures so this did not need to be applied, but the council did apply the 40% plot ratio to the floorspace figures and convert them to hectares.
10. The result of this method was that Oldham could reduce the amount of employment land by 101 hectares.
  - The third method was to project forward to 2026 our average Historic Take Up Rates (also know as 'predict and provide' method) (CD329, pages 56 – 59).
11. Oldham's average take up rate of 8.8 hectares per year was projected forward to 2026. This method gave the need for 150 hectares of employment land up to 2026.

- The fourth method was using the forecasted Labour Supply (translating the predicted local labour supply for 2026 into land using the same method used in using the GMFM) (CD329, pages 61 – 62).

12. This method was recommended as a method in the GM Employment Land Position Statement (CD233) and was carried out for the council by the Commission for the New Economy. Using population and figures relating to the economically active population from the GMFM they forecasted the numbers of people who would be working within B1, B2 and B8 sectors in 2026. The council then applied the employment densities, vacancy rates and plot ratios as mentioned previously to obtain a floorspace figure which was then converted into hectares.

13. The result of this method was that Oldham could reduce the amount of employment land by 28.7 hectares.

14. The results of all the methods used in the final and the draft Employment Land Reviews can be found in CD329, table 24, page 64 of the final Employment Land Review.

### **Preferred Method**

15. To reach our final employment land figure the council decided to use a method similar to the one used by 4NW to get their employment land figures in RSS (moderating historic take up rates using a forecasting model) (CD329, Pages 64 -68).

16. The average annual historic take up rate of 8.8 hectares was projected forward to 2026 = 150 hectares.

17. The figure next needed to be moderated. 4NW used modelled growth to do this but the council used GMFM predicted 'employment change' figures as it is the agreed forecasting tool of AGMA. Oxford Economics advised using the reference 2009 scenario.

18. The reference scenario 2009 showed a decrease in B1/B2/B8 employment up to 2026 of 16% (CD329, table 10, page 49).

19. The historic take up rate of 150 hectares was then reduced by 16% to give a figure of 126 hectares.

20. It was then felt that this figure needed to be refined further to take account of the known restructuring of Oldham's economy. Earlier the Employment Land Review (CD329, paragraph 8.64) had outlined the number of mill losses from employment uses to other uses such as residential and retail. It concluded that on average Oldham was losing 2.6 hectares a year to other uses. As the majority of scenarios looked at in the Employment Land Review were predicting the continued decline of the manufacturing industry it was justified that pattern of industrial space being lost to other uses may continue and should be factored into Oldham's employment land figure. The 2.6 hectares was projected forward to 2026 to give a figure of 44.2 hectares. This was then subtracted from the 126 hectares.

21. So:  $126 - 44.2 = 81.8$  hectares.

**22. So the council started with 150 hectares, refined it to 126 hectares by applying the GMFM employment change up to 2026 and further refined it to 81.8 or approximately 82 hectares by factoring in the known employment land losses in the borough. This 'approximately 82 hectares' is the employment land 'need' the council have included within the Joint DPD.**