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**MEETING:** EXECUTIVE

**DATE:** 10 JANUARY 2007

**SUBJECT:** BURY EMPLOYMENT OPPORTUNITIES STUDY

**REPORT FROM:** EXECUTIVE MEMBER FOR ENVIRONMENT AND  
TRANSPORT

**CONTACT OFFICER:** PAUL ALLEN – PLANNING POLICY MANAGER

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**TYPE OF DECISION:** EXECUTIVE - KEY DECISION

**FREEDOM OF INFORMATION/  
STATUS:** For publication (This paper is within the public domain)

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**SUMMARY:**

The Council has commissioned King Sturge to undertake an Employment Opportunities Study (EOS) for Bury in order to guide the Council's approach towards economic development and economic planning policy in the Bury Local Development Framework. This Study was finalised in December 2006.

The Bury Employment Opportunities Study (EOS) reviews the state of the local economy, reviews appropriate planning policy and assesses the local property market and the availability of employment land and premises in the Borough, in both quantitative and qualitative terms. Against this background, the EOS recommends changes to planning policy to ensure that there is a supply of quality employment land and premises that are genuinely available to meet the needs of the market and to enable the Borough's economy to continue to grow. In addition, the EOS recommends an approach towards dealing with proposals for the redevelopment of existing employment land and premises for other uses, including the use of planning obligations (Section 106 Agreements) to secure compensation for the loss of such employment opportunities that will be used to bring forward employment sites

elsewhere in the Borough.

This report sets out the main findings and recommendations of the EOS and seeks approval from the Executive Committee for the Study to form a material planning consideration in the assessment of planning applications until such a time as planning policies are revised through the Local Development Framework process. In addition, approval is sought for the bringing forward of recommendations relating to the suggested approach towards proposals involving the loss of existing employment land and premises and for these recommendations to be built into a Supplementary Planning Document prior to the adoption of the LDF.

Separate reports to Executive will be prepared in relation to the SPD as will a complementary document setting out a framework detailing how, and for what purposes, any monies will be utilised.

**A copy of the full Bury Employment Opportunities Study is available at the Members' Information Point.**

## **OPTIONS AND RECOMMENDED OPTION:**

### **Option 1 – Recommended Option**

Members are recommended to:

1. Note the content of the Bury Employment Opportunities Study and approve it as a basis for informing the preparation of policies and proposals in the Local Development Framework (LDF) and as a material planning consideration in the determination of planning applications involving employment land and premises until such time as the LDF is adopted.
2. Approve the bringing forward of recommendations relating to the suggested approach towards proposals involving the loss of existing employment land and premises and for these recommendations to be built into a Supplementary Planning Document prior to the adoption of the LDF.
3. Agree that the report go to Planning Control Committee for the information of Members in considering current and future planning applications.

### **Option 2**

That Members decide not to accept the Employment Opportunities Study or indicate that they wish to seek revisions to the Study ahead of acceptance. Members to give details of any revisions sought together with reasons.

### **Reasons**

To ensure that the most up to date advice and planning guidance on planning for economic development in Bury is taken into account in assessing planning applications and to prevent negative local economic impacts arising from the loss of employment sites to other uses.

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## **IMPLICATIONS -**

**Corporate Aims/Policy Framework:**

Do the proposals accord with the Policy Framework? Yes  No

Taking account of the findings and recommendations in the Employment Opportunities Study will play a role in the achievement of the Council Priorities of:

- Strengthened communities;
- Improving town centres and neighbourhoods; and
- Promoting healthier living

**Financial Implications and Risk Considerations**

See paragraph 3.1 for the risk implications associated with the matters included in this report.

**Statement by Director of Finance and E-Government:**

The Employment Opportunities Study was funded from the revenue budget and there are no other financial costs arising directly from the approval of the study as a material planning consideration. Further work to prepare the supplementary planning documents for inclusion in the LDF is anticipated to be undertaken by existing staff resources. As outlined in the report the Authority's financial resources to directly support development of land for future employment uses is restricted; however the proposed establishment of the Employment Creation Fund from s106 agreements would allow some works to be undertaken, subject to reports on individual proposed schemes being approved.

**Equality/Diversity implications**

Yes  No  (see paragraph below)

**Considered by Monitoring Officer:** Yes

Are there any legal implications? Yes  No  (see paragraph)  
This is an evolving form of policy adopted by several Councils to date. A similar policy has been approved at another Council's UDP Public Inquiry and adopted by them. There is no specific planning policy guidance on the setting up of Employment Funds. However the proposal can be construed as complying with general planning guidance.

**Staffing/ICT/Property:**

Possible implications with regard to business, general industrial and warehousing property.

**Wards Affected:**

All

**TRACKING/PROCESS****EXECUTIVE DIRECTOR: ENVIRONMENT & DEVELOPMENT SERVICES**

Chief Executive/ Management Board	Executive Member/ Chair	Ward Members	Partners
Scrutiny Commission	Executive	Committee	Council
	10.01.07		

**1.0 BACKGROUND**

- 1.1 The Council commissioned King Sturge to undertake an Employment Opportunities Study for Bury in order to guide the Council's approach towards economic development and economic planning policy in the Bury Local Development Framework. This Study was finalised in December 2006.
- 1.2 One of the fundamental reasons behind commissioning the Study was to explore various options available to the Council in order to deal with significant pressures to redevelop Bury's employment land for higher value uses, such as residential. There is a real concern that the continuing loss of employment sites will endanger the local economy.
- 1.3 However, since commissioning the Study, Members will be aware that, given the current over-supply of housing in the Borough and in light of national and regional policy, the Council are currently operating a 'housing restrictions policy' whereby applications for residential development are not being permitted unless they meet specified exceptions. At present, therefore, the current restrictions are relieving overall pressure on employment land although in areas that are exempt from the restrictions, such as identified regeneration areas, these pressures persist. It is anticipated that if the current housing restrictions are lifted or relaxed in the future, pressures to redevelop employment sites throughout the Borough could return.

**2.0 ISSUES**

- 2.1 The Bury Employment Opportunities Study (EOS) analyses the state of the local economy, reviews appropriate planning policy and assesses the local property market, including the availability of employment land and premises in the Borough, in both quantitative and qualitative terms. Against this background information, the EOS recommends changes to planning policy to ensure that there is a supply of quality employment land and premises that are genuinely available to meet the needs of the market and to enable the Borough's economy to continue to grow. In doing so, the EOS has identified a number of issues and findings as outlined below:

## **Review of the Local Economy**

- 2.2 Given Bury's relatively low rate of unemployment, the local economy looks to be reasonable healthy. However, this masks the fact that Bury has an over-reliance on the declining manufacturing sector, has the highest levels of out-commuting in Greater Manchester and generally accommodates low waged, low skilled jobs. Those with higher skills commute to the better paying jobs outside the Borough, mainly in Manchester City Centre. To start to address this situation it is imperative that the Borough not only creates and attracts better quality and better paying jobs, but that positive action is taken to improve the skills levels of the workforce to enable local people to access the improved jobs which are created. This is important if the economy is to be diversified and modernised and the Borough as a whole is to benefit.
- 2.3 An analysis of the main growth and target sectors in the North West economy shows that Bury does have the characteristics to attract a number of these sectors, including the digital and creative industries, finance and professional services, healthcare, biotechnology and public sector offices. The key to attracting firms in such sectors is through easy access to genuinely available and attractive sites and premises.
- 2.4 Bury is at a significant disadvantage to its neighbouring boroughs in having limited access to grant funding. This impacts on Bury in two ways: firstly it restricts the ability of the Council to attract and retain employers and secondly it restricts the amount of funding that is available to assist in making sites and premises available and attractive to the market.
- 2.5 In addition, given that Bury's urban area is tightly enveloped by the Green Belt, the Council is not in a position whereby it can allocate large, greenfield sites. As such, the focus for future economic development needs to be confined to the existing urban area.

## **Planning Policy Review**

- 2.6 Planning policy at national and regional levels highlights the important role that the planning system can play in ensuring the delivery of a successful, competitive and diverse economy. Local authorities are encouraged to make provision for a range of readily developable employment sites that provide for choice, flexibility and competition.
- 2.7 However, Government guidance with regard to housing advises that employment allocations and redundant employment sites that are no longer needed should be considered favourably for other uses, particularly for housing, subject to other criteria. This, together with the decline in the manufacturing sector and the popularity of the Borough as a place to live, has led to significant pressures to redevelop employment sites for housing.
- 2.8 In addition, the draft Regional Spatial Strategy (RSS) seeks to increase the amount of residential development in the Borough over the period to 2021. This may potentially increase the pressure on employment land for change of use to residential in future.

## Employment Land and Premises

- 2.9 Bury's Employment Land Availability Schedule (April 2005) shows that the Borough has 53.5 hectares of employment land located on 45 sites. However, when these sites were analysed in detail, it was found that 64% of the land was constrained or not available for reasons of ownership, access or other difficulties. As a result only 19.1 hectares of land is considered to be free from constraints and immediately available for development.
- 2.10 The geographic distribution of this land is skewed to the Bury and Radcliffe areas with no immediately available sites in other areas of the Borough. The size distribution of the available sites is also less than ideal with only 8 of the available 23 sites above 0.4 of a hectare in size, with the majority of sites less than 0.2 hectares.
- 2.11 In the five years leading up to April 2005, the Borough had an average annual take up rate of employment land of 5.1 hectares. On this basis Bury has a supply of only 3.7 years of immediately available land and, as set out above, this is not well distributed throughout the Borough and is on predominantly small sites. This lack of supply will restrict Bury's ability to diversify and modernise its economy.
- 2.12 Turning to employment premises, there is a good demand in Bury for employment premises, both office and industrial, across a number of size ranges and for both new and second hand premises.
- 2.13 In relation to offices demand is predominantly for small units in the 185 sq m to 557 sq m range, mainly for freehold tenure.
- 2.14 In relation to industrial premises the quality of existing second hand industrial floor space in Bury is relatively poor. However, industrial developers are still interested in acquiring large single storey premises for "breaking up" into smaller units for letting purposes. As in offices there is also strong demand for small freehold units of between 279 sq m to 1,394 sq m, although the construction of this type of unit on brownfield sites can be marginal and may require assistance either through cross subsidy as part of a mixed use scheme or from scarce public sector support. There is also a demand from companies who wish to build their own premises. However, a shortage of available sites is restricting this market.
- 2.15 Local agents report that while there is a healthy demand for both office and industrial accommodation, there is a shortage of land and premises to accommodate this demand.
- 2.16 The EOS concludes that the current rate of take up of employment land can not be sustained into the future. This is explained by a large amount of the identified employment land being constrained for one reason or another. To provide a suitable forward supply of land to match projected take up will require a stronger promotion of identified allocated land, the identification of mixed use or opportunity sites particularly close to or on the edge of town centres and external intervention to remove constraints and unlock suitable sites for development.

2.17 To address these issues and to give a more focused approach toward inward investment the EOS recommends that the Local Development Framework incorporates a hierarchy of sites:

- § Primary Employment Areas;
- § Employment Development Areas; and
- § Other Employment Land and Premises.

2.18 The EOS identifies Bury Ground, Townside Fields, Pilsworth and Dumers Lane as being the Primary Employment Areas in the Borough and it is these that should be the main focus for significant new economic development. It is considered that there is little requirement, in quantitative terms, to allocate new employment land beyond the existing amount of identified sites but that stronger action needs to be taken to ensure that constrained land is brought forward for development.

### **Recommended Approach to Proposals Involving the Loss of Employment Land and Premises**

2.19 A sequential approach to the proposed redevelopment of employment sites for alternative uses is recommended. It is recognised that employment land is a finite resource and once it is lost, it is lost for good. Although the redevelopment of a site for employment use may not be viable at a particular time, the economics of development may change over time and its redevelopment for employment uses may become a viable proposition in future. Where an employment site is considered, in land use terms, to be appropriate for such use, the EOS proposes that the Council should, in the first instance, seek to retain it in employment use.

2.20 However, if the redevelopment of existing employment sites/buildings could be proven to be unviable, it may then be appropriate to explore the prospect of a mixed use development which incorporates an element of higher value use to cross-subsidise the partial redevelopment of the site for employment uses.

2.21 Where the constraints on a site are of a scale that even allowing higher value uses on part of the site will not enable the delivery of employment uses, the EOS recommends that the Council should consider alternative uses (subject to other policies) on condition that the developer provides financial compensation for the economic harm resulting from the loss of the site to housing or another higher value use. This compensation would be secured via a Section 106 Agreement and held in an "Employment Creation Fund" that is set up and managed by the Council. Contributions to this fund should then be used to bring forward employment opportunities to compensate for that which is lost. In particular, the EOS recommends that the 'Employment Creation Fund' be used to:

- § Assist with the purchase of, assembly, clean up, accessing and servicing of other employment land in the locality;
- § Assist in the construction of incubator units, managed workspace and workshops of small and medium sized businesses;
- § Assist developers, up to State Aid ceilings to deliver incubator units, managed workspace and workshops for small and medium sized businesses;

- § Provide grants to enable businesses to carry out essential improvements to their buildings; and
- § Fund environmental improvements within employment areas and make them more attractive for development.

- 2.22 In determining the amount of compensation that should be sought, the EOS recommends an approach that reflects the notional gross employment land value for the site. By using the employment land value as the basis for determining the level of compensation required it is considered to present a truer picture of the “value” of the resource being lost. This is a requirement of relevant planning guidance, contained in Circular 05/2005 that relates to planning obligations.
- 2.23 In addition, employing a gross employment land value approach has the advantage of simplicity both in terms of understanding and use.
- 2.24 It is emphasised in the EOS that where an employment site is no longer appropriate in land use terms for employment use, then the site could be said to hold no “value” and therefore it would be inappropriate to require compensation.
- 2.25 The genuine availability of a wide range of land and premises in terms of quality, size and location is a fundamental component in attracting new inward investment and in enabling the growth and sustainability of indigenous business. The implementation of the policy recommendations set out in the EOS will ensure that the availability of appropriate land and premises does not hold back the economic development of the Borough.
- 2.26 The general aims of this approach are consistent with the current Unitary Development Plan Strategy and policies concerning the provision of a suitable supply of employment land and those relating to the protection of existing employment land and premises, where appropriate. As such, it is the intention to prepare a Supplementary Planning Document (SPD) that supplements these policies and provides more detailed guidance on the way in which this approach will be implemented.
- 2.27 Separate reports to Executive will be prepared in relation to the SPD as will a complementary document setting out a framework detailing how, and for what purposes, any monies will be utilised.

### **3.0 RISK MANAGEMENT**

- 3.1 The implementation of recommendations within the Employment Opportunities Study is not considered to carry any associated risks although the main risk of not adopting the study as a material planning consideration is that insufficient land would be available to encourage businesses to relocate to the Borough, affecting the achievement of the Council’s ambition to provide quality jobs for Bury people.

### **4.0 EQUALITY AND DIVERSITY**

- 4.1 An initial screening has been undertaken and the findings are summarised below:



**Purpose:**

To ensure the delivery of a modern, diverse, sustainable and competitive local economy by improving the quality and availability of the Borough's 'portfolio' of employment land and premises in order to attract better quality and better paid employment opportunities.

**Desired Outcomes:**

To improve the quality and availability of the Borough's 'portfolio' of employment land and premises in order to attract better quality and better paid employment opportunities.

**Beneficiaries:**

The desired outcomes would benefit new and indigenous businesses and the provision of better quality and better paid employment opportunities will be of benefit to local residents.

**Stakeholders:**

In addition to the Council, the main stakeholders involved in the implementation of the Study's recommendations are developers, land owners, businesses, planning and development consultants, infrastructure providers, interest groups and representative bodies

**Impact:**

	+ Impact	- Impact	Neutral Impact	Reason for Impact	Details of People Impacted	Evidence
Race			X	There is no likely impact on any particular social group	n/a	The approaches in the study would make no differentiation between particular social groups
Religion/Belief			X			
Disability			X			
Gender			X			
Age			X			
Sexual Orientation			X			
Caring Responsibilities			X			

**Affected Groups:**

None.

**EIA Contact Officer:**

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**5.0 CONSULTATIONS**

- 5.1 During the preparation of the Employment Opportunities Study, the Council has sought on-going independent legal advice in relation to issues involved in the proposed approach towards the loss of existing employment land and premises to alternative uses.

## 6.0 CONCLUSION

- 6.1 This report has drawn Members' attention to the Bury Employment Opportunities Study that has been commissioned to inform the Council's future approach towards economic development and economic planning policy.
- 6.2 The Study includes an analysis of Bury's local economy, a review of current planning policy, an assessment of the current supply of employment land and premises and provides recommendations with regard to the various options available to the Council in handling pressures to redevelop existing employment land and premises in the Borough for higher value uses, such as residential.
- 6.3 Members are requested to approve the Employment Opportunities Study as a basis for informing the preparation of policies and proposals in the Local Development Framework (LDF) and as a material planning consideration in the determination of planning applications involving employment land and premises until such time as the LDF is adopted. In addition, approval is sought to bring forward recommendations relating to the suggested approach towards dealing with proposals involving the loss of existing employment land and premises and for these recommendations to be built into a Supplementary Planning Document prior to the adoption of the LDF.

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### List of Background Papers:

Bury Employment Opportunities Study (December 2006)

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