

Panel Question (i)

Is there a sound evidence base for the employment land provisions set out in Tables 8.2 and 8.3?

1.1 The figures set out in Table 8.2 and 8.3 combine data on existing employment land and take-up rates and the economic scenarios used to inform the review of the Regional Economic Strategy. Information regarding the scenarios is set out in Briefing Paper 3. For the purposes of the figures in Table 8.2 it has been assumed that in the period 2015 – 2025 there have been equal year on year changes¹.

1.2 Data on the amount of existing employment land and current average annual take up rates were provided by Local Authorities for the Regional Employment Land Study². Details of this process were outlined at the employment land seminar. Whilst every effort was made to ensure that the figures were consistent and accurate, the variation in monitoring systems across the region may have resulted in discrepancies in the data (e.g. annual average take up rates are not all calculated over the same time period).

1.3 The methodology³ used to generate employment land figures from the economic scenarios follows the guidance published by ODPM in December 2004⁴. This methodology produced net employment land figures (therefore including the loss of existing employment land to other land uses). In determining which scenario to use the scenario giving the highest employment figure has been used for each sub-region, following advice from the NWDA⁵.

1.4 Quantifying sub-regional employment land figures uses a combined approach which considers historic take-up rates and potential increases in GVA growth per annum. The assumption made in this approach is clearly stated and is set out in the Technical Appendix⁶. Concerns about the use of historic take-up rates are acknowledged although the Assembly would contend that the approach does not rely solely on past take-up rates. In contrast the use of scenarios can only generate net employment land figures (as noted above), which cannot be used to quantify the amount of land required. The figures generated from the scenarios are set out in Table 8.3 as a guide to the changing trends for B1, B2 and B8 land. The Assembly acknowledge that the relationship between Tables 8.2 and 8.3 as currently set out is not clear and may need further explanation.

1.5 The Assembly acknowledge that sub-regions have generated their own economic scenarios which differ from those generated for the review of the RES (see Briefing Paper 3)⁷. However achieving a step change in the economic performance of the region will require a Regional Economic Strategy and a Regional Spatial Strategy which are mutually supportive, particularly in the relationship between economic growth aspirations and the supply and distribution of resources (Matter 1C).

¹ The North West Plan: Submitted Draft Regional Spatial Strategy for the North West of England – Technical Appendix, January 2006, NWRA, Paragraph 3.163

² Regional Employment Land Study prepared by Arup for North West Regional Assembly, 2005

³ A detailed explanation of this methodology was given at the Employment Land seminar

⁴ Employment Land Reviews: Guidance Note, ODPM, December 2004 (**ECO12**)

⁵ Letter from NWDA dated 21st March 2005 see The North West Plan: Submitted Draft Regional Spatial Strategy for the North West of England – Technical Appendix, January 2006, NWRA, Annex 3.1

⁶ The North West Plan: Submitted Draft Regional Spatial Strategy for the North West of England – Technical Appendix, January 2006, NWRA, Paragraph 3.164

⁷ The economic scenarios prepared for the review of the RES are the only scenarios which have been undertaken on a consistent basis across the region.

Panel Question (ii)

Should the draft RSS set out employment land provision at a district level as well as the sub-regional level?

2.1 The rationale behind the approach adopted in draft RSS, including an exploration of alternative methodologies that could be used to distribute employment land by district, is set out in Briefing Paper 7.

The Statement in respect of questions 3A (iii), (iv) and (v) is a joint statement by the North West Regional Assembly and the Northwest Regional Development Agency

Panel Question (iii)

On what basis have the broad locations for regionally significant economic development in Table 8.1 been selected and are the locations sustainable? Do they reflect the spatial framework and the sub-regional policy framework in the draft RSS. How do they reflect and reinforce the spatial distribution of economic growth, regeneration priorities, and the broad housing locations, and what are the transport implications? (Note – for the avoidance of doubt the Parkside Colliery proposal falls within this policy)

3.1 The broad locations reflect the spatial framework set out in the key diagram on page 9 of the Draft RSS and the Main Development Locations identified in Policy RDF1. This includes their relationship with the regional centres, regional towns and cities, main airports, concentrations of research and development (such as Universities), transport corridors, and the strategic regional sites identified in the RES⁸. The detailed rationale is set out in the Technical Appendix⁹. The Technical Appendix also importantly considers the relationship with strategic regional sites identified in the RES¹⁰.

3.2 Policy W2 provides the strategic policy context for regionally significant economic development. The consideration of specific sites is properly a matter for LDFs and the planning process as a whole (including where relevant public inquiries). It is at such stages that issues such as transport impact, environmental impact and flood risk can be properly assessed and considered. It would be expected that any site proposed within the broad locations identified would be considered against other criteria set out in the Draft RSS, as set out in paragraph 1.3 of the draft RSS.

3.3 The Assembly and NWDA believe that this is the correct approach for the Regional Spatial Strategy, and one which reflects the guidance set out in Planning Policy Statement 11¹¹. Identifying broad locations gives flexibility at the local level to

⁸ For background on the latter, see Strategic Regional Sites: Evidence Base and Emerging Issues, January 2005, NWDA

⁹ Submitted Draft Regional Spatial Strategy for the North West of England – Technical Appendix, January 2006, NWRA, Paragraph 3.65 – 3.136

¹⁰ Annex 1 is a joint statement prepared by NWDA and NWRA which considers the relationships between strategic regional sites and broad locations

¹¹ Planning Policy Statement Note 11: Regional Planning, ODPM, September 2004, paragraph 1.17 (PP11)

determine the most appropriate site, taking into account the issues identified above, and within the policy context set out in the rest of the Draft RSS.

3.4 In response to the formal consultation on draft RSS we are aware that a number of respondents have suggested that the broad location described as “South West Chester” in Table 8.1 is too prescriptive and should be further broadened out to “Chester” in order to reflect its unique role within the region in attracting high level service sector investment in corporate headquarters and business services. Such a revision is supported by the evidence provided by the Northwest Development Agency (RESP 498) in its response to Matter 8A, as well as the independent consultant’s recommendations set out in the West Cheshire and North East Wales Sub Regional Strategy. We would therefore have no objection to this revision should the panel consider it appropriate.

Panel Question (iv)

Are the land designations in W2 focused enough in terms of use, or will they allow for significant B1 office development, which could undermine more sustainable town/city centre locations?

4.1 Policy W2 identifies the broad locations for regionally significant economic development. This approach is consistent with the advice set out in PPS 11. PPS11 (paragraph 1.16) specifically says that the EiP process is not suitable for the hearing of site specific representations and advises that the development plan document is the appropriate place to consider site allocations.

4.2 We consider that the Local Development Framework is also the appropriate place to consider the focus of uses on any site allocations for regional investment sites, knowledge nuclei sites, inter modal freight terminals and reserve sites.

4.3 We acknowledge that there will need to be some office development related to the development of sites within the broad locations identified in Policy W2. However the principle of locating office development in accessible locations is clearly established in national policy¹². In addition policy DP1 of draft RSS sets out the need for development to be located in locations which are genuinely accessible by public transport, walking and cycling. We therefore do not consider that there is any need to provide further focus in policy W2.

Panel Question (v)

Is there sufficient clarity regarding the types and scale of development, which will be permitted on reserve sites? Do current trends in inward investment support the retention of reserve sites for “large scale manufacturing”?

5.1 The UK is the top European location for inward investment. Foreign companies invested a net £30.7 billion in the UK in 2004, which was an increase of £20.4 billion (199%) over the previous year.¹³ Foreign Direct Investment alone accounts for around one sixth of the North West’s GVA and approximately one in nine jobs.¹⁴

¹² PPS6: Planning for Town Centres (**PP6**) and PPG13: Transport (**PP13**)

¹³ Business Monitor MA4: Foreign Direct Investment 2004, Office for National Statistics, January 2006 (page 83)

¹⁴ Inward Investment in the North West: Player or Pretender? DTZ Piedad Consulting, June 2005 (page 3)

5.2 In 2005/06 a record 1,220 inward investment projects (not necessarily overseas investment) were reported in the UK, over 40% of which were new projects. These have created or safeguarded approximately 90,000 jobs nationally (Appendix 1).

5.3 Within the North West 112 projects were reported (third highest regional total after London and South East), of which approximately 34% have been recorded as broadly falling within manufacturing SICs (Appendix 2). Inward investment in manufacturing is a very important element in the North West economy, especially in terms of generating GVA and employment. Appendix 2 illustrates the continuing importance of manufacturing inward investment as a source of jobs.

5.4 The North West Economic Baseline Report notes that the North West has more employment in manufacturing and a higher GVA per manufacturing employee when compared to the England average. It also acknowledges that major manufacturing investments into the UK are relatively few in number. However, they are potentially very significant sources of employment and particularly GVA.¹⁵ The report advises that the region should continue to make some provision for this type of investment.¹⁶

5.5 It is prudent for the RSS to make provision for a range of sites to accommodate future opportunities for all investment, including large scale new manufacturing projects that require a very large site.

5.6 Within the last three years there have been two new large scale manufacturing projects, Quinn Glass and arvato AG, which have been located within the North West on very large sites. The most recent of these, arvato AG, required a 46,500m² building on a 20.2 hectare site, with an option for an additional 10.1 hectares. A search of the region revealed that only one site was available that met the requirements of the investor. Consequently it will be extremely difficult to cater for the next similar inquiry.¹⁷

5.7 Government wishes to ensure the UK is a location of choice for many more high value-added international businesses.¹⁸ The potential for positive planning policies in the UK to encourage inflows of foreign investment has been highlighted in the Interim Analysis of the Barker Review of Land Use Planning.¹⁹

5.8 We consider it important that the draft RSS identifies reserve sites to accommodate inward investment, from both overseas and indigenous firms, that would otherwise be lost to the region. However, the type and scale of development to be permitted on these sites is a matter that is more appropriately addressed within the relevant LDF.

5.9 Policy W2 of the draft RSS should recognise that reserve sites would be a limited and regionally significant resource, which would clearly need to be strictly protected from inappropriate development. It is vital that where reserve sites are identified a proper planning framework is developed within the relevant LDF to ensure that the site is not developed for inappropriate uses. We are aware that such frameworks

¹⁵ North West Economic Baseline: Final Full Report, Regeneris Consulting, July 2005 (pages 43 & 114) **(ECO15)**

¹⁶ North West Economic Baseline: Final Full Report, Regeneris Consulting, July 2005 (page 21) **(ECO15)**

¹⁷ Strategic Regional Sites: Evidence Base and Emerging Issues, Northwest Regional Development Agency, January 2005 (page 14)

¹⁸ UK Inward Investment 2005/2006, UK Trade & Investment, July 2006 (page 3-4)

¹⁹ Barker Review of Land Use Planning: Interim Report – Analysis, Kate Barker, July 2006 (page 79) **(GEN19)**

have been developed; for example an effective planning framework applies to the Davenport Green site in Trafford. This may benefit from further clarification in the supporting text.

Number of Inward Investment Projects and Jobs Created/Safeguarded 2002-2006.

Region	Projects				Number of Jobs [♦]			
	2002/3	2003/4	2004/5	2005/6	2002/3	2003/4	2004/5	2005/6
East Midlands	32	30	68	74	3189	2426	3644	4546
East of England	42	56	37	92	1545	1192	4134	4525
London	155	170	280	323	2818	4163	4583	6752
North East	62	61	58	63	6751	6135	7986	5775
North West	59	63	92	112	9758	12711	7966	6803
Northern Ireland	11	26	36	23	2627	3063	6346	4079
Scotland	49	74	68	60	5323	4613	6511	2915
South East	118	134	178	223	4633	3828	11456	6343
South West	33	39	38	61	1488	3670	8108	3925
UK Wide	1	5	2	2	601	100	930	24200
Wales	60	67	56	51	7779	8131	3854	5204
West Midlands	52	61	69	82	4524	7037	6227	10300
Yorkshire & Humber	35	25	54	54	3275	2148	3298	4499
Total	709	811	1066	1220	54311	59217	75043	89866

(Source:UKT&I)

[♦] Figures include both new and safeguarded jobs. Details for projects where there has been no Agency involvement depends upon information released by individual companies, which does not always include information on the number of jobs.

Appendix 2

Manufacturing Inward Investment Projects in the North West

	Projects		Jobs	
	Manufacturing	Total	Manufacturing	Total
2002/03	19	59	2504	9758
2003/04	38	63	11556	12733
2004/05	45	92	4252	7966
2005/06	38	112	2570	6803

(Source: NWDA Business Relations Team)