



**Technical Support for Cheshire East Local Plan:
Alignment of Economic, Employment & Housing Strategy**

June 2015

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Executive Summary

Introduction

The Local Plan is the Statutory Development Plan for Cheshire East and is the basis for determining planning applications and guiding development between 2010 and 2030. The new Local Plan will cover a range of matters including the number of new homes that are needed and where they should be located; and the amount and location of new employment land. ekosgen have been commissioned to help Cheshire East Council to assess levels of potential employment growth over the Local Plan period in light of the publication of updated economic forecasts. The study also considers the associated implications for employment land requirements.

Overview of the Approach

The work comprises four main strands of analysis that provide a rounded assessment of (i) the level of potential growth, taking account of employment projections and economic development plans; and (ii) Cheshire East's ability to capture this based on the area's historic performance and the availability of employment land and the required infrastructure. Specifically, the analysis covers:

- **Employment Performance:** Analysis of historic data (1998-2008 and 2009-2013) to examine overall levels of employment and the underlying sector trends.
- **Economic Potential and Employment Land Requirements:** Analysis of the latest economic projections available for Cheshire East and understanding what these projections mean in terms of employment land requirements for the Borough.
- **Strategic Plans and Economic Ambitions:** Identifying linkages between the employment projections and the economic ambition set out in the March 2014 Submission Version of the Local Plan Strategy and relevant strategies that cover Cheshire East.
- **Spatial Implications:** Analysis of historic data (1998-2008 and 2009-2013) to examine the distribution of employment growth across key settlements and a strategic review of the likely spatial distribution of future employment growth.

Employment Performance

1998-2008 – A Period of Major Economic Growth Nationally

17,100 net additional jobs were created in Cheshire East between 1998 and 2008, equivalent to an average annual growth rate of just under 1.1% and slightly higher than the national rate of 0.9%. Jobs were created in both the private service and public sectors in Cheshire East. The jobs created in the private service sector were sufficient to offset the decline in the manufacturing sector.

In the public sector, growth in health and education offset the slight decline in public administration. Overall, public sector employment accounted for approximately 75% of net employment growth in Cheshire East. Within the private service sector, growth was driven by real estate, renting and business activities, although the overall level of increase in the sector was slightly lower than the national average.

In addition to the employee data captured through the Annual Business Inquiry, the Annual Population Survey shows that the self employment rate and the number of people classified as self employed fell slightly in Cheshire East (-3%) between 2000 and 2008. This was in contrast to strong growth (+16%) nationally. When self employment trends are included, the average annual employment growth rate for Cheshire East falls to 0.8% between 1998 and 2008.

2009-2013 – Moving from Recession to Recovery

3,800 net additional jobs were created in Cheshire East between 2009 and 2013, equivalent to an average annual growth rate of 0.6%, in line with the national rate of 0.6%. When self employment trends are included, the average annual growth rate remains at 0.6%.

The growth was driven by the private sector, while the jobs created in the health sector were offset by losses in public administration and education.

While Cheshire East experienced higher than average levels of growth in a number of key private service sectors (including professional, scientific and technical; and administrative and support services), decline in information and communication; arts, entertainment and recreation; and manufacturing reduced the net employment figure.

Implications for Local Plan Strategy

- The average annual growth rate in employment terms has ranged from 0.6% between 2009 and 2013 to 1.1% between 1998 and 2008 in Cheshire East (or 0.6% to 0.8% when self employment trends are included). The maximum rate was achieved during an exceptional period of sustained growth nationally.
- The maximum rate also included a high level of growth in part time jobs, which do not typically drive local household formation and also included exceptionally high levels of growth in the public sector, which are unlikely to be repeated.
- Looking forward, it is likely that high numbers of part time jobs will help to provide employment opportunities for older people, increasing the economic activity rates of older cohorts in the labour force.

Economic Projections and Employment Land Requirements

Three sets of economic projections for Cheshire East over the Local Plan period (2010-2030) (two from the Cheshire and Warrington Econometric Model (CWEM) and one from Oxford Economics) have been compared. The two CWEM projections (one based on national ONS data and one based on local data) produce the same average annual employment growth rate at both the sector and overall economy level for Cheshire East. To ensure that previous local housing proposals are not affecting the projections, analysis is based on the ONS based CWEM.

The projection for Cheshire East in the ONS based CWEM covers 2010-2025 and is in line with the national average resulting in the creation of 22,200 net additional jobs by 2025. When this growth rate is extended, the number of net additional jobs increases to 31,400 by 2030. However, the Oxford Economics model, which covers 2010-2030, suggests that Cheshire East will outperform the national average with an average annual growth rate of 0.9%, resulting in 37,600 net additional jobs by 2025 and 38,600 by 2030.

The growth projected for the next 20 years in Cheshire East in the ONS based CWEM (0.7% including self employment) falls within the range of employment growth rates recorded between 1998 and 2008 (0.8% including self employment) and 2009 and 2013 (0.6% including self employment), while the Oxford Economics projection for Cheshire East (0.9%) exceeds this.

The two models are broadly in agreement on the sectors that will grow / decline with the exception of manufacturing, where the ONS based CWEM is more optimistic about the sector – consistent with Cheshire East's aspirations. Both models project that financial, professional and business services will continue to drive employment growth nationally and in Cheshire East.

The main driver of the different growth rates in the models is the level of growth projected for the financial, professional and business services sector. While both models project similar levels of growth in the sector nationally, the Oxford Economics projection for Cheshire East is much higher. Specifically, the sector is projected to create 23,200 net additional jobs by 2030 compared to 16,700 in the ONS based CWEM. The Oxford Economics model also suggests an exceptional level of growth in construction with employment growth of 49%.

If the growth levels in these sectors are adjusted to match the national average (to take account of the potential over optimism of the projections for these two sectors while still allowing for considerable growth), the net employment increase projected in the Oxford Economic model for 2030 reduces by

8,500. This results in a total net increase of 30,100 in line with the ONS based CWEM model projection of 31,400 net additional jobs.

Implications for Local Plan

- The ONS based CWEM projections are selected as the preferred projection. The projections provide a growth rate of 0.7% per annum between 2010 and 2025 which is then used as a proxy for the annual growth rate between 2025 and 2030. The growth rate is based on Cheshire East matching national growth. Given the shift to private sector employment growth and the moderate levels of net private sector employment growth previously, this is both realistic and ambitious.
- Based on the ONS based CWEM projections and assumptions on the additional employment that will be created on site in B1, B2 and B8 accommodation, it is estimated that there is a net employment land requirement of 195 hectares between 2010 and 2030. This equates to an annual requirement of 9.7 hectares. This is higher than the net requirement in the Employment Land Review as a result of higher employment projections.
- When land losses are factored in and a 20% flexibility factor is applied, the gross land requirement increases to 378 hectares between 2010 and 2030. This equates to an annual requirement of 18.9 hectares and is higher than the expected level of development identified by the Local Plan Strategy Submission Version (351 hectares).

Links to Strategic Plans and Economic Ambition

Across the local plans and strategies that are relevant to Cheshire East, there is a consensus on the economic opportunities and challenges across the area, with common themes in the economic objectives and ambitions to support a jobs led growth agenda.

The Strategic Economic Plan that covers the Cheshire and Warrington LEP area is the most recent growth strategy, setting out an ambition to create 75,000 new jobs by 2030. Based on Cheshire East's current share of Cheshire and Warrington's total employment (39%), this is equivalent to an additional 29,000 new jobs in the Borough by 2030. This is in line with the ONS based CWEM model, which suggests 22,200 net additional jobs by 2025, and 31,400 net additional jobs by 2030 if employment growth continues.

Across the documents, Crewe is positioned as the main strategic location for growth linked to its position, connectivity and the opportunities associated with the rollout of High Speed 2. While local partners recognise that transforming Crewe to a High Growth City is a long term opportunity, the area offers the greatest potential for transformational change in the medium term. With regards to delivering employment growth, while some of the economic benefits will occur in advance of the connection arriving, the majority of benefits will be captured outside the Local Plan period.

Linked to the relocation of AstraZeneca, the remodelling of the site at Alderley Park to commercialise the unique, highly specialist R&D facilities is also highlighted as an investment priority. However, given that this builds upon existing facilities, the associated employment impact is expected to be low.

The development of Liverpool 2 - a new £300m investment to deliver a new deep water in-river container terminal at the Port of Liverpool - is the centrepiece of the Atlantic Gateway strategy and Liverpool City Region has set out an ambitious plan to use the increased port capacity to accelerate economic growth. A study by Liverpool City Region, carried out by NAI global entitled *SuperPort Market Analysis and Property* identified a need for employment land for logistics over the next 20 years while the *SuperPort Global Freight & Logistic Hub* report sets out the major investment in Merseyside and along the Manchester Ship Canal.

Implications for Local Plan

- The latest economic projections suggest that the longer term (i.e. post 2030) 20,000 jobs figure set out in Local Plan Strategy will be met by 2030, reflecting the more positive employment projection from the latest model run as a result of the strengthening of the national economy.
- The revised economic projection numbers are consistent with the ambition and/or employment growth targets set out in the Economic Development Strategy for Cheshire East and the Strategic Economic Plan for Cheshire and Warrington.
- New plans being developed by High Speed 2 Limited and Local Partners are likely to confirm increased employment growth in and around Crewe, although these will be delivered as the full network becomes operational and over a period of 20 years from 2026/27 onwards.
- The High Speed 2 and the wider regeneration effects are likely to change the balance of the Cheshire East economy to the south, a trend which has been underway for some time.
- The constellation city concept, which is based upon capitalising on connectivity advantages in the south of Cheshire East and capturing growth in the cluster of towns surrounding Crewe that strongly interact as a single integrated market area, is consistent with the proposed land allocations in the Local Plan Strategy Submission Version.

Spatial Implications of Economic Plans and Projections

Drawing upon evidence from a range of sources including the Employment Land Review and the Settlement Hierarchy, the Cheshire East Local Plan Strategy Submission Version sets indicative levels of employment development by settlement which collectively amount to 351 hectares. As set out in Chapter Three, the revised employment projections using the ONS based CWEM suggest that 378 hectares of employment land are required between 2010 and 2030. This is higher than the Local Plan's expected level of development across Cheshire East settlements and requires the distribution of 27 additional hectares of land to be considered.

In the Local Plan Strategy Submission version, the indicative levels of development are weighted towards development taking place in the South. In economic and policy terms there is a clear logic for the expected levels of development. In summary these are:

- Crewe is the major economic centre in the Borough, with a clear economic hinterland, and is not over-shadowed by any of the major cities.
- Investment opportunities linked to the strategic road and rail network, particularly the M6 corridor and critical infrastructure to enable the development of strategic employment sites linked to the constellation city concept. The latter is identified in the Strategic Economic Plan and All Change for Crewe Strategy and is based upon capturing growth in the cluster of towns surrounding Crewe that strongly interact as a single integrated market area.

The emphasis on employment land in the south of Cheshire East is consistent with both policy and economic opportunity. In particular, accelerating the growth of Crewe and building on the constellation city proposals linked to new infrastructure such as the Congleton Link Road and the Middlewich Bypass, will be given a considerable boost as the long term HS2 plans are progressed.

The Cheshire East Local Plan Strategy Submission Version also sets indicative levels of development by settlement in the north of the Borough, although not on the scale of the south. In economic and policy terms there is a clear logic for the designations in the north of Cheshire East. In summary these are:

- The north of Cheshire East has a highly valued greenbelt, making it more challenging to identify large sites.
- Both Airport City and Omega are nearby and have a very competitive logistics and distribution offer (Airport City is a designated Enterprise Zone with land supply and investment plans to accommodate in excess of 8,000 jobs).

- The north is affected by major competition from the employment ambitions of Greater Manchester and Warrington. While the Northern Powerhouse idea will increase the attractiveness of Macclesfield, Wilmslow and Knutsford as employment locations with easy access to the Manchester economy, other trends emphasise city centre working as a basis for attracting a young, graduate educated workforce.
- Initiatives, such as Cheshire Science Corridor, are likely to focus on quality, rather than quantity. This is the distinctive feature of the north, and the employment land allocation reflects this.

Implications for the Local Plan

Overall, there is a sound rationale for the broad allocations of employment land to the south of Cheshire East given the importance and new opportunities around all of the ambitions for Crewe. The north of Cheshire East will continue to be attractive for many employers, but the overall trend in the key drivers of employment growth are based on businesses which need to attract and have access to a young, educated workforce, favouring the major cities, such as Manchester, Leeds and Birmingham, possibly at the expense of their immediate neighbours

While the development of 351 hectares may be sufficient to support the level of employment growth envisaged in the Local Plan Strategy Submission Version, the level of growth expected in the updated ONS based CWEM economic projections suggests 27 additional hectares of land will be required. A significant part of the increased employment from the updated model is for office based jobs.

While it is likely that both the north and south of Cheshire East will benefit from this growth, the north will continue to be attractive to some businesses keen to be based in locations with easy access to Manchester city centre. As such there is a strong case, at a strategic level, to allocate a substantial proportion of any additional land to the north of the Borough.

Responding to the Inspector's Interim Views

As part of the Examination of the Cheshire east Local Plan Strategy the Inspector provided Interim Views on the Legal Compliance and Soundness of the Local Plan Strategy. The work carried out by this study addresses a number of the concerns raised by the Inspector. This is summarised below.

“The economic strategy is unduly pessimistic, including the assumptions about economic growth and employment growth, and does not seem to fully reflect the proposals and initiatives of other agencies and the extent of site allocations proposed in the submitted plan.”

The revised employment forecast of 31,400 additional jobs between 2010 and 2030, increased from the more conservative 13,900 in the plan submission, is an optimistic and credible target which reflects the ambitions of local agencies. The revised forecast takes account of more recent information as regards economic growth, although there remains uncertainty over the extent to which there will now be an un-interrupted period of economic and employment growth through to 2030.

The revised annual average employment growth is 0.7% per annum over the 2010-2030 period. The 0.6% employment growth recorded in the early years (2009-2013), will require a slightly higher rate in the 2015-2030 period to meet the 0.7% target.

A target of 38,600 and average annual employment growth rate of 0.9% was provided as a second economic forecast. After consideration it was regarded as over optimistic, mainly on the basis of the need to secure an exceptionally high level of employment growth in financial, professional and business services (much higher than the forecast national growth rate). This level of growth was considered unlikely given that Manchester has ambitious plans to increase this type of employment based on a strong commercial office market in the city centre, the Oxford Road Corridor and Salford Quays.

The revised employment forecast of 31,400 is now consistent with the economic ambitions set out in the LEP's Strategic Economic Plan for Cheshire and Warrington and also with Cheshire East plan's for Crewe (Crewe High Growth City and All Change for Crewe) and the

Cheshire Science Corridor. While the SEP does not provide a geographical breakdown of its employment target, Cheshire East's current share of Cheshire and Warrington's total employment (39%), suggests a Cheshire East contribution of 29,000 net additional jobs by 2030 to the SEP ambition of 70,000 jobs.

The submitted plan used the employment growth forecast (13,900) and the historic take up and loss of employment land to provide a range of 300-351 hectares for the period 2010 – 2030.

The revised approach takes the revised employment forecast of 31,400 jobs as the basis for an employment land calculation made up of 195 hectares for net employment growth, 120 hectares for employment land loss, and 63 hectares for contingency -leading to a revised figure of 378 hectares. There is now a more transparent relationship between the revised employment forecast and the revised employment land allocation (with a 20% contingency factor).

***“There are other proposals and initiatives on the northern fringe of Cheshire East which may not have been fully considered in the preparation of the LPS. These include the Atlantic Gateway project promoted by the LEP; although this focuses on the east west waterways Deeside and motorways along the Deeside/Merseyside Corridor, it does impinge on the northern fringe of Cheshire East. There are other strategic economic proposals related to Manchester Airport, as well as other schemes being promoted along this corridor.*”**

The plan may also pay less attention to the need for land for logistics uses, although this is heavily dependent on accessibility to the strategic road network.”

A new deep water in-river container terminal will increase the Port of Liverpool's capacity to handle large container traffic, offering an alternative to the large southern ports, including on-shipping to Ireland and Scotland. The Cheshire and Warrington LEP's focus on the Atlantic Gateway reflects the major opportunities for Warrington/ Omega/Port Warrington and Port Bridgewater/Ellsmere Port to take advantage of new logistics and distribution investment. These locations provide Cheshire and Warrington with major opportunities to take advantage of Atlantic Gateway related investment.

Other Atlantic Gateway development opportunities are being provided by near to port locations in Sefton, Liverpool, St Helens, Knowsley and Widnes and these are fully set out in work prepared by Liverpool City Region. Many of these locations offer road/rail or waterway/road connectivity. Port Salford is a further opportunity linked to Atlantic Gateway, while Airport City at Manchester (a designated enterprise zone) borders Cheshire East and is one of the largest logistics locations in the North West.

The scale of nearby provision for logistics, along with an increased employment land allocation to 378 hectares from the revised employment forecast will provide sufficient space for logistics opportunities in Cheshire East.

“Key elements of the LEPs economic strategy related to Crewe (High Growth City) and its relationship with other neighbouring towns and the North Cheshire Science Corridor may not have been portrayed in the LPS as the LEP envisages.”

The revised employment forecast is now consistent with the scale of the LEP ambition. Cheshire East will contribute circa 40% of the employment growth needed to meet the LEPs ambitions. The All Change for Crewe strategy, with a networked constellation of towns including Nantwich, Sandbach, Alsager, Middlewich, Congleton and Holmes Chapel, is also reflected in the employment land distribution.

The Cheshire Science Corridor includes the development of Alderley Park as a major centre for new investment and employment after the relocation of Astra Zeneca's research function. The 160 hectare site has 300,000m² of high quality and specialist laboratory, office and ancillary floorspace, much of which can be re-furnished for use by new inward investors. The development is being supported by the Council's work with Manchester Science Partnership (the owners of Alderley Park) and the establishment of a new Life Science Fund.

1 Introduction

1.1 The Local Plan is the Statutory Development Plan for Cheshire East and is the basis for determining planning applications and guiding development between 2010 and 2030. The new Local Plan will cover a range of matters including the number of new homes that are needed and where they should be located; the amount and location of new employment land; protection and improvement of important open areas and provision of new ones; provision of new infrastructure and improvement of town centres and community facilities in the Borough.

1.2 ekosgen have been commissioned to help Cheshire East Council to assess levels of potential employment growth over the Local Plan period in light of the publication of updated economic forecasts. The study also considers the associated implications for employment land requirements.

Overview of the Approach

1.3 The work comprises four main strands of analysis that provide a rounded assessment of (i) the level of potential growth, taking account of employment projections and economic development plans; and (ii) Cheshire East's ability to capture this based on the area's historic performance and the availability of employment land and the required infrastructure.

1.4 Specifically, the analysis covers:

- **Employment Performance:** Analysis of historic data (1998-2008 and 2009-2013) to examine overall levels of employment, the underlying dynamics of changes with regards to the balance between full time and part time jobs growth and net employment gains and losses by sector. In particular, the sectoral analysis examines the balance between public and private sector growth and the role of the private service sector.
- **Economic Potential and Employment Land Requirements:** Analysis of the latest economic projections available for Cheshire East and understanding what these projections mean in terms of employment land requirements for the Borough.
- **Strategic Plans and Economic Ambitions:** Identifying linkages between the employment projections and the economic ambition set out in the March 2014 Submission Version of the Local Plan Strategy and relevant strategies that cover Cheshire East. This includes the Cheshire and Warrington Local Enterprise Partnership's Strategic Economic Plan.
- **Spatial Implications:** Analysis of historic data (1998-2008 and 2009-2013) to examine the distribution of employment growth across key settlements and a strategic review of the likely spatial distribution of future employment growth.

1.5 The results of the analysis are incorporated into the following sections of the report.

2 Employment Performance

Key Point Summary

1998-2008 – A Period of Major Economic Growth Nationally

- 17,100 net additional jobs were created in Cheshire East between 1998 and 2008, equivalent to an average annual growth rate of just under 1.1% and slightly higher than the national rate of 0.9%.
- There was almost an equal balance between the number of full time and part time net additional positions created in Cheshire East. The Borough's higher levels of growth were driven by an increase in part time positions (+22% compared to +13% nationally), while the increase in full time positions (+8%) was largely in line with the national average.
- Jobs were created in both the private service and public sectors in Cheshire East. The jobs created in the private service sector were sufficient to offset the decline in the manufacturing sector. In the public sector, growth in health and education offset the slight decline in public administration. Overall, public sector employment accounted for approximately 75% of net employment growth in Cheshire East.
- Within the private service sector, growth was driven by real estate, renting and business activities, although the overall level of increase in the sector was slightly lower than the national average.
- In addition to the employee data captured through the Annual Business Inquiry, the Annual Population Survey shows that the self employment rate and the number of people classified as self employed fell slightly in Cheshire East (-3%) between 2000 and 2008. This was in contrast to strong growth (+16%) nationally. When self employment trends are included, the average annual employment growth rate for Cheshire East falls to 0.8% between 1998 and 2008.

2009-2013 – Moving from Recession to Recovery

- 3,800 net additional jobs were created in Cheshire East between 2009 and 2013, equivalent to an average annual growth rate of 0.6%, in line with the national rate of 0.6%. When self employment trends are included, the average annual growth rate remains at 0.6%.
- The majority of jobs created over this period were full time, although the overall balance between part and full time jobs remains largely in line with the national average.
- The growth was driven by the private sector, while the jobs created in the health sector were offset by losses in public administration and education.
- While Cheshire East experienced higher than average levels of growth in a number of key private service sectors (including professional, scientific and technical; and administrative and support services), decline in information and communication; arts, entertainment and recreation; and manufacturing reduced the net employment figure.

Implications for Local Plan Strategy

- The average annual growth rate in employment terms has ranged from 0.6% between 2009 and 2013 to 1.1% between 1998 and 2008 in Cheshire East (or 0.6% to 0.8% when self employment trends are included). The maximum rate was achieved during an exceptional period of sustained growth nationally.
- The maximum rate also included a high level of growth in part time jobs, which do not typically drive local household formation and also included exceptionally high levels of growth in the public sector, which are unlikely to be repeated.
- Looking forward, it is likely that high numbers of part time jobs will help to provide employment opportunities for older people, increasing the economic activity rates of older cohorts in the labour force.

Introduction

2.1 This section sets out an analysis of Cheshire East’s performance in relation to employment based on historic data and considers trends by sector. It covers two time periods: 1998 to 2008, the last period of major economic growth nationally using data from the Annual Business Inquiry (ABI), and 2009 to 2013, the most recent economic period following the national and global recession using data from the Business Register and Employment Survey (BRES).

2.2 The time periods for analysis also take account of the availability of robust data. BRES replaced the ABI and now provides the basis for annual estimates of employment. The introduction of BRES resulted in a discontinuity when comparing its 2008 estimates with those of the 2008 ABI. This means that the two datasets can not be used alongside each other to provide time series data. A further change to BRES in 2009 means that the 2008 BRES data cannot be compared with data for subsequent years.

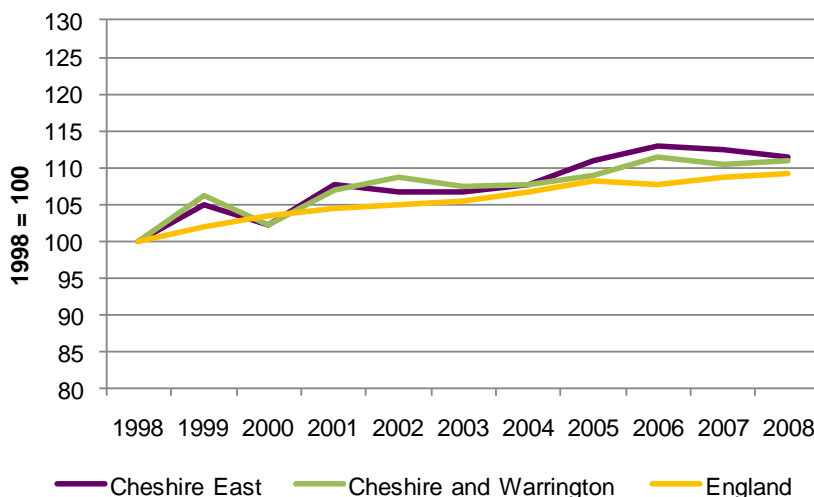
2.3 It should also be noted that the ABI provides a measure of employees and does not include self employment. Further, while BRES provides a measurement of both employees and employment, the latter only partially includes self employment with the inclusion of working proprietors. In order for the analysis of both time periods to be consistent, the analysis for 2009-2013 is based on employees. Where possible, the analysis seeks to combine data available on total self employment (through the workplace based Annual Population Survey) with the employee data to arrive at conclusions on overall employment trends.

2.4 Employment change figures are typically expressed as net new jobs which essentially measure the balance between job growth and job losses in different sectors. In some of the analysis, the total job growth and total job decline is shown (alongside the net balance).

Change in the Number of Employees 1998-2008

2.5 During the last major period of economic growth (between 1998 and 2008), 17,100 net additional jobs were created in Cheshire East. This was equivalent to an increase of 11% (or an average annual growth rate of just under 1.1%) and was slightly higher than the level of growth experienced nationally (+9% or an average annual growth rate of 0.9%). The higher than average employment growth rate in Cheshire East was primarily a result of the growth in part time employment.

Figure 2.1 Change in the Number of Employees 1998 - 2008



Source: Annual Business Inquiry 1998-2008, Note: Excludes self employment

2.6 More than half of the net additional employment in Cheshire East between 1998 and 2008 was a result of part time employment, and the 22% increase in part time jobs was much greater than the national growth of 13%.

2.7 Over the ten year period, Cheshire East moved to more closely mirror the national economy, with some 30% of employment accounted for by part time positions.

Table 2.1 Full and Part Time Jobs 1998-2008

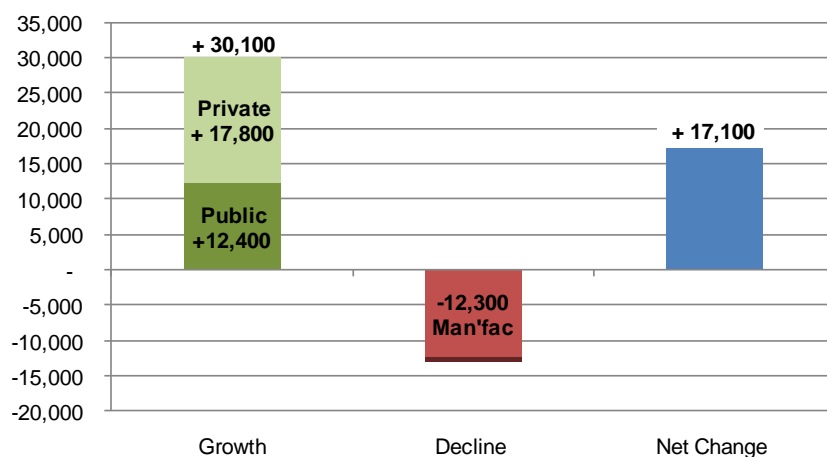
	Cheshire East		England	
	Full Time	Part Time	Full Time	Part Time
No. created 1998-2008	+8,200	+8,900	+1,100,700	+818,100
% change 1998-2008	8%	22%	7%	13%
Share of jobs created	48%	52%	57%	43%
% of total employment in 1998	73%	27%	70%	30%
% of total employment in 2008	70%	30%	69%	31%

Source: Annual Business Inquiry 1998-2008, Note: Excludes self employment

Note: Figures may not sum due to rounding

2.8 When separating those sub-sectors that experienced net growth from those that experienced net decline, it transpires that jobs were created in both the private service sector and public¹ sectors. The jobs created in the private service sector (+17,800) were sufficient to offset the decline of some 12,300 jobs in the manufacturing sector. In the public sector, growth in health and education resulted in an additional 12,400 jobs and offset the slight decline (of approximately 500 jobs) in public administration. When the overall balance between the public and private sector is considered, public sector employment accounted for approximately 70% of net employment growth in Cheshire East.

Figure 2.2 Cheshire East – Dynamics of Change 1998 - 2008



Source: Annual Business Inquiry 1998-2008, Note: Excludes self employment

Note: Figures may not sum due to rounding

2.9 While health and education increased in employment at a rate considerably in excess of national growth, the performance within the private sector was more inconsistent. While the private sector in Cheshire East typically exceeds the equivalent North West average, the picture with regard to exceeding national growth rates is more varied.

¹ For the purpose of this work, the public sector includes public administration and defence, health and education (i.e. sections L,M and N in SIC 2003 and O,P and Q in SIC 2007)

2.10 Compared to national trends, higher levels of employment growth in Cheshire East were a result of exceptional growth in the public sector, which was concentrated in health and education, while employment in public administration contracted.

2.11 Growth in education and particularly health in Cheshire East (+50% and +70%) significantly outstripped the national increase (+33% and +28%).

2.12 Within the private service sector, growth was driven by real estate, renting and business activities, although the overall level of increase was slightly lower than the national average.

2.13 Private service sectors which did outperform the national average included: financial intermediation; transport, storage and communication; and wholesale and retail.

2.14 With regards to self employment, levels fluctuated in Cheshire East between 2000 and 2008. Overall, by 2008, the number of and proportion of people aged over 16 who were self employed had decreased (by some 2,500 individuals). This was in spite of growth nationally, although the high starting point in Cheshire East meant the area matched the national self employment rate in 2008. When this is combined with the employee data available through ABI to provide a picture of total employment trends, the average annual growth rate in Cheshire East reduces to 0.8%.

Table 2.2 Dynamics of Change 1998-2008

	Cheshire East		England
	No.	%	%
Growth in private service sector	+17,800	+20%	+16%
Growth in health	+8,400	+70%	+28%
Growth in education	+4,000	+50%	+33%
Job losses in manufacturing	-12,300	-36%	-33%
Job change in public administration	-500	-11%	7%
Other job losses	-200	-55%	-12%
Net employment change	+17,100	11%	+9%

Source: Annual Business Inquiry, Note: Excludes self employment
Note: Figures may not sum due to rounding

Table 2.3 Dynamics of Change 1998-2008

	Cheshire East		England
	No.	%	%
Real estate, renting and business activities	8,600	34%	36%
Health and social work	8,400	70%	28%
Education	4,000	50%	33%
Other community, social and personal service	2,100	33%	25%
Financial intermediation	2,100	39%	2%
Transport, storage and communication	1,900	28%	9%
Hotels and restaurants	1,300	13%	16%
Wholesale and retail trade	800	3%	1%
Construction	500	9%	16%
Agriculture, hunting and forestry	400	13%	-4%
Public administration	-500	-11%	7%
Manufacturing	-12,300	-36%	-33%
Total	17,100	11%	9%

Source: Annual Business Inquiry 1998-2008, Note: Excludes self employment
 High employment sectors where Cheshire East's growth was higher than the national average
 Note: Figures may not sum due to rounding or suppression (mining and quarrying; fishing; and electricity, gas and water supply are excluded from the table)

Figure 2.3 Self Employment 2000-2008: % of residents aged 16+

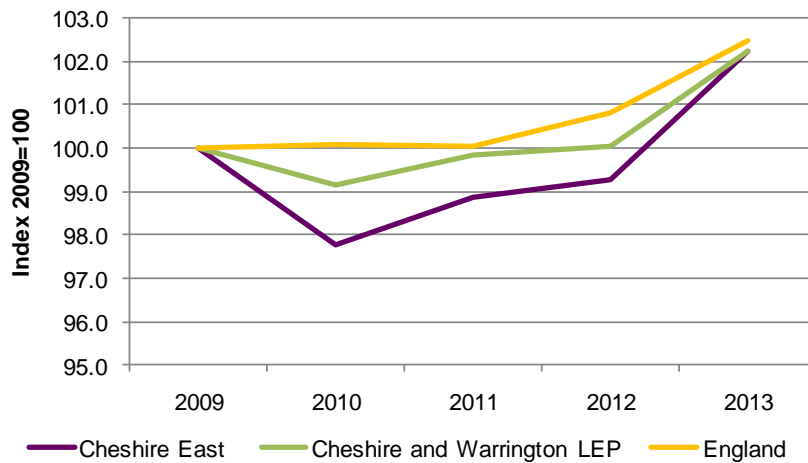


Source: Labour Force Survey (2000-2003) and Annual Population Survey (2004-2008)

Change in the Number of Employees 2009-2013

2.15 Focusing on more recent and post recessionary trends, employment growth in Cheshire East has largely been in line with the national average following a net increase of 3,800 jobs. This is equivalent to an increase of +2.2% (or an average annual growth rate of 0.6%) and is in line with the level of growth experienced nationally (+2.5% or an average annual growth rate of 0.6%).

Figure 2.4 Change in the Number of Employees 2009-2013



Source: Business Register and Employment Survey 2009-2013, Note: Excludes self employment

2.16 The large majority of jobs created in Cheshire East have been full time, while there has been a greater balance between part time and full time positions nationally. The overall balance between part and full time jobs in Cheshire East remains largely in line with the national average.

Table 2.4 Full and Part Time Jobs 2009-2013

	Cheshire East		England	
	Full Time	Part Time	Full Time	Part Time
No. created 2009-2013	3,800	0	340,300	227,000
% change 2009-2013	3%	0%	2%	3%
% of total employment in 2009	69%	31%	68%	32%
% of total employment in 2013	69%	31%	68%	32%

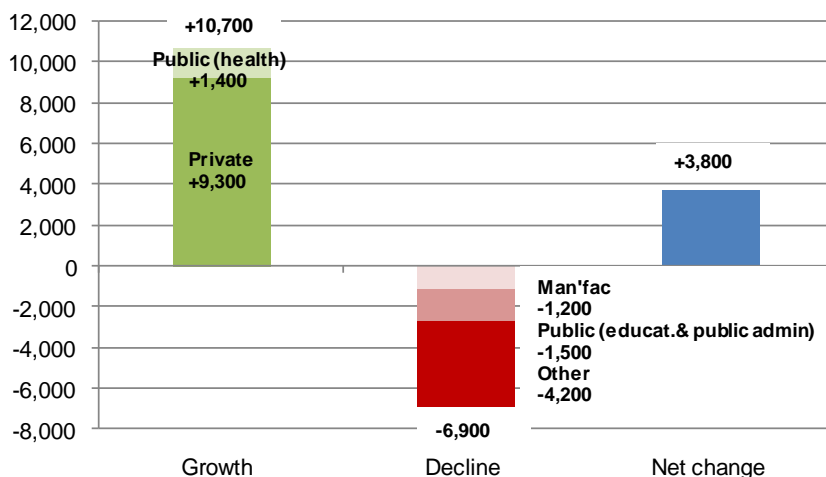
Source: Business Register and Employment Survey 2009-2013, Note: Excludes self employment

Note: Figures may not sum due to rounding

2.17 The growth between 2009 and 2013 was driven by parts of the private service sector, which fully offset the job losses in manufacturing and other parts of the private service sector, including information and communication (which lost some 1,400 jobs).

2.18 Across the public sector, while employment in health increased this was insufficient to fully offset the losses in other parts of the public sector (i.e. public administration and education).

Figure 2.5 Cheshire East – Dynamics of Change 2009-2013



Source: Business Register and Employment Survey 2009-2013, Note: Excludes self employment

Note: Figures may not sum due to rounding

2.19 When compared to national trends, levels of growth in the public and the private service sector were largely similar. However, the slightly lower level of overall growth in Cheshire East was linked to higher levels of job losses in manufacturing, education and public administration and some other sectors.

Table 2.5 Dynamics of Change 2009-2013

	Cheshire East		England
	No.	%	%
Growth in health sector	+1,400	7%	8%
Growth in private service sector	+9,300	10%	10%
Job losses in manufacturing	-1,200	-6%	-3%
Job change in education	-900	-7%	4%
Job losses in public administration	-700	-15%	-13%
Other job losses	-4,200	-23%	-8%
Net employment change	+3,800	2%	3%

Source: Business Register and Employment Survey 2009-2013, Note: Excludes self employment

Note: Figures may not sum due to rounding


2.20 As shown in Table 2.6, there were a number of private service sectors where employment growth outstripped the national average, including professional, scientific and technical activities; and administrative and support services. However, this was balanced against high levels of decline in information and communication and arts, entertainment and recreation which experienced growth nationally. With regards to the public sector, Cheshire East experienced losses in education and public administration, while education grew nationally.

2.21

Table 2.6 Dynamics of Change 2009-2013

	Cheshire East		England
	No.	%	%
Professional, scientific and technical activities	5,000	30%	13%
Administrative and support service activities	1,800	19%	12%
Human health and social work activities	1,400	7%	8%
Accommodation and food service activities	900	8%	7%
Transportation and storage	700	9%	-1%
Wholesale and retail trade; repair of motor vehicles and motorcycles	500	2%	0%
Financial and insurance activities	300	3%	-3%
Real estate activities	200	6%	6%
Construction	100	2%	-12%
Mining and quarrying	-100	-45%	-8%
Water supply; sewerage, waste management and remediation activities	-300	-28%	19%
Other service activities	-400	-10%	-3%
Public administration and defence; compulsory social security	-700	-15%	-13%
Electricity, gas, steam and air conditioning supply	-800	-63%	0%
Education	-900	-7%	4%
Manufacturing	-1,200	-6%	-3%
Information and communication	-1,200	-17%	8%
Arts, entertainment and recreation	-1,400	-27%	4%
Total	3,800	2%	3%

Source: Business Register and Employment Survey 2009-2013, Note: Excludes self employment

 High employment sectors where Cheshire East's growth was higher than the national average

Note: Figures may not sum due to rounding or suppression (agriculture, forestry and fishing excluded from table)

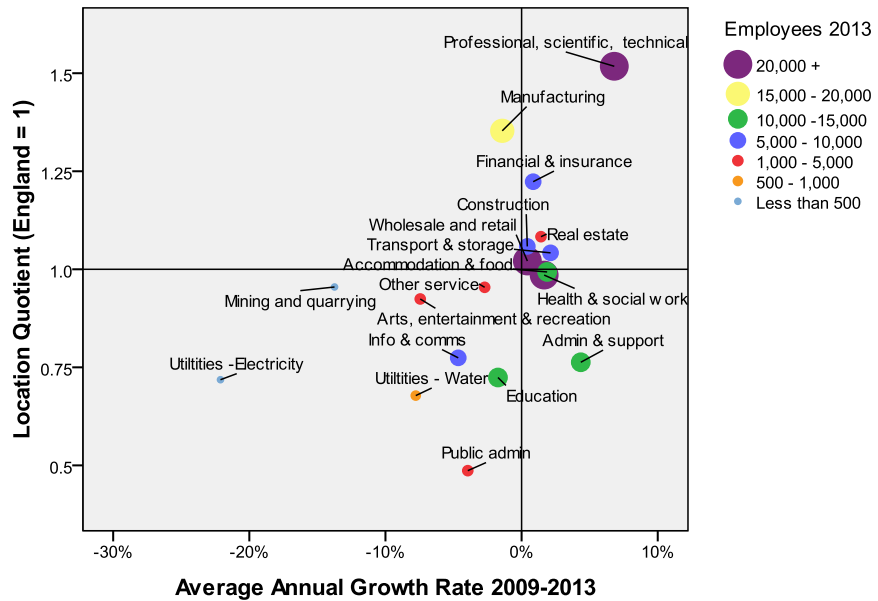
2.22 Although manufacturing faces many challenges, Cheshire East is the base for leading international companies such as Bentley Motors involving all aspects of car production from design, engineering, manufacturing, quality, and sales and marketing and Sanofi is a global integrated healthcare leader in the pharmaceutical industry. There are strong specialist sectors in life sciences and advanced engineering which have the potential to arrest the decline in manufacturing employment.

2.23 Cheshire East has a strong representation and good growth record in professional, scientific and technical employment, although the 2,000 job losses at AstraZeneca announced in 2013 will significantly reduce total employment in the sector. Manufacturing remains a specialism for Cheshire East, although employment trends have not been positive.

2.24 In terms of self employment, levels in Cheshire East fluctuated between 2009 and 2013, following an initial surge between 2009 and 2010. The surge is likely to reflect the impact of the recession and job losses in other parts of the economy with people opting for self employment as an alternative option in a weaker job market. In 2013, there were 1,300 more self employed residents in Cheshire East than in 2009. However, the levels in 2013 were 2,400 below the 2010 peak. When these trends are combined with the employee data available through BRES, the average annual growth rate for 2009-2013 remains at 0.6%.

Figure 2.6

Cheshire East Employment (2013) and Specialisation (2009 - 2013)



Source: Business Register and Employment Survey 2009-2013, Note: Excludes self employment

Figure 2.7 Self Employment 2009-2013: % of residents aged 16+



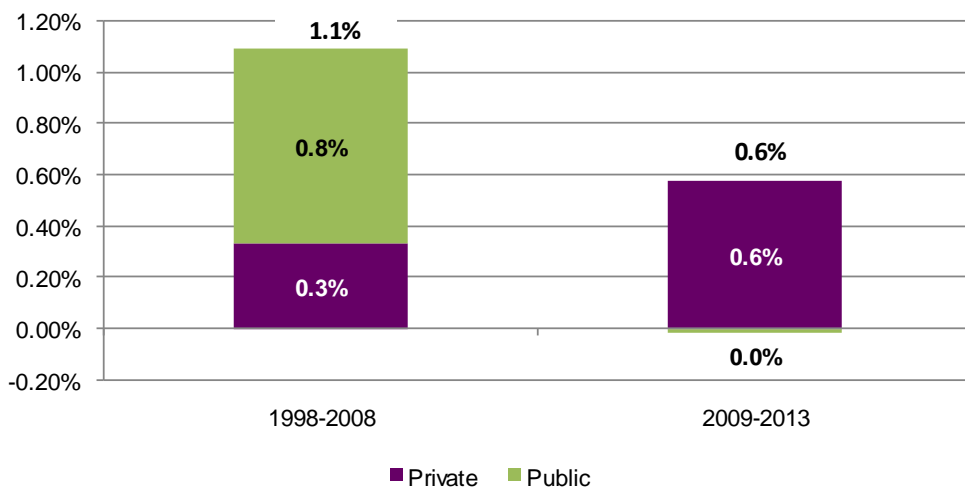
Source: Annual Population Survey 2009-2013

Conclusion

2.25 Cheshire East's employment record between 1998 and 2013 has been on a par with the national growth rate, although it was dependent on higher than average levels of public sector employment growth. The net annual employment growth rate of the private sector has been much more modest over the period, a result of job losses in key sectors. The announcement in 2013 of over 2,000 job losses at AstraZeneca, spread over a number of years, will impact on future employment growth rates.

2.26 Between 1998 and 2008, public sector employment increased from 24,100 to 36,000, an average annual growth rate of 4.1%, while private sector employment increased from 125,000 to 130,100, an average annual growth rate of 0.4%. As a result, the public sector accounted for three quarters of net employment growth over the period. It is unlikely, given the pressure on public sector finances, that overall public sector employment will increase in future years, requiring employment growth to be driven almost exclusively by the private sector.

Figure 2.8 Balance of Net Public and Private Sector Growth



Source: Annual Business Inquiry (1998-2008) and Business Register and Employment Survey (2009-2013)
 Note: Excludes self employment

2.27 There are discontinuities in the employment data which means that there is a missing year in the time series (2008-2009) and pre 2008 and 2009 data cannot be compared. When the data from BRES and ABI is indexed² to make an adjustment for this year, the employment growth rate of 1.1% between 1998 and 2008 is adjusted to 1.0% (employment fell in 2008-2009). This results in an employment growth rate for the combined period – 1998-2013 - of 0.9% when taking account of the 2008-2009 adjustment. When self employment is included, the employment rate for 1998-2013 is 0.9%.

² The data is Indexed using the Annual Business Inquiry (1998-2008), the Business Register and Employment Survey – 2010 consistent with earlier years (2008-2010), and the Business Register and Employment Survey 2009-2013. In the process, the data for 2008 and 2009 is indexed to be consistent across the period and provide a proxy of the employee trend over a 15 year period.

3 Economic Projections and Employment Land Requirements

Key Point Summary

- Three sets of economic projections for Cheshire East over the Local Plan period (2010-2030) (two from the CWEM and one from Oxford Economics) have been compared. The two CWEM projections (one based on national ONS data and one based on local data) produce the same average annual employment growth rate at both the sector and overall economy level for Cheshire East. To ensure that previous local housing proposals are not affecting the projections, analysis is based on the ONS based CWEM.
- The projection for Cheshire East in the ONS based CWEM covers 2010-2025 and is in line with the national average resulting in the creation of 22,200 net additional jobs by 2025. When this growth rate is extended, the number of net additional jobs increases to 31,400 by 2030. However, the Oxford Economics model, which covers 2010-2030, suggests that Cheshire East will outperform the national average with an average annual growth rate of 0.9%, resulting in 37,600 net additional jobs by 2025 and 38,600 by 2030.
- The growth projected for the next 20 years in Cheshire East in the ONS based CWEM (0.7% including self employment) falls within the range of employment growth rates recorded between 1998 and 2008 (0.8% including self employment) and 2009 and 2013 (0.6% including self employment), while the Oxford Economics projection for Cheshire East (0.9%) exceeds this.
- The two models are broadly in agreement on the sectors that will grow / decline with the exception of manufacturing, where the ONS based CWEM is more optimistic about the sector – consistent with Cheshire East’s aspirations. Both models project that financial, professional and business services will continue to drive employment growth nationally and in Cheshire East.
- The main driver of the different growth rates in the models is the level of growth projected for the financial, professional and business services sector. While both models project similar levels of growth in the sector nationally, the Oxford Economics projection for Cheshire East is much higher. Specifically, the sector is projected to create 23,200 net additional jobs by 2030 compared to 16,700 in the ONS based CWEM. The Oxford Economics model also suggests an exceptional level of growth in construction with employment growth of 49%.
- If the growth levels in these sectors are adjusted to match the national average (to take account of the potential over optimism of the projections for these two sectors while still allowing for considerable growth), the net employment increase projected in the Oxford Economic model for 2030 reduces by 8,500. This results in a total net increase of 30,100 in line with the ONS based CWEM model projection of 31,400 jobs.

Implications for Local Plan

- The ONS based CWEM projections are selected as the preferred projection. The projections provide a growth rate of 0.7% per annum between 2010 and 2025 which is then used as proxy for the annual growth rate between 2025 and 2030. The growth rate is based on Cheshire East matching national growth. Given the shift to private sector employment growth and the moderate levels of net private sector employment growth previously, this is both realistic and ambitious.
- Based on the ONS based CWEM projections and assumptions on the additional employment that will be created on site in B1, B2 and B8 accommodation, it is estimated that there is a net employment land requirement of 195 hectares between 2010 and 2030. This equates to an annual requirement of 9.7 hectares. This is higher than the net requirement in the Employment Land Review as a result of higher employment projections.
- When land losses are factored in and a 20% flexibility factor is applied, the gross land requirement increases to 378 hectares between 2010 and 2030. This equates to an annual requirement of 18.9 hectares and is higher than the expected level of development identified by the Local Plan Strategy Submission Version (351 hectares).

Introduction

3.1 Economic projections are one of the main data sources that provide an indication of both the likely scale and potential sources of future employment growth within local economies. There are a number of professional forecasting houses that have bespoke in-house models which are used to project trends on key economic indicators including employment. These projections are updated periodically, to take account of information on the performance of national and local economies.

3.2 As the underpinning assumptions of each of these models vary and are usually amended for each update, the projected levels of growth vary. Consequently, it is useful to compare projections from different models when trying to reach robust conclusions on the potential level of growth that can be delivered in an area. This approach has been adopted in this study by comparing forecasts from three sources (as set out below).

3.3 Economic projections are, however, most reliable in the short term and at larger geographical levels. Models are less accurate in projecting economic downturns and recessionary periods and in taking account of local factors which might impact on local employment levels.

3.4 This section sets out an analysis of the latest employment projections for Cheshire East. This covers three sets of projections:

- One set from Oxford Economics covering 2010-2030 (referred to as the Oxford Economics Projections in this chapter).
- One set from the Cheshire and Warrington Econometric Model (CWEM) covering 2010-2025 based on the Office for National Statistics' (ONS) 2012-based sub-national population projections (referred to as the ONS based CWEM in this chapter).
- One set from the CWEM covering 2010-2025 using the Local Authority's population forecasts and economic activity rate projections (referred to as the locally based CWEM in this chapter).

3.5 Both of the CWEM projections are based on the latest 2014 projections, which have been released since the submission of the Cheshire East Local Plan Strategy Submission Version (which used locally based CWEM 2012 projections) and therefore provide an updated set of projections. The projections include more positive employment growth rates reflecting upward revisions to the long term outlook and growth rates for the global and UK economy. This in part reflects the volatility of forecasting models, where national growth rates can be varied as part of any quarterly update. As would be expected, these variances have implications for local employment growth rates.

3.6 This analysis sets out the rate of employment growth and examines the underlying trends in relation to the levels of growth for broad sectors. Drawing on historic data and local intelligence, a conclusion is then reached on the set of projections which provide an ambitious, yet realistic level of growth for Cheshire East over the Local Plan period. The implications that this additional growth has in terms of employment land requirements is also presented, using the approach in the Cheshire East Employment Land Review undertaken by Arup in November 2012. It should be noted that the ELR was based on projections from the locally based 2011 CWEM model.

The Cheshire and Warrington Econometric Model

3.7 The results of the Cheshire and Warrington Econometric Model are consistent with Cambridge Econometrics' (the Model supplier) UK Regional Forecast of August 2014. The projections therefore take account of the 2008-9 UK (and global) recession, the subsequent period of relatively modest economic growth (2009-12) and the resumption of stronger growth in 2013-14.

Two Scenarios – Varying the Combination of Official data and Local Intelligence

3.8 There are a number of key inputs into the model. The model takes account of population forecasts, economic activity rates, commuting patterns and historical employment performance as well as forecasts on the performance of the national economy. It is possible to run the model in two ways: (i) using nationally produced data on demographic trends (produced by ONS); and (ii) factoring in local demographic data provided by Cheshire East Council.

3.9 For the purpose of this assignment, the model has been run both ways using the sources outlined below:

- **Using nationally produced data:** This approach uses ONS' mid-year population estimates for pre-2012 population estimates and ONS' 2012-based subnational population projections for subsequent years.
- **Using Local Demographic data:** The key local inputs into the Model are the Local Authority's population forecasts and economic activity rate projections, which currently use ONS' 2010 revised mid-year population estimates, which take account of evidence from the 2011 Census - as the base year population figures. These locally-produced population forecasts differ from ONS' sub-national population projections, in that they take account of local intelligence, including expectations of future house building (which are based on guidance from Local Authority planners). The population forecasts that were used as inputs for this CWEM scenario are forecasts which assume the level of house building set out in Cheshire East's Local Plan Strategy Submission Version: that is, net provision of 1,350 dwellings per annum.

3.10 In both cases, the projections draw heavily on historic economic data, much of it from the ABI, and its successor, BRES. The ABI/ BRES is a survey which covers all of Great Britain and therefore the survey sample sizes are relatively small for very disaggregated groups of businesses. The smaller the sample size, the greater the risk of the survey sample being unrepresentative. Hence the projections for small groups, such as specific sectors within individual Local Authority areas, are much less accurate than those for larger groups.

3.11 For these new employment baseline projections, 2010 is taken as the baseline year. The figures for 2010-2013 are also estimates to some extent, in that they take account of evidence of actual performance in these years. The 2010-12 employment projections in particular are based in part on 2010-12 BRES data.

3.12 **The result of both sets of CWEM projections, ONS and locally based, are broadly similar and both project an average annual employment growth rate of 0.7% in Cheshire East between 2010 and 2025. In order to ensure consistency and transparency (and that the results are independent and unaffected by previous housing proposals) the ONS based CWEM projections have been treated as the preferred projection from the CWEM model. On this basis, the analysis from this point focuses on the Oxford Economics results and the ONS based CWEM results.**

Results of the ONS Based CWEM projections

3.13 The ONS based CWEM projections, which include employees and self employment, provide an annual employment growth rate of 0.7% from 2010-2025. To extend this projection to cover the entire Local Plan period, it has been assumed that this average annual growth rate will be matched during 2025-2030 (i.e. using the 0.7% as a proxy for annual growth in 2025-2030). This provides a net employment increase of 31,400 by 2030.

3.14 In terms of the sectors driving growth, the ONS based CWEM clearly highlights that financial, professional and business services will continue to drive employment growth nationally and in Cheshire East. The number of new jobs projected in financial, professional and business services is considerable. In Cheshire East, it is expected to be almost three times the number of jobs created by any other sector. The employment growth rate in the sector is also expected to be slightly higher than national average.

3.15 There are also a number of variations between Cheshire East and national sector trends, which include:

- **Higher levels of growth in seven broad sectors including financial, professional and business services; wholesale; retail; transport and storage; and information and communication.** This is highlighted by the green shading in the Table 3.1 and is particularly true in the case of information and communication; accommodation and food and drink; and wholesale

where the average annual employment growth rate is expected to be at least double the national rate.

- **Lower levels of growth in Cheshire East’s health sector:** While health is expected to be the second largest driver of jobs nationally, the levels of growth projected in Cheshire East is expected to be just under half of the national figure.
- **Higher levels of decline in Cheshire East’s public administration sector:** The sector is expected to experience the highest level of decline in both proportionate and actual terms. The average annual rate of decline is expected to be two and half times as high as the national decline.
- **Decline in sectors that are expected to grow nationally including education and culture, sport and other services:** These are highlighted by the red shading in Table 3.1.

**Table 3.1 Projected Employment Change by Sector 2010-2030
ONS Based CWEM**

	Cheshire East			UK	
	No.	%	AAGR ¹	%	AAGR ¹
Sectors Projected to Grow or Remain Stable in Cheshire East					
Financial, professional and business	16,700	38%	1.6%	34%	1.5%
Accommodation and Food and Drink	5,800	54%	2.2%	25%	1.1%
Information and Communication	3,600	59%	2.4%	26%	1.1%
Retail	3,000	16%	0.7%	12%	0.6%
Transport and Storage	2,500	26%	1.2%	14%	0.7%
Construction	2,400	21%	0.9%	24%	1.1%
Wholesale	2,200	20%	0.9%	6%	0.3%
Health and social	1,900	7%	0.4%	19%	0.9%
Manufacturing	600	3%	0.2%	-9%	-0.5%
Mining and quarrying	0	10%	0.5%	31%	1.3%
Sectors Projected to Decline in Cheshire East					
Agriculture, forestry and fishing	-700	-16%	-0.9%	-3%	-0.2%
Culture, sport and other services	-800	-6%	-0.3%	15%	0.7%
Utilities	-1,000	-44%	-2.9%	17%	0.8%
Education	-2,200	-14%	-0.8%	3%	0.2%
Public Admin	-2,600	-47%	-3.1%	-21%	-1.2%
Total	31,400	16%	0.7%	15%	0.7%

Source: Cheshire and Warrington Econometric Model

Note: Figures may not sum due to rounding to nearest 100

¹ Average Annual Growth Rate

3.16 In summary, the much higher levels of growth expected in Cheshire East’s private service sector are expected to be offset by lower levels of growth or decline in the public sector. It should be noted that when the public sector categories (education, health and public administration) are combined, there is an overall net decrease in the public sector, further reinforcing the role of the private sector in driving growth.

Results of the Oxford Economics Projections

3.17 The Oxford Economics projections, which include employees and self employment, provide an annual employment growth rate of 0.9% from 2010 to 2030. This provides a net employment increase of 38,600 by 2030.

3.18 There are also a number of variations between Cheshire East and national sector trends, which include:

- **Higher levels of growth in six broad sectors including financial professional and business services; construction; wholesale and retail; and transport and storage.** This is highlighted by the green shading in Table 3.2.

- **Higher levels of decline in Cheshire East’s public administration and education sectors:**
The decline in Cheshire East’s education sector is in contrast to national trends, where the sector is expected to grow. This is highlighted by the red shading in Table 3.2.

Table 3.2 Projected Employment Change by Sector 2010-2030
Oxford Economics

	Cheshire East			UK	
	No.	%	AAGR ¹	%	AAGR ¹
Sectors Projected to Grow or Remain Stable in Cheshire East					
Financial, professional and business	23,200	51%	2.1%	39%	1.6%
Wholesale & Retail	5,100	18%	0.8%	9%	0.4%
Construction	5,000	49%	2.0%	23%	1.1%
Transport and Storage	4,000	44%	1.8%	22%	1.0%
Accommodation and Food and Drink	3,800	35%	1.5%	27%	1.2%
Health and social	2,600	11%	0.5%	13%	0.6%
Information and Communication	1,000	16%	0.7%	36%	1.6%
Culture, sport and other services	800	7%	0.3%	33%	1.4%
Agriculture, forestry and fishing	200	5%	0.2%	-4%	-0.2%
Sectors Projected to Decline in Cheshire East					
Mining and quarrying	-200	-60%	-4.4%	-31%	-1.8%
Utilities	-700	-32%	-1.9%	-5%	-0.3%
Education	-1,400	-11%	-0.6%	6%	0.3%
Public Admin	-2,100	-42%	-2.7%	-22%	-1.2%
Manufacturing	-2,700	-14%	-0.8%	-17%	-1.0%
Total	38,600	20%	0.9%	16%	0.7%

Source: Oxford Economics

Note: Figures may not sum due to rounding

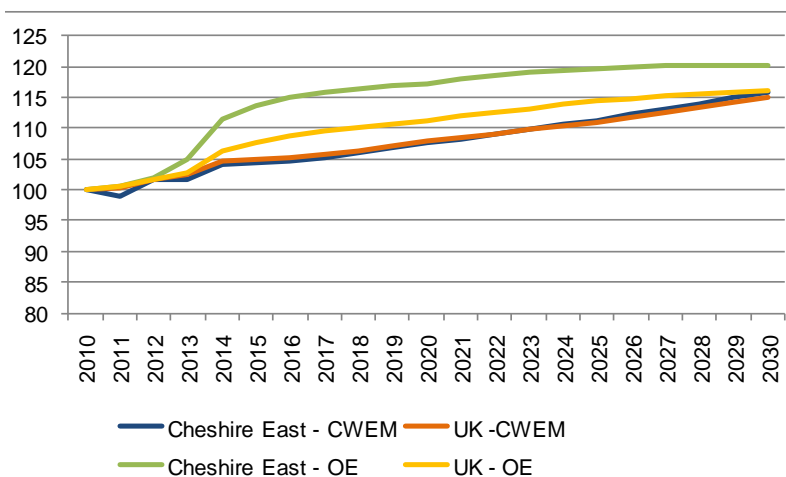
¹Average Annual Growth Rate

3.19 The model also projects decline in manufacturing employment, and although slightly less than the projected national decline in the sector, at 2,700, the job losses are substantial.

Comparability between the Results – Headline Growth Projections

3.20 When the ONS based CWEM growth trends are extended to cover the entire plan period i.e. to 2030, both the ONS based CWEM and Oxford Economics models project a similar level of economic growth nationally to 2030 (with an average annual growth rate of 0.7% in both models). As set out in Figure 3.1, the main difference at the headline level is the timing of growth with the Oxford Economic model projecting a higher level of growth between 2010 and 2025 (0.9% per annum) and reducing thereafter.

Figure 3.1 Employment Growth 2010-2030



Source: Cheshire and Warrington Econometric Model, Oxford Economics

3.21 The projections for Cheshire East in the ONS based CWEM are in line with these national projections, with an average annual growth rate of 0.7% resulting in 22,200 net additional jobs by 2025 and 31,400 by 2030. However, the Oxford Economics model suggests that Cheshire East will outperform the national economy with an average annual growth rate of 0.9%. This would result in 37,600 net additional jobs by 2025 and 38,600 by 2030. In line with the Oxford Economics projections for the national economy, growth is expected to be higher in Cheshire East between 2010 and 2025 (1.2% per annum) and reduce thereafter.

3.22 The levels of growth projected for the next 20 years in Cheshire East (an average rate of +0.7% per annum including self employment) in the ONS based CWEM falls within the range of employment growth rates recorded between 1998 and 2008 (0.8% including self employment) and 2009 and 2013 (0.6% including self employment), while the Oxford Economics projection exceeds this.

Comparability between the Results – Sectoral Differences

3.23 The drivers in the differing growth rates can be identified through sectoral analysis. The two models are broadly in agreement on the sectors that will grow / decline, with the exception of manufacturing where the CWEM model is more optimistic in terms of manufacturing employment (and consistent with Cheshire East’s aspirations for life sciences and the Alderley Park proposals). Instead, the main driver of the different growth rate is the level of growth projected for each sector.

3.24 In particular, this applies to the level of growth projected for the financial, professional and business services sector. While both models highlight the sector as the largest source of employment growth and project similar levels of growth in the sector at the UK level, the Oxford Economics projection for Cheshire East is much higher. Specifically, the average annual growth rate is over 30% higher than the national average and the sector is projected to create 23,200 net additional jobs by 2030 compared to 16,700 in the ONS based CWEM.

3.25 The Oxford Economics model also suggests an exceptional level of growth in construction with an employment growth rate of 49% compared to 23%-24% nationally in the Oxford Economics and ONS based CWEM respectively. This accounts for an additional 2,600 jobs in the difference between the two sets of projections.

	ONS Based CWEM			Oxford Economics		
	CE No.	CE %	UK %	CE No.	CE %	UK %
Financial, professional and business	16,700	38%	34%	23,200	51%	39%
Construction	2,400	21%	24%	5,000	49%	23%

Source: Cheshire and Warrington Econometric Model , Oxford Economics

3.26 There are a number of concerns with regard to the extent to which Oxford Economics projections in these sectors are robust enough to base housing projections on. These are:

- As identified in the Jones Lang LaSalle Urban Tendency Report published in 2014³, there is strong evidence that financial, business and professional services are now favouring urban/major city locations where companies can attract younger, higher skilled and more flexible workers.
- Parts of business services continue to be outsourced internationally, calling into question the sustainability of long term employment growth projections.
- While Cheshire East may benefit from some additional infrastructure investment, much of the work will be carried out by design, project management and construction companies based outside of the area bringing into question the 49% employment uplift in construction employment.

³ <http://www.jll.co.uk/united-kingdom/en-gb/research/184/urban-tendency-report>

3.27 After consideration the Oxford Economic forecast was considered to be over optimistic, mainly on the basis of the need to secure an exceptionally high level of employment growth in financial, professional and business services, and much higher than the forecast national growth. This level of growth was considered unlikely given that Manchester has ambitious plans to increase this type of employment based on its improved connectivity (an extended metrolink with 97 stops and the Second City Crossing supporting city centre travel), and the Northern Hub increasing hourly rail services from Liverpool, Preston, Leeds and Sheffield); a large, young, graduate educated workforce; and a strong commercial office market in the city centre, the Oxford Road Corridor and Salford Quays.

3.28 The strengthening of the major cities with regard to business and professional services, and growth sectors such as digital industries, is being supported by the improved connectivity between the major cities and the more towards a young and graduate workforce, where the leading cities can now provide an attractive setting to attract talent. This trend in particular will make it more difficult for Cheshire East to deliver high levels of growth in business services sub-sectors

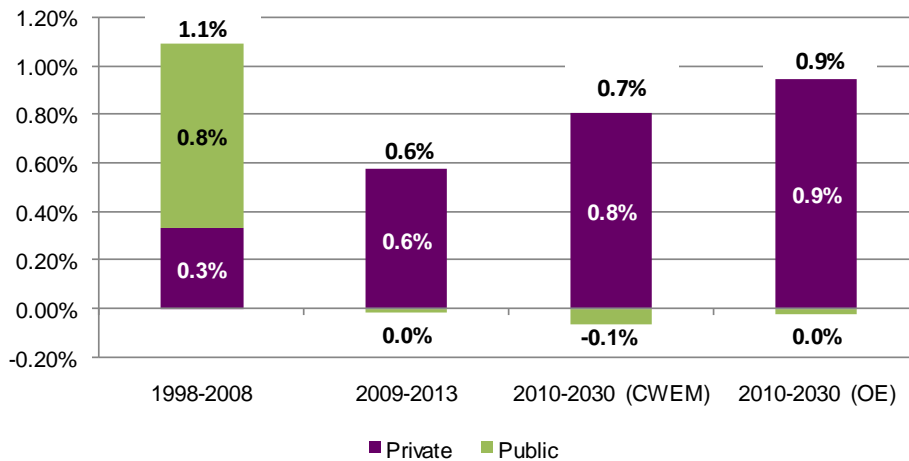
Selecting a Preferred Projection

3.29 The ONS based CWEM projection which projects a growth rate of 0.7% per annum between 2010 and 2030 has been selected as the preferred projection. This is viewed as an ambitious, yet realistic projection of the employment growth that can be secured in Cheshire East over the Local Plan period. The 0.7% is slightly lower than the growth rate achieved between 1998 and 2013, although future employment growth requires a much higher level of private sector growth than has been achieved in both the last major growth period and recent years.

3.30 In summary, the CWEM projection of 0.7% employment growth per annum is based on Cheshire East matching national growth. Given the shift to private sector employment growth and the variable levels of net private sector employment growth previously, this is both realistic and ambitious.

3.31 Figure 3.2 illustrates the scale of the challenge presented by both economic projections and particularly those produced by Oxford Economics. Cheshire East needs to sustain a higher level of private sector employment growth than it has achieved over the past twenty years. This is possible, although not guaranteed, and major events, such as the relocation of AstraZeneca with the loss of 2,000 jobs in Cheshire East between 2013 and 2016 increase the challenge.

Figure 3.2 Balance of Net Public and Private Sector Growth



Source: Annual Business Inquiry and Business Register and Employment Survey, CWEM, Oxford Economics

3.32 The 0.9% growth rate has been discounted on the basis that it requires very strong levels of growth (of 1.2% per annum) between 2010-2025, and the early years did not meet this growth rate. Sustaining this level of growth over a fifteen period would be exceptional. The likelihood of achieving this level of growth diminishes further when the lower levels of growth projected for the public sector is taken into account.

3.33 It has also been discounted on the basis of potentially over optimistic employment projections in two important sectors - financial, business and professional services and construction. Increased competition from major urban locations, such as Manchester City Centre and Salford Quays – which can provide the employment and lifestyle to attract the young, graduate educated workforce which will drive business service growth.

3.34 Manchester has ambitious and transformational plans to increase the scale of employment in these key sectors based on a strong commercial office market in the city centre, the Oxford Road Corridor and Salford Quays, building on significant investment in transport infrastructure.

3.35 Manchester's population fell to some 422,000 in 2001, from a historical high of over 760,00, since when a resurgence of its economy has supported population growth to circa 530,000 and a flourishing apartment market in the city centre and Salford Quays. The city alone now has over 100,000 people employed in professional, financial and business services, and employment growth is expected to accelerate as several hundred million pounds of transport and infrastructure investment reinforces the city's role as the economic engine of the Greater Manchester conurbation and the Northern Powerhouse.

3.36 If the level of growth is adjusted to match the national average in these sectors to take account of the potential over optimism of the employment projections while still allowing for considerable growth, the net employment increase projected in the Oxford Economic model for 2030 reduces by 8,500. This results in a total net increase of 30,100 in line with the ONS based CWEM model projection of 31,400 jobs. Therefore an annual employment rate growth of 0.7% represents both a realistic and ambitious projection, taking account of the need to generate jobs growth without the benefit of employment increases in the public sector.

3.37 Consideration was also given to using a 0.8% growth rate as a mid point, with a net employment figure of circa 35,000. This was discounted on the basis that it would continue to depend on exceptionally high and unrealistic level of employment growth in professional, financial and business services.

3.38 The 0.7% and 31,400 net additional was considered to present an ambitious target which would meet the plans of both the Cheshire and Warrington Local Enterprise Partnership and Cheshire East Council and provide employment growth in the key sectors contributing to national economic growth.

Estimating Employment Land Requirements

3.39 The section uses the results of the ONS based CWEM projections to estimate the level of employment land required to accommodate average employment growth of 0.7% per annum (+31,400 over the Plan Period). It is consistent with the calculations used for the Cheshire East Employment Land Review undertaken by Arup in November 2012⁴, which was used as part of the evidence to develop the Local Plan Strategy Submission Version.

3.40 There are two main differences between the bases that are used for the calculations presented in this chapter and those in the Employment Land Review:

- The calculations in this chapter are based on the level of employment growth projected in the ONS based 2014 CWEM model, whereas the ELR was based on the 2011 update of the CWEM model, which forecast limited employment change.
- The calculations in this chapter are based on the level of employment growth projected in the ONS based 2014 CWEM model only. Recognising the limited employment change that the 2011 update of the CWEM projected and the potential for this to significantly underestimate future demand for employment land, the ELR also ran calculations based on historic take up data. This meant that the ELR estimates were only partly based on the employment projections and that a range for the potential employment land requirement was produced (of 178 hectares to 248 hectares). The middle third of this range was then taken and a flexibility factor applied following this.

Key Points to Note

3.41 There are a number of important points to note with regards to exclusions / inclusions in the employment land calculations.

The calculation is based on FTEs and excludes Self Employment

3.42 As noted in the Arup Technical Appendix, when making employment land projections from employment data, self employment needs to be excluded as employment land requirements are calculated by taking employee numbers alone and applying employment densities (estimates of the average floorspace per employee).

3.43 Further, the number of employees needs to be converted to an estimate of the number of full time equivalent employee (FTE) jobs. It is assumed that 1 part-time job equates to 0.5 of a full time job based on guidance in the 2nd Edition of the Employment Densities Guide produced by Drivers Jonas Deloitte for Offpat and the Homes and Communities Agency⁵. The CWEM provides the data required for this calculation.

The calculation covers employment located in B1, B2 and B8 accommodation

3.44 As set out in the glossary of the Local Plan Strategy Submission Version, employment land is defined as: "Land identified for business, general industrial, and storage and distribution development as defined by Classes B1, B2 and B8 of the Town and Country Planning (Use Classes) Order 1987. It does not include land for retail development or 'owner specific' land."

3.45 This means that only a proportion of the new jobs created (i.e. those in the sectors listed below that would be accommodated in B1, B2 and B8 space) are included in the employment land calculations.

Table 3.4 Sectors Included in Employment Land Allocations

B1 – Office	B2 – Industrial	B8 – Warehouse
Financial services	Manufacturing	Distribution
Business services	Construction	Transport & comms
Public admin & defence		

⁴ see Appendix C Cheshire East 2009-30 Floorspace and Employment Land Forecasts Tables and Technical Note at: http://www.cheshireeast.gov.uk/planning/spatial_planning/research_and_evidence/employment_land_review_2012.aspx

⁵ <https://www.gov.uk/government/publications/employment-densities-guide>

The calculation excludes employment that is located on site or in transit

3.46 As noted in the Arup Technical Appendix, there are two broad sectors in which a significant proportion of employees frequently (or always) work off-site (i.e. away from their employer's premises). One of these is the construction sector, where for example, many employees usually work at construction sites or at a client's house or business premises. The other sector is transport, with many logistics and courier firms' employees, for example, spending much of their time on the road or at a client's premises, rather than at their employer's site.

3.47 As employers' floorspace and employment land requirements depend only on on-site employment, the FTE employee numbers need to be adjusted to exclude off-site workers. Based on the estimates included in the Arup report, it is assumed that 72% of construction workers and 44% of transport workers are based off-site.

Employment Inputs

3.48 Table 3.5 summarises the employment inputs for the employment land calculations. It takes account of each of the points noted above, removing self employment, converting the additional employees to FTEs and focusing on FTEs that are based on site in B1, B2 and B8 accommodation. As a result, the employment land calculation is based on accommodating a net additional 21,300 FTEs between 2010 and 2030.

Table 3.5 Employment inputs based on projected net employment growth

	Projections 2010-2030	Employment Land Base
	FTEs	FTEs on site in B1, B2, B8
Manufacturing	2,000	2,000
Construction	4,700	1,300
Wholesale	2,100	2,100
Transport and Storage	3,600	2,000
Information and Comms	2,800	2,800
Financial, prof & business	12,800	12,800
Public Admin	-1,600	-1,600
Total	26,300	21,300

Source: Cheshire and Warrington Econometric Model and ekosgen

Note: Figures may not sure due to rounding

3.49 While two thirds of the net FTEs to be accommodated are expected to be office based, reflecting the dominance of the financial, professional and business services sectors in the employment growth projections, the number of additional FTEs accommodated in industrial and warehouse space will require a significant land allocation given the business space requirement of their sector.

Table 3.6 Net Employment Growth to be Accommodated in B1, B2 and B8

B1 – office	14,000
B2 – industrial	3,300
B8 – warehouse	4,000
Total	21,300

Source: Cheshire and Warrington Econometric Model and ekosgen

Note: Figures rounded to nearest 100

Interim Economic Workshop

3.50 An Interim Economic Workshop was held on the 24th April 2015 at Sandbach Town Hall. The purpose of the meeting was to discuss views on the employment growth sectors relevant to Cheshire East and future employment land supply. It was attended by some 20 people, including land owners, professional advisors, local groups and Council Officers.

3.51 The major discussion was on the demand from the logistics sector; trends which were changing distribution and logistics, such as internet shopping; and the need for sites close to major population centres. The comments were taken into account when finalising the employment land forecast and there are now explicit forecasts with regard to employment land for distribution, transport and storage, in line with national guidance. Comments on the need to take account of the regional needs for logistics sites are taken into account on the commentary on SuperPort and the Atlantic Gateway.

3.52 Comments on the life science sector and the manufacturing employment base are reflected in the economic forecast for Cheshire East, with the employment projections suggesting that Cheshire East will not see the significant manufacturing sector employment decline recorded in the 1998-2008 period.

Employment Land Estimates for Net Employment Growth

3.53 The following assumptions underpin the employment land estimates. As with the overall methodology these are largely in line with the assumptions and approaches used in the Employment Land Review, with differences noted in the text below.

- **Aligning timescales:** The employment projections end in 2025. In order to produce 2010-2030 projections the sectoral average annual growth rates between 2010 and 2025 are extended to provide a sectoral and total net employment increase for the entire Local Plan period. This differs slightly from the Arup approach which assumed the 2020-2025 floorspace trend continues for a further five years to 2030. The latter does not take account of the compound effect of an average annual growth rate and is therefore based on a lower net employment growth number.
- **Estimating floorspace:** Standard employment densities are applied to the FTE on site numbers to estimate the total amount of floorspace required to accommodate the net employment growth. Based on Roger Tym and Partners guidance⁶, a density of 16m² is applied to office space, 61m² to industrial space and 61m² to warehouse space.
- **Factoring in vacancy rates:** Given that many developments will typically have vacant space at some time, additional space needs to be captured in the employment land calculations. Based on historical data held locally and by ONS⁷, a vacancy rate of 7.1% for B properties has been estimated.
- **Development ratio:** The floorspace requirements focus on the area that will be occupied by the employees. In reality, a larger site will be required to accommodate the development and supporting infrastructure. A development ratio of 35% has been applied to industrial and warehouse space⁸, and a weighted average of 42% for out of town office space and town centre office space. This is consistent with the assumptions in the ELR and Roger Tym and Partners guidance.

3.54 The results of applying these assumptions are set out in the table below. This approach produces a net employment land requirement (i.e. to accommodate net FTE growth) of 195 hectares between 2010 and 2030. This equates to an annual requirement of 9.7 hectares.

⁶ Setting Employment Land targets for North West England, Roger Tym and Partners, April 2010

⁷ Commercial and Property Vacancy Statistics, Neighbourhood Statistics, ONS and Commercial and Industrial Floorspace and Rateable Value Statistics, Neighbourhood Statistics, ONS

⁸ Setting Employment Land targets for North West England, Roger Tym and Partners, April 2010

Table 3.7 Net Employment Land Estimates 2010-2030

	B1	B2	B8
FTEs on site 2010-2030	14,000	3,300	4,000
Floorspace m ² 2010-2030	224,200	199,000	247,000
Floorspace m ² 2010-2030 with vacancy rate	241,400	214,200	265,900
Total Employment Land m ²	574,700	612,100	759,600
Total Employment Land hectares	57.47	61.21	75.96

Source: Cheshire and Warrington Econometric Model and ekosgen

Note: Figures rounded to nearest 100

Total Employment Land Requirements

3.55 The final two factors that need to be considered to generate total employment land requirements are:

- **Employment Land Losses:** This occurs when a planning application for a non employment use (i.e. non B Use Class) is approved on allocated or non allocated employment land (i.e. an existing employment site) and the proposed development of the site is either completed or under construction. As set out the Arup ELR report, analysis of land losses between 1997 and 2011 results in an employment land loss rate of 6.01 hectares per year. Projected forward, this allows for 120.20 hectares of employment land being lost in Cheshire East between 2010 and 2030.
- **Flexibility Factor:** This is primarily used to ensure future land supply is flexible enough to provide a range and choice of land to meet demand. It is also there to act as a buffer to issues such as sites no longer being delivered, land losses and the need to reallocate employment uses. A range of flexibility factors (low – 20%, medium – 25% and high – 30%) have been applied to the total requirement. The low adjustment reflects the standard flexibility factor used in previous planning periods, while the high adjustment reflects the flexibility factor applied in the Employment Land Review. The medium adjustment is the mid point between the high and low adjustments.

3.56 As part of the preparation of the Employment Land Review, a stakeholder workshop concluded that a 20% flexibility factor would be appropriate, although some stakeholders felt that there was scope for including a greater flexibility factor to provide a mechanism for meeting the higher growth aspirations of the Council as well as providing for long term flexibility if the High Speed 2 proposals for Crewe came to fruition. The Employment Land Review concluded that a flexibility factor of 30% would be appropriate for these reasons and to act as a buffer to issues such as sites no longer being delivered

3.57 The Council's higher growth aspirations have now been fully incorporated into the economic modelling (by using the 0.7% growth rate instead of 0.4%), while the proposals for the High Speed 2 hub at Crewe are not confirmed and likely to happen beyond the plan period. As the Employment Land Review noted, a number of employment sites in the supply at that time had delivery issues and the Local Plan Strategy has reviewed allocations so that sites can be brought forward, either by introducing a mix of uses, or proposing existing employment allocations for alternative uses and including new employment allocations.

3.58 Taking these factors into account, a 20% flexibility would now be more appropriate, and this returns the rate to a figure which is more typical. When the two factors have been taken into consideration, the total employment land estimate for Cheshire increases to 378 hectares.

Table 3.8 Net Employment Land Estimates

<i>Flexibility Factor</i>	Standard 20%	Medium 25%	High 30%
Employment Land for Net Growth	195	195	195
Land Losses	120	120	120
Flexibility	63	79	94
Total Requirement	378	394	409

Source: ekosgen

Conclusion

3.59 The revised ONS based CWEM projections suggest that the expected level of development of 351 hectares in the Local Plan Strategy Submission Version could be insufficient and may need to be increased in light of the new (and higher) employment projections. Given the base number has now been calculated using a more optimistic employment forecast, there is a case for using a lower flexibility factor (20%), requiring an additional 27 hectares.

Technical Note

3.60 Consideration was given to the importance of home working in Cheshire east and the extent to which any adjustment would be required with regard to the employment land forecast. Home working has become an important feature of the economy and data from the Office for National Statistics has been provided in a report on The Characteristics of Homeworkers, 2014.

3.61 The percentage of those in work in the UK who work from home (the home working rate) increased from 11.1% in 1998 to 13.9% in March 2014. Based on the latest Census, the rate in Cheshire East was 14% in 2011. The ONS report indicates that two thirds of home workers are self employed, and self employment is excluded from the employment land calculation.

3.62 In terms of sectors, the report indicates that homeworking is most prevalent in agriculture and construction, and the latter sector includes a significant adjustment to take account of people working off-site. Other sectors which are excluded from the employment land calculation include leisure and retail, and parts of wholesale and distribution.

3.63 There are however essentially office based jobs in areas such as business services where there are some homeworkers who are employees. The 2nd Edition of the Employment Densities Guide produced by Drivers Jonas Deloitte for Offpat and the Homes and Communities Agency notes the importance of both home working and hot desking. The practice of hot desking allows home workers to be accommodated on a temporary or part time basis. The Guidance uses a workstation:FTE ratio of 1:1 to take account of this factor i.e. accommodating a degree of homeworking is implicit within the guidance ratio.

3.64 In view of the scale of self employment, the amount of activity for which the Employment Land calculation does not include, and the likelihood of hot desking arrangements in supporting some home working, there is not a need to make further adjustments to the employment land calculation.

4 Links to Strategic Plans and Economic Ambition

Key Point Summary

- Across the local plans and strategies that are relevant to Cheshire East, there is a consensus on the economic opportunities and challenges across the area, with common themes in the economic objectives and ambitions to support a jobs led growth agenda.
- The Strategic Economic Plan that covers the Cheshire and Warrington LEP area is the most recent growth strategy, setting out an ambition to create 75,000 new jobs by 2030.
- Based on Cheshire East's current share of Cheshire and Warrington's total employment (39%), this is equivalent to an additional 29,000 new jobs in the Borough by 2030. This is in line with the ONS based CWEM model, which suggests 22,200 net additional jobs by 2025, and 31,400 net additional jobs by 2030 if employment growth continues.
- Across the documents, Crewe is positioned as the main strategic location for growth linked to its position, connectivity and the opportunities associated with the rollout of High Speed 2. While local partners recognise that transforming Crewe to a High Growth City is a long term opportunity, the area offers the greatest potential for transformational change in the medium term. With regards to delivering employment growth, while some of the economic benefits will occur in advance of the connection arriving, the majority of benefits will be captured outside the Local Plan period.
- Linked to the relocation of AstraZeneca, the remodelling of the site at Alderley Park to commercialise the unique, highly specialist R&D facilities is also highlighted as an investment priority. However, given that this builds upon existing facilities, the associated employment impact is expected to be low.
- The development of Liverpool 2 - a new £300m investment to deliver a new deep water in-river container terminal at the Port of Liverpool - is the centrepiece of the Atlantic Gateway strategy and Liverpool City Region has set out an ambitious plan to use the increased port capacity to accelerate economic growth. A study by Liverpool City Region, carried out by NAI global entitled *SuperPort Market Analysis and Property* identified a need for employment land for logistics over the next 20 years while the *SuperPort Global Freight & Logistic Hub* report sets out the major investment in Merseyside and along the Manchester Ship Canal.

Implications for Local Plan

- The latest economic projections suggest that the longer term (i.e. post 2030) 20,000 jobs figure set out in Local Plan Strategy will be met by 2030, reflecting the more positive employment projection from the latest model run as a result of the strengthening of the national economy.
- The revised economic projection numbers are consistent with the ambition and/or employment growth targets set out in the Economic Development Strategy for Cheshire East and the Strategic Economic Plan for Cheshire and Warrington.
- New plans being developed by High Speed 2 Limited and Local Partners are likely to confirm increased employment growth in and around Crewe, although these will be delivered as the full network becomes operational and over a period of 20 years from 2026/27 onwards.
- The High Speed 2 and the wider regeneration effects are likely to change the balance of the Cheshire East economy to the south, a trend which has been underway for some time.
- The constellation city concept, which is based upon capitalising on connectivity advantages in the south of Cheshire East and capturing growth in the cluster of towns surrounding Crewe that strongly interact as a single integrated market area, is consistent with the proposed land allocations in the Local Plan Strategy Submission Version.

Introduction

4.1 This section provides an overview of the economic ambition and plans set out in the March 2014 Submission Version of the Local Plan Strategy and other relevant strategies that cover Cheshire East, including the Cheshire and Warrington Local Enterprise Partnership's 2014 Strategic Economic Plan (SEP) entitled Cheshire and Warrington Matters⁹.

4.2 The details of specific projects that contribute to and/or underpin the ambitions of these strategy documents are also summarised. The commentary throughout the section highlights the key factors that need to be considered when incorporating these ambitions into the Local Plan.

The Economic Ambition in the Local Plan Strategy, Submission Version March 2014

The Link between Economic Ambition and the Local Plan

4.3 The Local Plan is the Statutory Development Plan for Cheshire East and is the basis for determining planning applications. The Local Plan Strategy document sets out the overall vision and planning strategy for development in the Borough and contains planning policies to ensure that new development addresses the economic, environmental and social needs of the area. It also identifies strategic sites and strategic locations that will accommodate most of the new development needed.

4.4 As such the economic ambition, and specifically, the level of employment growth projected, is one of the key factors underpinning the development of the Local Plan Strategy. Following its development, the Local Plan has an important role to play in driving and supporting the development of jobs in the Borough and the infrastructure and houses that are needed to support that employment. In particular, through the Local Plan, Cheshire East needs to make sure that there is sufficient land allocated for business, retail, leisure and other commercial developments to ensure that jobs led growth is delivered. Without the development and infrastructure envisaged by the plan, the area's economic potential will not be realised.

The Growth Proposition

4.5 The Local Plan Strategy Submission Version sets out that the objective for the future of Cheshire East is to deliver "*Sustainable, Jobs-led Growth and Sustainable, Vibrant Communities*". This is based on the overall growth proposition to deliver "*Over 27,000 new homes by 2030 and 20,000 jobs in the longer-term*". The Local Plan states that:

"These figures represent a pro-growth policy position that is forecast to see the Borough's population grow by around 40,000 people. Policies in this Plan will also make sure that the right mix of new homes is provided to meet the needs of a growing workforce and support both current and future employers. This is set within the demographic context that Cheshire East will have a 26% increase in over 65s and a 35% increase in over 85s by 2021".

4.6 It is important to note that the 20,000 job target is set for the longer term and extends beyond the Plan period to 2030. As set in the Local Plan Strategy Background Paper – Population, Projections and Forecasts, the planning strategy set out in the Submission Version Local Plan is based on an assumption that 13,900 additional jobs will be secured in Cheshire East between 2010 and 2030.

4.7 The latest economic projections suggest that the 20,000 jobs figure will be met by 2030, reflecting the more positive employment projection from the latest model run (using ONS based CWEM projections). It should be noted that economic projections change typically on a quarterly basis, and any unexpected shocks, nationally and internationally, could see employment growth projections revised downwards (as they have been in the past).

⁹ <http://www.871candwep.co.uk/media/Strategic-Economic-Plan-and-Growth-Plan.pdf>

The Rationale for the Employment Growth Strategy

4.8 The Local Plan Strategy Submission Version outlines the case for growth in Cheshire East, stating that growth is both necessary and beneficial for the following reasons:

- To accord with the Government's growth agenda and national planning policy
- To help achieve the ambition of the Local Enterprise Partnership for Cheshire and Warrington to be the best performing regional economy outside of the South East
- To build upon the economic success of Cheshire East and attract more inward investment
- To provide more diverse employment including well paid highly skilled jobs
- To generate greater expenditure in local shops and services so spreading improved prosperity to many local people
- To provide a range of new homes including much needed affordable housing
- To retain young people and attract suitably qualified employees to live and work locally, limiting travel congestion
- To provide more opportunities for skills and personal development
- To help deliver much needed local regeneration schemes
- To provide improved physical infrastructure and other services that are accessible to all
- To provide improvements to the built and natural environment
- To promote a thriving rural economy and tourism industry

Economic Development Strategy for Cheshire East

4.9 The Economic Development Strategy for Cheshire East, agreed in 2011¹⁰, identifies five mutually dependent strategic objectives that will lead to sustainable economic development in Cheshire East.

- Quality, image perception and leadership
- Unlocking development opportunities
- Liveability – local transport and aspiration
- A knowledge economy and a knowledgeable workforce
- Connections and linkages

4.10 The strategy identifies three spatial priorities – Crewe and Macclesfield, which align with the Cheshire and Warrington SEP – and market towns. The latter recognises that Cheshire East's smaller towns and communities play an important role in the local economy as employment locations, visitor attractions and local service centres.

Implications for the Local Plan

4.11 There is clear alignment between the Economic Development Strategy for Cheshire East and the Economic Strategy presented in the Local Plan Strategy Submission Version, both in terms of the objectives and the spatial priorities. The Economic Development Strategy document does not, however, quantify the economic ambition to allow comparisons with the envisaged levels of employment growth in the Local Plan.

4.12 Subsequent development, notably the formal announcement of High Speed 2 and a HS2 Hub Station at Crewe, have led to more detailed plans to capitalise on the improved connectivity to London and other major cities. These subsequent development areas are in line with the Economic Development Strategy and are consistent with the revised employment projections and employment land allocations. It should be noted, however, that the full impact of High Speed 2 will fall outside the Local Plan period.

¹⁰ <http://moderngov.cheshireeast.gov.uk/ecminutes/mgConvert2PDF.aspx?ID=12766>

Cheshire and Warrington: Strategic Economic Plan

4.13 Cheshire East is one of three Local Authorities within the Cheshire and Warrington Local Enterprise Partnership area. In response to a call from Government for a sub-regionally defined Strategic Economic Plan, the LEP, made up of representatives from the private and public sector, worked with partners and stakeholders in 2014 to develop the Cheshire and Warrington SEP entitled Cheshire and Warrington Matters – a new and ambitious strategy to support growth and economic development over the next decade. Helping to achieve the ambition of the LEP is referenced in the case for growth in Cheshire East as set out in the Local Plan Strategy Submission Version. The Cheshire and Warrington SEP was submitted to Government in April 2014.

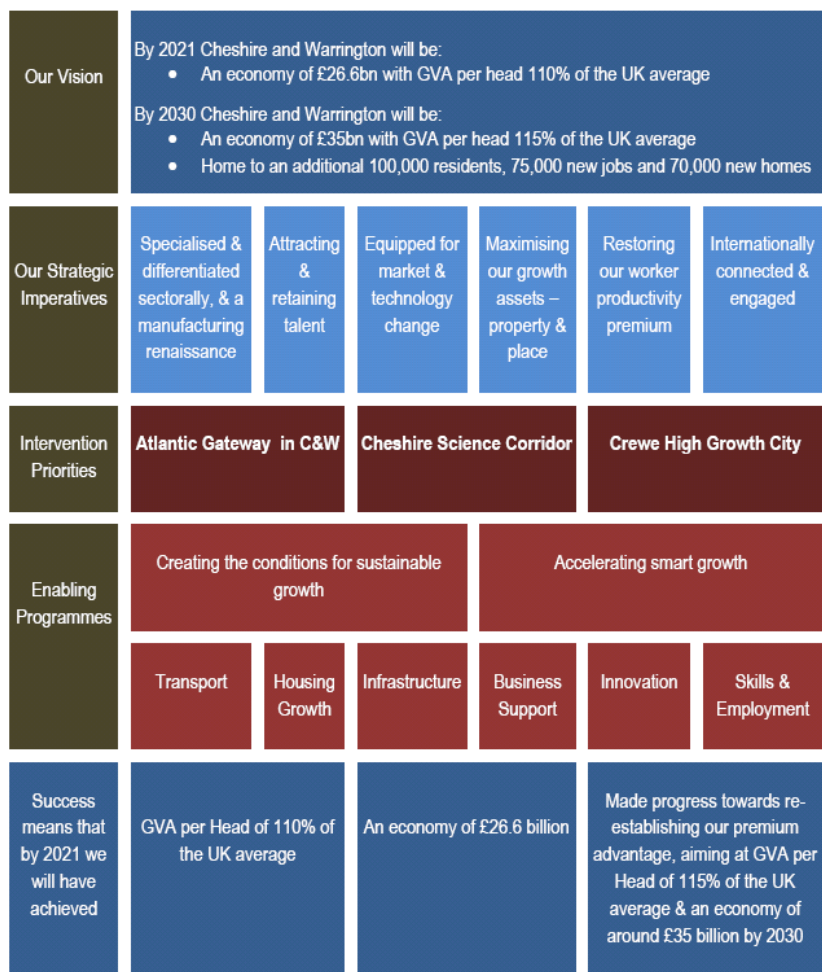
4.14 While LEPs were given increased influence over training and skills and transport investment, no statutory powers have been transferred or devolved, and both employment and residential land supply remain wholly determined by the planning system. LEP employment ambitions (including the Cheshire and Warrington ambition of creating 75,000 new jobs) have typically been produced without detailed consideration of population and housing requirements.

4.15 In the development of Strategic Economic Plans, LEPs were encouraged by Government (Ministers and officials) to develop new ideas, on a medium and long term basis, which were aspirational and ambitious. As a result many SEPs have set out employment targets which are considerably higher than past trends or economic projections. Many of these targets are dependent on securing very high levels of new and additional public sector investment in infrastructure.

4.16 The SEP sets out the new vision and strategic framework for Cheshire and Warrington, formalising the LEP’s vision and establishes the following growth targets:

- By 2021, Cheshire and Warrington will be an economy of £26.6bn with GVA per head of 110% the national average.
- By 2030, Cheshire and Warrington will be an economy of £35bn with GVA per head of 115% of the UK average. It will also be home to an additional 100,000 residents, 75,000 new jobs and 70,000 new homes.

Figure 4.1: Cheshire and Warrington Strategic Framework



Source: Cheshire and Warrington Strategic Economic Plan

4.17 The Strategic Framework sets out how the vision will be achieved. As set out in Figure 4.1 it comprises a number of mutually enforcing elements:

- Strategic imperatives – that enable the vision. The SEP notes that it is critical that all elements of the growth plan priorities contribute to these.
- Intervention priorities – those particular spatial locations or themed opportunities that offer prospects for substantial and accelerated growth fuelled by the Local Growth Fund and other funding opportunities.
- Enabling programmes – proposals that enable and support the Growth Plan grouped into two blocks: creating the conditions for sustainable growth (transport, housing growth and infrastructure) and accelerating smart growth (business support, innovation, skills and employment).

4.18 The strategic imperatives that will guide actions and investments going forward reflect the opportunities and challenges the Cheshire and Warrington economy faces and all interventions delivered through the SEP must contribute to at least one of them. The Strategic Imperatives are:

- SI1: Specialised and differentiated sectorally, and delivering a manufacturing renaissance
- SI2: Attracting and retaining talent
- SI3: Equipped for market and technology change
- SI4: Maximising growth assets – property and place
- SI5: Restoring worker productivity premium
- SI6: Internationally connected and engaged

4.19 The SEP also identifies and sets out the following three intervention priorities:

- Atlantic Gateway in Cheshire – the world trade, logistics, business and innovation corridor stretching from Deeside and Merseyside through the northern part of Cheshire and Warrington to Manchester.
- Cheshire Science Corridor – a string of interconnected centres of excellence located in Cheshire which are or have the potential of contributing significantly to national innovation in science.
- Crewe High Growth City – placing Crewe at the heart of the HS2 as a superhub central to the country's major infrastructure network.

4.20 The SEP describes these priorities as particular spatial locations or themed opportunities which, by virtue of their spatial scale, economic relevance, profile and long-term potential, offer prospects for substantial and accelerated growth fuelled by Local Growth Fund and other funding opportunities.

4.21 Macclesfield, which is home to banking, finance and insurance and other service sectors, is also identified as an important investment location with potential to attract inward investment and take forward nationally significant development opportunities. Plans for Macclesfield include working with AstraZeneca and partners to retain a fully functioning biotechnology centre and revitalising the town centre with a £90m retail and leisure scheme.

SEP Alignment with Revised Employment Projections and Implications for the Local Plan

4.22 Two of the three intervention priorities fall partly or wholly within Cheshire East: Crewe High Growth City and Cheshire Science Corridor, although it is the former which is expected to generate significant additional employment in the south of the Borough. The Atlantic Gateway intervention also has implications for the logistics sector in Cheshire East.

4.23 In terms of alignment:

- While the SEP does not provide a geographical breakdown of these targets, Cheshire East's current share of Cheshire and Warrington's total employment (39%), suggests a Cheshire East contribution of 29,000 net additional jobs by 2030 to the 70,000 SEP ambition. This is in line with 2014 CWEM projections, which suggest 22,200 net additional jobs by 2025, and 31,400 net additional jobs by 2030 if employment growth continues.
- The SEP places a major emphasis on increasing the productivity of the workforce, and as such is concerned about the quality of jobs, with particular attention paid to science and technology. This is partly driven by a need to replace the high quality jobs being lost when AstraZeneca relocates a significant number of staff from Cheshire to Cambridge (announced in 2013).

4.24 In spatial terms, the SEP is based on Cheshire West and Chester and Warrington benefiting from Liverpool SuperPort (opening in 2015) and Atlantic Gateway, with Ellesmere Port and Omega in Warrington identified in the Liverpool SuperPort Logistics offer; and Cheshire East benefiting from High Speed 2.

Crewe High Growth City

4.25 The opportunities for economic growth in Crewe are set out in a number of local documents, including the Strategic Economic Plan, the local economic strategy 'All Change for Crewe'¹¹ and the 'From Rail Town to High Speed Rail City: A Vision for Crewe' which was submitted to Government in July 2012¹². The plans and rationale for investing in Crewe are based upon its location at the centre of the strategic road and rail network and opportunities linked to the development of the High Speed 2 network. In particular, the 'From Rail Town to High Speed City' document was submitted to the Department for Transport as part of the proposition for an HS2 Hub station at Crewe.

All Change for Crewe

4.26 The All Change for Crewe document outlines a 20 year strategy to 2030, with an aim of Crewe being a: (i) nationally significant economic centre; (ii) one of the leading centres for advanced engineering and manufacturing in England; and (iii) a sought after place in the South Cheshire belt for people to live, work and develop their talents. The following five complementary aims have been developed to deliver this vision, which include investment in the railway station, the strategic road network, the town centre and development of the strategic regional site at Basford.

Table 4.1 All Change for Crewe: Aims and Key Focus Areas	
A knowledge economy and a knowledgeable workforce	<ul style="list-style-type: none"> • Improve attainment levels in low-performing schools, and increase levels of skills/qualifications • Align Further/Higher Education provision with the needs of knowledge-based and growth-orientated sectors in the local economy • Support existing major employers in developing their in-house skills, and more generally help to nurture new and innovative businesses
Connectivity and linkages	<ul style="list-style-type: none"> • Develop the railway station as a high-quality and high-performing gateway into, and out of, the town • Introduce measures to reduce congestion on the strategic road network, to enable internal movement • Establish stronger linkages to neighbouring city-regions and the economic opportunities they offer • Ensure Crewe has a competitive Next Generation Broadband infrastructure
Physical development opportunities	<ul style="list-style-type: none"> • Develop a high-quality offer in the town centre, and ensure that local businesses' needs for accommodation are met • Realise the successful development of the Strategic Regional Site at Basford • Enable the co-ordinated release of development land for housing, to assist the town's population growth
Liveability and transport	

¹¹ http://www.allchangeformcrewe.co.uk/pdfs/CREWE_PROSPECTUS.pdf

¹² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/68953/from-rail-town-to-high-speed-rail-city-a-vision-for-crewe.pdf

	<ul style="list-style-type: none"> • Tackle the physical challenges in the deprived areas abutting the town centre, and ensure more generally all communities are served by quality public transport links • Improve the opportunities for Crewe's children and young people through a specific focus on improving schools • Address the challenge of Young People not in Education, Employment or Training (NEET)
Image, perception and leadership	<ul style="list-style-type: none"> • Ensure inspirational and ambitious civic leadership across the public, private and voluntary/community sectors • Devote greater attention and energy to acquiring, developing and retaining premium leadership as a priority for the area • Develop a dedicated and energised marketing/inward investment campaign to transform out-dated perceptions of Crewe and its capabilities

Source: All Change for Crewe

4.27 The ambition set out in the document translates into a target to create over 14,500 new jobs focused on the Basford strategic employment site and in the town centre.

From Rail Town to High Speed City

4.28 Beyond the 20 year timescale of the All Change for Crewe document, the 'From Rail Town to High Speed City' document sets out an initial masterplan vision for growth in South Cheshire based upon the development of a HS2 Hub Station at Crewe. The document sets out that a HS2 Hub Station at Crewe would act as a major catalyst for the local, sub regional and national regeneration and economic growth with potential for a minimum of 20,000 jobs and 5,000 homes generated by the HS2 Hub Station within the centre of Crewe alone.

4.29 The proposal has been submitted to the Department for Transport and is pending a decision. It should be noted that if the proposal proceeds, the majority of benefits which are directly linked to the establishment of a Hub Station will fall outside the Local Plan period i.e. 2025-2045.

Crewe High Growth City – Strategic Economic Plan

4.30 The Strategic Economic Plan identifies and puts forward Crewe High Growth City as one of three intervention priorities. This combines elements from the 'All Change for Crewe' and 'From Rail Town to High Speed City' visions. The three priorities for Crewe High Growth City are:

- **Crewe HS2 Hub Station** – new rail hub on the HS2 network – enabling Crewe to be a major focus for rail and transport connectivity and major growth:
 - Basford West Crewe
 - HS2 Hub Station
- **Growing the constellation city** – critical infrastructure to enable the development of strategic environment and housing development sites in Crewe and the cluster of towns surrounding it that strongly interact as a single integrated market area. The cluster is referred to as a networked constellation of towns by the LEP and includes Nantwich, Sandbach, Alsager, Middlewich, Congleton and Holmes Chapel. Specific investment priorities include:
 - Middlewich Eastern Bypass: To facilitate the expansion of the Midpoint 18 Business Park Provision by investing in a 2.2km stretch of carriageway to complete the Middlewich Eastern bypass.
 - Crewe Green Link Road: To unlock strategic employment sites at Basford, Capricorn (J17) and directly open up an allocated housing site by investing in highway improvements to remove a key congestion pinch-point on the main distributor network.
 - Crewe Northern Growth Corridor: A Local Transport Body priority scheme to open up development sites of Leighton West, Coppenhall East and Maw Green by the removal of the Sydney Road Bridge pinch-point.
 - The Congleton Link Road: To unlock development opportunities to the north and west of Congleton for housing and employment development, improving access to the

existing Radnor Park Trading Estate and Congleton Business Park by the provision of a 5.5km single carriageway and road linking the A534 and A536.

- **Skills and workforce development** – development of a hub for engineering skills, innovation and expertise underpinned by a growing educational platform which closely links the educational offer to the needs of current and future business growth (e.g. a University Technical College led by Bentley, OSL and Jacobs specialising in engineering and design).

4.31 The SEP estimates that as a result of the investment, GVA will increase by £397m per annum by 2031 and that 25,000 homes and 10,000 jobs will be delivered. The SEP also recognises that 'High Growth City is obviously a long term project', although the LEP is keen to start laying foundations for the initiative now and identified four foundation investments which were put forward for Growth Deal funding in 2015/16. Three of these projects have secured funding, all of which are post 2016.

Table 4.2 Crewe High Growth City Phase 1

	Funded			Yet to be funded	Total
	Congleton Link Road	Crewe Green Roundabout	Crewe Northern Growth Corridor – Sydney Road Bridge	Middlewich Eastern Bypass	
Total cost	£75m	£5m	£6.98m	£22m	£108.98m
LGF	£45m	£3m	£2.1m	£2.5m	£52.6m
PC LGF	-	-	£2.5m	-	£2.5m
Other public	£15m	£1.0m	-	£4.1m	£20.1m
Private	£15m	£1.0m	£2.38m	£15.4m	£33.78m
Outputs					
Jobs created	3,500	750	800	2,800	7,850
Homes	2,200	570	750	450	3,970
Floorspace				143,000m ²	143,000m ²

Source: Cheshire and Warrington Strategic Economic Plan

4.32 Given the time taken to complete infrastructure works and for developers to bring forward opportunities, the funded projects are likely to result in new development in the post 2020 period.

Alignment with Revised Employment Projections and Implications for the Local Plan

4.33 There are a number of points regarding the Crewe propositions that should be taken into account when considering the implications for the economic ambition of the Local Plan:

- The high numbers of job growth in Crewe are linked to the arrival of High Speed 2.
- While the economic and regeneration impact of HS2 at Crewe constitutes a new and powerful economic driver, the majority of the economic benefits will occur between 2025 and 2045 and consequently fall outside the Local Plan period. Land and site preparation will, however, need to be in place at an early stage.
- A package of support will be provided to all HS2 Hub Station LEPs once the route is confirmed and the Government will work with and support Phase Two LEPs to develop their HS2 strategies.
- High Speed 2 has established HS2 Ltd to work with each High Speed 2 Hub Station to maximise the benefits of the new station and services.

The Cheshire Science Corridor

4.34 The Cheshire Science Corridor proposition (to develop an international corridor of science and innovation connected into a wider strategy for science linked to Liverpool and Manchester City Regions) recognises the importance that the Government has placed on developing the country's research and development capacity. The proposition is based on Cheshire having some of the most significant science based assets in the north of England, some of which are of global importance: in advanced scientific analysis and research, pharmaceuticals manufacturing, chemical engineering, energy and nuclear engineering and radio-astronomy and astronomy. Alderley Park based in Cheshire East is listed as one of six key assets, with scientific manufacturing in Macclesfield and the world's largest spectrometry headquarters at the Waters Corporation in Wilmslow recognised as part of Cheshire and Warrington's growing science offer.

4.35 The SEP identifies four activities that will deliver the potential of the corridor:

- Creating a virtual and real Network of Innovation in Science and Technology through the leadership of existing global brands and high growth SMEs, together with leading higher education and research institutions and government.
- Developing new finance and investment tools and target existing funding opportunities to help grow companies with high growth potential
- Providing the right sites in the right locations with the right infrastructure, enhanced by the highest quality of life in order to attract the best talent in the area
- Building a workforce for the future and develop the existing skills base by ensuring that the right skills provision and education is in place.

4.36 The activities translate into four Cheshire Science Corridor Priorities, two of which are located within Cheshire East:

- **Thornton Science Park:** Transforming the former Shell Research and Development facility into a world leading centre for Advanced Energy systems operated by the University of Chester.
- **Alderley Park Science for Life:** To remodel the former AstraZeneca site at Alderley Park to commercialise the site's unique, highly specialist R&D facilities.
- **Greater Manchester and Cheshire Life Science Investment Fund:** A collaborative venture with Greater Manchester LEP to provide access to specialist investment finance to support cluster development.
- **Poynton Relief Road:** A Local Transport Body priority scheme to provide a new 3km relief road to support the economic, physical and social regeneration of north east Cheshire, in particular Poynton and Macclesfield, to improve links to Manchester Airport.

4.37 Collectively the projects are expected to create 4,690 jobs, 500 homes and deliver 82,970m² of floorspace. Specifically, the Alderley Park Science for Life and Poynton Relief Road, which are focused on Cheshire East, are expected to deliver the benefits set out in Table 4.3. Cheshire East would also benefit from the Greater Manchester and Cheshire Life Science Investment Fund, which is expected to create 2,000 jobs based on a total cost of £40m.

Table 4.3 Cheshire Science Corridor – Elements based within Cheshire East

	Alderley Park Science for Life – Phase 1	Poynton Relief Road	Total
Total cost	£4.0m	£32m	£36m
LGF	£2.0m	£16.4m	£18.4m
PC LGF		£5.6m	£5.6m
Other public			
Private	£2.0m	£10m	£12m
Outputs			
Jobs created	170	620	790
Homes		500	500
Floorspace	78,968m ²		78,968m ²

Source: Cheshire and Warrington Strategic Economic Plan

4.38 The Growth Deal published in July 2014 sets out the Government’s commitment to provide funding for the Poynton Relief Road between 2016/17 and 2021, which is expected to deliver 620 new jobs. Subject to completion of a strong business case, the Government has also confirmed support in 2015/16 of £6m for the joint Life Science Investment Fund with Greater Manchester, with a commitment to invest a further £4m over the longer term. The benefits from this scheme (estimated at 2,000 jobs) will be split between the Cheshire and Warrington and Greater Manchester LEP geographies.

4.39 The Growth Deal does not however include an allocation for Alderley Park Science for Life at this stage, with the SEP stating that *‘there is no realistic prospect of these projects commencing by their forecast start date without the support of the Local Growth Fund’*.

4.40 Plans are progressing to refurbish some of the 300,000m² of high quality and specialist laboratory, office and ancillary floorspace at Alderley Park to make new space available to new inward investors and make an early contribution to the aspirations for the Cheshire science Corridor. The development is being supported by the Council’s works with Manchester Science Partnership (the owners of Alderley Park) and the establishment of a new Life Science Fund.

Atlantic Gateway

4.41 Liverpool 2 is a £300m investment to deliver a new deep water in-river container terminal at the Port of Liverpool. This new investment is the centrepiece of the Atlantic Gateway strategy and Liverpool City Region has set out an ambitious plan to use the increased port capacity to accelerate economic growth.

4.42 A study by Liverpool City Region, carried out by NAI global entitled *SuperPort Market Analysis and Property*¹³ identified a need for 418 hectares of employment land for logistics over the next 20 years, arising from the opportunities from various activities connected to the Port.

4.43 The *SuperPort Global Freight & Logistic Hub*¹⁴ report, also commissioned by the City Region, sets out that while the core area of impact includes the six Merseyside Local Authorities, SuperPort will also have an impact on the immediate natural hinterland of West Lancashire, Warrington and Cheshire and also Greater Manchester, Staffordshire, Lancashire, West Yorkshire, North Wales and the Midlands.

4.44 The *SuperPort Global Freight & Logistic Hub* report sets out the major locations available for investment in the City Region.

Table 4.4 Major Logistics Investment Locations

Location	Hectares	Location	Hectares
Port Bridgewater	18	Potter Logistics Rail freight terminal	22
Port Salford	60	Knowles 700	18
Port Warrington	20	John Lennon Airport	n/a
Mersey Multi Modal Gateway (Halton)	90	Knowsley Industrial Park	25+
International Trade Centre (Wirral Waters)	Up to 2.5mft ²	Liverpool International	8
Atlantic Park/RLAM (Sefton)	21	Saturn Business Park	14
Atlantic Terminal	8	G Park Skelmesdale	17
Parkside (St Helens)	104	G Park Widnes	16

Source: *SuperPort Global Freight & Logistic Hub*

4.45 The report also identified a number of other logistic locations in Merseyside Alchemy Park (Knowsley), Orbit developments Knowsley, Moorgate Point, and others.

4.46 In addition, Airport City at Manchester, on the border with Cheshire East, has 116 hectares of land available for commercial and leisure development, and is targeting major logistics businesses,

¹³ <http://www.liverpoollep.org/pdf/superportlowres.pdf>

¹⁴ <http://www.liverpoolvision.co.uk/wp-content/uploads/2014/03/Superport-A4-2pp.pdf>

while the Omega South Zone 7 Outline Planning application envisages over 2.1million ft² of manufacturing and logistics space.

4.47 In addition to SuperPort, there are a number of other trends, such as internet shopping, which are changing the distribution and logistics industry in the UK. These combined factors are likely to increase demand for logistics sites both near to the strategic road network and with good access to major population centres.

4.48 A recent report by Total Logistics¹⁵ identified five major trends affecting the logistics industry – the rise of the golden triangle (in and around Northampton); bigger container ships concentrating flows into big ports; increases in fuel costs; carbon emission reduction targets; and the rise of ecommerce. Work by JLL “The UK Big Box Industrial and Logistics Market¹⁶” suggests that different types of warehouse facilities will be needed in the future to take account of the role of the supply chain, including mega e-fulfilment centres, central parcel hubs, local parcel delivery centres, returns processing centres and dedicated warehouses to fulfil online grocery orders.

4.49 The expected level of development in the Local Plan Strategy Submission Version (see Chapter 5) includes a number of major sites available close to the strategic road network, mainly focussed on Crewe and satellite centres. These are likely to have a specific offer based on their location between the Greater Manchester and Greater Birmingham (Midlands) economies. The availability of land for major distribution and logistics in the north is more limited, and this appears to reflect greenbelt considerations and the scale and supply of sites available at Warrington (Omega and Port Warrington) and Greater Manchester (Airport City and Port Salford).

Conclusion

4.50 In terms of the alignment of economic ambitions and economic strategies:

- The latest ONS based CWEM projections suggest that the 20,000 jobs figure set out in Local Plan Strategy will be met by 2030, reflecting the more positive employment projection from the latest model run as a result of a strengthening of the national economy.
- The revised economic projection of 31,400 net additional jobs is consistent with the ambition and/or employment growth targets set out in the Economic Development Strategy for Cheshire East and the Strategic Economic Plan for Cheshire and Warrington.
- New plans being developed by High Speed 2 Limited and Local Partners are likely to confirm increased employment growth in and around Crewe, although these will be delivered as the full network becomes operational and over a period of 20 years from 2026/27 onwards.

4.51 The High Speed 2 and the wider regeneration effects are likely to change the balance of the Cheshire East economy to the south, a trend which has been underway for some time.

¹⁵ Logistics Market Review, Total Logistics, 2014

¹⁶ http://www.placenorthwest.co.uk/assets/files/documents/jul_14/pnw_1405069608_UK_Big_Box_Market_H1_2014.pdf

5 Spatial Implications of Economic Plans and Projections

Key Point Summary

Drawing upon evidence from a range of sources including the Employment Land Review and the Settlement Hierarchy, the Cheshire East Local Plan Strategy Submission Version sets indicative levels of employment development by settlement which collectively amount to 351 hectares. As set out in Chapter Three, the revised employment projections using the ONS based CWEM suggest that 378 hectares of employment land are required between 2010 and 2030. This is higher than the Local Plan's expected level of development across Cheshire East settlements and requires the distribution of 27 additional hectares of land to be considered.

In the Local Plan Strategy Submission version the indicative levels of development are weighted towards development taking place in the South. In economic and policy terms there is a clear logic for the expected levels of development. In summary these are:

- Crewe is the major economic centre in the Borough, with a clear economic hinterland, and is not over-shadowed by any of the major cities.
- Investment opportunities linked to the strategic road and rail network, particularly the M6 corridor and critical infrastructure to enable the development of strategic employment sites linked to the constellation city concept. The latter is identified in the Strategic Economic Plan and All Change for Crewe Strategy and is based upon capturing growth in the cluster of towns surrounding Crewe that strongly interact as a single integrated market area.

The emphasis of employment land in the south of Cheshire East is consistent with both policy and economic opportunity. In particular, accelerating the growth of Crewe and building on the constellation city proposals linked to new infrastructure such as the Congleton Link Road and the Middlewich Bypass, will be given a considerable boost as the long term HS2 plans are progressed.

The Cheshire East Local Plan Strategy Submission Version also sets indicative levels of development by settlement in the north of the Borough, although not on the scale of the south. In economic and policy terms there is a clear logic for the designations in the north of Cheshire East. In summary these are:

- The north of Cheshire East has a highly valued greenbelt, making it more challenging to identify large sites.
- Both Airport City and Omega are nearby and have a very competitive logistics and distribution offer (Airport City is a designated Enterprise Zone with land supply and investment plans to accommodate in excess of 8,000 jobs).
- The north is affected by major competition from the employment ambitions of Greater Manchester and Warrington. Although the Northern Powerhouse idea will increase the attractiveness of Macclesfield, Wilmslow and Knutsford as employment locations with easy access to the Manchester economy, other trends emphasise city centre working as a basis for attracting a young, graduate educated workforce.
- Initiatives, such as Cheshire Science Corridor, are likely to focus on quality, rather than quantity. This is the distinctive feature of the north, and the employment land allocation reflects this.

While the development of 351 hectares may be sufficient to support the level of employment growth envisaged in the Local Plan Strategy Submission Version, the level of growth expected in the updated ONS based CWEM economic projections suggests 27 additional hectares of land will be required. A significant part of the increased employment from the updated model is for office based jobs. While it is likely that both the north and south of Cheshire East will benefit from this growth, the north will continue to be attractive to businesses keen to be based in locations with easy access to Manchester city centre. As such there is a strong case, at a strategic level, to allocate a substantial proportion of any additional land to the north of the Borough.

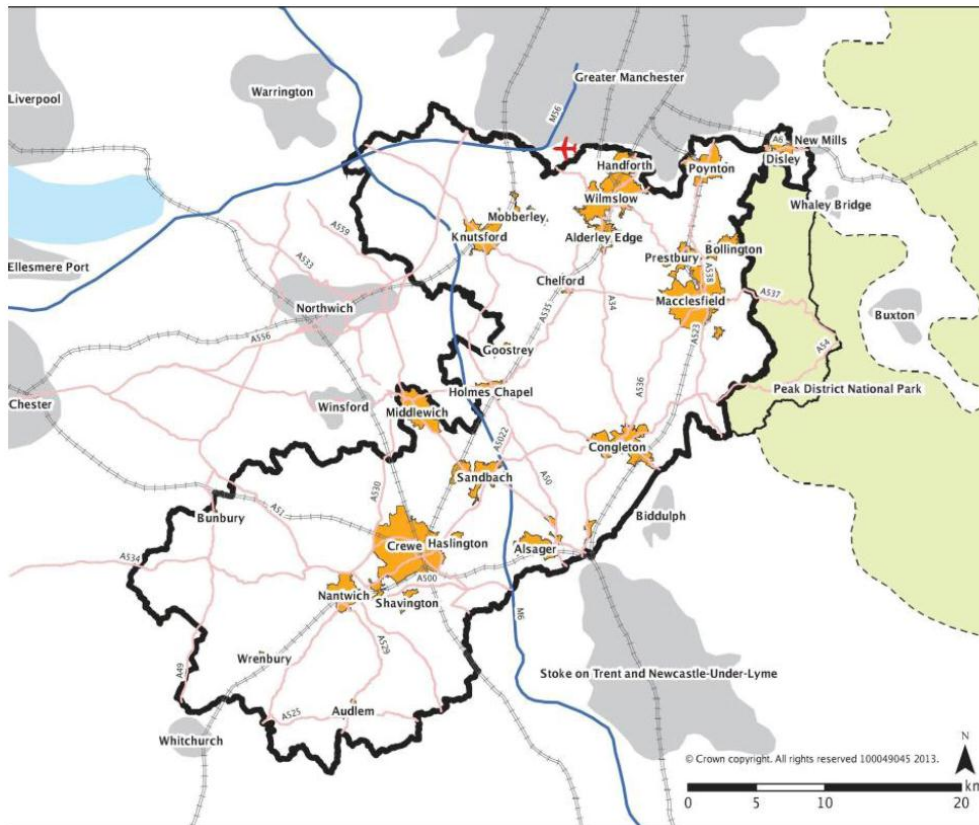
Context

5.1 There are a number of important economic, service and residential centres within Cheshire East. As shown in Figure 5.1, these areas are clustered in the north and south of the Borough with the north covering the former Macclesfield Borough area and the south, the former Congleton and Crewe and Nantwich Boroughs. There are two principal towns – Crewe (in the south) and Macclesfield (in the north) - both of which provide a range of services and opportunities for employment, retail, education and leisure. They also service large catchment areas with high levels of accessibility and public transport provision.

5.2 In addition to the principal towns, there are also Key Service Centres and Local Service Centres. The nine Key Service Centres are **Alsager, Congleton, Middlewich, Nantwich and Sandbach** in the south, and **Handforth, Knutsford, Poynton, and Wilmslow** in the north. These centres provide services for a wider locality and usually have a good range of facilities including shops, schools, cultural and leisure facilities.

5.3 The thirteen Local Service Centres are: **Audlem, Bunbury, Goostrey, Haslington, Holmes Chapel, Shavington and Wrenbury** in the south, and **Alderley Edge, Bollington, Chelford, Disley, Mobberley, and Prestbury** in the north. The Local Service Centres are small towns or large villages which provide a range of services and facilities to meet the need of local people, including those living in nearby settlements. They typically have a range of shops, health and leisure facilities and employment opportunities.

Figure 5.1 Map of Important Economic, Service and Residential Centres in Cheshire East



Source: Cheshire East Local Plan Strategy Submission Version

5.4 Cheshire East Council has developed definitions for each of these geographies using Lower Super Output Areas. These are set out in the LDF Background Report: Determining the Settlement Hierarchy¹⁷ and can be used alongside socio-economic datasets to review current performance and

¹⁷ Produced by Cheshire East Council in November 2010 and available through the Cheshire East Local Plan Strategy Examination Library (document reference BE 046)

change over time on a number of core indicators. The council groups the remaining LSOAs across Cheshire East in a separate 'rest of Cheshire East' category.

5.5 The analysis in the following section uses these definitions, and where relevant assigns the LSOAs in the 'rest of the Cheshire East' category to the north or south of the Borough.

Key Important Employment Locations

5.6 There are already a number of key employment locations in the Borough. These are of particular significance to the economy in Cheshire East collectively employing over 13,000 personnel¹⁸.

Important Employment Locations in the South

- **Bentley Motors, Crewe** - This is the town's largest private sector employer, currently employing 3,500 people. As the company's UK Headquarters, the site is home to all aspects of car production from design, engineering, manufacturing, quality, and sales and marketing.
- **Jodrell Bank, Holmes Chapel** - prominently located in the heart of Cheshire East this is a unique site, which is of both historical and scientific significance as a leading facility for radioastronomy and scientific research in the UK.
- **Midpoint 18, Middlewich** - This is a mixed use business park currently home to major companies such as Wincanton and Kuehne + Nagel. The current development footprint provides 128,130 square metres of mixed employment use, including office, distribution, and manufacturing space.
- **Crewe Green Business Park, Crewe** - This is the largest business park in Crewe, it is over 27 hectares and accommodates employers such as Air Products, Busch GVT, Wulvern Housing and DEFRA. Crewe Green Business Park and Crewe Gates and Weston Road Industrial Estates are adjacent to each other and form together a diverse, influential and important area of economic activity.
- **Crewe Gates and Weston Road Industrial Estate, Crewe** - The largest industrial area within the largest town in Cheshire East. Employers located here include Expert Logistics, JTI UK, 20:20 Mobile and Bargain Booze Headquarters.
- **Sanofi/Aventis, Holmes Chapel** - Sanofi is a global integrated healthcare leader in the pharmaceutical industry. The site, prominently located on the edge of Holmes Chapel, is a centre of excellence for the manufacture of inhalation products for the worldwide market.

Key Important Employment Locations in the North

- **Alderley Park** - Formerly AstraZeneca's largest research facility and the company's global centre for cancer research. The Alderley Park Development Framework (Consultation Draft) is currently available to the public.
- **Radbrooke Hall, Knutsford** - The site currently accommodates the UK Strategic Centre for Barclays Bank Plc and is home to the Global Infrastructure and Service Delivery Teams.
- **Hurdsfield Industrial Estate, Macclesfield** - As the largest traditional industrial estate in Cheshire East, it is home to a number of major multinational companies, including AstraZeneca and BASF Performance Products Ltd. Work is ongoing to maximise the employment uses and land uses on the Hurdsfield estate.
- **Booths Hall, Knutsford** - Booths Hall combines an 85 hectare parkland setting with flexible, high quality office accommodation which is home to a growing number of small high growth, high tech companies and major multinationals.
- **Waters Corporation, Wilmslow** - Waters Corporation has recently completed the construction of a mass spectrometry headquarters located at the 15 hectare Stamford Lodge site.

¹⁸ Source: Cheshire East Local Plan Strategy Submission Version

Employment Growth 2003 to 2008

5.7 Focusing on the spatial distribution of employment growth between 1998 and 2008, data is available for geographies below the local authority boundary from 2003 onwards. During this period, a total of 6,700 net additional jobs were created in Cheshire East, representing a 4% increase from 2003 employment levels. There was a contrast in the employment growth trends across the Borough, with areas in the North recording a net employment decrease, whilst there was strong employment growth in the South.

5.8 The employment growth in the South was driven by a significant increase in the professional and business services sector, which created some 5,200 net additional jobs. When comparing trends between those sectors that experienced net growth and those that experienced net decline, the south benefited from a combination of higher levels of growth and, in particular, lower levels of employment decline in key sectors.

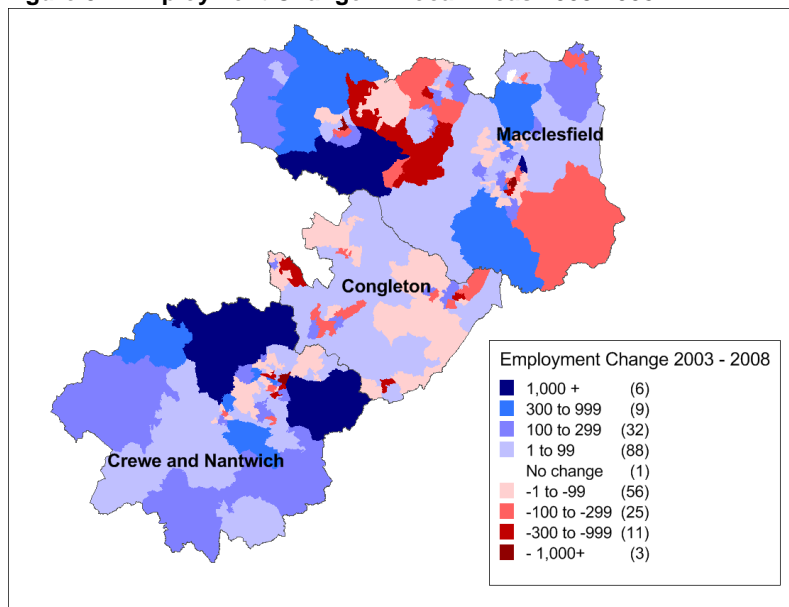
5.9 In the north of the Borough, there were lower levels of growth in a number of key sectors, including financial services, transport and storage, and in particular, professional and business services. The north also experienced a more pronounced contraction in manufacturing with the loss of some 5,900 net jobs. This was equivalent to a 43% decrease compared to a 17% decrease in the South. There was also a more significant decline in public administration employment as well as job losses in wholesale and retail and hotels and restaurants which experienced growth in the south.

Table 5.1 Local Area Employment Change in Cheshire East 2003-2008

	2003	2008	Change No.	Change %
North	77,500	76,800	-700	-1%
South	79,600	87,000	7,400	9%
Total	157,100	163,800	6,700	4%

Source: Annual Business Inquiry 2003-2008
Excludes self employment and figures may not sum due to rounding

Figure 5.2 Employment Change in Local Areas 2003-2008



Source: Annual Business Inquiry 2003-2008

5.10 Seven of the fourteen settlement areas in the South of the Borough experienced strong employment growth, fully offsetting the net decline experienced in other parts of the south. The growth was driven by Crewe, which created an additional 4,100 jobs across a number of sectors including professional and business services; transport, storage and communication; and hotels and restaurants. Each of these sectors experienced high levels of growth and Crewe also benefited from low levels of decline in the manufacturing sector.

5.11 A substantial number of jobs were also created in the southern areas outside the key settlements, driven by growth in health and social work; professional and business services; and financial services. The relative level of growth in financial services was particularly high.

Table 5.2 Employment Change by Location 2003-2008

Areas experiencing net growth			Areas remaining stable or experiencing net decline		
	No.	%		No.	%
South			South		
Crewe	4,100	13%	Goostrey	-100	-10%
Rest of South	2,900	28%	Shavington	-100	-14%
Nantwich	1,700	34%	Holmes Chapel	-200	-9%
Bunbury	600	67%	Congleton	-300	-3%
Audlem	300	30%	Sandbach	-300	-5%
Haslington	100	17%	Alsager	-400	-13%
Wrenbury	100	33%	Middlewich	-800	-14%
North			North		
Rest of North	3,100	22%	Disley	-	0%
Bollington	400	17%	Prestbury	-	0%
Poynton	200	7%	Chelford	-100	-25%
Handforth	100	2%	Alderley Edge	-200	-8%
			Mobberley	-600	-38%
			Wilmslow	-600	-5%
			Macclesfield	-1,400	-5%
			Knutsford	-1,800	-21%

Source: Annual Business Inquiry 2003-2008

Excludes self employment and figures may not sum due to rounding

5.12 In the North of the Borough, both Knutsford and Macclesfield (the area's principal town) lost over 1,400 jobs, although the drivers differed. In Knutsford the decline was driven by finance and construction, while in Macclesfield it was driven by manufacturing, wholesale and retail and public administration. Both areas also experienced low levels of growth in professional and business services.

Employment Growth 2009 to 2013

5.13 Between 2009 and 2013, the overall growth trends reversed, with some employment growth in the North, but employment in the South standing still (a negligible decline of 200 jobs). Across both areas, the sectoral trends were diverse, reflecting the recessionary economic conditions over this period. In the North, growth was driven by the professional, technical and scientific sector which created over 4,800 jobs. The area also benefited from higher levels of growth in sectors such as wholesale and retail and real estate, and lower levels of manufacturing and public administration decline.

5.14 In the South, the overall decline was a result of significant decline in manufacturing, information and communication and arts, entertainment and recreation. This was combined with low levels of decline in wholesale and retail; real estate; and professional, scientific and technical activities, which all experienced growth in the north.

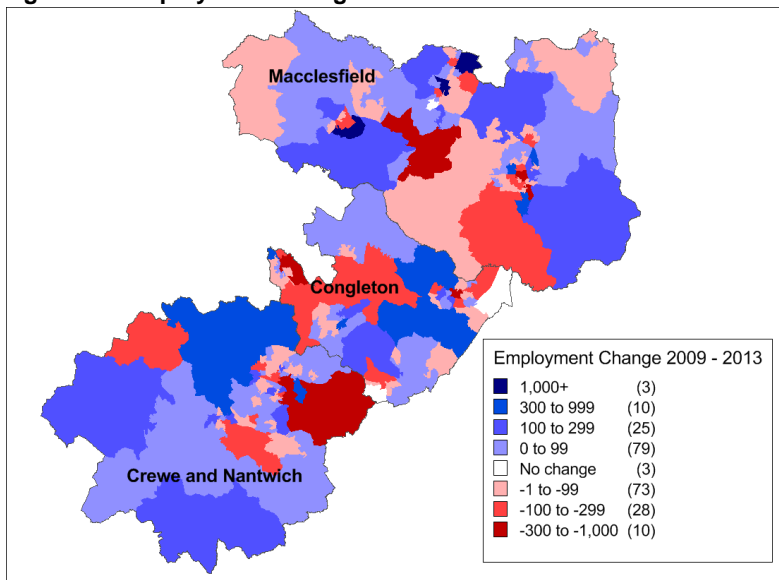
Table 5.3 Local Area Employment Change in Cheshire East 2009-2013

	2009	2013	Change No.	Change %
North	79,300	83,300	4,000	5%
South	88,300	88,200	-200	0%
Total	167,600	171,400	3,800	2%

Source: Business Register and Employment Survey 2009-2013

Excludes self employment and figures may not sum due to rounding

Figure 5.3 Employment Change in Local Areas 2009-2013



Source: Business Register and Employment Survey 2009-2013

5.15 In the North, six of the twelve areas experienced net growth, with the overall levels of growth driven by significant increases in Wilmslow, Knutsford and Handforth. In line with trends between 2003 and 2008, the area’s principal town of Macclesfield experienced employment decline. The growth in Wilmslow and Knutsford was driven by growth in the professional, scientific and technical sector (suggesting these locations remain attractive destinations for high value, office based jobs), while Handforth benefited from high levels of construction growth. It should, however, be noted that construction growth is often volatile and can include employees that are registered to a local company address but work elsewhere. This may mean that the high levels of growth experienced between 2009 and 2013, will not be sustained going forward.

Table 5.4 Employment Change by Location 2009-2013

Areas experiencing net growth			Areas remaining stable or experiencing net decline		
	No.	%		No.	%
South			South		
Rest of South	1,200	9%	Haslington	0	0%
Sandbach	500	10%	Holmes Chapel	0	0%
Audlem	300	33%	Wrenbury	0	0%
Nantwich	300	4%	Bunbury	-200	-13%
Goostrey	100	11%	Alsager	-500	-18%
Shavington	100	17%	Crewe	-600	-2%
			Congleton	-700	-7%
North			North		
Wilmslow	1,900	17%	Middlewich	-800	-15%
Knutsford	1,400	18%	North		
Handforth	1,200	24%	Bollington	0	0%
Alderley Edge	300	10%	Chelford	0	0%
Poynton	100	4%	Disley	-100	-10%
Prestbury	100	8%	Mobberley	-100	-9%
			Rest of North	-500	-3%
			Macclesfield	-500	-2%

Source: Business Register and Employment Survey 2009-2013
Excludes self employment and figures may not sum due to rounding

5.16 In the South, the employment losses were spread across a number of towns as were employment gains. However at the overall level, the gains in areas such as Sandbach (driven by accommodation and food; and professional, scientific and technical activities) and other southern

areas outside the key settlements (driven by administration and support) were insufficient to compensate for the combined losses in areas such as Middlewich, Congleton and Crewe (the South's principal town).

5.17 The drivers of decline varied across these three areas. While manufacturing drove the decline in Congleton, the sector grew in Crewe in employment terms. However, this was offset against losses in a number of sectors including information and communications; public administration; utilities; and arts, entertainment and recreation. In Middlewich, the net decline was a result of job losses in the majority of employment sectors.

Implications of Historic Growth Trends

5.18 Between 2003-2008 and 2009-2013, there has been a shift in the balance of employment in Cheshire East towards the south of the Borough (although Wilmslow, Handforth and Knutsford continue to support employment growth in the north). The southern growth has been based around Crewe and its satellite centres, and a less pronounced employment decline in manufacturing compared to the north.

5.19 When the historic growth trends of the local areas (between 2003-2008 and 2009-2013) are considered alongside the settlement hierarchy, which recommends that the bulk of development should take place in Principal Towns and Key Service Centres where access to services is generally easier, a number of implications for the spatial distribution of future growth are highlighted.

5.20 In particular, both principal towns (Crewe and Macclesfield) and six of the Key Service Centres (Alsager, Congleton, Middlewich, Wilmslow, Knutsford and Sandbach) have experienced employment decline in one or both of the historic growth trend periods. Ensuring that there is sufficient employment land provision in these areas would help the areas to attract growth and potentially offset past employment decline. This is particularly important for those areas which experienced decline in both periods – Macclesfield in the North and Alsager, Congleton and Middlewich in the South.

5.21 The remainder of the Key Service Centres - Handforth and Poynton in the North and Nantwich in the South - experienced employment growth between 2003 and 2008 and again between 2009 and 2013. In this case, there is a need to ensure that sufficient land is allocated to build upon the success that the areas have had in securing growth.

Table 5.5 Employment Change by Location 2003-2008 and 2009-2013

Areas in the North			Areas in the South		
	2003-2008	2009-2013		2003-2008	2009-2013
Alderly Edge	-8%	10%	Alsager	-13%	-18%
Bollington	17%	0%	Audlem	30%	33%
Chelford	-25%	0%	Bunbury	67%	-13%
Disley	0%	-10%	Congleton	-3%	-7%
Handforth	2%	24%	Crewe	13%	-2%
Knutsford	-21%	18%	Goostrey	-10%	11%
Macclesfield	-5%	-2%	Haslington	17%	0%
Mobberley	-38%	-9%	Holmes Chapel	-9%	0%
Poynton	7%	4%	Middlewich	-14%	-15%
Prestbury	0%	8%	Nantwich	34%	4%
Rest of North	22%	-3%	Rest of South	28%	9%
Wilmslow	-5%	17%	Sandbach	-5%	10%
			Shavington	-14%	17%
			Wrenbury	33%	0%

Source: Annual Business Inquiry 2003-2008 and Business Register and Employment Survey 2009-2013

Note: Excludes self employment and figures may not sum due to rounding

Employment Land Requirements and the Expected Level of Development

5.22 The Cheshire East Local Plan Strategy Submission Version sets indicative levels of development by settlement which collectively amount to 351 hectares, weighted towards development taking place in the South. The figures are intended as a guide and are neither a ceiling nor a target. The plan sets out that in addition to completions since 2010 and current commitments (e.g. planning permissions), provision will be made to allocate sufficient new sites in each area to facilitate the levels of development set out. These allocations are made through the Local Plan Strategy Sites and Strategic Locations set out in the Local Plan Strategy Submission Version and further non-strategic sites will be allocated in the Site Allocations and Development Policies Document.

5.23 As set out in Chapter Three, the revised employment projections using the ONS based CWEM projections suggest that between 378 hectares of employment land are required between 2010 and 2030, made up of 195 hectares for net employment growth, 120 hectares for land losses (6 hectares per annum), and a flexibility factor of 20%. This is higher than the expected level of development across Cheshire East settlements (351 hectares) and requires the provision of 27 additional hectares of land to be considered.

5.24 The following sections review the suggested distribution in the Cheshire East Local Plan Strategic Submission Version taking account of the analysis of historic trends, the settlement hierarchy, policy aspirations and development opportunities, including strategic employment sites.

Expected Levels of Development in the South of Cheshire East

5.25 The expected levels of development and proposed site allocations in the south of Cheshire East are set out in Table 5.6.

Table 5.6 Indicative Levels of Development: South Cheshire

Location	Hectare	Rationale
Middlewich	75	<ul style="list-style-type: none"> Proximity to M6 Corridor Opportunity to develop Midpoint 18 Extension (72 hectares in total for phased development)
Crewe	65	<ul style="list-style-type: none"> Strategic location on road and rail network Significant economic opportunities linked to HS2 over the long term Funding secured for Crewe Green Roundabout and Sydney Road Bridge and investment in Crewe Green Link Road underway which will unlock strategic employment sites at Basford Bentley announcement of £1bn investment in Crewe from 2015 and opportunity to develop an automotive research development and supply hub in close proximity (Leighton West)
Alsager	35	<ul style="list-style-type: none"> Position within M6 Growth Corridor from Birmingham to Manchester Opportunity to redevelop sites (Twyfords Bathroom headquarters, BAE Systems at Radway Green) Opportunity for phased development to deliver Radway Green Extension close to Junction 16 of M6
Congleton	24	<ul style="list-style-type: none"> Opportunity to establish an extension to Congleton Business Park / Radnor Park Trading Estate Funding secured for Congleton Link Road which will open development sites and improve access to Radnor Park Trading Estate and Congleton Business Park
Sandbach	20	<ul style="list-style-type: none"> Opportunity to develop mixed use site at land adjacent to Junction 17 of M6
Nantwich	3	<ul style="list-style-type: none"> Opportunity to develop land for employment uses at Snow Hill

Source: Cheshire East Local Plan Strategy Submission Version

5.26 In economic and policy terms there is a clear logic for the expected levels of development. In summary these are:

- Crewe is the major economic centre in the Borough, with a clear economic hinterland, and is not over-shadowed by any of the major cities.
- Crewe has the potential to take advantage of improved connectivity from HS2, the prestige of a HS 2 station, and its potential as a distinctive major manufacturing and service centre to accommodate significant new employment, developing the constellation city proposals which new infrastructure investment will facilitate.
- Investment opportunities linked to the strategic road and rail network, particularly the M6 corridor and the constellation city concept based on critical infrastructure to enable the development of strategic employment sites.

5.27 The emphasis of employment land in the south of Cheshire East is consistent with both policy and economic opportunity. In particular, accelerating the growth of Crewe and building on the constellation city proposals linked to new infrastructure such as the Congleton Link Road and the Middlewich Bypass, will be given a considerable boost as the long term HS2 plans are progressed.

Expected Levels of Development in the North of Cheshire East

5.28 The Cheshire East Local Plan Strategy Submission Version also sets indicative levels of development by settlement in the north of the Borough, although not on the scale of the south. The expected levels of development and proposed site allocations in the north of Cheshire East are set out in Table 5.7.

Table 5.7 Indicative Levels of Development: North Cheshire

Location	Hectare	Rationale
Macclesfield	15	<ul style="list-style-type: none"> • Need to redevelop employment sites at Hurdsfield due to manufacturing decline • Opportunity for residential led development in the South Macclesfield Development area
Knutsford	10	<ul style="list-style-type: none"> • Opportunity to develop Parkgate extension
Handforth	10	<ul style="list-style-type: none"> • Adjacent to proposed North Cheshire Growth Village (a new settlement with employment land allocation of 12 hectares)
Wilmslow	8	<ul style="list-style-type: none"> • Opportunity to develop new Wilmslow business park site and provide mixed used development on Royal London site
Poynton	3	<ul style="list-style-type: none"> • Funding secured for Poynton Relief Road which will support growth in North East Cheshire (particularly in Poynton and Macclesfield) and improve links to Manchester Airport.

Source: Cheshire East Local Plan Strategy Submission Version

5.29 In economic and policy terms there is a clear logic for the expected levels of development. In summary these are:

- The north of Cheshire East has a highly valued green belt, making it more challenging to identify large sites.
- Both Airport City and Omega are nearby and offer a very competitive logistics and distribution offer (Airport City is a designated Enterprise Zone, with the land supply and investment plans to accommodate in excess of 8,000 jobs¹⁹), as do Port Bridgewater at Elsemere Port, Port Salford and Port Warrington, with regard to the opportunities from Atlantic Gateway and Liverpool SuperPort.
- There are a number of sites already designated with the potential to accommodate employment growth, such as the AstraZeneca site at Alderley Edge.
- The north is affected by major competition from the employment ambitions of Greater Manchester and Warrington. These locations may reduce demand in north Cheshire in some sectors. While the Northern Powerhouse idea will increase the attractiveness of Macclesfield, Wilmslow and Knutsford as employment locations with easy access to the Manchester economy, other trends emphasise city centre working as a basis for attracting a young, graduate educated workforce.
- Initiatives, such as Cheshire Science Corridor, are however likely to focus on quality, rather than quantity. This is the distinctive feature of the north, and the employment land allocation reflects this.

5.30 There is likely to be an impact of Manchester's continuing success as establishing the city as the centre of economic growth in the north of England, much of which focuses on its role in professional, financial and business services, and in new areas such as science and technology and digital industries. Manchester has ambitious plans to increase this type of employment based on its improved connectivity (an extended metrolink with 97 stops and the Second City Crossing supporting city centre travel, and the Northern Hub increasing hourly rail services from Liverpool, Preston, Leeds and Sheffield); a large, young, graduate educated workforce; and a strong commercial office market in the city centre, the Oxford Road Corridor and Salford Quays. This will have an impact on the towns and business parks in the north of Cheshire East

¹⁹ <http://www.airportcity.co.uk/public-consultation/>

5.31 These comments aside, while the expected level of development was sufficient to support the level of employment growth envisaged in the Local Plan Strategy Submission Version, it will not accommodate the level of growth expected in the latest (2014) ONS based CWEM economic projections. As set out in Table 5.9, a significant part of the increased employment from the updated model is for office based jobs, and many of these are likely to be higher skilled with a highly qualified workforce.

5.32 While it is likely that both the north and south of Cheshire East will benefit from this growth, the north will continue to be attractive to businesses keen to be based in locations with easy access to Manchester city centre. As such there is a strong case, at a strategic level, to allocate a substantial proportion of additional hectares required to the north of the Borough.

Table 5.8 Employment inputs based on projected net employment growth

	Projections 2010-2030
	FTEs
Manufacturing	2,000
Construction	4,700
Wholesale	2,100
Transport and Storage	3,600
Information and Comms	2,800
Financial, prof & business	12,800

Source: Cheshire and Warrington Economic Model

Conclusion

5.33 The expected level of development set out in the Cheshire East Local Plan Strategy Submission Version is weighted towards the south. This was based on 2012 CWEM economic projections. The expected level of development in the north was more modest, and partly reflected increased competition from Manchester and Warrington for office based and logistics jobs.

5.34 However, the updated employment projections using the latest (2014) ONS based CWEM projections suggest that 378 hectares of employment land are required between 2010 and 2030 – this requires the provision of 27 additional hectares of land to be considered.

5.35 A significant part of the increased employment from the revised model is for office based jobs, and many of these are likely to be higher skilled with a highly qualified workforce. While it is likely that both the north and south of Cheshire East will benefit from this growth, the north will continue to be attractive to some businesses keen to be based in locations with easy access to Manchester city centre. As such there is a strong case, at a strategic level, to allocate a substantial proportion of the additional 27 hectares required to the north of the Borough.

5.36 Overall, there is a sound rationale for the broad allocations of employment land to the south of Cheshire East given the importance and new opportunities around all of the ambitions for Crewe. The north of Cheshire East will continue to be attractive for many employers, but the overall trend in the key drivers of employment growth are based on businesses which need to attract and have access to a young, educated workforce, favouring the major cities, such as Manchester, Leeds and Birmingham, possibly at the expense of their immediate neighbours.

Responding to the Inspector's Interim Views

As part of the Examination of the Cheshire east Local Plan Strategy the Inspector provided Interim Views on the Legal Compliance and Soundness of the Local Plan Strategy. The work carried out by this study addresses a number of the concerns raised by the Inspector. This is summarised below.

“The economic strategy is unduly pessimistic, including the assumptions about economic growth and employment growth, and does not seem to fully reflect the proposals and initiatives of other agencies and the extent of site allocations proposed in the submitted plan.”

The revised employment forecast of 31,400 additional jobs between 2010 and 2030, increased from the more conservative 13,900 in the plan submission, is an optimistic and credible target which reflects the ambitions of local agencies. The original employment forecast was undertaken at a time when the recovery from the economic recession was uncertain. The revised forecast takes account of more recent information as regards economic growth, although there remains uncertainty over the extent to which there will now be an un-interrupted period of economic and employment growth through to 2030.

The revised annual average employment growth is 0.7% per annum over the 2010-2030 period. The 0.6% employment growth recorded in the early years (2009-2013), will require a slightly higher rate in the 2015-2030 period to meet the 0.7% target.

A target of 38,600 and average annual employment growth rate of 0.9% was provided as a second economic forecast. After consideration it was regarded as over optimistic, mainly on the basis of the need to secure an exceptionally high level of employment growth in financial, professional and business services (much higher than the forecast national growth rate). This level of growth was considered unlikely given that Manchester has ambitious plans to increase this type of employment based on its improved connectivity (an extended metrolink with 97 stops and the Second City Crossing supporting city centre travel, and the Northern Hub increasing hourly rail services from Liverpool, Preston, Leeds and Sheffield); a large, young, graduate educated workforce; and a strong commercial office market in the city centre, the Oxford Road Corridor and Salford Quays.

The revised employment forecast of 31,400 is now consistent with the economic ambitions set out in the LEP's Strategic Economic Plan for Cheshire and Warrington and also with Cheshire East plan's for Crewe (Crewe High Growth City and All Change for Crewe) and the Cheshire Science Corridor. While the SEP does not provide a geographical breakdown of its employment target, Cheshire East's current share of Cheshire and Warrington's total employment (39%), suggests a Cheshire East contribution of 29,000 net additional jobs by 2030 to the SEP ambition of 70,000 jobs.

The submitted plan used the employment growth forecast (13,900) and the historic take up and loss of employment land to provide a range of 300-351 hectares for the period 2010 – 2030.

The revised approach takes the revised employment forecast of 31,400 jobs as the basis for an employment land calculation made up of 195 hectares for net employment growth, 120 hectares for employment land loss, and 63 hectares for contingency -leading to a revised figure of 378 hectares. There is now a more transparent relationship between the revised employment forecast and the revised employment land allocation (with a 20% contingency factor).

“There are other proposals and initiatives on the northern fringe of Cheshire East which may not have been fully considered in the preparation of the LPS. These include the Atlantic Gateway project promoted by the LEP; although this focuses on the east west waterways Deeside and motorways along the Deeside/Merseyside Corridor, it does impinge on the northern fringe of Cheshire East. There are other strategic economic proposals related to Manchester Airport, as well as other schemes being promoted along this corridor.

The plan may also pay less attention to the need for land for logistics uses, although this is heavily dependent on accessibility to the strategic road network.”

A new deep water in-river container terminal will increase the Port of Liverpool's capacity to handle large container traffic, offering an alternative to the large southern ports, including on-shipping to Ireland and Scotland. The Cheshire and Warrington LEP's focus on the Atlantic Gateway reflects the major opportunities for Warrington/ Omega/Port Warrington and Port Bridgewater/Ellsmere Port to take advantage of new logistics and distribution investment. These locations provide Cheshire and Warrington with major opportunities to take advantage of Atlantic Gateway related investment.

Other Atlantic Gateway development opportunities are being provided by near to port locations in Sefton, Liverpool, St Helens, Knowsley and Widnes and these are fully set out in work prepared by Liverpool City Region. Many of these locations offer road/rail or waterway/road connectivity. Port Salford is a further opportunity linked to Atlantic Gateway, while Airport City at Manchester (a designated enterprise zone) borders Cheshire East and is one of the largest logistics locations in the North West.

The scale of nearby provision for logistics, along with an increased employment land allocation to 378 hectares from the revised employment forecast will provide sufficient space for logistics opportunities in Cheshire East.

“Key elements of the LEPs economic strategy related to Crewe (High Growth City) and its relationship with other neighbouring towns and the North Cheshire Science Corridor may not have been portrayed in the LPS as the LEP envisages.”

The revised employment forecast is now consistent with the scale of the LEP ambition. Cheshire East will contribute circa 40% of the employment growth needed to meet the LEPs ambitions. The All Change for Crewe strategy, with a networked constellation of towns including Nantwich, Sandbach, Alsager, Middlewich, Congleton and Holmes Chapel, is also reflected in the employment land distribution.

The Cheshire Science Corridor includes the development of Alderley Park as a major centre for new investment and employment after the relocation of Astra Zeneca's research function. The 160 hectare site has 300,000m² of high quality and specialist laboratory, office and ancillary floorspace, much of which can be re-furnished for use by new inward investors. The development is being supported by the Council's work with Manchester Science Partnership (the owners of Alderley Park) and the establishment of a new Life Science Fund.