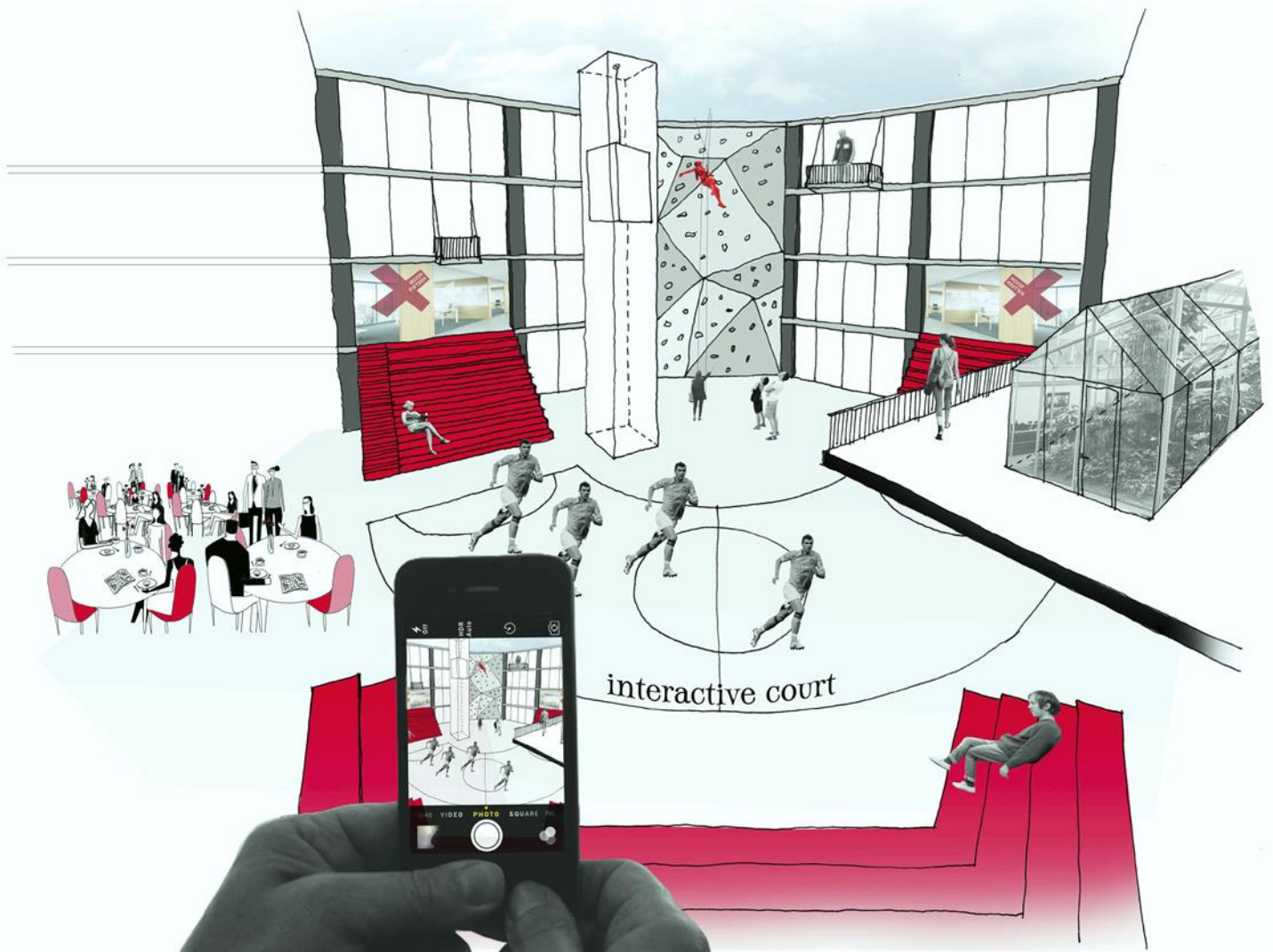


Economic Impact Assessment of UA92 and related developments in Trafford

Executive Summary

6 September 2017



SQW

Executive Summary

Context

1. Revitalising Stretford Town Centre is one of the key priorities for Trafford Council. The Vision set out in the refreshed Town Centre Masterplan is:

‘To transform Stretford Town Centre into a prosperous, vibrant, attractive and safe destination with a strong identity that provides a wide range of facilities throughout the day and evening whilst maximising the opportunities for major investment and realising the full potential of existing assets’.

2. The Council, working with private developers and a leading research-intensive university, has developed plans to deliver two related schemes in Stretford to deliver against this intent:

- **UA92 Campus:** anchored by the creation of ‘UA92’ a new specialist sports, business and media university, which will offer degrees accredited by Lancaster University, and is expected to support around 6,000 students by 2025. The UA92 Campus will also include a Technology Hub for global technology and digital firm Microsoft, a new community leisure centre, and supporting retail and residential developments.
- **Student Campus:** new high-quality accommodation for around 1,250 students at UA92, via the construction of a cluster of buildings, including the potential for the creation of a landmark ‘Quad’ area, with the new buildings forming a semi-enclosed large open space. The Student Campus will also include a re-purposed ‘Essoldo’ an important landmark building for Trafford, but which has been vacant for 20 years, which will be converted into a student hub, including community uses.

3. The UA92 Campus will be located on the site of the existing ‘Kellogg’s building’ on Brian Statham Way off Talbot Road, which will undergo a major redevelopment to create a modern, bespoke educational facility. With the Student Campus located to the south of the UA92 Campus, centred around Lacy Street and opposite Stretford Mall, the schemes will create a new ‘UA92 Campus Corridor’ in Stretford, **at the heart of the area’s cluster of internationally recognised sporting and visitor destinations**, including Manchester United, Lancashire County Cricket Club, and nearby MediaCityUK. The ‘UA92 Campus Corridor’ will also encompass Trafford College, and its Centre for Science and Technology on Talbot Road, who will be an important partner for UA92.

4. The plans have the potential to **re-position Stretford** – one of Trafford’s most deprived areas, but with significant potential given its assets and strategic location near Manchester city centre – as a key driver of Greater Manchester’s economy.

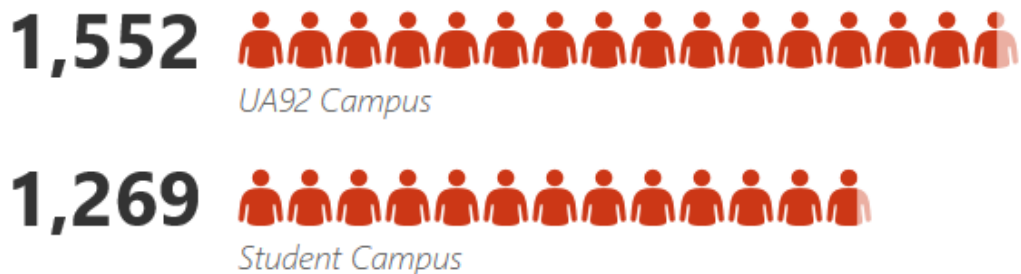
5. More than the development of a new education facility, the long-term aim for the Council is to use the plans to catalyse the development of an **education and innovation district in Stretford**, with Microsoft technologists and executives co-located with students, researchers and educators to share ideas and drive innovation, supported by new high quality leisure, commercial and residential developments that will help to revitalise the Town Centre, to benefit local communities.

Effects of the construction phase

6. Major construction projects have the potential to generate significant temporary employment effects, and opportunities for local people. The opportunity from construction employment is particularly important given the sector's ability to absorb unemployment amongst groups with a relatively low skill base, and the ability for individuals to gain invaluable experience/skills within the sector. Construction projects also provide a significant opportunity for local businesses in the supply-chain.
7. The employment effects from the construction phase of the UA92 Campus and Student Campus are potentially very significant, with the **plans involving construction investment of over £175m in the Stretford area.**
8. Applying recognised benchmarks from the Homes and Communities Agency (HCA) for the number of construction 'job years' of employment (the equivalent of a temporary job lasting one year) supported by the different development use-types, the impact analysis estimates that approximately **2,800 net 'job years' of employment will be supported through the construction phase.**

Figure 1: Construction employment effects

CONSTRUCTION JOB YEARS OF EMPLOYMENT



Source: SQW analysis, 2017

9. These figures may appear high. However, it must be noted they represent 'job years' of employment, *not* permanent jobs; at any one point in time there will be a smaller number of people actually employed on-site.
10. However, the scale of the employment to be supported by the construction provides a major opportunity to enhance access to employment for local residents, particularly if targeted interventions are put in place to help people in Stretford to gain the necessary skills to access employment. Partners could consider developing an 'Employment Action Plan', offering bespoke recruitment, apprenticeship, training and development support via appointed contractors. Measures to encourage contractors to use local labour, as well as purchasing goods and services from the local area, could also be considered. Such measures could bring **wider and longer-term benefits to local people in terms of employability, aspiration, and quality of life**, contributing to the broader regeneration of Stretford, and maximising the potential of the plans for the UA92 Campus and Student Campus.

Qualitative effects of the operational phase

11. The plans for the UA92 Campus and the Student Campus are expected to have a number of positive effects, including:

- **Benefits to the local community in terms of skills development, employment opportunities, and raising aspirations.** The presence of a university in the area – developed in partnership with one of the UK’s leading institutions – will provide a range of direct and indirect opportunities for local people, including via outreach events and activities, volunteering, work experience, and permanent employment including in management and administration activities, and entry-level positions.
- **Supporting the rejuvenation of Stretford Town Centre.** The increase in the residential population, and the demands of students for leisure and retail offers, will lead to increased expenditure in the local economy, helping to improve the long-term viability of Stretford Mall, and drive the diversification of town centre uses. By improving the vitality of the town centre, and making for a more attractive and vibrant offer, the plans can help to reverse years of relative decline. Changing the image and profile of Stretford will also make it increasingly attractive to developers and businesses, leveraging-in additional investment.
- **Benefits to the local community associated with engagement in sports and healthy living.** The new leisure centre, replacing the existing Stretford Leisure Village, can be expected to lead to higher levels of usage and participation, from which a range of positive effects may be realised including physical and mental health outcomes, quality of life, and positive crime and anti-social behaviour outcomes. Alongside the employment opportunities delivered by the plans, these positive effects for individuals may lead to a reduction in demand for Council services.
- **Enhancing Greater Manchester’s profile as a recognised leader in media and digital technologies, and its wider innovation ecosystem.** UA92 will offer opportunities for collaboration across the city region’s research and innovation assets, and through the Technology Hub, contribute to business-led innovation. The presence of Microsoft in Stretford could be genuinely transformational, as many firms will want to collaborate and potentially co-locate with it. This provides an opportunity to build a digital cluster, complementing MediaCityUK and Manchester city centre.
- **Growth of a local ‘graduate economy’,** as students at UA92 stay in the Trafford area post-graduation. Whilst many graduates may work in Manchester (or elsewhere across the city region), there is likely to be significant graduate retention in the immediate area, including where graduates work elsewhere, but continue to live in Trafford. This will add to the diversity of the population, raise skills levels in the local economy, and provide opportunities for local employers to recruit highly skilled individuals.
- **Retaining the ‘Kellogg’s building’ as a flagship location for Trafford.** With Kellogg’s re-locating their HQ away from Trafford in early-2018, the plans ensure

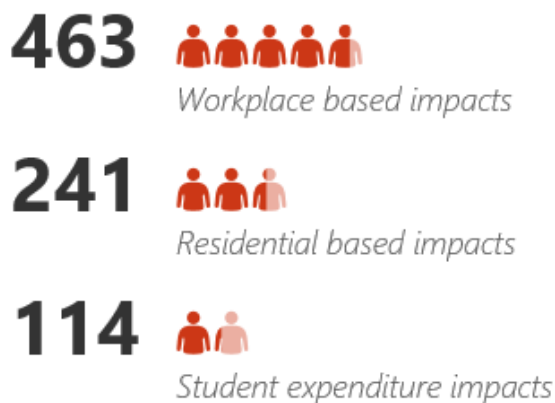
that this building remains an important contributor to the local economy, mitigating the loss of employment and economic activity associated with the Kellogg's decision.

Quantitative effects of the operational phase

12. Further to these benefits for the local area, the plans also have the potential to support significant employment and Gross Value Added (GVA) effects, based on three core 'routes to impact':
 - **Workplace based impacts:** the direct effects of UA92 and supporting commercial/service developments at the UA92 Campus as employers, plus the 'indirect' and 'induced' effects which flow through to local businesses via expenditure in supply chains by institutions and local services by employees (i.e. multiplier effects)
 - **Additional resident impacts:** the effects supported by the local expenditure from an increased residential population in Stretford, via the Student Campus and residential scheme within the UA92 Campus
 - **Student expenditure impacts:** the effects supported by the local expenditure of students at UA92 (excluding students living at the Student Campus).
13. For each 'route to impact', the 'gross' effects have been estimated (i.e. the scale of employment and GVA to be delivered directly by the plans), with adjustments made for displacement (the economic activity hosted by the plans that is diverted from other assets or businesses in the local area) and multiplier effects (where relevant).
14. The analysis suggests the plans have the potential to support over 800 jobs in Trafford. Student expenditure alone is expected to support over 100 jobs in the local economy, as summarised below.

Figure 2: Employment effects of the plans (before accounting for the reference case)

PERMANENT EMPLOYMENT EFFECTS



Source: SQW analysis, 2017

15. The plans also have the potential to generate an estimated annual GVA of around £33m for the Trafford economy, generated via UA92, the commercial activities on the UA92 Campus, and via the expenditure of residents and students leading to revenue generation for local businesses.
16. Consistent with Government guidance and good practice, **the employment and GVA estimates have been adjusted to consider the ‘reference case’** i.e. what would happen in the absence of the plans, to identify the ‘net effects’.
17. The key issue here is the nature and scale of activity that can be expected at the UA92 Campus site if the plans were not progressed. The site will be vacated by Kellogg’s, however, by the mid-2020s it is assumed that the building will be occupied, most likely for employment uses. The scale of this occupation is highly uncertain, and will be dependent on market demand. Two reference case scenarios have been developed to reflect this uncertainty:
- **Reference Case A:** it is assumed that demand will be strong, with 90% occupancy (c.9,200 sqm of floorspace); this would equate to c.390 jobs, in administrative and support service functions (after accounting for displacement and multipliers)
 - **Reference Case B:** it is assumed that demand will be modest, meaning the full quantum of space is not re-developed; for the modelling, we have assumed three floors will be lettable (6,710 sqm), with 70% occupancy; this would equate to c.200 jobs, in administrative and support service functions (again, after accounting for displacement and multipliers).
18. The estimates of the ‘net’ employment and GVA effects of the plans are set out in Table 2, for each reference case scenario. The data include the reference case for the Student Campus.¹

Table 1: Gross and net effects of the UA92 Campus and Student Campus plans

	Reference Case A	Reference Case B
<i>Employment effects</i>		
Gross employment	818	818
Reference case	439	248
Net employment	379	570
<i>GVA effects</i>		
Gross GVA (£m)	33.2	33.2
Reference case (£m)	12.0	7.0
Net GVA (£m)	21.2	26.2

Source: SQW analysis, 2017 Note: the reference case data include estimates for displacement and multipliers.

19. The analysis indicates that together the UA92 Campus and Student Campus have the potential to generate a net effect of between 380 to 570 net jobs for Trafford, with a **mid-**

¹ The Student Campus will re-develop an area currently covered by a surface car park, public sector offices, some commercial offices. For both reference case scenarios, it is assumed the current usage would continue unaltered, supporting 50 jobs (after accounting for displacement and multipliers)

point of 465 net jobs. The plans also have the potential to deliver annual net GVA of between £21m and £26m, with a **mid-point of £24m net GVA.**

20. Importantly, **many of the jobs at UA92, and the Microsoft Technology Hub, will be knowledge-based and high-value, key to delivering productivity improvements.** Raising productivity is key to supporting higher wages and increased prosperity for local people across Trafford, and the plans will play an important role in delivering against this important strategic imperative.