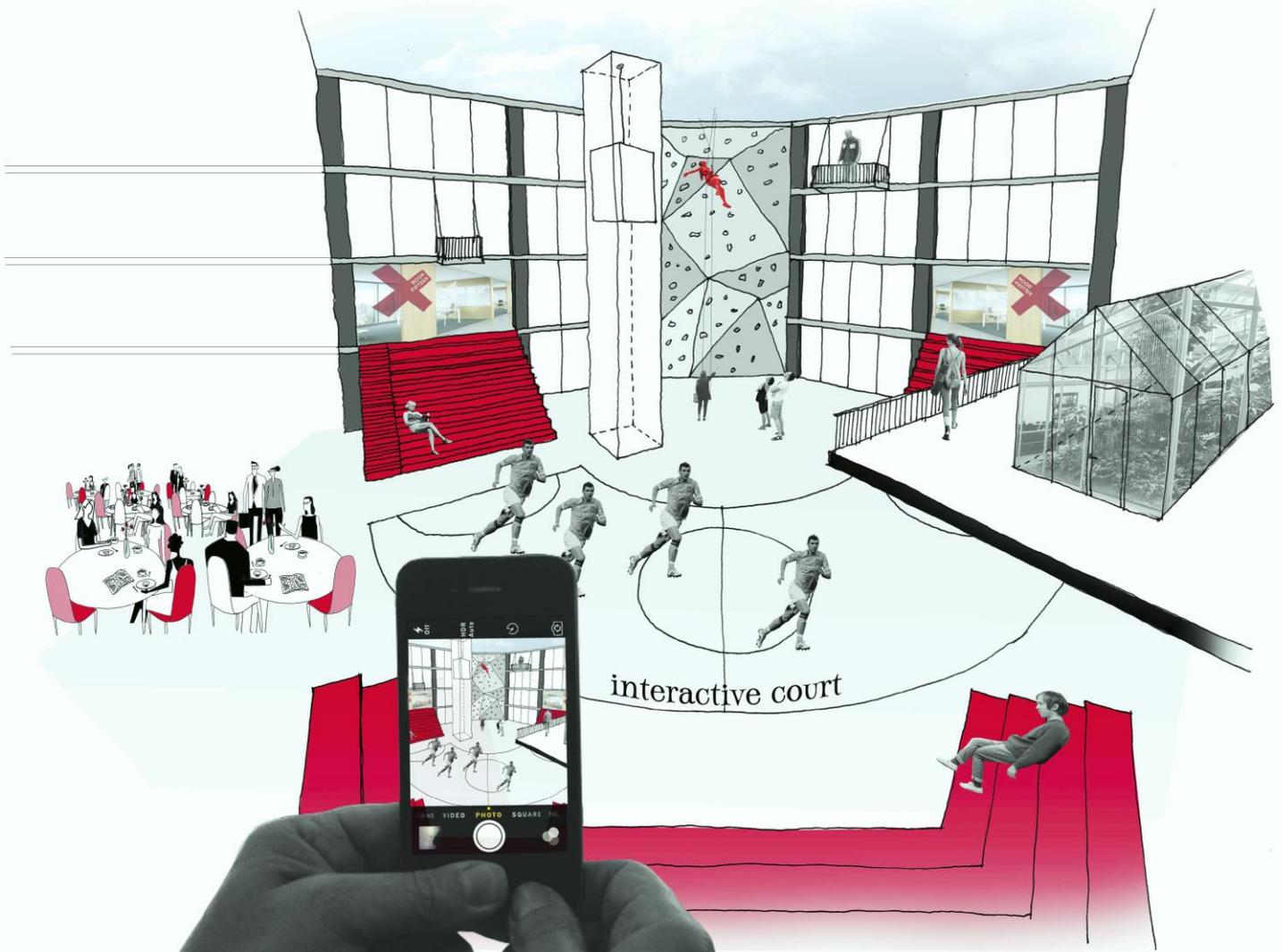


# Economic Impact Assessment of UA92 and related developments in Trafford

A Report to Trafford Council

September 2017



**SQW**



## Key findings

### Context

1. Revitalising Stretford Town Centre is one of the key priorities for Trafford Council. 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. The UA92 Campus will also include a Technology Hub for 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.
2. The schemes will create a new 'UA92 Campus Corridor' in Stretford, **situated at the heart of the area's cluster of internationally recognised sporting and visitor destinations**, including Manchester United, Lancashire County Cricket Club, and nearby MediaCity UK, helping to better link and integrate these destinations to Stretford Town Centre.
3. The plans represent much more than a new educational facility: they have the potential to reposition Stretford – one of Trafford's more deprived areas, but with significant potential given its strategic location near Manchester city centre – as a key driver of Greater Manchester's economy. The long-term aim is to develop an **education and innovation district**, with technology businesses and entrepreneurs co-located with students and academics, plus leisure, commercial and residential developments, that will help to revitalise the town centre.

### The effects of the plans on the local area ...

4. 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 in the town centre. Changing the image and profile of Stretford will also make it increasingly attractive to developers and businesses, bringing 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.
- **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 Microsoft Technology Hub, contribute to business-led innovation. The presence of a leading global technology firm in Stretford could be genuinely transformational for the area, as many digital firms will want to collaborate and potentially co-locate with it. This provides an opportunity to build a digital cluster, complementing MediaCity UK and Manchester city centre.
- **Growth of a local 'graduate economy',** as students at UA92 stay in the Trafford area post-graduation, reflecting social links. Whilst many of these students may find 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 to live in Trafford. This will add to skills levels in the local economy, and 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 for UA92 to be based at the building ensures that this asset remains an important contributor to the local economy, thereby helping to mitigate fully the loss of employment and economic activity associated with the Kellogg's decision.

### ... and the quantitative benefits

5. Beyond these effects, we have modelled the quantifiable economic benefits of the plans for Trafford, in terms of the additional Gross Value Added (GVA) and employment that will be generated once they have been delivered, and UA92 is at full capacity, around the mid-2020s.
6. 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-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**. The effects will be realised directly from UA92 and supporting developments, through supply chain effects, and through the 'induced' effects of additional expenditure by the staff, students, and new residents in the area.
7. Many of the jobs will be high-value, notably in UA92 and at the Technology Hub, leading to productivity benefits for the Trafford economy. These effects are estimated to be substantially greater than the existing site use, demonstrating the positive 'net effects' of the plans.
8. The impact analysis also estimates that approximately **2,800 net construction years of employment will be supported through the construction phase**, which is expected to involve investment of over £175m in Trafford's economy. This provides a major opportunity to enhance access to employment for local residents.

## 1. Introduction

- 1.1 SQW Ltd (SQW) was commissioned by Trafford Council in July 2017 to undertake an economic impact assessment (EIA) of two major related developments set out in the refreshed Stretford Masterplan:
- the '**UA92 Campus**', anchored by the creation of 'UA92', a new specialist sports, business and media university on a campus also containing a Technology Hub for Microsoft, a new community leisure centre, and retail and residential developments
  - an associated '**Student Campus**', providing new high-quality accommodation for students at UA92.
- 1.2 This EIA report is the formal output of the study. The research that underpins the EIA has been desk-based and completed over an eight-week period; it has not included any engagement or consultation with local stakeholders, communities, or business groups.
- 1.3 The purpose of the EIA is to provide an indication of the potential economic contribution of the proposed developments to the Trafford economy once they have been completed. The study also considers the economic effects from the construction phase, and the wider qualitative benefits to Trafford – and the Stretford area specifically – that may be realised through the exciting plans for the UA92 Campus, and the associated Student Campus.

### Background and context

- 1.4 The Stretford Town Centre Masterplan<sup>1</sup> was prepared in 2013 and approved by Trafford Council in January 2014. The Masterplan forms the strategy for securing the revitalisation of Stretford Town Centre over the next 15 years, and was prepared in response to a clearly recognised need to improve the offer of Stretford Town Centre; identified in the Trafford Core Strategy as a location for regeneration.
- 1.5 Progress has been made in delivering the Masterplan, including securing new openings in Stretford Mall, public realm improvements and a reduction in vacancy rates within the Town Centre. However, in order to capitalise on the potential of a number of major economic development opportunities, and to secure further interest from developers and investors in Stretford, the Council has undertaken a refresh of the Masterplan in 2017.
- 1.6 The Vision set out in the Refreshed 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.'*
- 1.7 The two schemes covered by this study are essential elements in delivering successfully against this ambitious Vision. They provide the potential for a very significant contribution to the regeneration of Stretford, and to deliver significant economic and wider benefits to the

---

<sup>1</sup> <http://www.trafford.gov.uk/residents/community/partnerships-and-communities/consultations/stretford-masterplan/docs/stretford-masterplan.pdf>

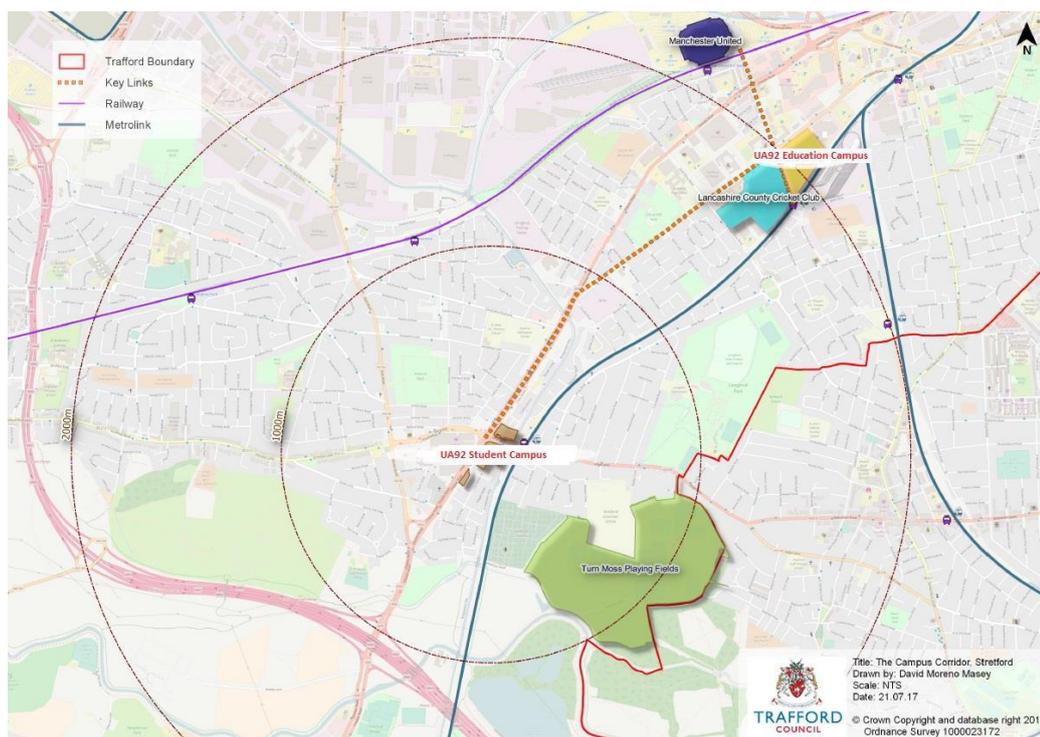
local community. The plans also have the potential to re-position Stretford, and Trafford more widely, as a key contributor to the knowledge-economy of Greater Manchester through the creation of a new high-profile research and educational facility in the area. However, the plans represent something of more significance than simply a new educational facility. The long-term aim is to develop an education and innovation district of regional significance, with technology-based businesses and entrepreneurs co-located, alongside supporting leisure, commercial and residential development, supported by a student campus that will help to revitalise the town centre.

## The proposed developments

### Locating the developments in Stretford

- 1.8 The two proposed developments will form a new 'UA92 Campus Corridor' in Stretford, adjacent to the A56 and Talbot Road. As shown in Figure 1-1, the UA92 Campus will be located on the site of the existing Kellogg's office block on Brian Statham Way adjacent to Old Trafford Metrolink Stop and Lancashire County Cricket Club. The Student Campus will be located to the south in the Town Centre, centred around Lacy Street, opposite Stretford Mall, connected to the UA92 Campus via the Stretford Metrolink stop.

Figure 1-1: 'UA92 Campus Corridor' and location of the development cover by the EIA



Source: *Stretford Refreshed Masterplan (Draft July 2017): Confidential*

- 1.9 The Student Campus includes the former Essoldo Cinema, an important landmark building for Trafford, but which has been vacant for 20 years, providing an unattractive frontage and failing to contribute positively to the Town Centre. The expectation is that the Essoldo will be converted into a student hub, including community uses. The specific usage has not yet been confirmed, meaning that the potential economic impact of the re-use of the Essoldo has *not* been included in the quantitative impact assessment (as this will vary dependent on the use-

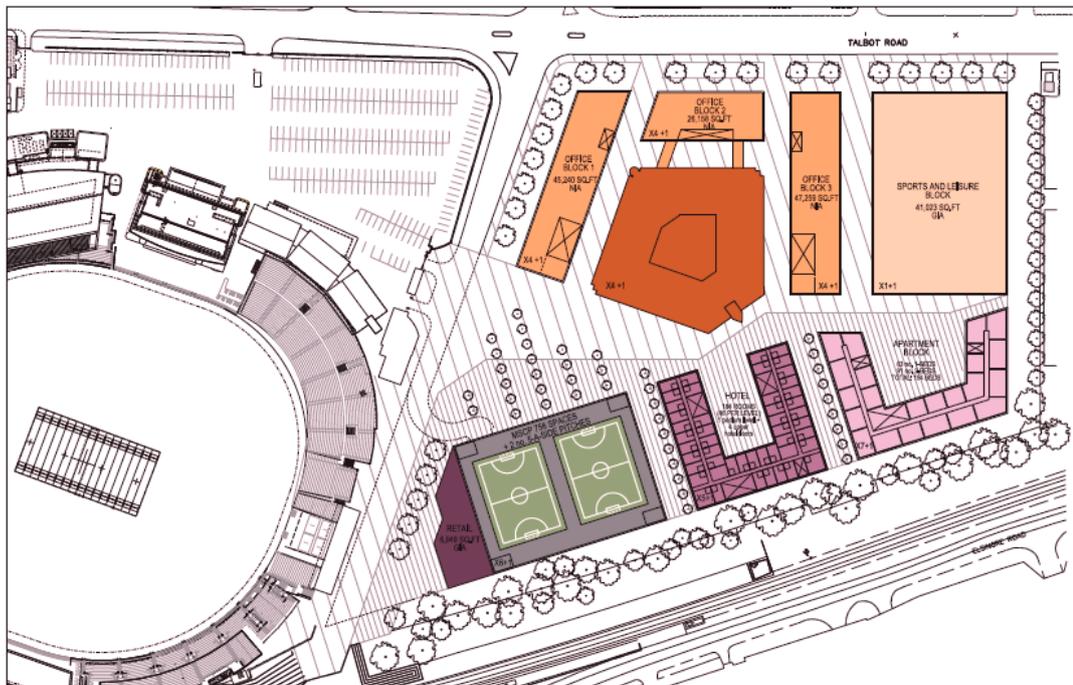
type). However, we do make comment on the potential role that the hub could play in supporting the regeneration of Trafford as part of the broader Student Campus plans.

### **The UA92 Campus**

- 1.10 UA92 is a collaboration between Lancaster University and corporate partners to provide a high profile iconic higher education facility in Stretford. UA92 will offer a portfolio of undergraduate, post-graduate, Continuing Professional Development (CPD) and pathway degrees in sports, media and business. UA92 will therefore offer teaching delivered by one of the UK's leading universities, in the heart of Greater Manchester, one of the UK's leading student city-regions.
- 1.11 A significant development, at full capacity (by 2025), UA92 anticipates it will support around 6,000 students studying sports, media and business, and employ around 320 staff directly in academic, and academic support and management roles.
- 1.12 UA92 will re-purpose the existing Kellogg's building on Brian Statham Way, which will undergo a major redevelopment to create a modern, bespoke educational facility. The site will become available in 2018 when Kellogg's relocate their UK head office to MediaCity:UK. The plans for UA92 therefore ensure that this flagship business location remains an integral part of Stretford's, and Trafford's, economy.
- 1.13 Further to the teaching and learning uses, the main UA92 building will also include a bespoke Technology Hub for Microsoft, one of the world's leading digital and technology firms. The Technology Hub will be at the core of the building, ensuring that academics, entrepreneurs, students and technologists, will be able to interact, share knowledge and collaborate in an attractive open innovation environment. The aim is that UA92 will become a recognised hub for interaction and knowledge exchange in the increasingly integrated growth areas of sports, media and business.
- 1.14 The unique and compelling feature of the UA92 proposition is its location in Stretford at the intersection of a collection of globally-recognised assets in sports and media: Manchester United Football Club; Lancashire County Cricket Club; and Media City UK in The Quays. The aim is that UA92 will complement, add value to, and leverage these assets, enhancing their economic potential, and positioning Stretford and the wider city-regional economy as a recognised centre of learning, innovation, business development and excellence in sports and media.
- 1.15 The wider education campus on the site – utilising the currently underused land around the Kellogg's building – will complement UA92, and include:
- three additional new office developments (to house UA92 academic/management staff);
  - a new state of the art leisure centre, replacing the existing Stretford Leisure Village and providing a significantly enhanced facility;
  - a hotel;
  - around 150 apartments;

- some ancillary retail.
- 1.16 There will also be a multi-storey car park, with the upper-roof level housing two dedicated sports pitches.
- 1.17 The current site plans – on which this EIA is based – are set out in Figure 1-2.

**Figure 1-2: UA92 Campus plans**

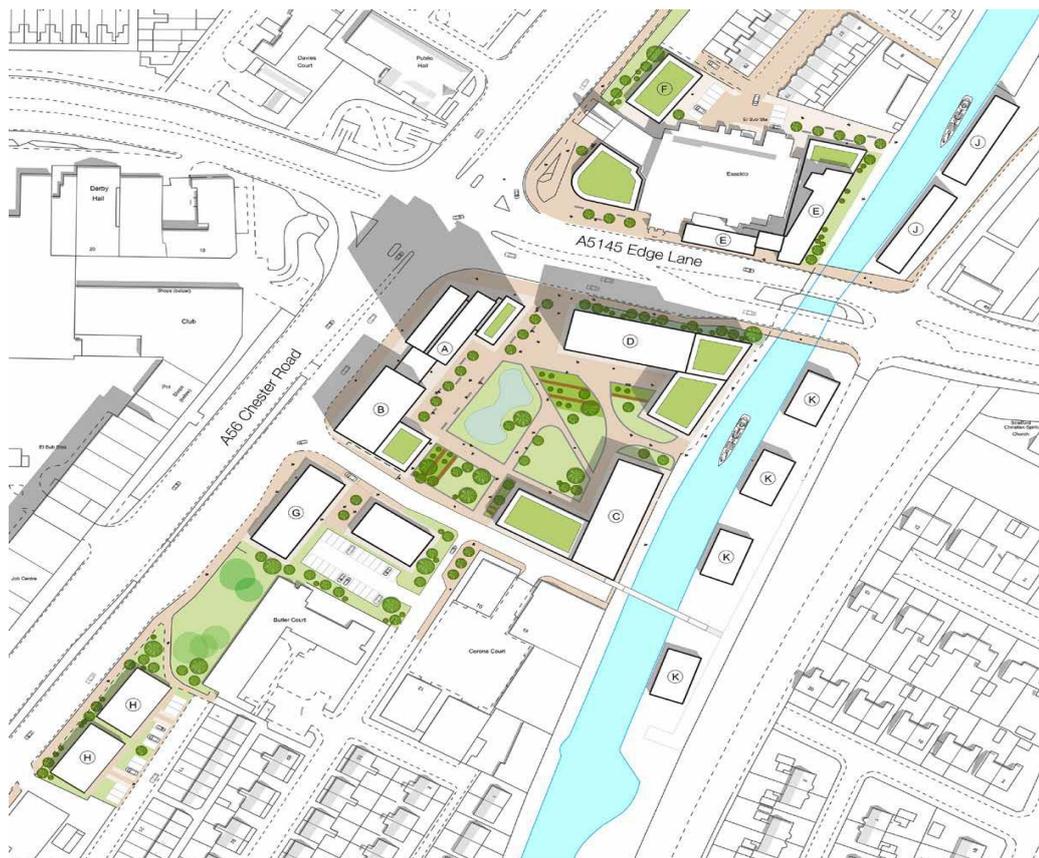


Source: Stretford Refreshed Masterplan (Draft July 2017): Confidential

### The Student Campus

- 1.18 The Student Campus will re-develop an area of the Town Centre opposite Stretford Mall that currently comprises a Council-owned surface car park, a Post Office Sorting Depot, a Probation Service office, and some commercial offices. The proposal is to develop around 1,200 student accommodation units in 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, as illustrated in Figure 1-3.
- 1.19 The plans for the Student Campus would provide an active frontage to the Bridgewater Canal, thus better integrating the Canal with, and opening the Canal to, the Town Centre.
- 1.20 Note that there is the potential for a mix of commercial space for retail and café/restaurant uses at ground floor level of the development, however this has not been confirmed. The EIA has been progressed on the basis that the Student Campus is a residential-only development at this stage. As noted above, future development phases may also include the re-development of the Essoldo (sited to the north of Edge lane on the map) as a social space for students and the local community, but this has not been included in the quantitative assessment of the impacts of the proposed Student Campus.

Figure 1-3: Student Campus plans



Source: 5plus Architects, Stretford Masterplan

## Method

1.21 This desk-based EIA has involved three main tasks:

- a **review of data and documentation** – including the development plans, relevant local strategic documentation, and secondary socio-economic data on Stretford and Trafford economy
- a **qualitative assessment of the effects of the proposed schemes**, drawing on a review of evidence from similar developments elsewhere
- the development and population of an **economic impact model to identify the quantitative effects of the proposed developments** on Stretford and Trafford, complementing the qualitative assessment; this includes assessing the ‘gross’ effects of the different elements of the scheme, and then accounting for displacement, multiplier effects, and deadweight, to provide a robust assessment of the ‘net’ effects of the construction and operational stages.

1.22 Both the qualitative and quantitative elements are important to the impact consideration but, from the outset, it is important to recognise their different natures. The quantitative impacts are ‘countable’ in their form and as such can be denominated straightforwardly in value metrics, in terms of employment and Gross Value Added (GVA). By contrast, the qualitative effects tend to be of a more strategic nature in their form and contribution. As such, they cannot be quantified, and are based on a consideration of what the potential effects may be, drawing

on experience and evidence from elsewhere. They are, nonetheless, very important and significant in terms of contributing to the wider economic and innovation ecosystem in which UA92 will operate.

1.23 Three other points are noted in terms of the quantitative impact assessment:

- the focus is on the effects of the planned developments on **Trafford as a business and workplace location**; the assessment does not consider the effects from a residential perspective in terms of the residential location of staff employed at UA92/other developments, as this cannot be estimated with any degree of certainty at this time
- the impact area is defined spatially as the **Trafford Local Authority District area**, with multiplier effects and displacement considered at the Trafford level
- the focus of the operational phase impact is on the **potential annual economic contribution of the planned developments once they have been developed fully**; UA92 is expected to be at full capacity (on current plans), by the mid-2020s.

1.24 It is also important to be transparent on what the EIA does not do. Five points are noted:

- the assessment does not cover the future employment, earnings and wider personal or social benefits to individual students that study at UA92
- the assessment does not cover the taxation implications (be they local or national, business or person-based) of the proposals
- the assessment does not seek to test, appraise or comment on the plans for UA92 as an institution e.g. related to student demand and the viability of forecasts, subject content and focus, staffing levels etc.; put simply, this study is an assessment of the potential economic contribution of the plans for UA92 should they be realised, not an appraisal or market assessment of the appropriateness of those plans
- the assessment is not a development appraisal or viability assessment of the plans
- consistent with the spatial focus of the assessment, the EIA does not consider quantitatively the potential effects – positive or negative – on other higher education institutions across the Greater Manchester area.

## Structure

1.25 The remainder of this report is structured as follows: Section 2 sets out the socio-economic and strategic context; Section 3 summarises the potential construction phase effects; Section 4 presents an analysis of the operational phase effects from a *qualitative* perspective; and Section 5 focuses on the operational phase effects from a *quantitative* perspective.

## 2. Socio-economic context

2.1 This section provides a summary of the socio-economic context for the proposed developments in Trafford, and the Stretford area specifically.

### Trafford is a key driver of the GM economy ...

2.2 The attractive geographical location and concentration of major economic assets/opportunities for growth, coupled with the quality and scale of its economy, makes **Trafford one of the key drivers of the Greater Manchester and wider North of England economy**. The home of the UK's first canal, and first planned industrial estate at Trafford Park – which remains one of the largest in Europe – the area has recovered from the structural challenges of deindustrialisation during the 1970s and 1980s to become one of the strongest performing economies outside of London and the South East.

2.3 This position is reflected in the overall 'GVA per head' metric in Trafford, a key indicator of relative economic prosperity. **GVA per head in Trafford in 2015 stood at £32.6k, the highest of all areas in the North West** (and the North as a whole), and within the Top 40 (out of 390 local authority district areas) nationally.<sup>2</sup>

2.4 A set of headline indicators set out below further demonstrate the strength, scale and quality of the Trafford economy, from both a 'business' perspective – that is, Trafford's businesses and workplace economy – and a 'people' perspective – that is Trafford's residents.

| <b>Key indicators of the scale and quality of Trafford's offer economically...</b>   |  |
|--|--|
| <b>... from a 'business' perspective</b>   | <b>... from a 'people' perspective</b>   |
| <ul style="list-style-type: none"> <li>• 11,325 <b>enterprises</b> in Trafford, accounting for 12.3% of all enterprise across Greater Manchester</li> <li>• 91% of <b>employees in the private sector</b>, compared to 82% in Greater Manchester and GB</li> <li>• <b>Jobs growth</b> of 12% over 2009-2015, compared to 7% in GB; with 143,000 employees in Trafford in 2015</li> <li>• <b>Gross weekly workplace earnings</b> of £517, compared to £503 across the North West</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Economic activity</b> rate of 81.6% in Trafford, compared to 78.0% in GB</li> <li>• 60.6% of employed residents working in <b>managerial or professional occupations</b>, compared to 45.5% in GB</li> <li>• 51.9% of residents with <b>NVQ4+ qualifications</b> (degree or above), compared to 38.2% in GB; with the proportion of residents with no qualifications 3.4 pp lower than nationally</li> <li>• <b>Gross weekly residential earnings</b> of £600, compared to £502 in the North West</li> </ul> |

2.5 Trafford is a significant and high-quality economy in its own right. However, it also shares important economic linkages with its neighbours, and **forms a crucial part of the functional economy of Greater Manchester**. Greater Manchester has a highly diversified and evolving economy, drawing on both traditional strengths in manufacturing and an increasingly knowledge-based economy, leveraging the area's important research, science and technology assets – including four universities and with over 60,000 people employed in science and technology industries. Strong transport links – including the A56 that runs through the heart

<sup>2</sup> Regional Gross Value Added (Income Approach) by Local Authority in the UK, ONS

of the Borough into Manchester City Centre, the Metrolink, and the M60, place Trafford at the heart of the Greater Manchester economy.

- 2.6 Further, many of the key assets in Trafford – from large-scale employment sites like Trafford Park and the Trafford Centre, to cultural and visitor attractions like Manchester United (arguably Greater Manchester’s biggest and most well-known international brand<sup>3</sup>), are genuinely Greater Manchester assets, benefiting from significant in-movement of workers, consumers and visitors from the wider functional economy and beyond.
- 2.7 Trafford, and its businesses and residents, also benefit from key assets in neighbouring economies – from Manchester city-centre and its growing knowledge-based economy and retail and cultural offer, to Media City UK and the wider ‘The Quays’ developments, both in Trafford and neighbouring Salford.’

### ... but within Stretford, a number of persistent challenges remain

- 2.8 Whilst there are challenges for Trafford as a whole – for example, manufacturing employment decreased by 18% over the 2009-15 period, with implications for productivity and access to employment for local residents - the overall economic narrative is a good one. However, **this positive story is not shared equally across the Borough, notably in Stretford, which suffers from a stubborn mix of socio-economic and environmental (in terms of the area’s physical fabric) weaknesses.**
- 2.9 Stretford, comprising the wards of Stretford, Longford and Gorse Hill has a residential population of around 35,000 (15% of the total across Trafford), and supports some 41,000 work-based employees (note 28,000 of these employees are in Gorse Hill ward, which includes Trafford Park).
- 2.10 Relative to the success in Trafford as a whole, Stretford’s economy has suffered in recent years, most notably through the decline of the town centre, traditionally one of Trafford’s key centres of employment and economic activity. The deterioration of the town centre has reflected competition from elsewhere, including within the Borough (the Trafford Centre), from Manchester City Centre, and the emergence of online retailing. This has been a long-term decline; as far back as 2007, the Trafford Retail and Leisure Study noted that Stretford Town Centre was “*in need of urgent improvements*”.
- 2.11 The decline of Stretford Mall – which dominates the core of the Town Centre – is particularly telling, with retail vacancy rates at approaching 30% in June 2017<sup>4</sup>, following the departure of major national firms including Wilko, TJ Hughes, Vodafone, B&M, HSBC, RBS, McDonalds, Subway and Argos. Recent openings of Aldi, JD Sports, Costa Coffee and PureGym have provided a boost and set the scene for future development, but the challenge is clear – despite a 10% growth in footfall over the last year, footfall at Stretford Mall fell from 6.1m to 3.7m between 2007 and 2016<sup>5</sup>. Plans submitted recently seek to downsize the shopping centre in favour of other uses, recognising the shrinking nature of the retail offer of the town centre.

---

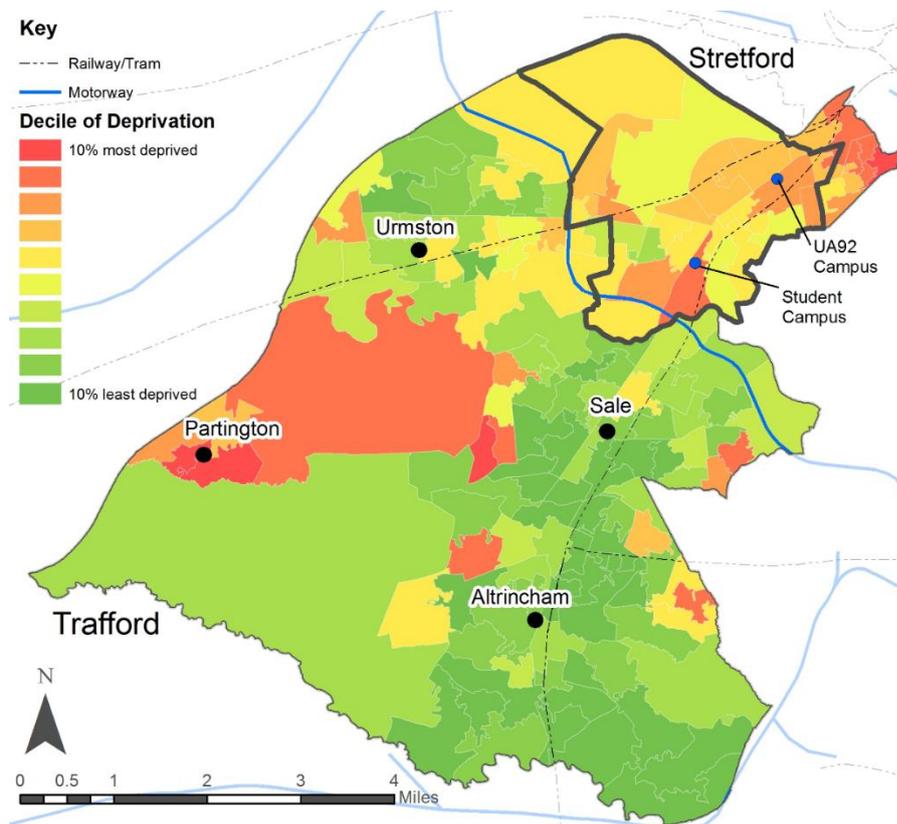
<sup>3</sup> New Economy Greater Manchester Local Economic Assessment: Trafford

<sup>4</sup> Trafford Council, June 2017

<sup>5</sup> [https://www.placenorthwest.co.uk/news/mm-to-cut-retail-space-at-stretford-mall/#utm\\_source=Place+North+West&utm\\_campaign=Place+Daily+Briefing+Monday+2+2017-08-21&utm\\_medium=email](https://www.placenorthwest.co.uk/news/mm-to-cut-retail-space-at-stretford-mall/#utm_source=Place+North+West&utm_campaign=Place+Daily+Briefing+Monday+2+2017-08-21&utm_medium=email)

2.12 Reflecting the socio-economic challenges of the area, overall levels of deprivation in Stretford are high, particularly when set against other parts of the Borough. Notably, three-quarters of the ‘Lower Super Output Areas’ (equivalent to neighbourhoods) in Stretford were within the 50% most deprived geographies across England compared to only one-quarter across the remainder of the Borough. Relative deprivation across the Borough – highlighting the challenge in Stretford – is set out in Figure 2-1, based on the 2015 Index of Multiple Deprivation.

Figure 2-1: Areas of deprivation within Trafford



Source: Produced by SQW 2017. Licence 100030994 and includes IMD data

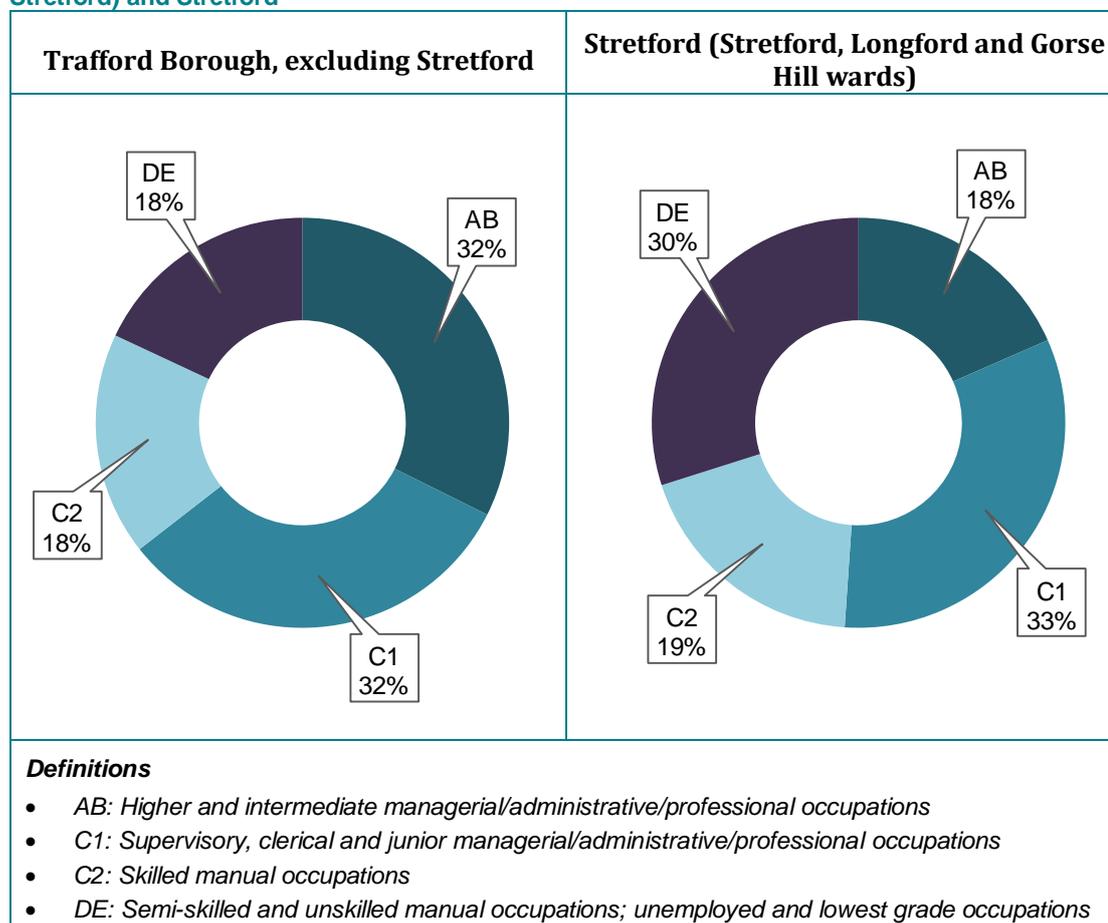
2.13 A wide range of factors influence overall deprivation. However, other data demonstrate the challenges facing Stretford, which has (based on the latest available data at this fine spatial scale), fewer residents with higher-level qualifications, and higher rates of unemployment and individuals claiming out of work benefits, relative to Trafford as a whole.

2.14 Although now somewhat dated, data from the census 2011 on ‘Approximated social grade’ of the working-age population<sup>6</sup> provides a further indication on the divergence between the economic performance of Stretford and the rest of Trafford Borough. As shown in Figure 2-2, the structure of the working-age population in terms of approximated social grade in Stretford was substantially different to Trafford Borough as a whole, with a substantially higher proportion of residents in the ‘DE’ group, suggesting lower skilled employment or

<sup>6</sup> ‘Social Grade is the socio-economic classification used by the Market Research and Marketing Industries, most often in the analysis of spending habits and consumer attitudes. Although it is not possible to allocate Social Grade precisely from information collected by the 2011 Census, the Market Research Society has developed a method for using Census information to provide a good approximation of Social Grade. Each individual aged 16 or over is assigned the approximated social grade of their Household Reference Person, according to standard market research practice. The age range for this table has been restricted to 16 to 64. Source: <https://www.nomisweb.co.uk>

unemployment, and a lower proportion in the 'AB' group. This matters because it reflects the different levels of prosperity across the Borough, and the associated challenges in providing opportunities for residents in Stretford to access well-paid and secure employment.

**Figure 2-2: 'Approximated social grade' of the resident population in Trafford (excluding Stretford) and Stretford**



Source: Census 2011

## Implications for the proposed development plans

- 2.15 This socio-economic context provides an important backdrop to the plans for UA92, and the supporting Student Campus. The context demonstrates the potential for **further developing and adding-value to Trafford as the best performing local economy in the North**. More specifically, there is an opportunity to leverage more fully the key assets and linkages to the Greater Manchester conurbation, and the potential for supporting significant 'agglomeration effects'. These are (broadly speaking) the benefits that can be derived from firms (and consumers) being close to one another, in the form of higher productivity and pay because of specialisation and knowledge spill-overs. These effects tend to be realised in larger cities, and particularly in city-based service industries.
- 2.16 At the same time, the socio-economic context and challenges in Stretford highlight the opportunity for the plans **to help address long-standing issues of socio-economic deprivation and access to employment opportunities** in an area that has not yet benefited fully from the growth elsewhere in the Borough or Greater Manchester. The nature and scale of these potentially transformational beneficial effects are discussed in the following sections.

## 3. Construction phase effects

- 3.1 This section presents an assessment of the potential employment and GVA effects of the construction phase. Although construction phase effects are by their nature temporary, for large schemes such as the UA92 Campus, and the Student Campus they can be sizeable and extend over several years, with the plans involving construction investment of over £175m in the Stretford area. Major construction projects also provide an opportunity to boost local employment and supply-chains.
- 3.2 It is worth noting that there may be additional employment and GVA effects from the infrastructure improvements required to realise the proposed schemes. For example, the Refreshed Masterplan for Stretford sets out plans for environmental improvements along the A56 and Talbot Road and the delivery of a processional route from Old Trafford Metrolink to Salford Quays, via Manchester United, and there may also be further work required including internal and external traffic enhancements. However, the focus of this EIA is on the construction effects associated with the UA92 Campus, and the Student Campus only.

### Method

- 3.3 To model the construction effects, the SQW team has used recognised benchmarks from the Homes and Communities Agency (HCA) for the number of construction ‘job years’ of employment supported by the different development use-types. The benchmarks provide labour coefficients, where £1m of outputs equals ‘x’ person years of construction employment (the equivalent of a temporary job lasting one year). The coefficients used are set out in Table 3-1 below.

**Table 3-1: Construction phase employment coefficients**

| Use type  | Labour coefficient for construction<br>(workers/£1m output p.a., 2011 prices) |
|---|---|
| Public non-housing (Including Schools and Universities, Health)         | 10.7  |
| Private commercial (Including Offices & Entertainment, Garages & Shops) | 16.6  |
| New housing   | 19.9  |
| Infrastructure  | 13.9  |

*Source: HCA (2015) Calculating Cost Per Job, Table 3: Labour coefficients*

- 3.4 To utilise these benchmarks, it is necessary to estimate the investment required for the construction activity. The EIA has used headline estimates of the cost of the construction provided by Trafford Council, and some estimates of costs where data was not available.
- 3.5 The assumptions used in the modelling are set out in Table 3-2. Given the assumptions, and the early-stage of the costing, the effects should be regarded as indicative. As further details become available on the tendered costs of different elements of the scheme as the plans progress and firm-up, these can be used to provide a more exact assessment of the potential construction-related effects.

**Table 3-2: Assumed costs for UA92 Campus and Student Campus**

| Development                                 | Use type           | Assumed costs (£m) |
|---|--------------------|--------------------|
| <b>UA92 Campus</b>                          |                    |                    |
| Main building, offices, sport/leisure block | Public non-housing | 40.0               |
| Hotel                                       | Private commercial | 30.0               |
| Apartment block                             | New housing        | 30.0               |
| Car park                                    | Infrastructure     | 9.0                |
| Retail                                      | Private commercial | 0.5                |
| <b>Student Campus</b>                       |                    |                    |
| Student accommodation                       | New housing        | 68                 |

Source: SQW based on information provided by Trafford Council

## Gross construction effects

- 3.6 Based on these costs, the estimated construction years of employment generated by the proposed developments are set out in Table 3-3. The analysis suggests that the UA92 Campus has the potential to support around 1,650 person years of construction employment, with around 1,350 person years of construction employment supported by the Student Campus.

**Table 3-3: Person years of construction employment supported by the UA92 Campus and Student Campus**

| Development                                 | Use type |
|---|----------|
| <b>UA92 Campus</b>                          |          |
| Main building, offices, sport/leisure block | 428      |
| Hotel                                       | 498      |
| Apartment block                             | 597      |
| Car park                                    | 125      |
| Retail                                      | 8        |
| <b>Student Campus</b>                       |          |
| Student accommodation                       | 1,353    |
| <b>Totals</b>                               |          |
| UA92 Campus                                 | 1,656    |
| Student Campus                              | 1,353    |
| Both developments                           | 3,009    |

Source: SQW based on information provided by Trafford Council

- 3.7 To estimate the gross GVA effects of the construction phase, we have applied the annual GVA per job for the construction sector for the North West of England of c.£43,000 to the estimated person years of construction employment. This provides a gross contribution of the construction phase of £130m GVA to the Trafford economy.

## Net construction effects

- 3.8 To estimate the net effects of the construction phase, the following assumptions were used:
- **leakage** (the proportion of outputs that benefit those outside of the intervention's target area or group) is assumed to be zero, as all construction jobs created will be based on-site in Stretford
  - **displacement** (the economic activity hosted by the plans that is diverted from other assets or businesses in the local area) is assumed to be 25%, based on guidance from the HCA Additionality Guide 2014<sup>7</sup> that indicates a displacement figure of 25% should be used where the local displacement effect is anticipated to be low
  - a composite **multiplier** effect of 1.25 has been applied, based on HCA guidance on the average multiplier effect at the sub-regional level<sup>8</sup>; this covers both expected indirect effects (purchase of local goods and services as part of the construction activity, which may be significant across Trafford as a whole); and induced effects (expenditure by construction workers in the local economy over the course of the construction phase, generating revenue for local businesses).
  - the **reference case** for both the UA92 Campus and Student Campus is zero, given it is expected that no major construction activity would be progressed on either site in the absence of the proposed developments<sup>9</sup>.
- 3.9 Applying these assumptions to the gross effects, the net effects in terms of construction employment and GVA are set out below.

**Table 3-4: Gross to net conversion of construction employment and GVA effects**

|                           | Gross effects | Net effects |
|---------------------------|---------------|-------------|
| <b>UA92 Campus</b>        |               |             |
| Employment effects (jobs) | 1,656         | 1,552       |
| GVA effects (£m)          | 71.6          | 67.1        |
| <b>Student Campus</b>     |               |             |
| Employment effects (jobs) | 1,353         | 1,269       |
| GVA effects (£m)          | 58.5          | 54.9        |
| <b>Total</b>              |               |             |
| Employment effects (jobs) | 3,009         | 2,821       |
| GVA effects (£m)          | 130.2         | 122.0       |

Source: SQW analysis

- 3.10 The analysis indicates that the construction phase of the UA92 Campus, and the Student Campus will support approximately 2,800 net construction years of employment, and generate a total net GVA for the Trafford economy of approximately £122m.

<sup>7</sup> Homes and Communities Agency (2014), Additionality Guide 2014

<sup>8</sup> *ibid*

<sup>9</sup> Note that the reference case for the construction phase is different to the reference case for the operational phase; the former focuses specifically on whether any construction activity would be progressed if the plans were not taken forward.

- 3.11 These figures may appear high. However, it must be noted that the employment data are aggregate person years of construction employment, *not* permanent jobs. As a result, the impact is only present in the local economy over the period of build, and at any one point in time there will be a smaller number of people actually employed on-site. Further, some years will have a higher number of construction jobs on site than others, based on the phasing of the two developments. The GVA figure is also the total contribution over the construction-period. Assuming a five-year construction period, the annual GVA contribution would be around £20-25m; this effect would not persist following the completion of the construction phase.

### Wider benefits of the construction phase

- 3.12 As indicated by the quantitative analysis above, the benefits to the Trafford economy during the construction phase of the UA92 Campus, and the Student Campus will be significant; consistent with the scale of proposed development.
- 3.13 This scale of construction employment in the Trafford economy over a prolonged period, will potentially provide a secure source of employment for local residents. The opportunity from construction employment is 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.
- 3.14 Targeted labour market interventions could help local people in Stretford to gain the necessary skills to access these employment opportunities. For example, an on-site skills/job shop could be used to promote opportunities, with a physical presence to showcase current opportunities, provide information on the pipeline, offer training and provide a link between employers and potential employees. Partners could also consider developing an Employment Action Plan (EAP) to help local residents, particularly the unemployed, to obtain jobs created by the construction phase (and potentially, the operational phase), including through offering bespoke recruitment, training and development support via appointed contractors, including via apprenticeships, and encouraging contractors to use local labour (and purchase goods and services from the local area). This could be facilitated via seeking engagement of contractors in the 'Trafford Pledge', an established scheme in the area that matches local businesses with residents and supports residents of all ages to find employment. benefitting both the local community and the wider economy.<sup>10</sup>
- 3.15 Such measures could bring wider and longer-term benefits to this group of individuals in terms of employability, aspiration, and quality of life, contributing to the broader economic development and regeneration of Stretford, and Trafford more widely, and maximizing the potential of the plans for the UA92 Campus, and the Student Campus.

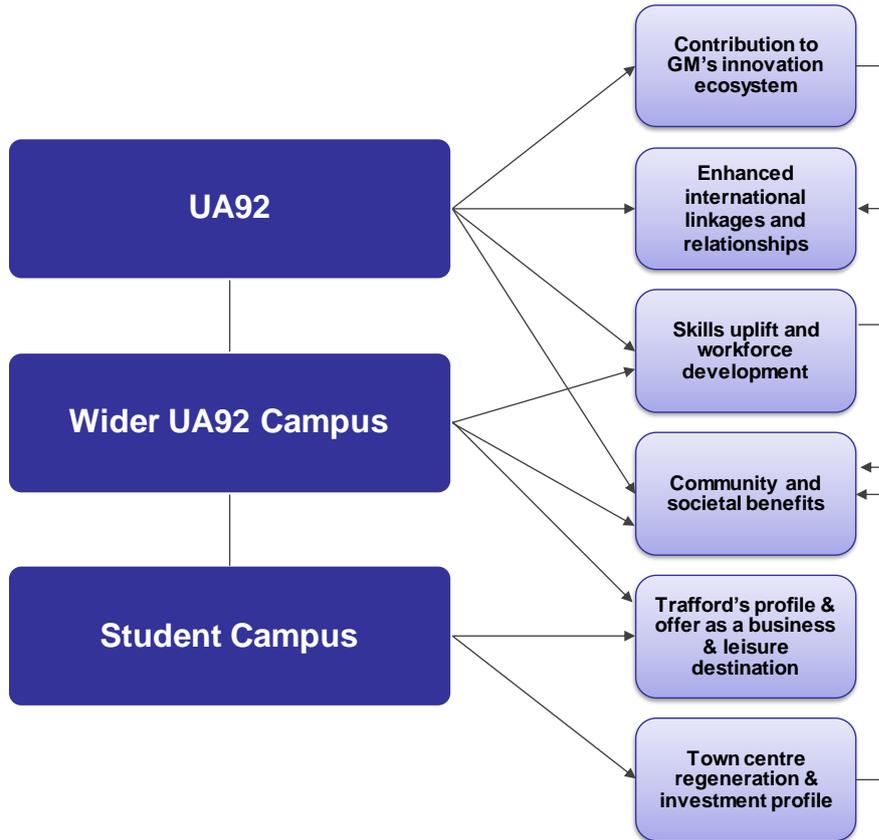
---

<sup>10</sup> <http://www.investintrafford.com/TraffordPledge/trafford-pledge.aspx>

## 4. Operational phase effects – qualitative perspectives

- 4.1 This section sets out the potential qualitative effects of the UA92 Campus, and the associated Student Campus. These effects cannot be quantified, but they central to understanding the impacts of the plans, including the benefits for the immediate local community in Stretford. The ‘routes to impact’ covered by the qualitative assessment are summarised below.

Figure 4-1: Routes to qualitative impacts of UA92 Campus and Student Campus



Source: SQW 2017

### UA92

- 4.2 A desk-based review of evidence and discussions with Trafford Council on the nature and focus of UA92 (including the Technology Hub) identified a range of potential qualitative benefits, which are summarised below.

#### *Community and societal benefits*

- 4.3 There are many ways through which universities can generate community/societal benefits, most of which are often overlooked given the difficulty to quantify the scale of such impacts. Moreover, when assessing the impacts through a qualitative perspective, the primary focus has typically been on the benefits associated with knowledge exchange and training, and less

so on community and societal impacts. Nevertheless, this section describes the type of activities UA92 could undertake to realise such benefits.

4.4 One important impact channel through which UA92 is likely to benefit the local community is through civic and public engagement activities. Universities across the UK are increasingly making efforts to engage with their local area, including:

- **Volunteer programmes** – through staff and student involvement in volunteer placements in community groups, charities and schools in the local region<sup>11</sup>. Support is often targeted at disadvantaged areas, where volunteers help with a range of activities aimed at improving a variety of outcomes. Examples include staff and student volunteers spending time in local primary and secondary schools to improve the confidence and self-esteem of young people. For UA92, this could take the form of supporting activity in sports and media, and in the promotion of early-stage entrepreneurship programmes in local schools and colleges. The benefits of such schemes can be significant: one study estimated that such volunteer programmes can make a contribution to the local community of almost £1m<sup>12</sup>, based on the opportunity costs of raising aspirations, developing skills among school children, and increasing cultural understanding and tolerance amongst university staff and students through mixing with the local population.
- **Widening participation programmes** – universities are increasingly engaging in outreach activities designed to build confidence in those young people least likely to go to university<sup>13</sup>. As part of this initiative, universities are inviting local school pupils of various ages to stay at their university and experience what it is like to participate in higher education. By delivering such outreach activities, including summer schools, day-visits, open events, and in-school activities, UA92 has the potential to raise the aspirations and achievement of young people in Stretford, and other areas across Trafford. Particularly through working in partnerships with local colleges and further education providers (including Trafford College, and potentially the University Technology College at Media City that is focused on education in the digital media sector), UA92 can provide an opportunity to enhance access to higher education for young people from the local area.
- **Collaborating with the LEP, Local Authorities and Greater Manchester Combined Authority** – universities are important assets in their local economies, and can play a significant role in informing local economic development strategies and priorities, for example via engagement with the LEP and local boards. This engagement can be important to ensure that the potential of the university is maximised to contribute to local economic, social and cultural development. Universities are often a major source of capacity and capability when it comes to policy formulation around economic development agendas.

---

<sup>11</sup> Examples of volunteer programmes at universities include the [Manchester Leadership Programme](#) at the University of Manchester and [Warwick Volunteers](#) at the University of Warwick.

<sup>12</sup> Degrees of value (2011)- <http://www.neweconomics.org/publications/degrees-of-value>

<sup>13</sup> Examples of widening participation programmes include [Manchester Access Programme](#), [The Access to Leeds programme](#), and [Access to Birmingham](#)

- **Open access of facilities** – UA92 will include a wide range of state of the art facilities and assets, including sports facilities which could be made available for use by local community groups (e.g. schools, youth groups and disability groups etc.), UA92 may also play a role in hosting local community events; such events can help contribute to enhanced relationships and understanding between the university and the local community<sup>14</sup>. The re-development of the Essoldo will also create a new community facility, supporting local community groups, charities and associations with facilities for events and activities, and acting as a new focus for community engagement and out-reach activities.

#### *Skills uplift and workforce development*

4.5 Linked closely to the benefits from UA92 in raising the aspirations and achievement of young people, the development of a new university in Trafford, working in partnership with one of the UK's leading existing research intensive universities, also has the potential to lead to wider benefits in terms of skills uplifts and workforce development in the local area. Five main routes to impact are identified here:

- First, the UA92 plans will involve **attracting 250-300 high-quality and knowledge based jobs to Stretford**, leading to an overall uplift in the skills base of the local workforce, which will be reinforced over time as individuals move on to new roles, potentially also in the local area.
- Second, **many of the students at UA92 are likely to stay in the Trafford area following graduation**, reflecting social links and access to employment opportunities. Recent analysis indicates that a third of students that went to Manchester to study stayed in the city after graduation, and the overall graduate retention rate in Manchester is the second highest in the UK after London<sup>15</sup>. Trafford is likely to benefit from the scale of Manchester's graduate labour market, helping to retain students that studied at UA92 in the local and city-regional economy. Whilst many of these students may ultimately find work in Manchester (or elsewhere across the city-regional economy), there is also likely to be a significant level of graduate retention in the immediate area, including where recent graduates work in central Manchester, but continue to live in Trafford.
- Third, **UA92 will provide attractive job opportunities for local people**, including in management and administration activities, and entry-level positions, for example in the café/catering aspects of the facility.
- Fourth, **through training programmes and out-reach activity with local companies, UA92 can provide support to increasing the quality and productivity of local businesses**; given the focus of UA92 on business education, this may be a particular focus e.g. business training and mentoring courses which are focused on developing the skills and competencies of the local business base.
- Fifth, there is the potential for **significant work experience opportunities**, at all levels from work experience opportunities for young people at schools and colleges

<sup>14</sup> See SQW (2013) University of Warwick Regional Impact Study

<sup>15</sup> <http://www.centreforcities.org/wp-content/uploads/2016/11/16-11-18-The-Great-British-Brain-Drain.pdf>

through to post-doctoral research assistant positions. Such placements will be an opportunity to identify the best young talent in the area.

#### *Enhanced international linkages and relationships*

4.6 Research for the European Commission<sup>16</sup> indicates that a **globally connected university can act as a 'window' on an area to the rest of the world**, contributing to an improved image and reputation, and attracting researchers who may contribute to the development of new technologies, resulting in new and innovative activities. Further, globally connected universities can act as **important lever for international investment**. An OECD report<sup>17</sup> highlighted that the availability of world-class researchers at universities is arguably a more critical location driver for generating research-intensive foreign direct investment than financial incentives to foreign investors. UA92 has the potential to maximise these benefits, leveraging the existing international profile of the area's key sporting assets (notably, Manchester United), and Lancaster's University's international profile.

4.7 Practical ways in which UA92 may realise these effects, which will also lead to benefits for Trafford as a local economy include:

- **Study abroad programmes** – like many other universities, UA92 may engage in international exchange programmes, which involve students from overseas universities spending time in Trafford (and vice versa). Further to the benefits for the individual participants and the institution, this will bring overseas visitors to Trafford, generating both expenditure in the local economy, and enhancing the profile and reputation of the area internationally.
- **International conferences/events** – the specialised focus of UA92 – on sports, media and business – is likely to be conducive to the institution hosting international events and conferences in these disciplines which will again bring both expenditure and profile to Trafford, including generating demand from other local hotels, conference centres and providers of transport and personal services.

#### *Contribution to Greater Manchester's innovation ecosystem*

4.8 Greater Manchester is one of the UK's leading university city-regions, with four universities and approaching 100,000 students. Greater Manchester institutions are responsible for c.7% of UK's doctorates overall, and almost 8% of England's STEM doctorates, and have over a million alumni across the world, many of whom are in prominent positions in business, universities or governments.<sup>18</sup> UA92 will add further capacity and strength to this highly impressive university base.

4.9 More broadly, the recent Science and Innovation Audit for Greater Manchester highlighted the existing strength and potential opportunities for the city-region in digital technologies, with the area recognised as the UK's second digital hub (after London), including through assets such as:

---

<sup>16</sup> [Connecting Universities to Regional Growth: A Practical Guide \(2011\)](#)

<sup>17</sup> [Government strategies to attract R&D-intensive FDI \(2008\)](#)

<sup>18</sup> <http://www.neweconomymanchester.com/media/1790/science-audit-final.pdf>

- MediaCity UK, the largest purpose-built media location in Europe, including supporting 2,600 BBC staff (including the base of Connected Studios, the BBC's digital R&D arm); ITV; UoS, and a University Technical College (teaching DCI and Entrepreneurship) and over 250 businesses.
- Manchester Science Partnerships' central campus on Corridor Manchester with over 80 digital technology companies employing >1,500 people.
- The Sharp Project in East Manchester, which hosts over 60 digital entrepreneurs and production companies specialising in digital content production, digital media and TV and film production.
- The Space Project in Gorton that has facilities for large-scale TV and film production.

4.10 **Greater Manchester is clearly on a trajectory towards becoming a recognised global leader in media and digital technologies, and UA92 will contribute to furthering, strengthening and consolidating this intent.** It will offer opportunities for collaboration across the city-region's research and innovation assets, and through the Technology Hub, contribute to business-led innovation and enterprise. The presence of Microsoft, one of the leading global technology firms in Stretford could be transformational for the local economy, as many UK and foreign based digital firms will want to collaborate and potentially co-locate with the company. In short, this would represent a major opportunity to build a nationally significant digital cluster in and around Stretford, complementing the exciting developments at Media City and in Manchester City Centre. UA92 will also deepen and reinforce Greater Manchester's case for future investments in the science and innovation base in this area, with both the public sector and private sector increasingly seeking to invest where there is already a critical mass of excellence, and where there is the potential for competing on a world stage.

4.11 Three further potential sources of benefit are noted in relation to the innovation ecosystem:

- dependent on the exact nature of the academic focus of the institution – and the balance between 'teaching' and 'research' – UA92 can be expected to **support the city-region in further scaling-up the level of research income secured by the area**, via both Research Councils, and innovation funding, including from Innovate UK; the scale of this research income is not known at this point, however, there will be direct employment and GVA effects, and indirect supply chain effects that would add to the overall economic contribution of UA92
- there may be potential for **further inward investment and in-movements to the area by other digital, media, and sports-business firms** to benefit from access to UA92 itself – attracted by both access to academics, specialist equipment (such as the proposed 'simulated trading floor'), and the student population – and as a result of the Technology Hub, which will host an internationally significant digital and technology company
- there is the potential for **intellectual property (IP) to be generated through the research conducted at UA92**; whilst it is clearly impossible to be specific as to what new innovations and commercialisation opportunities might emerge in the future, this provides the potential for new firms to be started-up and/contribution of UA92.

## Associated development at the Education Campus

4.12 The principal qualitative effects are expected to be generated by UA92, including the Technology Hub. However, there will also be a broader suite of benefits from the wider UA92 Campus. Three points are highlighted:

- The **leisure centre will support a range of positive outcomes associated with engagement in sports and healthy living**. By providing an enhanced facility relative to the existing Stretford Leisure Village, leading to raised levels of usage and participation, a broad range of positive effects may be realised including:
  - Physical and mental health outcomes – the presence of leisure facilities can potentially have an impact on the productivity of a workforce, where leisure centres can help support the health and wellbeing in the community. Moreover, a healthier society will reduce financial burden in key public services including the NHS.
  - Quality of life – the health benefits associated with sports can greatly enhance the quality of life. Economic evaluation studies that have tried to assess the value for money of sport interventions have often used the quality-adjusted life year (QALY) measure. The CASE (2010) report suggests the value of each QALY gained as a result of doing sport is £20,000<sup>19</sup>.
  - Crime and anti-social behaviour outcomes – studies have suggested that culture and sport interventions in local areas can be an effective way to reduce re-offending and anti-social behaviour<sup>20</sup>. Leisure centres have the potential of keeping people positively engaged in their communities, bringing people together to address intergenerational fear and isolation, and help offenders to re-enter society.
  - Educational outcomes – research undertaken as part of the Culture and Sport Evidence (CASE) programme suggested that participation in structured sport activities improves young people’s cognitive abilities and transferable skills by almost 20 percent. This in turn can improve literacy and numeracy skills for pre- and primary-school aged children and increase academic attainment in secondary school aged students. Although the proposed leisure centre will primarily be aimed at students on campus, there is the possibility of allowing communal access of its facilities during off peak times in order to realise such benefits.
- **Access to entry-level employment opportunities**, via the hotel, retail and service elements of the UA92 Campus. As discussed in Section 2, Stretford has suffered from a lack of accessible employment opportunities for its community over the past decades, and the UA92 Campus provides the opportunity for significant levels of employment in secure and accessible positions; jobs will be created in the non-academic/management elements of the plans for the UA92 Campus, with further local employment opportunities via the increased local expenditure.

<sup>19</sup> CASE (2010) - [Understanding the value of engagement in culture and sport report](#)

<sup>20</sup> London Councils (2013) - [Social and economic impacts of cultural and leisure services](#)

- The hotel will help to **further develop Trafford's offer as a destination for both leisure and business visitors**, adding to the concentration of hotels located in close proximity to the Old Trafford sporting assets – including the Hilton Garden Inn at Old Trafford (LCC), Hotel Football opposite Old Trafford (MU), and the Victoria Warehouse Hotel – and likely providing a complementary mid-market offer to these existing assets.

## Student Campus

4.13 The development of student accommodation at the Student Campus, will deliver a substantial uplift in the number of residents living in Stretford town centre, with the plans playing an important role in relation to town centre regeneration, particularly with Stretford having struggled compared to Trafford as a whole in recent years, as noted in Section 2. Delivering the successful regeneration of Stretford Town Centre remains a key priority for the Council, and the Student Campus provides a significant opportunity to boost these efforts further:

- An increase in the number of town centre residents, given that much of the accommodation is being built on vacant or under-utilised land, should bring greater spend, and consequently jobs, to the area, as already noted. In the context of the struggling Stretford Mall close by, the development of this accommodation could help to **improve the long-term viability of the shopping centre**, through increased footfall.
- In addition, those living in the student accommodation may have additional, as well as complementary, demands to local residents for retail and leisure services, including in relation to the night time economy that is currently lacking in Stretford town centre. The increase in residents could therefore help to drive the **diversification of town centre uses, and improve the vitality of the town centre, making for a more attractive and vibrant offer**.
- The development of these modern residential buildings will comprise the largest development in Stretford town centre for many years, and will complement other developments locally, including efforts to bring the prominent Essoldo back into use as a student/community activity hub, improvements to public realm, and other smaller developments including a recent planning application for apartments overlooking the nearby Bridgewater Canal. Together, these developments show the **clear ambition to transform the fortunes of the town centre**, which in itself could bring a **sense of positivity about the future of the town centre**, after years of relative decline. Moreover, a rejuvenated town centre, to which the student accommodation will contribute, could also have **positive impacts on wellbeing and levels of anti-social behaviour**.
- Importantly, changing the image and profile of Stretford town centre could make it **increasingly attractive to developers and to businesses**, bringing additional investment and spurring on future regeneration activities. If the development of the student accommodation does have positive impacts on the viability and vitality of the town centre economy, and helps to support the development of a more appealing

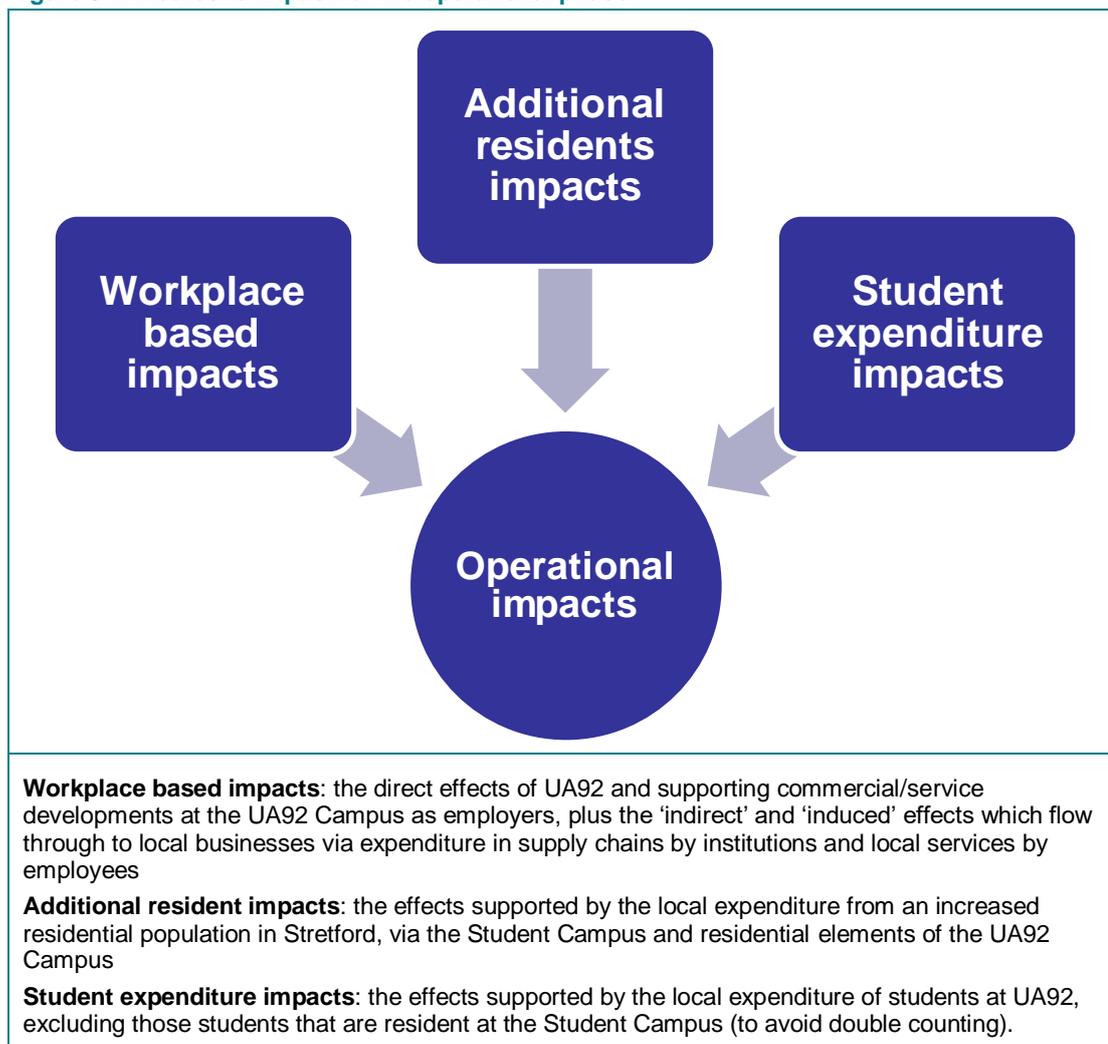
place to live, socialise and do business, this may lead to **further increases in commercial and residential property values.**

- 4.14 It is also important to note that the existing plans for the Student Campus will meet only a share of the potential demand for student accommodation from UA92, with the 1,250 spaces when fully developed accounting for under a quarter of the total expected study body. Not all of these students will require accommodation provision (with some students likely living at home whilst studying), however, there is likely to be demand for **additional provision of student housing**, which may lead to further investment in Trafford, generating additional construction and long-term economic benefits.
- 4.15 The plans will also have a range of quantitative effects, which are explored in more detail in the following section.

## 5. Operational phase effects – quantitative perspectives

- 5.1 This section presents an assessment of the quantitative effects of the operational phase of the UA92 Campus, and the Student Campus. The quantitative effects are based on three principal quantitative ‘routes to impact’, summarised in Figure 5-1.

Figure 5-1: Routes to impact for the operational phase



Source: SQW 2017

- 5.2 For each route to impact, the EIA estimates the ‘gross’ effects, and accounts for displacement and multiplier effects where relevant.<sup>21</sup> These effects are then adjusted to consider the ‘reference case’ (i.e. what would have happened in the absence of the development), providing an aggregate assessment of the potential ‘net’ economic impact of the UA92 Campus, and the Student Campus proposals.

<sup>21</sup> Note that leakage is not considered as the focus of the assessment is on Trafford as a workplace location

## Work-place based impacts

### Coverage and sources of effects

- 5.3 The direct employment and GVA effects are focused on the UA92 Campus, where new workplace based employment opportunities will be located. The main sources of direct employment, which has then been converted into GVA, from the UA92 Campus are as follows:
- the academic, management and professional services staff employed by UA92, which will be housed within the main building, and the three planned complementary office developments
  - other UA92 staff in the main building (but, which we have assumed are not included in the academic/management/professional services staffing) including staff in the library, on reception, and working in facilities management (e.g. security and maintenance etc.)
  - employment at the Technology Hub, housed within the main building
  - employment in the café/catering/retail facilities within the main building
  - employment at the hotel
  - employment at the sports and leisure block
  - employment in the retail developments.
- 5.4 There may also be a modest level of direct employment associated with the car park and accommodation developments at the UA92 Campus, (e.g. in security and maintenance). However, for the purposes of the modelling, we have assumed that this employment is included in the 'other UA92 Support Staff', also located on the Campus.

### Estimates of gross employment

- 5.5 Employment effects have been estimated based on three sources of evidence:
- For the academic, management and support staff employed by UA92, information provided by Trafford Council indicates that at full capacity the expectation is that UA92 will support 320 employees, which will be based in the main building and associated office developments. This maximum employment figure has been used in the impact model for this element of the scheme. The SQW team has not tested formally the proposed staff number (as this is outside the scope of the EIA); however; staff/student ratios at similar sized institutions, suggest that the 320 is realistic.<sup>22</sup>
  - For 'other UA92' staff in the main building (but not included in the above) including staff at the library, on reception, and in facilities management (e.g. security, maintenance), we have assumed 15 employees.

---

<sup>22</sup> For example the student-to-staff ratio at St Mary's University, Twickenham of 17.9:1 suggests around 309 staff (from 5,535 students), and York St John University with 5,980 students has a ratio of 17.4:1, suggesting 344 staff. Data drawn from <https://www.thecompleteuniversityguide.co.uk/league-tables/rankings?o=Student-Staff%20Ratio>

- For the wider Campus (including the Technology Hub), employment has been estimated using assumptions on the density of employment that could be expected for the different components, based on floorspace estimates.

5.6 The job density assumptions used here are those provided in the third edition of the HCA's Employment Densities Guide (2015), with the relevant use-types set out in Table 5-1. In most cases, the assumptions are based on the scale of floorspace, with the exception of the hotel, where the estimated is based on the number of jobs per bed. The employment densities have been applied to the planned floorspace to generate the gross employment potential of each element of the Education Campus. The gross floorspace data have been converted where appropriate to net floorspace by applying standard conversion ratios.

**Table 5-1: Employment densities used in the impact assessment**

| Scheme element           | Use type assumption   | Employment Density assumption |
|--------------------------|---|-------------------------------|
| Technology Hub           | B1a Offices - General Office - Technology, media and telecoms | 11 sqm per job                |
| Café/catering/retail     | A3 - Restaurants & Cafes                                      | 20 sqm per job                |
| Sports and leisure block | D2 - Fitness Centres - Family                                 | 100 sqm per job               |
| Retail                   | A1 - Retail - High Street                                     | 20 sqm per job                |
| Hotel                    | C1 - Hotels - Mid-scale                                       | 1 FTE per 3 beds              |

Source: Employment Densities, 3rd Edition, HCA, 2015

5.7 Applying the assumptions set out above, the gross estimated employment effects supported by the UA92 Campus are set out in Table 5-2. The analysis suggests that the plans have the potential to support 525 gross jobs, when developed at full capacity by the mid-2020s.

**Table 5-2: Gross direct employment effects of the UA92 Campus**

| Scheme element           | Gross employment |
|--------------------------|------------------|
| <b>UA92</b>              |                  |
| Main UA92                | 320              |
| Other UA92               | 15               |
| Technology Hub           | 28               |
| Café/catering/retail     | 15               |
| <b>Wider Campus</b>      |                  |
| Sports and leisure block | 59               |
| Retail                   | 27               |
| Hotel                    | 61               |
| <b>Total</b>             | <b>525</b>       |

Source: SQW analysis

### Estimates of gross GVA

- 5.8 The gross GVA effect of the UA92 Campus has been estimated by applying the most relevant sector-specific GVA per employee figure from ONS<sup>23</sup> to the employment for each element of the scheme. The findings are set out in Table 5-3, suggesting an annual direct gross GVA contribution of approximately £16.7m from the UA92 Campus.<sup>24</sup>

**Table 5-3: Gross direct GVA effects of the UA92 Campus**

| Scheme element           | Gross employment | SIC code applied to activity                                       | GVA per job (£) | Annual GVA (£m) |
|--------------------------|------------------|--|-----------------|-----------------|
| <b>UA92</b>              |                  |  |                 |                 |
| Main UA92                | 320              | Education  | 32,997          | 10.6            |
| Other UA92               | 15               | Other service activities   | 31,140          | 0.5             |
| Technology Hub           | 28               | Information & communication  | 64,583          | 1.8             |
| Café/catering/retail     | 15               | Accommodation & food service activities                            | 20,215          | 0.3             |
| <b>Wider Campus</b>      |                  |  |                 |                 |
| Sports and leisure block | 59               | Arts, entertainment & recreation                                   | 23,211          | 1.4             |
| Retail                   | 27               | Wholesale & retail trade; repair of motor vehicles and motorcycles | 34,147          | 0.9             |
| Hotel                    | 61               | Accommodation & food service activities                            | 20,215          | 1.2             |
| <b>Total</b>             | <b>525</b>       | -  |                 | <b>16.7</b>     |

Source: SQW analysis

### Adjusting for displacement

- 5.9 Displacement is the economic activity hosted by the site that is diverted from other assets or businesses in the local area – in this case, Trafford. Displacement varies by the type of development and is generally higher at a large spatial scale. Assumptions for displacement for the UA92 Campus have been made on whether the levels of displacement are expected to be high (75%), medium (50%), low (25%), or very low (5%).
- 5.10 The ratios are based on ready-reckoners from the Additionality Guide, with the exception of the ‘very low’ category that has been included to account for the unique nature of the Technology Hub, and the lack of an existing university in Trafford. This means that displacement of employment is expected to be very low e.g. it is possible that some of the jobs at UA92 will be taken by staff that work in existing employment in Trafford (e.g. at Trafford College). However, given the very specialised nature of UA92, this is expected to be at a very small scale. Working in partnership with Trafford College will help to ensure that any potential displacement effects are minimised.<sup>25</sup>

<sup>23</sup> Using data for the North West region

<sup>24</sup> Note that the data represent the GVA contribution based on current productivity levels, to provide an indication of what the contribution is expected to be in current prices. This may underestimate the effects by the mid-2020s, considering expected productivity improvements; however, the scale of these uplifts is highly uncertain.

<sup>25</sup> In this context, it is worth emphasising that the area of impact is Trafford, not Greater Manchester, meaning that potential displacement from other universities in Greater Manchester is not considered.

- 5.11 Estimates of displacement, and the effects on employment and GVA are set out in Table 5-4. It is worth noting that displacement for the Sports and Leisure Block is assumed to be high, reflecting that it will replace the existing Stretford Leisure Village, albeit providing a significantly enhanced facility for use by the local community, and the student population.

**Table 5-4: Adjustments for displacement for the UA92 Campus**

| Scheme element           | Displacement assumption | Displacement ratio | Displacement (jobs) | Jobs minus displacement | GVA minus displacement |
|--------------------------|-------------------------|--------------------|---------------------|-------------------------|------------------------|
| <b>UA92</b>              |                         |                    |                     |                         |                        |
| Main UA92                | Very low                | 5%                 | 16                  | 304                     | 10.0                   |
| Other UA92               | Medium                  | 50%                | 8                   | 8                       | 0.2                    |
| Technology Hub           | Very low                | 5%                 | 1                   | 26                      | 1.7                    |
| Café/catering/retail     | Medium                  | 50%                | 8                   | 8                       | 0.2                    |
| <b>Wider Campus</b>      |                         |                    |                     |                         |                        |
| Sports and leisure block | High                    | 75%                | 44                  | 15                      | 0.3                    |
| Retail                   | Medium                  | 50%                | 14                  | 14                      | 0.5                    |
| Hotel                    | Low                     | 25%                | 15                  | 46                      | 0.9                    |
| Total                    | -                       | -                  | 106                 | 420                     | 13.8                   |

Source: SQW analysis

### Adjusting for multiplier effects

- 5.12 The UA92 Campus will create a critical mass of new economic activity in Stretford, with new businesses and institutions that will purchase goods and services from the local area generating beneficial ‘indirect effects’. Workers based at the campus will also spend money in the local area during the working week, resulting in positive ‘induced effects’ for local businesses.
- 5.13 To capture these effects, we have applied a ‘composite multiplier’, to the displacement adjusted employment and GVA estimates, covering both indirect and induced effects for each element of the scheme. This approach reflects the early-stage of the plans, with no available information, for example, on the scale of the expenditure by UA92 in the local area.
- 5.14 The multipliers applied are at a neighbourhood level, with the majority of effects expected to be in Stretford i.e. they exclude any effects on the wider Greater Manchester economy, and seek to capture simply the supply-chain and local expenditure effects in Stretford (note that the size of the multiplier effect is likely to be greater the larger the area over which the benefits of an intervention are being assessed). This represents a conservative assumption for the EIA; the multiplier effects could potentially be higher for Trafford as a whole.
- 5.15 The multiplier effects have been estimated for each component of the scheme (Table 5-5). The level of the multiplier effect reflects the potential level of local expenditure on goods and services, and the induced effects, based on the following assumptions<sup>26</sup>:

<sup>26</sup> Homes and Communities Agency (2014), Additionality Guide 2014

- Low: limited local supply linkages and induced or income effects, at 1.05
- Medium: average linkages (the majority of interventions will be in this category), at 1.1
- High: strong local supply linkages and income or induced effects, at 1.15.

5.16 The data suggest that the multiplier effects from the non-residential element of the development will support a further 43 gross jobs in Trafford, and annual GVA of £1.4m.

**Table 5-5: Assessment of multiplier effects for the non-residential elements of the developments**

| Scheme element           | Multiplier effect (Stretford) | Multiplier ratio | Jobs via multipliers | GVA via multipliers (£m) |
|--------------------------|-------------------------------|------------------|----------------------|--------------------------|
| <b>UA92 Campus</b>       |                               |                  |                      |                          |
| Main UA92                | Medium                        | 1.1              | 30                   | 1.00                     |
| Other UA92               | Medium                        | 1.1              | 1                    | 0.02                     |
| Technology Hub           | Medium                        | 1.1              | 3                    | 0.17                     |
| Café/catering/retail     | High                          | 1.15             | 1                    | 0.02                     |
| <b>Wider Campus</b>      |                               |                  |                      |                          |
| Sports and leisure block | High                          | 1.15             | 2                    | 0.05                     |
| Retail                   | Medium                        | 1.1              | 1                    | 0.05                     |
| Hotel                    | Medium                        | 1.1              | 5                    | 0.09                     |
| <b>Total</b>             |                               |                  | <b>43</b>            | <b>1.4</b>               |

Source: SQW analysis. Multiplier assumptions drawn from Homes and Communities Agency (2014), *Additionality Guide 2014*

5.17 The total data, including multiplier effects, and after accounting for displacement (but before accounting for the reference case) are set out below.

**Table 5-6: Workplace based employment and GVA effects (pre-deadweight)**

| Scheme element                | Jobs (FTEs) | GVA (£m)    |
|-------------------------------|-------------|-------------|
| <b>UA92 Campus</b>            |             |             |
| Main UA92                     | 334         | 11.0        |
| Other UA92                    | 8           | 0.3         |
| Technology Hub                | 29          | 1.9         |
| Café/catering/retail          | 9           | 0.2         |
| <b>Wider Education Campus</b> |             |             |
| Sports and leisure block      | 17          | 0.4         |
| Retail                        | 15          | 0.5         |
| Hotel                         | 51          | 1.0         |
| <b>Total</b>                  | <b>463</b>  | <b>15.3</b> |

Source: SQW analysis.

### Other potential quantitative effects via induced effects

- 5.18 There may also be other routes to quantitative impact via induced effects. Four are noted below:
- the expenditure in the local area of visitors to UA92; this may include visiting academics/researchers, and family members visiting relatives studying/working at UA92
  - the expenditure of visitors staying at the hotel on the UA92 Campus
  - the expenditure of individuals attending corporate events and activities that may be held at the UA92 Campus (e.g. via meeting room hire or event space hire for conferences etc.)
  - the potential impacts generated as a result of the facilities at the UA92 Campus encouraging more visitors to and spend at local attractions. For instance, the provision of an enhanced visitor 'offer' in Stretford may encourage visitors to Old Trafford football and cricket stadia (for sports and non-sports events) to stay for longer, and spend more money, in the Stretford area e.g. at the planned retail elements of the scheme. The hotel may also encourage more visitors to these attractions to stay in Trafford rather than elsewhere in Greater Manchester.
- 5.19 The scale of these effects is hard to capture with any certainty at this initial stage. There is also the risk of double-counting by seeking to quantify these effects, with visitors potentially spending money principally in the other elements of the development (e.g. visitors to the hotel spending money in the retail elements of the development, for which the employment effects have already been captured, or visiting academics staying at the hotel). However, these types of effects may help to increase the overall multiplier effects of the proposed developments, and should be considered in understanding fully the mechanisms through which the proposal will help to generate further economic activity in the Stretford, and wider Trafford, economy.

### Additional residents impacts

- 5.20 For the residential elements of the schemes – that is the Student Campus, and the apartments located on the UA92 Campus – we have applied an estimate on the effects of an uplift in the population in a local area to the number of work-based jobs in that area. Practically, these effects work through via residents living in an area spending money in local shops, restaurants, and other providers of goods and services, resulting in an increase in local work-based employment opportunities. The effects also cover the potential modest level of employment required to service directly the accommodation e.g. security and facilities management etc.
- 5.21 Specifically, the effects have been derived based on evidence that increase in the residential population in an area of 1,000 residents leads to 150 permanent jobs in personal and other consumer services being created in the local area.<sup>27</sup>
- 5.22 Note that in making this estimate, we have assumed:

---

<sup>27</sup> OffPAT and HCA (2010), *Employment Densities Guide: Second Edition*

- all of the increase in population on the Student Campus in the apartments on the UA92 Campus is 'net' to the area i.e. we have assumed that existing residents of Trafford will not re-locate to the Student Campus, or the apartments; the residents will therefore lead to an increase in the local population
- the Student Campus will be at full capacity once developed, with 1,295 bed spaces leading to an increased population in Stretford of 1,295 people; we have also assumed that the increase in population is consistent across the year. The exact terms of the Student Campus have yet to be determined. However, a headline desk-based review of other purpose-built student accommodation in Greater Manchester indicate that lettings are generally based on at least 45-51 week terms, suggesting that the increase in population is likely to be evident 'permanently' across the year once the Student Campus is fully developed<sup>28</sup>
- the residential element of the UA92 Campus, with 63 one-bed apartments, and 91 two-bed apartments, will have a residential population of approximately 314; this includes an assumption of a modest vacancy rate<sup>29</sup>, and based on an average of 1.5 residents per 1-bed apartment, and 2.5 residents per 2-bed apartments.<sup>30</sup>

5.23 The uplift in the residential population, and the resulting employment and GVA effects<sup>31</sup> is set out in Table 4-7. The analysis indicates that the residential elements of the proposed developments will support a further c.240 jobs in Trafford, and generate GVA of £12.2m (prior to adjusting for the reference case).<sup>32</sup>

**Table 5-7: Jobs and annual GVA effects of the residential elements of the schemes**

|                           | <b>Increase in residential population</b> | <b>Jobs supported by increase in residential population</b> | <b>GVA supported by increase in residential population</b> |
|---------------------------|---|---|--|
| Student Campus            | 1,295                                     | 194   | 9.8  |
| UA92 Campus - residential | 314                                       | 47  | 2.4  |
| <b>Total</b>              | <b>1,609</b>                              | <b>241</b>  | <b>12.2</b>  |

Source: SQW analysis. Jobs uplift based OffPAT and HCA (2010), Employment Densities Guide: Second Edition

## Student expenditure impacts

### Assumptions

5.24 By the mid-2020s, UA92 forecasts approximately 6,000 students will be studying at the institution, generating potentially very significant levels of expenditure in the local economy. To estimate the effect of this student expenditure we have had to make a number of assumptions; these assumptions will be subject to further refinement as plans for the student

<sup>28</sup> The accommodation may also potentially be used as residence for short-term taught courses, which may help to address any reduction in the non-term time population.

<sup>29</sup> 2.4% has been used, based on the average vacancy rate for Trafford in 2016

<sup>30</sup> Note we have assumed that the apartments are not let to students, to avoid double-counting

<sup>31</sup> Assuming a GVA per job of c,£50k per annum, the average across the North West

<sup>32</sup> Note that displacement for Trafford is assumed to be zero i.e. the expenditure of additional residents, that supports additional employment in the area, does not displace economic activity from elsewhere in Trafford

mix develop over time – including origin and residential location, part-time/full-time status, and the precise nature of any accommodation provision.

- 5.25 For the purpose of the impact modelling, the SQW team has assumed the following:
- The total student population is 6,000, with 1,295 students living at the Student Campus; these students are removed to avoid double counting, leaving a student population of 4,705 for the student expenditure impacts
  - 30% of students (n=1,412) are assumed to be from Trafford or Greater Manchester, and living at home during the course of their studies. By way of comparison, 50% of students at Salford University in 2013/14 were from Greater Manchester<sup>33</sup>; however, we have assumed that UA92 will have a lower proportion of ‘regional’ students owing to its highly specialised academic focus and the international “pull” of the corporate partners<sup>34</sup>
  - 70% of students (n=3,294) are assumed to be from outside Greater Manchester (either elsewhere in the UK, or from overseas), and therefore living away from home. Of this group, we have assumed that half (n=1,647) will live in Trafford (to re-cap, this excludes those living in the Student Campus,) and half (n=1,647) will live elsewhere in Greater Manchester/elsewhere in the North West.
- 5.26 To estimate the level of expenditure of students in Trafford, evidence from the most recent Student Income and Expenditure Survey (from 2011/12) has been used. The survey found that full-time students spend on average £6,705 on living costs over the academic year covering: food; personal items such as clothes, toiletries and mobile phones; travel not associated with their course; entertainment; and household goods. The data also indicate a further average expenditure of £861 on ‘direct course costs’ (e.g. books and equipment) and ‘costs of facilitating participation’ (e.g. travel). This provides a total expenditure annually of £7,566, and using the Treasury’s GDP deflator (a measure of price inflation), this equates to £8,182 in 2016/17 prices.
- 5.27 This £8,182 annual expenditure has been used as the basis for the estimates of expenditure in the Trafford area, with the following core assumptions made:
- **For students living away from home in Trafford**, 75% of the costs are assumed to be spent in Trafford; note that food and personal items accounted for over half of the living costs, and these are likely to be mainly spent in the local area, alongside further expenditure on entertainment and other purposes (including travel and books and equipment). The 25% expenditure elsewhere takes into account the proximity of UA92 to the city centre in Manchester, which is likely to be the focus of a substantial element of student expenditure.
  - For the remainder of the students – that is, **students living away from home elsewhere in Greater Manchester**, and **students living at home in Trafford or Greater Manchester**, we have assumed that the majority of expenditure will be made

<sup>33</sup> [http://www.salford.ac.uk/\\_data/assets/pdf\\_file/0010/913186/0411-Social-Impact-Report-WEB-05.10.16.pdf](http://www.salford.ac.uk/_data/assets/pdf_file/0010/913186/0411-Social-Impact-Report-WEB-05.10.16.pdf)

<sup>34</sup> It is recognised that some students from elsewhere in Greater Manchester may choose to live in student accommodation in Trafford. However, given the indicative nature of the estimates at this stage, this has not been modelled separately. Similarly, the 30% should also be taken to include students from Cheshire and Warrington that may choose to live at home.

either outside of Trafford (for those living elsewhere in Greater Manchester), or be fully displacing (for those living in Trafford i.e. they would likely be spending money in Trafford in any case). We have therefore assumed a modest level of *additional* expenditure in Trafford for this group as a result of attending UA92, accounting for 15% of the total annual expenditure on living costs/direct course costs.

5.28 Two points are worth noting here.

- The costs used in the analysis *exclude* housing costs, and tuition fees, which are unlikely to provide a direct economic impact for Trafford. Childcare costs have also been excluded, given the proportion of students these will apply to being highly uncertain.
- Given the uncertainties in the student make-up, the cost estimates are based on full-time students only. Expenditure by full time and part time students will differ (with part-time students on average spending more on living costs than full-time students). However, the mix between full-time and part-time students for UA92 is not known at this stage. Using the full-time costs as the basis for the analysis provides a conservative estimate of the potential economic effects from student expenditure, which can be updated over time as plans become further developed and more fine grained.

### **Estimates of expenditure and conversion to employment and GVA**

5.29 The table below sets out the results of the analysis described above. The data suggest that the additional annual expenditure in Trafford from students at UA92 (excluding those living at the Student Campus), has the potential to generate spend of around £13.9m in turnover for businesses based in Trafford.

**Table 5-8: Estimates of additional student expenditure in Trafford**

|                                | Number of students | Assumed expenditure in Trafford p.a. per student (£) | Total expenditure in Trafford p.a. (£) |
|--------------------------------|--------------------|--|--|
| Students living at home        | 1,412              | 1,227  | 1,732,418                              |
| Students living away from home |                    |  |  |
| ... of which in Trafford       | 1,647              | 6,137  | 10,105,774                             |
| ... of which in GM             | 1,647              | 1,227  | 2,021,155                              |
| Total                          | 4,705              | 8,592  | 13,859,347                             |

Source: SQW analysis

5.30 This additional turnover to Trafford businesses has been converted into GVA using a ratio of 41%<sup>35</sup> (i.e. GVA accounts for 40% of turnover), providing an estimated GVA effect of student expenditure of £5.75m. Assuming the average GVA per job for the North West, this additional student expenditure could support c.114 jobs in the Trafford economy.

<sup>35</sup> Annual Business Survey Sections A-S (Part) 1 – UK Non-Financial Business Economy – Standard Error And Coefficient Of Variation By Country And Region, 2012-2015, Released: 20 July 2017. Average for 2015 in the North West

## Summary of employment and GVA effects prior to adjusting for deadweight

- 5.31 The table below summarises the findings from the three main ‘routes to impact’ set out above. Prior to accounting for the reference case, the analysis indicates that the UA92 Campus, and the associated Student Campus, will support approximately 820 jobs in Trafford, and an annual GVA of £33.2m.

**Table 5-9: Effects from the proposal, prior to accounting for the reference case**

|                             | Employment (FTEs) | GVA (£m) |
|-----------------------------|-------------------|----------|
| Workplace based impacts     | 463               | 15.3     |
| Residential based impacts   | 241               | 12.2     |
| Student expenditure impacts | 114               | 5.8      |
| Total impacts               | 818               | 33.2     |

*Source: SQW analysis*

## Net effects

### Understanding the reference case

- 5.32 The final stage in the quantitative impact assessment is to account for the reference case i.e. what would happen in the absence of the development. This allows the EIA to estimate the ‘net’ effects of the proposed schemes.
- 5.33 The reference case has been identified at the level of the two developments, the UA92 Campus, and Student Campus respectively, not for individual elements of both schemes, given that they are each fully integrated packages with obvious synergies and inter-dependencies.

### UA92 Campus

- 5.34 The key issue for the UA92 Campus is the most likely scenario for the utilisation and usage of the main building on the site in the absence of the proposed developments. Trafford Council recently purchased the Kellogg’s building, but by January 2018, the building will be vacant, with Kellogg’s relocating their UK HQ outside of Trafford, with the Council looking to secure tenants.
- 5.35 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. The first, Reference Case A, recognises that the building can accommodate a higher number of jobs than are currently on the site. As such, this reference case assumes that the full building is open to occupation. We assume 90% occupancy by 2025, based on a conservative assumption that the building would not be at full occupancy over a consistent period. Employment within the building is assumed to be in administrative and support service functions, likely to be of a lower value (in terms of GVA per job) than the current usage, given that a relatively large proportion of staff within a headquarters (as present) are typically high value. We also assume that this displaces firms from other, lower quality, employment sites locally.

5.36 Reference Case B takes a more nuanced view of occupancy, based on understanding the local office market. There are four key points to note here:

- **Take-up of leasehold office space in Old Trafford has been limited in recent years.** From September 2014 to August 2017, 94k sq ft worth of leasehold deals were completed in Old Trafford.
- **There is a large supply of office space on the market.** As of 6 September 2017, there was some 201k sq ft of office space on the market in Old Trafford, the equivalent of over six years of office leasehold take-up.
- **Vacancy rates in Old Trafford are high.** The area around Kellogg's features Old Trafford Cricket Ground, Trafford Town Hall, the headquarters of British Gas's Home Move division (who recently renewed their lease on their site), and a large number of other ageing 1970s and 1980s-era office buildings. The ageing office space suffers from relatively high vacancy rates, including directly opposite the Kellogg's building, on Talbot Road. For instance:
  - almost a third of the large, 1970s-era Oakland House, currently lies empty, with over 50k sq ft of vacant office space
  - Warwick House, directly opposite the Kellogg's building, has a vacancy rate of around 40%, with 10k sq ft of vacant office space
  - Alexander House, comprising over 60k sq ft of office space, currently has a vacancy rate of almost 30%
  - the more recent 100 Talbot Road building, built in the early 2000s, has a vacancy rate of around a third, with over 6k sq ft of space unoccupied<sup>36</sup>.
  - these high vacancy rates compare unfavourably to Manchester, where vacancy rates were around 6% in 2016<sup>37</sup>.
- **High vacancy rates in Stretford persist despite the stock of office space around Old Trafford having declined in the face of permitted development rights and high demand for residential accommodation.** Several older office buildings in the area have come forward for conversion to residential accommodation in recent years, including:
  - the 100,000 sq ft Westpoint office building was recently acquired by Beech Holdings, to convert to apartments
  - Grove House, behind Bruntwood's Paragon House, was converted by Pinnacle Alliance, from redundant offices into apartments
  - whilst Bruntwood continue to operate three large office buildings in the immediate vicinity – Trafford House, Lancastrian Office Centre, and Paragon House – their Trafford Plaza building on nearby Seymour Grove was acquired

---

<sup>36</sup> EGi data (August 2017)

<sup>37</sup> [http://www.jll.co.uk/united-kingdom/en-gb/Research/ILL\\_UK%20Office%20Market%20Outlook\\_H2\\_2016\\_Hi-Res%5B2%5D.pdf?179b7159-d612-4d20-bd89-bfa2603353d8](http://www.jll.co.uk/united-kingdom/en-gb/Research/ILL_UK%20Office%20Market%20Outlook_H2_2016_Hi-Res%5B2%5D.pdf?179b7159-d612-4d20-bd89-bfa2603353d8)

by MCR Property Group, who have since launched plans to convert the building to residential use

- the former office building at 84 Talbot Road, opposite the UA92 site, has also recently been converted into residential apartments.

- 5.37 With high vacancy levels, combined with low take-up of space locally in recent years, and the fact that the building requires substantial investment (£10.5m) to bring it up to modern standards for multiple occupancy<sup>38</sup>, this reference case considers it unlikely that the full building would be refurbished and open to occupiers by 2025. For this reference case, we therefore assume that, by 2025, the ground floor, floor 1 and floor 2 would be refurbished, enabling total lettable floorspace of 72k sq ft.
- 5.38 Even under these circumstances, we expect that it will be challenging to achieve full occupancy of the elements that are refurbished, given vacancy rates of around a third locally. As such, we assume an occupancy rate of 70%, slightly higher than for office space elsewhere locally, recognising that the facility is a headquarters building and is therefore likely to be more attractive than office space elsewhere locally. However, we also assume that this displaces firms from other, lower quality, employment sites locally. Again, we assume that jobs would be in administrative and support service functions.
- 5.39 The two reference cases bring somewhat different results in terms of the employment supported in the building<sup>39</sup>:
- **Reference Case A** equates to c.390 jobs, in administrative and support service functions (after accounting for displacement and multipliers), generating an annual GVA of £10.1m
  - **Reference Case B** equates to c.200 jobs, in administrative and support service functions (again, after accounting for displacement and multipliers), generating an annual GVA of £5.1m.

### *The Student Campus*

- 5.40 The Student Campus will re-develop an area currently covered by a Council-owned surface car park, a Post Office Sorting Depot, Probation Service office, and some commercial offices. We have assumed that if the proposed developments are not taken forward, this site usage would continue unaltered.
- 5.41 Exact data on the employment in the Post Office Sorting Depot, Probation Service office, and commercial offices, have not been made available to the SQW team. However, we have assumed a reference case of 60 employees. Taking into account displacement and multipliers, provides a final reference case of 50 jobs and £1.9m GVA for the Student Campus<sup>40</sup>.

---

<sup>38</sup> JLL (2017) Valuation Advisory

<sup>39</sup> Both reference cases are based on a GVA per job of £25,970 for 'Administrative & support service activities'

<sup>40</sup> Applying GVA per job of £38,325, based on an average of 'Wholesale & retail trade; repair of motor vehicles and motorcycles' and 'Public admin & defence; compulsory social security'

### Applying the reference case

- 5.42 The reference case assumptions are applied to the quantitative estimates of the effects of the proposed development in Table 5-10:
- the reference case for the UA92 Campus has been applied to the ‘Workplace based impacts’ and ‘Student Expenditure Impacts’, and the ‘Additional residence impacts’ derived from the apartments on the UA92 Campus
  - the reference case for the Student Campus has been applied to the ‘Additional residence impacts’ derived from the effects of the Student Campus.

**Table 5-10: Estimate of the net effects of the UA92 Campus and Student Campus**

|  | Reference Case A | Reference Case B |
|--|------------------|------------------|
| <i>Employment effects</i>                      |                  |                  |
| Gross employment: UA92 Campus & Student Campus | 818              | 818              |
| Reference case                                 | 439              | 248              |
| Net employment: UA92 Campus & Student Campus   | 379              | 570              |
| <i>GVA effects</i>                             |                  |                  |
| Gross GVA: UA92 Campus & Student Campus (£m)   | 33.2             | 33.2             |
| Reference case (£m)                            | 12.0             | 7.0              |
| Net GVA: UA92 Campus & Student Campus (£m)     | 21.2             | 26.2             |

Source: SQW analysis

- 5.43 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-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**.
- 5.44 These data should be treated as indicative only, given the uncertainty around the reference case. Further, if UA92 takes longer to reach full capacity than expected the effects may not be realised by the mid-2020s. This said, the data potentially under-estimate the GVA potential of the scheme as they apply existing productivity levels (which are likely to increase by the mid-2020s at which point the plans will have been developed to full capacity).

### In summary ...

- 5.45 The EIA indicates the **significant scale of the potential economic contribution of the plans for Trafford**. The plans will increase substantially the value generated for the local economy by the two sites, alongside ensuring that the Kellogg’s site continues to play an important role in the economic performance of the area.
- 5.46 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.