

Report to: Regeneration Panel
Date: 23 July 2008
Subject: Economic Development Update
Report of: Director of Environmental Services
Contact officer: Kealey Mulligan 01942 828990

Purpose / summary: To update Members on current progress in the Wigan economy and major investment decisions.

Alternative options considered and reason for selecting the one recommended: This report is for information only.

Recommendation / decision: That Members note the content of the report.

Key Decision: This report does not involve a key decision. The decision made as a result of this report will be published within **48 hours** and cannot be actioned until **seven working days** have elapsed, i.e. before 1 August 2008.

Risks / Implications:

| | |
|---|-----|
| Financial: | N/A |
| Staffing: | N/A |
| Policy: | N/A |
| Equal Opportunities - Has a Diversity Impact Assessment been conducted? | N/A |
| Wards affected: | All |

Property Implications – Does the proposal involve a reduction, addition or change to the Council’s asset base or its occupation?

No

If yes, have the property implications been agreed with the Corporate Property Officer?

Does this proposal have significant implications for the Council and the local population?

A diversity impact assessment is not necessary at this stage, however, equality and

diversity implications have been considered when producing this report.

Does this proposal involve a new policy or procedure or significant changes to an existing policy or procedure?

A diversity impact assessment is not necessary at this stage, however, equality and diversity implications have been considered when producing this report.

Has the Service Director - Borough Solicitor confirmed that the recommendations within this report are lawful and comply with the Council's Constitution? **No**

Has the Service Director - Corporate Services confirmed that any expenditure referred to within this report is consistent with the Council's budget? **No**

Are any of the recommendations within this report contrary to the Policy Framework of the Council? **No**

For Cabinet reports only :

| | |
|-------------------------------------|----------|
| Categorisation of the report: | x |
| | |
| Discussion leading to a decision | |
| Monitoring | |
| Sharing for corporate understanding | |

| | |
|-------------|----------|
| | x |
| | |
| Discussion | |
| Decision | |
| Information | |

Tracking/Process:

| | Consultation | Ward Members | Partners |
|------------------------------|---------------------|--------------|----------|
| | | | |
| Panel | Overview & Scrutiny | Cabinet | Council |
| Regeneration 23 July 2008 | | | |

There are no Background Papers to this Report within the meaning of Section 100D of the Local Government Act 1972.

Proper Officer Martin Kimber

Date 03 July 2008

1.0 Background

- 1.1 This report forms part of the regular series providing information on the current state of the Wigan economy and progress in attracting new jobs and investment to the Borough. The report looks at current unemployment, progress on major employment sites, enquiries for sites and buildings and investments for the period January 2008 to June 2008.

2.0 Unemployment

- 2.1 The figures show an unemployment rate of 2.5% for May 2008 which is exactly the same figure for May 2007 (June figures were not available at time of writing). There has been little fluctuation in the unemployment rate for Wigan over the past 12 months. However this figure will need to be monitored in the forthcoming months due to a number of recent redundancy announcements (please see section 8). The unemployment rate for Wigan borough compares to 2.2% for the UK, 2.6% for the North West and 2.7% for Greater Manchester. Table 1 provides a ward-by-ward analysis of the data. (Please note that the office of national statistics - NOMIS and Manchester Enterprises policy and research team still use 2004 wards).
- 2.2 Female unemployment continues to be significantly lower than male unemployment which could be considered a result of the type of employment opportunities currently available within the borough. It is particularly low in Bryn (0.8%), Langtree (0.7%), Lightshaw (0.7%) and Orrell (1.0%).

2.3 Table 1 – Unemployment by ward May 2008

| Ward | Male | | Female | | Total | |
|-----------------|------------|--------------|------------|--------------|------------|--------------|
| | % | No | % | No | % | No |
| Abram | 5.0 | 198 | 1.8 | 65 | 3.5 | 263 |
| Ashton-Golborne | 2.3 | 107 | 0.9 | 41 | 1.6 | 148 |
| Aspull-Standish | 2.2 | 106 | 1.1 | 47 | 1.7 | 153 |
| Atherton | 6.1 | 209 | 2.3 | 73 | 4.3 | 282 |
| Bedford-Astley | 4.3 | 147 | 1.1 | 35 | 2.8 | 182 |
| Beech Hill | 3.3 | 118 | 1.8 | 61 | 2.6 | 179 |
| Bryn | 2.6 | 104 | 0.8 | 30 | 1.7 | 134 |
| Hindley | 3.5 | 153 | 1.4 | 57 | 2.5 | 210 |
| Hindley Green | 2.9 | 137 | 1.2 | 51 | 2.1 | 188 |
| Hindsford | 4.3 | 192 | 1.6 | 67 | 3.0 | 259 |
| Hope Carr | 3.4 | 144 | 1.3 | 50 | 2.4 | 194 |
| Ince | 6.4 | 202 | 2.0 | 59 | 4.3 | 261 |
| Langtree | 1.4 | 70 | 0.7 | 33 | 1.1 | 103 |
| Leigh Central | 5.0 | 197 | 1.8 | 58 | 3.6 | 255 |
| Leigh East | 4.0 | 182 | 1.4 | 61 | 2.8 | 243 |
| Lightshaw | 2.3 | 112 | 0.7 | 31 | 1.5 | 143 |
| Newtown | 5.7 | 182 | 2.7 | 81 | 4.3 | 263 |
| Norley | 7.9 | 230 | 2.8 | 75 | 5.4 | 305 |
| Orrell | 2.2 | 79 | 1.0 | 32 | 1.6 | 111 |
| Swinley | 4.3 | 148 | 1.2 | 37 | 2.8 | 185 |
| Tyldesley East | 1.8 | 95 | 0.7 | 36 | 1.3 | 131 |
| Whelley | 4.7 | 154 | 2.0 | 57 | 3.5 | 211 |
| Winstanley | 1.8 | 99 | 0.9 | 47 | 1.4 | 146 |
| Worsley Mesnes | 4.4 | 180 | 1.9 | 72 | 3.2 | 252 |
| Total | 3.6 | 3,545 | 1.4 | 1,256 | 2.5 | 4,801 |

Source: NOMIS and Manchester Enterprise Policy and Research

- 2.4 The highest unemployment rates are in Atherton, Ince, Newtown (all 4.3%) and Norley (5.4%). Seven wards have experienced an increase in unemployment but these have been minor increases of 0.1-0.3%. A decrease in other wards has kept the overall unemployment rate static compared to April 2008. However over the next 6 months increases are expected in certain wards due to redundancy announcements (please see section 8).

3.0 Progress on Employment Sites

3.1 Pemberton

Peel Holdings, the owner of the remaining undeveloped part of Pemberton, is currently producing a comprehensive masterplan. A 2 day consultation event took place with local residents in June to ask them their views on proposals for this important site. Overall, the feedback was very positive.

The masterplan includes a mix of uses on the site including the creation of high quality business accommodation. The site will also provide new homes and other uses to support the development. The current pre planning application consultation will continue for a few more weeks with final details adjusted to reflect comments. A planning application is expected to quickly follow.

The site will ultimately provide for a significant number of new jobs and will also help in securing the improvement of open space next to the development site to meet the needs of the local community.

3.2 Westwood Park

A public inquiry took place in June to consider an application by local residents to have an area of land on the Westwood Park development site designated as a town and village green.

The Council's position on this proposal was to resist the application and evidence was provided to the inquiry as to why the site should not become a village green.

The Westwood Park development site will itself provide a significant amount of open space and will also enhance links with the existing site of biological interest, Wigan flashes and also the proposed greenheart project.

The outcome of the inquiry will be reported to Wigan Council before the end of July and a decision will follow on the designation.

3.3 Northleigh, Hindley Green

A brief has been agreed to appoint a Project Manager for the Northleigh development site. In partnership with English Partnerships and the 2 other major land owners of the site, Wigan Council has produced a masterplan which will map out what development will go on the site and also detail how the works will be phased.

The 160 acre Northleigh site is part of the National Coalfields programme and funding may be available through English Partnerships to meet any major costs not met directly through the development such as highways and transport needs beyond the site itself.

3.4 Wilding Street, Lower Ince

This development opportunity was re-advertised during April 2008 as the planning brief had changed. Interest in the site was again high and 29 companies registered an expression of interest. A deadline for submission of tenders has been set at 11 July. A further update on this site will be provided in the next quarterly update.

4.0 Enquiries

4.1 The total number of enquiries received by the property finder service during the period January to June 2008 was 434. The breakdown of enquiries is as follows:

Telephone enquiries: 228
Internet enquiries: 206

The number of enquiries will appear higher than normal as expressions of interest for wilding street and attendance at the local development framework (LDF) workshops were recorded during this period.

4.2 An example of enquiries received during this period include:

- A property agent representing a client seeking 3-4,000 sq ft offices within Leigh;
- A planning consultancy representing the owners of Bridgewater Business Park, Leigh to discuss potential redevelopment options for the site;
- A borough based manufacturer of underfloor heating seeking 10,000 sq ft industrial space to expand the business;
- A self storage company seeking a 14-20,000 sq ft building;
- A borough based pharmaceutical manufacturer seeking 3,500 – 4,000 sq ft offices;
- A product and services sourcing company already based in the borough seeking high quality office building in a prestigious location.

5.0 Investment Successes

5.1 Sixty five properties were let and were sold in the period January to June 2008. These were predominately industrial and office premises with some small retail shops being taken. The size ranged from 210 sq ft 147,278 to sq ft. Some examples are;

- Alphason Designs has taken 100,548 sq ft industrial and office space at the former Corbett Packaging facility, Hindley Business Park now known as Cirrus and Stratus;
- Alpla UK (Golborne) Ltd has purchased the former Vimto canning facility at Stone Cross Park, Golborne;
- Ground Remediation Systems Ltd has taken 1,21 sq ft office space at Beecham Court, Pemberton Business Park;
- McInerney Homes has taken 10,000 sq ft office space at Pemberton Business Park;
- Oltec Group has moved into the 6,000 sq ft office building at Pemberton Business Park;
- Polished with Pride has acquired an unit at Martland Point, Martland Park;
- Thyssenkrup Elevators has taken office space within Amethyst House, Leigh Commerce Park;
- Optimum Sport has acquired 7,500 sq ft industrial space at Cinnamon Brow Business Park, Ince.

6.0 Manchester Investment Development Agency Service (MIDAS)

6.1 A meeting has taken place between Economic Regeneration Office (ERO) and MIDAS regarding the Greater Manchester property and client management database. The purpose of the meeting was to meet the new contact within MIDAS for the database, re-iterate our needs and operation of the database and learn about proposed enhancements to the system.

6.2 The proposed enhancements will enable ERO to offer added value to our clients.

7.0 Local Development Framework Workshops

- 7.1 As part of the new LDF there is greater emphasis on consultation with the public and business community. In conjunction with planning policy 2 workshops were organised aimed at the business community. The purpose of the workshops was to discuss the future of the borough as a place to do business. The first event focused on town centres within the borough.
- 7.2 The 2 events were well attended and provided useful feedback. An online forum has been established so that attendees can continue to contribute to the debate.

8.0 Redundancies

- 8.1 During this period a number of redundancies were announced.

8.2 Quinn Radiators

Quinn Radiators is located on Spinning Jenny Way, Leigh. The company announced in April that it intended to close its facility due to a downturn in demand for the type of radiator manufactured at the site. Employees were placed on 90 day consultation.

Unfortunately attempts by Wigan Council, JobCentre Plus (JC+), the North West Development Agency (NWDA) and Andy Burnham, MP to engage with the company have been resisted. These agencies have therefore not been in a position to offer support to the employees which may assist them to find alternative employment.

It is estimated that 120 staff will leave Quinn Radiators on 11 July with potentially no structured employment support or further job opportunities in place.

8.3 ASDA

ASDA-Walmart announced in May their intention to close the ASDA George distribution facility at Makerfield Way, Ince. A restructure of the distribution network has been cited as the reason. The facility at Makerfield Way is not of sufficient size and is not automated. Employees are on 90 days consultation and a closure date in October has been proposed. Potential job losses are estimated at 450. ASDA initially contact the local ward councillors, Ian McCartney, MP and the Chief Executive. A meeting was arranged at the ASDA facility attended by the ward councillors, Ian McCartney and council officers.

ASDA has been very receptive to support offered by Wigan Council. Through the information, advice and guidance team (IAG) within Adult Services Department a planned timetable of appointments for ASDA staff to meet the IAG team on a rolling basis has been agreed with the site management. ASDA staff and other local employers with current vacancies will attend 2 open days that have been arranged for 24 and 25 July. A skills mapping exercise is also planned for all ASDA staff to develop action plans for skills enhancement and identify alternative employment.

8.4 Ceva Logistics

Ceva Logistics located in Bryn announced in June a review of the facility with the potential loss of 70 jobs. The IAG team has tried to make contact with the

company to offer support and assistance but there is no further information available at the time of writing.

8.5 Her Majesty's Revenue and Customs (HMRC)

The Government department announced a review of their office base across the North West in June. The proposals include closing Bridgeman House in Wigan town centre. HMRC Leigh will close next spring with sixty staff relocated to Bolton and Salford. An 8 week consultation period has now started.

8.6 Tote

Whilst no redundancies have been announced by this company the proposed sale by central Government has progressed and a decision is expected in July. A redundancy scenario could be expected if the company is sold to another betting organisation that has established corporate head quarters and central functions.

8.7 Given the current economic climate and the over reliance on traditional manufacturing and logistics within the borough it is reasonable to expect further closures over the next 12 months. Wigan Council needs to make provision in terms of resources and capacity to intervene in future redundancy situations. Providing direct support and assistance can mitigate the number of people becoming unemployed.

8.8 The importance of major proposals such as Wigan South Central and Chinagateway is reinforced in the current climate. Bringing forward development opportunities in a structured, co-ordinated approach will diversify and strengthen the local economy. The long term economic viability of the borough is dependant on the success of these and other schemes.

Martin Kimber
Director of Environmental Services
RP/ER/KM/LC/33.0P
3 July 2008

Diversity Impact Assessment form

Section: Environmental Services Department

Policy/Service Area: Economic Regeneration Office

Person Completing Form: Kealey Mulligan

Date: 1 July
2008

Do any of the below groups suffer specific disadvantage (please indicate)

| | Yes | No | | Yes | No |
|-----------|-----|----|--------------------|-----|----|
| Race | | X | Disability | | X |
| Ethnicity | | X | Gender | | X |
| Age | | X | Religion | | X |
| Class | | X | Sexual Orientation | | X |

Is there evidence of disadvantage or associated problems?

N/A

How was the information collected and/or who have you consulted with?

N/A

Action Plan – *What specific actions are planned to tackle any disadvantage identified?*

N/A

Is the policy in line with current equality legislation and relevant codes of practice?

N/A

| | |
|----------------|--|
| Timescale | |
| Responsibility | |
| Comments | |

Are the actions specified included in any other documents/plans?

| | |
|---------------------------|--|
| Departmental Service Plan | |
| Section/Team Plan | |
| Other (Specify) | |

| |
|-------------------------|
| Date for further review |
|-------------------------|

