

Rochdale
Development
Agency



RDA Business Plan 2019-2024



Contents

- 3 Introduction
- 4 2019 Rochdale Economy
- 6 The Policy Environment
- 7 RDA Mission & Objectives
- 8 Activities
- 12 RDA Performance Measures
- 13 Actions

Introduction

The Development Agency

Rochdale Development Agency (RDA) was founded in 1993 and is the local economic development agency for Rochdale borough. The Company is controlled by the Local Authority and has an independent Board partly made up of experienced individuals from the local business community.

As a separate company with some devolved decision making, the RDA has the ability to be directly involved in economic development and regeneration activities albeit within the overall control of the Council.

The business plan for the RDA sets out its future direction for 2019-2024.

Development opportunities in Rochdale can ensure that the area has a major role to play in delivering the next phase of growth in Greater Manchester

The Business Plan

The business plan has been developed to set out the direction of the RDA over the next five years and has involved a complete assessment of the Rochdale economy and widespread discussion with public and private sector bodies working across Rochdale.

Many exciting developments are expected over the period and these include the completion of Rochdale Riverside in the town centre, the creation a new strategic site at Junction 19 of the M62 and the opportunity for residential growth as set out in the Greater Manchester Spatial Framework.

At the same time, the economy is likely to face continued change. In the wider economy employment opportunities are likely in digital technology and business services but these are not traditionally sectors in which Rochdale has strengths. There is uncertainty over future growth in manufacturing employment with technology expected to drive productivity gains. In addition, the national decline in retail is changing the entire purpose of town centres.

The result of these trends means that shaping places, developing new commercial space and the attraction of more investment for development and from businesses will be essential. It is this agenda that the RDA business plan is focused upon.

2019 Rochdale Economy

The Rochdale economy continues to adapt to the UK's shift away from manufacturing and the changes that this has brought to the area.



66%

More people employed in logistics than average

Rochdale employs almost twice the proportion of workers in manufacturing, but employment in manufacturing continues to decline whilst logistics increases. Strong employment growth has been recorded in back office (+20%) and digital (+40%) since the 2008 recession.



7%

Growth in the Rochdale population over 25 years

Although this is slower growth than the rest of Greater Manchester, an increase in residential provision will be required to address a predicted fall in the working age population over the next 20 years.



Skills within the resident population are low

25% of those aged 16-64 hold NVQ4 or above (35% Gtr. Manchester) but this is being addressed – Rochdale is in the top 20 in England for education attainment in 16-18 year olds.



Employment in Rochdale is currently at its highest post 2008 recession

This, combined with net out-commuting to other parts of Greater Manchester means that unemployment is significantly lower than in the recession (4% now compared to 6% in 2012) although it has been rising since 2015. The percentage of economically inactive working age residents is also higher than average.

Despite high levels of employment and strengths in manufacturing, Rochdale still has areas of high deprivation linked to a lower than average skills base, economic activity rates and wages

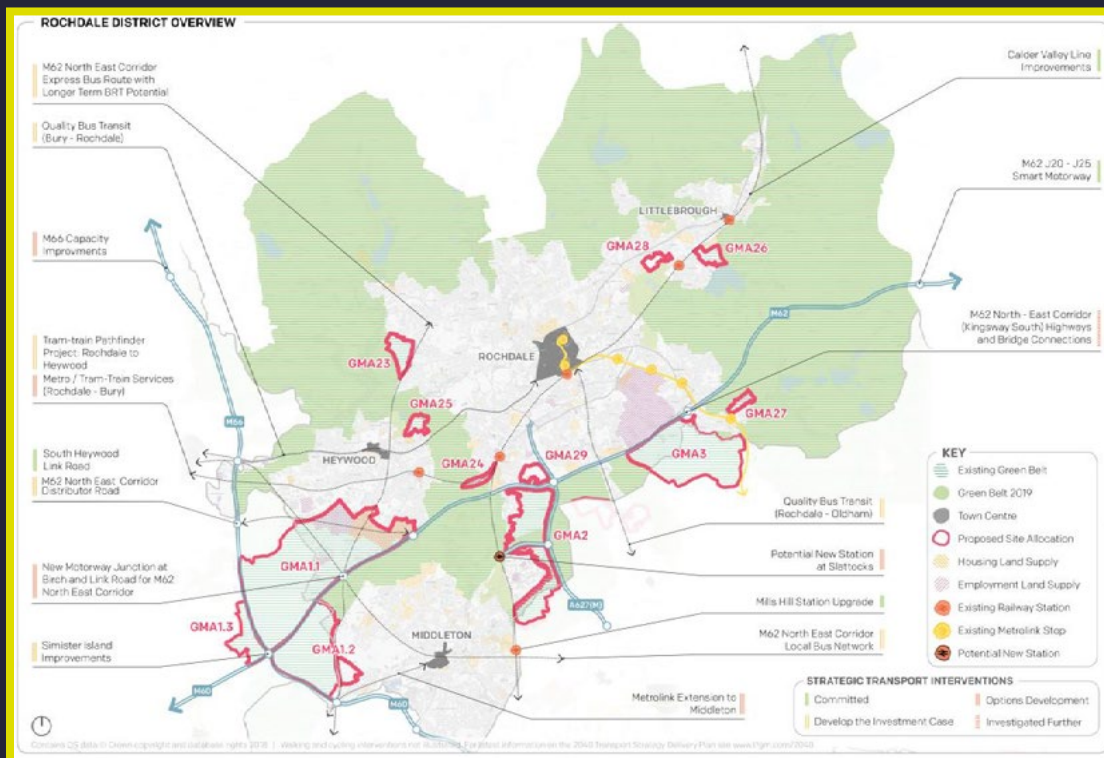


10

The economic structure and low skills have meant wage growth is in the slowest 10 Local Authorities in the UK

The Policy Environment

Proposals in the draft Greater Manchester Spatial Framework create growth opportunities for Rochdale in terms of both housing and employment land combined with transport improvements. The plan sets out a framework that can allow growth and represents a considerable economic opportunity for the area.



The Strategy

UK Government has developed a National Industrial Strategy. There is now a Local Industrial Strategy and a Spatial Framework for Greater Manchester. The RDA business plan has been developed in the context of these strategies.

The National Industrial Strategy highlighted opportunities from grand challenges in:

- Clean Energy
- Future mobility
- Ageing population
- AI / Big data

The Greater Manchester Local Industrial Strategy focuses on the need for greater productivity - with a focus on skills, infrastructure, innovation and health.

The specific sector opportunities for Greater Manchester have been identified as:

- Health Innovation
- Digital & Creativity
- Carbon Neutral & Clean Growth
- Advanced Materials & Manufacturing

RDA Mission & Objectives

The RDA will undertake 5 areas of activity to ensure that the opportunities for growth in Rochdale are effectively delivered

RDA Mission

Since the RDA was first established in 1993 it has retained a clear mission:

To promote the economic well-being of the borough by helping to deliver new economic investment, development and jobs.

Over the next five years this mission will remain but with a focus on securing higher paid jobs.

Objectives

The objectives of the RDA arise from the mission of the organisation, the economic situation and the economic changes taking place.

The objectives of the RDA have been established around 5 themes:

- Shaping the vision
- Property investment
- Place delivery
- Occupier attraction
- Business support

Activities



The RDA will help determine the future, securing private sector investment, delivering projects, attracting occupiers and supporting those already in the borough

Shaping the Vision

The shifting function of town centres with less focus on retail and the projects that have already been completed in the borough means that there is an opportunity to consider a new longer term vision.

Creating the future vision for places within the borough will be a joint exercise between Rochdale Council and the RDA. The experience that the RDA gains from working with private sector developers and potential occupiers can help shape the vision – with property development and modelling expertise refining schemes and ensuring that the best value is secured for the Council.

By helping to shape the vision, the RDA will also be able to influence and programme the future workstream of its place delivery function.

The RDA will have an explicit role in attracting further private sector development capital for the first time

Property Investment

Many of the potential development projects across the borough will require private sector finance if they are to be delivered. The RDA is ideally placed to attract further developer interest in the area.

The RDA has a comprehensive knowledge of the Rochdale economy and sites coming forward. The organisation also has an expertise in working with the private sector to attract and deliver investment for the Borough.

Historically, this work has focused on attracting occupiers but there is the opportunity to create a portfolio of property development opportunities and seek to attract greater levels of private sector development capital into the borough.

This activity could bring new commercial or residential investment into the area, drive up values and therefore scheme viability through competition and create a higher level of awareness across the property industry with spin-off benefits in terms of introductions to potential occupiers. This shifts the RDA towards the organisation model of an urban regeneration company (URC).

There is also the opportunity for RDA to actively manage a portfolio of commercial property to reduce voids and drive value. The clear objective of work of this type is the attraction of private sector investment.

Place Delivery

The RDA has a track record in project managing complex multi-discipline regeneration schemes and a particular specialism in heritage projects. These skills will continue to be required across the borough.

The key aspect of this work is delivering floorspace to programme and budget and therefore enabling the wider ambition of the area.

The work can also focus on high priority areas to undertake very specific land use / property decisions and interventions where required – for instance the areas most impacted by the opening of Rochdale Riverside in the town centre.

The activity has the potential to secure work outside the borough – especially in specialist services such as heritage project delivery.

Rochdale has had some success in growing business support and digital activity – and future growth trends suggest that Rochdale can benefit from focusing more on these sectors

Occupier Attraction

The RDA will need to continue to attract inward investment to the area – this will ensure that developments delivered achieve high levels of occupancy and also drive employment. The low salaries and the growth in lower productivity jobs in the area mean that work should focus on higher paid employment opportunities.

The inward investment activity of the RDA is well established. The organisation works with intermediaries such as MIDAS, through multipliers (such as property professionals) and by undertaking its own promotional activities.

Pro-active work will continue to focus on advanced manufacturing opportunities but there is also a need to create greater interest in Rochdale from digital & creative and business service companies since these are the sectors which have been driving investment and employment growth across the UK and are likely to continue to do so – although traditional sector boundaries are increasingly blurring with digital becoming a feature of everything.

The RDA will also support the logistics sector, particularly logistics businesses with a high office content – this is the sector in which demand is strong and Rochdale has a clear advantage with sites, motorway access and a position close to major conurbations.

The office based element of business services and digital can be served through a focus on the development of flexible workspace in the town centres.

Evidence at a Greater Manchester level suggests that post-recession employment growth has been strongest in the least productive sectors – and there is a need for the efforts of the RDA to focus on higher value employment in the future.

The location, history, assets and open spaces of Rochdale results in an opportunity to seek to attract further leisure & tourism investment. The sector is increasingly key in helping to shape places.

Supporting existing businesses and then engaging with these businesses to identify other investment opportunities is the highest priority activity in occupier attraction

Business Support

Existing businesses should also be supported – introducing those services that can help a business thrive and grow – all the economic data shows that securing further employment from those already in the borough is likely to be more successful than the attraction of new businesses.

Business support is a fundamental activity for any economic development agency. In addition to seeking to increase the longevity of any business investment, existing businesses are a source of follow on investment, market intelligence and can act as positive ambassadors for the area generating further investment leads.

The RDA will continue to carry out business support activity supplementing the work of other organisations such as DIT and the Growth Hub. The RDA can broker introductions relating to recruitment, skills, land & property, supply chain, R&D as well as wider business introductions. The aim is to support the business to be as successful as possible – and in doing so position Rochdale as the most appropriate location for continued investment.

RDA

Performance, Measures and Targets

The RDA will continue to report on performance against a set of priority indicators aligned to the objectives of the team. Targets will be set against these 5 key measures each year and cascaded into the job objectives of team members.

The performance of the RDA against its objectives has been very strong in previous years. The targets for the next five year period have been set to create a challenge for the organisation which matches the ambition of the borough. Given the opportunities that are coming forward as a result of new developments and the Greater Manchester Spatial Framework, the targets are considered achievable.

Historically the RDA reported on its activity measures. Whilst activity measures will be used internally in the future, their use is to understand the resources required to achieve the overall results of the organisation rather than become a target in themselves.

5

YEAR PLAN

£500M

5M ft²

200

3000

2000

The RDA will focus on the 5 key targets that directly measure the effectiveness of the work undertaken

Property Investment

Total property investment achieved

Place Delivery

Amount of commercial floor space built with RDA support (sq ft)

Occupier Attraction

Number of successful investment projects receiving RDA assistance

Occupier Attraction

Number of new jobs created by RDA assisted companies or projects

Business Support

Number of jobs created / safeguarded by RDA assisted companies

RDA

Shape Vision

Use existing Place Board to start the visioning exercise for priority locations.

Establish a modelling capability to better understand value / land use options and scheme value.

Continue to collate property and occupier intelligence from other work streams to shape future schemes.

Cascade work on the vision into the property investment prospectus.

Property Investment

Establish a prospectus for investment in sites and future schemes.

Develop a key contact database of property investment intermediaries and leading developers.

Establish an email contact programme with the objective of meeting and developing wider property investment relationships.

Treat property investor leads in the same manner as potential occupiers.

Place Delivery

Continue to work on build programmes to fully understand the delivery requirements and financial implications of each year.

Develop a small database of key contacts in Greater Manchester / West Yorkshire heritage locations and promote the heritage programme management service.

Occupier Attraction

Continue to develop the existing multiplier activity and linked promotion activities.

Prepare the propositions for business services, digital and tourism and leisure related enquiries.

Adjust promotional activity to account for these sectors.

Capture projected average salary data and business rate spend at the point of success.

Business Support

Continue to undertake systematic business support work helping to improve the performance of business.

Recognise this activity as the highest priority in generating future leads.

Formally discuss the intelligence these businesses may have on potential investors and provide material and encourage these businesses to promote the opportunities in the borough.

There are a number of steps that can be undertaken to ensure that the RDA continues to deliver effectively in the activities it undertakes

Get in touch

To learn more about how we can assist you and your business, please contact the investment team.

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