

Economic Benefits Note

Project name: Land at Sandy Brow Lane
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Introduction

This note has been produced on behalf of Balance Power Projects Ltd. (the Applicant) and provides analysis of the economic benefits which could be supported by bringing forward the Proposed Development on land at Sandy Brow Lane in Knowsley that will deliver a 162.8MW Energy Storage System.

Socio-Economic Overview

- **Labour Market:** As of 2023 there are around 68,000 jobs in Knowsley according to the ONS Business Register and Employment Survey. Between 2015 and 2023 the local authority saw jobs growth of 4.6% (3,000), which was lower than regional (12.4%) and national (9.8%) comparators. The claimant count in Knowsley as of February 2025 (4.9%) is above regional (4.5%) and national (4.3%) comparators. With the UK's economy performing poorly over the past few years, it is vital that new investment is brought forward across the country to support long-term economic growth.
- **Fuel Poverty:** In 2022, 12.8% of households in Knowsley were considered fuel poor, which was lower than the figures for the North West (14.1%) and England (13.1%). However, in 2012 the figure for Knowsley was 10.2%, which indicates that fuel poverty has become more of an issue in the area over the last decade. The low carbon agenda means that having a variety of renewable energy sources is critical if the UK is to improve its energy security.
- **Energy Security:** The Proposed Development can help in supporting the fuel security of households and businesses in Knowsley. Within the local area¹, there were 11,307 households as of 2021 and 1,325 businesses as of 2024.

¹ The local area has been defined as the following MSOAs: Knowsley 001, Knowsley 003, Knowsley 005.

Construction Phase Benefits

Supporting Construction Employment

Based on information provided by the Applicant, during peak times of construction it is estimated that there will be 10 Full Time Equivalent (FTE) construction workers on-site for the 12-month build timeframe.

The on-site construction jobs will support further employment via the “multiplier effect”, which measures further economic activity (jobs, expenditure or income) associated with additional local income and local supplier purchases. The 2014 Additionality Guide² gives an employment multiplier of 2.7 – i.e. for every one job supported on-site, 1.7 indirect/induced jobs are supported in the wider economy. Applying this multiplier to the peak of 10 on-site jobs, the Proposed Development could support up to 17 additional temporary jobs in the wider economy during the 12-month build phase.

In total, the Proposed Development could support up to **27 temporary jobs**, both direct on-site and indirect/induced roles in the wider economy, during the 12-month construction period.

Gross value added

Another way of looking at the economic impact of the construction phase is to calculate the contribution a development makes to wealth creation, as measured by the increase in the value of goods and services generated within an area. This can be done by looking at the increase in gross value added (GVA), a common proxy for economic output.

The contribution of the site to economic output has been calculated by taking the maximum 10 on-site jobs associated with the Proposed Development and multiplying this by an estimate of average levels of gross value added (GVA) per construction employee in the North West. Based on data sourced from ONS for 2022, GVA per construction employee in the North West is estimated to be £73,892 per annum. This means the 10 on-site jobs could generate around £738,925 of GVA over the 12-month build timeframe.

The 17 indirect/induced jobs have been multiplied by the average GVA per job for all sectors in the North West, reflecting the fact that they are unlikely to be all in the construction sector. Based on 2022 ONS data, annual GVA per job across all sectors in the region is estimated to be £61,586. This means the 17 indirect/induced jobs could generate around £1.0million of GVA over the 12-month build timeframe.

In total, it is estimated that during the 12-month construction of the Proposed Development, the GVA associated with the 27 temporary jobs supported on-site and in the wider economy could be around **£1.8million** in current prices.

Construction Spend in the Local Area

Assuming at least 30% of the on-site construction jobs are taken by local people (Knowsley and surrounding authorities), the remaining 70% will be taken by people outside of the local area. These workers are likely to stay in the local area during construction and will spend money on accommodation and food and drink. It is therefore possible to estimate how much the construction workers will spend in the local area, thus supporting local businesses.

² Additionality Guide: Fourth Edition 2014. Homes & Communities Agency, 2014.

The build phase is expected to last 12 months and 7 jobs supported on-site during the programme could be taken by workers from outside of Knowsley (70% of the overall maximum of 10 on-site jobs). Workers from outside the area will be staying in hotels, B&B's, rented dwellings etc. during the build phase. They will also be spending money in shops, bars, restaurants, etc.

Assuming each worker spends around £75 per day³ on accommodation, food and drink etc. and there are 21.75 working days in a month, it is estimated that during the 12-month construction phase, construction employees from outside the local area could spend around **£137,025** in local businesses. It is not unreasonable to expect a proportion of this money to be spent in the 635 accommodation, food & drink and retail businesses (as of 2024)⁴ that operate within Knowsley local authority.

Operational Phase Benefits

Employment

It is expected that up to **four full-time equivalent (FTE) jobs** will be supported by the Proposed Development in Doncaster and the wider economy. This is likely to include roles in electrical engineering, site security, land management and other minor maintenance operations. Local people and businesses will be used for these employment opportunities where possible.

Gross value added

The contribution of the Proposed Development to economic output has been calculated by taking the job creation associated with the Proposed Development and multiplying this by an estimate of average levels of GVA per employee in the North West. It is estimated that once operational and fully occupied, GVA associated with the four FTE jobs will be around £246,343 per annum.

Looking at the economic output contribution over the expected 40-year operational lifespan of the project, the GVA associated with the four FTE jobs is estimated to be **£5.5million** (present value)⁵.

³ This is an indicative estimate.

⁴ Based on data from the Office for National Statistics 2023 UK Business Count.

⁵ Where future benefits are calculated over the operational timeframe, they have been discounted to produce a present value. This is the discounted value of a stream of either future costs or benefits. A standard discount rate is used to convert all costs and benefits to present values. Using the Treasury's Green Book, the recommended discount rate is 3.5% up to 30 years, after 30 years the discount rate is 3%.