

Economic Statement – Sovereign Business Park

Introduction

This Statement prepared to support the planning application sets out the economic benefits that are expected to arise from the proposals to remodel and extend existing industrial building, with formation of seven new industrial units to create E (G)(II) (III), B2 and B8 employment space, with ancillary E(G)(I) office use.

This Statement outlines the socio-economic policy context for the proposals and reinforces the economic impact the proposals will deliver through the construction and operational phases of the proposed development.

Proposals

The proposed development will see the remodelling of the former Sovereign Distillery Site, modernising and improving the site following the closure of the Distillery.

The scheme will involve part demolition, part refurbishment and repurposing of some of the existing facilities and two new build units to the north end of the Site.

The existing warehouse F is to be demolished and will be replaced with two new units Unit G1 and G2. These units will be built up to the western boundary of the site with service yards, individual car parking and circulation space for each unit provided and will face the centre of the site. Unit G1 will be 10m in height to underside of haunch and Unit G2 will be 8m in height to underside of haunch. These units will also be served from the existing points of access and junctions onto Wilson Road.

The buildings will be re-furbished and re-clad consistent with the material and colour palette used on Units G1 and G2. The external envelopes will predominantly be built-up profile metal cladding, with composite cladding panels to feature areas and mezzanine office elements. The office elements are generally located at the prominent corners of the units to maximise the

visual impact. The colour pallet proposed is various tones of grey which provides an interesting and contemporary aesthetic and complements other units within close proximity of the site.

The existing office Unit E as well as the link between existing Unit C and Unit F are both to be demolished, creating one large standalone Unit C. The buildings will be re-furbished and re-clad consistent with the material and colour palette used across the Application Site.

In total, the proposals will provide approximately 18,083m² (194,649ft²) GIA of employment space for E (g) (ii) (iii), B2, B8 use with ancillary E (g) (i) offices in each unit.

The proposals to refurbish and remodel this site will result in positive improvements and provides the opportunity to enhance this dated industrial Site and provide industrial employment space, which is better integrated with its local environment.

All building envelope and fabric systems have been specified to maximise their functionality, integrity and appearance. The Proposed Development is targeting a 'Very Good' BREEAM rating.

Economic Policy Context

The proposed development is strongly aligned with key economic growth objectives embedded within policy at the national, sub-regional and local levels. A summary is outlined below:

National

National Planning Policy Framework (NPPF)

The NPPF supports building a strong and stable economy. Paragraph 80 of the NPPF emphasises the need to support economic growth and productivity.

This scheme will support objectives to build a strong and competitive economy and bring back into use this vacant industrial site through the refurbishment and remodelling of this site to enhance these dated industrial units and provide employment space and supply chain opportunities at the Knowsley level.

Sub-Regional Policy

Draft Liverpool City Region Local Industrial Strategy (LIS) (March 2020)

The proposed development will support the five foundations of productivity, set out within the draft LCR Local Industrial Strategy (LIS) contributing towards addressing some of the challenges that were highlighted in the UK Industrial Strategy:

- The opportunity to turn potential into prosperity (people): Liverpool City Region will ensure that its people have the health, skills, and opportunities to realise their full potential.
- A dynamic business base creating opportunity (business environment): Liverpool City Region will support more businesses to grow, and deliver high quality, sustainable employment opportunities for the whole City Region.
- Collaboration that translates innovation into impact (ideas): Liverpool City Region will enable the collaboration between innovators in research, industry, and society that will create social as well as commercial value.
- Connecting all communities to opportunity (infrastructure): Liverpool City Region will deliver the strategic infrastructure that will enable all of this to happen.
- Thriving and distinctive places (places): Liverpool City Region will create homes and neighbourhoods that support people's health and wellbeing, expand and enhance the natural environment, and act as a magnet to attract the best of national and international talent.

Building Back Better: Liverpool City Region Economic Recovery Plan

The Economic Recovery Plan was published in August 2020 and sets out the sub-regional recovery plan in response to the economic downturn arising from the COVID-19 pandemic.

The recovery plan aims to:

- support existing businesses to recover, grow and create decent jobs;
- protect education, skills and employment;
- sustain vibrant city and town centres to be at the epicentre of recovery; and
- Launch major green initiatives, of national importance.

The proposed development will deliver economic benefits at a local level and will attract wider investment and support businesses to grow and deliver high quality, sustainable employment opportunities.

Local Policy

The Knowsley Council Core Strategy sets out the Council's Spatial Vision, which is to ensure Knowsley's economy will be stronger and more diverse, providing employment choices for local people and helping to drive economic growth in the wider Liverpool City Region. Knowsley will be attractive for businesses to invest in, providing a range of employment land and premises to meet their needs.

To meet this Vision the Council sets out strategic objectives for Sustainable Economic and Employment Growth, which are to encourage and maintain sustainable economic and employment growth in Knowsley, complementary to that within the wider Liverpool City Region, by accommodating employment related development, improving skills within the workforce, and promoting enterprise, entrepreneurship and innovation.

The proposed development will contribute to achieving the Vision and these aims, regenerating dated industrial buildings to provide high quality industrial units, generating economic growth, attracting inward investment and creating employment opportunities for the local area and wider benefits to the people of Knowsley.

Economic Benefits

This Statement now provides a summary of the expected benefits arising from the proposed scheme, during the construction and the operational phases.

Construction Phase Impacts

There are benefits arising from the investment in remodelling, refurbishing and constructing new industrial units. The construction costs associated with a development of this scale will total £14m. Based on these construction costs, total construction employment generated by the proposed development could amount to some 150 person years, which equates to 30 gross jobs per annum. The selected contractor will commit to working with local partners to ensure that local supplier benefits are maximised where possible, to promote local social value. This is detailed in the separate Social Value Strategy.

There will also be multiplier effects associated with construction expenditure resulting in supply side requirements including construction equipment (such as cranes, scaffolding, tools and other equipment) and supplies (such as concrete, fittings and consumables). There is capacity at the Liverpool City Region level to service a significant proportion of this demand. Reflecting on the duration of the construction process, demand for other goods and services will also be generated. In addition, the proposed development will lead to induced effects through construction employee spend on goods and services within Knowsley and the wider surrounding area.

Based on a GVA per employee of £52,125 assuming a total of 30 gross jobs, the net additional GVA impact arising from the direct construction related employment phase is estimated to be £1,563,750 per annum during the construction period.

The Gross Value Added (GVA) has been calculated using the Annual labour productivity (gross value added (GVA) per hour worked and GVA per filled job) indices by UK ITL2 and ITL3 sub regions from the ONS. This is calculated by multiplying the total jobs generated by the per filled job figure for the East Merseyside area, referenced in the indices by UK ITL2 and ITL3 sub regions from the ONS.

In summary, the proposed development will generate the following potential impacts during the Construction Phase:

- Temporary employment generated as a result of the construction works – this will include direct employment associated with site remediation and redevelopment, as well as indirect and induced employment (multiplier effects) from supply chain expenditure and the expenditure in the local economy of workers employed during the Construction Phase.
- Short-term increase in economic output (GVA) – in line with the temporary employment impact, this will again take account of the direct, indirect and induced economic output impact during the Construction Phase.
- Creation of training and apprenticeship opportunities during the Construction Phase.
- Effect on local labour market during the Construction Phase.
- Effects on local facilities and services, specifically schools and healthcare facilities, from the increase in construction workforce.
- Wider socio-economic impacts – including image and perception as a result of re-use of this redundant industrial site and the potential for local unemployed people to access new employment opportunities, which will result in a wider boost to the area, helping to achieve the economic priorities identified for Knowsley.

Operational Phase Impacts

Utilising the HCA Employment Density Guide 3rd Edition (November 2015), this proposed development which would generate 18,083m² of floorspace could create a total of 223 FTE jobs in the local area.

Based on a GVA per filled job figure for the area of £52,125, the net additional GVA impact arising from direct employment is estimated to be £11,792,909 per annum during the lifetime of the project.

The Gross Value Added (GVA) has been calculated using the Annual labour productivity (gross value added (GVA) per hour worked and GVA per filled job) indices by UK ITL2 and ITL3 sub regions from the ONS. This is calculated by multiplying the total jobs generated by the per

filled job figure for the East Merseyside area, referenced in the indices by UK ITL2 and ITL3 sub regions from the ONS.

The operational phase of development will generate a series of wider socio-economic impacts. The proposed development will create a significant number of new jobs within Knowsley, a number of which will be taken-up by local residents, helping to generate increased economic activity, retain skilled people within the area and bring more people into employment. Despite the overall relative strength of the economy, there are still communities within Knowsley suffering from severe levels of income and employment deprivation. The Proposed Development will help to support the regeneration of these neighbourhoods, providing a range of accessible jobs. While there is no certainty that residents within these areas will seize the new opportunities created, further labour market support, working with organisations outlined in the Social Value Strategy, will help to ensure that the uptake of employment by economically inactive residents can be optimised.

The increase in economic activity and investment will have knock-on effects in terms of the local supply chain, as well as supporting the growth of local services and facilities through the attraction of additional expenditure. It is estimated that the Proposed Development, once fully occupied. A significant amount of net additional supply chain and employee spend per annum in Knowsley. This will help to encourage further investment, as well as enabling existing businesses to expand, attract new businesses, and retain and create further jobs for local residents.

In summary, the proposed development would generate the following potential impacts during the Operational Phase:

- Creation of direct, indirect and induced long-term employment opportunities from the proposed uses on the Application Site.
- Long-term increase in economic output (GVA) resulting from the direct, indirect and induced impacts of the Proposed Development during the Operational Phase.
- Increase in business rate revenue generated due to the provision of new employment floorspace on the Application Site.

- Effect on local labour market, specifically in terms of the employment opportunities generated by the Proposed Development for local residents within Knowsley.
- In addition to the economic impacts that will be created during the Operational Phase, the proposed development will generate a range of important wider socio-economic benefits that are suspected to be sustained for a number of years.

Conclusion

In conclusion, it is evident that the proposed development will generate substantial economic benefits at the regional and local level. These will be particularly focused within Knowsley, reinforcing the role of the Borough, attracting wider investment and support businesses to grow and deliver high quality, sustainable employment opportunities.