



Jaguar Land Rover

BODY IN WHITE SOUTH EXTENSION

Social Value Strategy



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1 INTRODUCTION

- 1.1.1 The Jaguar Land Rover Halewood Operations are a long-standing, established motor vehicle manufacturing facility located within the Knowsley Council local authority area.
- 1.1.2 The proposed development site has been occupied by a temporary structure since 2017 (as approved under planning application reference 16/00452/FUL). This was removed in 2021.
- 1.1.3 A planning application has been prepared which seeks permission for:
“Erection of a two-storey building (Use Class B2 and B8) and worker amenity facilities associated with existing manufacturing unit, together with associated infrastructure and engineering operations”
- 1.1.4 This Social Value Strategy has been prepared by WSP in collaboration with Jaguar Land Rover and provides an overview of the ways in which the proposed development will generate social value.
- 1.1.5 The report is structured as follows:
- **Section 2 – Policy Context** – provides an overview of the relevant local policies and how they relate to social value objectives;
 - **Section 3 – Economic Effects** – gives a high-level assessment of the potential economic effects of the development proposals;
 - **Section 4 – Social Value Implementation** – outlines the existing activities of Jaguar Land Rover in the generation of social value, along with a review of the objectives of the social value Supplementary Planning Document (SPD) and how the proposed development will address these; and
 - **Section 5 – Conclusion** – summarises this strategy.

2 POLICY CONTEXT

- 2.1.1 Knowsley Council produced a Social Value Policy Statement to support the Council's Corporate Plan¹. In a related document titled 'Knowsley: An Emerging Approach to Social Value'², social value in the activities of the Borough are defined as: *'outcomes, measures and activity that will create strong and well-connected public, private and social sectors that enable communities to be more resilient'*.
- 2.1.2 The key priorities outlined in the Social Value Policy Statement include:
- Priority 1 – Maximise the Council's Contribution to Education in Knowsley
 - Priority 2 – Maximise the Council's Contribution to the Health and Wellbeing of Knowsley Residents
 - Priority 3 – Provide High Quality and Sustainable Adult Social Care
 - Priority 4 – Accelerate Business Growth, New Jobs and New Housing
 - Priority 5 – Create a Sustainable Borough.
- 2.1.3 These priorities were incorporated within the Council's Corporate Plan (2017/20, which was then extended to cover the period to 2022 due to the COVID-19 pandemic). Whilst the revised Knowsley Council Plan 2022-2025³ does not explicitly align with the previous Social Value Policy Statement, generating social value remains at the core of the strategy and is one of Knowsley's 'Better Together Principles'.
- 2.1.4 This emphasis is echoed in adopted planning policies and guidance, including the Knowsley Local Plan Core Strategy policies CS2 (Development Principles) and CS4 (Economy and Employment). In addition to these policies and in alignment with the Council's Corporate Plan, the Council prepared a Supplementary Planning Document (SPD) titled *'Adding Social Value to Development: Employment and Skills'* which was adopted in 2018.
- Policy CS2: Development Principles**
- 2.1.5 This policy identifies principles which will underpin any new development within Knowsley. Principle 1 seeks to promote sustainable economic development, tackle the causes of deprivation and disadvantage, and narrow the gap between the richest and poorest neighbourhoods by:
- Meeting needs for new housing, employment, retail, and other service provision
 - Improving business productivity and employment levels in Knowsley.
 - Reducing economic, environmental, education, health and other social inequalities between Knowsley and other parts of the UK; and
 - Providing opportunities for positive lifestyle choices and health improvement for people of all ages.

¹ Knowsley Borough Council (2018) Social Value Policy Statement [Online] Available from: <https://www.knowsley.gov.uk/your-council/policies,-plans-and-strategies/people/social-value>

² Knowsley Borough Council (year unknown) Knowsley: An Emerging Approach to Social Value [Online] Available from: <http://www.knowsley.gov.uk/pdf/social-value-model.pdf>

³ Knowsley Borough Council (2022) The Knowsley Council Plan 2022 – 2025 [Online] Available from: <https://www.knowsley.gov.uk/knowsleycouncil/media/Documents/The-Knowsley-Council-Plan-2022-accessible.pdf>

Policy CS4: Overall Employment Development Strategy

2.1.6 This policy, as included within the Core Strategy seeks to ensure planning; site assembly and other available interventions are utilised in order to:

- Improve accessibility to a range of jobs, for example, by encouraging mixed use employment/residential schemes where appropriate and improving transport linkages between housing and employment areas; and
- Address skills and educational barriers to employment.

Adding Social Value to Development: Employment and Skills SPD

2.1.7 The SPD provides guidance on how the Council will implement the requirements of Policy CS4, by requesting that planning applications include a Social Value Strategy, by virtue of its inclusion in the planning validation requirements list.

2.1.8 The SPD requires that Social Value Strategies prepared alongside planning applications seek to maximise the employment and training of local people during both the construction and operation phases of the development. Through this inclusion, it is anticipated that this will help to develop local workforce skills and long-term employment opportunities for local people, which should:

- Increase local employment opportunities by helping businesses to improve, grow and take on more staff;
- Address a national shortage in construction skills;
- Help businesses to find suitable (and especially local) staff and suppliers; and
- Improve the skills of local people to enable them to take advantage of the resulting employment opportunities.

2.1.9 The SPD states that the details of the measures to be included in a Social Value Strategy will be negotiated flexibly and, on a site-by-site basis with the Applicants. These measures will be individually tailored to ensure that the right skills and employment opportunities are provided at the right time to benefit both the Applicants and the local community.

2.1.10 The SPD provides a list of measures the Social Value Strategy should seek to achieve:

- Provision of apprenticeships for Knowsley residents aged under 25, which can be from the construction or end use phases, or a combination of the two;
- Provision of employment opportunities in the end use phase and which have appropriate support to make them suitable for long-term unemployed Knowsley residents (i.e. those who have been out of work for at least two years);
- Provision to notify the Council or any other agency nominated by the Council, of job vacancies arising from both the construction and end use occupation; and
- Provision for delivery of bespoke pre-employment and skills training for Knowsley residents that will provide them with the skills to access the jobs that are being created.

2.1.11 Typical examples of the activities that developers may be expected to undertake in support of these measures include the following:

- Targeted recruitment and training requirements, ensuring that apprenticeship and other work opportunities for Knowsley residents help to alleviate unemployment.
- Work placements opportunities for Knowsley residents designed to support education and learning.

- Targeted vacancy filling by Knowsley residents or maximising the use of employment support partners.
- Supporting the integration of the local supply chain, helping to develop a wider business base.
- Provision of opportunities for social enterprises, which have explicit social, economic or environmental aims.
- Participation in the promotion of education initiatives, supporting the transition between school and work.

3 ECONOMIC EFFECTS

Temporary employment effects during the construction phase

- 3.1.1 The proposed development will include a construction phase which will generate turnover and temporary employment for construction firms and related trades. The UK construction sector is characterised by an extensive network of supply chains and contracting relationships covering a very wide range of trades and skills. As a result, the spin off benefits from new construction projects are greater than for many other economic sectors in the UK.
- 3.1.2 An approximate build cost range of £25 million to £30 million was assumed for the development scheme. This is an approximate figure and is based on the information current at the time of writing and is representative of 2022 prices.
- 3.1.3 Data from the Annual Business Survey 2019 published in June 2021⁴ reveals that total turnover in the construction sector during 2019 was £309.1 billion. The average number of people employed in the construction sector during 2019 was 1.56 million, suggesting that average turnover per construction job in 2019 was £198,029.
- 3.1.4 Using the build cost estimate of £25 million to £30 million and the average turnover per construction job in 2019 of £198,029, WSP estimates the proposed development will generate approximately 126 to 151 person years of temporary construction employment. The 126 to 151 person years of temporary construction employment represent a gross employment figure. In order to understand the real construction employment effects of the proposed development, adjustments have been made for several additionality factors which, when considered together, allow an assessment of the net additional construction jobs that will be generated by the scheme. The following additionality factors have been allowed for:
- **Displacement Effects** - the proportion of intervention outcomes accounted for by reduced outcomes elsewhere. In this context it refers to the possibility that a proportion of the construction workers will have moved from an existing operation in the local area to the proposed development;
 - **Leakage Effects** - The proportion of benefits that accrue outside of the intervention's target area. In this context it refers to the possibility that jobs created by the construction phase of the proposed development are taken up by people living outside the local area;
 - **Substitution Effects** - This effect arises where a firm substitutes one activity for a similar one (such as recruiting a jobless person while another employee loses a job) to take advantage of public sector assistance. It can be thought of as “within firm” displacement; and

⁴ ONS (2021) Annual Business Survey 2019 Revised Results [Online] Available from: <https://www.ons.gov.uk/businessindustryandtrade/business/businessservices/datasets/uknonfinancialbusinesseseconomyannualbusinesssurveysectionsas>

- **Multiplier Effects** - Further employment associated with additional expenditure by workers and throughout the supply chain.

3.1.5 To understand and assess the additionality effects on a local and national scale, assumptions as set out within Table 1 were used.

Table 1 – Assumptions used to calculate net additional construction jobs

	Local level (Knowsley)	Regional level (North West of England)	National level (UK)
Displacement	25% As of the 2011 Census ⁵ , 3,000 persons across Knowsley worked in the construction industry. The potential for 126 to 151 jobs for the development would therefore represent 4.2% to 5% of this workforce. As such, it is likely that this employment would have a negligible impact on the local workforce and therefore displacement would be minimal. A conservative displacement rate of 25% has therefore been applied based on the HCA Additionality Guide ⁶ .	25% This level of displacement is adopted to account for any potential local adverse effects and for consistency with the local level of displacement.	25% This level of displacement is adopted to account for any potential local adverse effects and for consistency with the local level of displacement.
Substitution	0% It is not considered likely that any firms that will be operating within the construction industry will be substituting employment activities for other activities. Therefore, this has been considered to be negligible.	0% It is not considered likely that any firms that will be operating within the construction industry will be substituting employment activities for other activities. Therefore, this has been considered to be negligible.	0% It is not considered likely that any firms that will be operating within the construction industry will be substituting employment activities for other activities. Therefore, this has been considered to be negligible.
Leakage	62.3% Of the 49,113 workers in Knowsley at the time of the 2011 census, 18,500 were also Knowsley residents. This represents a leakage rate of 62.3% ⁷ to other local authorities.	1.6% The 2011 census found that of those who worked in Knowsley, 98.4% lived in the North West region. This means that there was a leakage rate of 1.6% to other regions across the UK.	0% It is not considered that any jobs within the development will leak outside of the UK.
Multiplier	1.1 It is assumed that 'average' linkages will be evident in the supply chain. Based on this, the Additionality Guide recommends a multiplier of 1.1 at the local level ⁶ .	1.5 It is assumed that 'average' linkages will be evident in the supply chain. Based on this, the Additionality Guide recommends a multiplier of 1.5 at the regional level ⁶ .	2.067 The multiplier of 2.067 is used for the construction industry, as set out in the United Kingdom Input-Output Analytical Tables, 2018 ⁸ .

⁵ ONS (2011) Labour Market Profile – Knowsley [Online] Available from:

<https://www.nomisweb.co.uk/reports/lmp/la/1946157103/report.aspx#tabidbr>

⁶ Homes and Communities Agency, 2014, 'Additionality Guide: A Standard Approach to Assessing the Additional Impacts of Projects', 4th Edition, HCA, London

⁷ ONS (2011) WU03EW - Location of usual residence and place of work by method of travel to work (MSOA level) [Online] Available from: <https://www.nomisweb.co.uk/census/2011/wu03ew>

⁸ ONS (2022) UK Input-Output Analytical Tables – Industry by Industry [Online] Available from:

<https://www.ons.gov.uk/economy/nationalaccounts/supplyandusetables/datasets/ukinputoutputanalyticaltablesindustrybyindustry>

3.1.6 Based on the assumptions set out within Table 1, the total number of jobs arising from the development is calculated via the below formula and detailed in Table 2 below.

$$\text{Gross on-site jobs} \times (1 - \text{displacement}) \times (1 - \text{substitution}) \times (1 - \text{leakage}) \times \text{Multiplier} = \text{net additional jobs}$$

Table 2 – Additionality of construction jobs

Step involved	Knowsley residents	North West residents	UK residents
1. Construction workers (gross, total)	126 to 151		
2. Leakage to workers from outside impact area	-79 to -94	-2 to -2	0
3. Displacement of other activities	-12 to -14	-31 to -37	-32 to -38
4. Construction workers on-site (net, direct)	36 to 43	93 to 112	95 to 114
5. Employment off-site induced by construction employment (net, indirect)	2 to 2	28 to 34	101 to 121
6. Total additional employment from construction of proposed development	37 to 45	121 to 145	196 to 235

Note: Figures may not quite add to rounding at each stage of the calculation.

- 3.1.7 As demonstrated in Table 2, whilst there will be between 126 and 151 construction jobs supported on site, taking into account leakage, displacement and multiplier effects this equates to between 37 and 45 net additional construction jobs for local residents over the construction phase (36 to 43 construction workers on site and a further 2 supported in the supply chain).
- 3.1.8 In total, the construction activity associated with the development can expect to support up to 235 jobs nationally, of which up to 45 could be filled by residents of Knowsley and up to 145 by residents of the North West of England region.
- 3.1.9 Figure 1 demonstrates the construction employment to be supported and the breakdown of this at the local, regional and national levels. This visual has focused on the lower range estimates of the construction jobs.

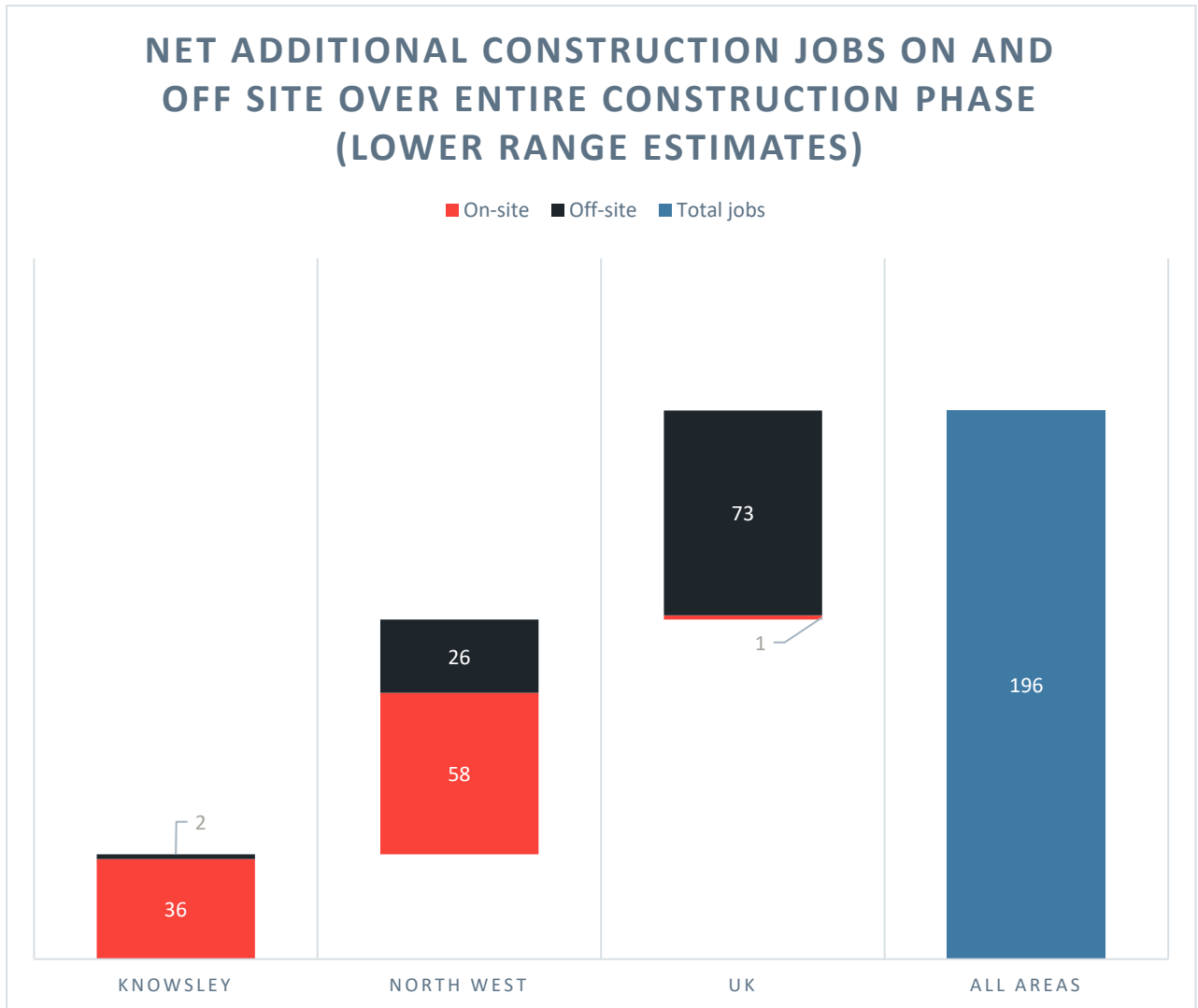


Figure 1 – Construction jobs (in person years) on and off site

- 3.1.10 As shown in both Table 2 and Figure 1, it is evident that the construction phase will support temporary employment which will likely have a beneficial impact upon both the Knowsley and North West economy.

Permanent employment effects during the operation phase

- 3.1.11 There will be no additional operational employment arising from the proposed development as it will be replacing a temporary structure which is already in-use.
- 3.1.12 As a key employer in the local area, Jaguar Land Rover remain committed to maintaining the provision of jobs at their facility. This commitment will be enhanced through improvements to building stock, allowing working environments, operations and outputs to meet the future needs of the industry. This will maintain Jaguar Land Rover in the local area and will enable staff to be upskilled in new technologies and ways of working to ensure resilience and continued prioritisation of sustainable employment opportunities.

4 SOCIAL VALUE IMPLEMENTATION

- 4.1.1 As there will be no additional operational employment arising from the proposed development, social value objectives in accordance with the SPD have therefore focussed on the construction phase of the scheme. Despite this however, a review of the existing activities of Jaguar Land Rover has been included below to demonstrate the social value generation that will be maintained and attributed to the operation of the proposed development.

Existing social value generation

- 4.1.2 At the time of writing, Jaguar Land Rover employ over 3,700 people on-site, with approximately 1200 of these being residents of the Knowsley local authority. Jaguar Land Rover also support a further 1,000 people indirectly through its suppliers and contractors. Along with employing a large number of local people, Jaguar Land Rover regularly attend career fairs, host work experience students and participate in initiatives to encourage females into science, technology, engineering and maths (STEM) careers. Jaguar Land Rover is also an active member of the Cornerstone Employer group, which comprises employers across England endorsed by 'The Careers & Enterprise Company', the national body for careers education in England, working alongside Career Hubs and other local and regional organisations to support young people into workplaces.
- 4.1.3 Whilst no new apprenticeship opportunities will be delivered through the EMA-BIW South Extension, the facility will further opportunities for training and development for the 46 apprentices and four trainees already working on-site. While staff already receive extensive on-the-job training (delivered both online and in-person), any new specialist training required as part of the development will be provided across the different staff groups, enhancing capabilities in new technologies across the site.
- 4.1.4 Alongside the employment and skills initiatives promoted by Jaguar Land Rover, the firm remains committed to also delivering benefits to the local community. This includes support for charities across the region such as Charlie's Chance, An Hour for Others and the Knowsley Food Bank. Regular charitable donations are made to other charity organisations (as nominated by employees) including local sports teams, disability charities, church groups and libraries.
- 4.1.5 Whilst it is evident that there will be no further opportunities to increase operational employment and subsequent social value arising from this, the initiatives outlined above will continue – thus still delivering positive social value across the local and regional community in the operation of the proposed development.

Social value to be generated by the proposed development

- 4.1.6 As noted in Section 3 of the report, it is anticipated that the construction of the proposed development will lead to 196 to 235 person years of temporary construction employment. This employment uplift will create opportunities for employment for residents of Knowsley and the wider North West region.
- 4.1.7 Table 3 outlines the objectives of the SPD and demonstrates how these will be addressed.

Table 3 – Social Value Objectives

Knowsley Council 'Adding Social Value to Development: Employment and Skills' SPD focus area	Construction	Operation	Implementation
Provision of apprenticeships for Knowsley residents aged under 25, which can be from the construction or end use phases, or a combination of the two.	✓	✓	Jaguar Land Rover will include pre-qualification questions relating to apprenticeship opportunities within any tender documentation issued to prospective contractors. This will ensure that apprenticeship opportunities are understood when reviewing contract award criteria. Apprentices (including those who are Knowsley residents) already present at the Jaguar Land Rover Halewood Operations will continue in their current capacity, with the proposed development not leading to any loss of existing employment, but rather providing new opportunities for upskilling.
Provision of employment opportunities in the end use phase and which have appropriate support to make them suitable for long-term unemployed Knowsley residents (i.e. those who have been out of work for at least two years).	N/A	N/A	As the proposed development will not deliver any new employment on-site, this objective is not considered relevant to this application.
Provision to notify the Council or any other agency nominated by the Council, of job vacancies arising from both the construction and end use occupation.	✓	✓	Jaguar Land Rover, in collaboration with their appointed contractor commit to ensuring that where job vacancies may arise either in the construction or operation phases of the proposed development, the Council will be notified.
Provision for delivery of bespoke pre-employment and skills training for Knowsley residents that will provide them with the skills to access the jobs that are being created.		✓	Given the nature of the work undertaken at the Jaguar Land Rover Halewood facility, specialist on-the-job training is required for all staff. This is coordinated by Jaguar Land Rover and will be delivered to all new staff members, including those that are residents of Knowsley. Given the nature of the facility and the likelihood of new machinery and robots to be installed, there will be training for staff on robotics, controls and programming. This

			training, alongside other on-the-job learning and skills development are delivered to employees through different mediums including e-learning modules, virtual classrooms and face to face courses.
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5 CONCLUSION

- 5.1.1 This Social Value Strategy has identified the strategic need for providing employment, skills and training opportunities to local people within the Knowsley local authority.
- 5.1.2 Whilst the proposed development will not create any additional operational employment, it will enable Jaguar Land Rover to maintain and enhance its operations at Halewood, where many local residents are already employed. This will enable a continued prioritisation of staff upskilling and emphasis on ensuring a future-facing, resilient workforce.
- 5.1.3 The construction phase will generate temporary employment, with an estimated 196 to 235 jobs anticipated over the construction phase, with a number of these likely to be taken up by residents of Knowsley and the wider North West region.
- 5.1.4 Where applicable, apprenticeship, training and job opportunities will be communicated to Knowsley Council across the construction and operation phase to ensure that social value is generated where possible.



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