



Penryhn Road

Economic Impact Assessment

February 2022

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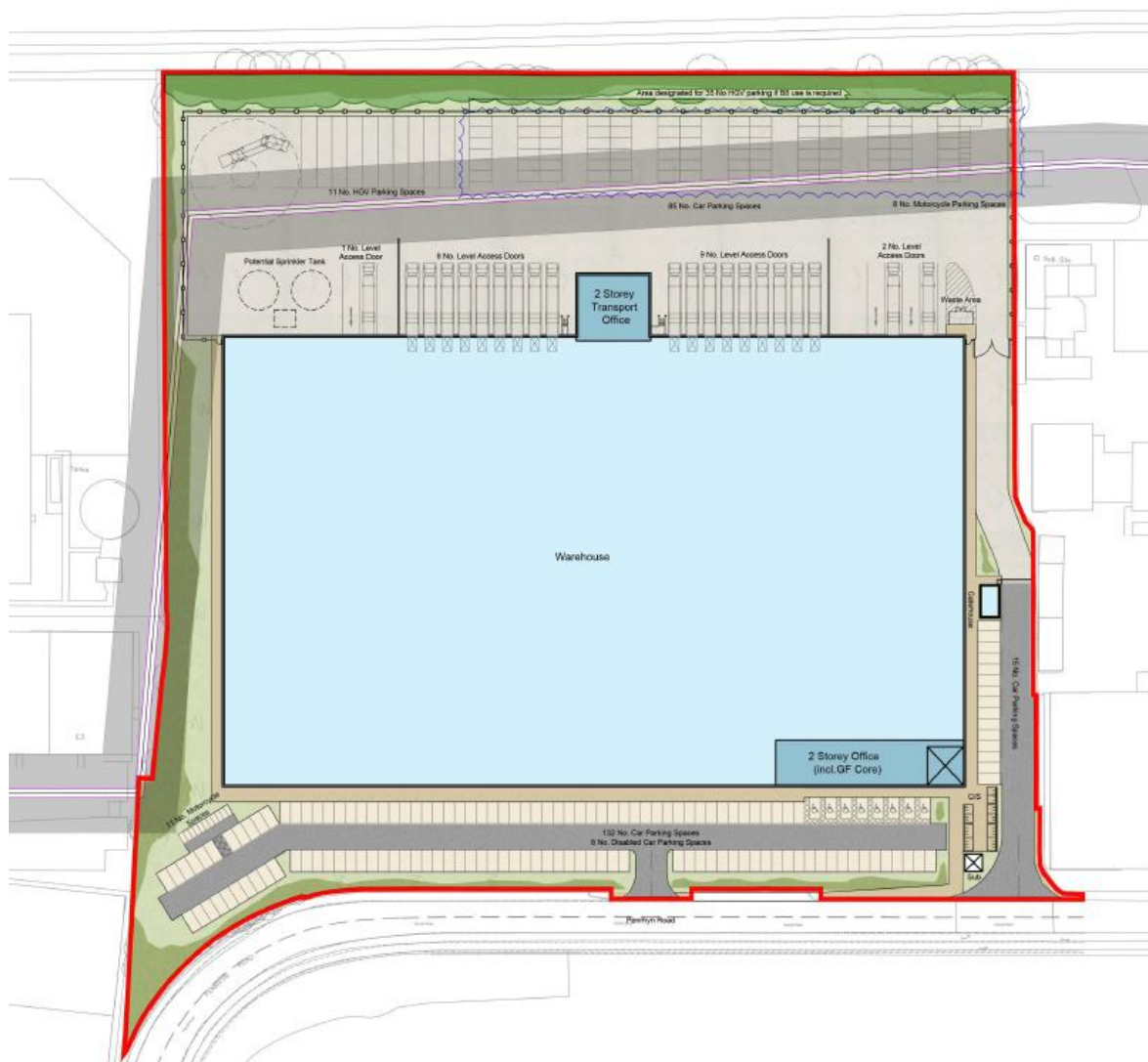
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1 Introduction

1.1 Overview

AMION Consulting (AMION) has been appointed by Gerald Eve to prepare an economic impact assessment of the proposals for the delivery of an industrial unit at Penryhn Road, Knowsley. Figure 1.1 illustrates the location of the proposed site. The proposals comprise some 18,555 sq.m of industrial and logistics space, with ancillary office accommodation. The site is within the Knowsley Business Park, Prescot.

Figure 1.1: Penryhn Road



Source: Gerald Eve

The Economic Impact Assessment presents an overview of the significant benefits that will be generated through the scheme. The impacts are assessed at the Knowsley local authority Area level.

Key benefits arising from the Penryhn Road development at Knowsley Business Park, that have been estimated within this note include:

- the creation of commercial floorspace;
- temporary construction jobs;
- permanent on-site jobs;
- Gross Value Added (GVA); and
- wider impacts.

The assessment also presents an estimate of the potential business rates associated with the delivery of new employment floorspace.

1.2 Structure of the report

The economic impact assessment, presented in the remainder of this report, is structured as follows:

- *Section 2* – provides the strategic context for the proposed development through a review of the policy context and an assessment of socio-economic drivers within the area;
- *Section 3* – outlines the methodology adopted to assess the economic impact of the proposed development; and
- *Section 4* – presents the forecast economic impacts and other benefits associated with the development in the construction and operational phases.

2 Project context

2.1 Introduction

This section sets out the UK and local context of the proposed project. It highlights alignments of the proposals with key policy objectives, alongside current socio-economic conditions within the local area.

2.2 Strategic context

The proposed scheme is strongly aligned with key strategic drivers, underpinning government policy at both the national and local levels, including:

- **Levelling up** – ‘Levelling up’ is a key policy commitment aimed at reducing regional inequalities in the UK. It reflects the status of the UK as one of the most geographically unequal countries in the developed world. The proposed scheme will contribute to securing investment in Knowsley, creating employment opportunities, and sustaining key services, as well as wider opportunities to enable economic growth.
- **COVID-19 recovery** – recognising the enormous impact of the pandemic on society, and the potential for long-term harm to the UK economy, there is a significant emphasis on promoting recovery at all policy levels. The proposed scheme will contribute significantly to supporting recovery. Investment over the short term will support employment in the construction sector and the proposed development will create the conditions for growth over the longer term.

A review of other relevant national, sub-regional and local policies are outlined below:

Table 2.1: Strategic context	
Policy	Penryhn Road – Knowsley – strategic alignment
National	
Clean Growth Strategy (2018)	The Clean Growth Strategy presents the government’s commitment to increasing productivity, creating good jobs, and boosting earning potential. Meanwhile, protecting the climate and environment is imperative to the strategy.
Industrial Strategy: Building a Britain Fit for the Future (2017)	Sets out the UK’s vision to create an economy that boosts creativity and earning power throughout the UK, using the five foundations of productivity: Ideas; People; Infrastructure; Business environment; and Places.
Sub-regional	
Liverpool City Region Combined Authority – Local Industrial Strategy (DRAFT)	The City Region and its stakeholders plan to maximise its investment in digital growth, health, culture, and society as well as be at the forefront of carbon neutrality by 2040.

Table 2.1: Strategic context	
Policy	Penrhyn Road – Knowsley – strategic alignment
Liverpool City Region Local Enterprise Partnership Growth Strategy	The Growth Strategy identifies the core strengths of the City Region and addresses the capacity to start, attract and develop businesses; enhance and protect the quality of place; nurture and grow the talent base, and create more sustainable employment and high-value jobs.
Liverpool City Region Combined Authority Economic Recovery Plan	The City Region have set out how they plan to respond to the COVID-19 pandemic and reinvigorate its economy. Addressing the most pressing issues around health, inequality and clean growth is essential. With investment in the economy, it is expected that the City Region can create 94,000 jobs, with an additional 28,000 in the construction sector.
Local	
Knowsley Economic Growth Plan (2016-2021)	The Economic Growth Plan sets out the council’s vision for accelerating growth through creating the conditions for businesses to thrive, supporting employment for local people, and attracting inward investment into the Borough. The site, forming part of the established Knowsley Business Park, is located within the identified Northern Growth Corridor identified as a key focus for logistics linked to the Liverpool City Region Superport vision. Freight and logistics are highlighted as key sectors, and the plan sets out actions to promote appropriate development at designated sites.
Knowsley Local Plan Core Strategy (January 2016)	The Knowsley Local Plan sets out several strategic objectives around employment, housing, regeneration, sustainable town centre, quality of place, sustainable transport, infrastructure and health and wellbeing. The vision set out within the plan demonstrates Knowsley’s role within the City Region the strategic contribution of the Borough to growth. Policy CS4 relating to Economy and Employment confirms the role of the local plan to support sustainable economic growth and meet the needs and established and emerging sectors. Knowsley Industrial Park and Business Park are identified as primary locations for appropriate commercial development, including the Liverpool SuperPort, contributing to the established network of port, airport, road and logistics assets.

2.3 Socio-economic context

A detailed review of key socio-economic conditions within Knowsley is set out in Appendix A. The summary is presented in Table 2.2 and provides an overview of current performance across key indicators of economic performance at a local authority level.

At the local level, the Penryhn Road development is adjacent to some areas of significant deprivation. Based on data from the English Index of Multiple Deprivation (2019). A map highlighting deprivation is shown in Appendix A.

Table 2.2: Indicators of socio-economic performance			
	Knowsley	Liverpool City Region CA	England
Demographics			
Resident population	152,452	1,564,015	56,550,138
Working age population (16-64)	94,864	979,455	35,233,879
Economic activity			
Economically active	77.7%	75.7%	79.5%
In employment	75.3%	73.0%	75.7%
Unemployed (Claimant rate)	7.4%	6.7%	5.5%
Employment by occupation (resident based)			
SOC 2010 Major Group 1-3	37.3%	46.3%	50.6%
SOC 2010 Major Group 4-5	21.1%	20.4%	19.2%
SOC 2010 Major Group 6-7	18.1%	17.6%	15.4%
SOC 2010 Major Group 8-9	23.5%	15.3%	14.6%
Qualifications (resident based)			
NVQ 4 and above	29.1%	38.0%	42.8%
NVQ 3 and above	47.2%	57.1%	61.3%
NVQ 2 and above	70.6%	76.0%	78.2%
NVQ 1 and above	80.0%	85.5%	88.2%
Other qualifications	6.2%	5.3%	5.7%
No qualifications	13.7%	9.2%	6.2%
Earnings (gross weekly)			
By place of residence	£575.60	£567.30	£589.80
By place of work	[£909.00]*	£577.00	£589.90

* Note – gross weekly workplace-based earnings for Knowsley is not consistent data with previous years with low confidence due to small sample size

At the local authority level, levels of economic activity and employment amongst the resident population in Knowsley are above the levels seen across the City Region, albeit lower than averages for England as a whole. In terms of occupations, it is evident that the proportion of Knowsley residents (in employment) in higher-order jobs (SOC 1-3) is lower than comparator areas. The level of residents in processed base or elementary occupations is higher than in the comparator areas. In terms of qualification levels in the resident population, it is evident that Knowsley performs below the national average, with a low proportion qualified to NVQ Level 4 or above and a significantly higher proportion with no qualifications. Furthermore, residence-based earnings are significantly lower than across comparator areas.

Overall, the analysis suggests that there is a continued need for accessible, high-quality employment opportunities within Knowsley that have the potential to support a range of occupations suited to the skills profile of the local area.

3 Methodology

3.1 Overview

An economic impact model has been developed for the proposed development, reflecting a range of benefits to the local economy. The economic impact assessment has quantified these benefits at the Knowsley Local Authority Level, given its role as the local planning authority.

The economic impact assessment has estimated both the gross and net additional impact associated with the Penrhyn Road development. Consideration has been given to who is likely to secure the benefits generated, the level of activity that might be displaced and multiplier effects. The approach to calculating additionality is described further below.

The key economic benefits are expected to include:

- employment and GVA supported both during the construction and operational phases of the proposed development, as well as other key outcomes (primary effects);
- additional economic activity resulting from supply linkage and income multiplier effects (secondary effects); and
- a range of wider impacts such as improving internal and external perceptions and providing a stimulus for wider regeneration.

The focus of this section of the report is on the approach and assumptions used to assess the primary and secondary impacts of the development. However, as part of the economic impact assessment, consideration has been given to wider benefits associated with the development. These wider benefits are difficult to quantify but are nevertheless important in understanding the overall economic importance of the Penrhyn Road development.

3.2 Construction jobs

An early indicative cost estimate for the development has been used as the basis for calculating the number of temporary construction jobs expected to be generated through the Penrhyn Road development. Construction cost estimates have been provided by Gerald Eve.

Employment coefficients from the Homes and Communities Agency (HCA) Cost Per Job Guidance has been applied to the construction expenditure figure (including fees) to derive an estimate of the gross number of person-years of employment supported during the construction phase. The benchmark turnover per employee for the construction sector of £127,591 is based on published coefficients for commercial development, updated to current prices based on published GDP deflators

GVA has been estimated based on benchmark ratios for the construction sector at the national level, derived from the ONS Annual Business Survey (2020). A ratio of 0.37 has been applied.

3.3 Operational jobs

The main approach applied to estimate the number of direct operational jobs has been to use employment density benchmarks, sourced from the former HCA's employment densities guide (3rd edition), to calculate the jobs generated through the occupation of new commercial floorspace expected to be delivered through the development.

Gross employment is estimated on a full-time equivalent (FTE) job basis. However, the number of actual jobs created will be higher once part-time workers are taken into account – for example, one FTE job may support, say, two part-time workers. To estimate the actual jobs, ratios of workforce jobs to FTE jobs have been applied, derived from Experian local market data for Knowsley.

3.4 Indirect and induced multiplier effects

Alongside directly supporting the creation of new jobs, the proposed development will also lead to additional employment opportunities (and GVA) through supply chain expenditure (indirect effects) and employee spending on goods and services (induced effects) within the area of impact. To take into account both the indirect and induced effects associated with the development, a composite multiplier has been applied at the sub-regional level.

The choice of multiplier has taken into account national guidance and benchmarks, including the HCA's Additionality Guide and guidance on additionality produced by the former Department of Business, Innovation and Skills.

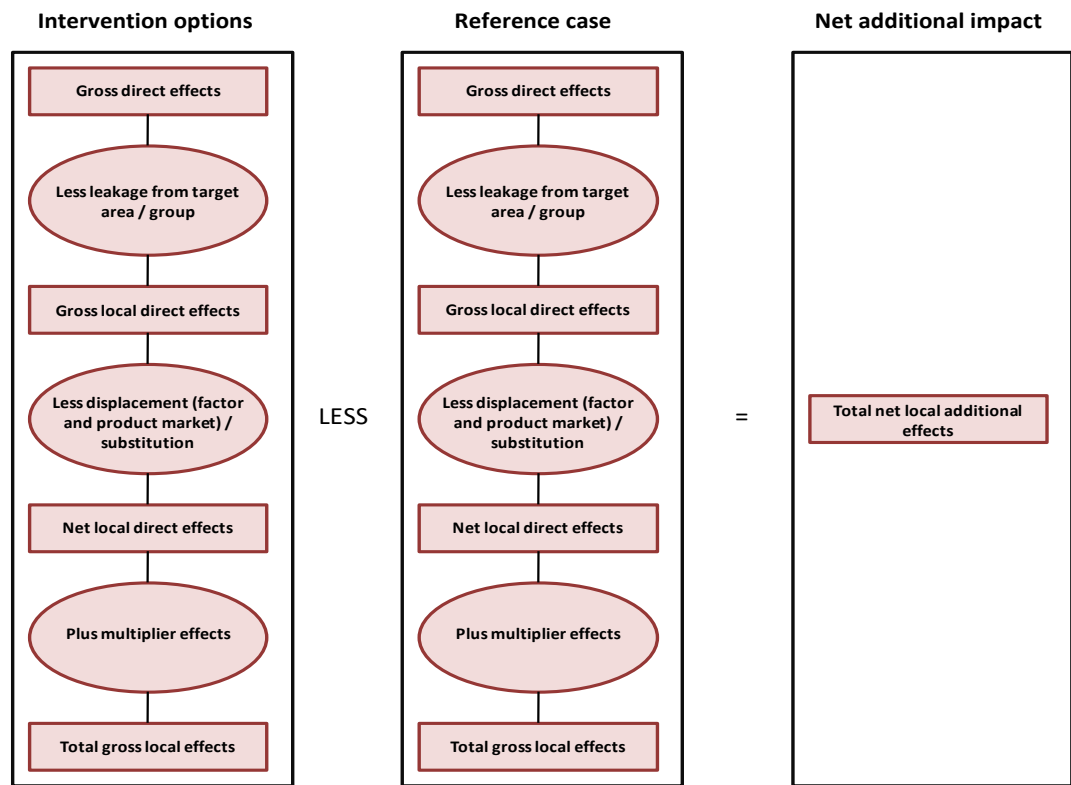
3.5 Net additional impact

In determining the net additional impact, the key issue to be addressed is the additionality of the development under consideration – in other words, the extent to which activity takes place at all, on a larger scale, earlier or within a specifically designated area or target group as a result of the intervention. To assess the additionality of the proposals, the following factors have, therefore, been considered:

- **leakage** – the proportion of outputs that benefit those outside of the scheme's target area or group;
- **displacement** – the proportion of scheme outputs accounted for by reduced outputs elsewhere in the target area. Displacement may occur in both the factor and product markets;
- **multiplier effects** – further economic activity associated with additional local income and local supplier purchases (as discussed above); and
- **deadweight** – outputs which would have occurred without the scheme.

The approach to assessing the net additional impact of a scheme, taking into account the above adjustments, is shown diagrammatically in Figure 3.1. For this assessment, the additionality of the scheme has been considered at the Knowsley Level.

Figure 3.1: Net additional impact



3.6 Gross Value Added (GVA)

The GVA generated through on and offsite activity associated with the scheme has been calculated using average GVA per FTE job figures for relevant sectors from Experian data for Knowsley. The analysis of direct net additional GVA excludes leakage effects as GVA is a workplace-based measure of impact.

The estimated GVA impact for the development has been calculated in terms of both a per annum figure and a cumulative total, based on estimates of persistence from evaluation evidence. A persistence period of ten years (allowing for a gradual decay in the level of benefit over this period) has been assumed consistent with evidence for physical regeneration initiatives.

3.7 Fiscal impacts

In addition to the economic impacts outlined above, it is anticipated that the proposed development will result in a range of fiscal benefits. The delivery of new commercial accommodation will increase business rates revenue. The potential impact on business rates has been estimated having regard to the Valuation Office Authority (VOA) published data.

4 Economic Impact Assessment

4.1 Introduction

This section sets out the expected economic impacts arising from the proposed scheme, in the construction and operational phases.

4.2 Temporary construction effects

Overall, it is estimated that the development could directly support 102 gross person-years of temporary construction employment. Based on the convention that ten person-years of employment equates to one permanent job, it is estimated that the overall construction phase will result in 10 FTE gross jobs.

Alongside directly supporting employment through the delivery of construction works, the expenditure will also result in supply-side (indirect) benefits, including through, for example, the purchase of construction equipment and supplies. In addition, development proposals will lead to induced effects through construction employees spend on goods and services within Knowsley.

To take into account both the indirect and induced multiplier effects associated with the construction phase, reference has been made to benchmarks outlined within the additionality guidance produced by the former Department for Business Innovation and Skills (BIS) and HCA (now Homes England). Assuming a composite multiplier of 1.33 at the Knowsley level, the scheme expenditure could support an additional 33 per years of indirect and induced employment (equating to 3 FTEs) at the Knowsley level.

In determining the net additional jobs generated through the construction phase, each of the additionality factors has been assessed.

- **Leakage** - in terms of the nature of the proposed scheme, specialist construction activities relating to non-standard activities, or the installation of specific plant and other equipment are more likely to be carried out by expert contractors, operating at a regional or national level. Based on the above, it has been assumed that leakage will be relatively high at 66% at the Knowsley level.
- **Displacement** - at the national level, the construction sector continues to be affected by significant skills shortages, particularly in high growth locations. However, based on a market standard configuration and specification for the new accommodation, it is considered that there is still general capacity to absorb further demand for labour within Knowsley. Overall, it has therefore been assumed that the displacement rate for the Penrhyn Road development in terms of construction activity, will be relatively low at 10%;
- **Multiplier effects** – Alongside directly supporting employment through the delivery of construction works, the expenditure will also result in supply-side benefits (indirect benefits), as well as induced effects associated with local employee expenditure. Standard requirements associated with major construction processes include:

- construction equipment including mobile and tower cranes, scaffolding, access equipment, hand tools, generators, welding rigs, earth moving equipment, temporary electric installations and site cabins; and
- supplies including concrete, fill materials, drainage products, steel, bricks, blocks, and mortar, paving and tarmac, cabling, pipework, ductwork, fittings, cladding materials and consumables such as lime.

To take into account both the indirect and induced multiplier effects associated with the construction phase, reference has been made to benchmarks outlined within additionality guidance produced for BIS and HCA. A composite multiplier of 1.33 has been assumed at the Knowsley level; and

- **Deadweight** - in the absence of the proposed scheme it is anticipated that no comprehensive alternative would come forward in the foreseeable future. Therefore, a deadweight level of nil has been assumed.

If adjustments are made for leakage, deadweight, displacement, and multiplier effects, it is estimated that the scheme would create 35 net additional person-years of construction employment at the Knowsley level, equivalent to 3.5 FTE jobs. Targeted procurement and local supplier measures could further enhance the economic impact in the construction phase.

It is estimated that construction phase investment could generate a net additional GVA impact of £4.8 million at the Knowsley level.

4.3 Permanent employment effects

(i) Gross direct permanent employment

The number of gross permanent jobs accommodated on-site has been estimated based on the expected level of floorspace delivered through the development. As outlined in Section 1, the Penrhyn Road development is expected to bring forward in the order of 18,555 sq.m (GIA) of employment floorspace.

Employment density ratios consistent with those set out in the HCA Employment Floorspace Guidance (allowing for conversion from gross to net internal areas) have been used to calculate the gross direct employment effect for the development. The HCA guidance sets out a range of the identified uses, allowing for variations like activities accommodated. The guidance outlines the following, in relation to the proposed uses:

- **Storage and distribution** – the density ranges from 70 sq.m per FTE to 95 sq.m per FTE – an employment density of 77 sq.m per FTE has been applied, reflecting the potentially regional reach of the development as well as the significant office component of the scheme. This is consistent with benchmarks set out within the HCA Employment Densities Guide (2015), which demonstrates that the warehousing and logistics sector supports a range of on-site activities, including administration, managerial and other office-based employment.
- **Gatehouse** – there is no published guidance in relation to employment densities for security and gatehouses, thus, AMION have assumed that the gatehouse will have an employment density of around 10 sq.m per FTE.

Table 4.1 sets out the results of the estimate of gross direct jobs that will be created as a result of delivering the employment floorspace at Penrhyn Road.

Table 4.1: Gross on-site employment				
Use	Gross: Net Ratio (%)	Employment density/sqm	Occupancy (%)	Gross FTE Jobs
B8	85%	77	90%	184
Gatehouse	100%	10	100%	3
				187

On this basis, it is estimated that the proposed development could accommodate some 187 gross FTE jobs.

Overall, it is estimated that total on-site employment will be higher, reflecting patterns of part-time working. Based on existing ratios of full-time and part-time employment for the proposed sectors within Knowsley, it is estimated that the scheme could provide opportunities for 218 employees.

(ii) Employment profile

Based on existing employment data and statistical sources, further analysis of the profile of the jobs created through the Penrhyn Road development has been carried out. The analysis of key sectors reflects Experian data for sectoral employment in Knowsley.

Alongside FTE jobs, Table 4.3 sets out the estimated employment effects, reflecting expected patterns of full-time/part-time working.

Table 4.3: Gross employment		
Activity	Gross jobs (FTE)	Total jobs
B8	184	214
Gatehouse	3	4
Total	187	218

(iii) Net additional permanent employment

To calculate the number of net additional permanent jobs created as a result of the proposed Penrhyn Road development, adjustments have been made in relation to leakage, displacement, multiplier effects and deadweight. The following assumptions have been applied in relation to each additionality factor:

- **Leakage** – according to the 2011 Census UK travel to workflows, around 38% of people working across all sectors in Knowsley also reside directly within the local authority area. Based on this evidence, leakage has been applied at 62% at the Knowsley level.
- **Displacement** –to calculate the expected level of displacement, reference has been given to benchmarks set out within Additionality Guidance published by the former HCA (2015), alongside supplementary guidance published by the then BIS. Having regard to the published

benchmarks, displacement has been estimated having regard to ready reckoners allowing for a medium rate of displacement (25%) at the Knowsley level.

- **Multiplier effects** – potential multiplier effects associated with localised supply chain and employment expenditure have been estimated, having regard to additionality guidance produced by the HCA and research published by the former BIS. Based on this guidance a composite multiplier of 1.29 has been applied at the Knowsley level.
- **Deadweight** – deadweight, based on the existing use of the site has been assumed to be nil.

Table 4.4 summarises the adjustments applied in assessing impact across Knowsley.

Table 4.4: Operational Phase additionality adjustments	
	Knowsley
Leakage	62%
Displacement	25%
Multiplier	1.29
Deadweight	0

Table 4.5 summarises the net additional permanent employment effect after allowing for leakage, displacement, multiplier effects and deadweight. It is estimated that once fully occupied, the Penrhyn Road development would generate some 69 net additional jobs for Knowsley residents.

Table 4.5: Net additional permanent employment effect (FTE)	
	Knowsley
Gross employment	187
Less leakage	116
Gross local direct jobs	71
Less displacement	18
Net local direct jobs	53
Plus, multiplier effects	19
Total net local effects	69
Less deadweight	0
Total net additional jobs (FTE)	69

4.4 Gross Value Added (GVA)

The gross GVA generated as a result of the additional permanent jobs created has been estimated. The assessment considers the GVA resulting from both the onsite and offsite impacts (Table 4.6), based on average GVA per head figures derived from Experian sector data.

Table 4.6: Gross direct GVA (£m, 2020 prices)

Activity	GVA Per Job	Gross GVA per annum
Onsite		
Storage and distribution	£26,047	£4,638,487
Gatehouse	£17,538	£50,905
Total gross GVA per annum		£4,689,392

Based on the above, it is estimated that the onsite and offsite employment could generate up to £4.68 m per annum in Gross GVA at the Knowsley level.

Table 4.7 sets out the annual net additional GVA impact once the Penrhyn Road development is complete, alongside the estimated cumulative GVA impact. The calculation of the cumulative impact allows for the persistence of the employment benefits for a period of 10 years with an allowance of decay at 10% per annum. The cumulative impact is discounted at 3.5%.

Table 4.7 Net additional GVA (£m, 2020 prices)

	Knowsley
Annual GVA*	£4.68m
Cumulative GVA**	£20.35m

4.5 Fiscal benefits

In addition to the above, there will be further benefits associated with the delivery of employment floorspace. Based on benchmark rateable values, it is estimated that the development could generate a total business rates income of more than £0.26m per annum. The basis for this estimate is outlined in Table 4.8. The contribution that this income makes to sustaining frontline services provided by Knowsley Metropolitan Borough Council is likely to grow in importance to support recovery from the COVID-19 pandemic.

Table 4.8: Business rates estimate

Activity	Rateable value per sq m	Total RV	Gross business rates	Risk adjustment	Net business rates
B8	£36	£666,972	£334,820	20%	£267,856
Total					

4.6 Wider impacts

This section sets out the wider benefits of the proposed development. There will be opportunities to secure benefits throughout the construction phase and the following occupation. Effective engagement between all parties will contribute to ensuring that benefits are realised for local residents.

During the construction phase, opportunities could include:

- **Employment and Skills** – working collaboratively to promote opportunities for:
 - individuals who are currently unemployed and young people who are not in education, employment, or training (NEETs);
 - delivering apprenticeships for Level 2 and 3 apprentices and displaced apprentices who have been unable to complete their apprenticeship training to date;
 - graduate and undergraduate placements across a range of disciplines (e.g. architects; engineers); and
 - the delivery of meaningful work experience – through placements for students at college or studying in the 6th form at school.
- **Local supply chain opportunities** – There are opportunities through the development to retain spending locally, through for example use of local sub-contractors and the promotion of local labour through the supply chains. The local authority can support linkages to suitable suppliers within the local area.
- **Community** – There is potential to work with local community groups to deliver wider community benefits.

In addition, it is envisaged a range of wider benefits will arise over the longer term through supporting the continued development of logistics and freight at Knowsley Business Park, contributing to the sub-regional SuperPort cluster and strengthening the wider economy.

Appendix A – Socio-economic profile

(i) Introduction

This Appendix sets out a detailed assessment of socio-economic conditions based on published statistical data.

(ii) Population

In 2020, the population of Knowsley stood at 152,452 people, an increase of 3.01% since 2016. This increase in population growth is higher than the levels displayed across the City Region (1.66%) and nationally (2.32%).

Table A1: Population			
	2016	2020	change
Knowsley	148,001	152,452	3.01%
LCRCA	1,538,461	1,564,015	1.66%
England	55,268,067	56,550,138	2.32%

In 2020, the Knowsley Local Authority had 62.2% of people that were of working age (aged between 16 and 64), this is broadly in line with comparator areas, with 62.6% of people of working age in the City Region and 62.3% nationally.

Over the period 2016-2020, the total working-age population increased in the Knowsley local authority by just over 1%, this is somewhat higher when compared to the City Region (0.25%), however, it does reflect trends at the national level (1.08%)

Table A2: Working Age Population			
	2016	2020	change
Knowsley	93,866	94,864	1.06%
LCRCA	977,002	979,455	0.25%
England	34,856,126	35,233,879	1.08%

Source: ONS Population Estimates

(iii) Economic activity

Overall, the number of economically active residents in Knowsley has risen from 2018 onwards, however, the nature of employment within Knowsley will have felt the biggest impact of COVID-19. Despite this, the level of economic activity has remained steady, both at the Knowsley local authority area level and the comparator areas.

Table A3: Economic Activity					
Economic Activity (% of resident pop. aged 16-64)	Jan 2016-Dec 2016	Jan 2017-Dec 2017	Jan 2018-Dec 2018	Jan 2019-Dec 2019	Jan 2020-Dec 2020
Knowsley	75.1%	73.2%	72.6%	77.9%	77.7%
LCRCA	72.3%	73.6%	74.3%	76.0%	75.7%
England	78.1%	78.6%	78.7%	79.2%	79.5%

Source: ONS Annual Population Survey

(iv) Employment

In 2019, total employment in Knowsley was approximately 75,000. In total, the Knowsley Local Authority area saw a total increase of 13.6% of jobs between 2015 and 2019. This is a considerably higher growth rate in employment than the City Region (8.6%) and England (4.7%).

Table A4: Employment	
Change in total employment	2015-2019
Knowsley	13.6%
LCRCA	8.1%
England	4.7%

Source: ONS Business Register and Employment Survey

A breakdown of sectoral employment is provided in Table A5, showing employment levels by broad industrial groups for Knowsley in 2019, together with the proportion of employment in each industrial group for comparator areas in 2019. In 2019, the sectors with the highest proportions of employment in Knowsley were manufacturing (17%), professional, scientific and technical (12%), retail (9%) and business administration & support services (8%).

The proportion of Knowsley's total employment within the manufacturing sector is significantly higher than in the comparator areas.

Table A5: Sectoral employment

Breakdown of sectoral employment (2019)	Knowsley (%)	Knowsley	LCRCA	England
Agriculture, forestry & fishing (A)	0%	300	1,250	357,000
Mining, quarrying & utilities (B,D and E)	1%	1,000	6,000	303,000
Manufacturing (C)	17%	13,000	49,000	2,113,000
Construction (F)	4%	3,000	26,000	1,355,000
Motor trades (Part G)	1%	600	10,000	517,000
Wholesale (Part G)	3%	2,000	21,000	1,070,000
Retail (Part G)	9%	7,000	69,000	2,504,000
Transport & storage (inc postal) (H)	6%	4,500	41,000	1,355,000
Accommodation & food services (I)	3%	2,250	46,000	2,033,000
Information & communication (J)	1%	600	14,000	1,188,000
Financial & insurance (K)	2%	1,250	17,000	942,000
Property (L)	1%	500	11,000	541,000
Professional, scientific & technical (M)	12%	9,000	54,000	2,490,000
Business administration & support services (N)	8%	6,000	52,000	2,413,000
Public administration & defence (O)	2%	1,750	39,000	1,064,000
Education (P)	5%	3,500	57,000	2,288,000
Health (Q)	21%	16,000	120,000	3,368,000
Arts, entertainment, recreation & other services (R,S,T and U)	3%	2,500	34,000	1,253,000
Total	100%	75,000	669,000	27,154,000

Source: ONS Business Register and Employment Survey

(v) Local labour market

Based on an analysis of data from the ONS Annual Population Survey and Annual Survey of Hours and Earnings, the data indicated the following:

- Knowsley has a relatively low proportion of all persons in employment who were employed in managerial and professional occupations (SOC 1-3), than figures for the City Region and nationally;
- from January to December 2020, Knowsley had lower levels of NVQ4+ than the comparator areas. In addition to this, Knowsley also had the highest proportion of those with no qualifications;
- resident earnings in Knowsley were significantly below the national average in 2020, however, they were higher than the City Region average; and
- workplace earnings were significantly higher than all comparator areas.

Table A6: Local labour market analysis			
	Knowsley	LCRCA	England
Occupation data (Jan 2020 - Dec 2020) - % of all in employment			
1: managers, directors and senior officials (SOC2010)	9.5%	9.3%	11.8%
2: professional occupations (SOC2010)	14.4%	21.3%	22.9%
3: associate prof & tech occupations (SOC2010)	13.4%	15.7%	15.9%
4: administrative and secretarial occupations (SOC2010)	12.2%	12.0%	10.1%
5: skilled trades occupations (SOC2010)	9.0%	8.4%	9.1%
6: caring, leisure and other service occupations (SOC2010)	8.9%	9.8%	8.7%
7: sales and customer service occupations (SOC2010)	9.3%	7.8%	6.7%
8: process, plant and machine operatives (SOC2010)	8.3%	6.0%	5.4%
9: elementary occupations (SOC2010)	15.1%	9.3%	9.2%
Qualification data (Jan 2020 - Dec 2020) %			
% with NVQ4+ - aged 16-64	29.1%	38.0%	42.8%
% with NVQ3+ - aged 16-64	47.2%	57.1%	61.3%
% with NVQ2+ - aged 16-64	70.6%	76.0%	78.2%
% with NVQ1+ - aged 16-64	80.0%	85.5%	88.2%
% with other qualifications (NVQ) - aged 16-64	6.2%	5.3%	5.7%
% with no qualifications (NVQ) - aged 16-64	13.7%	9.2%	6.2%
Resident based earnings (£)			
Weekly pay - gross median	£575.60	£567.30	£589.80
Workplace-based earnings (£)			
Weekly pay – gross median	£909.00	£577.00	£589.90

Source: ONS Annual Population Survey, ONS Annual Survey of Hours and Earnings

(vi) Unemployment and worklessness

As of July 2021, the claimant count in Knowsley was 7,050, as measured by combining the number of people claiming Jobseeker's Allowance (JSA) and National Insurance credits with the number of people receiving Universal Credit principally for the reason of being unemployed. This represented 7.4% of the resident population aged between 16-64, which is above the national average.

Table A7: Claimant rate					
Claimant rate (% of resident population aged 16-64)	Jul-17	Jul-18	Jul-19	Jul-20	Jul-21
Knowsley	3.5%	3.5%	4.5%	8.5%	7.4%
LCRCA	3.0%	3.3%	4.0%	7.7%	6.7%
England	1.8%	2.1%	2.7%	6.4%	5.5%

Source: ONS Claimant Count

The number of workless households (households where no one aged 16 or over is in employment) in Knowsley was 8,300 between January and December 2019, which amount to 17.7% of all the households in the area. This figure was lower than that of the City Region (18.6%) but significantly higher than the national figure (13.3%).

(vii) Business environment

A breakdown of sectoral businesses in 2020 is provided within Table A8, showing business counts by broad industrial group, together with proportions of businesses in each industrial group for comparator areas.

Table A8 shows that in 2020, construction (17.6%), professional, scientific, and technical (13%), business administration and support services (12.1%), transport and storage (9.4%) and manufacturing (8.5%) represented the highest proportion of business sectors within Knowsley.

Table A8: Sectoral business counts (2020)				
Breakdown of sectoral employment (2020)	Knowsley	Knowsley (%)	LCRCA (%)	England (%)
Agriculture, forestry & fishing (A)	40	1.1%	0.7%	4.2%
Mining, quarrying & utilities (B,D and E)	30	0.9%	0.5%	0.5%
Manufacturing (C)	300	8.5%	5.5%	4.9%
Construction (F)	620	17.6%	12.7%	12.8%
Motor trades (Part G)	60	1.7%	2.8%	2.8%
Wholesale (Part G)	140	4.0%	3.3%	3.8%
Retail (Part G)	235	6.7%	8.8%	7.6%
Transport & storage (inc postal) (H)	330	9.4%	6.8%	4.6%
Accommodation & food services (I)	195	5.5%	7.5%	5.6%
Information & communication (J)	145	4.1%	5.5%	8.7%
Financial & insurance (K)	70	2.0%	2.2%	2.3%
Property (L)	70	2.0%	3.8%	3.8%
Professional, scientific & technical (M)	460	13.0%	16.0%	17.5%
Business administration & support services (N)	425	12.1%	9.7%	8.8%
Public administration & defence (O)	5	0.1%	0.1%	0.3%
Education (P)	55	1.6%	2.0%	1.7%
Health (Q)	150	4.3%	4.8%	3.7%
Arts, entertainment, recreation & other services (R,S,T and U)	200	5.7%	7.4%	6.3%
Total	3525	1	1	1

Source: ONS Business Register and Employment Survey

(viii) Deprivation

The 2019 English Indices of Deprivation (MHCLG, 2019) shows some severe pockets of deprivation across Knowsley, particularly in the urban centres.

Figure A1: Index of Multiple Deprivation

