



EEIP II Arundel Propco 2 Holdings Limited

Redevelopment of Deacon Business Park

Economic Impact Assessment

February 2023

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This document including appendices contains 30 pages
Ref: [https://amion.sharepoint.com/CLIENTS/Gerald Eve/EQT Exeter/Redevelopment
of Deacon Business Park - Economic Impact Assessment - February 2023.docx](https://amion.sharepoint.com/CLIENTS/Gerald%20Eve/EQT%20Exeter/Redevelopment%20of%20Deacon%20Business%20Park%20-%20Economic%20Impact%20Assessment%20-%20February%202023.docx)

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Executive Summary

AMION Consulting has undertaken an Economic Impact Assessment of proposals for the redevelopment of Deacon Business Park, Moorgate Road, Knowsley. The Economic Impact Assessment considers the strategic fit of the proposals against the relevant national, regional, and local policy drivers. The economic benefits in both the construction and operational phases of the development have been assessed, having regard to jobs, and Gross Value Added (GVA), as well as the wider benefits, that are often difficult to quantify but nevertheless important.

In the Construction Phase, the potential impacts are summarised below:

- 228 gross person-years of employment, the equivalent of 23 FTE jobs, supported throughout the construction phase;
- 75 person years of employment supported through the supply chain expenditure across the construction phase, equating to 7.5 FTE jobs;
- 77 net additional person-years of employment, the equivalent of 8 FTE jobs for residents of Knowlsey; and
- Net additional GVA of £10.8m at the Knowsley level during the construction phase.

Once operational, the proposals could potentially have the following impacts:

- 479 gross FTE jobs, supporting employment for more than 540 individuals on a full and part-time basis;
- 139 FTE jobs supported through supply chain and employee spend in the local economy;
- 96 net additional jobs for residents of Knowsley;
- £11.3m in net additional GVA, per annum at the Knowsley level; and
- Business rates income of over £650,000 per annum for Knowlsey MBC.

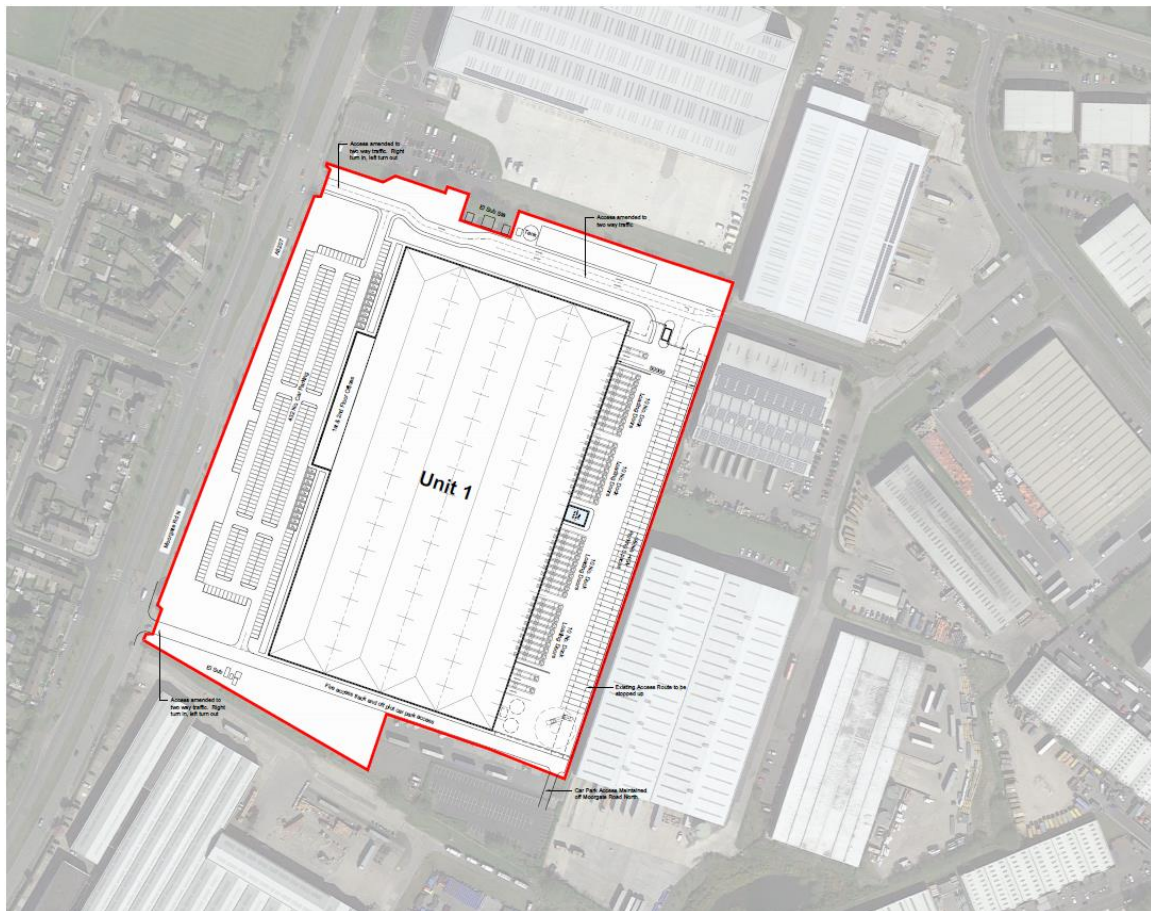
1 Introduction

1.1 Overview

AMION Consulting (AMION) has been appointed by Gerald Eve acting on behalf of EEIP II Arundel Propco 2 Holdings Limited to prepare an economic impact assessment of the proposals for the delivery of a new storage and distribution unit at Deacon Business Park, Moorgate Road, Knowsley.

The site of the development currently comprises an existing facility that is deemed to be economically unviable to repair, with existing occupier's leases coming to an end. The owner, EEIP II Arundel Propco 2, has developed proposals (shown in Figure 1.1) for the delivery of some 41,000 sq.m of industrial and logistics space, with ancillary office accommodation.

Figure 1.1: Deacon Business Park Redevelopment, Moorgate Road, Knowsley



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 redevelopment of Deacon Business Park, that have been estimated within this note include:

- the creation of modern 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;
- *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 alignment of the proposal 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 is outlined in Table 2.1.

Table 2.1: Strategic context	
Policy	Redevelopment of Deacon Business Park – Knowsley – strategic alignment
National	
Levelling Up the United Kingdom: White Paper (2022)	The White Paper sets out the stages in which the levelling up programme in the UK is to follow. There is a clear framework that identifies and provides a plan of action to act upon the drivers of spatial disparity across the UK, these are: • Physical capital – infrastructure, machines, and housing; • Human capital – the skills, health, and experience of the workforce; • Intangible capital – innovation, ideas, and patents; • Financial capital – resources supporting the finance of companies; • Social capital – the strength of communities, relationships, and trust; and • Institutional capital – local leadership, capacity, and capability.

Table 2.1: Strategic context

Policy	Redevelopment of Deacon Business Park – Knowsley – strategic alignment
	The Deacon Business Park scheme responds to several of these drivers, particularly around physical and human capital, by delivering new and modern warehouse and logistics facilities in a primary location within the north west, whilst also supporting local people through the employment opportunities available.
Build Back Better: Our Plan for Growth (March 2021)	The approach to building back better takes a transformational approach, tackling long-term problems to deliver growth that creates high-quality jobs across the UK. This approach is supported by three core pillars of growth: • Infrastructure; • Skills; and • Innovation The Deacon Business Park scheme will deliver new and modern warehouse and logistics facilities in a primary location within the north west, whilst also supporting local people through the employment opportunities available. a
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.
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.

Table 2.1: Strategic context

Policy	Redevelopment of Deacon Business Park – Knowsley – strategic alignment
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 Deacon Business Park redevelopment 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	North west	UK
Demographics			
Resident population	152,452	7,367,456	67,081,234
Working age population (16-64, % total)	62.2%	62.1%	62.4%
Economic activity			
Economically active	80.0%	76.9%	78.4%
In employment	77.8%	73.1%	75.1%
Unemployed (Claimant rate) (Sep 2022)	5.0%	4.2%	3.7%
Employment by occupation (resident based)			
SOC 2010 Major Group 1-3	37.9%	47.9%	50.5%
SOC 2010 Major Group 4-5	26.5%	19.5%	19.3%
SOC 2010 Major Group 6-7	16.9%	15.9%	14.9%
SOC 2010 Major Group 8-9	18.2%	16.4%	15.0%
Qualifications (resident based)			
NVQ 4 and above	31.2%	38.6%	43.5%
NVQ 3 and above	48.9%	58.2%	61.4%
NVQ 2 and above	73.7%	77.2%	78.1%
NVQ 1 and above	81.0%	87.2%	87.4%
Other qualifications	9.6%	5.2%	5.8%
No qualifications	9.5%	7.5%	6.8%
Earnings (gross weekly)			
By place of residence	£572.0	£578.0	£610.7
By place of work	£574.7	£575.8	£610.7

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

Levels of economic activity and employment amongst the resident population in Knowsley are above the levels seen across the North West and the United Kingdom. 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 redevelopment of Deacon Business Park, Moorgate 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 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 redevelopment of Deacon Business Park. Construction cost estimates have been provided by Gerald Eve.

The benchmark turnover per employee for the construction sector of £128,329 is based on published statistics for the construction sector (ONS Annual Business Survey and Business Register and Employment Survey), 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.

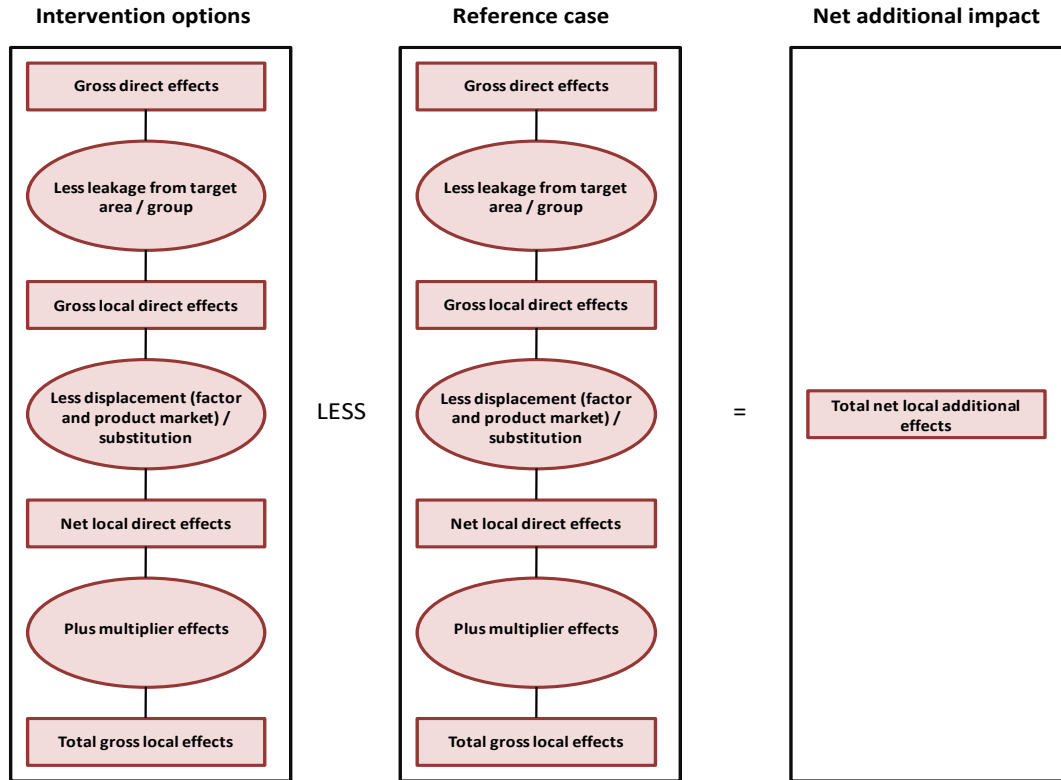
3.5 Net additional impact

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 in relation to indirect and induced effects); 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 228 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 23 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 gross 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 75 per years of indirect and induced employment (equating to 8 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 Deacon Business Park redevelopment 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 77 net additional person-years of construction employment at the Knowsley level, equivalent to 8 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 £10.8 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 redevelopment of Deacon Business Park is expected to bring forward in the order of 41,000 sqm (GIA) of employment floorspace.

Employment density ratios consistent with those set out in the HCA Employment Density 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. In relation to the proposed storage and distribution use, guidance indicates that 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 guidance, which demonstrates that the warehousing and logistics sector supports a range of on-site activities, including administration, managerial and other office-based employment.

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 Deacon Business Park.

Table 4.1: Gross on-site employment

Use	Gross: Net Ratio (%)	Employment density/sqm	Occupancy (%)	Gross FTE Jobs
B8	100%	77	90%	479

On this basis, it is estimated that the proposed development could accommodate some 479 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 545 employees.

(ii) Net additional permanent employment

To calculate the number of net additional permanent jobs created as a result of the proposed Deacon Business Park redevelopment, 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** – Allowance has been made for deadweight at 18% (80 FTE jobs). This reflects the scope of the project that will involve the redevelopment of an existing employment that is reaching the end of its economic life.

Table 4.2 summarises the adjustments applied in assessing impact across Knowsley.

Table 4.2: Operational Phase additionality adjustments

	Knowsley
Leakage	62%
Displacement	25%
Multiplier	1.29
Deadweight	80

Table 4.3 summarises the net additional permanent employment effect after allowing for leakage, displacement, multiplier effects and deadweight. It is estimated that once fully occupied, the Deacon Business Park redevelopment would generate some 86 net additional jobs for Knowsley residents.

Table 4.3: Net additional permanent employment effect (FTE)	
	Knowsley
Gross employment	479
Less leakage	298
Gross local direct jobs	181
Less displacement	45
Net local direct jobs	136
Plus, multiplier effects	39
Total net local effects	176
Less deadweight	80
Total net additional jobs (FTE)	96

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 4.4), based on average GVA per head figures derived from Experian sector data.

Table 4.4: Gross direct GVA (£m, 2022 prices)		
Activity	GVA Per Job	Gross GVA per annum
Storage and distribution	£24,432	£11,708,235

Based on the above, it is estimated that the onsite and offsite employment could generate up to £11m per annum in Gross GVA at the Knowsley level.

Table 4.5 sets out the annual net additional GVA impact once the Deacon Business Park redevelopment 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 4.5: Net additional GVA (£m, 2022 prices)	
	Knowsley
Annual GVA*	11,327.717
Cumulative GVA**	£83,066,722

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 £0.67m per annum. The basis for this estimate is outlined in Table 4.6. The contribution that this income makes to sustaining frontline services provided by Knowsley Metropolitan Borough Council is likely to grow in importance to support economic growth and prosperity.

Table 4.6: Business rates estimate					
Activity	Rateable value per sq m	Total RV	Gross business rates	Risk adjustment	Net business rates
B8	£40	£1,640,000	£839,680	20%	£671,744

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

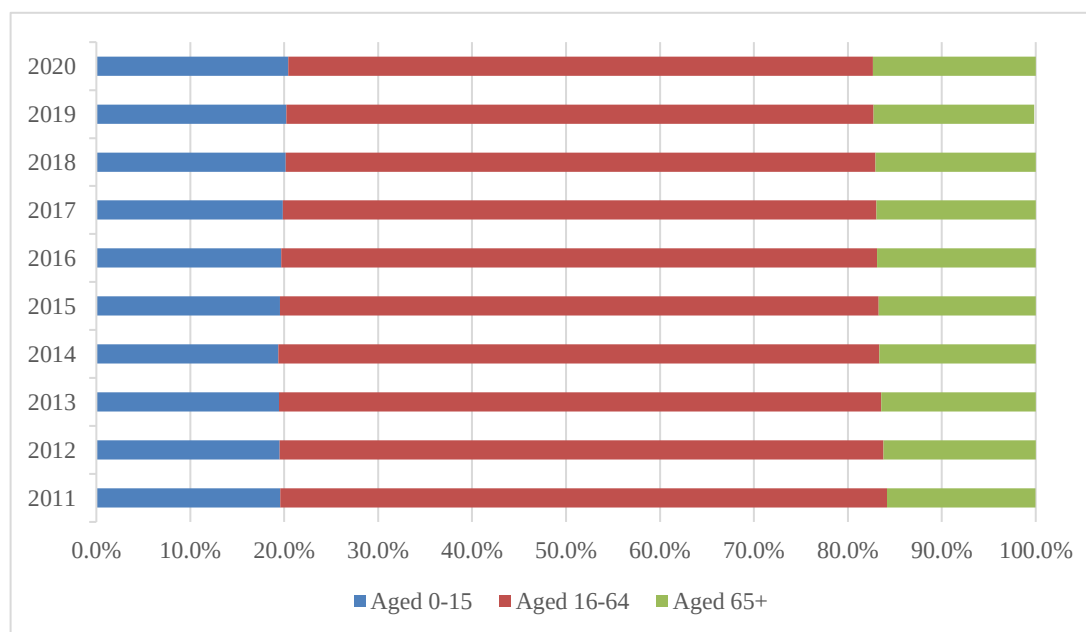
This section provides an overview of the economic context in Knowsley in relation to wider socio-economic conditions. This baseline analysis has focused on the areas of Knowsley, the North West region, and the United Kingdom, reflecting the intervention area and acting as comparator areas.¹

(ii) Population and demographics

In 2020, the total population of Knowsley stood at 152,452 people, an increase of 4.5% since 2011. The population growth rate in was in line with the North West (4.4%) but below that of the United Kingdom (6.0%) during the same period.

The total population of those of a working age (16-64) in Knowsley has increased by only 0.7% from 94,219 in 2011 to 94,864 in 2020. The number of residents aged 15 and below is estimated to have increased by 9.0% from 28,591 in 2011 to 31,169 in 2020. The most notable difference was seen in the proportion of residents aged 65 and over, which increased by an estimated 14.4% between 2011 (23,093) and 2020 (26,419).

Figure A1: Knowsley population structure by age (2011-2020)



Source: ONS Population Estimates – Local Authority based by single year of age

(iii) Economic activity and employment

Economic activity

Economic activity rates for Knowsley and comparator areas between April 2017 and March 2022 are provided in Table A1 below.

¹ Great Britain used where United Kingdom-level data unavailable

The number of economically active people aged between 16 and 64 in Knowsley stood at 73,300 as of April 2021 – March 2022. This represents 80.0% of Knowsley's total working age population and is the highest out of the comparator areas of the North West (76.9%) and the United Kingdom (78.4%). Overall, the proportion of economically active working age residents has increased by 5.7 percentage points (pp) between 2017 and 2022, which follows levels of increasing economic activity across all comparator areas.

Table A1: Economic activity levels for all comparator areas (2017-2022)					
Economic activity (% of resident population aged 16-64)	April 2017 – March 2018	April 2018 – March 2019	April 2019 – March 2020	April 2020 – March 2021	April 2021 – March 2022
Knowsley	74.3%	72.2%	78.3%	77.3%	80.0%
North West	76.8%	76.9%	78.1%	76.9%	76.9%
United Kingdom	78.2%	78.5%	78.9%	78.5%	78.4%

Source: ONS annual population survey

(iv) Employment (workplace jobs)

In 2020, total employment in Birmingham stood at 69,400, an increase of 1,405 (2.1%) in the five-year period from 2016. Growth across the aforementioned areas exceeded that of the North West (1.9%) and Great Britain (1%).

Table A2: Employment	
Change in total employment	2016-2020
Knowsley	+2.1% (1,450 jobs)
North West	+1.9% (69,000 jobs)
United Kingdom	+1.0% (298,000 jobs)

Source: ONS Business Register and Employment Survey

Sectoral composition of employment

A breakdown of sectoral employment is provided in Table A3, showing employment levels by broad industrial group for Knowsley in 2020, together with the proportion of employment in each industrial group for the comparator areas over the same period. In 2020, the sectors with the highest proportions of employment in Knowsley were Health (24.5%), Manufacturing (17.3%) and Retail (10.1%). The proportions of employment within these sectors exceeded both the regional and national averages.

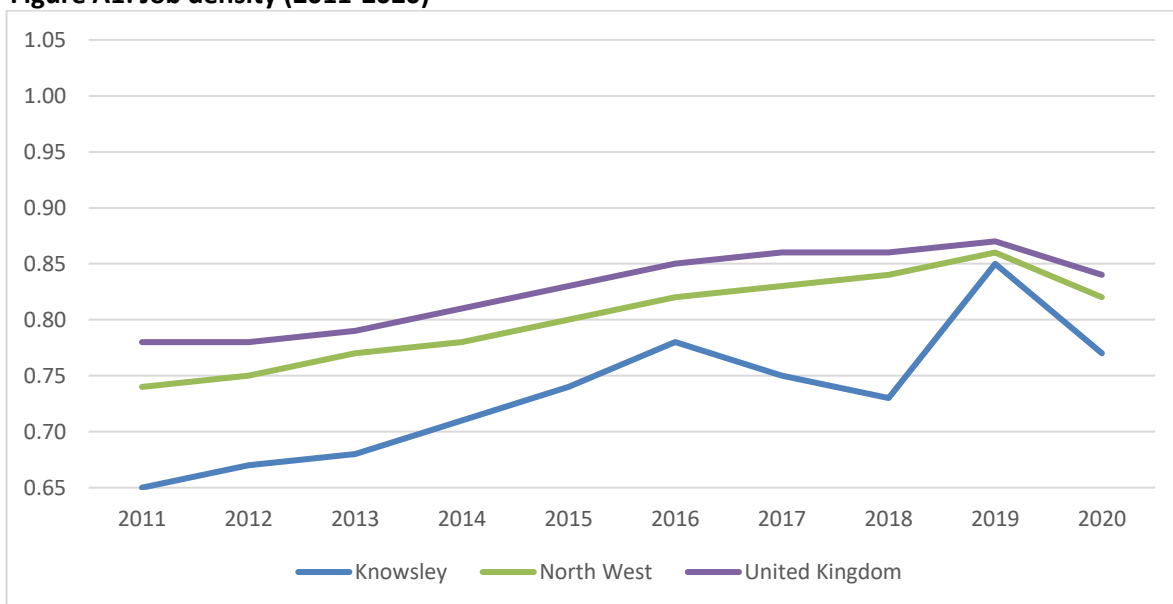
Table A3: Sectoral employment (2020)				
Breakdown of sectoral employment (2020)	Knowsley total employment	Knowsley (%)	North West (%)	Great Britain (%)
Agriculture, forestry & fishing	300	0.4%	1.1%	1.6%
Mining, quarrying & utilities	800	1.2%	1.3%	1.3%
Manufacturing	12,000	17.3%	9.6%	7.7%
Construction	3,000	4.3%	4.3%	4.9%
Motor trades	600	0.9%	2.0%	1.8%
Wholesale	2,000	2.9%	4.0%	3.7%
Retail	7,000	10.1%	10.8%	9.3%
Transport & storage (inc postal)	3,500	5.0%	5.0%	5.0%
Accommodation & food services	2,250	3.2%	6.7%	7.1%
Information & communication	600	0.9%	3.0%	4.3%
Financial & insurance	1,000	1.4%	2.6%	3.4%
Property	600	0.9%	1.8%	1.9%
Professional, scientific & technical	5,000	7.2%	8.8%	8.8%
Business administration & support services	6,000	8.6%	8.2%	8.6%
Public administration & defence	1,750	2.5%	4.5%	4.4%
Education	4,000	5.8%	8.3%	8.6%
Health	17,000	24.5%	14.1%	13.2%
Arts, entertainment, recreation & other services	2,000	2.9%	4.0%	4.3%
Total	69,400	100%	100%	100%

Source: ONS Business Register and Employment Survey

(v) Job density

In 2020, the job density of Knowsley was 0.77, which was lower than that of the North West (0.82) and the United Kingdom (0.84). Figure A1 below shows that over the longer term (10 years from 2011-2020), the job density for Knowsley has increased gradually (despite a drop in 2018), alongside the comparator areas. It is evident that between 2019 and 2020 (coinciding with the COVID-19 pandemic), job densities have decreased.

Figure A1: Job density (2011-2020)



Source: ONS Job density

(vi) Local Labour Market

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(vii) Occupations

The proportion of resident employment by occupation in 2021 is set out in Table A4 for Knowsley, the North West, and the United Kingdom.

Table A4 shows that in 2020 Knowsley had a much lower proportion of persons in employment who were in Professional occupations (16.0%) and Managers, directors, and senior officials (6.4%), than all of the comparator area. In contrast, there were higher proportions of Knowsley's residents employed in Skilled trade occupations (13.7%), Elementary occupations (12.3%) and Sales and customer service occupations (8.1%), when compared to comparators.

Table A4: Occupational profile			
Occupational level (% of all persons in employment, 2021)	Knowsley (%)	North West (%)	United Kingdom (%)
Managers, directors, and senior officials	6.4%	9.2%	10.3%
Professional occupations	16.0%	24.2%	25.6%
Associate prof & tech occupations	15.5%	14.5%	14.6%
Administrative and secretarial occupations	12.8%	10.7%	10.5%
Skilled trades occupations	13.7%	8.8%	8.8%
Caring, leisure and other service occupations	8.8%	8.0%	8.1%
Sales and customer service occupations	8.1%	7.9%	6.8%
Process, plant, and machine operatives	5.9%	6.1%	5.6%
Elementary occupations	12.3%	10.3%	9.4%

Source: ONS annual population survey

(viii) Earnings

Total median gross weekly resident earnings between 2017 and 2021 for Knowsley and the comparator areas² are shown in Table A5

In 2021, earnings of residents in Knowsley (£572.0) were lower than that of residents in the North West (£578.0) and the United Kingdom (£610.7). Moreover, Knowsley has experienced less growth in weekly resident earnings over the 5-year period 2017-2021, with 11.7%, this level of growth is lower than the North West (12.2%), but great than the United Kingdom (11.0%) over the same period.

² Wider area of impact has been excluded from the analysis due to limited data availability

Table A5: Resident-based earnings						
Median resident earnings for all workers (£ per week)	2017	2018	2019	2020	2021	% Change (2017-2021)
Knowsley	512.0	510.2	515.6	575.3	572.0	11.7%
North West	514.5	529.8	555.8	558.1	578.0	12.3%
United Kingdom	550.0	568.3	585.2	585.7	610.7	11.0%

Source: ONS annual survey of hours and earnings – resident analysis

In 2021, median workplace-based earnings for Knowsley were £574.7 per week, slightly higher than the resident-based earnings. Between 2017 and 2021, workplace-based earnings in Knowsley grew by 4.8%, this is considerably lower than the growth seen in the North West (12.0%) and across the United Kingdom (11.0%).

Table A6: Workplace-based earnings						
Median workplace earnings for all workers (£ per week)	2017	2018	2019	2020	2021	% Change (2017-2021)
Knowsley	548.2	635.2	558.2	903.2	574.7	4.8%
North West	514.2	529.9	550.5	557.8	575.8	12.0%
United Kingdom	550.0	568.3	585.2	585.7	610.7	11.0%

Source: ONS annual survey of hours and earnings – workplace analysis

(ix) Qualifications

The proportion of residents with National Vocational Qualification (NVQ) equivalent level of qualifications in 2021 is shown in Table A7 for Knowsley and comparator areas.

The educational attainment of Knowsley's resident labour force is relatively low when compared to that of all the comparator areas. This is highlighted across all levels of educational attainment in Knowsley, where the local authority has higher proportions in these categories than each of the comparator areas. At the lower end of the educational attainment statistics, Knowsley (9.5%) has the highest proportion of residents with no qualifications out of all comparator areas.

Table A7: Qualifications (2021)						
Qualification level (% of resident population aged 16-64)	NVQ4+	NVQ3+	NVQ2+	NVQ1+	Other qualifications	No qualifications
Knowsley	31.2%	48.9%	73.7%	81.0%	9.6%	9.5%
North West	38.6%	58.2%	77.2%	87.2%	5.2%	7.5%
United Kingdom	43.5%	61.4%	78.1%	87.4%	5.8%	6.8%

Source: ONS annual population survey

(x) Unemployment and Worklessness

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(xi) Unemployment

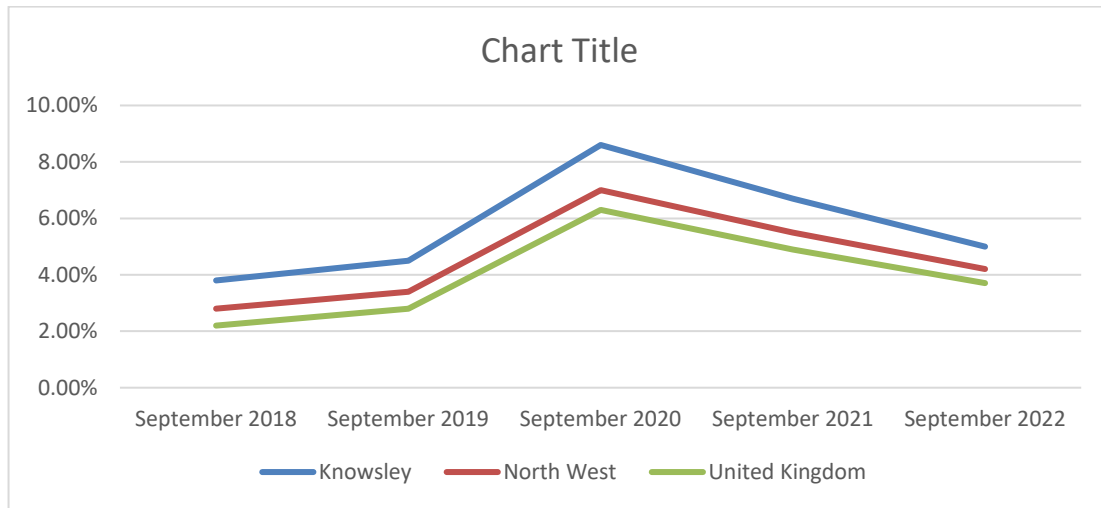
As of September 2022, the claimant count for Knowsley was 4,705, as measured by combining the number of people claiming Jobseeker's Allowance (JSA) and National Insurance credits with the number of people receiving Universal Credit principally for the reason of being unemployed. This represented 5.0% of the resident population aged 16-64, which is above the regional (4.2%) and national (3.7%) averages for the same month³.

Following the onset of the COVID-19 pandemic in March 2020, there has been a significant increase in the number of claimants across the country. As demonstrated in Table A8, the percentage of claimants across Birmingham peaked at 10.8% despite the governments job retention scheme (Furlough). These levels of unemployment were significantly higher than the comparator areas of the West Midlands (7.2%) and the United Kingdom (6.3%). Levels of unemployment and the number of claimants remains much higher than the pre-pandemic levels of March 2020, but there are suggestions that these are falling, with a 1.9pp drop between July 2021 and July 2022 in Birmingham, 1.6pp in the West Midlands and across the United Kingdom.

Table A8: Claimant rate (2018-2022)					
Claimant count (% of resident population aged 16-64)	September 2018	September 2019	September 2020	September 2021	September 2022
Knowsley	3.8%	4.5%	8.6%	6.7%	5.0%
North West	2.8%	3.4%	7.0%	5.5%	4.2%
United Kingdom	2.2%	2.8%	6.3%	4.9%	3.7%

Source: ONS Claimant count by sex and age

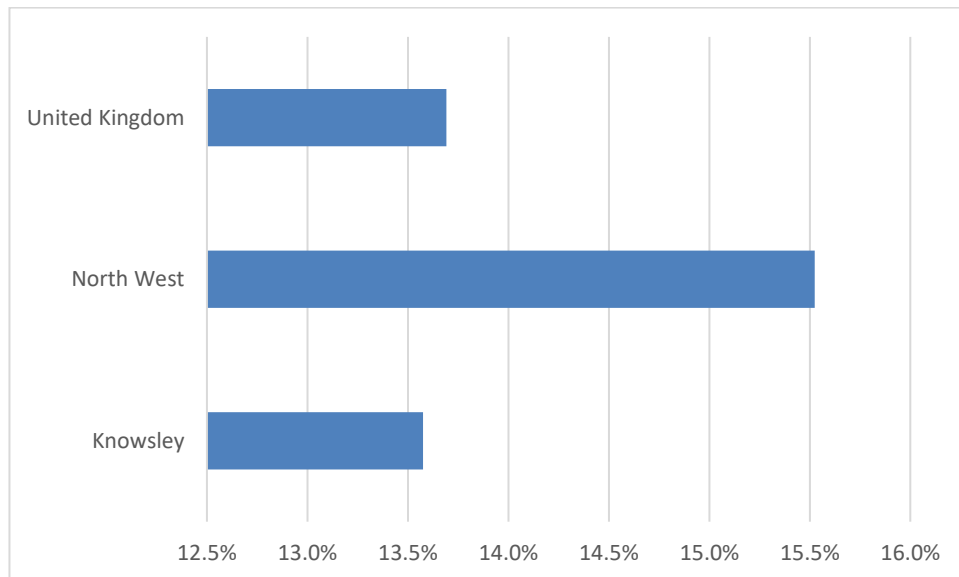
Figure A3: Claimants as a proportion of residents aged 16-64 (September 2018 – September 2022)



Source: ONS Claimant count by sex and age

The number of workless households (households where no-one aged 16 or over is in employment) in Knowsley was 6,000 between January and December 2020, which amounts to 13.6% of the households within the local authority area. Across the North West there were 357,900 workless households and finally across the United Kingdom there were 2,871,900. In 2020, across the comparator areas Knowsley displayed the lowest proportion of workless households at 13.6%.

Figure A4: Percentage of workless households (2020)



Source: ONS annual population survey

(xii) Business environment and demographics

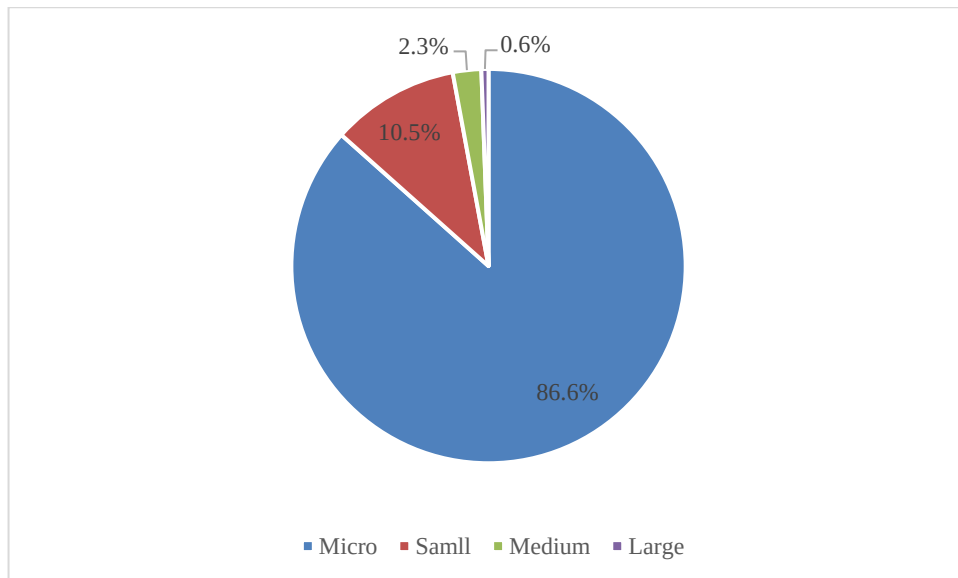
The proportion of businesses at all size levels in 2022 is shown in Table A9 for Knowsley and the comparator areas. Figure A5 shows the proportion of businesses by all size bands in Knowsley.

There were 3,430 businesses in Knowsley as of 2021. The largest proportion of businesses are micro businesses employing 0-9 people, which accounts for 86.6% of the business base in Knowsley. Small businesses, employing 10-49 people, account for 10.5% of the total businesses for Knowsley, while medium-sized businesses, with between 50 and 249 employees accounts for 2.3% of the business base. Finally, large businesses with 250 or more employees accounts for 0.6% of all businesses within Knowsley. The data suggests that all of the areas are similar in their business make-up.

Table A9: Proportion of enterprises by employment size band (2022)				
Enterprises (% all enterprises by size band)	Micro	Small	Medium	Large
Knowsley	86.6%	10.5%	2.3%	0.6%
North West	88.7%	9.3%	1.6%	0.4%
United Kingdom	89.5%	8.6%	1.5%	0.4%

Source: ONS Business Count

Figure A5: Knowsley business count breakdown by size-band (2021)



Source: ONS Business Counts

A breakdown of sectoral businesses within Knowsley is provided in Table A10 showing business counts by broad industrial group in 2022, together with the proportion of businesses in each industrial group for the comparator areas.

Table A10 shows that in 2022, Construction (19.4%) accounted for the largest proportion of the business make up in Knowsley. Sectors such as Professional, scientific, and technical (10.6%),

Business administration and support services (10.6%) were also higher than comparator areas of the North West and the United Kingdom.

Table A10: Sectoral business counts (2022)				
Breakdown of sectoral business counts (2022)	Knowsley total business count	Knowsley (%)	North West (%)	United Kingdom (%)
Agriculture, forestry & fishing	35	1.0%	4.1%	5.1%
Mining, quarrying & utilities	20	0.6%	0.5%	0.6%
Manufacturing	290	8.5%	5.5%	5.0%
Construction	665	19.4%	12.4%	13.5%
Motor trades	75	2.2%	3.2%	2.9%
Wholesale	135	3.9%	4.8%	3.9%
Retail	275	8.0%	9.3%	8.1%
Transport & storage (inc postal)	325	9.5%	5.4%	5.0%
Accommodation & food services	185	5.4%	7.1%	6.3%
Information & communication	140	4.1%	5.1%	7.1%
Financial & insurance	45	1.3%	2.7%	2.2%
Property	80	2.3%	4.1%	4.0%
Professional, scientific & technical	365	10.6%	14.5%	15.6%
Business administration & support services	365	10.6%	8.5%	8.3%
Public administration & defence	5	0.1%	0.2%	0.3%
Education	55	1.6%	1.7%	1.7%
Health	155	4.5%	4.3%	3.8%
Arts, entertainment, recreation & other services	2,010	6.0%	6.4%	6.5%
Total	36,925	100.0%	100.0%	100.0%

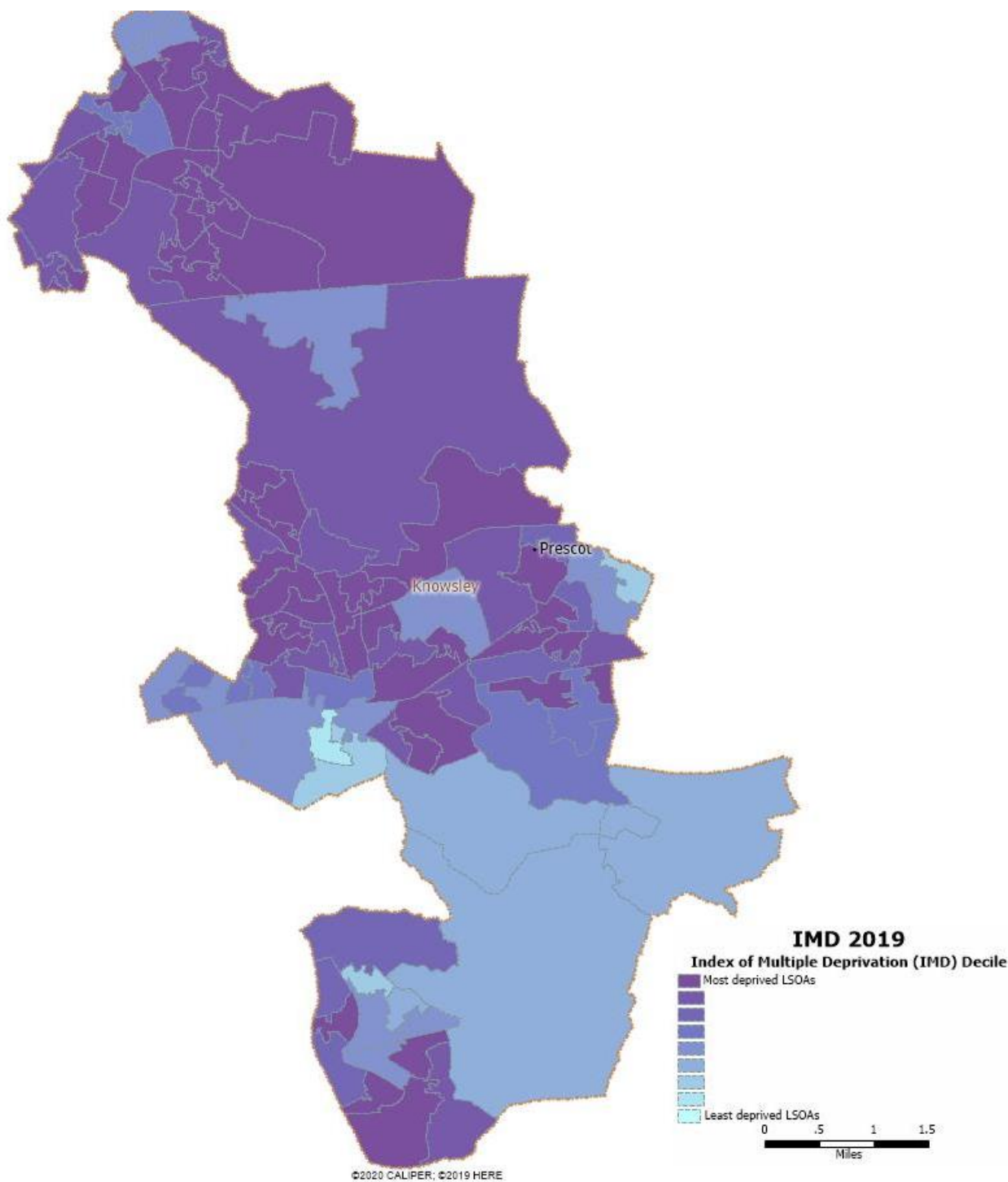
Source: ONS UK Business Counts

(xiii) Deprivation

The 2019 English Indices of Deprivation (MHCLG, 2019) ranks areas based on the level of deprivation experienced by their residents. Knowsley has an average score (based on its Lower Super Output Areas, LSOAs) of 43.006 which is ranked 2nd out of 317 with 1st being the area with the highest score and most deprivation on average. In addition, 46.4% of Knowsley's LSOAs are included within the IMD's top 10% most deprived LSOAs with a further 16% included in the top 20%.

The levels of deprivation across Knowsley are shown in Figure A6 below.

Figure A6: Knowsley IMD



Source: English Index of Multiple Deprivation, DHCLG, 2019