

Briefing Note

Our ref 70150/01/CHH/CR
Date 22 December 2025
From Lichfields

Subject **Cronton Road, Cronton – Economics Methodology Note**

- 1.1 This note, prepared on behalf of Bellway Homes Limited (North West Division), provides an overview of the methodological approach and key assumptions that underpin the economic benefits of delivering a residential scheme of up to 120 dwellings at Land at Cronton Road, Cronton, Knowsley. The economic benefits have been identified in the accompanying Infographic provided in Appendix 1. The figures are underpinned by Lichfields' eVALUATE framework. eVALUATE is regularly used by local authorities to assess the economic impact of development, as well as by many of the UK's leading developers, investors and house builders.

1.0 Economic Benefits

Construction Benefits

Direct Construction Employment

- 1.1 The Building Cost Information Service [BCIS] provides average residential construction costs for houses of different types and sizes across each UK region. Applying these costs to the housing mix of the proposed development at Cronton Road, we can estimate an overall construction cost of **around £23.4 million**.
- 1.2 Using the 'new housing' labour coefficients from the HCA's *Calculating Cost per Job Best Practice Note* (2015), it is possible to calculate the number of direct construction jobs supported by the proposed development over the course of the construction phase. This coefficient assumes that 19.9 direct FTE jobs per £1 million of construction value in 2011 prices will be supported over the course of a year.
- 1.3 To use the coefficient, the estimated construction cost of c.£23.4 million has been deflated from 2025 to 2011 prices using the UK Government GDP Deflator (March 2025). Applying the new housing coefficient to the deflated construction cost of £17.4 million and then dividing the result by the estimated length of the construction phase (3.5 years) leads to the proposed development supporting **99 gross direct FTE jobs** annually over the construction phase¹.

¹ Homes and Communities Agency (2015): *Calculating Cost per Job: Best Practice Note*

Indirect and Induced Employment

- 1.4 The National Housing Federation's Local Economic Impact Calculator (2022) indicates that the construction industry has an indirect and induced employment multiplier of 2.15 for the North West². Applying this multiplier to the 99 direct construction FTE jobs p.a. indicates an **additional 114 FTE jobs p.a.** would be supported by the proposed development in sectors across the regional economy. This is in addition to the 99 direct construction FTE jobs discussed earlier.

Gross Value Added

Direct Gross Value Added

- 1.5 Through an analysis of Experian data (July 2023) it is estimated that the average FTE construction worker in the North West generates £69,772 of GVA per annum (at 2019 prices). On the basis of the above, and inflated to 2025 prices, it is assumed that the 93 direct construction jobs could generate **c.£8.2 million** in GVA during each year of construction.

Indirect and Induced Gross Value Added

- 1.6 The National Housing Federation³ further indicates that the construction sector has a GVA multiplier equivalent to 2.29 across the North West. Applying this multiplier figure to the direct GVA impacts derived above indicates that the development proposals could support **c.£10.5 million** of indirect GVA per annum in total.
- 1.7 This equates to around **£18.7 million direct and indirect GVA** in total per annum. It should be noted that not all of this will be retained locally.

Operational Benefits

Expenditure Benefits

First Occupation Expenditure

- 1.8 It is commonly accepted that households embark on a period of increased expenditure once they move into a new property in order to put their stamp on the house and make it 'feel like home'. Research by OnePoll⁴ suggested that this initial injection of expenditure could average approximately £5,500 per home. Applying this to the proposed development of up to 120 new homes would suggest that first occupation expenditure associated with the site could be in the order of **£660,000**.

Net Additional Local Expenditure

- 1.9 The ONS Family Expenditure Survey provides a breakdown of household expenditure, at the national level, for a series of Output Area Classification [OAC] supergroups – defined

² National Housing Federation, Local Economic Impact Calculator (2022)

³ Ibid

⁴ <https://www.barratthomes.co.uk/the-buying-process/home-buying-advice/>

according to their socio-economic characteristics. The predominant OAC supergroup within the existing residential areas surrounding the proposed development site is classified as ‘rural residents’ and indicates an average weekly household expenditure of £563.30 per week.

- 1.10 The ONS Family Expenditure Survey indicates that the weekly expenditure of the average household in the North West region stands at 95.89% of the UK average. Having regard to the above, the total gross expenditure expected from new residents at the Proposed development is estimated to be in the region of £2.8 million per annum.
- 1.11 The DTLR’s English Housing Survey-Tenure by Distance moved (2013/14) has been used to estimate the proportion of households at the site that are likely to be new to the local area (moving a distance greater than 10 miles). An analysis of the Council’s most recent retail study⁵ has been used to estimate an expenditure retention rate of around 37.1% for Knowsley.
- 1.12 Having regard to the methodological approach outlined above, it is estimated that the net additional expenditure to be generated by the scheme could be in the order of **£757,400 per annum**.

FTE Jobs Supported by Net Additional Expenditure

- 1.13 It is estimated that the net additional expenditure per annum could support the creation of **8 new FTE jobs** in the local area (primarily in the retail, leisure and hospitality and catering sectors). This has been calculated having regard to ONS data sets which provide a breakdown of the proportionate share of the average household’s weekly expenditure; and ‘cost per job’ estimates by sector.

Local Authority Revenue Benefits

Council Tax

- 1.14 Having regard to levels of Council Tax levied by the local authority in the 2025/26 financial year for Cronton, it is estimated that the development could generate around **£220,400 per annum** in additional council tax payments in perpetuity.

New Homes Bonus

- 1.15 Under the UK Government’s New Homes Bonus [NHB] scheme, the Council has the potential to benefit from additional funding provided by the Government if the dwellings included within the proposed development are delivered. Using standard methods of calculation, as contained within the Government’s NHB calculator, it is estimated that delivering up to 120 dwellings could generate around **£206,550** of NHB payments in each year they are paid.

⁵ Knowsley Council (2013) Planning for Retail in Knowsley

Appendix 1 Economic Benefits Infographic

Land at Cronton Road, Cronton

The development of up to 120 homes (to include 40% affordable dwellings) presents a significant opportunity to deliver much needed new homes and support the economic growth of Cronton and the wider area.

The proposal



Up to **120** New homes **40%** Affordable homes

Construction benefits



£23.4m
Construction value
(total construction cost)



£18.7m GVA
Economic output
(additional GVA p.a.)



99 Jobs
Construction jobs
(temporary jobs over the 3.5 year build period)



114 Jobs
Supply chain jobs
(indirect/induced 'spin-off' jobs supported)



Operational and expenditure benefits



£660,000
First occupation expenditure
(spending to make a house 'feel like a home')



£757,400
Resident expenditure
(within local shops and services p.a.)



8 Supported jobs
(from increased expenditure in local area)



Local Authority revenue benefits



£206,550
New Homes Bonus payments
(over a 6 year period)



£220,400
Council Tax revenues
(p.a.)



Wider contributions likely to include:
early years education, primary education,
open space and travel plan monitoring.

