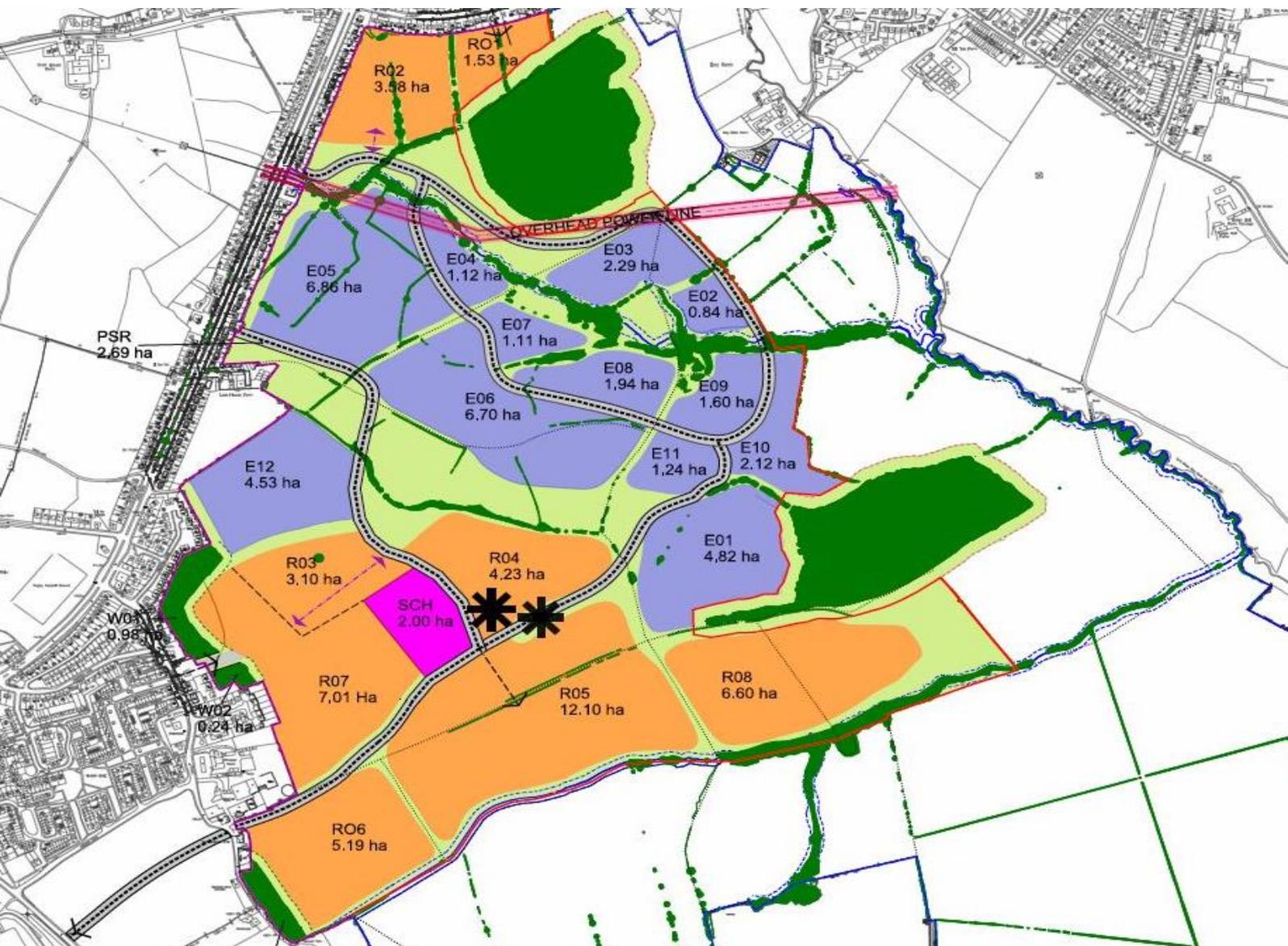


Socio-economic impact assessment of development on land to the North East of Chidswell – Update

A Report on behalf of the Church Commissioners for England

December 2016



SQW

Contents

Executive Summary	i
1. Introduction.....	1
2. Context	4
3. Construction phase impacts.....	11
4. Impact of the development	14
5. Benefits to the local area and wider benefits.....	20
6. Conclusions	27
Annex A: Spatial focus of secondary data analysis.....	A-1

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Approved by: Richard Hindle Date: 15 December 2016
Director

Executive Summary

1. SQW Ltd was commissioned by the Church Commissioners for England in August 2016 to undertake a high-level analysis of the socio-economic impacts of a proposed mixed use allocation on land to the north east of Chidswell, adjacent to the A653 in Kirklees.
2. The assessment focused on the potential benefits from the development of 122,500 sq m of commercial floorspace and 1,535 new homes. This involved assessment of the construction-phase employment benefits, and the longer-term direct and indirect employment and economic benefits, alongside wider impacts on the local economy.

The strategic context

3. The proposed development at Chidswell represents a major opportunity to help address long-standing and significant socio-economic and labour market challenges in Kirklees, and North Kirklees specifically. Although a large and well-placed local economy, Kirklees arguably currently underperforms on economic activity, skills, and enterprise and business development. Both workforce productivity (GVA per employee) and prosperity (GVA per capita) are below national levels, with lower earnings both for local workers and residents.
4. The proposed development at Chidswell is aligned with the prevailing policy context at local and city region levels. Local strategies emphasise the need to deliver additional employment and housing growth in the local area, and the scheme will contribute directly to delivering against the Kirklees Local Plan and the Leeds City Region Strategic Economic Plan.
5. As a private sector-led development, creating private-sector employment and additional housing, the scheme is strongly aligned to national economic development and regeneration policy, including the principle that local planning authorities should positively seek opportunities to meet the development needs of their area.

Potential economic benefits

6. The proposed development has very significant economic potential. Table 1 sets out the key quantified economic impacts of the development:
 - The construction phase will support an estimated 1,215 person years of construction employment through its commercial floorspace element, and 5,697 person years of construction employment under the housing scheme. Over the period of development this will equate to an annual average of 93 people employed on-site in commercial floorspace construction, and 438 in house-building.
 - In terms of permanent employment, the analysis suggests that the commercial floorspace element of the proposed development, once fully developed and occupied, has the potential to create an estimated 2,870 net additional jobs and GVA per annum of around £115m (undiscounted¹) for the local economy. This scale of employment and economic contribution would not be realised until 2030/31. Taking a long-term

¹ Government guidance advises that discounting should be used to assess the value of a stream of economic benefits over time, on the basis of time preference i.e. that, generally, people prefer to receive goods and services now rather than later, implying that products now have a higher value than they do in the future.

view, over a 20-year period, the analysis suggests that the proposed development will generate around £1,183m GVA (discounted) for the Kirklees economy.

- Where there is more housing, and an increasing population, there will be greater demand for local goods and services, generating employment and expenditure in the local economy. The opportunities brought by substantial new development could help address economic underperformance, generating more income in the economy and making a real contribution towards achieving the socio-economic objectives of increasing participation/engagement in the labour market and raising living standards and incomes. This assessment concludes that the housing element of the proposed development at Chidswell has the potential to support an estimated 262 net jobs.

Table 1: Economic impacts in Kirklees resulting from the different elements of the proposed scheme

	Total impact	Impact units
Commercial		
Person years of employment during construction	1,215	person years
Average annual jobs in construction	93	FTE jobs
Gross employment impact once fully built	3,490	FTE jobs
Net employment impact once fully built	2,870	FTE jobs
Annual net GVA impact once fully built (non-discounted)	115	£m
Total net GVA impact between 2017/18 and 2037/38 (discounted)	1,183	£m
Housing		
Person years of employment during construction	5,697	person years
Average annual jobs in construction	438	FTE jobs ²
Gross employment impact once fully built	525	FTE jobs
Net employment impact on completion	262	FTE jobs

Source: SQW analysis

- Local take-up of the new jobs will depend on effective demand, in other words, people coming forward with the skills to match the new jobs on offer. Historic commuting patterns, and the skills and occupations of the local workforce, show that there is potentially a good fit: between half and two-thirds of the employment potential of the proposed development could be taken by local residents in North Kirklees. This provides an estimated net employment potential for North Kirklees from the commercial elements of between 1,440 and 1,910 jobs.
- Those moving into new housing will not all be employed in the immediate locality. However, the right housing offer in the right place is an essential condition for sustainable economic growth. The importance of developing the housing offer in Kirklees to meet demand and deliver economic growth is recognised in local planning and economic development policy.

² Full-Time Equivalent jobs

9. The scale of the development proposed at Chidswell means that there is the opportunity to deliver a range of wider benefits, raising the profile and attractiveness of Kirklees, as well as the local area of North Kirklees, as a location for investors, businesses and residents.
10. When fully developed out, the proposed scheme is expected to bring over 3,000 additional jobs to Kirklees, alongside just over 1,500 new dwellings. Its scale means that it will make a significant contribution to the local economy, and the ratio of employment to residential is double the ‘one job for each new house’ benchmark adopted for many new settlements in recent years.

Going forward

11. Given the scale of the proposed development, we recommend that an Employment Action Plan (EAP) is produced. This would be designed to help local residents, particularly the unemployed, to obtain jobs created by the construction and operation of the proposed development. The EAP would be based on a baseline of the current skills and aptitudes of the local population: it would then put in place measures to improve the match between these and the scale and types of job opportunities likely to be created by new development.
12. We also recommend the development of a co-ordinated marketing plan, including leveraging the potential of the Kirklees Council and Leeds City Region investment offers, and engagement with the Department for International Trade to promote Chidswell (and Kirklees more widely) as a location for inward investment.
13. Finally, an update of the assessment of the construction effects from the proposed development should be undertaken once more detailed costings are available, including for any road or other infrastructure works, to provide a fuller and more definitive assessment of the potential construction effects of the scheme.

1. Introduction

Background and purpose

- 1.1 SQW Ltd was commissioned by the Church Commissioners for England (“the Church Commissioners”) in August 2016 to undertake a high-level analysis of the socio-economic impacts of a proposed mixed use allocation on land to the north east of Chidswell, adjacent to the A653 in Kirklees.
- 1.2 This concise report sets out the findings of the analysis. It updates and replaces a previous report, completed in March 2013, taking into account changes to the scale and scope of the development, more recent data on the socio-economic characteristics of the area, and the latest policy developments.
- 1.3 The socio-economic impact assessment is in support of the wider case for development at Chidswell; it is intended to be considered in relation to, and to influence, the ongoing Local Plan development process.

Development profile

- 1.4 This socio-economic assessment focuses on the potential benefits from the latest proposed development scheme at Chidswell, which has evolved since the previous study in 2013. The scheme as now proposed is still significant in scale, and to be developed over more than a decade. It now includes:
 - 1,535 new homes, to be delivered between 2018/19 and 2030/31
 - The previous study assumed 1,800 new homes, to be delivered between 2014 and 2028
 - 122,500 sq m of commercial floorspace (gross external area), to be delivered between 2018/19 and 2030/31
 - Previously, the site had been expected to accommodate 135,000 sq m (gross external area), to be delivered between 2014 and 2023.
- 1.5 The mix of specific uses has been developed by the Church Commissioners, working with Kirklees Council; SQW has not undertaken a separate demand assessment to assess whether this mix of uses is realistic for this site.
- 1.6 The homes to be built will comprise a mix of types (details are not yet confirmed), in the southern half and far north of the site. The commercial floorspace includes a demand-led mix of office, industrial and distribution units, occupying the central part of the site. The development profile for the commercial element is set out in Table 1-1. While the overall scale of the commercial development proposed has been reduced only slightly from that proposed in 2013, the mix has changed substantially, with more office-related and general industrial development, and much less storage and distribution (Figure 1-1).

Table 1-1: Development profile for the commercial employment element of the scheme

Unit class	Floorspace (gross sq m)	
	Previous scheme proposal	Current scheme proposal
Retail (A1)	500	0
Office (B1a)	4,378	12,250
R&D (B1b)	0	12,250
Light industry (B1c)	19,130	12,250
General industrial (B2)	41,545	73,500
Storage and distribution (B8)	70,157	12,250
Total floorspace	135,000	122,500

Source: WYG

Figure 1-1: Plan of current scheme



Source: JTP

Method and approach

1.7 The assessment includes a review of the short-term construction employment impacts, the longer-term direct and indirect employment and economic benefits (in terms of Gross Value Added (GVA)), and the induced and other wider effects on the local economy. We have also looked at the potential of the proposed development to provide employment opportunities for local residents in Chidswell and North Kirklees. Four important points should be noted:

- We have provided an assessment of the potential economic contribution on the basis of a fully built-out and occupied development, and the assumptions given to us about

delivery over time. The work has *not* included a formal demand assessment of take-up of the commercial element of the scheme.

- This high-level analysis has been principally desk-based, drawing on information provided by the Church Commissioners and project consultants White Young Green (WYG), on relevant guidance, and on SQW's experience in undertaking similar assessments elsewhere. The assessment has not included any primary research with local businesses, residents or other stakeholders.
- We have not considered wider social, community and physical infrastructure aspects of the development, including the effects of the proposed housing and employment on local traffic, service provision or environmental sustainability; we understand that these wider effects of the proposed development are being dealt with elsewhere.
- This assessment is not a full economic appraisal of the scheme; we have not assessed the potential socio-economic effects of alternative options (over and above the 'do nothing' scenario). The purpose of this work is to establish the potential headline economic impact of the scheme as currently proposed, with a mix of industrial and office space, and set out its contribution to the development of the Kirklees economy.

Structure

1.8 The remainder of this report is structured as follows:

- Section 2 sets out the socio-economic and strategic context for the development
- Section 3 details the potential benefits relating to construction employment
- Section 4 assesses the potential benefits of the development, focusing on employment and GVA
- Section 5 discusses the wider economic considerations and implications of the proposed development
- Section 6 contains the conclusions of this socio-economic impact assessment.

2. Context

- 2.1 This section provides an overview of the context for the socio-economic impact assessment of the proposed development at Chidswell. It contains a headline characterisation of the socio-economic conditions in the local area, and a review of the strategic policy context.

The socio-economic backdrop

- 2.2 This sub-section provides a headline analysis of the socio-economic context in Chidswell, in the wider area of North Kirklees, and for Kirklees as a whole (details on the geographies used are set out in Annex A). A significant body of evidence is available setting out the challenges and opportunities of the Kirklees economy; we do not repeat these at length here. Rather, the purpose is to frame the economic context, and opportunity, within which the Chidswell development will be progressed.

The local and city region context

- 2.3 Kirklees is a significant local economy, with just over 150,000 employees, in nearly 15,000 businesses. Across the wider Kirklees and Calderdale area, annual output is valued at £11.3bn.
- 2.4 However, Kirklees’s economy does not perform as well as might be expected given its scale and strategic location. Although the area has strengths and assets, including a strong manufacturing tradition, a relatively good technical skills base, and a major university, overall economic performance and productivity remains below national levels – at around £41.6k per worker across the Kirklees and Calderdale area, compared to £50.7k for England. Kirklees also has relatively low levels of enterprise and economic activity.
- 2.5 Key data across a range of socio-economic domains for Kirklees, as well as the Leeds City Region (LCR) and national comparators are set out in Table 2-1, highlighting the significant challenges faced by the area in terms of labour market, enterprise and wider economic development.

Table 2-1: Data dashboard for Kirklees compared to the LCR and national comparators

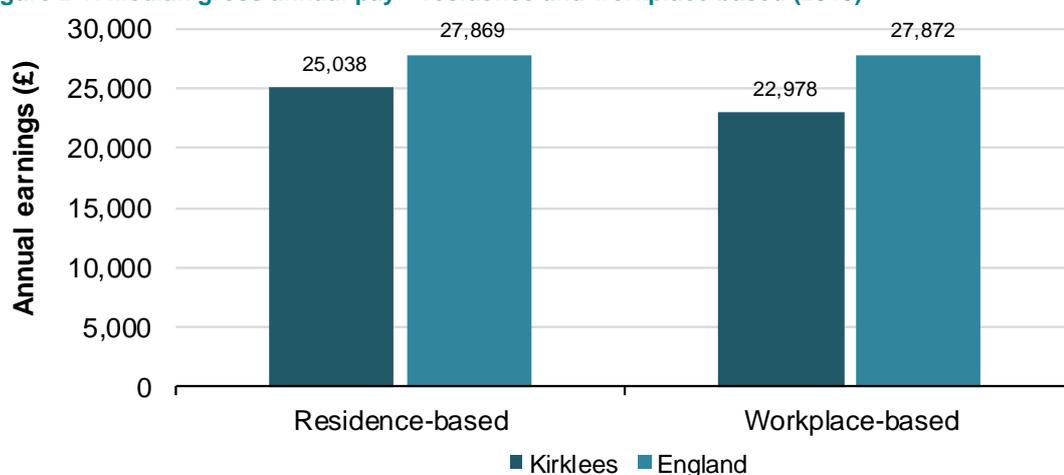
	Kirklees	LCR	England	Performance relative to England
Headline economic performance				
Working age population as proportion of the total population (2015)	62.9%	63.4%	63.3%	→
Work-based employees change (2009-2014)	0.0%	2.5%	5.4%	↓
GVA per capita* (2014)	17,755	20,783	25,367	↓
GVA per employee* (2014)	41,596	43,962	50,720	↓
Aggregate change in GVA (1999-2014)	174%	179%	189%	↓

	Kirklees	LCR	England	Performance relative to England
Employees in the public sector (residence based) (2014)	18.9%	19.2%	17.3%	-
Labour market				
Unemployment rate (Apr 2015-Mar 2016)	4.7%	6.1%	5.2%	↑
Economic inactivity rate (Apr 2015-Mar 2016)	27.2%	23.0%	22.0%	↓
Proportion of jobs in managerial/professional occupations (Apr 2015-Mar 2016)	30.1%	28.4%	30.6%	→
Proportion of working age population claiming benefits (Feb 2016)	12.9	13.0	11.4	↓
Skills				
Proportion of the working age population with NVQ Level 4 (3 year average, 2013-2015)	30.8%	30.9%	35.8%	↓
Proportion of the working age population No Qualifications (3 year average, 2013-2015)	11.4%	10.1%	8.7%	↓
Enterprise and business development				
Enterprise starts per 10,000 working age population (2014)	68	73	91	↓
Business stock per 10,000 working age population (2014)	549	541	648	↓
Self-employment rate (Apr 2015-Mar 2016)	10.4%	9.3%	10.4%	→

Source: Data sourced from Nomis and National Statistics. Note: all data for the latest period * Kirklees data for the Calderdale and Kirklees NUTS 3 area

2.6 The earnings of both residents and workers in Kirklees also remain below the national average: workplace earnings in Kirklees were 82% of the England level in 2015, residence-based earnings were 90% of the England level.

Figure 2-1: Median gross annual pay – residence and workplace based (2015)



Source: SQW analysis of Annual Survey of Hours and Earnings

North Kirklees and Chidswell

- 2.7 The data above identifies the socio-economic context in Kirklees as a whole. It is also important to frame the development in its more local context, in Chidswell and North Kirklees. This is particularly important given the functional economic geography of Kirklees: the North/East of the district – Dewsbury, Batley and Heckmondwike and their urban-rural fringes – can be distinguished from Huddersfield and South/West Kirklees.
- 2.8 Turning to the economic base of the area, there were around 500 people in employment in Chidswell in 2014. Across North Kirklees, the 69,000 in employment represented approximately 44% of the total for Kirklees. The industrial structure of North Kirklees and the wider comparator areas is set out in Table 2-2. This highlights the significance of manufacturing, which accounts for 25% of all employment, compared to 8% across England and 11% for Leeds City Region. It suggests a potentially significant opportunity for attracting additional investment, building on the strengths of the advanced manufacturing sector, and local skills and knowledge.

Table 2-2: Proportion of total employment by industry (2014) – top 10 industries, plus all other industries under ‘Other’

	N Kirklees	Kirklees	LCR	England
Manufacturing	25%	18%	11%	8%
Wholesale and retail trade; repair of motor vehicles and motorcycles	17%	18%	16%	16%
Human health and social work activities	13%	14%	14%	13%
Education	10%	11%	10%	9%
Administrative and support service activities	6%	5%	9%	9%
Construction	5%	5%	4%	4%
Accommodation and food service activities	5%	6%	7%	7%
Professional, scientific and technical activities	4%	5%	7%	9%
Transportation and storage	3%	4%	5%	5%
Public administration and defence; compulsory social security	2%	4%	4%	4%
Other	9%	10%	14%	17%

Source: SQW analysis of Business Register and Employment Survey data. Note: data has not been provided for Chidswell given the small sample sizes

- 2.9 Figures for unemployment benefits’ claimants (using Jobs Seeker’s Allowance plus those claiming Universal Credit who are out of work) and the number of working age claimants of all benefits provide a more detailed profile of the socio-economic challenges facing the area. Notably, the proportion of the economically active population claiming benefits due to being out of work in North Kirklees is above the level for the wider district. The proportion of the working age population claiming benefits of any kind in North Kirklees is also higher than local and other comparators. See Table 2-3 for details.

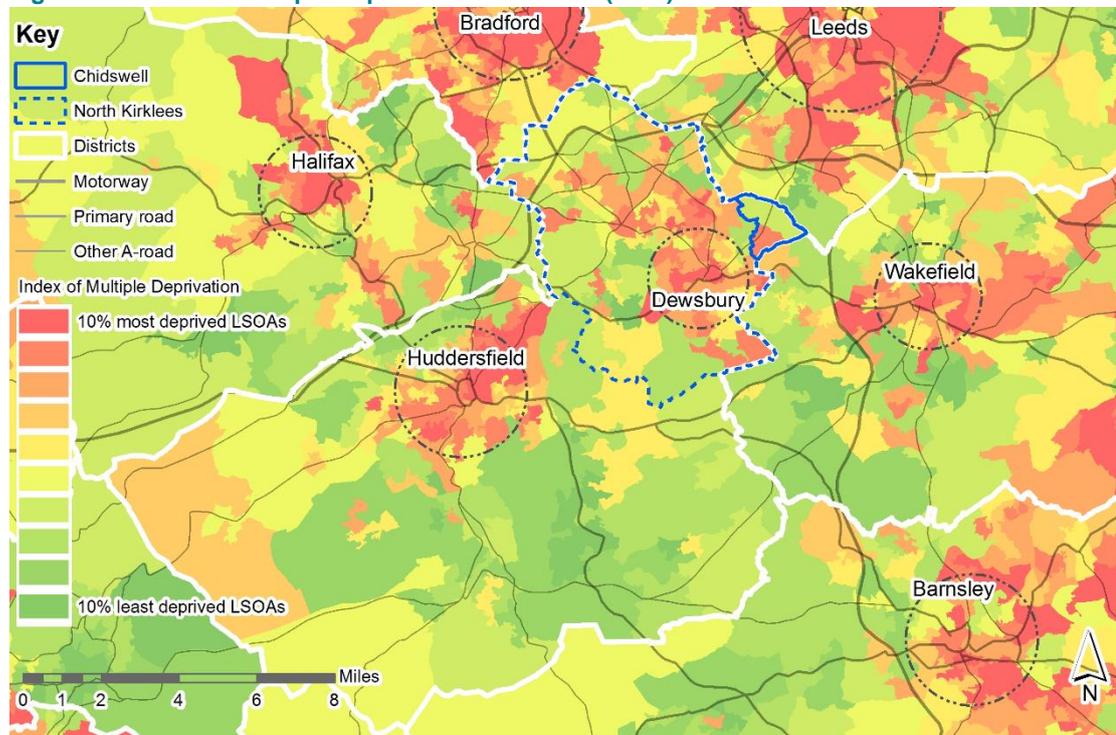
Table 2-3: Unemployment benefits' claimants and working age claimants of all benefits, as a proportion of the working age population (February 2016)

	People claiming benefits due to unemployment	People claiming any benefits
North Kirklees	2.4%	14.5%
Kirklees	2.2%	12.9%
Leeds City Region	2.1%	13.0%
England	1.8%	11.4%

Source: SQW analysis of ONS/DWP data

2.10 North Kirklees also suffers from high levels of multiple deprivation (Figure 2-2) some 50% of Lower Super Output Areas (LSOAs, a small scale geography at the sub-district level) in North Kirklees are within the top 30% most deprived areas in England.

Figure 2-2: Index of Multiple Deprivation in Kirklees (2015)



Source: Produced by SQW (September 2016). Licence 100030994. Contains OS data © Crown copyright and database rights 2016. Contains data from the English Indices of Deprivation (DCLG, 2015)

2.11 Overall, the data indicate the significant socio-economic challenges faced by both Kirklees as a whole and the Chidswell and North Kirklees area more specifically, particularly in terms of labour market engagement and enterprise. However, the local area, and Kirklees as a whole, has a strong manufacturing base which provides significant opportunities for synergies with the proposed development at Chidswell.

Strategic context

2.12 The strategic alignment and policy context at a local and city region scale will play an important role for the Chidswell development, in gaining initial approval for development, and in shaping its subsequent economic impact. Positively, a review of the context suggests

that there is a strong alignment between the proposed development and the policy agenda, focused on building an increasingly competitive and thriving economy in Kirklees.

The local policy agenda ...

- 2.13 Chidswell is recognised as a strategic priority of both local and sub-regional significance in Kirklees Council’s proposed Local Plan. The development can potentially play an important role in delivering against the identified need to provide an additional 29,340 new homes and 32,200 new jobs in Kirklees by 2031. The Local Plan is intended to deliver long term sustainable growth by ensuring that development is sustainable economically, environmentally and socially. In order to ensure this, the Local Plan proposes ten objectives of which developments should be consistent with at least one.

Table 2-4: Kirklees Local Plan objectives

1	Support the growth and diversification of the economy, to increase skill levels and employment opportunities including the provision of a high quality communication infrastructure.
2	Strengthen the role of town centres, particularly Huddersfield, Dewsbury and Batley, to support their vitality and viability.
3	Improve transport links within and between Kirklees towns and with neighbouring towns and cities, giving priority to public transport, commercial traffic, and to cycling and walking.
4	Provide new homes which meet the needs of the community offering a range of size, tenure and affordability, with good access to employment, public transport, shops and services.
5	Tackle inequality and give all residents the opportunity of a healthy lifestyle, free from crime and to achieve their potential in work and education.
6	Protect and improve green infrastructure so that residents have access to good quality open spaces, sport and recreation opportunities, and for wildlife to flourish.
7	Promote development that helps to mitigate climate change, and development which is adapted so that the potential impact from climate change is reduced.
8	Protect and enhance the characteristics of the built, natural and historic environment, and local distinctiveness which contribute to the character of Kirklees.
9	Promote the use of brownfield land to meet development needs and support the regeneration of areas.
10	Facilitate the sustainable use and management of minerals and waste.

Source: Draft Local Plan: Strategies and Policies, Kirklees Council, November 2015

- 2.14 The proposed development will directly contribute to two of these objectives (highlighted above) and has the potential to positively impact upon the others. The Local Plan was developed in order to complement Kirklees Council’s Economic Strategy, which sets out five priorities:

- Precision engineering and innovative manufacturing: strength in depth and excellence
- Innovation and enterprising businesses: championing creativity, entrepreneurship and resilience
- Workforce, skills and employment: extending opportunities and powering business success

- Infrastructure: making it easier for businesses to succeed and for people to access work
 - Quality places: locations of choice for people, business and investment.
- 2.15 The five priorities are intended to deliver improvements to business resilience, competitiveness and profitability, enhance employment prospects, skills and incomes, and ensure quality of life and environment. The proposed development at Chidswell has the potential to help Kirklees achieve all five of these priorities – particularly the latter, concerning quality of place – and contribute to achieving the end goals of the Economic Strategy.

... and city region and national agendas

- 2.16 The over-arching economic objective for LCR are set by the updated Strategic Economic Plan (SEP) of the Local Enterprise Partnership (LEP) and the West Yorkshire Combined Authority.³ The vision set out in the SEP is for the city region to be *'A globally recognised economy where good growth delivers high levels of prosperity, jobs and quality of life for everyone.'*
- 2.17 Whilst setting out the potential of the city region and its strengths – including its engineering and manufacturing base in areas such as Kirklees – the strategy also highlights the challenges faced by the region on innovation, exporting, skills and connectivity. One of the four headline priorities is 'Infrastructure for Growth' and initiatives under this priority include the development and regeneration of integrated spatial priority areas to support employment, the delivery of quality environments, and the building of homes. Chidswell is identified as an Employment Growth Area, whilst North Kirklees is identified as a Housing Growth Area. Investments in identified spatial priority areas are intended to contribute towards the vision of achieving 'Good Growth' by aligning investments in housing growth, employment growth, infrastructure, transport, skills and the environment.
- 2.18 The SEP also identifies the sector strengths of the city region in relation to the Northern Powerhouse's identified prime and enabling capabilities. Of particular significance to the Chidswell development is the identified strength of 'Innovative Manufacturing' – which align to the Northern Powerhouse advanced manufacturing prime capability. Kirklees is strongly represented in manufacturing (as discussed above), and the SEP recognises Kirklees as having world-leading engineering and textile businesses.
- 2.19 The focus in the city region plans on supporting new investment to drive employment and housing development is consistent with the national-level agenda set out in the National Planning Policy Framework (NPPF), which contains a presumption in favour of sustainable development for local planning and economic development. NPPF also establishes the principle that local planning authorities should positively seek opportunities to meet the development needs of their area.

³ Leeds City Region Strategic Economic Plan 2016-2036, Leeds City Region Local Enterprise Partnership and West Yorkshire Combined Authority, 2016

Summary

- **Kirklees is a large and strategically well-located economy.** However, it currently **underperforms economically across a range of socio-economic indicators.** Despite apparent locational advantages, **Chidswell and North Kirklees have higher levels of unemployment than Kirklees as a whole.**
- **The proposed development at Chidswell is well aligned to the local, city region and national strategic agenda:** it will contribute directly the objectives of the proposed Local Plan and Economic Strategy for Kirklees, and the Leeds City Region Strategic Economic Plan.
- Overall, the **strategic context provides a supportive policy backdrop for the development of the proposed scheme at Chidswell,** with the local, city region and national agendas highlighting the need to promote private-sector led economic growth, accelerating new capital development to drive short-term and longer-term employment opportunities, and maximising existing assets and opportunities to attract new investment.

3. Construction phase impacts

- 3.1 This section presents an assessment of the potential employment effects of the construction phase of the proposed development at Chidswell. Although construction phase effects are by their nature temporary, for large schemes they can be sizeable and extend over a number of years. Major construction projects also provide an opportunity to boost local employment and supply-chains.

Method

- 3.2 To model the potential construction impacts, we applied recognised benchmarks for construction ‘job years’ of employment for both the commercial floorspace and housing elements of the scheme. There will be additional construction employment benefits from the infrastructure improvements required to realise the proposed development (for example, internal and external traffic enhancements, utilities and ground works), but here we model the construction phase of the commercial space and housing only.
- 3.3 The benchmarks provide labour coefficients, where £1m of outputs equals ‘x’ person years of construction employment. The coefficients used are set out in Table 3-1 below.

Table 3-1: Construction phase employment coefficients

Category	Person Years of Construction employment per £1m of output (2011 prices)
Housing	19.9
Commercial floorspace (offices and retail)	16.6
Commercial floorspace (industrial)	10.0

Source: HCA, 2015

- 3.4 To utilise these benchmarks, it is necessary to estimate the investment required for the development. At this stage detailed costings are not available, we have therefore made an indicative estimate of the potential costs of the development, using two approaches:
- for the commercial floorspace we have drawn on costs per sq m of development for Yorkshire and Humber (e.g. £1,360 per sqm for office development) based on benchmarks produced by Costmodelling Limited
 - for housing, with the specific housing nature to be determined, we have applied an average build cost per unit of £186,515, the average cost per unit of private housing in 2015.⁴
- 3.5 For clarity, the cost estimates used in the assessment are set out in Table 3-2. These data are indicative only; the mix of specific uses on the site may change depending on prevailing market conditions as development is undertaken. As noted earlier, the mix of specific uses has

⁴ Drawn from CLG construction and housing completions and construction output data for private housing for Great Britain. Note that the completions in any one year do not relate directly to the output in the same year. However, the lag between output and completion will vary from period to period. The outputs data cover all work done by contractors so includes the cost of the building, external works, site preparation and overheads and any fees.

been developed by the Church Commissioners, working with Kirklees Council; SQW has not undertaken any demand work to assess whether this mix of uses is realistic for this site.

Table 3-2: Indicative costings for the proposed development

Element	Quantum of development (sq m/units)	Assumed cost (£)	Indicative cost (£k)
Office (B1a)	12,250	1,360 per sq m	15,827
R&D (B1b)	12,250	1,470 per sq m	17,107
Light industry (B1c)	12,250	770 per sq m	8,961
General industrial (B2)	73,500	770 per sq m	53,765
Storage and distribution (B8)	12,250	350 per sq m	4,073
Total commercial development	122,500	-	99,733
Housing	1,535	186,515 per unit	286,301

Source: SQW analysis

Construction employment effects

- 3.6 Based on these indicative costs, the estimated construction years of employment generated by the proposed development at Chidswell are set out in Table 3-3. The analysis suggests that the commercial development proposed at Chidswell has the potential to support around 1,215 person years of construction employment, together with approaching 5,697 person years of construction employment in housing.

Table 3-3: Person years of construction employment supported

Element	Construction job years
Office (B1a)	263
R&D (B1b)	284
Light industry (B1c)	90
General industrial (B2)	538
Storage and distribution (B8)	41
Total commercial development	1,215
Housing	5,697

Source: SQW analysis

- 3.7 These figures may appear high. However, it must be noted that these are aggregate person years of construction employment, not permanent jobs. As a result, the impact is only present in the local economy over the period of build; at any one point in time a much smaller number will be actually employed on site. The scale of construction employment during one year can be estimated using the indicative phasing for the development, although in reality some years will have a much higher number of construction jobs on site than others:

- The commercial development is planned to be phased over a 13-year period for 2018/19 to 2030/31: the average annual impact would be in the order of 93 people employed in construction

- The housing development is expected to be phased over the same 13-year period: the average annual impact associated with house-building would be of the order of 438 people employed.

Wider benefits of the construction phase

- 3.8 The benefits to the local, Kirklees, and LCR economy of the scale of development proposed at Chidswell is likely to be significant, with additional construction jobs in the Kirklees economy over a prolonged period, potentially providing a secure source of employment for local residents. Moreover, they are likely to create further employment in the immediate local economy through direct and indirect spend on good and services.
- 3.9 Targeted labour market interventions, taken before the start of the development, could help local people to gain the necessary skills to access employment opportunities. Such measures could bring wider and longer-term benefits to this group. We return to this issue in the final section of the report.

Summary

- The proposed development at Chidswell will support construction employment on a considerable scale, totalling an estimated **6,912 person years of employment (1,215 for commercial development, 5,697 for housing development)**
- Over the period of development this will equate to an annual **average of 93 people employed on-site in commercial floorspace construction, and 438 in house-building.**

4. Impact of the development

- 4.1 In this section, we investigate the potential permanent employment and economic benefits of the proposed development at Chidswell. The analysis is based on the specification provided to SQW by WYG and the application of appropriate metrics drawn from wider evidence.
- 4.2 This section focuses on the commercial floorspace element only: the employment effects associated with the housing aspects of the scheme are considered in section 5.

Method

- 4.3 The approach to assessing the economic impact set out below is consistent fully with guidance issued by Government and its regeneration agencies, namely:
- first, assess the gross impacts of the proposed development
 - second, take into account aspects of additionality, including displacement and multiplier effects
 - third, construct a plausible ‘reference case’, that is what would happen in the absence of the proposed development
 - finally, to account for deadweight, subtract the ‘reference case’ impacts from the assessment of the overall scheme, the difference being the net additional impact.
- 4.4 This process has been completed for employment benefits, and then converted into net GVA for Kirklees. These calculations relate to the effects associated with the development of new dedicated workspace for businesses. As noted above, the potential employment effects of the scheme for local residents (taking into account leakage) are discussed in section 5.

Understanding the reference case

- 4.5 A key issue when considering the potential benefit of any development scheme to the local economy is to understand the additionality of the scheme set against the ‘reference case’ i.e. what would happen without the scheme. In the case of the proposed Chidswell development this assessment includes two considerations:
- first, what would happen at the specific site on which the development is proposed, including the extent to which the current usage supports employment activities
 - second, to what extent would the scale and type of commercial development proposed be taken forward elsewhere in the Local Authority District.
- 4.6 In respect of the site-specific reference case, for the purposes of this assessment we have assumed that no development would take place given the planning context and a lack of viable alternative development options. We also understand that the current site supports limited employment which, compared to the proposed scale of development at the site, is very modest. For the purpose of the modelling, the site-specific reference case is zero.

- 4.7 For the wider reference case, given the need for employment growth in the local area as established in the draft Local Plan (2015) and the latest Leeds City Region Strategic Economic Plan (2016), it is appropriate to assume that a proportion of the commercial development proposed at Chidswell would be taken forward elsewhere.
- 4.8 However, the locational advantages of the Chidswell are significant, with strong transport links to the M62 providing important opportunities for distribution and industrial employees, and accessibility for employees to travel to the site. Moreover, this specific site is identified by the Leeds City Region Enterprise Partnership as one of the priority areas for employment growth in the City Region; it was one of six sites identified in the first Strategic Economic Plan in 2014 that are also identified in the second Strategic Economic Plan, published in 2016.
- 4.9 Further, there is evidence of a lack of appropriate business space in Kirklees. The latest business survey in Kirklees in 2013⁵ found that, of the 1,201 businesses surveyed in Kirklees, 15% think that they will require further land or space in the next three to five years, with 40% of those identifying a requirement for warehousing and storage, and 35% identifying a requirement for additional office space. Development at Chidswell will provide important additional capacity for local businesses to support their growth.
- 4.10 Taking these factors into account, we have estimated that 15% of the employment and employment benefits generated by the development would occur in Kirklees in any case. This is the figure used for the reference case.

Gross employment

- 4.11 The first task in assessing the employment impacts of the scheme is to quantify the gross capacity of the floorspace. This requires assumptions to be made regarding the density of employment that could be expected for the different commercial components. To align to national guidance, the job density assumptions used here are those provided in the third edition of the Homes and Communities Agency’s *Employment Densities* (2015), reproduced in Table 4-1.

Table 4-1: Employment densities for use type

Use type	Employment Density (sq m per job)
Office (B1a)	10 (8-13) (Net Internal Area)
R&D (B1b)	50 (40-60) (Net Internal Area)
Light Industry (B1c)	47 (Net Internal Area)
General industrial (B2)	36 (Gross Internal Area)
Warehouse & Distribution (B8)	75 (Gross External Area)

Source: Employment Densities, 3rd Edition, GVA Grimley on behalf of HCA, 2015

- 4.12 These densities have been applied to the planned floorspace to generate the gross employment potential of each element of the scheme. The gross floorspace data have been converted where appropriate to net floorspace by applying standard conversion ratios as recommended in the HCA’s *Employment Densities* report.

⁵ Kirklees Employer Survey 2013

- 4.13 This approach establishes the potential gross permanent employment that stands to be delivered through the employment-related floorspace at Chidswell. The headline results are presented in Table 4-2, showing that the commercial element of the scheme has the potential to support around 3,490 jobs.

Table 4-2: Gross potential employment Impacts

Element	Gross jobs
Office (B1a)	960
R&D (b1b)	192
Light industrial (B1c)	235
General industrial (B2)	1,940
Storage and distribution (B8)	163
Total	3,490

Source: SQW analysis

Net employment

- 4.14 These figures need to be adjusted to estimate the net gain at district level. This involves taking into account the following factors:

- **Deadweight:** the proportion of project outcomes that would have occurred in any event – as noted above we have assumed that deadweight at Chidswell will be 15% of the benefits generated
- **Displacement:** an estimate of the economic activity hosted by the site diverted from other businesses in the local area – in this case, Kirklees. Displacement varies by the type of development and is generally higher at a large spatial scale
- **Multipliers:** composite employment multipliers measure the employment benefits created through the indirect and induced effects of subsequent rounds of direct expenditure in the local economy. Their values vary according to the size and complexity of the economy, and are generally lower at a local level.

- 4.15 Note that leakage (the proportion of project outcomes that benefit individuals beyond the ‘intended’ area of impact) is relevant only when considering the potential for the development to support local employment. This is considered in section 5 when we assess the potential for the Chidswell to provide employment opportunities for local people.

- 4.16 Primary, survey-based, evidence on displacement is not available for this desk-based exercise. However, in our view displacement is likely to be relatively modest. The overall rationale for the development is that additional employment provision is required to meet local targets, suggesting that there is considerable capacity in the local economy to take on additional employers. A direct road link to Leeds, close proximity to Junction 28 of the M62 and good access through the motorway network to other parts of northern England and further afield means that the location should attract businesses which are competing in markets outside Kirklees; also, as set out in the market assessment, there is limited alternative provision for large-scale development. We have used the Additionality Guide to consider displacement and

multipliers; we take the ‘Low’ ready-reckoner for displacement, at 25%, and the local area composite multiplier (accounting for both indirect and induced effects) of 1.29.

- 4.17 Based on the application of displacement, multipliers and deadweight, the expected employment impacts associated with the development scenarios are set out in Table 4-3, below. Overall the analysis suggests that the net employment potential of the proposed commercial development at Chidswell is around 2,870 jobs. This accounts for 8% of the 32,200 additional jobs target in the proposed Local Plan.

Table 4-3: Estimated total employment

Element	Gross jobs	Displacement	Minus displacement	Total incl. multipliers
Office (B1a/b)	960	240	720	929
Light industrial (B1c)	192	48	144	186
General industrial (B2)	235	59	176	228
Storage and distribution (B8)	1,940	485	1,455	1,877
Total	163	41	123	158
<i>Deadweight at 15% of gross additional benefits</i>				507
Total net additional jobs				2,870

Source: SQW

GVA assessment

- 4.18 The estimates of net employment allow an indicative assessment to be made of the additional economic output associated with the proposed development at Chidswell. To provide an indicative value of the potential GVA, we applied the latest GVA per employee data of £40,195 for Calderdale and Kirklees to the net employment; note that we use the same value for all use classes. In reality, productivity figures are likely differ by use class. This analysis suggests a net GVA contribution of around £115m per annum (undiscounted⁶), once the commercial floorspace is developed and fully occupied (2030/31).

Table 4-4: Annual GVA by development type at full occupation (2030/31)

	Net additional jobs	Net GVA (£k)
Office (B1a)	790	31,736
R&D (B1b)	158	6,347
Light industrial (B1c)	193	7,776
General industrial (B2)	1,595	64,114
Storage and distribution (B8)	134	5,399
Total	2,870	115,373

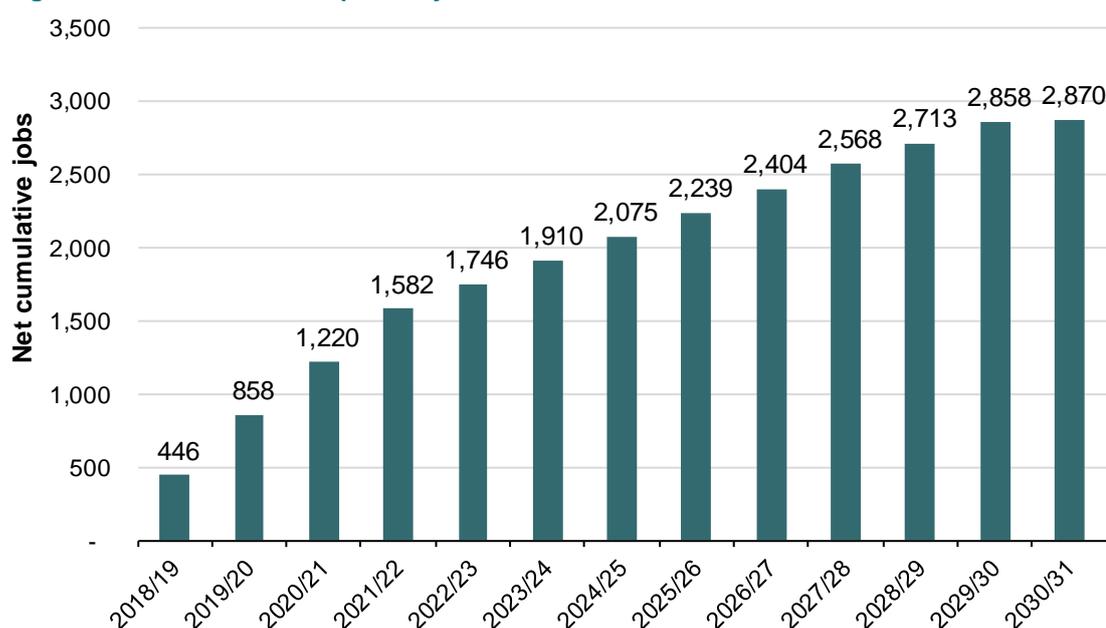
Source: SQW analysis Note: jobs data include 15% deadweight

⁶ Government guidance advises that discounting should be used to assess the value of a stream of economic benefits over time, on the basis of time preference i.e. that, generally, people prefer to receive goods and services now rather than later, implying that products now have a higher value than they do in the future.

Effects over time

- 4.19 The data above provide an indication of the potential employment and GVA effects of the proposed development once complete. If, as anticipated, the commercial element of the scheme is phased over a 13 year period from 2018/19 to 2030/31, the estimated build-up of jobs is set out in Figure 4-1. This indicates that 2,075 net potential jobs could be realised by 2024/25, and all 2,870 jobs by 2030/31.
- 4.20 Note that the whole scheme has been assumed to be developed in the period of the Local Plan; that is, by 2031. It is assumed that construction starts in 2018/19. SQW has made no judgement on whether this is a realistic phasing for these uses in this location.

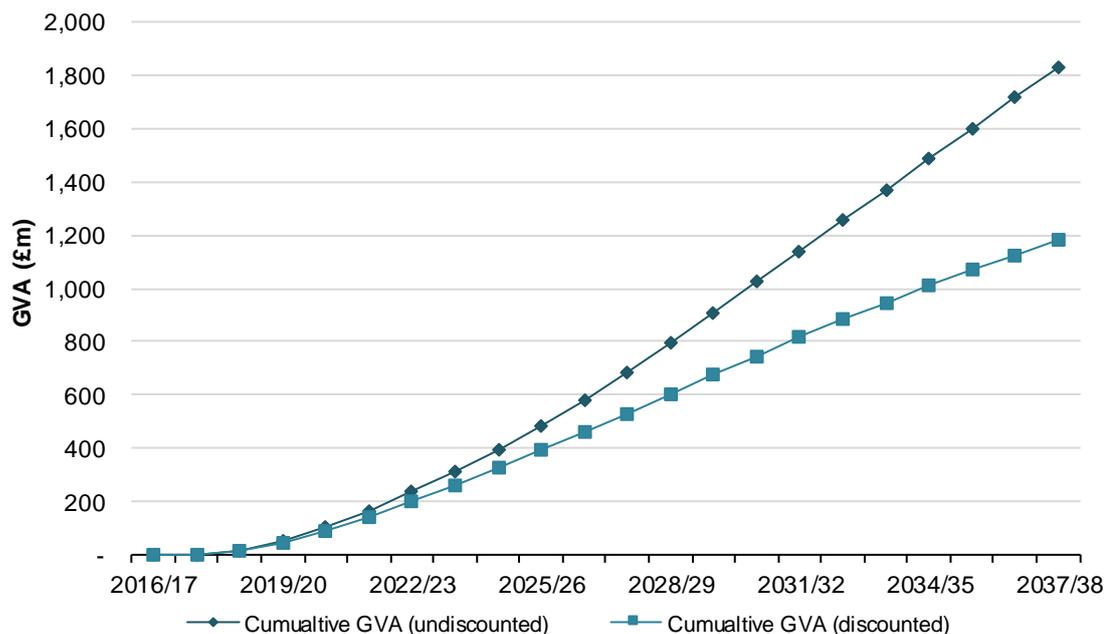
Figure 4-1: Estimated build-up of net jobs over 2018/19-2030/31



Source: SQW analysis

- 4.21 This temporal analysis also enables us to provide an indication of the potential GVA effects of the development over the longer-term, both during the build-out phase and beyond. Based on the build-up of employment to 2,870, and with the maximum employment then carried forward to 2037/38 (to provide a 20-year impact period), the analysis indicates that the cumulative discounted GVA to 2037/38 is approximately £1,183m.

Figure 4-2: Cumulative GVA effects of the Chidswell scheme



Source: SQW analysis

- 4.22 This data should be treated as indicative only: on the one hand, it potentially under-estimates the GVA potential of the scheme as it applies the existing productivity figure over the long-term, on the other, however, the value generated may be lower, if the scheme takes longer to attract new businesses, and depending on the specific type of business attracted to the site and the mix of jobs. However, these figures do indicate the scale of the potential economic contribution of the site to Kirklees over the longer term.

Summary

- The commercial floorspace element of the proposed development, once fully developed and occupied, has the potential to create around **3,490 gross permanent jobs**.
- Taking into account deadweight, displacement and multiplier effects the analysis suggests that **2,870 net additional jobs** would be created by the scheme for the Kirklees economy, generating an **annual GVA of around £115m (undiscounted) by 2030/31**.
- Over the long-term, **to 2037/38 the analysis suggests that the proposed development could generate an estimated c.£1,183m (discounted) GVA for the Kirklees economy**.

5. Benefits to the local area and wider benefits

5.1 In this section, we turn to other potential benefits to the local area, including the potential employment effects of the proposed housing.

Local employment benefits from commercial development

5.2 As detailed above in section 4, the commercial development at Chidswell has the potential to support an estimated 2,870 net jobs when at full capacity. Two key factors will influence the proportion of these jobs that are taken by local residents including occupants of existing and new housing in the area:

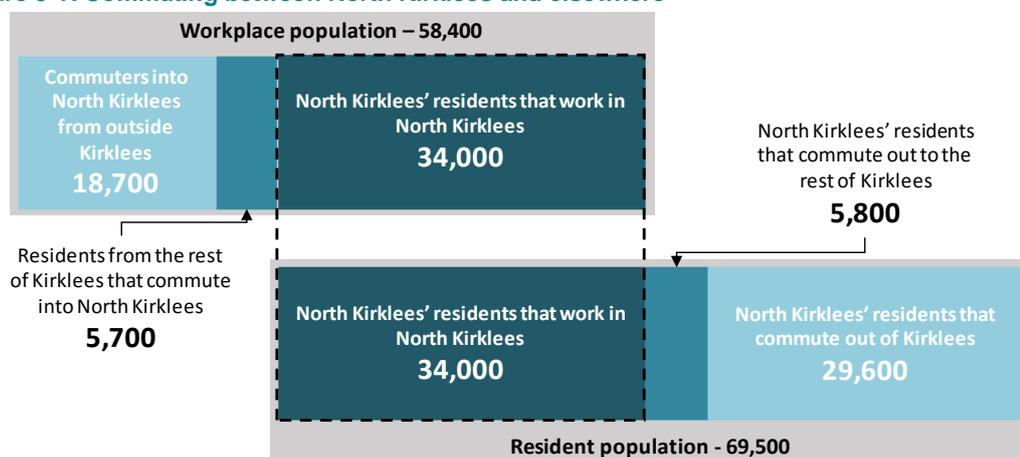
- the extent to which transport links and commuting patterns may favour residents from elsewhere
- whether the jobs offered match, or can be made to match, the skills and employment potential of the local population.

Commuting patterns

5.3 Travel to work data from the 2011 Census indicate that 58% of workers in the North Kirklees area being from the area, and a further 10% of workers being from elsewhere in Kirklees. The North Kirklees area has traditionally been relatively self-contained, hence 68% of workers being from Kirklees, despite the importance of Leeds and Wakefield, and to a lesser extent Bradford.

5.4 Patterns of out-commuting from North Kirklees provide an insight into the potential attractiveness of the proposed development at Chidswell for local residents. As might be expected given the proximity to Leeds, the major employment hub for the city region, North Kirklees is somewhat less self-contained from a residential perspective. In 2011, approximately 57% of employed residents worked in Kirklees (49% in North Kirklees itself and 8% elsewhere in Kirklees). Around 12,900 residents of North Kirklees travelled to Leeds to work, including almost 290 from the two Chidswell LSOAs.

Figure 5-1: Commuting between North Kirklees and elsewhere



Source: Census 2011

- 5.5 Importantly, for assessing the local employment potential of the Chidswell development, this pattern of around mostly ‘local’ employment is consistent in the two Lower Super Output Areas (LSOAs) in the immediate vicinity of the proposed development, where 59% of workers were from North Kirklees (52%) and Kirklees more widely (7%); Leeds (14%) and Wakefield (12%) were particularly important among the remaining 41%.

Matching opportunities and the local employment base

Occupations

- 5.6 A second factor in considering the potential benefits of the proposed development at Chidswell for the local area will be the nature of the jobs on offer. The development will benefit the local area more substantially if the nature of the employment is matched to the skills and occupations of the local population, and there is demand from the local area for employment of the type on offer.
- 5.7 North Kirklees, and indeed Kirklees more widely, has a strong manufacturing base, with the planned B1, B2 and B8 commercial floorspace aligning well to this existing local strength. There is a large cohort of unemployed people in North Kirklees who identify their occupations as those relevant to B1, B2 and B8 commercial floorspace, with most JSA claimants identifying sales and customer service occupations and elementary occupations as their usual occupation.

Qualifications

- 5.8 The qualifications of current residents can inform an assessment of the extent to which the new jobs associated with the development will be accessible to, and taken by, local people; the more closely matched the skills profile of the resident population to that of the employment opportunities, the better the likely fit, and the more likely it is that Kirklees (and in particular North Kirklees) will benefit.
- 5.9 Datasets available from UKCES allow us to build up a profile of the skills requirements across the business sectors relevant to this scheme. To provide an indication of skills needs we have used regional (Yorkshire and the Humber) level data for current qualification levels against the most appropriate sectors relevant to the unit classes of the floorspace to be developed:
- Office and R&D (B1a/b): Finance and insurance, Real estate, Professional services, Support services
 - Industrial (B1c, B2): Food drink and tobacco, Engineering, Rest of manufacturing
 - Distribution (B8): Wholesale and retail trade, Transport and storage.

Table 5-1: Qualifications by broad sector in Yorkshire and the Humber (2014)

	Level 4+	Level 3	Level 2	Level 1	No qualifications
Office	40%	18%	20%	16%	6%
Industrial	25%	25%	23%	19%	8%
Distribution	18%	24%	27%	22%	9%

Source: UKCES Working Futures 2014-2024 for Yorkshire and Humber

- 5.10 The next step is to convert the net jobs to be delivered by the proposed development at Chidswell, by development type, to the average (sector-based) skill profile that will be required, and to compare this to the current qualifications levels of the working age population in Kirklees. This analysis is presented in Table 5-2.

Table 5-2: Skills/qualification breakdown of expected gross jobs (FTEs)

	Level 4+	Level 3	Level 2	Level 1	No qualifications
Office	378	166	189	156	59
Industrial	441	456	413	340	139
Distribution	24	32	37	30	12
Total	843	654	638	526	209
<i>Proportion of net jobs</i>	29%	23%	22%	18%	7%
<i>Kirklees</i>	31%	21%	22%	14%	11%

Source: SQW analysis Note: 'Other Qualifications' have been allocated evenly across Level 1, Level 2 and Level 3 for Kirklees data to enable matching between the NVQ based data from the APS and Working Futures data from UKCES

- 5.11 The analysis suggests that the skills mix required for the jobs to be created at the development is well-matched to the existing residents' skills base across Kirklees. However, the current profile of the scheme indicates a lower proportion of jobs where no qualifications are required (7%) than is currently evident in the working age residents of Kirklees (11%). A slightly lower proportion of jobs (29%) is expected to be required for those with high level qualifications (Level 4+) than is currently evident in the Kirklees resident base (31%). The skills data are for Kirklees as a whole; the levels may be somewhat lower in North Kirklees.
- 5.12 The associated housing development will play an important role in attracting potentially highly skilled and aspirational residents to the area from elsewhere. However, the analysis above does suggest that some work will be required to up-skill the local population to enable residents to benefit from the jobs on offer through the Chidswell scheme, particularly at the very low to medium level. The nature of the jobs provided by the proposed scheme means that these jobs are also likely to be attractive to skilled residents in the wider region.

Overall assessment of local employment benefits

- 5.13 Overall, the evidence suggests that the proposed development has the potential to provide significant employment opportunities for local people, with a relatively self-contained economy in North Kirklees, and a skills base that largely matches with the nature of employment supported by the scheme. There is also a significant base of currently unemployed residents with technical experience and skills.
- 5.14 Taking these data together, we conclude that it is reasonable to assume that between half and two-thirds of the employment potential of the proposed development at Chidswell could be taken by local residents in the North Kirklees area. This provides an estimated net employment potential for North Kirklees from the commercial elements of the proposed development at Chidswell of between 1,440 and 1,910 jobs. To secure the upper-end of this estimate (in line with commuting patterns), skills development and training to maximise local take-up of employment opportunities will be important, as the expected skills needs of the jobs to be created are slightly higher than those in the local population, except at the top level.

- 5.15 Maximising the accessibility of the proposed development at Chidswell to Kirklees as a whole will also be important – with potential to link to the University of Huddersfield, both to its student base to drive and retain employment in the area, and to the University’s research focused around advanced engineering. There will also be scope to develop linkages between the existing business base and new firms attracted to the area, which will help maximise local supply-chain benefits.

Effects of the housing development

The role of housing in economic development

- 5.16 The relationship between housing and local economies is complex, with multiple inter-linkages and demand and supply relationships between economic performance and the housing offer. Further, local housing markets are increasingly influenced by global financial markets, as well as the UK economy, and major shifts in demographic trends, such as dwelling patterns. As such, identifying the economic effects of housing development is not straightforward – in the case of Chidswell there is also the danger of double counting with the employment element of the scheme.
- 5.17 However, the right housing offer (type, quality, tenure, price) in the right place (access to employment, education, retail and leisure amenities) is an essential condition for sustainable economic growth, and the importance of developing the housing offer in Kirklees to meet demand and deliver economic growth is recognised in the local planning and economic development context. Importantly, where there is more housing, and an increasing population, there will be greater demand for local goods and services. This in turn will generate employment and expenditure in the local economy.

Assessing the effects of the housing element of the Chidswell development

- 5.18 To provide an indication of the scale of the employment benefits from the two options we have used guidance set out in the second edition of the *Employment Densities Guide* which suggests that each additional 1,000 residents delivered by new housing development will give rise to 150 jobs in the local area, in this case the Kirklees Local Authority District⁷. It is likely that the majority of this additional employment will fall in the North Kirklees area, given the local retail and service catchments in North Kirklees from the site.
- 5.19 To provide an estimate of the population uplift we have used the average household size in the Leeds City Region of 2.28 residents per unit⁸. In practice the number of residents will vary considerably dependent on the type of housing developed; at this point, the type and mix of housing is still to be determined. Applying this benchmark indicates that the population would increase by an estimated 3,500 once all housing development is completed by 2030/31. The resultant gross effects in the local economy are set out in Table 5-3.

Table 5-3: Gross indicative employment supported by housing once fully developed

Housing units	1,535
Average household size	2.28

⁷ This analysis was not included in the third edition of the *Employment Densities Guide*, published in 2015

⁸ Edge Analytics (2013) *The objective assessment of housing requirements*

Indicative increase in population	3,500
Indicative gross employment	525

Source: SQW based on scheme details and Employment Densities Guidance (2nd edition)

- 5.20 As with the commercial floorspace of the scheme, we also need to account for the reference case in terms of housing, that is, what would happen ‘in any case’ if the Chidswell scheme was not progressed. This is particularly important for the housing as this element of the scheme is being undertaken as an enabling development for the employment element.
- 5.21 The new homes can be expected to be filled at least in part by people moving into the area from elsewhere with, as noted above, potential links to new employment opportunities. This may also prevent some displacement/movements outside the district by existing residents looking to re-locate. However, there will also be displacement as existing residents in Kirklees move into these new homes, limiting the change to overall population. There will be a ‘trickle-down’ effect as existing property is vacated, but again a proportion of this will be filled by existing residents.
- 5.22 It is not possible at this stage to model these effects in any detail – they will be driven by both scheme-specific factors such as the nature of the housing developed and timing of development, and external factors, notably the performance of the local and national housing market including prices and affordability. However, to identify the net effects of the housing element of the scheme, we have assumed that half of the new housing is additional.
- 5.23 This provides an estimated net employment effect from the housing of 262 net jobs in the Kirklees economy. Although care must be taken in double counting, and these data cannot formally be added to the commercial floorspace job impacts, most of these jobs will be provided within the housing area, or in other local centres nearby and in public and small scale private services, and therefore indicatively can be largely seen as additional to the main employment case.
- 5.24 It is also worth noting that, dependent on the nature of the housing development, there may also be additional employment opportunities arising from the scheme including security and maintenance staff. Although the scale is likely to be modest, this would offer accessible and flexible employment opportunities for local residents.

Wider effects of the proposed development

- 5.25 The analysis set out above and in the previous Section focused on the quantitative benefits of the proposed developments at Chidswell. However, over and above these measures, given its scale and strategic location, the proposed scheme will also have the potential to generate wider, induced effects for the local economy. These wider, non-quantifiable benefits to be generated through the proposed development at Chidswell, include:
- **Meeting housing and employment needs identified in Kirklees planning documents** – in an area identified as an appropriate location, matching physical characteristics and potential demand, and providing development which will help bring about a better balance of employment and housing within and across Kirklees, complementing plans to revitalise Dewsbury town centre.

- **Bringing new jobs to the area, which complement and extend existing opportunities** – this should build on local business and skills strengths, and they would not, for the most part, otherwise come to Kirklees.
- **Economic benefit to the wider Leeds City Region as well as to Kirklees** – through helping to maximise the impact of economic growth close to the M62, in the area south/south-west of Leeds, integrating Kirklees more closely with south Leeds/Morley, building further on and widening the employment in established, successful, but largely full, business/office parks and at the White Rose Centre.
- **Phased coterminous development of housing and employment on a significant scale** – enabling (i) cost-effective provision of infrastructure and public services (ii) opportunities for skills development and retention programmes creating opportunities for private sector service providers (iii) reduced commuting journeys.
- **Providing significant employment opportunities in an area of significant multiple deprivation, economic inactivity and disadvantage** – with the development enabling accessible employment opportunities in North Kirklees, and the immediate area surroundings Chidswell where employment rates are low; the scale of industrial and distributional-related jobs in particular will provide significant opportunities for low skilled and/or economically inactive residents to access jobs helping to impact on levels of unemployment and economic inactivity.
- **A ‘re-positioning’ of North Kirklees as a place to do business and an investment location** – the scale of the development, and notably the potential for a flagship industrial facility, and the development of high quality office space and housing provision, has the potential to play an important role in raising the overall image and prestige of Kirklees. This has the potential to generate wider synergies for the area, especially in terms of increasing business and investor confidence, and aspirations within the wider resident population.
- **Increased footfall and expenditure in the local economy** – as the scheme will increase substantially the scale of the residential base in Chidswell, this will lead to increased spend in shops/restaurants/bars etc., notably in Dewsbury and Batley.
- **Potential contribution to graduate retention** – although the impact may be modest, the scheme will help to retain graduates, especially in technical and scientific disciplines. Kirklees’s Economic Strategy (2014) identified that graduate retention is poor, previously acknowledge as owing to a lack of good quality employment opportunities. The provision of new high quality residential units and a range of new employment opportunities will contribute to addressing this issue, providing the opportunities and quality of life that graduates will want to access, within Kirklees.

5.26 However, it is also important to note that the potential of the scheme to deliver these wider strategic benefits will be determined to a very significant degree by the nature and use-type of new activity, not simply its scale. Attracting high-value employers, particularly in manufacturing and professional industries, will be an important contributor to maximising the benefits of the scheme for the local economy.

Summary

- It is estimated that **between 1,440 and 1,910 of the new jobs created could be taken by local residents.**
- The housing element has the potential to support an estimated **262 net jobs.**
- Given its scale, the scheme has the potential to deliver a range of wider benefits, **raising the profile and attractiveness of Kirklees, and North Kirklees as a location for investors, businesses and potential residents.**

6. Conclusions

- 6.1 This Section provides a summary of the key findings of the socio-economic impact assessment. We also propose some possible actions, through which partners might maximise the benefits of the proposed scheme for the local area.

Conclusions

- 6.2 The proposed development at Chidswell represents a major opportunity to help address long-standing and significant socio-economic and labour market challenges in Kirklees, and North Kirklees specifically. Although a large and well-placed economy, Kirklees currently underperforms across employment, skills, and enterprise and business development domains. Both workforce productivity (GVA per employee) and prosperity (GVA per capita) are below national levels, with lower earnings for local workers and residents.
- 6.3 The proposed development is also well-aligned to the prevailing policy context. Local strategies emphasise the need to deliver additional employment and housing growth in the local area and the scheme will contribute directly to delivering against the Kirklees Local Plan and the Leeds City Region Strategic Economic Plan. As a private sector-led development, creating private-sector employment and additional housing, the scheme is fully aligned to national economic development and regeneration policy.
- 6.4 The proposed development has very significant economic potential, as set out in Table 6-1. The construction phase will support an estimated 1,215 person years of construction employment through its commercial floorspace element, and 5,697 person years of construction employment under the housing scheme.
- 6.5 In terms of permanent employment, the analysis suggests that the commercial floorspace element of the proposed development, once fully developed and occupied, has the potential to create an estimated 2,870 net additional jobs and GVA per annum of around £115m (undiscounted) for the local economy. This scale of employment and economic contribution would not be realised until at least 2030/31. Taking a long-term view, over a 20-year period, the analysis suggests that the proposed development will generate around £1,183m GVA (discounted) for the Kirklees economy.
- 6.6 The relationship between housing and the economy is complex. However, in headline terms the right housing offer in the right place is an essential condition for sustainable economic growth. The importance of developing the housing offer in Kirklees to meet demand and deliver economic growth is recognised in the local planning and economic development context. Where there is more housing, and an increasing population, there will be greater demand for local goods and services, generating employment and expenditure in the local economy. The assessment concludes that the housing element of the proposed development at Chidswell has the potential to support an estimated further 262 net additional jobs for Kirklees District.

Table 6-1: Economic impacts in Kirklees resulting from the different elements of the proposed scheme

	Total impact	Impact units
Commercial		
Person years of employment during construction	1,215	person years
Average annual jobs in construction	93	FTE jobs
Gross employment impact once fully built	3,490	FTE jobs
Net employment impact once fully built	2,870	FTE jobs
Annual net GVA impact once fully built (non-discounted)	115	£m
Total net GVA impact between 2017/18 and 2037/38 (discounted)	1,183	£m
Housing		
Person years of employment during construction	5,697	person years
Average annual jobs in construction	438	FTE jobs ⁹
Gross employment impact once fully built	525	FTE jobs
Net employment impact on completion	262	FTE jobs

Source: SQW analysis

- 6.7 Although dependent on both demand from the local area and the nature of the employment on offer, based on historic commuting patterns and the skills and occupational base of the local workforce, potentially between half and two-thirds of the employment potential of the proposed development could be taken by local residents in the North Kirklees area. This provides an estimated net employment potential for North Kirklees from the commercial elements of between 1,440 and 1,910 jobs.
- 6.8 When fully developed out, the proposed scheme is expected to bring over 3,000 additional jobs to Kirklees, and around 1,500 new dwellings. Its scale means that it will make a significant contribution to the local economy: the ratio of employment to residential is double the ‘one job for each new house’ benchmark adopted for many new settlements in recent years.

Steps to maximise the benefits of the scheme for the local area

- 6.9 The socio-economic impact assessment of the proposed development has identified significant employment and economic benefits. If the potential opportunities identified through this desk-based analysis are to be realised as far as possible by local people, the lead developer and partners could consider four possible actions.
- Co-ordinating relevant partners (e.g. the Council, local FE providers, and employment agencies) to ensure that the current training and skills development offering is understood, integrated and promoted, and that the ‘fit’ with the likely training and human resource needs of the potential occupiers of floorspace in the scheme is maximised. This requires defining what provision local training and employment support providers currently offer that is suited to the businesses that are likely to be occupiers of the new scheme. This should cover basic training, CPD and employability.

⁹ Full-Time Equivalent jobs

It will also require an audit of the experience local training providers have assembling recruitment and training packages for larger employers.

- The development of an Employment Action Plan (EAP) to help local residents, particularly the unemployed, to obtain jobs created by the construction and operation of the proposed development, including through offering bespoke recruitment, training and development support for specific major employers.
- The development of a co-ordinated marketing and promotional plan, including leveraging the potential of the Kirklees Council and Leeds City Region investment offers, and engagement with the Department for International Trade to promote the site as a location for inward investment.
- An on-site skills/job shop. This has been successfully used elsewhere to promote opportunities in advance or in parallel to the development of major mixed-use schemes. A physical presence at the development can showcase current opportunities, provide information on the pipeline, offer training and provide a link between employers and potential employees.

6.10 We also recommend that an update of the assessment of the construction effects from the proposed development is undertaken once more detailed costings are available, including for any road or other infrastructure works, to provide a more definitive indication of the potential construction effects of the scheme.

Annex A: Spatial focus of secondary data analysis

Table A-1: Spatial footprint

Area	Geography	Detail
Chidswell	Lower Level Super Output Areas	<ul style="list-style-type: none"> • E01011013 • E01011126
North Kirklees	Middle Level Super Output Areas	<ul style="list-style-type: none"> • E02002271 • E02002272 • E02002273 • E02002274 • E02002275 • E02002276 • E02002277 • E02002278 • E02002279 • E02002280 • E02002281 • E02002282 • E02002283 • E02002284 • E02002285 • E02002286 • E02002287 • E02002288 • E02002289 • E02002290 • E02002291 • E02002292 • E02002293 • E02002294 • E02002295 • E02002296 • E02002297 • E02002298 • E02002299
Kirklees	Local Authority District	<ul style="list-style-type: none"> • Kirklees
Leeds City Region	Local Authority District	<ul style="list-style-type: none"> • Barnsley • Bradford • Calderdale • Craven • Harrogate • Kirklees • Leeds • Selby • Wakefield • York

Source: SQW