



ECONOMIC BENEFITS STATEMENT

ADDENDUM

AUGUST 2024

Project name: Kirklees Cultural Heart
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Reference: Economic Benefits Statement Addendum (Phase 2)

Introduction

An Economic Benefits Statement (EBS) was submitted with the original application in September 2022, which is appended to this report. This update is provided to identify any updates that are relevant to economics due to the changes in the Proposed Development (see section 1 of the Addendum for further detail).

The aspects of the ES chapter that have been updated are:

- Baseline.
- Construction Impacts.
- Operational Impacts.

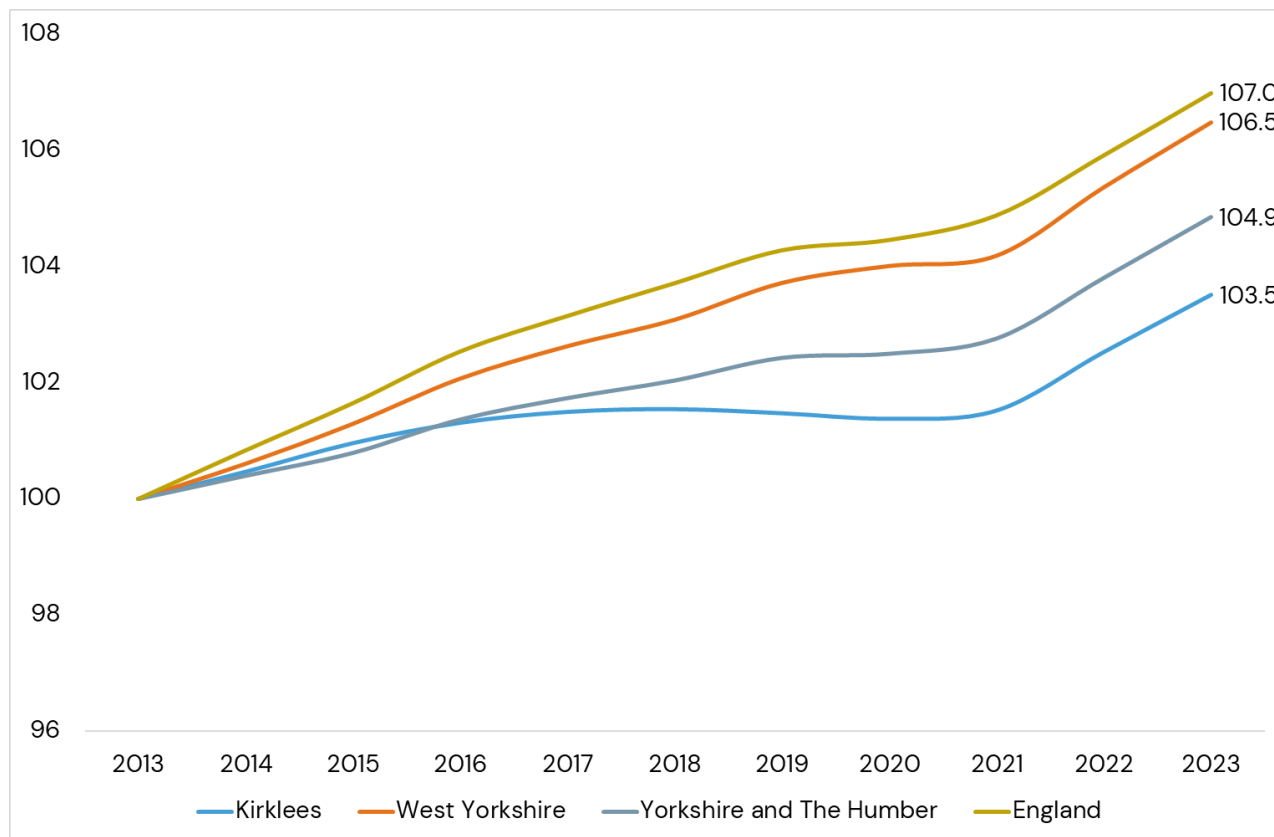
Baseline Conditions

Population

Between 2012 and 2022, the population of Huddersfield Town Centre increased by 8%, an absolute increase of 675. Population estimates for 2023 are not available for Huddersfield Town Centre and have not been presented in Figure 2.1a. Figure 2.1a presents the population change in Kirklees, West Yorkshire Combined Authority, Yorkshire and the Humber and England between 2013 and 2013. In this time the population of Kirklees increased by 3.5%, an absolute rise of 15,000 people. This was below the increase in population seen in West Yorkshire Combined Authority (6.5%), Yorkshire and the Humber (4.9%) and England (7%).

There have been no changes to the population projections presented in Tables 2.1-2.4 of Section 6 of the Appendix and therefore they have not been presented in this Addendum.

Figure 2.1a: Population Change, 2013–2023 (2013=100)

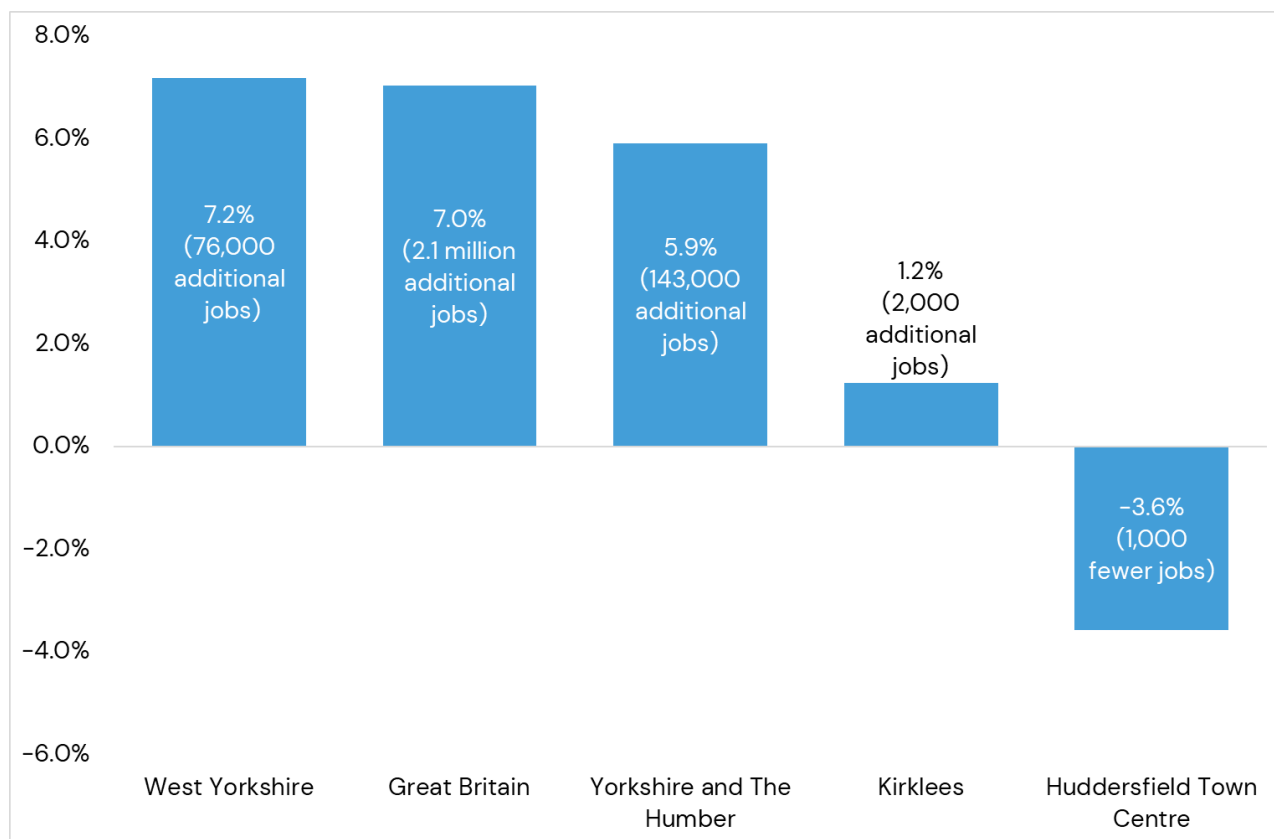


Source: ONS, Mid-year population estimates

Employment

Figure 2.2a presents the employment change in Huddersfield Town Centre, Kirklees, West Yorkshire Combined Authority, Yorkshire and the Humber and Great Britain. Between 2015 and 2022, employment in Huddersfield Town Centre decreased by 3.6%, a fall of 1,000 jobs. In the same timeframe in Kirklees, employment increased by just 1.2%, an absolute increase of 2,000 jobs. This was below the employment growth in West Yorkshire Combined Authority (7.2%), Yorkshire and the Humber (5.9%) and Great Britain (7%). The Proposed Development will create new job opportunities for residents and people living in the wider area bringing it more in line with regional and national growth rates.

Figure 2.2a: Employment Change, 2015–22



Source: ONS, Business Register & Employment Survey

Table 2.5a shows employment by sector in all comparator areas. In Huddersfield Town Centre and Kirklees, public administration, education and health accounts for the highest proportion of jobs accounting for 35.1% (9,250 jobs) and 28.9% (47,000 jobs) of total employment respectively.

The sector most likely to benefit during the build phase of the Proposed Development is the construction sector which accounts for 5.5% of total employment in Kirklees and supported around 9,000 jobs in 2022.

Table 2.5a: Employment by Sector, 2022

	Huddersfield Town Centre	Kirklees	West Yorkshire	Yorkshire & the Humber	Great Britain
Agriculture, mining, utilities etc.	0.3%	1.5%	1.6%	2.7%	2.8%
Manufacturing	11.4%	16.6%	10.0%	11.1%	7.4%
Construction	0.9%	5.5%	4.4%	4.9%	5.0%
Wholesale & retail	16.7%	18.1%	15.0%	15.1%	13.9%
Transport & storage	3.4%	3.7%	5.1%	5.4%	5.0%
Accommodation & food services	6.6%	6.1%	6.2%	7.2%	7.9%
Information & communication	1.3%	1.5%	3.1%	2.6%	4.4%
Business, financial & professional services	17.5%	14.3%	23.2%	19.5%	23.2%
Public admin, education & health	35.1%	28.9%	27.8%	27.9%	26.0%
Arts, entertainment, recreation & other services	6.6%	3.7%	3.6%	3.6%	4.4%

Source: ONS, Business Register & Employment Survey

Business Base

Table 2.6a presents the change in business number between 2013 and 2023. In Kirklees, 17,450 businesses are recorded as of 2023, compared to 14,190 in 2013. This is an increase of 3,260 which equates to a rise of 23%. This growth rate was above the rate seen in Yorkshire and the Humber (21.5%) and Great Britain (21.2%), but it was below the increase seen in West Yorkshire Combined Authority.

Of these 17,450 businesses in Kirklees, 25% (4,420) are businesses in the retail, accommodation and food services and the arts, entertainment and recreation sectors which are the sectors most likely to be supported by the Proposed Development. Businesses in all sectors grew between 2013 and 2023, with an overall increase of 22.8% (820).

Table 2.6a: Change in Business Numbers, 2013–2023

	2013	2023	Absolute Change	% Change
Kirklees	14,190	17,450	3,260	23.0%
West Yorkshire Combined Authority	74,995	94,040	19,045	25.4%
Yorkshire and The Humber	187,525	227,770	40,245	21.5%
Great Britain	2,543,115	3,082,125	539,010	21.2%

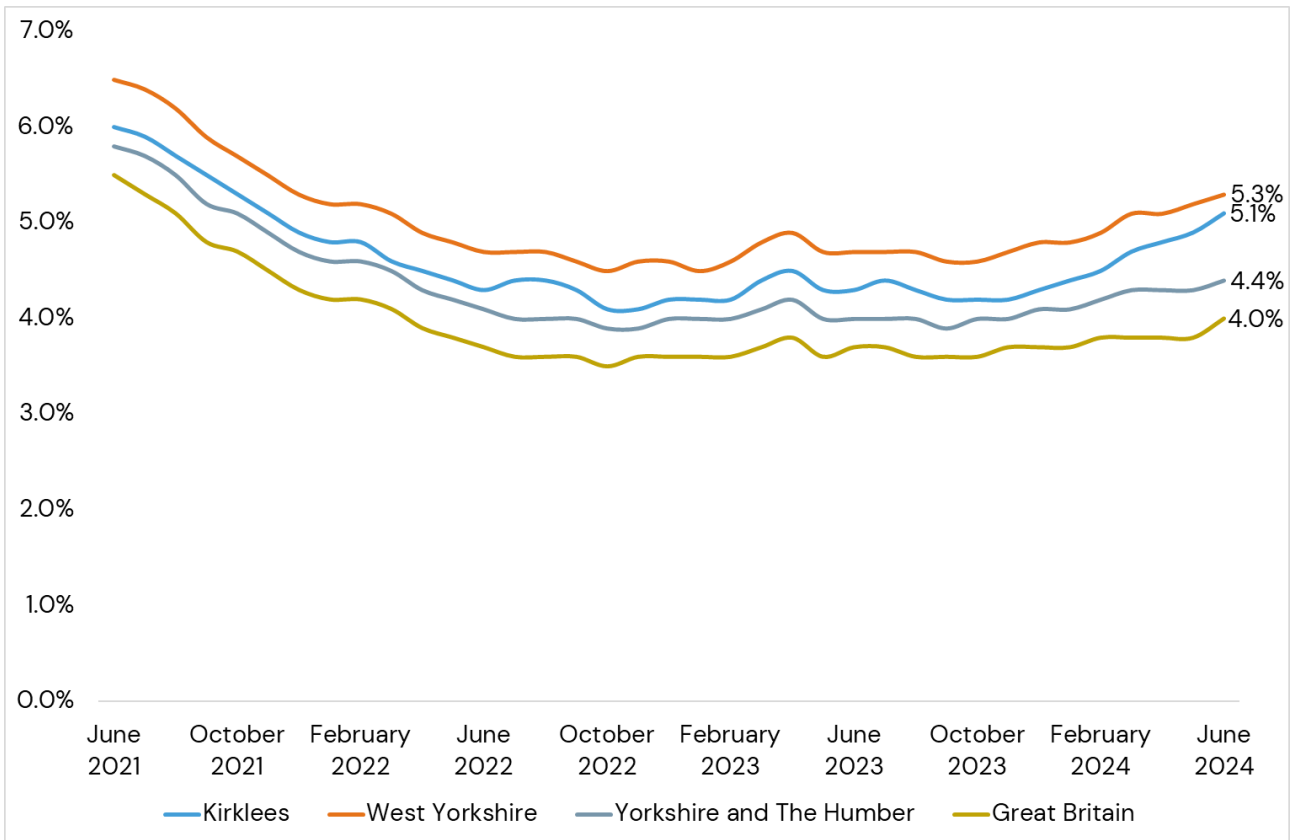
Source: ONS, UK Business Count

Unemployment

The claimant count gives the number of people claiming Jobseeker's Allowance plus those who claim Universal Credit and are required to seek work and be available for work. Figure 2.4a shows the claimant count as a proportion of those aged 16–64 in Kirklees, West Yorkshire, Yorkshire and The Humber and Great Britain for every month from June 2021 to June 2024.

In June 2021, the claimant count rate in Kirklees was 6% and by June 2024 it had fallen to 5.1%. The claimant count rate in Kirklees is currently below the rate seen in West Yorkshire Combined Authority (5.3%), but it above the rate in Yorkshire and the Humber (4.4%) and Great Britain (4%).

Figure 2.4a: Claimant count as % of residents aged 16-64, June 2021 – June 2024



Source: ONS, Claimant Count

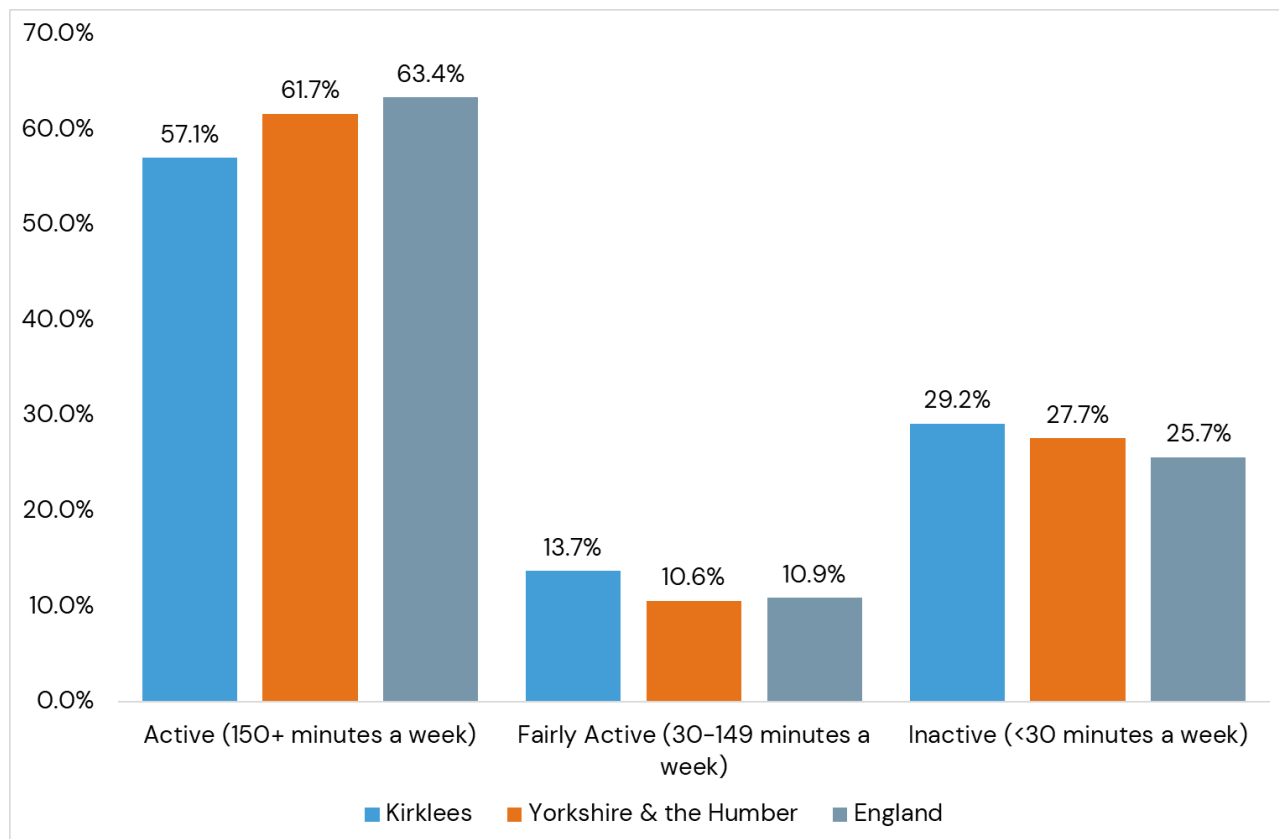
Deprivation

There has not been a more recent data release than the Index of Multiple Deprivation (IMD) 2019. Therefore, there is no update presented in this Addendum in respect of Deprivation.

Physical Activity

Figure 2.6a shows the physical activity levels of adults aged 16+ in Kirklees, Yorkshire and the Humber and England for the period November 2022-23. In Kirklees, 57.1% of people aged 16+ were classed as active. This means they engaged in at least 150 minutes of physical activity a week. This was below the rate of adults who were active in Yorkshire and the Humber (61.7%) and England (63.4%). In the same period, 29.2% of adults in Kirklees were classed as inactive, this was above the rate seen in Yorkshire and the Humber (27.7%) and England (25.7%).

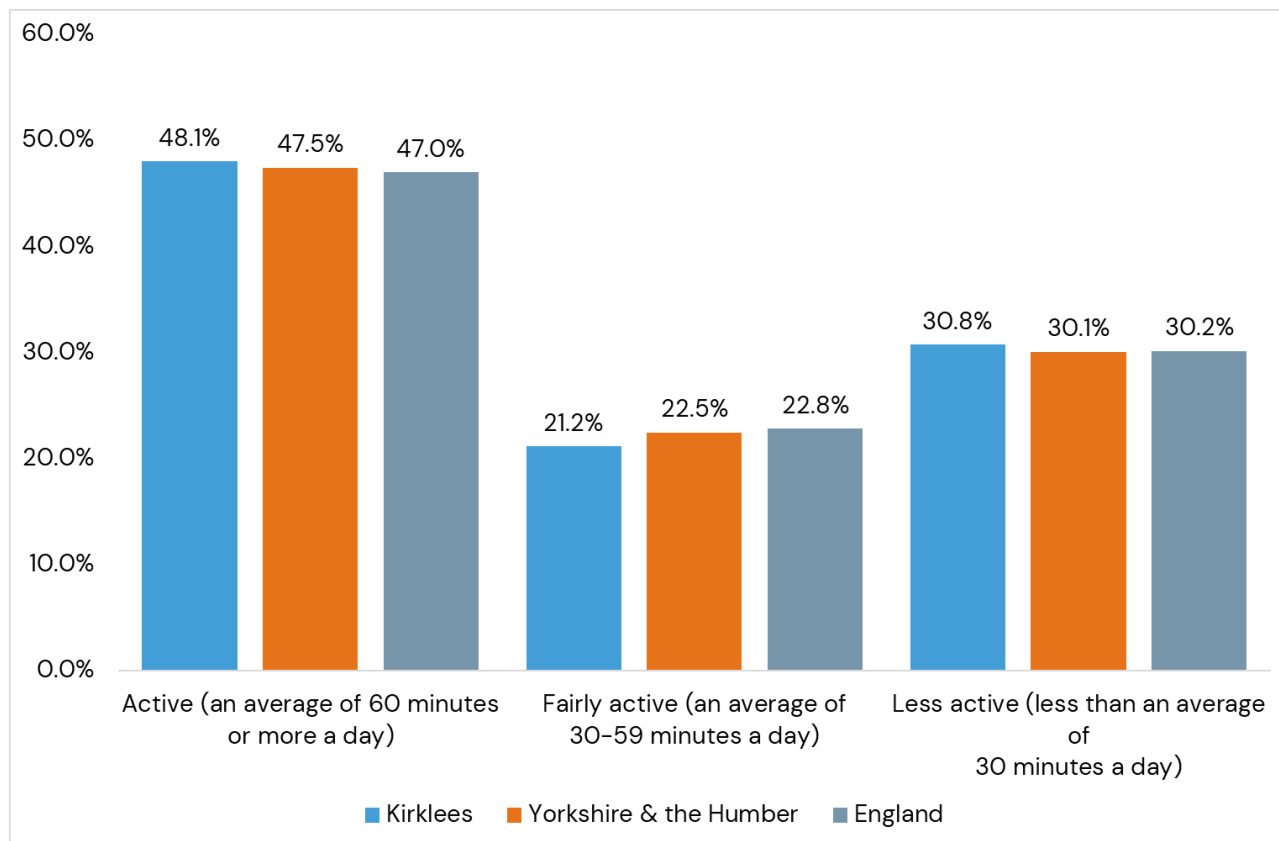
Figure 2.6a: Levels of Physical Activity in adults aged 16+, November 2022–23



Source: Sport England, Active Lives Survey

Figure 2.7a shows the levels of physical activity in children in years 1-11 for the academic year May 2022–May 2023. As shows, 48.1% of children in year 1-11 in Kirklees are classed as active, which is defined as engaging in at least 60 minutes of physical activity a day. This is above the rate seen in Yorkshire and the Humber (47.5%) and England (47%). In the same academic year, 30.8% of children in Kirklees were classed as inactive, meaning they engaged in less than 30 minutes of physical activity a day. This was above the rate of inactivity seen in Yorkshire and the Humber (30.1%) and England (30.2%).

Figure 2.7a: Levels of Physical Activity in Children in Years 1-11, Academic Year 2022-2023



Source: Sport England, Active Lives Survey

Huddersfield Town Centre Investment and Change

A research briefing from the House of Commons Library on Town Centre Regeneration¹ looks at the trends and challenges being faced by high streets and what can be done to support town centres. Before the Covid-19 pandemic, high streets were already facing challenges through changes in the retail industry, consumers shopping habits and spending power and the change in use of office space. These impacts were only accelerated by the Covid-19 pandemic.

The paper produced by the Centre for Local Economic Strategies on building resilient town centres² looks at the challenges faced across town centres and how these can be overcome to build resilient centres. The report identifies that one focus of town centres to become more resilient is to redefine or broaden their functions. It is outlined that some town centres need to take a more balanced approach away from focusing on just retail and encourage more leisure use on the high street alongside retail and focus on community needs. The Proposed Development will deliver a mix of culture and leisure facilities alongside retail and food and drink to create a diverse mix of amenities.

Research from What Works Centre for Economic Growth³ looks at how investment and interventions can be effective in promoting economic growth on high streets and in town centres. Improving high streets and town centres was already a priority before the Covid-19 pandemic, however, the challenges

¹ *Town Centre Regeneration*: House of Commons Library, December 2021.

² *Developing Resilient Town Centres*: Centre for Local Economic Strategies & DCLG, 2016.

³ *Evidence Briefing: local growth, high street and town centres*: What Works Centre for Local Economic Growth, March 2021.

from the pandemic such as a shift towards online shopping and an increase in the number of people working from home has exacerbated the problems that towns centres were already facing.

One of the points found in the research is the need for an increase in demand to meet supply-side intervention to ensure that there is a sustained improvement in the high street or town centre. As outlined above, between 2013 and 2023 there has been an increase in the population in Kirklees (3.5%) and between 2012 and 2022 there was an increase in the population of Huddersfield Town Centre (8%) which could be considered a latent demand for the Proposed Development, not least the increase in population of working age (16 to 64 years). The working age population would be expected to have disposable income which could be spent at the Proposed Development once it is operational.

Further research by the High Street Taskforce⁴ also identifies the fall in footfall in town centres with high street footfall falling by 17% between 2019 and 2022. Due to the impact of Covid it is not possible to accurately predict the future or whether footfall will continue to decline at this rate. However, the findings in the report find that despite a fall in footfall, high street shopping habits have not changed since before the pandemic. Kirklees Cultural Heart is considered to be a fundamental element of Huddersfield Town Centre being considered as a multifunctional town, as opposed to a retail town.

Although in general there has been a fall in footfall on high streets, especially in bigger cities, district and neighbourhood centres haven't been as badly affected. The report found that smaller places tend to have recovered rather better than the larger urban areas, particularly the districts. This trend, which was also detected during the pandemic, is likely to be the result of changes in working practices with substantial numbers of people still working from home at least part of the week, visiting their local centres for their supplies, instead of large town and city centres where most offices are based. Therefore, schemes such as Kirklees Cultural Heart would benefit from more support through national, regional and local policy to ensure they are attracting local people through providing a diverse range of services and ensuring high footfall.

Construction Phase Benefits

The construction cost is estimated to remain at £146.4million as stated in the Appendix and the construction phase could extend up to 2031. A significant amount of jobs and GVA would be generated during the construction phase of the Proposed Development as stated in the submitted Economic Benefits Statement (see Appendix).

Operational Phase Benefits

The operational phase benefits are assessed as being the same as those in the Appendix. These are summarised below:

- 298 net additional FTE jobs estimated to be supported by the Proposed Development.
- £10.2million net GVA per annum estimated to be generated once the Proposed Development is operational.
- The social value from the museum, gallery and library is estimated to be £5.5million per annum. Other social value from cultural activities and amenities is estimated at £5 million per annum. On an annual basis this gives a total monetary social value of around £10.5 million per annum.

⁴ Review of High Street Footfall July 2019 – June 2020: High Streets Task Force, September 2020.

- The net additional expenditure per annum from the increase in visits and visitor number to the Proposed Development is estimated to be £18.1 million.

Summary

Overall, the impacts of the Proposed Development following the amends with still result in substantial economic benefits to Huddersfield Town Centre and the wider Kirklees LPA. The Proposed Development will bring jobs and GVA to the area and support the town centre and in a time where town centres are facing challenges, the proposed scheme will diversify the offer of Huddersfield Town Centre and attract more visitors to the area.



KIRKLEES CULTURAL HEART

ECONOMIC BENEFITS STATEMENT

P21-0731 ROO1v5 EC EBS

Pegasus Group

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Document Management.

Version	Date	Author	Checked/ Approved by:	Reason for revision
1	24/08/2022	NR	RC	Initial review comments
2	09/09/2022	NR	LD	Alignment with Socio-Ec chapter
3	21/09/2022	NR	CC	Internal review comments
4	26/09/2022	NR	CC	Final review comments
5	28/09/2022	NR	CC	Final review comments



Contents.

Executive Summary	3
1. Introduction.....	4
2. Economic Overview.....	6
3. Construction Phase Benefits	23
4. Operational Phase Benefits	25
5. Conclusion.....	27



Executive Summary

Background

This report has been produced on behalf of Kirklees Metropolitan Borough Council and presents the economic benefits of developing the Kirklees Cultural Heart scheme. It quantifies the benefits that could be created by the scheme in terms of the construction impacts and the impacts of the scheme once it is operational.

Main Findings

Construction Impacts

- **Direct and indirect construction-related employment:** The Proposed Development will support up to 924 temporary jobs on and off-site during the 3-year build phase.
- **Contribution of construction phase to economic output:** It is estimated that up to £148million of gross value added (GVA) could be generated during the 3-year construction period in current prices.

Operational Impacts

- **Employment:** The Proposed Development will support up to 459 gross full-time equivalent jobs on-site once operational.
- **Contribution to economic output:** The additional GVA attributable to the site once operational and fully occupied is estimated at £10.2million per annum.
- **Social value:** It is estimated that the Proposed Development will generate £10.5 million in social value from the museum, gallery, library and other cultural activities and amenities.
- **Visitor Spend:** It is estimated that spend from day visits and overnight visits to the scheme will be around £18.1 million.

1. Introduction

Scope and Purpose

1.1. This report has been produced on behalf of Kirklees Metropolitan Borough Council and presents the economic benefits of developing the Kirklees Cultural Heart scheme. It quantifies the benefits that could be created by the scheme in terms of the construction impacts and the impacts of the scheme once it is operational. The Proposed Development can be described as:

Application for 'Demolition of the existing Piazza shopping centre, part removal of elements of Queensgate Market, and demolition/retention of service tunnels; with redevelopment of the site to form new public realm space (including public park and gardens, play areas, public square/outdoor event space); refurbishment and change of use of existing Queensgate Market Hall into new food hall (Use Class E (b) Sale of food and drink for consumption, mostly, on the premises); refurbishment and extension of existing library and art gallery building to form a new museum (Use Class F.1); change of use of part existing market hall building and extension to form a new public library (Use Class F.1); construction of new indoor event venue incorporating multi-storey car park below (Sui-Generis); erection of new public gallery building (Class F.1); and associated infrastructure on land and buildings at Queensgate Market, Huddersfield Library and Art Gallery, and Piazza (and The Shambles) Shopping Centre, Huddersfield.

1.2. Where relevant, the economic impacts have been presented to align with option 1 and option 3 from the Outline Business Case¹ produced by for the Proposed Development. The baseline scenario presented aligns with option 1 'do nothing' and the preferred way forward aligns with option 3 from the outline business case. An outline of each scenario is given below:

- Baseline - This aligns with Option 1 'Do Nothing' outlined in the Outline Business Case in which it is expected that there would be investment to maintain the existing facilities in their current condition. This includes minimum works to the listed Library building which also houses the current Gallery and Queensgate market.
- Preferred way forward - This aligns with Option 3 'Preferred Way Forward' outlined in the Outline Business Case which involves the construction of a new Venue and Food Hall. There will be a new Library partly integrated into the Queensgate market combined with a new separate Gallery. The current Library will be refurbished to incorporate a new Museum.

1.3. The report looks at the following issues:

- i. **How has the Kirklees economy performed in recent years?** The report looks in detail at Kirklees local authority and trends in population and employment, businesses, the claimant count, deprivation and health and wellbeing.

¹ Cultural Heart Cabinet Report – Outline Business Case: Kirklees Council, September 2022.



- ii. **What are the benefits of the construction phase?** The report considers how many temporary jobs will be created and the contribution of the construction phase to economic output.
- iii. **How many permanent jobs will the development create?** The report considers how many jobs will be generated by the employment floorspace.
- iv. **How much will the scheme contribute to enhancing the prosperity of the local and sub-regional economy?** For the purposes of this study, the measure used of prosperity is the contribution the scheme will make once completed and fully occupied in terms of increased gross value added – a measure of economic output.

Report Structure

1.4. The remainder of the report is structured as follows:

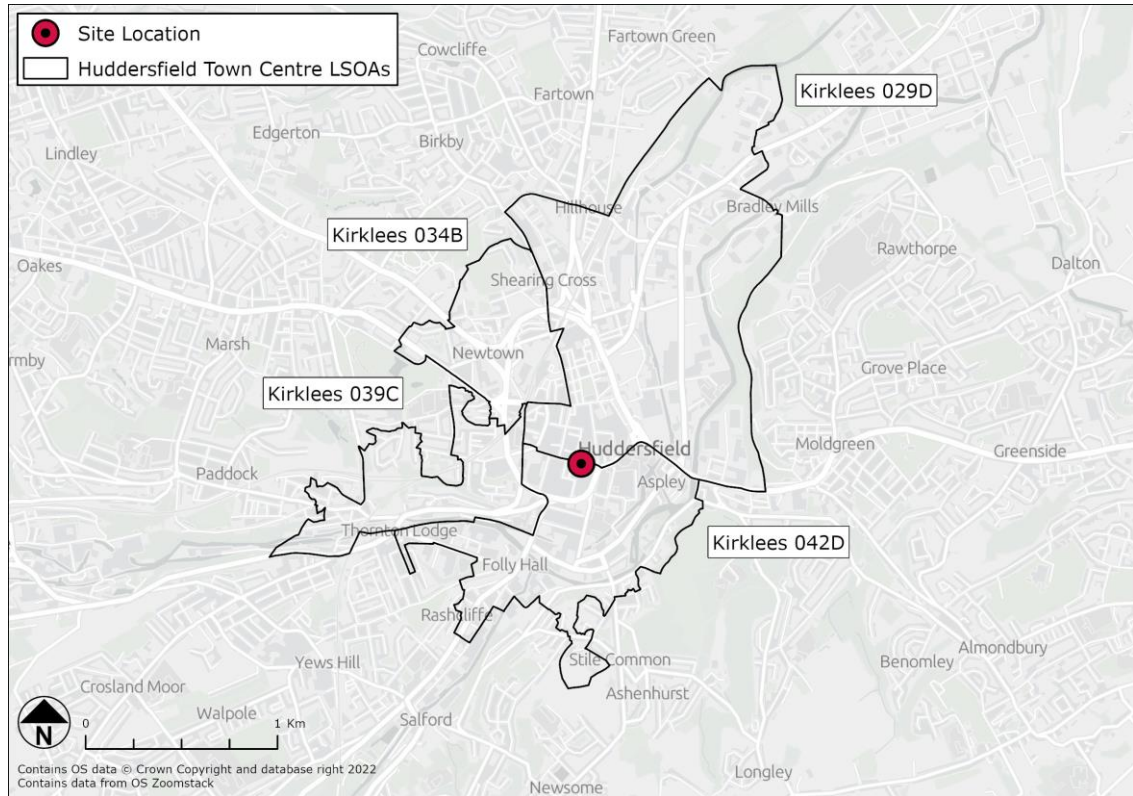
- **Section 2** describes the character of Huddersfield Town Centre and the Kirklees economy, in comparison to West Yorkshire combines authority, Yorkshire and the Humber and Great Britain. It presents information on population, employment trends, business numbers, the claimant count, levels of deprivation and physical activity. It also looks at how the scheme will support local economic development objectives.
- **Section 3** sets out the construction phase benefits of the Proposed Development, focusing on its contribution to employment and economic output.
- **Section 4** sets out the number of jobs the scheme will support once fully developed and occupied and presents an assessment of the contribution of the scheme to economic output, measured in terms of gross value added (GVA).

2. Economic Overview

Introduction

- 2.1. This section presents a profile of the Kirklees' economy, and provides data for comparator areas Huddersfield Town Centre, West Yorkshire Combined Authority, Yorkshire and the Humber and Great Britain.
- Population – change over time and population projections.
 - Employment – change over time and key sectors.
 - Businesses – current numbers and change over time.
 - Unemployment – in the form of claimant count trends.
 - Deprivation – Index of Multiple Deprivation.
 - Levels of physical activity – Sport England's Active Lives Survey.
- 2.2. The baseline looks at two different spatial scales namely Kirklees and Huddersfield Town Centre. The larger spatial scale of Kirklees includes the areas of Huddersfield, the Holme Valley, the Colne Valley, the Dearne Valley and North Kirklees (Dewsbury, Batley and Spennings Valley) and is essentially the direct in which the site is located. The spatial scale of Huddersfield Town Centre focuses on the immediate surrounding area of the Proposed Development and is a 'best fit' for the town centre of Huddersfield.
- 2.3. Figure 2.1 shows the LSOAs that have been used to represent Huddersfield Town Centre. This area consists of four LSOAs which are Kirklees O29D, Kirklees O42D, Kirklees O39C and Kirklees O34B. The Proposed development falls within this area and is located across two LSOAs, Kirklees O29D and Kirklees O42D.

Figure 2.1: Huddersfield Town Centre and Site Location

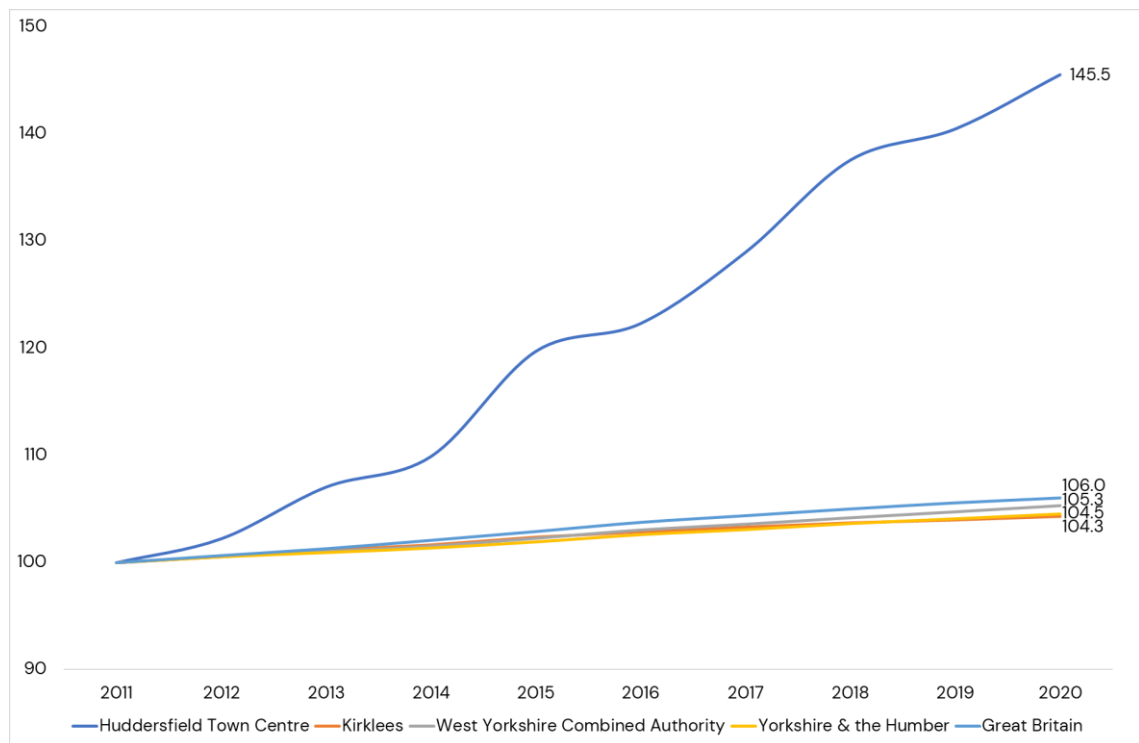


Population

Population Estimates

- 2.4. Figure 2.1 shows the population change in Huddersfield Town Centre, Kirklees LPA and sub-regional, regional and national comparators between 2011 and 2020. In this time the population of Huddersfield Town Centre grew by 45.5%. This is an absolute increase of 3,768. This compares to a population growth of 4.3% in Kirklees, 5.3% in West Yorkshire Combined Authority, 4.5% in Yorkshire and the Humber and 6% in Great Britain.

Figure 2.1: Population Change, 2011–20 (2011=100)



Source: ONS, Population Estimates

- 2.5. The fastest growing age group in Huddersfield Town Centre between 2011 and 2020 were those aged 16–64 which increased by 55.3% (3,637). Of this, 51% (1,919) of the increase was a result of people aged 18–25. Based on data from the Higher Education Statistics Authority (HESA), as of the academic year 2020/21 there were 20,610 students at the University of Huddersfield. This represents an increase of almost 1,000 students since 2014/15. It is reasonable to assume that the increase in the younger population in Huddersfield Town Centre could in part be a result of the increase in the number of students studying and staying in Huddersfield. The number of people aged 0–15 in the Town Centre grew by 16.3% (169), whereas those aged 65 and over fell by 5.7% (38). In all other comparator areas, those aged 65 and over were the fastest growing age group with a rise of 22.1% in Kirklees, 17.7% in West Yorkshire Combined Authority, 18.3% in Yorkshire and the Humber and 19.6% in Great Britain.

Population Projections

- 2.6. Tables 2.1–2.4 show the population projections in Kirklees, West Yorkshire Combined Authority, Yorkshire and the Humber and England. In all areas the fastest growing age group were those aged 65 and over with a growth of 36.6% in Kirklees, 35.1% in West Yorkshire Combined, 36.3% in Yorkshire and the Humber and 40.8% in England. The number of people aged 0–15 declined in all areas with a fall of 6.8% in Kirklees. Kirklees also saw a decline of 0.6% in people aged 16–64, making it important employment opportunities are created within the LPA to attract people of working age population to the area.

Table 2.1: Population Projections in Kirklees, 2018–38

	2018	2038	Absolute Change	% Change
0-15	89,819	83,742	-6,077	-6.8%
16-64	272,060	270,465	-1,595	-0.6%
65+	76,848	104,995	28,147	36.6%
Total	438,727	459,204	20,477	4.7%

Source: ONS, Population Projections

Table 2.2: Population Projections in West Yorkshire Combined Authority, 2018–38

	2018	2038	Absolute Change	% Change
0-15	476,813	464,777	-12,036	-2.5%
16-64	1,460,576	1,493,893	33,317	2.3%
65+	382,825	517,194	134,369	35.1%
Total	2,320,214	2,475,866	155,652	6.7%

Source: ONS, Population Projections

Table 2.3: Population Projections in Yorkshire and the Humber, 2018–38

	2018	2038	Absolute Change	% Change
0-15	1,046,381	1,002,967	-43,414	-4.1%
16-64	3,416,898	3,431,682	14,784	0.4%
65+	1,016,336	1,384,927	368,591	36.3%
Total	5,479,615	5,819,573	339,958	6.2%

Source: ONS, Population Projections

Table 2.4: Population Projections in England, 2018–38

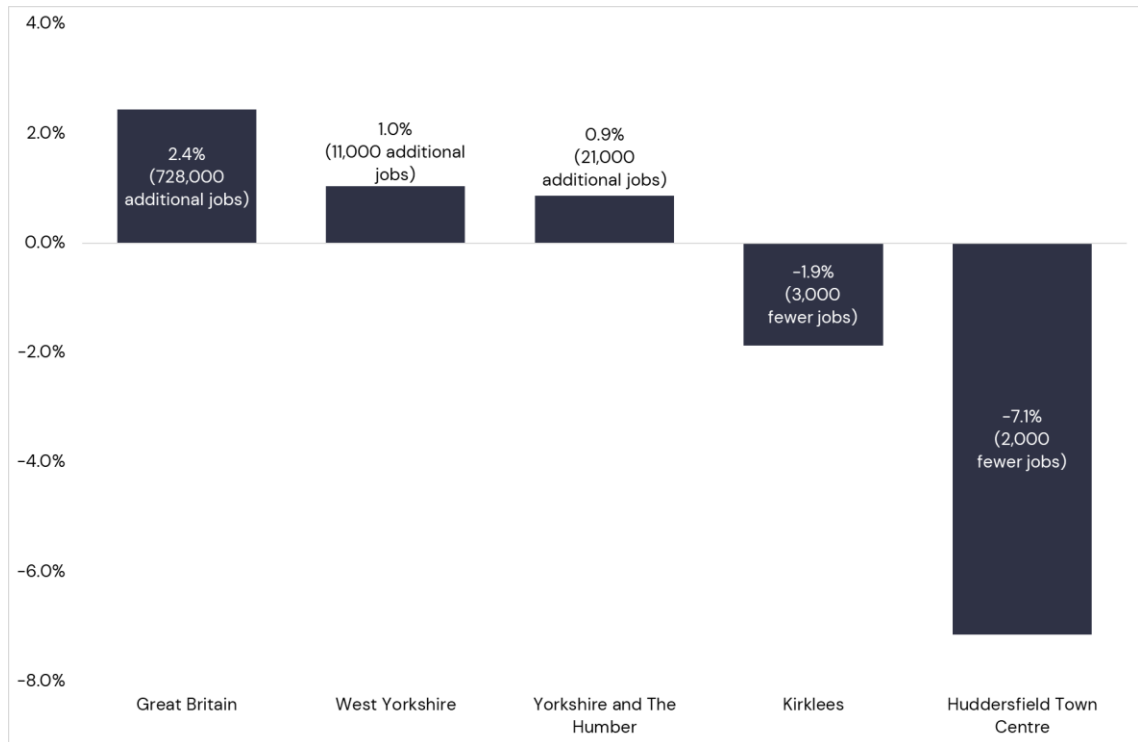
	2018	2038	Absolute Change	% Change
0-15	10,748,458	10,370,237	-378,221	-3.5%
16-64	35,049,467	36,066,076	1,016,609	2.9%
65+	10,179,253	14,329,964	4,150,711	40.8%
Total	55,977,178	60,766,251	4,789,073	8.6%

Source: ONS, Population Projections

Employment

- 2.7. Based on the most recent data from the Business Register & Employment Survey (BRES) published by ONS, in 2020 around 158,000 people – including the self-employed – worked in Kirklees, of which 26,000 people work in Huddersfield Town Centre.
- 2.8. Between 2015 and 2020, both Huddersfield Town Centre and Kirklees LPA both experienced an employment decline of 7.1% (2,000 fewer jobs – see figure 2.2) and 1.9% (3,000 fewer jobs). This compares to jobs growth of 1% (11,000 additional jobs) in West Yorkshire, 0.9% (21,000 additional jobs) in Yorkshire and the Humber and 2.4% (728,000 additional jobs) in Great Britain. In comparison to other local authorities in West Yorkshire, Calderdale was the only other LPA to see a decline in employment in this period (fall of 10.9%), whereas Leeds, Bradford and Wakefield all saw a growth in employment. The Proposed Development will create new job opportunities for residents and people living in the wider area bringing it more in line with regional and national growth rates. This point is particularly important considering the long-term impact which coronavirus will have on the economy.

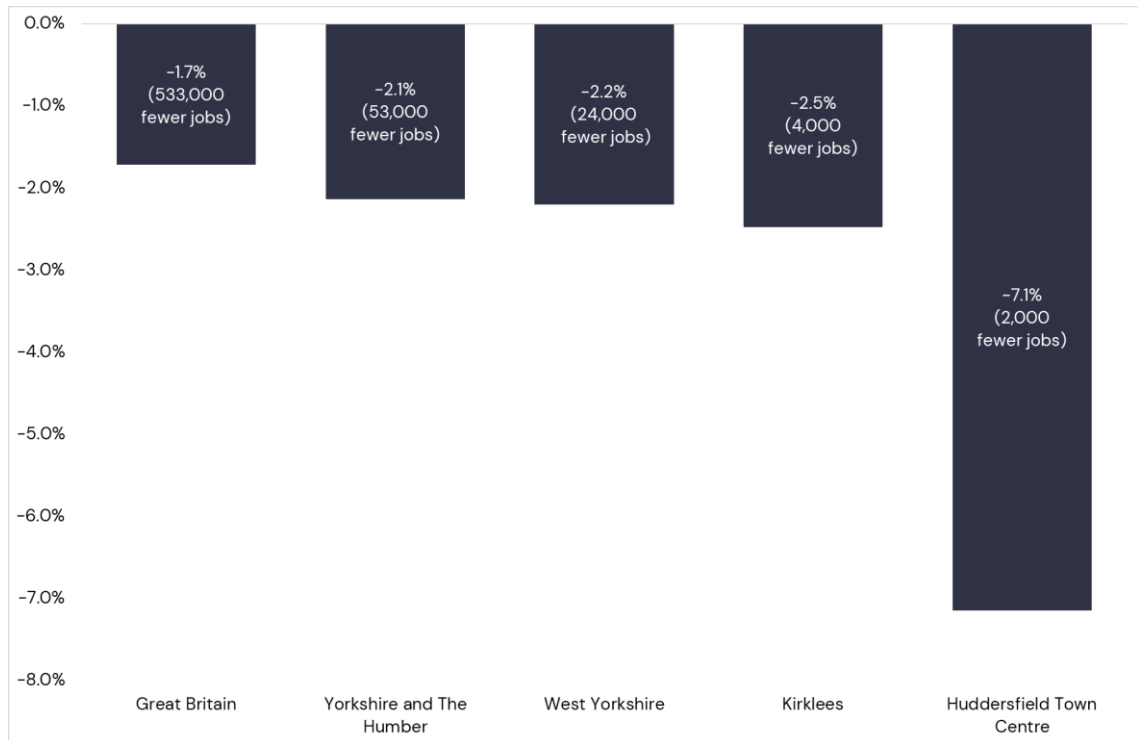
Figure 2.2: Employment Change, 2015–20



Source: ONS, Business Register & Employment Survey

2.9. Figure 2.3 shows the employment change in Huddersfield Town Centre, Kirklees and comparator areas for 2019–2020, reflecting the impact of the Covid-19 pandemic on the labour market. Between 2015 and 2019, employment in Kirklees and in Huddersfield Town Centre remained level, however, the impact of the Covid-19 pandemic resulted in jobs declining in both Kirklees and Huddersfield Town Centre. The largest decline was seen in Huddersfield Town Centre, where jobs fell by 7.1% (2,000 fewer jobs). This compares to a fall of 2.5% (4,000 fewer jobs) in Kirklees, 2.2% (24,000 fewer jobs) in West Yorkshire, 2.1% (53,000 fewer jobs) in Yorkshire and the Humber and 1.7% (533,000 jobs) in Great Britain.

Figure 2.3: Employment Change, 2019–20



Source: ONS, Business Register & Employment Survey

- 2.10. Table 2.5 shows employment by sector in all comparator areas. In Huddersfield Town Centre and Kirklees, public administration, education and health accounts for the highest proportion of jobs accounting for 33.6% (9,000 jobs) and 26.7% (42,000 jobs) of total employment respectively.
- 2.11. Construction accounts for 5.7% of employment in Kirklees (9,000 jobs) and this sector is likely to see new opportunities created during the build phase of the scheme.

Table 2.5: Employment by Sector, 2020

	Huddersfield Town Centre	Kirklees	West Yorkshire	Yorkshire & the Humber	Great Britain
Agriculture, mining, utilities etc.	0.4%	1.4%	1.8%	2.8%	2.9%
Manufacturing	11.2%	15.3%	9.8%	11.0%	7.7%
Construction	0.9%	5.7%	5.0%	5.3%	4.9%
Wholesale & retail	17.9%	19.1%	14.7%	14.7%	14.7%
Transport & storage	2.6%	4.5%	5.2%	5.3%	5.0%
Accommodation & food services	5.6%	5.7%	5.3%	6.3%	7.1%
Information & communication	1.5%	1.6%	3.1%	2.6%	4.3%
Business, financial & professional services	18.8%	15.6%	24.5%	21.1%	22.7%
Public admin, education & health	33.6%	26.7%	26.7%	26.9%	26.3%
Arts, entertainment, recreation & other services	7.5%	4.5%	3.9%	4.0%	4.3%

Source: ONS, Business Register & Employment Survey

Business Base

- 2.12. As of 2021 there are approximately 17,930 businesses in Kirklees. Table 2.6 shows that between 2011 and 2021 the total number of companies in the area grew by 4,070, growth of 29.4%. This is above the rate seen in Yorkshire and the Humber (23.6% – 43,500 businesses) and Great Britain (27% – 665,835), however, it is below the rate of growth seen in West Yorkshire (30.6% – 22,390).
- 2.13. Of these 17,930 businesses in Kirklees, 25% (4,500) are businesses in the retail, accommodation and food services and the arts, entertainment and recreation sectors which are the sectors most likely to be supported by the Proposed Development. Businesses in all sectors grew between 2011 and 2021, with an overall increase of 23.8% (865).

Table 2.6: Change in Business Numbers, 2011–21

	2011	2021	Absolute Change	% Change
Kirklees	13,860	17,930	4,070	29.4%
West Yorkshire	73,100	95,490	22,390	30.6%
Yorkshire and The Humber	184,470	227,970	43,500	23.6%
Great Britain	2,464,265	3,130,100	665,835	27.0%

Source: ONS, UK Business Count

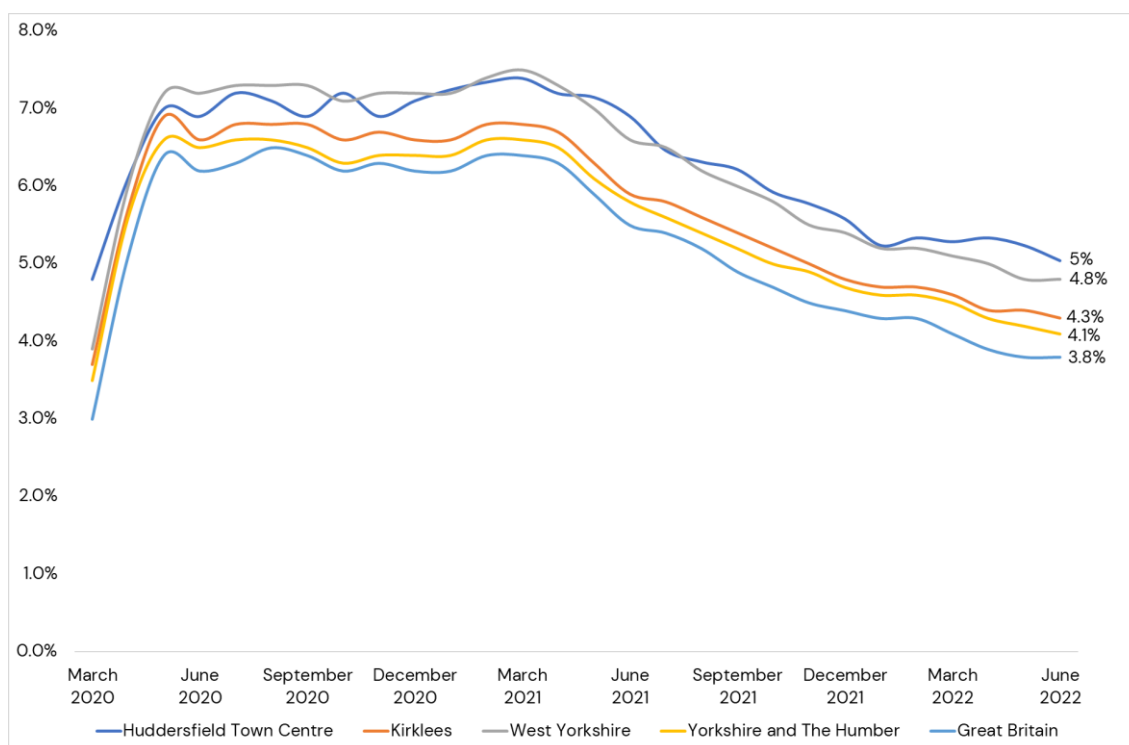
Claimant Count

- 2.14. The most accurate measure of unemployment at the current time is the claimant count, which counts the number of people claiming Jobseeker's Allowance plus those who claim Universal Credit and are required to seek work and be available for work.
- 2.15. Figure 2.4 shows the claimant count in Huddersfield Town Centre, Kirklees, West Yorkshire, Yorkshire and the Humber and Great Britain for every month from March 2020 to June 2022,

expressed as a proportion of residents aged 16–64. For all areas shown in the chart, a sharp rise is evident in the claimant count between March and April 2020, which will be down to the impact of Covid-19. This is down in part to more people claiming unemployment-related benefits and also because of changes made to the system by government which means more people are eligible to claim benefits. Further details on this are provided below.

- 2.16. ONS state that enhancements to Universal Credit as part of the UK Government's response to the coronavirus mean that an increasing number of people became eligible for unemployment-related benefit support despite still being in work. Consequently, changes in the claimant count will not be wholly because of changes in the number of people who are not in work. It is not possible to identify to what extent people who are employed or unemployed have affected the numbers.
- 2.17. In March 2020, the claimant count in Kirklees was 3.7% and by June 2022 it had risen to 4.3%. This represents an increase of 1,625 more people claiming benefits. The claimant count in Huddersfield Town Centre was 5% in June 2022, increasing from 4.8% in March 2020. Huddersfield Town Centre has the highest claimant count of all comparator areas, with rates of 4.8% in West Yorkshire, 4.1% in Yorkshire and the Humber and 3.8% in Great Britain.
- 2.18. Changes to the benefits system which came into force at the beginning of October 2021 may mean the claimant count starts to drop at a slightly faster rate, however it is still reasonable to assume that the legacy effects of the pandemic mean it will be higher than it was pre-March 2020. This makes it imperative that new job opportunities are created in all parts of the country over the next few years and bring the claimant count rate in the local area more in line with regional and national trends.

Figure 2.4: Claimant Count as % of Residents aged 16–64, 2020–22



Source: ONS, Claimant Count

Deprivation

- 2.19. The 2019 Index of Multiple Deprivation provides an indication of the average levels of deprivation for Lower Layer Super Output Areas (LSOAs) across England. The index provides an overall assessment of the average levels of deprivation as well as an assessment against domains of deprivation. In total, England has 32,844 LSOAs, 258 of which fall within Kirklees.
- 2.20. The scheme falls within two LSOAs, these are Kirklees O29D which has an overall rank of 2,928, putting it in the top 10% most deprived LSOAs in England and Kirklees O42D, which has an overall rank of 9,558, putting it in the top 30% most deprived LSOAs in England. When looking at individual domains of deprivation, Kirklees O29D has its highest rank in the crime domain with a rank of 2,488, putting it in the top 10% most deprived for this domain. Its lowest rank is in health where it ranks 6,409, however this is still in the top 20% most deprived LSOAs for this domain. Kirklees O42D has its highest rank in living environment where it ranks 1,300, putting it in the top 10% most deprived LSOAs for this domain and it has its lowest rank in employment, with a rank of 19,370, putting it in the top 50% least deprived LSOAs for this domain.
- 2.21. The Full list of the domain rankings for Kirklees O29D and Kirklees O42D are set out in Tables 2.7 and 2.8 respectively below. The lower the number the more deprived the area is relative to other LSOAs nationally.

Table 2.7: Kirklees O29D IMD 2019 Domain Rankings

IMD 2019 Domain	Kirklees O29D Rank (out of 32,844, 1 being the most deprived)
Overall IMD	2,928
Income	3,753
Employment	4,566
Education & Training	5,096
Health	6,409
Crime	2,488
Barriers to Housing and Services	3,677
Living Environment	2,923

Source: Ministry for Housing, Communities & Local Government

Table 2.7: Kirklees O42D IMD 2019 Domain Rankings

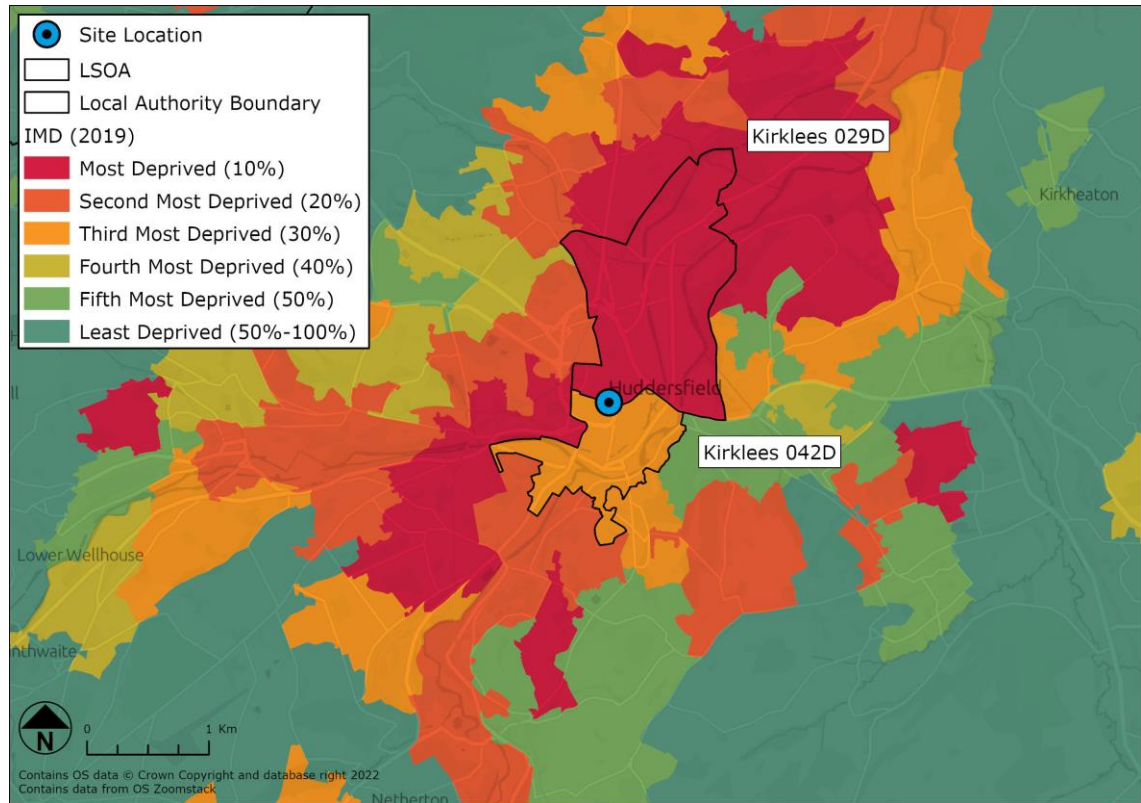
IMD 2019 Domain	Kirklees O42D Rank (out of 32,844, 1 being the most deprived)
Overall IMD	9,558
Income	17,587
Employment	19,370
Education & Training	10,382
Health	3,957
Crime	10,920
Barriers to Housing and Services	8,639
Living Environment	1,300

Source: Ministry for Housing, Communities & Local Government

- 2.22. Figure 2.5 shows the overall IMD rank for the site location, Kirklees O29D and Kirklees O42D. There are large areas of deprivation close to the site, with many of the LSOAs directly next to Kirklees O29D and O42D and within Huddersfield Town Centre falling into the top 10% and

top 20% most deprived LSOAs in England. Further out from the town centre, the levels of deprivation decline, with some LSOAs falling into the top 50% least deprived LSOAs in England.

Figure 2.5: Index of Multiple Deprivation for Site Location

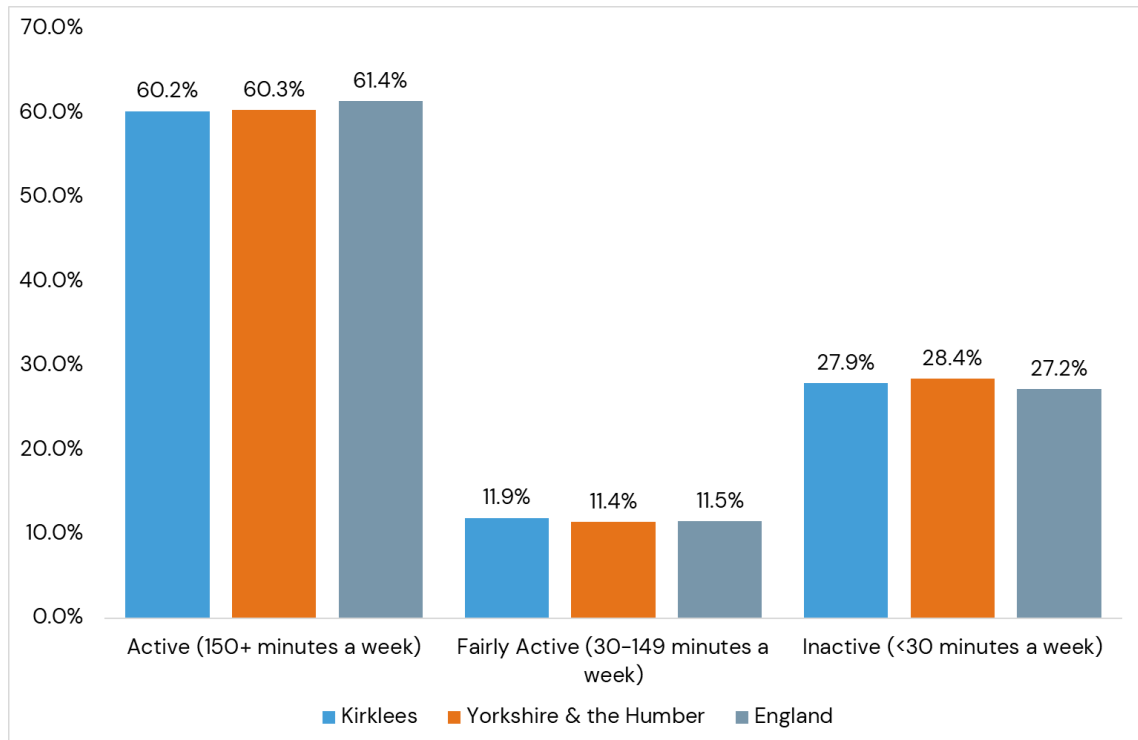


Source: Ministry for Housing, Communities and Local Government

Physical Activity

2.23. Figure 2.6 shows the physical activity levels of adults aged 16+ in Kirklees, Yorkshire and the Humber and England for the period November 2020–21. In Kirklees, 60.2% of people aged 16+ were classed as active. This means they engaged in at least 150 minutes of physical activity a week. This was below the rate of adults who were active in Yorkshire and the Humber (60.3%) and England (61.4%). In the same period, 27.9% of adults in Kirklees were classed as inactive, however, this was above the rate seen in Yorkshire and the Humber (24.1%), but below the rate seen in England (27.2%).

Figure 2.6: Levels of Physical Activity in adults aged 16+, November 2020–21

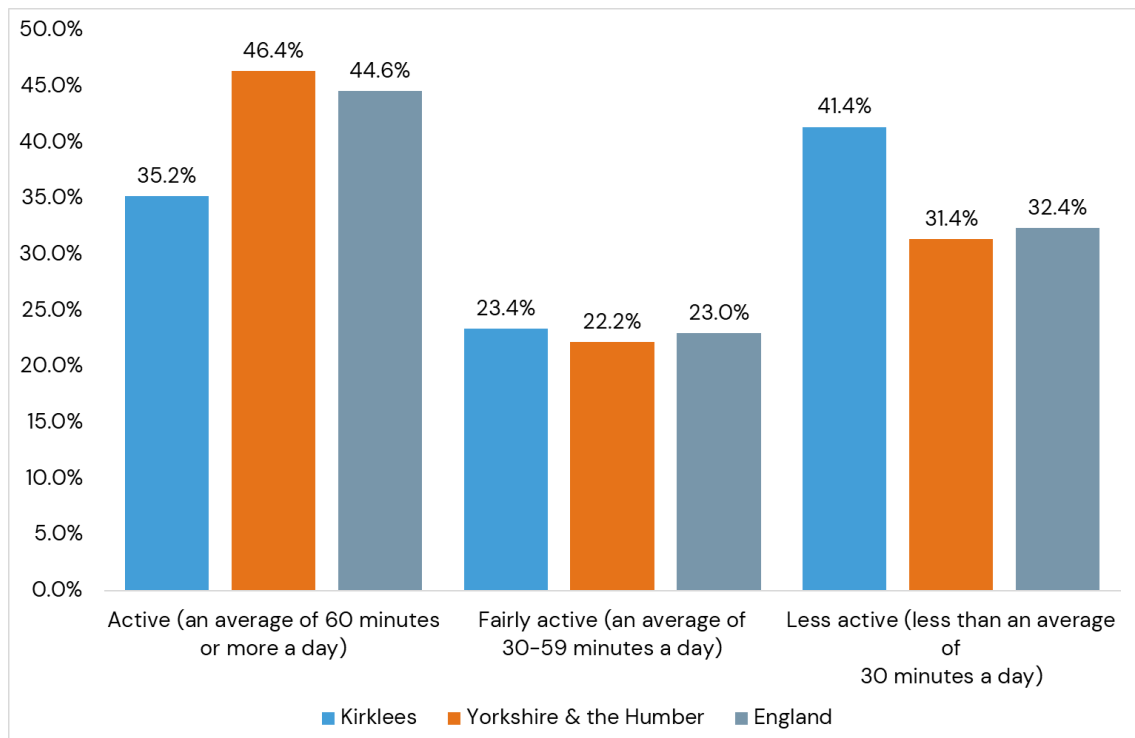


Source: Sport England, Active Lives Survey

2.24.

Figure 2.7 shows the levels of physical activity in children in years 1–11 for the academic year May 2020–May 2021. As shown, 35.2% of children in year 1–11 in Kirklees are classed as active, which is defined as engaging in at least 60 minutes of physical activity a day. This is below the rate seen in Yorkshire and the Humber (46.4%) and England (44.6%). In the same academic year, 41.4% of children in Kirklees were classed as inactive, meaning they engaged in less than 30 minutes of physical activity a day. This was above the rate of inactivity seen in Yorkshire and the Humber (31.4%) and England (32.4%).

Figure 2.7: Levels of Physical Activity in Children in Year 1–11, Academic Year May 2020–21



Source: Sport England, Active Lives Survey

Huddersfield Town Centre investment and change

2.25. A research briefing from the House of Commons Library on Town Centre Regeneration² looks at the trends and challenges being faced by high streets and what can be done to support town centres. Before the Covid-19 pandemic, high streets were already facing challenges through changes in the retail industry, consumers shopping habits and spending power and the change in use of office space. These impacts were only accelerated by the Covid-19 pandemic. The Government has given focus to supporting high streets following the pandemic through its levelling up agenda and published policy on how they will build back better on the high streets.

2.26. The report looks at a paper produced by the Centre for Local Economic Strategies on building resilient town centres³. The challenges faced across town centres and how these can be overcome to build resilient centres is considered. The report identifies that one focus of town centres to become more resilient is to redefine or broaden their functions. It is outlined that some town centres need to take a more balanced approach away from focusing on just retail and encourage more leisure use on the high street alongside retail and focus on community needs. The Proposed Development will deliver a mix of culture and leisure facilities alongside retail and food and drink to create a diverse mix of amenities.

² *Town Centre Regeneration*: House of Commons Library, December 2021.

³ *Developing Resilient Town Centres*: Centre for Local Economic Strategies & DCLG, 2016.

- 2.27. Research from What Works Centre for Economic Growth⁴ looks at how investment and interventions can be effective in promoting economic growth on high streets and in town centres. Improving high streets and town centres was already a priority before the Covid-19 pandemic, however, the challenges from the pandemic such as a shift towards online shopping and an increase in the number of people working from home has exacerbated the problems that towns centres were already facing.
- 2.28. One of the points found in the research is the need for an increase in demand to meet supply-side intervention to ensure that there is a sustained improvement in the high street or town centre. As outlined above, between 2011 and 2020 there has been an increase in the population in Kirklees (4.3%) and a significant increase in the population of Huddersfield Town Centre (45.5%) which could be considered a latent demand for the Proposed Development, not least the large increase in population of working age (16 to 64 years). The working age population would be expected to have disposable income which could be spent at the Proposed Development once it is operational.
- 2.29. Further research by the High Street Taskforce⁵ also identifies the fall in footfall in town centres with high street footfall falling by 5% since 2015. Footfall declined significantly during the peak of the Covid-19 pandemic lockdowns with major cities being impacted the most: on average footfall fell by 75.9% between March and June 2020. However, this decline in footfall does not mean all high streets are failing, but provides a signal that the function of high streets is changing. There has been an increase in the number of town centres that are considered 'multifunctional', with retail declining as the dominant occupier. Multifunctional towns have suffered lower declines in footfall than 'comparison retail' towns. It is also expected that multifunctional towns recover faster from the effects of the Covid-19 pandemic. Kirklees Cultural Heart is considered to be a fundamental element of Huddersfield Town Centre being considered as a multifunctional town, as opposed to a retail town.
- 2.30. Although in general there has been a fall in footfall on high streets, especially in bigger cities, district and neighbourhood centres haven't been as badly affected. Between March and June 2020, footfall in district centres only fell by 34.5%, this compares to the 75.9% drop seen in major cities. With essential retail and open space being crucial during the Covid-19 lockdowns, district and neighbourhood centres have been rediscovered. Therefore, schemes such as Kirklees Cultural Heart would benefit from more support through national, regional and local policy to ensure they are attracting local people through providing a diverse range of services and ensuring high footfall.

Economic Development Objectives

Kirklees Local Plan

- 2.31. The Kirklees Local Plan was adopted in February 2019 and covers the administrative area of Kirklees Council. The vision of the Local Plan is that in 2031, Kirklees will be a great place to live, work and invest in. There will be a focus on sustainable development and effective use of land and buildings whilst providing the necessary infrastructure with minimal effect on the environment. The diverse character of different areas within Kirklees will be retained and

⁴ Evidence Briefing: local growth, high street and town centres: What Works Centre for Local Economic Growth, March 2021.

⁵ Review of High Street Footfall July 2019 – June 2020: High Streets Task Force, September 2020.

enhanced whilst thriving communities are built, responding to local needs and reducing health inequalities.

2.32. To achieve this vision, Kirklees Council have identified strategic objectives, some of which are outlined below:

1. Ensure the Kirklees economy grows and diversifies, the level of skills in the LPA are increased and there is an increase in employment opportunities.
2. There will be a focus on strengthening the town centres within the administrative area of Kirklees, with particular focus on Huddersfield Town Centre, Dewsbury and Batley to support their vitality.
3. Transport links between towns in Kirklees and neighbouring towns will be improved, and public transport, walking and cycling will be promoted as a more sustainable way to travel.
4. There will be a focus on reducing inequalities within Kirklees, especially health inequalities and ensuring all residents have the opportunity of a healthy lifestyle that is free from crime and with the ability to reach their full potential in work and education.

Kirklees Economic Strategy

2.33. Kirklees Council Economic Strategy⁶ was published in April 2019 and covers the period 2019–2025. The vision of the Economic Strategy is to create an inclusive and productive Kirklees. The main aim of this vision is to create good jobs, and higher levels of skills, income and wellbeing and to increase productivity with innovation, outward and forward looking businesses.

2.34. The strategy outlines five priorities that will help Kirklees achieve its vision of an inclusive and productive economy. These are outlined below:

1. **Modern Innovative Businesses:** boosting business ambitions, best practice and innovation to drive productivity and good jobs.
2. **Skilled and Ambitious People:** equipping people with the skills, and confidence they need to access good, well paid jobs, contributing to and benefiting from economic issues.
3. **Active Partnerships:** building high impact partnerships across private, public and voluntary sectors, with a focus on how 'anchor institutions' can use their employment, procurement, assets and service delivery to build local wealth and achieve better outcomes.
4. **Advanced Connectivity and Infrastructure:** ensuring maximum benefits from the Transpennine rail upgrade, a Huddersfield–North Kirklees–Leeds Inclusive Growth Corridor, 10,000 new homes and excellent digital and green infrastructure.

⁶ *Kirklees Economic Strategy 2019–2025*: Kirklees Council, April 2019.



5. **Revitalised Centres:** using a forward looking approach across Huddersfield, North and South Kirklees to celebrate our districts diversity.

Leeds City Region Local Enterprise Partnership Strategic Economic Plan

2.35. The Leeds City Region Local Enterprise Partnership (LEP) published their Strategic Economic Plan⁷ (SEP) in May 2016 and covers the period up to 2036. The SEP was written in collaboration with West Yorkshire Combined Authority and outlines the vision and priorities within the LEP to ensure the area achieves its economic growth targets.

2.36. The transformative vision of the LEP is:

“To be a globally recognised economy where good growth delivers high levels of prosperity, jobs and quality of life for everyone.”

2.37. By achieving this vision, the LEP aims to:

- Deliver at least 35,000 additional jobs and an additional £3.7 billion of economic output per annum by 2036.
- Become a positive, above average contributor to the UK economy.
- Seek to exceed the national average on high level skills and become a NEET (not in employment, education or training)-free area.
- Make good progress on Headline Indicators of growth and productivity, employment, earnings, skills and environmental sustainability.

2.38. To achieve these targets the LEP has identified four priorities which are outlined below:

Priority 1: Growing Business – this aims to increase innovation and to boost business growth, productivity, exports and investment.

Priority 2: Skilled people, better jobs – a ‘more jobs, better jobs’ employment programme will be delivered to widen employment, skills, apprenticeships and progression opportunities.

Priority 3: Clean energy and environmental resilience – the LEP want to make the city region a leading edge centre for zero carbon energy.

Priority 4: Infrastructure for growth – this looks at improving public transport by progressing towards a single ‘metro style’ public transport network and to develop and regenerate integrated spatial priority areas to support employment, quality environments and the building of new homes.

⁷ Leeds City Region Strategic Economic Plan, 2016–2036: Leeds City Region Local Enterprise Partnership, May 2016.



Summary

Population

- 2.39. Between 2011 and 2020, the population in Huddersfield Town Centre grew by 45.5%, this was significantly higher than the growth rate seen in all other comparator areas. The majority of this growth was down to an increase in people aged 16–64, with this age group increasing by 55.3%.
- 2.40. Between 2018 and 2038, the population of Kirklees is projected to grow by 4.7% which is below the projected growth in all other comparator areas. The entirety of this growth is projected to be down to an increase in people aged 65 and over, with the number of people aged 0–15 and 16–64 projected to decline.

Employment

- 2.41. Between 2015 and 2020, Huddersfield Town Centre saw employment decline by 7.1% and Kirklees saw jobs decline by 1.9%. This compares to an increase in employment seen in all other comparator areas with a growth of 2.4% in Great Britain, 1% in West Yorkshire and 0.9% in Yorkshire and the Humber.
- 2.42. Between 2015 and 2019, jobs in both Kirklees and Huddersfield Town Centre stayed level, however, between 2019 and 2020, jobs declined in both areas as a result of the Covid-19 pandemic.
- 2.43. With jobs having declined in Kirklees and Huddersfield Town centre and with employment in both areas negatively impacted by the Covid-19 pandemic, it is important new jobs are created in the area such as those generated by the Proposed Development during the construction and operational periods.

Business Base

- 2.44. Between 2011 and 2021, Kirklees saw business grow by 29.4%. This was above the growth in businesses seen in Yorkshire and the Humber (23.6%) and Great Britain (27%), although it was below the increase in businesses seen in West Yorkshire (30.6%).
- 2.45. Altogether, retail, accommodation and food services and arts, entertainment and recreation businesses accounted for 25% (4,500) of total businesses in Kirklees. Between 2011 and 2021, overall, these sectors grew by 23.8% (865) between 2011 and 2021.

Claimant Count

- 2.46. Between March 2020 and April 2020, as a result of the Covid-19 pandemic, there was a sharp increase in the claimant count in all comparator areas. As of June 2022, the claimant count in Huddersfield Town Centre is 5%. This is above the claimant count seen in all other comparator areas with a rate of 4.3% in Kirklees, 4.8% in West Yorkshire, 4.1% in Yorkshire and the Humber and 3.8% in Great Britain.
- 2.47. The Proposed Development will create jobs during the construction and operational phases which will contribute to lowering the claimant count rate within Kirklees which is currently still above pre-pandemic levels.

Deprivation

- 2.48. The Proposed Development is located in the LSOAs of Kirklees O29D, which is within the top 10% most deprived LSOA and Kirklees O42D which is in the top 30% most deprived LSOAs in England.
- 2.49. There are large areas of deprivation surrounding the site with LSOAs falling into the top 10% and 20% most deprived LSOAs in the country. The Proposed Development will create employment opportunities which could benefit these areas.

Physical Activity

- 2.50. In Kirklees, 60.2% of adults are classed as active and engage in at least 150 minutes of exercise a week. This is below the rates seen in Yorkshire and the Humber (60.3%) and England (61.4%). The rate of adults that are inactive in Kirklees and engage in less than 30 minutes of exercise a week was 27.9%, this was below the rate of 28.4% seen in Yorkshire and the Humber but was above the rate of 27.2% seen in England.
- 2.51. The rate of children in Kirklees that were active and engaged in an average of 60 minutes of exercise a day was 35.2%. This is below the rates seen in both Yorkshire and the Humber (46.4%) and England (44.6%). The rate of children that were less active and engaged in less than 30 minutes of exercise a day in Kirklees was 41.4%. This is above the rate in Yorkshire and the Humber (31.4%) and England (32.4%).

Huddersfield Town Centre Investment and Change

- 2.52. As a result of changes in the retail industry, changes to consumer shopping habits and spending power and a change in use of office spaces, high streets and town centres have been facing challenges of falling footfall that was only accelerated by the Covid-19 pandemic. To ensure the survival of highstreets, town centres need to diversify what they are offering and move away from retail dominant centres towards providing a mix of cultural and leisure facilities alongside retail. It has been found that 'multifunctional' town centres, where retail is declining as the dominant occupier, suffered lower declines on footfall compared to town centres where retail was still dominant.
- 2.53. Research also shows that during the Covid-19 pandemic, footfall fell significantly less in district and neighbourhood centres compared to major cities as local retail and open spaces became vital for people during Covid-19 lockdowns. Therefore, schemes such as Kirklees Cultural Heart would benefit from investment to diversify what it can offer to local people through provision of cultural and leisure services to ensure that local people continue to visit and support the town centre following on from the effects of the Covid-19 pandemic.

Strategic Objectives

- 2.54. The main strategic objectives in Kirklees and in the Leeds City Region LEP area is to support economic growth through jobs creation and business growth whilst reducing health inequalities and unemployment. The Proposed Development will help the LPA and LEP work towards their objectives through generating new employment opportunities, allowing for opportunities for businesses to grow and enabling economic growth whilst promoting the health and wellbeing of the local population.

3. Construction Phase Benefits

Supporting Construction Employment

- 3.1. Economic benefits will arise through the provision of temporary jobs during the construction phase of the Proposed Development, which is estimated to be three years.
- 3.2. The Outline Business Case⁸ produced for the Proposed Development estimates total investment for the preferred way forward option to be £210 million and for the baseline option (do nothing) to be £30.7 million. Based on calculations provided by IPW..., these costs have been adjusted to account for just the construction cost and allowances for contingency and risk. For the Proposed Development, construction costs are estimated to be around £14.9 million for the baseline⁹ option over an approximate 18-month build time and £146.4 million for the preferred way forward (PWF) over an approximate 3-year build programme. Construction costs and are broken down in Table 3.1 below and have been sourced from calculations produced by IPW....

Table 3.1: Construction Costs, Baseline vs Preferred Way Forward

	Option 1 – Baseline	Option 3 – PWF
Demolition and facilitating works	-	£15,574,000
Gallery	-	£13,408,000
Library	£6,400,000	£16,984,000
Museum – Refurbishment	-	£17,592,000
New Venue	-	£36,472,000
New Food Hall	-	£6,922,000
Tunnels	-	£3,676,000
Car Parking	-	£10,135,000
Public Realm Works	£500,000	£9,776,000
Existing Retail Workers	£6,400,000	-
Construction cost	£13,300,000	£130,539,000
Contingency/Risk	£1,555,980	£15,856,843
Total Cost	£14,855,980	£146,395,843

Source: Kirklees Cultural Heart Outline Business Case

Preferred Way Forward

- 3.3. To estimate construction employment supported during the building phase, the total construction cost has been divided by the average turnover per construction employee in Yorkshire and the Humber of £142,614¹⁰. Over the estimated 3-year build programme, 342 construction jobs could be supported on-site per annum
- 3.4. It is widely recognised that construction has knock-on effects for other sectors, which leads to increased demand for building materials and equipment at the construction phase, as well as furniture, carpets etc. following completion. This generates and sustains employment in other sectors. This is known as the ‘multiplier effect’ and analysis published by the Homes & Communities Agency (HCA – now Homes England) indicates that the employment multiplier

⁸ Cultural Heart Cabinet Report – Outline Business Case: Kirklees Council, September 2022..

⁹ The Baseline option refers to the ‘do nothing’ option in the Outline Business Case.

¹⁰ Calculated using data for the Yorkshire and the Humber construction sector from the 2021 edition of Business Population Estimates produced by the Office for National Statistics.



for construction activities in the UK is 2.7 – i.e. for every construction job created, a further 1.7 jobs are supported in the wider economy. This suggests that as well as the 342 on-site jobs, development could support a total of 582 additional jobs during the build phase.

- 3.5. In total, an estimated **924 temporary jobs** could be supported by the 3-year build phase.

Baseline

- 3.6. Calculating construction jobs the same way as the preferred way forward. Over the estimated 18-month construction phase, the baseline approach will support an estimated 69 construction jobs on-site per annum.
- 3.7. Accounting for multiplier jobs, as well as the 69 jobs on-site, the development could support 118 additional jobs during the build phase.
- 3.8. In total, the baseline approach could support an estimated **188 temporary jobs** over the 18-month build phase.

Contribution to Economic Output

- 3.9. Another way of looking at the economic impact of the construction phase is to calculate the contribution a development makes to wealth creation, as measured by the increase in the value of goods and services generated within an area. This can be done by looking at the increase in gross value added (GVA)¹¹, a common proxy for economic output. Using ONS data, it is possible to calculate GVA per employee by sector at a regional level¹². Applying these estimates to the employment estimates outlined above, the construction of the Proposed Development could generate around £148million of GVA for the preferred way forward over the 3-year build timeframe in current prices. For the baseline option, the construction of the Proposed Development could generate around **£15 million** of GVA over the 18-month time frame.

¹¹ Gross value added is the measure of the value of goods and services produced in an area, industry or sector of an economy.

¹² GVA per employee estimates calculated using data from the 2020 Business Register and Employment Survey, as well as regional GVA estimates for 2019 – both published by ONS.

4. Operational Phase Benefits

Introduction

- 4.1. This section outlines the impact of the proposed scheme in terms of generating permanent employment and economic output in Kirklees. The impacts presented have been provided by IPW..., who produced the Outline Business Case for the scheme.

Estimated New Employment

- 4.2. The proposed scheme will create permanent employment opportunities once it is built, many of which are likely to prove attractive to residents of Kirklees and the wider area.
- 4.3. Based on information provided by IPW... it is estimated that the Proposed Development will support 459 gross full-time equivalent (FTE) jobs. The following factors then need to be taken into account to arrive at a net employment figure:

- **Deadweight** is the term used to identify the output that would have occurred without the project. Deadweight is assumed to be 13%.
- **Leakage** is defined as, 'the proportion of outputs that benefit those outside the programme/project area or group'. Leakage is assumed to be 20%.
- **Displacement** is defined as 'the proportion of project outputs/outcomes accounted for by reduced outputs/outcomes elsewhere in the target area'. Displacement for the new employment is assumed to be 25%.
- **Economic multipliers** are defined as 'further economic activity (jobs, expenditure or income) associated with additional local income and local supplier purchases'. A multiplier of 1.25 has been used.

- 4.4. Taking into account the factors above **298 net additional FTE** jobs are estimated to be supported by the Proposed Development.

Gross Value Added

- 4.5. The Outline Business Case also estimates the gross value added (a proxy for economic output) associated with the Proposed Development. On an annual basis the net GVA contribution is calculated to be **£10.2 million per annum**.

Social Value Impact

- 4.6. The Outline Business Case also calculates a number of social value impacts associated with the scheme, using the following assumptions:



- A Museum, Gallery and Library social value has been attributed to the cultural facilities. This is set at £6.40 per visit and £3.40 for non-users (based on adopting analysis for North West regional Museums)¹³.
- A well-being value has been attributed to outdoor cultural events attracted under Options 2 and 3. This is set at £47 per visit with a deduction of 25% to allow for displacement (based on adopting analysis undertaken by DCMS)¹⁴.
- An amenity value is attributed to Options 2 and 3 based on the provision of enhanced public realm. A value of £123,000 per hectare is adopted (based on MHCLG guidance).

4.7. Based on the above assumptions the social value from the museum, gallery and library is estimated at £5.5 million per annum. Other social value from cultural activities and amenities is estimated at £5 million per annum. On an annual basis this gives a total monetary social value of around £10.5 million per annum.

Increased Visitor Spend

4.8. The Proposed Development will lead to increased spend from people visiting the scheme. The Outline Business Case projections that there will be an estimated 1 million visitors per annum to the scheme (this is split by 853,986 day visits and 167,574 overnight visitors).

4.9. As outlined in the Outline Business Case, the net additional expenditure per annum from the increase in visits and visitor number to the Proposed Development is estimated to be £18.1 million.

¹³ How to Quantity the Public Benefit of your Museum using Economic Value estimates, ACE Guidance, 2020. The household catchment area used for non-use valuation estimate is Kirklees local authority area. A reduction by 25% in use and non-use value is incorporated to reflect the nature of library and Museum service level provision under Options 1.

¹⁴ Quantifying and Valuing the Impact of Culture and Sport, DCMS, April 2014. The values derived in this study are measures of compensating surplus, which is the technical definition of monetary value used in CBA and the Green Book. These values are defined as in addition to any paid use such as entrance fees.

5. Conclusion

- 5.1. Following the Covid-19 pandemic town centres and high streets have struggled as a result of changing consumer habits and working patterns with an increase in the number of people working from home. It is therefore vital that local high streets see investment with the aim of diversifying what they offer through combining retail alongside leisure and cultural activities. With footfall in district centres, declining less than in big cities during the Covid-19 pandemic, it is a great opportunity to invest in Kirklees Cultural Heart and continue to attract local people into the town centre following on from the impacts of the Covid-19 pandemic.
- 5.2. Between 2011 and 2020, Kirklees has seen a growth in population, with Huddersfield Town centre seeing a large growth in people of working age, mainly driven by those aged between 18 and 25. This large increase in people living in the town centre could fuel the demand for the creation of the Kirklees Cultural Heart as a place to take part in cultural and leisure activities alongside retail and food and drink.
- 5.3. In a town centre that has seen employment decline in recent years and levels of unemployment above regional and national averages, the Proposed Development will create employment opportunities during the build phase and once the scheme is operational providing a range of jobs for the working age population living within the town centre and in the wider local authority.
- 5.4. During the 3-year build phase of the preferred way forward option, the Proposed Development could support up to 924 temporary jobs on-site and in the wider economy. This will help create employment opportunities within Huddersfield Town Centre and in the wider area both directly in the construction sector and in the supply chain. During the build phase, the scheme is estimated to generate up to £148 million in GVA over the 3-year construction period.
- 5.5. Once operational, the scheme is estimated to support up to 459 gross FTE jobs in a range of different roles. The GVA generated once operational is estimated to be around £10.2 million per annum.
- 5.6. As well as employment and GVA generated from the scheme, the museum, gallery and library at the Proposed Development will generate additional social value in the form of a wellbeing value and an amenity value. This total monetary social value is estimated at £10.5 million per annum. As a result of the scheme there will also be an increase in the number of visitors generating spend within the area. The estimated 1 million visitors to the Proposed Development are estimated to generate £18.1 million in spend per annum.
- 5.7. Overall, the Proposed Development will bring jobs and GVA to Huddersfield Town Centre and Kirklees as a whole. This is vital following the Covid-19 pandemic and in a time where town centres are facing challenges, the proposed scheme will diversify the offer of Huddersfield Town Centre and attract more visitors to the area.

Kirklees Cultural Heart

Economic Benefits

Statement

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