Project name:	Kirklees Cultural Heart
Author:	Niamh Lockwood, Pegasus Group
Project number:	P24-2054
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:

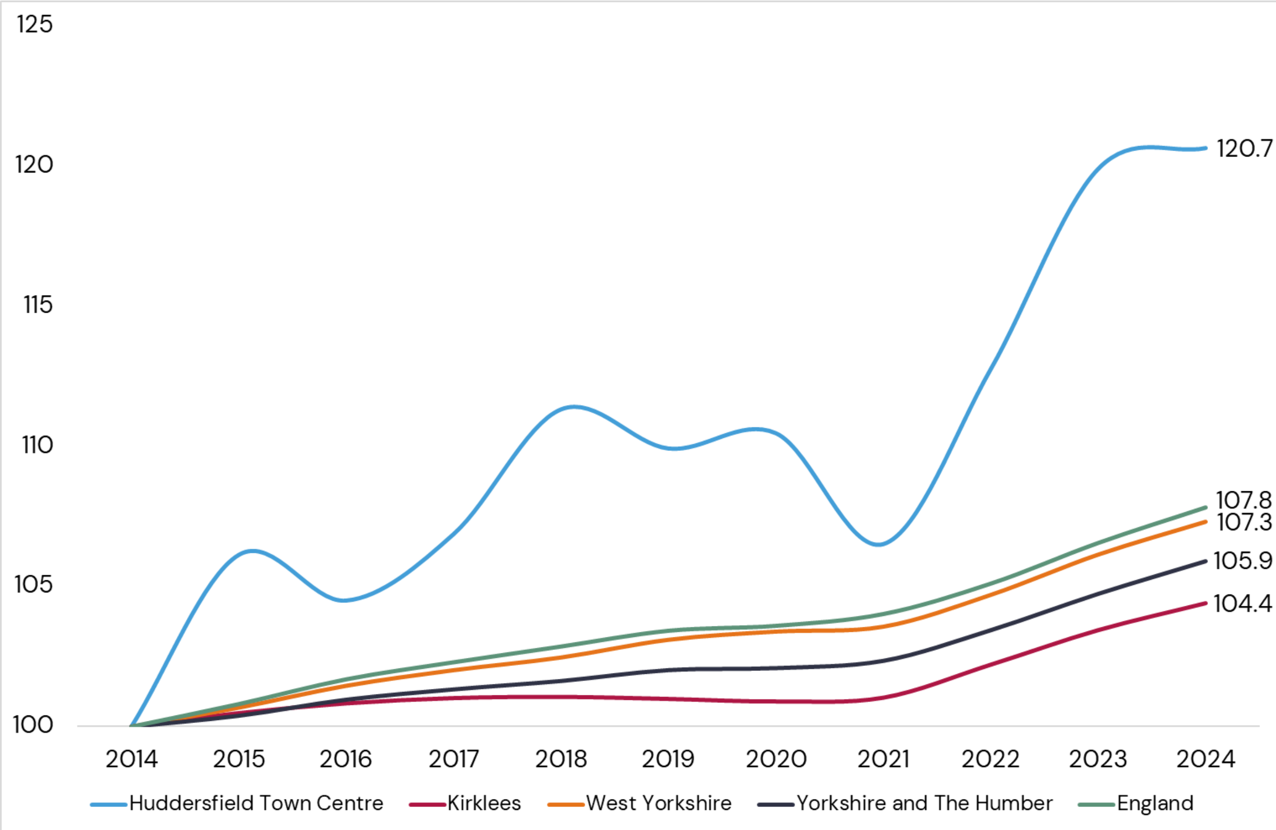
- Baseline.
- Construction Impacts.
- Operational Impacts.

Baseline Conditions

Population

Figure 2.1a presents the population change in Huddersfield Town Centre, Kirklees, West Yorkshire Combined Authority, Yorkshire and the Humber and England between 2014 and 2024. In this time the population of Kirklees increased by 4.4%, an absolute rise of 18,811 people. This was below the increase in population seen in Huddersfield Town Centre (20.7%), West Yorkshire Combined Authority (7.3%), Yorkshire and the Humber (5.9%) and England (7.8%).

Figure 2.1a: Population Change, 2014-2024 (2014=100)



Source: ONS, mid-year population estimates

Population Projections

The most recent subnational ONS population projections (2022-based) indicate that the population of Kirklees is expected to increase by 29,060 between 2022 and 2042 (a rise of 6.6%). This is below the projected increase in population in West Yorkshire (9.1%), Yorkshire and the Humber (8.6%) and England (10.8%).

Tables 2.1a-2.4a show the population projections by age in Kirklees, West Yorkshire, Yorkshire and the Humber between 2022 and 2042 respectively. Over this timeframe the fastest growing age group in Kirklees are those aged 65+ with a projected increase of 29.6%. The number of people aged 0-15 in Kirklees are projected to decrease by 13.7% and the number of people aged 16-64 are projected to increase by 6.5%.

Kirklees is projected to see a lower increase in its working age population than all other areas (6.5% compared to 10% in West Yorkshire, and 7.9% regionally and 9.7% nationally). This is an opportunity for the area, as the younger population can help boost labour market supply as the older members of the workforce reach retirement age and become economically inactive. It is, therefore, vital that younger people are retained within the area through schemes such as the Proposed Development.

Table 2.1a: Population Projections by age in Kirklees, 2022-2042

	2022	2042	Absolute Change	% Change
Aged 0 to 15	87,050	75,127	-11,923	-13.7%
Aged 16 to 64	272,338	290,118	17,780	6.5%
Aged 65+	78,406	101,606	23,200	29.6%
All Ages	**437,794**	**466,854**	**29,060**	**6.6%**

Source: ONS, Mid-year population projections

Table 2.2a: Population Projections by age in West Yorkshire Combined Authority, 2022-2042

	2022	2042	Absolute Change	% Change
Aged 0 to 15	472,738	419,821	-52,917	-11.2%
Aged 16 to 64	1,504,109	1,655,091	150,982	10.0%
Aged 65+	400,151	519,103	118,952	29.7%
All Ages	**2,376,998**	**2,594,030**	**217,032**	**9.1%**

Source: ONS, Mid-year population projections

Table 2.3a: Population Projections by age in Yorkshire and the Humber, 2022-2042

	2022	2042	Absolute Change	% Change
Aged 0 to 15	1,026,071	910,125	-115,946	-11.3%
Aged 16 to 64	3,450,073	3,721,519	271,446	7.9%
Aged 65+	1,062,069	1,380,599	318,530	30.0%
All Ages	**5,538,213**	**6,012,258**	**474,045**	**8.6%**

Source: ONS, Mid-year population projections

Table 2.4a: Population Projections by age in England, 2022-2042

	2022	2042	Absolute Change	% Change
Aged 0 to 15	10,567,635	9,646,795	-920,840	-8.7%
Aged 16 to 64	35,915,152	39,408,988	3,493,836	9.7%
Aged 65+	10,629,755	14,205,816	3,576,061	33.6%
All Ages	**57,112,542**	**63,261,582**	**6,149,040**	**10.8%**

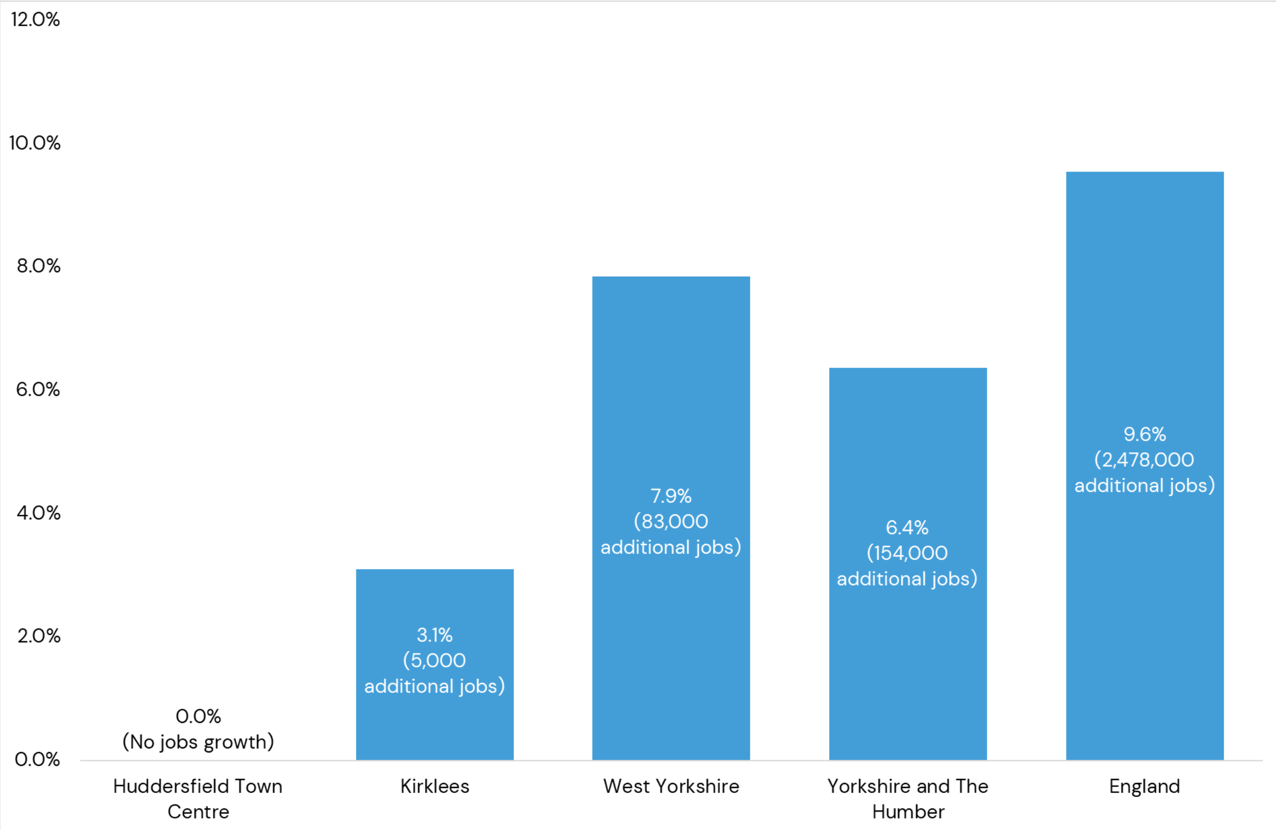
Source: ONS, Mid-year population projections

Employment

Figure 2.2a presents the employment change in Huddersfield Town Centre, Kirklees, West Yorkshire Combined Authority, Yorkshire and the Humber and England.

Between 2015 and 2024, employment in Kirklees increased by 3.1%, an absolute increase of 5,000 jobs. This was below the employment growth in West Yorkshire Combined Authority (7.9%), Yorkshire and the Humber (6.4%) and England (9.6%). However, in the same timeframe, Huddersfield Town Centre experienced no employment growth. 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, 2015-24



Source: ONS, Business Register & Employment Survey

Table 2.5a shows employment by sector in Huddersfield Town Centre, Kirklees, West Yorkshire, Yorkshire and the Humber and England. As of 2024, the largest sector in terms of employment in Huddersfield Town Centre is the public administration, education and health which accounted for 43.9% of total employment and supported 12,750 jobs. This was also the largest sector in Kirklees (27.2%), West Yorkshire (27.6%), Yorkshire and the Humber (28%) and England (26.2%).

The sector most likely to benefit during the build phase of the Proposed Development is the construction sector which accounts for 5.4% of total employment in Kirklees and supported around 9,000 jobs in 2024.

Table 2.5a: Employment by Sector, 2024

	Huddersfield Town Centre	Kirklees	West Yorkshire	Yorkshire & the Humber	England
Agriculture, mining, utilities etc.	0.1%	1.5%	1.7%	2.5%	2.3%
Manufacturing	10.4%	15.1%	9.3%	10.2%	7.0%
Construction	1.2%	5.4%	5.0%	5.6%	5.0%
Wholesale & retail	16.7%	18.2%	14.3%	14.5%	13.7%
Transport & storage	3.1%	4.2%	5.4%	5.3%	5.1%
Accommodation & food services	6.1%	6.1%	6.2%	7.3%	7.6%
Information & communication	1.2%	1.5%	3.1%	2.5%	4.7%
Business, financial & professional services	9.9%	8.6%	13.5%	11.6%	15.2%
Public admin, education & health	44.3%	35.1%	37.5%	36.3%	34.9%
Arts, entertainment, recreation & other services	6.9%	4.2%	4.0%	4.2%	4.5%

Source: ONS, Business Register & Employment Survey

Business Base

Table 2.6a presents the change in business number between 2015 and 2025. In Kirklees, 17,450 businesses are recorded as of 2025, compared to 15,800 in 2015. This is an increase of 1,650 which equates to a rise of 10.4%. This growth rate was above the rate seen in West Yorkshire (9.9%), Yorkshire and the Humber (8.3%) and England (10.1%).

Of these 17,450 businesses in Kirklees, 34.4% (5,995) 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.

Table 2.6a: Change in Business Numbers, 2015-2025

	2015	2025	Absolute Change	% Change
Kirklees	15,800	17,450	1,650	10.4%
West Yorkshire	85,405	93,820	8,415	9.9%
Yorkshire and The Humber	208,790	226,200	17,410	8.3%
England	2,489,825	2,741,405	251,580	10.1%

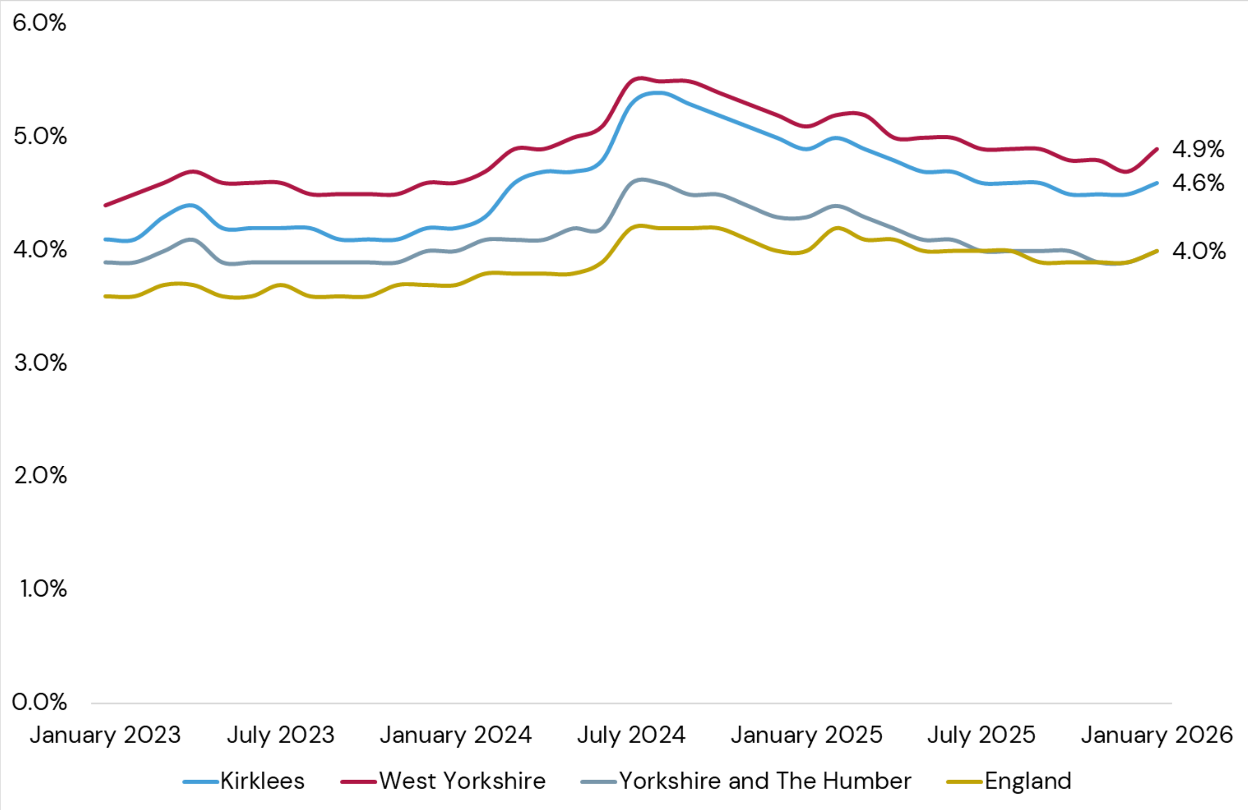
Source: ONS, UK Business Count

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 England for every month from January 2023 to January 2026.

In January 2023, the claimant count rate in Kirklees was 4.1% and by January 2026 it had risen to 4.6%. The claimant count rate in Kirklees is currently below the rate seen in West Yorkshire Combined Authority (4.9%), but above the rate in Yorkshire and the Humber (4.0%) and England (4.0%).

Figure 2.4a: Claimant count as % of residents aged 16-64, January 2023–January 2026



Source: ONS, Claimant Count

Deprivation

The most recent English indices of deprivation were published in October 2025 by the Ministry of Housing, Communities and Local Government. They provide statistics on relative deprivation in small areas in England. The small areas are measured as lower super output areas (LSOAs) which are typically built from four to six output areas to be as consistent in population size as possible.

England has 33,755 lower super output areas (LSOAs, 2021-based). The Proposed Development falls within two LSOAs: 'Kirklees 029D' and 'Kirklees 042D'. In terms of deprivation, all the LSOAs have been ranked in the English Indices of Deprivation (2025) from 1 (being the most deprived) to 33,755 (being the least deprived). Overall, the Kirklees 029D LSOA ranks at 2,398 putting it within the top 10% most deprived LSOAs in England, and Kirklees 042D ranks at 8,938, putting it in the top 30% most deprived LSOAs. Table 2.12 presents full analysis of the domains of deprivation for the LSOA.

The highest domain for Kirklees 029D is the crime domain, with a ranking of 1,455 putting it in the top 10% most deprived LSOAs in the country for this domain. Kirklees 042D's highest domain is the health domain with a ranking of 2,029, putting it in the top 10% most deprived for this domain. The lowest domain for Kirklees 029D is in the barriers to housing and services domain with a rank of 9,639, this ranking puts Kirklees 029D in the top 30% most deprived LSOAs for this domain. For Kirklees 042D LSOA, the lowest domain is income, with a ranking of 12,673, putting it in the top 40% most deprived LSOAs for this domain.

Table 2.7a: Domains of Deprivation for Kirklees 029D LSOA

IMD 2025 Domain	Rank (out of 33,755, 1 being the most deprived)	Decile
Overall IMD	2,398	10% most deprived
Income	3,649	20% most deprived
Employment	4,477	20% most deprived
Education & Training	3,985	20% most deprived
Health	1,765	10% most deprived
Crime	1,455	10% most deprived
Barriers to Housing and Services	9,639	30% most deprived
Living Environment	2,693	10% most deprived

Source: Ministry for Housing, Communities and Local Government

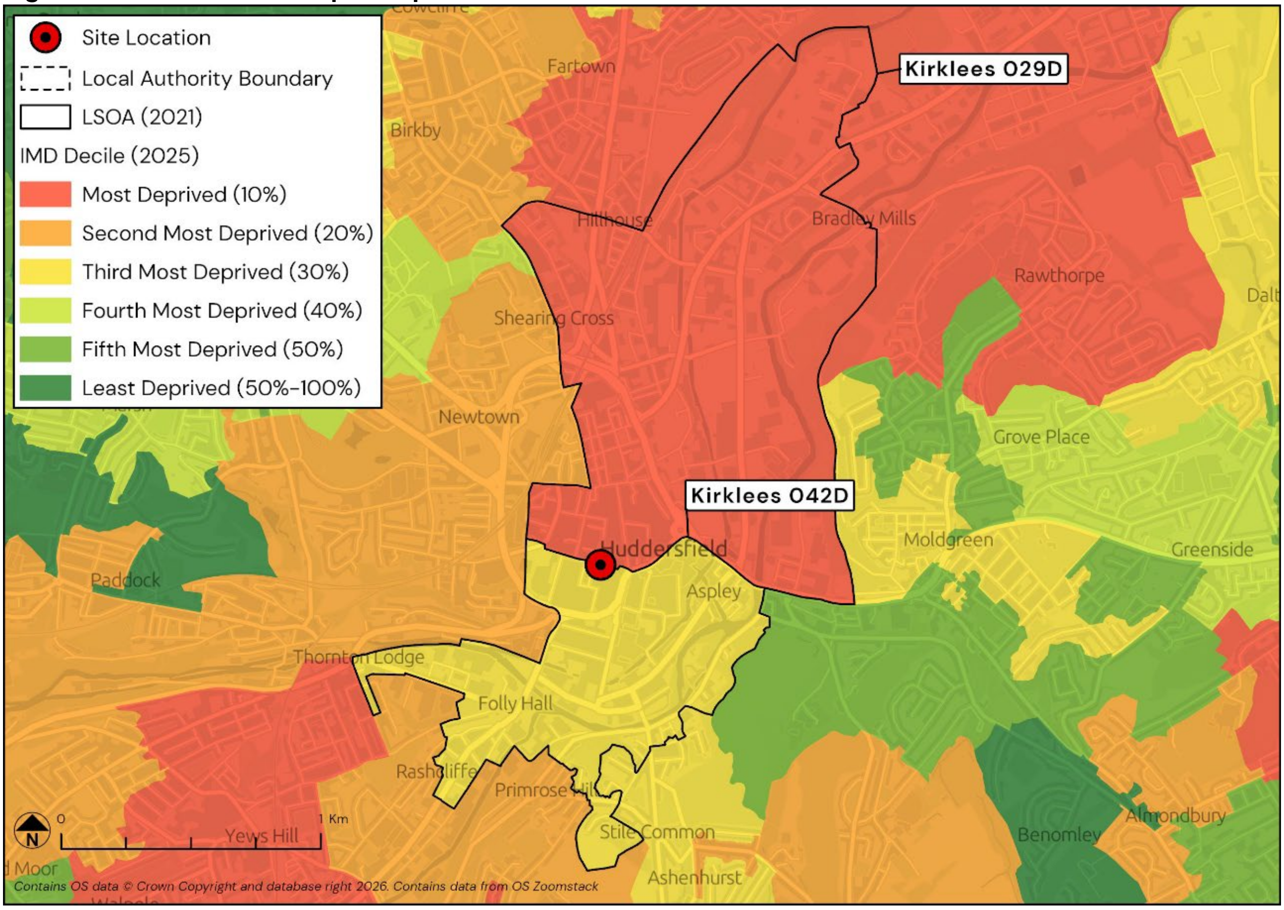
Table 2.8a: Domains of deprivation for Kirklees 042D LSOA

IMD 2025 Domain	Rank (out of 33,755, 1 being the most deprived)	Decile
Overall IMD	8,938	30% most deprived
Income	12,673	40% most deprived
Employment	12,329	40% most deprived
Education & Training	9,160	30% most deprived
Health	2,029	10% most deprived
Crime	12,128	40% most deprived
Barriers to Housing and Services	12,594	40% most deprived
Living Environment	11,144	40% most deprived

Source: Ministry for Housing, Communities and Local Government

Figure 2.5a shows the overall IMD rank for the site location, Kirklees 029D and Kirklees 042D. There are large areas of deprivation close to the site, with many of the LSOAs directly next to Kirklees 029D and 042D and within Huddersfield Town Centre fall 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 2.5a: Index of Multiple Deprivation for Site Location

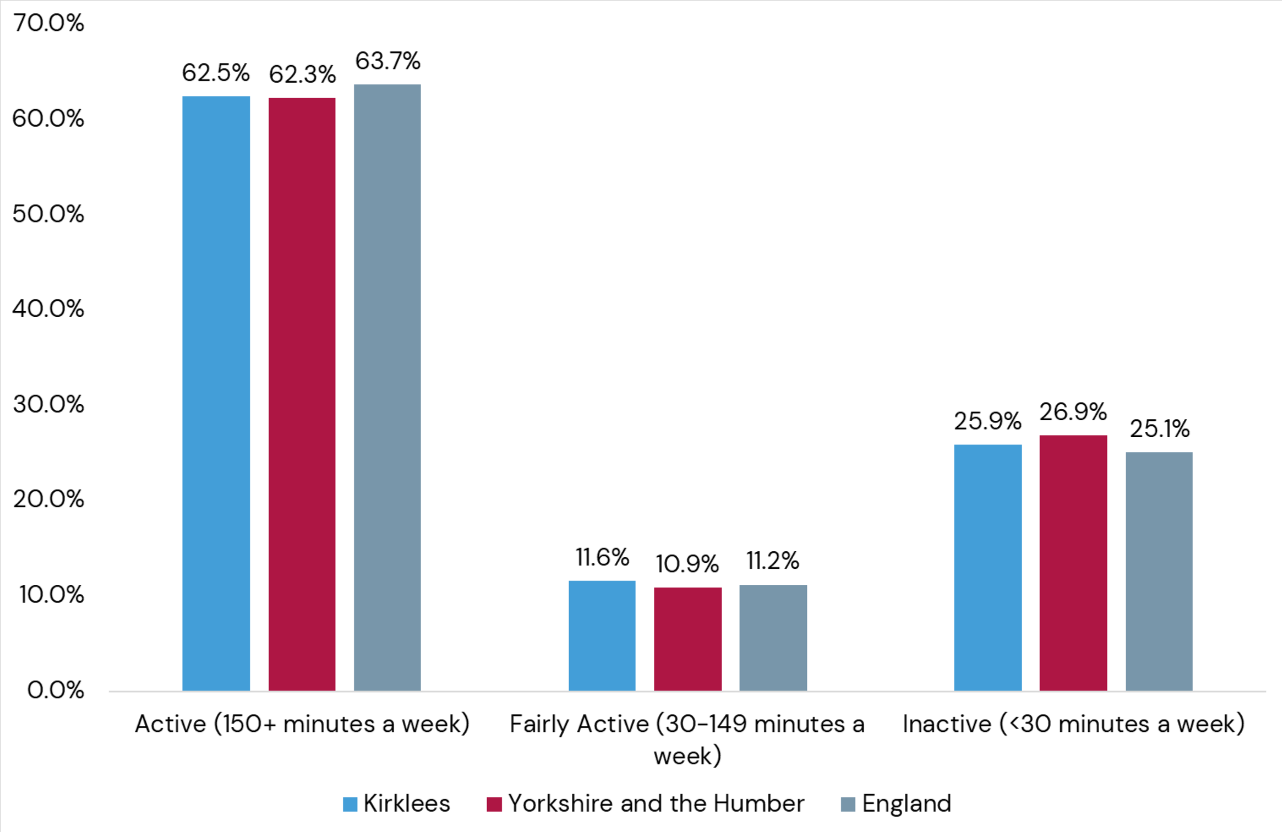


Source: Ministry for Housing, Communities and Local Government

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 2023-24. In Kirklees, 62.5% of people aged 16+ were classed as active. This means they engaged in at least 150 minutes of physical activity a week. This was slightly above the rate of adults who were active in Yorkshire and the Humber (62.3%), both of which are below England (63.7%). In the same period, 25.9% of adults in Kirklees were classed as inactive, this was below the rate seen in Yorkshire and the Humber (26.9%), which are both below England (25.1%).

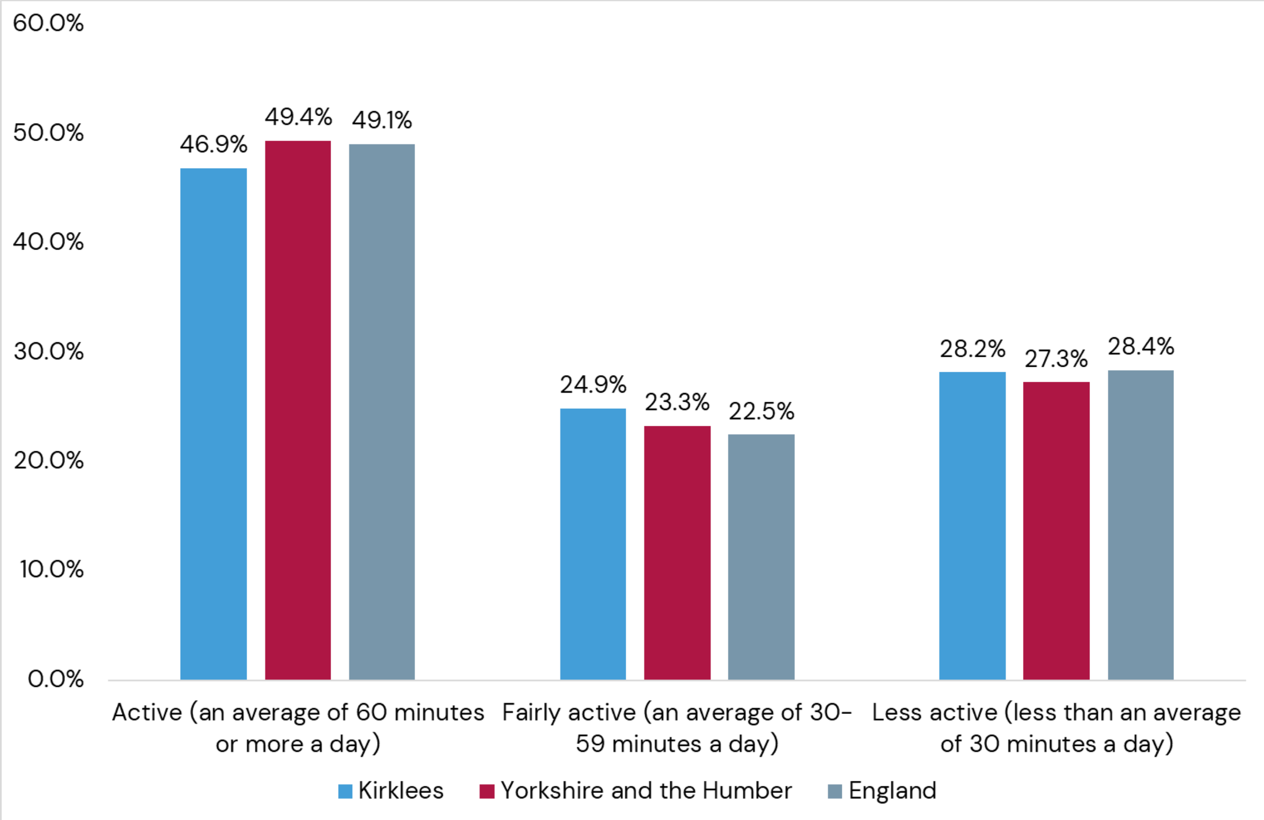
Figure 2.6a: Levels of Physical Activity in adults aged 16+, November 2023-24



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 2024-2025. As shows, 46.9% 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 (49.4%) and England (49.1%). In the same academic year, 28.2% 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 (27.3%) and slightly below the rate in England (28.4%).

Figure 2.7a: Levels of Physical Activity in Children in Years 1-11, Academic Year 2024-2025



Source: Sport England, Active Lives Survey

Huddersfield Town Centre Investment and Change

A research briefing from the House of Commons Library on Town Centre Regeneration[1] 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.

A report published by the Centre for Cities on the role of regeneration in levelling up[2] identified the importance of changing the nature of an area when improving the local economy, so that it offers something different to what it has done in the past. 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 and bring new facilities to the town centre.

Research from What Works Centre for Economic Growth[3] looked 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 exacerbated the problems that towns centres were already facing.

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

[2] *Making Places:* The role of regeneration in levelling up. Centre for Cities, October 2022.

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

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 2014 and 2024 there has been an increase in the population in Kirklees (4.4%) 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 Streets Task Force[4] identified that traditional shopping activities are no longer the primary driver of visits to town centres, with evening and leisure activities now just as likely to attract visitors. The 2023 Review of High Street Footfall in England highlights key post-Covid themes, including that footfall has increased by 3.5% between 2022 and 2023, but remains 9% below expected pre-pandemic levels. In addition to this, a 2% increase in the evening economy means that footfall at 7pm now matches levels typically seen at 9am. The report suggests that 2023 may signal the end of retail as the dominant function of high streets. Within this context, Kirklees Cultural Heart is considered a fundamental component in positioning Huddersfield Town Centre 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.

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[4] 2023 Review of High Street Footfall in England, High Streets Task Force, 2023. Accessed 16/02/26. Access here: footfall-report-2023-combined-1.pdf

- 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.