

20 Socio-economics

Appendix 20.1

ECONOMIC IMPACT ASSESSMENT

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Everton Stadium Development Limited

August 2020



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INTRODUCTION

- 1.1 An Economic Impact Assessment has been undertaken to assess the economic impact of proposals to relocate the existing stadium for Everton Football Club (herein referred to as “Everton” or “the Club”) to a new home on Liverpool’s North Docks, at Bramley-Moore Dock (“BMD”). The assessment approach follows relevant Government advised appraisal guidelines¹ and the methodology and key assumptions underpinning the study are set out in **Appendix 1**.
- 1.2 This report has been prepared based on the proposed design of the new stadium and the proposals for a legacy project at Goodison Park (herein referred to as the “the Goodison Park Legacy Project” or “GPLP”) – which collectively form the People’s Project².
- 1.3 The ‘new stadium project’ is not one project in isolation but a series of projects with significant and complex inter-relationships that require measurement and assessment. There are four key elements of analysis that have been examined, including:
 1. The current baseline socio-economic contribution of Everton operating from Goodison Park;
 2. The additional (or incremental) impact of the new stadium proposals at BMD;
 3. The impact of Everton as part of the Goodison Park community as a result of the redevelopment of the Club’s existing stadium site (the Goodison Park Legacy Project); and
 4. The catalytic impact on surrounding neighbourhoods at BMD within the ‘Northern Ten Streets’ area (broadly including land within the Ten Streets to the north of the Titanic hotel).

BACKGROUND

- 1.4 Everton Football Club is one of the oldest football clubs in the English Premier League (“EPL”) and one of the founding members of the Football League, which was established in 1888.
- 1.5 Everton is recognised as a distinguished Club with a significant heritage within the English Football League. The decision to consider proposals for a new home is a considerable one for the Club and its supporters, driven by the need for the Club to keep pace with the modern evolution of the game.

The Need for a New Stadium

- 1.6 Goodison Park, known affectionately by supporters as “The Grand Old Lady”, has been home to Everton Football Club for more than 125 years and is recognised as the first major purpose-built football stadium in England. The stadium and its surrounding local community is at the heart of the Club and is embedded in the ethos of Everton as ‘the People’s Club’.
- 1.7 However, whilst Goodison Park has a rich footballing heritage and was once one of the most prestigious grounds in the country, it has become unfit for purpose and has resulted in Everton

¹ HM Treasury, The Green Book: Central Government Guidance on Appraisal and Evaluation (2018); Homes and Communities Agency (HCA), Employment Density Guide (Third Edition, 2015); HCA, Additionality Guide (Fourth Edition, 2014).

² The People’s Project includes a full planning application for a new stadium and associated development at Bramley-Moore Dock and an outline application for the redevelopment of Goodison Park for a community-led mixed-use development.

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falling significantly behind its rivals in the EPL era. **Goodison Park has become outdated amongst its competitors and it does not provide the facilities, amenities, experiences or revenue generating potential of rival clubs. Everton now requires a modern stadium with the capacity, facilities and potential to match the aspirations of the football club.**

- 1.8 Whilst Everton has explored, in depth, the potential to redevelop or extend existing stands on the same Goodison footprint, the expansion of the site is not possible and as such, **Goodison Park does not provide a feasible, practical or realistic opportunity to provide a football stadium that will meet the modern needs of a top tier football club.**

Previous Stadium Proposals

- 1.9 In its long-standing search for a new stadium site, Everton has continued to regularly review the availability and suitability of alternative sites. Historically, it has actively pursued three opportunities for stadium redevelopment (at Kings Dock, Kirkby and Walton Hall Park) which have provided the Club with significant lessons in its search for a new stadium site and its supporter expectations in terms of the location and quality of a new stadium.
- 1.10 It has given the Club a clear mandate to seek to identify a stadium location that retains Everton within the City of Liverpool, and in a specific location that has strong physical and cultural connections to its existing spiritual home at Goodison Park, within North Liverpool. The Club's leadership is **committed to delivering a stadium that that is embedded within this traditional catchment area and which retains its connections to Goodison Park.**
- 1.11 Everton confirmed in November 2017 that it had reached an agreement (subject to obtaining planning permission) to acquire land at Bramley-Moore Dock as the potential location for its new football stadium. Everton considers BMD to provide a site that offers a suitable location and iconic setting for a new stadium; and one which retains Everton's cultural and historic ties to North Liverpool and to Goodison Park, whilst catalysing significant regeneration along Liverpool's North Docks.

Bramley-Moore Dock

- 1.12 BMD is a brownfield, former industrial dock site, situated behind a large dock wall fronting Regent Road. It is located approximately 1.6 miles to the north of Liverpool City Centre. The site falls within the Liverpool Maritime Mercantile City UNESCO World Heritage Site ("WHS"), and the Stanley Dock Conservation Area. There are a number of Grade II listed features on site including the Regent Road dock wall, retaining dock wall, and the hydraulic pump house.
- 1.13 The site sits within the Peel Land & Property Limited Liverpool Waters scheme, which received outline planning consent for the development of the docks extending to 60 hectares in 2013, and which notably was not 'called-in' by Government. BMD, along with Nelson Dock, forms part of the 'Northern Docks' Neighbourhood within the scheme which was designated as a primarily residential zone which, whilst a different proposition, sets a precedent for the extensive redevelopment of this part of Liverpool for a variety of uses. BMD is effectively situated at the most northerly part of the Liverpool Waters regeneration area and would be one of the last phases of the development to come forward.
- 1.14 A new proposal for a stadium in this location presents multiple benefits to the City and northern docks neighbourhood. In addition to it being a more immediately deliverable scheme than that which BMD has outline planning consent for, it will also bring the Northern Docks Neighbourhood forward far earlier than anticipated. **The development of a new stadium at BMD generates significant regenerative benefits for Liverpool's waterfront, in terms**

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of the accelerated delivery of development, which will have a transformational effect on the northern docks and the Liverpool Waters scheme.

- 1.15 The regeneration of North Liverpool is a key aspiration for the Council and the development of a stadium in this location also has the potential to kick start development beyond the boundary of the Liverpool Waters consent, particularly in the Ten Streets regeneration area. **The development of a stadium would have a transformational impact on the development of Ten Streets, generating significant catalytic benefits for the City's key regeneration priorities in North Liverpool.**
- 1.16 The proposed new stadium at BMD comprises a development of a new 52,888³ capacity stadium predominantly for football use (with the ability to host other events) with ancillary development. The stadium would be capable of providing major year-round facilities to support events and conferences and which should provide a considerable uplift to the current portfolio of activities. This stadium will help elevate Everton into the echelon of the elite football clubs in the UK (and indeed across Europe), enhancing the overall experience for Everton's supporters as well as non-footballing visitors.

SOCIO-ECONOMIC CONTEXT

Socio-Economic Challenges in the Liverpool City Region

- 1.17 The Liverpool City Region ("LCR") is one facing major socio-economic challenges driven by a complex set of problems including a mix of major deprivation, severe supply side weaknesses and a significant lack of opportunities (compounded by uncertainty in relation to Brexit). This was illustrated in the LCR Growth Strategy 'Building Our Future' (2016), which highlights significant issues in terms of:
 - **Wealth Gap** – GVA per head remains about three quarters of the UK average (£20,696 against £27,555) implying an aggregate £10bn wealth gap.
 - **Productivity Gap** – high levels of economic inactivity contribute to very low wealth per person at £20,696 GVA per capita.
 - **Business Gap** – generated by low business birth and survival rates, a relatively small stock of businesses, coupled with an over-dependence on public sector jobs. In 2019, there were only 274 businesses per 10,000 population.
 - **Jobs Gap** – LCR has the lowest employment rate of the largest cities in the UK and very low jobs density compared with other core cities.
 - **Worklessness** – high levels of long-term sickness and significantly higher proportions of workless households than the national average.
 - **Skills Gap** – one of the lowest educational attainment and skilled worker rates in the country. 15.9% of the population lack any formal qualifications, whereas only 25.7% have any higher level qualifications.
 - **Spatially concentrated deprivation** – Liverpool and Knowsley are ranked the 4th and 3rd most deprived local authority areas nationally.
- 1.18 These socio-economic indicators are now seeing a significant and rapidly moving negative shift, driven by the unprecedented economic impact of the Covid-19 pandemic on jobs and

³ For the purposes of the Economic Impact Assessment, an average capacity of 50,000 for assessment purposes has been assumed, as set out in Appendix 1

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economic activity. Whilst the long term implications of the pandemic on the economy are uncertain, it is becoming clear that there will be a substantial and prolonged impact in the short and medium term, which has the potential to widen the gap in economic performance between the North West and the UK.

- 1.19 Notwithstanding the impact of Covid-19, at a sub-regional level, there are already significant and challenging issues despite many years of public intervention to address them. What is clear, is that **the delivery of development schemes of national significance will be critical in providing the jobs and investment to support the City Region's economic recovery.** Therefore, the Covid-19 crisis places increased focus and importance on the jobs created by the BMD and GPLP projects and could provide a major economic boost to the region during its period of economic recovery.

Socio-Economic Conditions in North Liverpool

- 1.20 North Liverpool constitutes the four wards of Anfield, Everton, Kirkdale and County. It has been a regeneration priority for the City since the mid-1970's, with large part of the area being governed by a number of strategic and regeneration policy priorities.
- 1.21 At the local level, it is clear that the issues apparent at the sub-regional level are significantly heightened for both County and Kirkdale wards. Deprivation indices for North Liverpool demonstrate a community that is suffering severe deprivation against all indicators, with declining populations reflective of an area which remains in economic distress. Parts of these wards are within the 1% most deprived in the country. These structural issues will no doubt be exacerbated as the economic impact of the global pandemic is realised.
- 1.22 **Everton's role in the County Ward community cannot be overstated – it is extremely important at many levels.** It is why Everton in the Community (EitC), the Club's charitable body, was created and is now embedded locally and delivering lasting improvements to the lives of the community it supports. It is also important, given **the Club's potential departure from Goodison Park, that proposals for a genuine 'legacy' project are developed which offer a significant opportunity to further reinvigorate the area in a way that seldom presents itself.** Therefore, the Club's continued presence and activity within the County ward is likely to be both significant and pervasive. As, such, **the Goodison Park Legacy Project is a critical component of delivering a new stadium at BMD.**

EVERTON FOOTBALL CLUB: BASELINE CONDITIONS

- 1.23 Everton is a huge 'family' with a complex set of relationships that affects many thousands of lives, including service and product suppliers, local hospitality providers (e.g. pubs etc.), retail shops, a training academy, tourism/ visitors and most significantly the Everton 'community' through its prestigious and renowned EitC. Everton is one of the oldest clubs in the UK and has a loyal fanbase that supports the Club. Major organisation is required to ensure that each game is undertaken efficiently, alongside a multitude of activities and services on a matchday as well as during non-match day periods. Largely, the 'organisation' of Everton goes largely unnoticed and unrecorded. However, this assessment highlights that **Everton plays a very significant and much wider role in the lives of people in and around Goodison Park as well as much further afield.**
- 1.24 The Club's socio-economic impact flows from four key areas:
1. Those directly employed by the Club, including staff and the players;
 2. The suppliers of product and service with whom Everton engages in contract;

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3. Everton's supporters and followers; and

4. EitC.

1.25 A baseline assessment of Everton's operations provides an insight to the more general value of top-flight football to large UK towns and cities. The breadth and depth of impact, especially in terms of the Club, is significant. Everton clearly generates significant benefits for the City Region and the North West regional economy. The baseline assessment demonstrates that the Club has significant economic and social value to the region, both in terms of its football and associated operations, and through its wide reaching engagement in the local community through EitC. In summary, the Club contributes:

1.26 To the Liverpool City Region:

- ✓ **405 direct full time jobs** supported by the Club and EitC.
- ✓ More than **£53m in direct wage income** supported by the Club and EitC.
- ✓ Almost **£20m in GVA** value of direct and casually employed workers supported by the Club and EitC.
- ✓ More than **£8m of in supplier expenditure** locally from more than 300 businesses, **supporting 87 jobs** through the operation of the Club and EitC.
- ✓ **900,000 annual visitors** to the City which generates **supporter expenditure of £1m** annually.
- ✓ **15,000 tourist visitors** generating **£9.7m annually** in the City Region.
- ✓ **£40m** of investment in Marketing and PR into the region.
- ✓ **226 volunteers** supported by EitC with a **well-being value of almost £4m**.
- ✓ **20,000 EitC client interactions** with a value of **£220,000 in savings** in welfare returns.

1.27 To the North West region:

- ✓ **812 direct full time jobs** supported by the Club and EitC.
- ✓ Over **£200m in direct wage income** supported by the Club and EitC.
- ✓ More than **£40m in GVA** value of direct and casually employed workers supported by the Club and EitC.
- ✓ Over **£20m of in supplier expenditure**, supporting **319 jobs** through the operation of the Club and EitC.

NEW STADIUM: ADDITIONALITY ASSESSMENT

1.28 An additionality assessment of the new stadium development demonstrates that the project has the potential to generate transformational economic benefits to the region in both the construction and operational phases of development. In summary, during the construction phase the new stadium project could deliver:

- ✓ **£505m in construction value** and investment into the economy.

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- ✓ More than **8,100 construction jobs** during the construction phase of the project in the City Region.
 - ✓ Over **£420m in wage and expenditure based GVA** in the City Region.
 - ✓ **Upskilling and training** benefits to the local community through the provision of up to **505 construction apprenticeships** and local employment opportunities.
- 1.29 During the operation phase for the new BMD stadium, the project will generate significant additionality when compared to the current Goodison Park baseline. This includes:
- ✓ A **net additional 93 full time jobs** and **196 net additional full time jobs** in the City Region and the North West respectively.
 - ✓ A **net additional wage income** of almost **£15m and £60m** in the City Region and the North West respectively.
 - ✓ A **net additional GVA** of more than **£4.5m and £9m** in the City Region and the North West respectively.
 - ✓ A **net additional expenditure in the supply chain of almost £2m and more than £4.5m** in the City Region and the North West respectively.
 - ✓ **15 and 69 net additional supplier jobs supported** in the City Region and the North West respectively.
 - ✓ Additional **supporter expenditure of almost £2.4m**, supporting over **20 additional jobs** and attracting around **260,000 new supporters** – in turn, attracting a total of **1.15 million fans** to the city per year.
 - ✓ **£11m of direct additional spending** in the local economy and almost **£5m of GVA**, supporting more than **180 new jobs** locally due to the ability of the stadium to hold premium events.
 - ✓ **30,000 additional (footballing and non-footballing) tourist visitors** generating a **net additional non-footballing expenditure of more than £9m**.
 - ✓ **£15m in additional marketing value to the Club**.
- 1.30 The impact of these contributions is significant and demonstrates the additional value of the new stadium, which go far beyond the relocation of a football stadium from one part of the city to another. The following sets out the impact of the parallel Goodison Park Legacy Project which together with the new stadium development, is an integral part of the People's Project.

GOODISON PARK LEGACY: ADDITIONALITY ASSESSMENT

- 1.31 Everton has been developing a legacy at Goodison Park for a considerable period; with properties acquired surrounding the stadium being developed to integrate the Club and EitC with its supporters and its surrounding community. EitC has been laying substantial foundations in the community that will generate a permanent legacy that reinforces the Club's role and presence within County ward⁴. These form part of the wider Goodison Park Legacy

⁴ The Ward within which Goodison Park sits

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programme which is an integral part of the Club's departure programme and should therefore be considered as an integral part of the new stadium impact.

- 1.32 The additionality assessment of the Goodison Park Legacy demonstrates significant economic benefits, particularly to the local community within which the Club sits. In summary, the Goodison Park Legacy has the potential to deliver:
- ✓ **£82.5m in construction value** and investment into the local economy.
 - ✓ More than **1,400 FTE and supported** during the construction phase (including trainees and apprentices).
 - ✓ Over **£69m of GVA** during the construction phase.
 - ✓ **173 new homes** generating **415 new residents**, up to **£6.8m** of **income from new residents** and almost **£7m in GVA** from employment.
 - ✓ More than **450 net additional jobs** and **£22m of additional GVA** in the City Region as a result of commercial development during the operational phase.
 - ✓ **17 net additional EitC jobs** and **45 additional volunteer jobs** in the City Region.
- 1.33 The impact of these contributions is significant and demonstrates the transformational value that the Goodison Park Legacy can have, particularly in its immediate locality in Liverpool 4⁵. It demonstrates the Club's commitment to its existing community and its genuine aspirations to leave a truly lasting legacy at its spiritual home, which will be facilitated and developed in parallel with the Clubs move to BMD.

WIDER CATALYTIC BENEFITS

- 1.34 The assessment analyses the potential catalytic impact of the new BMD stadium development on the regeneration of the wider area – which in this case refers to the regeneration of land in the “Northern Ten Streets” area (to the north of the Titanic Hotel) which will be accelerated as a result of the new stadium development⁶. Whilst the Club has reduced control over these wider impacts, the new stadium at BMD will catalyse the majority (if not the whole) of the land in the Northern Ten Streets area. This has already started to occur on the Northern Ten Streets area, with speculative developers seeking to acquire and develop sites on the basis on a new stadium being delivered at BMD (with values being seen that reflect this). This includes a planning application for a proposed hotel development on Regent Road, immediately adjacent from BMD.
- 1.35 The net additional impacts of the wider catalytic scheme around BMD demonstrate significant benefits for the local area. The new stadium development has the potential to accelerate development in the northern Ten Streets area and have a transformational impact on the regeneration of North Liverpool. The key benefits of this wider catalytic development in the Northern Ten Streets area include:
- ✓ **£212m in construction value** and investment into the local economy.
 - ✓ Over **3,500 FTE jobs** during the construction phase.

⁵ Liverpool 4 is the post-code area within which Goodison Park sits

⁶ This is based on a theoretical masterplan for the area prepared by Stride Treglowan Architects

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- ✓ **£176m in GVA** during the construction phase.
- ✓ **706 new homes** generating **1,700 new residents**, **£28m** of income from new residents and **£27m in GVA** from related employment.
- ✓ More than **2,000 jobs** and almost **£100m in GVA** from the commercial developments within the Northern Ten Streets area during operation.

- 1.36 The impact of these contributions is significant and demonstrates the additional value of both the new stadium and its potential for wider transformational change in the northern docks.

CONCLUSIONS: OVERALL IMPACTS AND OUTPUTS

- 1.37 The overall assessment demonstrates that **the People's Project has the potential to deliver transformational benefits for North Liverpool, the Liverpool City Region and the wider North West Region, in a time where investment will be critical in supporting the Region's economic recovery in a post-Covid 19 scenario.** The project will not only deliver significant additionality in terms of jobs and investment, but will accelerate and support the development of key regeneration priorities along the northern docks including Liverpool Waters, the Ten Streets and the wider North Liverpool regeneration priority area. **The economic benefits, which will deliver transformational jobs and investment into the City, should not be underestimated and offer an opportunity to truly transform the City and the City Region on a scale that has not been seen before in North Liverpool. This is an opportunity – in economic and regeneration terms – that cannot be missed and should be supported and capitalised upon across the region as a catalyst project that could drive the Region's economic recovery from the global pandemic.**
- 1.38 The following infographic brings together the combined economic and social value additionality of the new stadium, the wider catalytic development (in the Northern Ten Streets area) and the Goodison Park Legacy project⁷ demonstrate that the project will have very significant benefits for the City Region and have the potential to truly provide a **once-in-a-generation opportunity to deliver a project of a scale that can transform an area that is a major focus of regeneration in Liverpool.**

⁷ This includes the quantitative benefits from social and heritage reports undertaken by Real Worth and Simetrica-Jacobs (see footnote 8 below) – at £219m and £148m. These are additive to the economic benefits.

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- 1.39 The project will also have a **significant social and heritage value to the City Region of more than £360m⁸** associated with the development of the stadium, the GPLP and the growth of EitC – which together with the economic impacts set out in this report could overall contribute more than a **£1.3bn boost to the City Region economy**. This impact is by any measure significant and will have a considerable impact both locally and regionally.

⁸ Reports which quantify the Societal Value of Goodison Park Legacy and EitC (Real Worth, updated by Simetrica-Jacobs in August 2020) and Social and Heritage Value of BMD (Updated by Simetrica-Jacobs in August 2020) are provided separately as part of the People's Project Planning Submission

1.0 Introduction

- 1.1 This Socio-Economic Impact Assessment has been undertaken to assess the economic impact of proposals to relocate the existing stadium for Everton Football Club (herein referred to as “Everton” or “the Club”) to a new home on Liverpool’s North Docks, at Bramley-Moore Dock (“BMD”).
- 1.2 The study follows relevant Government advised appraisal guidelines⁹ and the methodology and key assumptions underpinning the study are set out in **Appendix 1**. All data, analysis and conclusions included within this assessment are provided to offer the reader an assessment of the socio-economic benefits that could be generated as a result of the relocation of a major football and events stadia.
- 1.3 This report has been prepared based on the proposed design of the new stadium at Bramley-Moore Dock (“BMD”) and proposals for a legacy project at Goodison Park (“the Goodison Park Legacy Project” or “GPLP”) – which collectively form the People’s Project¹⁰.
- 1.4 Iterative versions of this report and its economic outputs have been prepared as the design of the project has evolved since 2017, which have been utilised to inform public relations and consultations activities, and any necessary commercial negotiations.
- 1.5 This report establishes the socio-economic impacts of the Club’s decision to make a major investment in a new stadium at BMD and the legacy at Goodison Park, and the socio-economic additionality that this generates.
- 1.6 It is important to note that this is an assessment of the impact of this investment decision and the delivery of a new stadium, which has, in-turn, socio-economic implications for the business of the Club itself, the wider catalytic impact on the surrounding neighbourhoods, and in leaving Goodison Park, a socio-economic implication for the legacy project at Goodison Park and in particular the work of Everton in the Community (“EitC”).
- 1.7 Therefore, the ‘new stadium project’ is not one project in isolation but a sequence and series of projects with significant and complex inter-relationships, which require measurement and assessment.
- 1.8 There are four key elements of analysis that have been examined, including:
 1. The current baseline socio-economic contribution of Everton operating from Goodison Park;
 2. The additional (or incremental) impact of the new stadium proposals at Bramley Moore Dock;
 3. The legacy impact of Everton as part of the Goodison Park community as a result of the redevelopment of the Club’s existing stadium site (the Goodison Park Legacy project); and
 4. The catalytic impact on surrounding neighbourhoods at BMD within the ‘Northern Ten Streets’ area (broadly including land within the Ten Streets to the north of the Titanic hotel).

⁹ HM Treasury, The Green Book: Central Government Guidance on Appraisal and Evaluation (2018); Homes and Communities Agency (HCA), Employment Density Guide (Third Edition, 2015); HCA, Additionality Guide (Fourth Edition, 2014).

¹⁰ The People’s Project includes a full planning application for a new stadium and associated development at Bramley-Moore Dock and an outline application for the redevelopment of Goodison Park for a community-led mixed-use development.

2.0 Background

- 2.1 Everton Football Club is one of the oldest football clubs in the English Premier League ("EPL") and one of the founding members of the Football League, which was established in 1888. Everton last played outside the Premier (or First) division in 1953/54 and boasts the second longest running reign in top flight football of any Club in the English Division; and the most seasons in top flight football (114 seasons) with Arsenal being the only Club never to play outside top flight football.
- 2.2 Everton have been winners of the Football League Championship and FA Charity Shield on 9 occasions, the FA Cup on 5 occasions and European Cup Winners cup in 1985 – collecting 24 trophies in total and being the joint 5th most successful Club in the English League. This is therefore a very distinguished Club with a significant heritage within the English Football League. The decision to consider proposals for a new home is a considerable one for the Club and its supporters and is driven by the need for the Club to keep pace with the modern evolution of the game.

THE NEED FOR A NEW STADIUM

- 2.3 Goodison Park, known affectionately by supporters as "The Grand Old Lady", has been home to Everton Football Club for more than 125 years and is recognised as the first major purpose-built football stadium in England. The Club is one of the great innovators amongst its football club peers. In stadium construction terms, it has achieved several new 'firsts' and set benchmarks, for others to follow. Goodison Park was, at the time, regarded as the finest ground in the country offering excellent views of the pitch from the new grandstands and boasting hot water boilers, large double baths, a referees' changing room, and other ground-breaking facilities. Further, the double-decker main stand at Goodison Road was demolished in 1971 to make way for the three-tiered main stand which remains in place today and was again a first in English football, continuing the theme that Everton has always strived to set new standards in stadium design.
- 2.4 Goodison Park and its local community is at the heart of the Club and has helped to foster significant ties with the local area. However, Goodison Park is a stadium that has been extensively altered over time and has, since the start of the EPL era, begun to significantly fall behind its rivals in terms of its capacity, quality, accessibility and supporter facilities and experience.
- 2.5 Everton has been seeking an alternative site for a new football stadium for more than 20 years due to the challenges associated with the redevelopment of its existing historic home. Whilst Everton has explored, in depth, the potential to redevelop or extend existing stands on the same Goodison footprint, the expansion of the site is not feasible, and the stadium is currently considered not fit for purpose to meet the needs for a top tier EPL or European Club.
- 2.6 It is now imperative that the Club seeks to increase the capacity of the stadium and improve the stadium facilities in order to improve accessibility and supporter experience and to compete commercially with top tier Premier League and European Clubs. ***The key constraints that exist at Goodison Park are the restricted capacity of the stadium, the age and condition of the stands and stadium itself, the lack of modern amenities to meet supporter expectations and the constraints of the area around the stadium which limit the potential for expansion or redevelopment.***

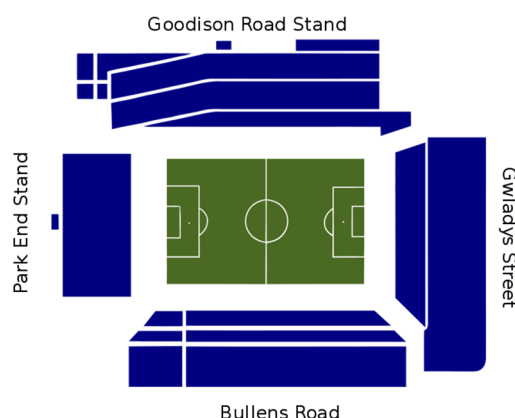
Background

- 2.7 The issue of whether Goodison Park is fit for purpose was explored extensively during the Inquiry into the Club's proposed move to Kirkby, with the Inspector stating that¹¹ [CBRE **emphasis added**]:

*"Goodison Park is agreed by all to be in need of very significant work to improve to a suitable level, and that would require, as Mr Keirle¹² shows in his evidence, a much larger site than EFC possess at Goodison Park. Mr Keirle's evidence deals with the question of potential changes to Goodison Park and the surrounding land. The matter has been exhaustively explored by the club over the past ten years, including a review by Mr Keirle's firm in July 2008 on the basis of the funding available for this project. **There is no credible evidence that a stadium of the kind that EFC needs can be provided at or near Goodison Park.** It is clear from Mr Elstone's evidence that **had it been feasible to stay at or near the current site, EFC would have done so**".*

Goodison Park Stadium

- 2.8 Goodison Park was the first major football stadium to be built in England and retains some of its original features. The ground is located in the heart of its Liverpool 4 community surrounded predominantly by housing.



- 2.9 There is affection towards this ground amongst supporters and football commentators alike and it is well known for its atmosphere during major games. However, whilst in its prime it could hold almost 80,000 people (i.e. the Club record was 78,299 against Liverpool), capacity has been severely reduced over time as modern and safety standards have been implemented. Capacity now is just under 40,000 as an all-seater facility following the recommendations of Taylor Report on the Hillsborough stadium disaster.
- 2.10 With seasonal ticket holders at extremely high levels for the Club (currently 80% of fans) and a season ticket waiting list of 8,677 individuals who have requested more than 11,000 tickets¹³. As such, this leaves very little headroom for day ticket sales and away fans.

¹¹ Report to the Secretary of State for Communities and Local Government, 2nd July 2009, APP/V4305/V/08/1203375, page 47, pp 5.6.37

¹² David Keirle is an experienced architect and one of the founders of the KSS Group

¹³ Everton Season Ticket data as at November 2019

Background

- 2.11 Capacity constraints at Goodison Park have major financial implications for the Club - at a crude level, this is losing the Club significant revenues. This is also the case regarding hospitality suites with very limited space to secure value from providing a higher quality offering. Together with almost 50% of viewing fans being hindered by stanchion posts, it contributes to a poor overall matchday experience in terms of access, amenity, facilities and quality.
- 2.12 In summary, the redevelopment or significant expansion of the Goodison Park is not feasible, practical or realistic for the following reasons:
- The size of the site is considerably smaller than that which would be required for the development of a new stadium. Goodison Park is situated on just a 24,000sqm footprint;
 - The stadium is located within a tight urban setting which creates issues with residential amenity and the operation of the stadium in the context of its surrounding community;
 - Redevelopment of the existing stadium would require significant site assembly and would involve acquisition of residential properties, a school, shops and businesses in the surrounding area, in addition to areas of public highway. This could be extremely damaging to the local community within which the Club sits;
 - St Luke's Church, a building of considerable architectural merit, is located in the northwest corner of the site;
 - Vehicular access is extremely constrained, with the ground only being able to operate on match days if the roads which surround it, with the exception of Walton Hall Lane, are closed to vehicular traffic;
 - Three sides of the stadium are on the public highway which creates safety and movement issues as a result poor access and movement around the stadium;
 - There would be operational impacts during construction of a new stadium on the existing site, with the Club having to relocate during the works and a severe impact on revenues given the lack of alternative stadium options in the region; and
 - Even a partial redevelopment of Goodison Park would also likely impact on seating capacity and revenues during the construction phase.
- 2.13 In summary, whilst Goodison Park has a rich footballing heritage and was once one of the most prestigious ground in the country, it has become unfit for purpose and has resulted in Everton falling significantly behind its rivals in the Premier League era. Goodison Park has become outdated amongst its competitors and it does not provide the facilities, amenities, experiences or revenue generating potential of rival clubs. Everton now requires a modern stadium with the capacity, facilities and potential to match the aspirations of the football club.
- 2.14 The scale of new stadium that Everton requires would not be appropriate at Goodison Park due to the small stadium footprint, the lack of adequate onsite facilities and the dense residential nature of its surroundings.
- 2.15 As such, **Goodison Park does not provide a feasible, practical, realistic or deliverable opportunity to provide a football stadium that will meet the modern needs of a top tier football club.**

Background

Previous Stadium Proposals

- 2.16 In its long-standing search for a new stadium site, Everton has continued to regularly review the availability and suitability of alternative sites. Historically, it has actively pursued three opportunities for stadium redevelopment. These include:

Kings Dock (1999-2003)

- 2.17 At the turn of the century, Everton pursued a scheme on the Kings Dock on Liverpool's Waterfront. The Kings Dock location would have provided an iconic location for Everton and retain connections to both the City and North Liverpool and received strong support from the Club's fans. However, the proposal was not progressed due to issues with funding at the time and the site is now home, in part, to Liverpool's successful M&S Arena, which is one of the City's premier entertainment venues.

Kirkby, Knowsley (2006-2009)

- 2.18 The Club (in partnership with Tesco Stores Ltd) submitted a hybrid planning application for a 50,000-capacity football stadium along with enabling retail development in early 2008. Despite a resolution to approve the application, the scheme was subsequently called-in by the Secretary of State and ultimately dismissed in late 2009 on primarily retail planning grounds. The scheme received significant opposition from the Club's fan base and was subject to significant objections from fan groups, including Keep Everton in Our City ("KEIOC"), and also from LCC. The lessons learned, a change in leadership, the emergence of Everton in the Community ("EitC") close to Goodison and the opposition generated by the scheme has led Everton to now focus its search for a new stadium to sites which have a tangible connection to its spiritual home in North Liverpool.

Walton Hall Park (2014-2016)

- 2.19 A site at Walton Hall Park was explored as a possible location for the Club's stadium approximately 5 years ago. The project did not move beyond initial feasibility work, which was undertaken to assess the potential of the site for a new stadium development. However, owing to the site's status as an important City Park and key area of green space for the North Liverpool community, the site was ultimately not progressed to the impact that any redevelopment would have on the City's open space and the local community, and the scale of enabling development required.
- 2.20 Previous stadium proposals have provided the Club with significant lessons in its search for a new stadium site and supporter expectations in terms of the location and quality of a new stadium. It has given the Club a clear mandate to seek to identify a stadium that retains Everton within the City of Liverpool, and in a location that has strong physical and cultural connections to its existing spiritual home at Goodison Park, within North Liverpool.

Alternative Sites Assessment

- 2.21 As set out above, there have been a number of 'false dawns' in terms of finding and developing a suitable replacement for Goodison Park. As part of this process Everton, in consultation with Liverpool City Council, has undertaken a number of extensive site searches in order to identify a suitable site for the Club to relocate its footballing operations that matches the requirements of a top EPL club.

Background

- 2.22 Everton confirmed in November 2017 that it had reached an agreement (subject to obtaining planning permission) to acquire land at Bramley-Moore Dock as the potential location for its new football stadium. Everton considers BMD to provide a site that offers a suitable location and iconic setting for a new stadium; and one which retains Everton's cultural and historic ties to North Liverpool and to Goodison Park, whilst catalysing significant regeneration along Liverpool's North Docks.
- 2.23 In order to underpin a planning application at BMD, and due to the heritage sensitivities of the site, the Club has prepared an up-to-date Alternative Sites Assessment to assess whether there are any alternative sites that are practical, realistic or feasible to accommodate a proposed stadium development within a suitable and reasonable catchment area.
- 2.24 A comprehensive Alternative Sites Assessment¹⁴ has been prepared and submitted as part of the People's Project planning application which provides a detailed assessment of alternative site options within a practical, feasible and realistic catchment area for Everton; assessing the suitability of each site for a new stadium development based on a comprehensive set of assessment criteria.

A detailed assessment of 52 (including BMD) potential alternative sites was undertaken which finds that there are no other realistic, feasible, practical or deliverable alternatives to the development of a new stadium at BMD. As such, **BMD is identified as the most appropriate location for a new stadium development, with no suitable alternatives that could be explored by the Club within a realistic area of search.**

Bramley-Moore Dock

Preferred Stadium Location

- 2.25 BMD is a brownfield, former industrial dock site, which is currently situated behind a large dock wall fronting Regent Road. It is located approximately 1.6 miles to the north of Liverpool City Centre. Immediately to the north, the site is bound by a waste water treatment works at Wellington Dock. Nelson Dock bounds the site to the south, and the River Mersey bounds it to the west. To the east, the site is bordered by Regent Road, with a variety of buildings and businesses located across Regent Road in the northern part of the Ten Streets regeneration area.
- 2.26 The site falls within the Liverpool World Heritage Site ("WHS"), and there are a number of Grade II listed features on site including the dock wall, retaining dock wall, and the hydraulic pump house.
- 2.27 Peel Land & Property received outline planning consent for the development of the docks extending to 60 hectares known as the 'Liverpool Waters' scheme, which was granted in 2013 (permission reference 10O/2424). BMD, along with Nelson Dock, forms part of the 'Northern Docks' Neighbourhood within the scheme which was designated as a primarily residential zone including 219,500 sqm of residential floorspace (Use Class C3) as well as other uses. The consent is valid for 32 years and BMD is effectively situated at the most northerly part of the Liverpool Waters regeneration area, which would be one of the last phases of the development to come forward.
- 2.28 Whilst the development of a stadium is obviously a different proposition, the Liverpool Waters consent sets a precedent, and confirms the acceptability of the extensive redevelopment of

¹⁴ Alternative Sites Assessment, CBRE, November 2019 (updated August 2020)

Background

this part of Liverpool for a variety of uses, including leisure. The consent also establishes a number of parameters, including demolition, height, access, and parking.

- 2.29 Given that BMD was expected to be developed towards the end of the 32 year consent, proposing a stadium in this location now offers a number of catalytic benefits to the City and northern docks neighbourhood. Catalysing development to this part of the site far earlier than anticipated has the potential to accelerate the development of the wider Liverpool Waters scheme and to accelerate the development of surrounding regeneration initiatives. **The development of a new stadium at BMD generates significant regenerative benefits for Liverpool's waterfront, in terms of the provision of housing and commercial uses, which will have a transformational effect on the northern docks and the Liverpool Waters scheme.**
- 2.30 The regeneration of North Liverpool is a key aspiration for the Council and the development of a stadium in this location has the potential to kick start development beyond the boundary of the Liverpool Waters consent. The Council has plans for the development of the Ten Streets area which is located to the east of the site, focussing on regeneration for creative and digital businesses. **The development of a stadium would have a transformational impact on the regeneration of the northern part of Ten Streets, generating significant catalytic benefits for the City's key regeneration priorities in North Liverpool.**

BMD Stadium Proposals

- 2.31 BMD has been identified as the most appropriate location for a new stadium development which can deliver significant regeneration benefits to the northern docks and North Liverpool. The site is physically able to meet the Club's needs and there are no alternative sites in Liverpool that could accommodate the development. It also retains the historic links with Goodison Park and provides an opportunity to secure high naming rights for the stadium which will help to protect the Club's financial future.
- 2.32 The scheme proposals for the new stadium include the following key features:
- To build a state of the art/ fit for purpose and innovative stadium on the banks of the river Mersey with seating capacity for 52,888 spectators – a significant increase on the current capacity at Goodison Park, and broadly includes:
 - significant increase in hospitality provision
 - Car parking facilities
 - enhanced Everton retail facilities
 - major Fan Plaza
 - enhanced on-site heritage features
 - enhanced public transport facilities
- 2.33 The full description of development is set out below and a detailed explanation of the proposed development is provided in the accompanying Planning Statement:

"Application for Full Planning Permission in accordance with submitted drawings for the demolition of existing buildings/structures on site (listed in the schedule); remediation works; foundation/piling works; infill of the Bramley-Moore Dock, alteration to dock walls and dock isolation works with vehicular and pedestrian links above; and other associated engineering works to accommodate the development of a stadium (Use Class D2) predominantly for football use, with the ability to host other events, with ancillary offices (Use Class B1a); Club Shop and retail concessions (internal and external to the stadium) (Use Class A1); exhibition

Background

and conference facilities (Use Class D1); food and drink concessions (internal and external to the stadium) (Use Classes A3 / A4 / A5); betting shop concessions (Sui Generis); and associated infrastructure including: electric substation, creation of a water channel, outside broadcast compound, photo-voltaic panels, storage areas/compound, security booth, external concourse / fan zone including performance stage, vehicular and pedestrian access and circulation areas, hard and soft landscaping (including stepped plaza, canopies, lighting, wind mitigation structures, public art, tree planting and boundary treatments), cycle parking structures and vehicle parking (external at grade) and change of use of the Hydraulic Tower structure to an exhibition / cultural centre (Use Class D1) with ancillary food and drink concession (Use Class A3)".

- 2.34 The Stadium would be capable of providing major year round facilities to support events and conferences and which should provide a considerable uplift to the current portfolio of activities. This stadium will help elevate Everton into the echelon of the elite football clubs in the UK (and indeed across Europe) providing major financial opportunity for the Club and enhancing the overall experience for Everton's supporters, as well as non-footballing visitors.

3.0 Socio Economic & Regeneration Context

INTRODUCTION

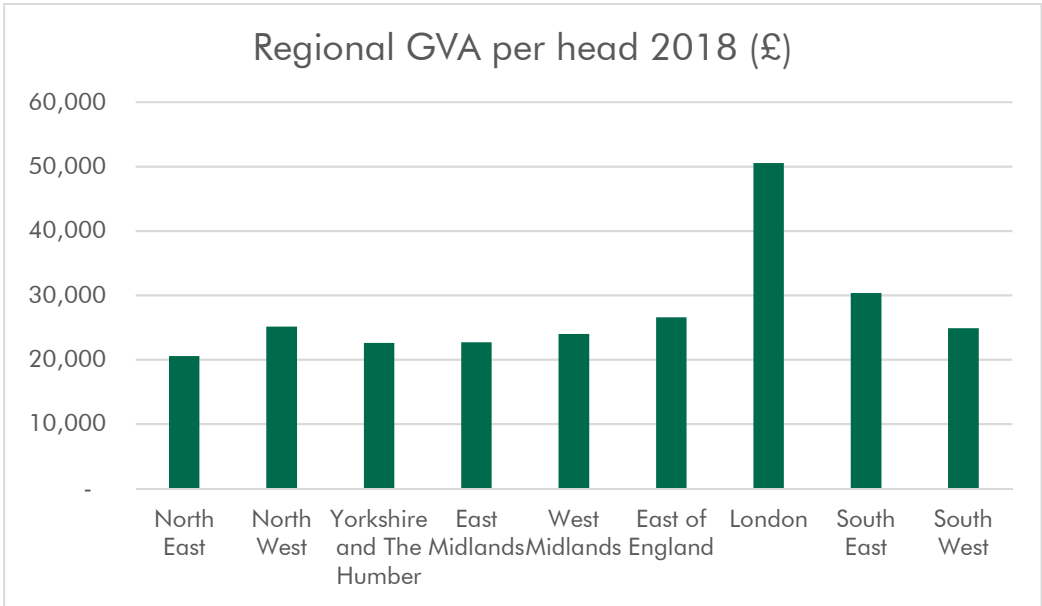
- 3.1 This section sets out the key socio-economic and regeneration context for Goodison Park and its surrounding community and the proposed new stadium location at BMD. This underpins an assessment of the relative impacts of establishing a new stadia in a different location within Liverpool, alongside the potential impact on the existing Goodison community in the absence of the legacy programme that has been developed as an integral element of the People’s Project.

NORTH WEST AND LIVERPOOL CITY REGION

North West Region

- 3.2 The North West region incorporates the counties of Lancashire, Cumbria, Cheshire, Greater Manchester and Merseyside. The region is the major component of the ‘Northern Powerhouse’ and from a footballing perspective arguably holds some of the game’s most illustrious Clubs - including Everton. The region is the third most populated region in the UK with near 7.3m people and with total GVA of circa £207bn. Whilst the population has grown by 4.6% in the last 10 years or so this is well below the growth rate for GB as a whole (6.5%). Chart 1 below shows that it’s the 4th ranked region in the UK in terms of GVA per head although has also posted the highest year on year growth at 3%.

Chart 1: Regional GVA Per Head (£) 2018



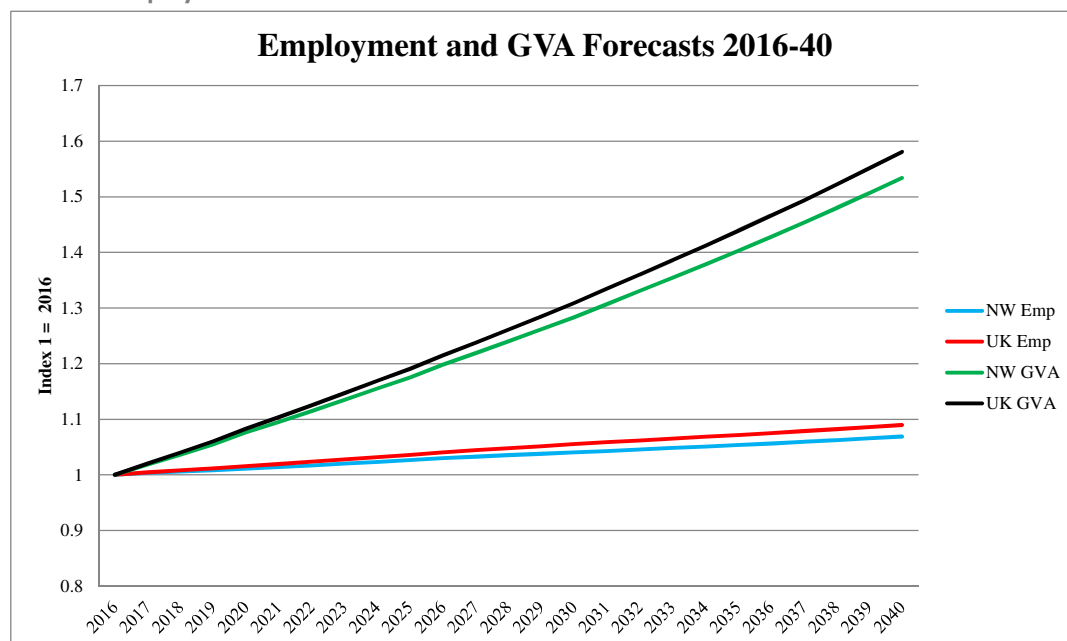
Source: ONS

- 3.3 Total employment in the region is around 3.3 million (APS 2020) with growth of around 8.4% over the last 10 years or so – this compares with employment growth of 10.5% for the UK average over the same period. The region has therefore been performing relatively well since the last recession.
- 3.4 Forecasts for the North West region however indicate that the area will slightly lose ground to the UK average in both employment and overall output GVA terms; employment growth of near 7% is forecast to 2040 (compared to near 9% for the UK overall) and GVA growth of 53% compared to 58% for the UK overall (see Chart 2 below). This also implies a slight

Socio Economic & Regeneration Context

deterioration in the NW's relative productivity - with a 2% points gap expected with the rest of the UK by 2040.

Chart 2: Employment and GVA Forecasts 2016-40

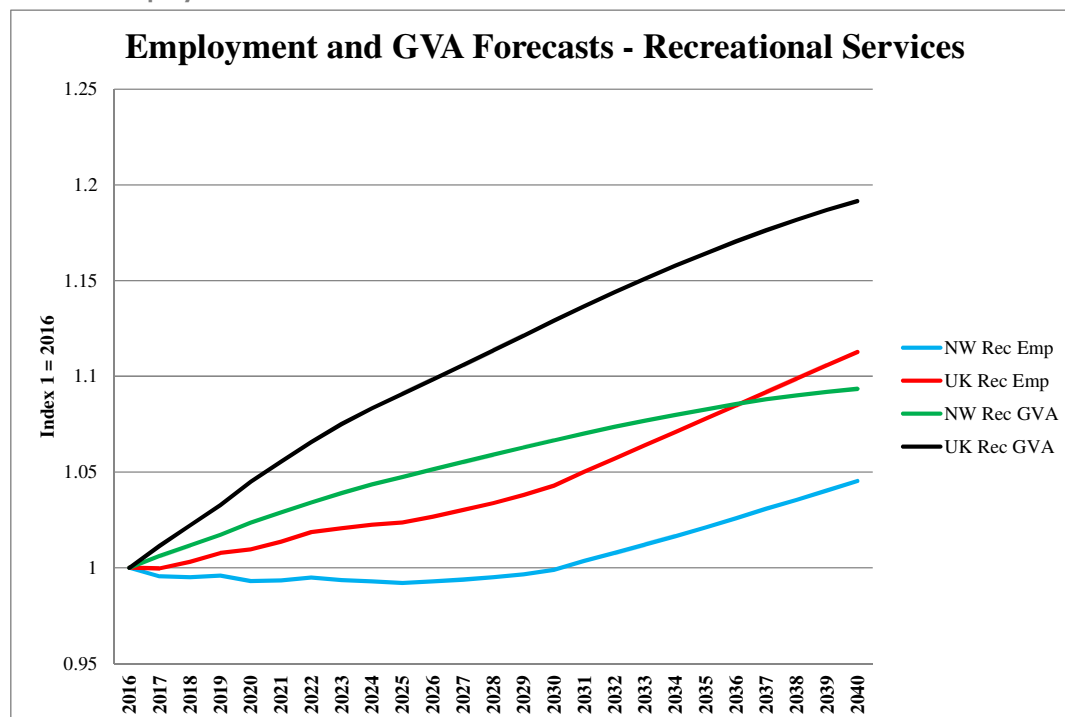


Source; Cambridge Econometrics (CE) 2016

- 3.5 The **Recreational Sector** - which includes football and is therefore of greatest relevance - is estimated to currently employ almost 68,000 people in the North West region with a GVA value of just over £2bn. Medium term forecasts suggest a dwindling market in employment terms but with stronger growth projected towards the end of the forecasting period (i.e. an overall increase of 4.5% by 2040), which will be driven by anticipated long term structural changes in the national recreational sector, and not necessarily any anticipated change in the regional forecast. With GVA growth of 10% projected then this suggests underlying strong productivity nationally. At the same time, it should be noted that these forecasts are an effective 'policy off' scenario and therefore do not take account of EFC's proposals.

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Chart 3: Employment and GVA Forecasts – Recreational Services



Source: CE 2016

- 3.6 The unemployment rate for the region is 4.2% which is just above the UK average at 4.0%. However, at any level this rate of unemployment would be considered low with the notional steady rate of unemployment thought to be around 3%. In turn this would suggest a fairly tight labour market. But this does not appear to have fuelled spiralling wage increases until very recently – average gross weekly wages in the North West have increased by just over 5% in the last year or so having been at around 2% in the previous years – this is actually slightly above the average for the rest of the UK. Current UK inflation is running at 0.0% which implies that real wages are actually at best static – a pattern which has been large evident since the financial crash ten years ago.
- 3.7 A major factor underpinning this frail but steady 'equilibrium' is low interest rates, high debt and uncertainty - and with the impact of Brexit yet to be fully understood, then this sets an uneasy medium term scenario for all of the UK, including the North West. Average household debt to income ratios are at 146% (OECD 2018). Total unsecured household debt is near £200bn net of student loans – the highest since 2008. UK households are still building up consumer credit debt as they continue to spend on the back of current cheap money or accessible credit. Yet it is thought that an upward movement in unemployment could cause serious hardship - unemployment at 8% would for example double the proportion of vulnerable households in debt. As we note below however at the more disaggregated levels then this is already a reality in parts of Liverpool relevant to this study.
- 3.8 We can conclude from this analysis that whilst the North West region features very prominently within the context of the UK as a whole the current and prospective context for the region is one which is apparently weakening at the aggregate level but where the need for jobs remains very compelling in the face of the uncertainties of Brexit, recession and household debt. This is likely to present a fairly unstable environment in the labour market although may well support growth in output and jobs but below national average rates as implied here.

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Covid-19 Impact

- 3.9 Further, the situation with regards to **the impact of Covid-19** remains uncertain. What is clear is that the forecasts outlined herein will have changed considerably. Whilst an inevitable and significant dip in economic performance is apparent now, the scale of the economic recovery will be more difficult to assess. The fallout from over 9 million furloughed workers will become apparent over the next 6 months and it is predicted that upwards of 30% of those in this ‘economic limbo’ could eventually become unemployed¹⁵. This remains to be seen but we can be assured that it will not be an improvement on the pre-Covid position. The forecast stock market provides an indicative and adverse picture of near term economic weakness, as illustrated in Chart 4.

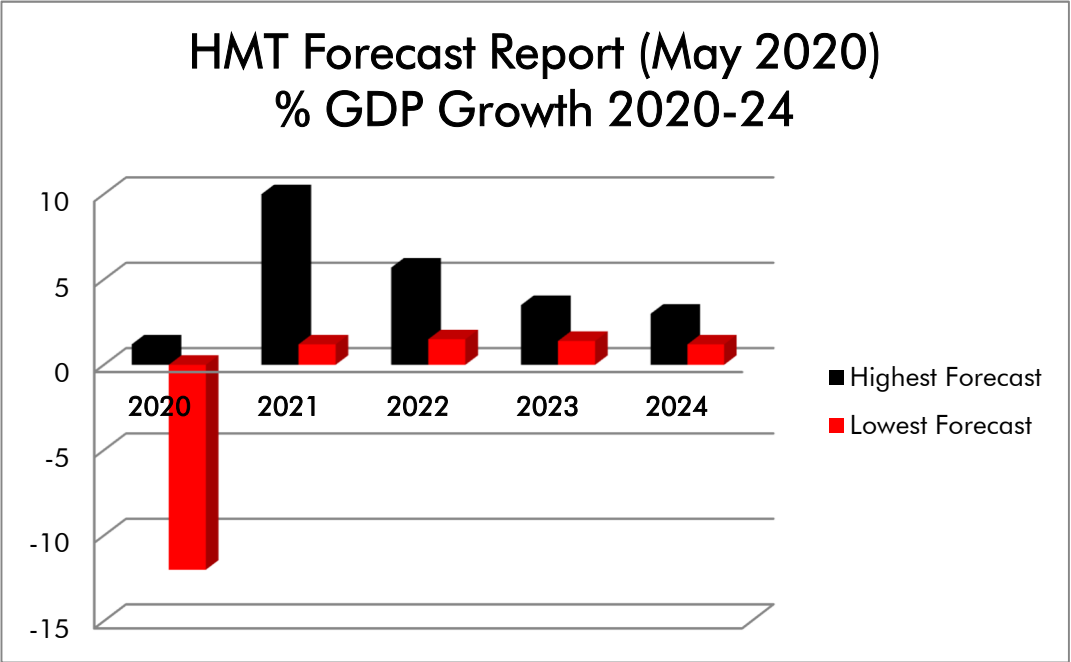
Chart 4: Stock Market Predictions

Markets	Actual	Q2	Q3	Q4	Q1	2021
Stock Market (points)	6135.29	6022	5905	5790	5678	5453
Currency	1.23	1.23	1.22	1.21	1.21	1.19
Government Bond 10Y (%)	0.18	0.19	0.2	0.22	0.23	0.27

Source: Trading Economics (June 2020)

- 3.10 It is almost certain that the economic context is one where inherent weaknesses in key markets will realised by the impact of Covid-19 – with retail and leisure arguably those sectors where the greatest impact will be felt. Put simply, the current trajectory provided by these forecasts will change decisively negative. An imputed¹⁶ forecast provided by the UK Treasury (HMT) would suggest the following:

Chart 5: HM Treasury GDP Forecast



Source – HMT and CBRE (May 2020)

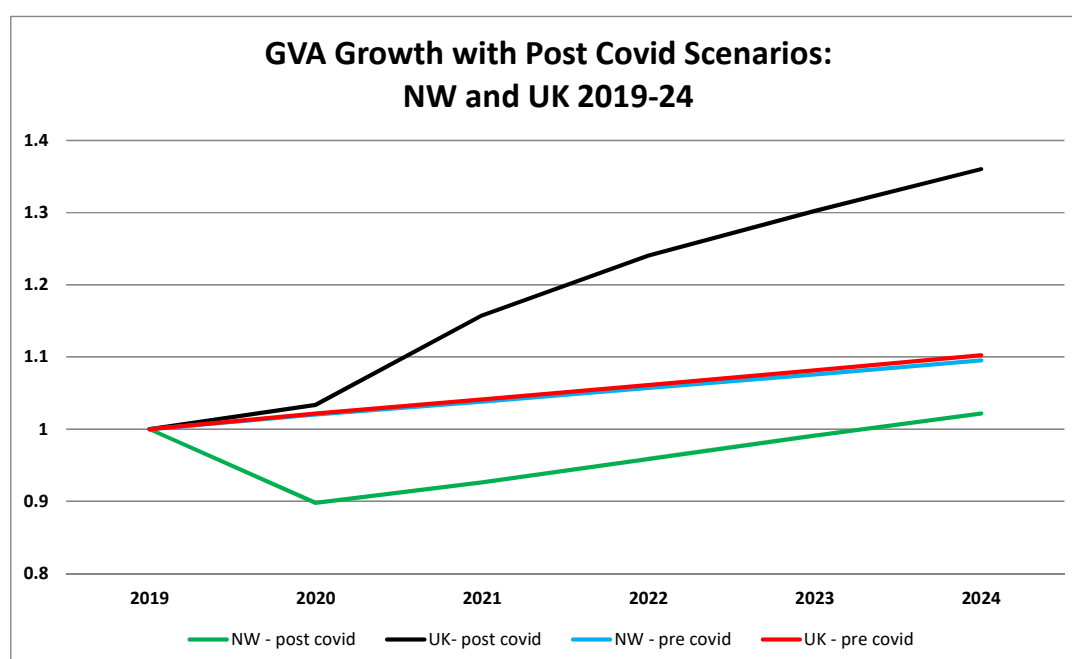
¹⁵ The Guardian (April 2020)

¹⁶ Provided by a mix of forecasters within and outside the ‘City’.

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- 3.11 Firstly, this shows the difficulty in forecasting GDP growth for the UK in the current climate. These two forecasts provide a vastly different picture of the UK economy going forwards. However, if the stock market forecast is an indicator, then may be that the 'lowest' forecast is most likely to emerge from a post-Covid era.
- 3.12 The labour market reflects an equally negative set of forecasts: the Claimant count has already increased up to more than 2.8m (up over ½m in a month). The unemployment rate is currently 3.9% but expected to climb to between 6%-8% reflecting the 'furlough fallout' by the end of 2020. The HMT imputed forecast is between 4% - 10% unemployment rate; the 4% already appearing highly unrealistic. A doubling of unemployment equates with c. 2.7 million unemployed – approaching the 3 million or so during the Thatcher era which also had a heavy northern bias.
- 3.13 The impact of Covid19 and inevitable recession is likely to have a strong 'structural' component. That is, those areas with a high dependency on key sectors such as tourism, leisure and retail (as well as production) and less dependency on more resilient sectors (eg Health, Professional etc) will fare worse than others with less exposed sectors. The range of forecasts could indeed be reflective of these two paradigms – the positive forecast relating to less structurally exposed regions and the more negative forecast of those regions which are structurally exposed. As an illustration, re-applying the highest and lowest HMT forecast scenarios to the base 2016 forecast for the UK and NW economies respectively would yield the following outcome:

Chart 6: GVA Growth with Post-Covid Scenarios



Source: CE, HMT and CBRE

- 3.14 Under this scenario, the North West would fall very significantly behind the UK GVA growth rate / trend. Whilst provided as illustration, the relative position of these trends is a realistic potential outcome - that is, the North West falling (appreciably) further behind the UK average.
- 3.15 Regardless of the numbers being presented, a major contraction in economic activity is likely, a more modest 'economic bounce-back' and a shallower growth profile going forwards over

Socio Economic & Regeneration Context

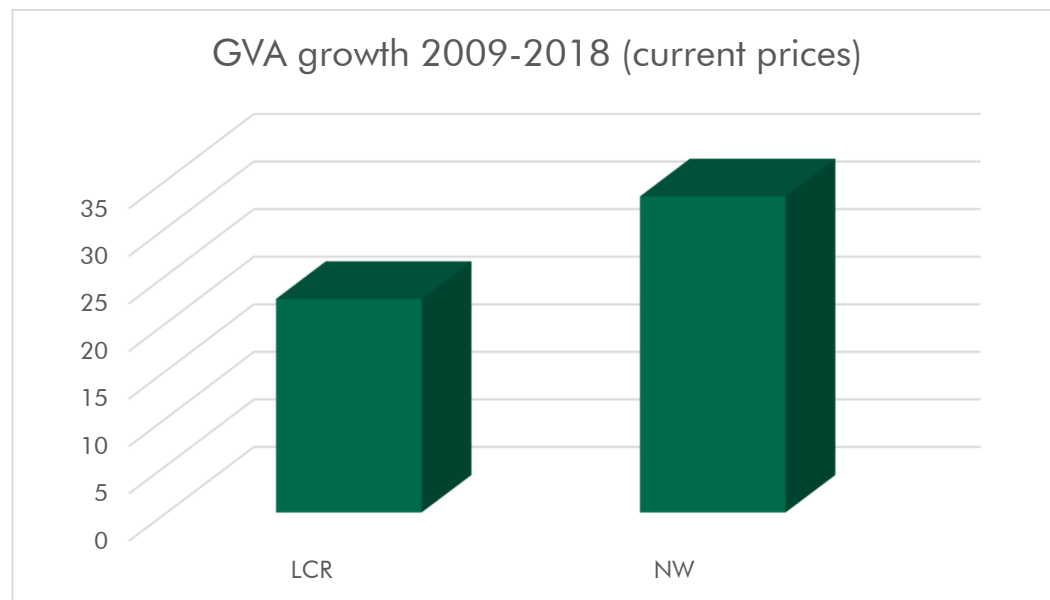
the next 5 years or so may also materialise. Alongside which a deterioration in the relative position of the NW economy against the UK average would be a reasonable assertion.

- 3.16 Therefore, the economic commentary that follows for the LCR, North Liverpool and particularly County / Kirkdale will almost certainly provide a more positive view on the future socio-economic conditions than they currently are, and more importantly, than they are expected to be over the next 3 – 5 years given the aforementioned post-Covid conditions.
- 3.17 What this changing context makes clear is that there will be **significant economic distress and rising unemployment as the fallout from Covid-19 continues**. The delivery of major development schemes of national significance will be critical in providing the jobs and investment to support the City Region's economic recovery. Therefore, the Covid-19 crisis places increased focus and importance on the jobs created the BMD and GPLP projects and could provide a major economic boost to the region during its period of recovery.

Liverpool City Region (LCR)

- 3.18 The Liverpool City Region (LCR) is one of the two major sub-regions making up the North West region. It is thought that this geography will secure the major 'local' benefit from a new Everton stadium (alongside the North West region more generally). For our purposes here, the LCR is made up of the combined authorities of Liverpool, Halton, Knowsley, Sefton, Wirral and St Helens. Together, this makes up an area with a total population of just over 1.5 million people. The total GVA for this sub-region is estimated at £33.6bn which is roughly 22% of the region's total GVA. GVA growth over the last 10 years has lagged significantly behind the regional average (and indeed Liverpool more generally):

Chart 7: GVA Growth 2006-2016



Source: ONS

- 3.19 Current total employment in this sub-region is around 704,000 - an increase of 7.8% over the last 5 years but only an increase of 0.1% in the last year. Employment growth in the last five years has bucked the trend of the GVA picture with strong growth reported in terms of the regional average. However, growth in the last year to December 2019 seems to be slowing and, as discussed earlier, employment figures do not yet reflect the seismic economic impact of the Covid-19 crisis:

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Chart 8: Employment Growth 2015-2019



Source: ONS

- 3.20 Worklessness in the LCR is well above the regional average as shown in the table below. Unemployment is the same as the regional average and economic inactivity is above the regional average while the claimant count is above average and relatively high. The relatively high level of claimant count (up to May 2020) as noted earlier may be just a start of the economic effects of the Covid-19 pandemic with aggregate demand suffering an immediate decline leading to higher levels of redundancies and hence increased benefit claims.

Table 1: Unemployment, Inactivity and Worklessness

Unemployment, Inactivity and Worklessness (2016)	LCR	NW
Unemployed (actuals)	30,600	146,400
Estimated Unemployment rates (population aged 16-64)	4.2	4.2
Claimant Count (%) (2020)	7.9	7.2
Working Age Benefit Claimants (%)	16.9	13.5
Economic inactivity (%)	24.0	22.3
Of which % who want to work	18.6	17.9
% households workless	19.0	16.3
% Children in workless households	15.8	11.7

Source: ONS/APS

- 3.21 A report on the LCR - LCR Growth Strategy 'Building Our Future' (2016) highlights the following key issues facing this sub-region:
- **Wealth Gap** – GVA per head remains about three quarters of the UK average (£20,696 against £27,555)

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- **Productivity Gap** – high levels of economic inactivity contribute to very low wealth per person at £20,696 GVA per capita
 - **Business Gap** – low business birth and survival rates, a relatively small stock of businesses, coupled with an over-dependence on public sector jobs. In 2019, there were only 274 businesses per 10,000 population
 - **Jobs Gap** – LCR has the lowest employment rate of the 63 largest cities in the UK and very low jobs density compared with other core cities
 - **Worklessness** – high levels of long term sickness and significantly higher proportions of workless households than the national average
 - **Skills Gap** – one of the lowest educational attainment and skilled worker rates in the country. 15.9% of the population lack any formal qualifications, whereas only 25.7% have any higher level qualifications
 - **Spatially concentrated deprivation** – Liverpool and Knowsley are ranked the 4th and 3rd most deprived local authority areas nationally
- 3.22 This is a hugely challenging set of problems – it is a mix of major deprivation, severe supply side weaknesses and a significant lack of opportunities which will almost certainly be exacerbated by the outbreak of Covid-19 near term at least.
- 3.23 LCR in broad terms demonstrates similar characteristics to Liverpool City itself. However, in the case of the region, LCR is performing - across some indices in particular – significantly weaker. That said, the regional forecast will be germane in this respect, implying that the LCR sub-region will struggle to keep pace with national growth trends.
- 3.24 However, as the LCR Growth Strategy 'Building Our Future' highlights, there are very significant socio-economic opportunities for the sub-region. This is fuelled by the Devolution Deal and the ensuing policy powers available to the elected LCR Mayor, Steve Rotherham. This includes £30m per annum SIF allocation over 30 years, £264m Growth Deal funds already secured and £188m from EU sources. As such, the sub-region has important assets which will enable the area to build on the positive renaissance that it has experienced since the turn of the century.
- 3.25 LCR in broad terms demonstrates similar characteristics to Liverpool city itself - less so the region. But invariably in the case of the region, LCR is performing - across some indices in particular – significantly weaker. That said, the regional forecast will be germane in this respect in that it would seem to imply that the LCR sub-region will struggle to keep pace with national growth trends (regardless of Covid-19).
- 3.26 However, as the very recent LCR Growth Strategy 'Building Our Future' highlights, there are very significant socio-economic opportunities for the sub-region. This in great part is fuelled by the expectation of the Devolution Deal and the ensuing policy powers accruing to the recently elected LCR Mayor. This includes £30m per annum SIF allocation over 30 years, £264m Growth Deal funds already secured and £188m from EU sources. The Strategy report highlights that the sub-region has important assets which will enable the area to build on the positive renaissance that it has experienced since the turn of this century.
- 3.27 Important in this respect is the role of seven key target sectors including the Visitor economy. It highlights that Liverpool FC is amongst its key assets to exploit along with the Beatles story – but not Everton. Although EFC is acknowledged elsewhere as part of the area's attractions, LFC clearly carries far more significance as a visitor destination. This in significant part is symptomatic of Goodison Park's limitations. The new EFC stadium is not only an important

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opportunity to perhaps redress the balance with its neighbour (but potentially adds significant value to the city region offering in this sector going forwards.

- 3.28 The development of a new stadium at BMD has the potential to add significant value to the City Region in addressing major deprivation, severe supply side weakness and a lack of opportunity; whilst boosting LCR's visitor economy in terms of assets and potential.

NORTH LIVERPOOL

- 3.29 North Liverpool constitutes four wards of Anfield, Everton, Kirkdale and County. It has been constantly 'awarded' regeneration area status ever since the mid-1970's, and large parts of the area are now covered by the (Liverpool) Mayoral Development Zones and underlying Atlantic Corridor regeneration priority area.
- 3.30 The Strategic Regeneration Framework (SRF) designation of 2010 along with South Sefton and incorporating the additional wards of Derby and Linacre is still relevant here. The wider SRF definition of North Liverpool constitutes some 2,500 hectares of land and population of around 85,000¹⁷ located to the north of the city centre. This is an area of Liverpool with a contrasting mix of characteristics from very deprived communities sitting alongside parks to a magnificent world-class waterfront. The SRF report noted the following description for this part of Liverpool in 2010:

"Whilst North Liverpool suffers many of the same structural problems that can be observed at a city wide level, it ranks worse than the city average on many of the core indicators of deprivation and pulls down the city's overall performance. Despite its proximity to the city centre and areas of comparative growth and affluence, North Liverpool remains fundamentally disconnected from the growing city centre economy. As a series of fragmented neighbourhoods, it no longer plays a key role in attracting and retaining, young and economically active people and families for the city; its residents are more likely to live in poor quality housing; to be unemployed or on other working age benefits and suffer from poor health. These factors make North Liverpool the most disadvantaged area of England"

- 3.31 Whilst there has been some improvement in the area since these assertions were made, in the main, they all persist today. For example, a summary of the Index of Multiple Deprivation (IMD) (compared with the city) is detailed below:

Table 2: Average Indices of Multiple Deprivation (2019 Data)

Average Indices of Multiple Deprivation (2019 Data)		
	North Liverpool	Liverpool
IMD	64.7	43.1
Income	0.4	0.2
Employment	0.3	0.2
Education	53.4	33.9
Health	2.1	1.3
Crime	1.2	0.6
Barriers	13.8	14.2
Living	52.6	41.9
Source : IMD DATA (2019) Note - Higher scores = worse, Lower scores = Better		

¹⁷ 70,000 for the narrower definition of the area.

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- 3.32 North Liverpool scores worse than the city across every IMD factor apart from barriers to housing and services. A summary table of other relevant socio-economic indicators demonstrates a similar picture:

Table 3: Key Economic Indicators

Key Economic Indicators	North Liverpool	Liverpool
Unemployment rate (2019) ¹⁸	4.8%	4.5%
Claimant Count (%) (2020)	13.6	8.8
Female Life Expectancy (age) (2017)	78.4	80.3
Male Life Expectancy (age) (2017)	73.1	76.2
% people with no qualifications (2011)	30.3	18.5
% people with NVQ 4+ Qualifications (2011)	13.6	25.9
Business per capita ratio (2017)	1:25'	1:30'
Job density (2017)	0.7	0.8

Source : LCC / ONS / CBRE

County Ward

- 3.33 The County ward of Liverpool lies to the east of Kirkdale within the North Liverpool area. It has a total population of around 14,000 people but this has been in decline over the last 10 years – which represents a major indicator of economic 'distress'. There are around 5,500 people employed living in the ward; however, a significant proportion are likely to be commuting outside the ward for work. It is, by any standard, a very deprived community and scores poorly against the city average across almost all the main relevant socio-economic indicators¹⁹.
- 3.34 A summary of the key socio-economic indicators for the UK, Liverpool and County Ward is provided in Table 4:

Table 4: Socio-Economic Indicators

Socio-economic Indicators ²⁰	County Ward	Liverpool	UK
Average Household Income (index base = 100) (2017)	78	100	137
Unemployment rate ²¹	6.1%	4.7%	4.0%
Claimant Count (2020)	14.7%	8.8%	6.4%
Worklessness % (working age) (2016)	33.5%	21%	14.5%
Incapacity Benefit Claimants (2016)	17.20%	10.90%	6.30%
Workforce 16+ (no qualifications) (2011)	37.30%	28.70%	22.70 %
Workforce 16+ (NVQ4 +) (2011)	11.50%	22.40%	27.20 %

¹⁸ Average for Walton and Riverside constituencies.

¹⁹ Noting here that the city itself scores poorly in relation to many of the same indicators against the UK average.

²⁰ Data is 2019 unless otherwise noted

²¹ Calculated by the difference between Liverpool Unemployment in 2016 and 2019 and applying this to County

Socio Economic & Regeneration Context

Percentage 5+ GCSEs A*-C (2017)	43.8%	54.8%	60.6%
Life expectancy (index) (2015-17)	98	100	104
Child Poverty (2018)	39%	27.7%	16.8%
Crime per 1000 (2018)	150.7	113.6	na
IMD - % of area in most deprived 10% nationally	100%	49.6%	na
IMD score (highest = worse)	64.5	43.1	na
Business per capita ratio (bu:pop) (2016)	1:94	1:25	na
GVA per head (Index UK = 100) ²² (2018)	61	94	100

Source: LCC / ONS / CBRE

- 3.35 In short, **this indicates a community that is suffering for severe deprivation an almost all indices, with its declining population reflective of an area which remains in economic distress.** The ward has three LSOAs²³ which are within the worst 1% most deprived in the country.
- 3.36 Of particular relevance is the very low business density in the ward; it arguably lacks sufficient businesses to offer sufficient and relevant employment opportunities to support such a deprived area. The table below provides detailed business enterprise information for County and Kirkdale Wards (as well as North Liverpool for comparison).

Table 5: Active Companies by Sector

Active Companies by Sector (%)	Kirkdale	County	N Liverpool
Admin & Support Services	10	13.5	10.5
Business Services	11.5	8.1	9.6
Community, Social & Personal Services	8.9	18.2	11.6
Construction	6.9	10.1	11.4
Digital, Creative & Information Services	5.4	4.7	4.2
Health & Social Care	3.8	3.4	4.9
Hotels & Restaurants	5.8	4.7	5.4
Metal, Plastic and Non-metal mineral products	6.6	2.7	4.4
Real Estate	6.1	7.4	6.8
Retail	17.5	12.8	15.3
Transport, Storage & Distribution	4	4.7	4.2
Utilities	3.5	0	1.7
Other	10	9.7	10
Total	100	100	100
Actuals (Total)	651	148	2289

Source: IMD/ CBRE

- 3.37 Two key points are worth nothing here:
1. As expected, the total number of enterprises in County ward is low – Kirkdale (which we note below has ‘recovering’ population numbers) has over four times the number of businesses within its ward.
 2. By far the greatest proportion of enterprises are those which are Community / Social and Admin and Support Services in County Ward, which is both indicative of a deprived area and reflective of Everton / EitC based activity.

²² Calculated by the difference between Liverpool GVA in 2016 and 2018 and applying this to County

²³ Lower Super Output Area (these constitute smaller geographical areas than Ward level)

Socio Economic & Regeneration Context

- 3.38 **Everton's role in the County Ward community cannot be overstated – it is extremely important at many levels.** From providing a positive psychological influence, to the significant scale of volunteering and indeed providing accessible job opportunities locally through not just the Club but through in particular Everton in the Community. **In the absence of any meaningful legacy, the Club's plans to leave this area would have very serious consequences for the community.** On the other, and in order to avoid a legacy of "abandonment", the Club's departure from Goodison Park (as opposed to actually leaving County Ward completely) provides a significant opportunity to reinvigorate the area in a way that seldom (if ever) presents itself. Work in this regard is already underway with significant developments within the Everton community having already been accomplished. However, the major part of the legacy programme will materialise on Everton's departure to the new stadium, as part of the Goodison Park Legacy Project.

Kirkdale

- 3.39 Kirkdale is located next to County ward in North Liverpool and borders the river Mersey to the west. In many respects it is very reflective of the context in County in that it is very deprived with similar issues to its neighbouring ward. The population is currently around 17,800 but which has seen a slight increase over the last 10 years. Total employment is estimated at around 5,500. A repeat summary table of the key socio-economic indicators for the UK, Liverpool and Kirkdale Ward is provided below:

Table 6: Socio-Economic Indicators

Socio-economic Indicators ²⁴	Kirkdale Ward	Liverpool	UK
Average Household Income (index base = 100) (2017)	73	100	137
Unemployment rate ²⁵	5.0%	4.7%	4.0%
Claimant Count (2020)	11.1%	8.8%	6.4%
Worklessness % (working age)	33.5%	21%	14.5%
Incapacity Benefit Claimants (2016)	16.50%	10.90%	6.30%
Workforce 16+ (no qualifications) (2011)	40.40%	28.70%	22.70%
Workforce 16+ (NVQ4 +) (2011)	14.50%	22.40%	27.20%
Percentage 5+ GCSEs A*- C (2011)	42.4%	54.8%	60.6%
Life expectancy (index) 2015-17	95	100	104
Child Poverty (2018)	38.9%	27.7%	16.8%
Crime per 1000 (2018)	141	114	na
IMD - % of area in most deprived 10% nationally	100%	49.6%	na
IMD score (highest = worse)	68.2	43.1	na
Business per capita ratio (bu:pop) (2016)	1:25	1:25	na
GVA per head (Index UK = 100) ²⁶ (2018)	61	94	100

Source: LCC / ONS / CBRE

²⁴ Data is 2019 unless otherwise stated.

²⁵ Calculated by the difference between Liverpool Unemployment in 2016 and 2019 and applying this to Kirkdale

²⁶ Calculated by the difference between Liverpool GVA in 2016 and 2018 and applying this to Kirkdale

Socio Economic & Regeneration Context

- 3.40 The table indicates that there is limited difference between the County and Kirkdale wards, both being very deprived areas of Liverpool, with County ward being marginally the weaker of the two wards. On the basis of the relative scale of enterprise between the two wards, this supports a marginal improvement in performance across related indicators such as the unemployment rate and worklessness in Kirkdale (which includes the dockland industries).

NORTH LIVERPOOL: A REGENERATION PRIORITY

- 3.41 Despite the socio-economic challenges, Liverpool City Council continues to provide the civic leadership necessary to address the root causes of decline and in facilitating and enabling new development opportunities to come forward, epitomised by the Atlantic Corridor Development Framework, the North Liverpool South Sefton SRF and other major policy and regeneration initiatives in the North Liverpool area. Furthermore, Peel Holdings, is providing major regeneration opportunities on a scale without precedent in this part of Liverpool and indeed without precedent throughout Liverpool as a whole.
- 3.42 **North Liverpool is a clear regeneration priority for the city and the key regeneration priorities of the defined North Liverpool area are articulated through a number of strategic and policy documents and projects** including:
- **The North Liverpool and South Sefton Strategic Regeneration Framework** – the fundamental purpose of the SRF is to create sustainable communities and to maximise North Liverpool's contribution to the City's competitiveness over the next 20 years and beyond. The SRF acts as an 'umbrella document' to provide the strategic context for more detailed delivery plans. The strategic objectives of the SRF are to enable further investment and employment growth to accommodate economic growth sectors of the future, increase the ability of local residents to access better quality employment opportunities, establish an ambitious and strategic vision for sustainable neighbourhoods and to link business districts and housing neighbourhoods through a multi modal transport system and coherent green infrastructure network.
 - **The Atlantic Corridor Development Framework** - running north from the City Centre along the north Liverpool bank of the River Mersey, the Corridor framework establishes a set of regeneration and development principles for a significant area of the northern part of the City. At over 250 acres and with a potential for around 2 Million sq. ft. of new mixed use development representing an investment value of approximately £6Billion, the regeneration potential of the area cannot be understated. The Atlantic Corridor Development Framework provides the overarching context for regeneration and establishes principles for development – sitting above detailed site-level proposals. The framework aims to better connect these emerging destinations to each other and the city centre, identify further opportunities for coordinated investment, create improved investment conditions, and improve access to new jobs and opportunities for local residents and workers.
 - **The North Liverpool Mayoral Development Zone (MDZ)** – the North Liverpool Mayoral Development Zone (MDZ) is the largest of the MDZs and support business development and regeneration in the inner north. The MDZ covers the area stretching from the expanse of Liverpool's docks in the north to the edge of the City Centre's commercial business core. Not only does it include a swathe of traditional industrial and warehousing sites alongside the river, it also reaches eastwards into Everton Valley to encompass rapidly regenerating residential suburbs and district shopping centres. Being home to both of the city's football clubs, the MDZ recognises Everton's redevelopment plans within North Liverpool.

Socio Economic & Regeneration Context

- **The Ten Streets Spatial Regeneration Framework** – the Ten Streets SRF encompasses an area of Kirkdale to the north of the City Centre and adjacent to BMD. The Ten Streets District will function as a new economic driver and connector between the Stanley Dock complex to the north and the City Centre to the south. The SRF fully recognises the potential of BMD to support a new football stadium and consequently the long-term potential of the Ten Streets area to support this aspiration, noting that the stadium has the potential have a transformational effect on the North Docks and the Ten Streets framework area. The SRF also states that the potential for a new stadium has the potential to facilitate rapid change and create a catalyst that will accelerate the redevelopment of the wider framework area and particularly land to the north of Stanley Dock which has the potential to undergo rapid regeneration due to the catalytic impact of the stadium development.
 - **Liverpool Waters (and Liverpool Waters Enterprise Zone)** – as set out earlier, Liverpool Waters is a £5 billion project that will comprehensively transform the city's northern docks, regenerating a 60 hectare stretch to create a world-class, mixed-use waterfront quarter in Central Liverpool. It offers a generational opportunity to transform Liverpool's north docks and could truly transform communities to the north of the City Centre.
- 3.43 The commitment of the Club to remain connected to its existing community is reflective of the commitment it has made to the regeneration of North Liverpool, but importantly a recognition of the contribution that the Club can make to truly catalysing the regeneration of the area.
- 3.44 Since the adoption of the North Liverpool and South Sefton Strategic Regeneration Framework in 2010, increased focus has been placed on North Liverpool as a strategic regeneration priority for the City. Many of the transformational projects included within the Plan have been progressed since its publication, including Project Jennifer (the new District Centre at Great Homer Street, Everton), the Anfield Project and Liverpool 2, the expansion of Liverpool's SuperPort, with each project generating significant private sector investment and job creation.
- 3.45 Regeneration plans for the Liverpool Waters and the Ten Streets, as part of the Atlantic Corridor, presents a unique opportunity to deliver a new stadium that can catalyse significant private sector investment and significant job creation in one of the country's most challenging regeneration areas.
- 3.46 This regeneration context provides a significant opportunity to consider BMD in tandem and as a location for a new stadium that will have a transformational impact on its surrounding area. Liverpool Waters and Ten Streets together will comprise an unrivalled mix of major key component projects which will act as further catalysts for fundamental change, investment and creating new business interest in this part of Liverpool.
- 3.47 It is important to recognise that despite the socio-economic challenges faced in North Liverpool, major regenerative projects are already coming forward. The decision of the Club to relocate their stadium at Bramley-Moore Dock is therefore reflective of the confidence the Club has in the ongoing regeneration objectives supported by the City, but importantly a recognition of the contribution that the Club can make to catalysing and accelerating the regeneration of North Liverpool. It is considered that the stadium will become a critical catalyst for accelerated development in this part of the City.

CONCLUSIONS

- 3.48 A summary analysis of the socio-economic and regeneration context for the proposals to develop a new stadium at BMD highlights the following:

Socio Economic & Regeneration Context

- There is below average regional forecast growth (compounded by uncertain Brexit conditions).
 - Prospects of increasing regional underperformance within the key 'Recreational' sub-sector suggests a growing gap with the rest of the country, which supports the need for transformational projects and major stadium development to improve the performance of the sector within the region.
 - At a sub-regional level (LCR), there are evident significant and challenging issues despite intervention – both previous and intended. The development of a new stadium at BMD has the potential to add significant value to the City Region in addressing major deprivation, severe supply side weakness and a lack of opportunity; whilst boosting LCR's visitor economy in terms of assets and potential.
 - At the local level, it is clear that the issues apparent at the sub-regional level are significantly heightened for both County and Kirkdale wards. Deprivation indices for North Liverpool (including County and Kirkdale Wards) demonstrate a community that is suffering for severe deprivation on almost all indicators, with declining populations reflective of an area which remains in economic distress.
 - Everton's role in the County Ward community cannot be overstated – it is extremely important at many levels. In the absence of any meaningful legacy, the Club's plans to leave this area would have very serious consequences for the community. However, the Club's departure from Goodison Park and proposals for a genuine 'legacy' project offers a significant opportunity to reinvigorate the area in a way that seldom (if ever) presents itself. Therefore, the Club's continued presence and activity within the County ward is likely to be both significant and pervasive. We should therefore consider the Goodison Park Legacy Project a critical component of delivering a new stadium at BMD.
 - There is a growing confidence for new development and investment in North Liverpool, underpinned by a focus on existing and new regeneration and policy priorities in the area such as the Atlantic Corridor, Liverpool Waters and the Ten Streets. The decision of the Club to relocate their stadium at BMD is reflective of the confidence the Club has in the ongoing regeneration objectives, but importantly a recognition of the contribution that the Club can make to catalysing and accelerating the regeneration of North Liverpool.
- 3.49 Finally, in the context of the above, the changing macro-economic conditions as a result of Covid-19 suggest that there will be significant economic distress and rising unemployment as the economic fallout is realised, with a particular impact on the North West. The delivery of schemes such as BMD and GPLP could have a major impact on regional economic recovery and support significant jobs and investment at a time when it is needed the most.

4.0 Everton Football Club: Baseline Contribution

INTRODUCTION

- 4.1 Everton is a Club transformed both on and off the pitch. Off the pitch, the change in ownership in combination with new EPL broadcasting deals has given the Club the opportunity to embark upon a new direction of travel.
- 4.2 Looking forward, the ambition of the Club is to become a Top 4 Club in the EPL and be recognised as a destination for talent, whether that is the First Team, U23s, Academy or Ladies teams. As part of that aspiration, the development of a new stadium is a fundamental component of the Club's future vision.
- 4.3 In simple terms, measuring the impact of a football club should be a reasonably straightforward exercise – there are 11 players, substitutes, a coach and manager, administration teams, stewards and a set of supporters who will attend a (home) game at least 20 times a year (dependent on additional competitions).
- 4.4 However, the reality is that a football Club has a footprint of impacts that extends far beyond this. **Everton is a huge 'family' with a complex set of relationships that affects many thousands of lives, including service and product suppliers, local hospitality providers, retail shops, a training academy, tourism/ visitors and most significantly the Everton 'community' through its prestigious and renowned Everton in the Community programme ("EitC").** Everton is one of the oldest clubs in the UK and has a loyal fanbase that supports the Club. Major organisation is required to ensure that each game is undertaken efficiently, alongside a multitude of activities and services on a matchday as well as during non-match day periods. Largely, the 'organisation' of Everton goes largely unnoticed and unrecorded. However, this assessment highlights that **Everton plays a very significant and much wider role in the lives of people in and around Goodison Park as well as much further afield.**
- 4.5 The development of a new footballing stadium impacts upon this organisational structure and in itself provides the catalyst for measuring the true socio-economic and regeneration 'additionality' of the investment proposed.
- 4.6 It is relevant to measure what is estimated as the current socio-economic contribution of the Club in the community it serves, which forms the baseline from which the 'additionality' of a new stadium at BMD can be measured. Technically, this project could easily be characterised as one of pure displacement – a zero sum gain. The act of moving the Club from one very deprived area to another (arguably) less deprived albeit still challenging area could be viewed at best progress, at worst, abandonment.
- 4.7 However, Everton is the 'People's Club' and is committed to doing things differently. The socio-economic impact of building and moving into a new stadium is complex and far reaching. As stated above, the purpose of this section is to analyse the baseline conditions in order to assess what, how and where the Club contributes to the local economy. This will form an appropriate baseline from which to measure the potential changes from moving the footballing operations to another part of Liverpool, which is assessed in subsequent sections of this report. This is the first consideration in assessing the overall economic and regenerative impacts of the Club's investment decision.
- 4.8 The Club's socio-economic impact flows from four key areas:
 1. Those directly employed by the Club, including staff and the players;
 2. The suppliers of product and service with whom Everton engages in contract;
 3. Everton's supporters and followers; and
 4. EitC.

Everton Football Club: Baseline Contribution

- 4.9 This section goes on to consider these and the related contributions the Club currently makes to LCR and the North West region.

EMPLOYMENT

Direct Employment

- 4.10 The Club employs a wide mix of staff ranging from players, trainers, physios, administrators, managers, up to the CEO (Professor Denise Barrett-Baxendale). Alongside this, is a considerable number of match day stewards and staff that are casually employed during the footballing season. Noting the potential sensitivity associated with disclosing personal information, especially regarding players, we have adopted a simplifying framework that evenly distributes aggregate wages and domicile across those employed by the Club within their relevant sectors by geography.
- 4.11 Information provided by the Club to this end has thus underpinned a rigorous assessment of the direct employment numbers by the Club to which we have adjusted with relevant spatial multipliers to ascertain the overall contribution of the Club to 'local' employment. This is detailed in Table 7.

Table 7: Goodison Park - Employment

Everton Goodison Park - Employment	LCR	NW
Jobs (FTE) (including casuals)	320	678

Source: Everton/CBRE

- 4.12 The Club directly contributes **320 FTE jobs** within LCR and at the regional level contributes **678 FTE jobs** in the economy. At any level, this is a very considerable employer within the region (i.e. it would be classed in EU terms as a large business)²⁷. It also indicates within the current economic climate and context for the sub-region, and especially community within which Everton sits, that the Club is a major contributor to local employment opportunities and will have a positive effect on local unemployment and worklessness.

Wage Income

- 4.13 In terms of wage income, there is be a considerable (upward) wage bias in the following analysis as a result of the inclusion of player wages within the assessment. However, it would be erroneous not to include player wages as it constitutes a major economic contributor to the economy in terms of its relative market wealth and spending effects. As noted above, the following is based on aggregated but geographically distributed modelled data, in order to provide a sensible estimate of the wage income impact of the Club sub-regionally and regionally. The results of this analysis is summarised in Table 8:

Table 8: Goodison Park – Wage Income

Everton Goodison Park – Wage Income	LCR	NW
Total wage income – Jobs (FTE) in £m (incl. casuals)	£51.5m	£201.7m

Source: Everton/CBRE

- 4.14 The total estimated value of wage income supported by the Club in LCR is **£51.5m**; wage income contributions by the Club at regional level is almost **£202m**. Again, as a proxy

²⁷ It should be noted that these are modelled estimates – direct Everton employment is lower and would be classed as a medium sized company under some definitions of the SME market.

Everton Football Club: Baseline Contribution

measure of company turnover, this would be classed as a large firm. Everton's wage contribution to the regional economy is highly significant – this is despite the restrictions of its current capacity and facilities at Goodison Park.

GVA

- 4.15 GVA estimates for Everton are illustrated in Table 9 and based on the employment estimates highlighted earlier²⁸:

Table 9: Goodison Park - GVA

Everton Goodison Park – GVA	LCR	NW
Total GVA (£m) – FTE Jobs (incl. casuals)	£15.4m	£33.6m

Source: Everton/CBRE

- 4.16 The analysis demonstrates that the combined contribution of directly employed and casual workers at Everton generate more than **£15m of GVA** at the local level and almost **£34m of GVA** at the regional level. This is near 0.75% of the total regional GVA supported through the Club's employment alone. In addition to this, it is necessary to take account of the Club's supplier expenditure as well EitC activities and some consideration of the supporters and visitors – which is set out later.

SUPPLIERS

- 4.17 Data provided by Everton detailing supplier expenditure and its sources was assessed and 'cleaned' before any analytical work was undertaken. This was a 'snapshot' of the baseline supplier expenditure for 2018. It has to be acknowledged that the profile which was analysed is subject to frequent micro changes, apart from two or three major suppliers, although the overall aggregate spend is reasonably constant and the majority of the profile is likely to be equally reflective. Analysis of the Club's supplier expenditure indicates the following:

- More than 300 businesses and organisations²⁹ benefitting directly from Everton's activities through direct purchases by the Club;
- Total national expenditure of around **£37m annually**; and
- Around 50% of expenditure attributed to the North West region (**£18.5m**).

- 4.18 A summary of the Club's key expenditure contribution is provided in Table 10:

Table 10: Goodison Park – Summary Key Expenditure

Everton Goodison Park	LCR	NW	UK
Expenditure (£m)	£6.9m	£18.5m	£36.8m
GVA estimate (£m)	£2.78m	£13.98m	£43.83m
Jobs supported	58	281	807

Source: Everton/CBRE

- 4.19 According to this analysis, Everton supports **58 jobs** and **spends £6.9m in the City Region**, as well as generating local **GVA of approximately £2.8m**. At the regional level, the Club is **spending £18.5m** and **supporting more than 280 jobs**. Nationally, the Club is estimated to be supporting **over 800 jobs** and generating **over £43m of GVA**. Whilst it may be argued

²⁸ It should be noted that this is a residence based estimate of GVA – the workplace estimate is the aggregate measure for Everton (i.e. the regional estimate in the table).

²⁹ Everton data (2019)

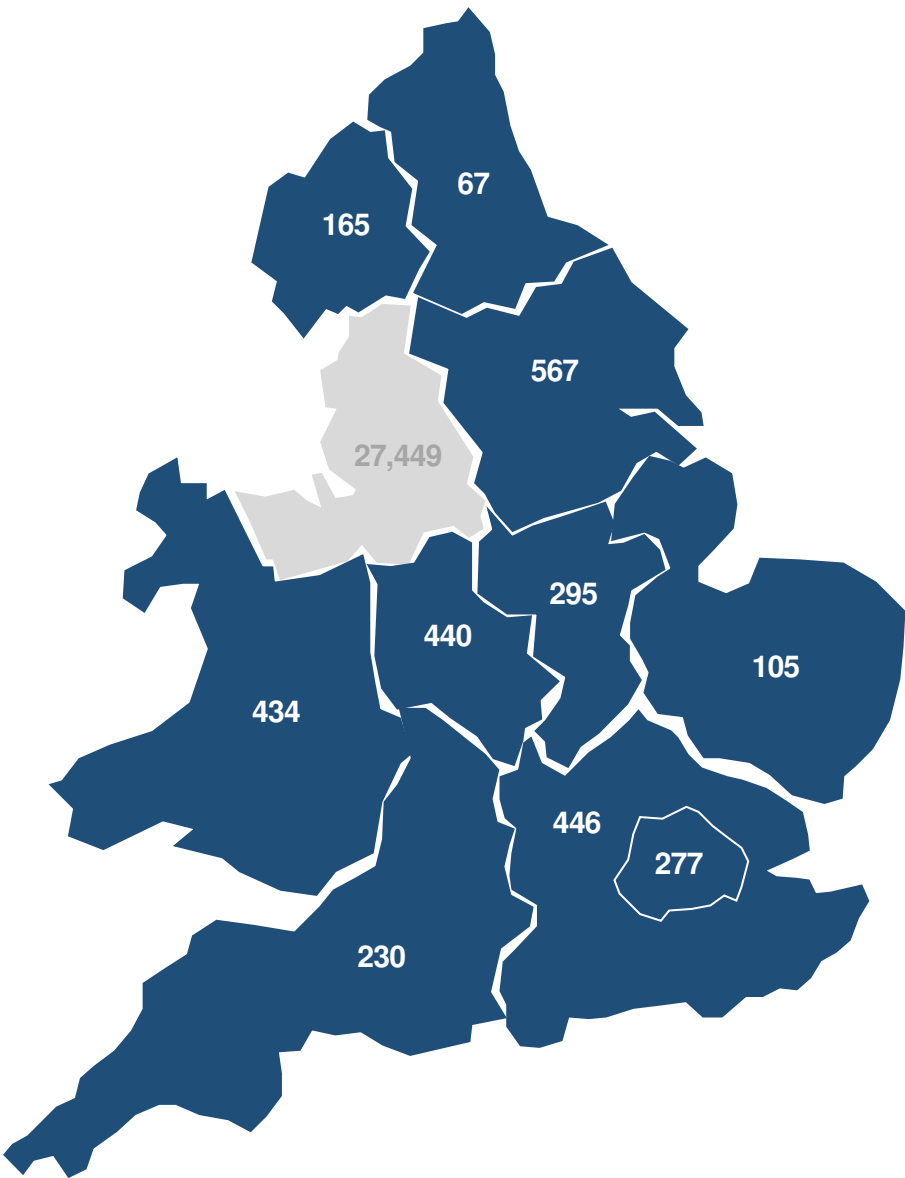
Everton Football Club: Baseline Contribution

that this it's not unusual for an EPL Club the size of Everton to contribute like this, it is seldom recognised or measured to this effect.

SUPPORTERS

4.20 Supporters play a major role for all football clubs. In the case of Everton, the Club has a loyal fanbase and has enjoyed long-standing and significant support. Goodison Park is at full capacity for almost all EPL games, with approximately 80% being season ticket holders. Figure 1 shows the geographical distribution of season ticket holders:

Figure 1: Geographical Spread of Season Ticket Holders



4.21

Source: Everton data 2018/2019 season

4.22

This analysis shows that 88% of season ticket holders live within the North West region (plus North East Wales). Assuming that this is also reflective of more general 'on-the-day' ticket sales then it suggests that a significant proportion of support for Everton is within a reachable 'day travel time'. It also implies very limited capacity for away or visiting fans. Our

Everton Football Club: Baseline Contribution

understanding is that the Club allocates a maximum of 5% of total capacity for away fans. There are two implications of this in economic benefit terms:

1. Supporters are unlikely to induce significant 'non-footballing' related expenditure impacts on Liverpool; and
 2. The degree of non-local expenditure headroom is also relatively small.
- 4.23 The scale of car travel to matches is high at nearly 80%, which supports a tight geography of support and/or temporal scope for additional expenditure in the city – it is likely that people will be travelling to and from matches on the day. Discussions with the national supporter's association also suggests that away supporters are transported to and from matches with very limited opportunity to induce local spend, unless the offerings are proximate, which (save for pubs / eateries) in the case of Goodison are limited. Therefore, the additional expenditure impact that away and home supporters have on the city are considered to be marginal. The main flow of expenditure (and so impact) is likely to be through Everton related spend.
- 4.24 We have assumed that Everton will attract in the order of 900,000 people to the city of Liverpool during the course of season – assuming average progression in the EFL and/ or FA Cups³⁰. From this total, we can assess the contribution of this volume (net of foreign and non-footballing visitors – see section below 'Tourism / Visitors) in terms of economic impact on LCR as summarised in Table 11:

Table 11: Supporters Expenditure

Range	% scale	Expenditure estimate (£m)
Very Low	0.1	£0.17m
Low	0.25	£0.43m
Medium	0.5	£0.86m
High	0.75	£1.3m
Very high	0.9	£1.5m

Source: Everton/CBRE

- 4.25 If we therefore assume that Everton supporter spending is captured by the Club (or in fact displaced) spending in LCR then the base of additional spend is that flowing from away fans. As we note these are mainly 'shepherded' in and out of the ground. Where we assume that the range of additional city spend is very low then this implies around £170,000 of total additional spending in the city and at the highest end it is estimated at £1.5m. A medium to high range would suggest around **£1m additional spend annually in the LCR**³¹.

Tourism / Visitors

- 4.26 A 2014 ONS report by Visit Britain analysed information on in-bound visitors to the UK in order to watch football matches. The aggregate picture suggested that around 800,000 people travelled to the UK to watch football spending on average £908 per person over a period of 2.5 nights, on average. Liverpool FC was assessed as being the 3rd highest draw in the UK for foreign tourists to a football match, at approximately 100,000 people a year. There were no figures for Everton but the lowest quoted was 30,000 people to Craven Cottage (Fulham FC). This would correlate with the supporter assessment indicating significant season ticket holders which are heavily local/ regional, leaving limited headroom for opposition or indeed foreign tourists. Based on comparable evidence and taking a very

³⁰ This assumes average gates of 38.8k and 23 games plus one or two events (e.g. the Tony Bellew fight)

³¹ This supports between 7 - 11 jobs locally.

Everton Football Club: Baseline Contribution

conservative estimate, we have assumed 15,000 foreign visitors to the city as a result of Everton fixtures at Goodison Park, which would induce approximately £13.6m³² of total direct expenditure locally, of which about £4.2m would be directly football related (and therefore presumed to accrue to Everton on the match days). **Therefore, Everton could be presumed to be inducing around £9.4m of additional foreign expenditure in the city over the course of a season.**

- 4.27 It is not clear how many non-footballing visitors would be attracted to Liverpool in order to visit Everton / Goodison Park. The scale of visits to Goodison is lower than those for Anfield for example; where LFC draws 100,000 foreign visitors. We have assumed that Everton draws approximately 15,000³³ visitors. Of these visitors, it is estimated that LFC's stadium draws some 40,000 direct visitors every year with Goodison Park drawing 5,000 visitors. With average day visitor spend of approximately £58 per person, this would suggest that the **total direct non-footballing expenditure by Everton's non-footballing visitors could be estimated at £290,000 per annum.** In total, Everton's tourist based expenditure to the city is estimated to be worth approximately £9.7m³⁴.

Image and Marketing Profile

- 4.28 Everton, like all the top football clubs in world, carries a recognisable 'brand'; whilst Everton may not be at the very highest echelons of supported clubs such as Barcelona, Real Madrid, Bayern Munich, Manchester United; it has a major international profile. Goodison Park is very much part of that branding, hence the public reference to it as the 'Grand Old Lady'. The Club's presence and success also supports the marketability of Liverpool and the LCR. Everton features prominently alongside Liverpool FC on the VisitLiverpool website <http://www.visitliverpool.com/things-to-do/everton-football-club-p7991>. This also clearly has a value to sponsors and the wider LCR. An implied valuation by sponsors is the value of the sponsorship paid to the Club; the latest estimate is that in total **Everton gains around £40m through this route annually³⁵.**

COMMUNITY & SOCIAL: EVERTON IN THE COMMUNITY

- 4.29 Everton is the 'People's Club'. The following statement demonstrates the important and deep-rooted links between a football club and its community:

"Supporting a football club, watching a live game or gathering to watch a match on television are all ways of participating in group activity with people who share the same values and interests. This provides a sense of belonging, identification and inclusion within a larger group. It creates a tangible social identity. Identification with the players as people and the club also promote a sense of belonging. Because this belonging is a key part of their identity, people will continue to support their team even if the team lets them down. This would suggest that the psychological value derived from this social identity is greater than that derived from a good or bad performance."

Source: The Mental Health Foundation

³² £908 per person x 15,000 assumed fans

³³ Liverpool has over 4600 Trip Advisor responses compared to just over 200 for Everton (ie a 22:1 ratio)

³⁴ Equivalent to around £3.4m of GVA in Liverpool and around 70 jobs supported in the city – 2017 prices.

³⁵ Sourced from the Everton's 2019 annual accounts including sponsorship, advertising and merchandising.

Everton Football Club: Baseline Contribution

- 4.30 Everton is visible, close and very active amongst its community – it's Blue Mile³⁶ – and further afield in the LCR area. The main thrust of the Club's impact on the community is through its long-standing association with the highly regarded work of **Everton in the Community ("EitC")**. Everton and EitC leads on what is regarded as one of the premier community support programmes in Europe, with numerous accolades testifying its importance and significance in the Merseyside/ LCR area.

EitC Development

- 4.31 EitC is the Club's official charity and is intrinsically linked to its footballing and community engagement operations. EitC is recognised as one of the nation's leading sporting charities and has pioneered initiatives over the last 30 years to tackle the problems that are prevalent in the community and stimulate real and tangible social change. The success of the charity depends on the dedication, commitment and support of all stakeholders associated with Everton, EitC and the local community.
- 4.32 EitC is recognised as one of the nation's leading sporting charities and has pioneered initiatives over the last 30 years to tackle the problems that are prevalent in the community and stimulate real and tangible social change. The success of the charity depends on the dedication, commitment and support of all stakeholders associated with Everton, EitC and the local community.
- 4.33 EitC has invested £8 million in several community-focussed developments close to Goodison Park in the last four years. Key EitC facilities include:
1. **The Everton Free School** - which offers alternative educational experiences to almost 200 students aged 14-16 years old. Established in 2012, the School's alternative provision curriculum helps young people reach their potential where traditional educational routes might have failed.
 2. **The People's Hub** – which opened in 2017 and is the home of EitC. The Hub acts as a meeting place where local people can access information and support, get training or take advantage of sports facilities, including one of only seven Cruyff Courts³⁷ in the UK.
 3. **The Blue Base** - which is the latest addition to the campus has seen the renovation of an abandoned social club on Salop Street which is now used as a matchday meeting point for disabled supporters.
 4. **Properties along Goodison Road** – EitC operates several programmes from No. 41 Goodison Road and No. 25 Goodison Road, in the heart of the Goodison community.
- 4.34 A plan showing EitC's existing facilities and ownerships within the local area is illustrated in Figure 2. It demonstrates the Club's clear ongoing physical commitment to its local community and reinforces the need for the Club to retain a strong physical connection to both the expanding portfolio of EitC facilities and the potential to develop a truly unique community legacy asset that seamlessly links into these facilities, at a redeveloped Goodison Park.

³⁶ Constituting a one mile radius around Goodison Park

³⁷ <https://www.cruyff-foundation.org/en/activities/cruyff-courts>

Everton Football Club: Baseline Contribution

Figure 2: EitC Developments – Goodison Park



4.35

Source: Everton Football Club

4.36

In addition to existing facilities, EitC has announced a fundraising campaign to develop a new permanent mental health centre as part of the campus, costing more than £1 million and known as 'The People's Place'. The People's Place will operate from a new purpose-built facility positioned adjacent to The People's Hub on Spellow Lane, just 500 metres from Goodison Park. The new centre will help people who are struggling with mental health issues regardless of their age or situation and help deliver the charity's award-winning mental health programmes. The People's Place reinforces EitC and Everton's ongoing commitment to expanding its footprint in the community and supporting the social and physical regeneration of the Goodison area.

Figure 3: The 'People's Place'



Source: Everton Football Club

Everton Football Club: Baseline Contribution

- 4.37 This significant investment in the Blue Mile provides an important anchor for the Club through EitC in the local community. It reinforces the need for the Club to retain a strong physical, as well as social connection to its existing community in order to realise its vision for a lasting legacy at its historic home.

EitC Programmes

- 4.38 EitC began life in 1988 with just two people and a budget of £6,000 per year. It has now grown to be major force within the LCR in terms of delivering important community support programmes – some of which are delivered internationally. At the time of writing, the EitC charity has 120 dedicated full-time staff, 72 casual staff and 144 volunteers, delivering more than 60 programmes covering issues such as physical and mental health, employability, crime, education, youth engagement, disability, dementia and anti-social behaviour and supporting around 2,000 other local charities a year. **In total, the programme is thought to have an interface with more than 20,000 people in the LCR area.**
- 4.39 Such programmes are targeted at people in need of all ages. The programmes straddle the whole spectrum of community issues from child advisory to homelessness, and have wide ranging impacts across the local community. The following highlights some of the key programmes and recent successes of EitC:

Disability

- **Disability Development programme** – providing disabled people of all ages across Merseyside with bespoke sport and physical activity opportunities and the chance to get involved with volunteering, work placements and gain accreditations. This helps to address the barriers that disabled individuals experience and improve health outcomes and opportunities in society. In 2017-2018, 250 disabled children and young people have represented the charity through nine disability football teams;
- **Partnership with Alder Hey Children's Hospital** – this sees EitC delivering play therapy sessions on the wards five days per week, engaging with over 1,000 sick children and their siblings each year. This programme has been running for over 10 years;
- **Services to Schools** – several schools now pay to access EitC's disability services in their schools. This supports the sustainability of the programme alongside ensuring high-quality provision can be experienced by more disabled children and young people. The programme was recognised at the 2017 Northwest Football Awards for its ongoing contribution supporting Everton in promoting equality and diversity.

Employment and Education

- **Premier League Enterprise programme** – in 2017-2018 the programme was delivered to 280 students from across 10 schools, with 21% reporting improved attendance and punctuality at school and 40% reporting improvements in attitude and motivation;
- **Premier League Enterprise Challenge** – five schools participated in this challenge, with Broadgreen International School completing nationally against 140 schools and 900 students to become joint winners of the competition;
- **Premier League Works** – an employability programme which supports NEET (Not In Employment Education or Training) young people aged 16-24 into Jobs or Further Training. In 2017-2018, the programme worked with 40 young people by developing their employability and personal and social skills and progressed 50% into a positive progression;

Everton Football Club: Baseline Contribution

Everton Apprenticeships

- **Everton Apprenticeships programme** – this programme offers opportunities for people of all ages, to work towards fully accredited qualifications. From May 2017, EitC became the first Premier League Charitable Trust to achieve Government approved Apprenticeship Training Provider status and the first to deliver High Apprenticeships. During 2018, the charity supported 91 Apprenticeships on Level 2 and Level 3 qualifications in Business Administration, Customer Service, Team Leading, Management and Sport. During this period, the programme attained achievement rates in excess of 90%, set against a national average of 68%, with 82% of learners achieving a positive employment outcome.
- In May 2017 EitC Apprenticeships was rated the No 1 Apprenticeship Provider in Greater Merseyside and joint top Nationwide in terms of overall learner experience following publication of the Government's Learner Satisfaction Survey'.

Health and Wellbeing

- There are a number of programmes ongoing which continue to lead the way to address the various public health challenges that exist across Merseyside. Long-standing projects covering the areas of long-term conditions, mental health conditions and age-related conditions have continued to be delivered. Weekly delivery combined with health screening events has seen over 10,000 people reached during the last 12 months with many improvements in health being made.

Neighbourhood

- During 2017-2018, EitC successfully boosted employment within the Blue Mile, assisting 35 neighbours in gaining part time employment in the latest area development. Since the People's Hub was opened in April 2017, over 12,000 have come through the doors to access services. Key achievements are as follows:
 - 23% decrease in Anti-Social Behaviour stats since The People's Hub opened.
 - 850 neighbours screened at a Healthy Lungs event with three people for lung disease.
 - 100 neighbours accessed Christmas dinner.
 - Regeneration of Kirkdale Train Station with Everton Free School and Merseyrail.
 - 1,000 neighbours accessed employability skills workshops from The People's Hub.
 - Teas for Fans supported by neighbour volunteers.

Sports Development

- **Premier League Primary Stars** – the flagship programme within the Sports Development strand of the charity sees EitC work alongside over 100 football clubs nationally to engage and inspire schoolchildren to enjoy PE and be more active outside school;
- The programme also engages children through mentoring workshops that seek to develop key skills that will be key to the children's lives as they leave primary school. Sessions on confidence, resilience, communication and teamwork give children the opportunity and environment to challenge themselves to achieve their potential. The programme engaged with a total of 45 primary schools last year and delivered over 40 mass participation events alongside over 1,000 curriculum time sessions.

Everton Football Club: Baseline Contribution

Youth Engagement

- **Youth Engagement programmes** – these include the youth justice programme helping and supporting young people in the justice system and crime prevention in areas of high anti-social behaviour and crime.
- The '41 Goodison' programme houses all the support programmes that provide targeted support to young people aged 8-19 years. This team also provides wrap around support to our education and community interventions team. '41 Goodison' won the prestigious Howard League for Penal Reform Award in November 2017 in recognition of their work reducing crime within their communities.
- **Kicks** – the ongoing flagship Kicks programme engages over 2,100 annually in constructive activities (including a wide variety of sports, coaching, music and educational and personal development sessions) and reports a major reduction in crime rates (up to 82%) in the areas which it is delivered.

Volunteering

- **Volunteering programmes** – these programmes offer opportunities for people aged 16+ to be trained as volunteers on EitC's community programmes. During 2017-2018, 226 volunteers completed 7,338 hours of volunteering work. This – multiplied by the National Living Wage (for people aged 25+) - equates to £57,456.54 contributed towards EitC.

Direct Economic Impacts of EitC

- 4.40 Assessing a financial value on the direct economic impacts that EitC contributes to the LCR and wider North West region, Table 12 summarises the jobs, wage income and GVA impacts (adopting the same framework which has been used for the Everton assessment):

Table 12: Estimated EitC Impacts

Estimated EitC Impacts			
	LCR	NW	UK
Total Jobs	85	134	160
Wage income (£m)	£1.8m	£2.9m	£3.5m
GVA estimates (£m)	£4.1m	£6.7m	£8.7m

Source: EitC 2018 / CBRE

- 4.41 This assessment indicates that **EitC's wage income draws approximately £1.8m into the LCR alongside more than £4m of GVA**. This helps support some **85 jobs locally in the LCR (and 134 at North West level)**.
- 4.42 In terms of supplier and charitable expenditure which is generated through EitC Table 13 provides broad estimates of the economic contribution of this expenditure on the local economy:

Table 13: Estimated EitC Supplier Impacts

Estimated EitC Supplier Impacts			
	LCR	NW	UK
Expenditure (£m)	£1.42m	£1.88m	£2.14m
Jobs supported	29	38	39

Source: EitC 2018 / CBRE

Everton Football Club: Baseline Contribution

- 4.43 This assessment indicates that EitC's activities and expenditure draw a value of approximately **£1.4m into the LCR**. This helps support some **29 jobs locally in the LCR (and 38 at North West level)**.
- 4.44 In terms of the volunteer base supporting the work of the EitC, Table 14 provides a monetised value of their input to the community at the LCR level:

Table 14: EitC Volunteer Value

EitC volunteer value	LCR
EitC Volunteers	226
Social (well Being) Value from Sports (2014) per volunteer	£16,032
Total Value (£m)	£3.62m
Adj to current prices (£m)	£3.87m

Source: EitC Impact Report 2018 / CBRE

- 4.45 Therefore, the well-being **value of the EitC volunteering is estimated at almost £4m annually**.
- 4.46 There is also a need to consider the financial value of the 20,000 interactions which EitC delivers annually across the wider LCR area. The difficulty with this calculation is that the interactions will vary widely from an hour of coaching, to days of healthcare support and then possibly up to a year on an apprenticeship course. However, the aggregate time spent by participants on EitC sessions is estimated at just over 110,000 hours for 2016. Where it was assumed that the welfare return of these interactions was on average equivalent to saving the same value of claimant benefits then it would be equivalent to a HMT value of:
- $$57^{38} * (£73.10^{39} * 52) = \text{Total Value of Client Interactions of } \mathbf{£0.22m}.$$
- 4.47 Finally, there is the PR value of EitC to Everton and LCR more generally – which has to be acknowledged as very significant. A normal RoI on marketing / PR spending is a factor of 5. Therefore, **taking account of the total spending of EitC at the LCR level of £3.6m then this would be equivalent to an implied value of £18m.⁴⁰**

SUMMARY

- 4.48 A baseline assessment of Everton's operations provides an insight to the more general value of top-flight football to large UK towns and cities. The breadth and depth of impact – especially in terms of Everton – is significant. Yet little is actually known about the underlying influence of football on the economy and its communities. Everton, like many clubs, is revered by its supporters and community. In return, Everton generates significant benefits for LCR and the regional economy. A summary of the baseline benefits of the Club in the LCR and the North West is demonstrated in Table 15.

³⁸ This is the amount of hours equivalent to working years ((110242/7.5)/260)

³⁹ Single person over the age of 25 weekly allowance.

⁴⁰ X5 of total spend (notional amount)

Everton Football Club: Baseline Contribution

Table 15: Aggregate Impacts of Everton Football Club (Baseline)

Aggregate Impact of Everton	LCR	NW
Employment (inc EitC)	405	812
Wage Income (incl EitC £m)	£53.3m	£204.6m
GVA (incl EitC £m)	£19.5m	£40.3m
Supplier Expenditure (inc EitC ⁴¹ £m)	£8.3m	£20.4m
Jobs Supported (incl EitC)	87	319
Supporter Additional Exp (£1m)	£1m	£1m
Visitors and Supporters to Goodison Park	915,000	915,000
Visitor additional spend (£m)	£9.7m	£9.7m
Marketing / PR value (£m)	£21m	£21m
Volunteers (EitC)	226	226
Volunteer Well Being Value (£m)	£3.9m	£3.9m
EitC Client Interactions	20,000	20,000
EitC Client Interactions - Value (£m)	£0.22m	£0.22m

4.49 The baseline assessment demonstrates that the Club has significant economic and social value to the region, both in terms of its football and associated operations, and through its wide reaching engagement in the local community through EitC. In summary, the Club contributes:

4.50 To the Liverpool City Region:

- ✓ **405 direct full time jobs** supported by the Club and EitC.
- ✓ More than **£53m in direct wage income** supported by the Club and EitC.
- ✓ Almost **£20m in GVA** value of direct and casually employed workers supported by the Club and EitC.
- ✓ More than **£8m of in supplier expenditure** locally from more than 300 businesses, **supporting 87 jobs** through the operation of the Club and EitC.
- ✓ **900,000 annual visitors** to the City which generates **supporter expenditure of £1m** annually.
- ✓ **15,000 tourist visitors** generating **£9.7m annually** in the City Region.
- ✓ **£40m** of investment in Marketing and PR into the region.
- ✓ **226 volunteers** supported by EitC with a **well-being value of almost £4m**.
- ✓ **20,000 EitC client interactions** with a value of **£220,000 in savings** in welfare returns.

4.51 To the North West region:

- ✓ **812 direct full time jobs** supported by the Club and EitC.
- ✓ Over **£200m in direct wage income** supported by the Club and EitC.

Everton Football Club: Baseline Contribution

- ✓ More than **£40m in GVA** value of direct and casually employed workers supported by the Club and EitC.
- ✓ Over **£20m of in supplier expenditure**, supporting **319 jobs** through the operation of the Club and EitC.

4.52 The impact of these contributions is significant and demonstrates the value that the Club currently has in the LCR and the wider region. The following sections set out the key elements of the new stadium and Goodison Park Legacy projects and calculates the additional impacts that could be generated by this investment by the Club.

5.0 The People's Project

INTRODUCTION

- 5.1 This section provides an overview of the proposals for a new stadium at BMD and the Goodison Park Legacy Project – which together form the People's Project – as well as an overview of the potential for BMD to catalyse surrounding development and regeneration in the Ten Streets area.
- 5.2 In line with comparable major project impact appraisals, it is important to consider the additionality associated with the direct project itself, in this case the stadium, but also the 'catalytic' benefits to further development and therefore regenerative impacts across a wider target area.
- 5.3 This includes 'the new stadium scheme' and the catalytic regeneration of the wider 'Northern Ten Streets' area which comprises land to the north of Stanley Dock, adjacent to BMD. However, both have a causal linkage, particularly in this part of North Liverpool, which has not seen the levels of investment activity that other parts of the city have indeed witnessed. Lastly, but by no means reflecting a hierarchy of importance, is the proposed development of the Goodison Park Legacy Project.
- 5.4 When assessing impacts, it is important to not only consider the actual development that Everton and EitC will deliver, on land in their ownership, but to think of this as a project that consists of the three principal and linked components, some of which will be delivered by the Club and EitC and other parts of which will be delivered by others as a result of the investment made by the Club and EitC.

THE NEW STADIUM AT BRAMLEY-MOORE DOCK

- 5.5 In 2018, to help guide and organise the feedback and ideas gathered from supporters, Everton developed 11 Key Principles – not just for its new home at BMD but also for its legacy at Goodison Park and Liverpool 4⁴². These key principles are illustrated as follows:

Figure 4: Everton New Stadium Development – 11 Key Principles



⁴² Liverpool 4 is the postcode area within which Goodison Park sits

The People's Project



Our Fortress



A New Home For Everton



A Platform For Growth



The People's Club



An Iconic Landmark For Liverpool



Easy To Get To, Easy To Get Home



A Legacy For Goodison Park



Respecting Heritage



Harnessing The Environment



Embracing Technology



The Right Deal For Liverpool

Source: The People's Project Website

- 5.6 These principles are a clear statement of intent for the Club. Put simply, the vision is synonymous with what was produced 125 years ago at Goodison Park – to build a world class stadium that should last another 125 years and beyond and add considerably to LCR's portfolio of attractions, leaving a lasting legacy in the community in which the Club is at the heart.
- 5.7 The stadium capacity is proposed to be 52,888; which reflects the scale of support that Everton currently has including its waiting list of season ticket holders, how this might change as the Club hopefully cements its position amongst the elite UK clubs and the prospect of more regular European football. The Club is applying for permission to build a stadium with a capacity of 52,888 seater stadium; however, capacity could increase in the future to 62,000

The People's Project

through the implementation of safe standing area (subject to changes in legislation and further a planning application). The assumptions within the Economic Impact Assessment are based on an average attendance of 50,000. Whilst it is estimated that the stadium would be at capacity in most games, this ensures a conservative estimate of future capacity is adopted to reflect the potential for the stadium to be below capacity in some games. This ensures that the impact assessment is robust and does not reflect inflated or 'maximum' outcomes.

- 5.8 Related 'expenditure capture' is likely to be significantly enhanced not just through increased supporter and visitor volume but also through more 'on site' commercial provision. Taken together, this should enhance additional direct and indirect expenditure impacts from the project.

THE GOODISON PARK LEGACY PROJECT

- 5.9 Vacating Goodison Park creates an opportunity for Everton to redevelop the site as a community hub and focal point, which would all combine to catalyse further regeneration of the L4 neighbourhood, and demonstrate the Club's ongoing and long-term commitment to investing in the local community.

Description of Development

- 5.10 The Goodison Park Legacy project, as part of the People's Project, will be an application for outline consent and set out the vision for the development of a lasting legacy at Goodison Park.
- 5.11 The proposals for the Goodison Park Legacy include:
- Demolition of the existing stadium and associated structures;
 - Site clearance and ground preparation works, including removal of hardstanding areas;
 - Construction of 173 residential units;
 - Construction of 23,379 square metres (GIA) of floorspace across the following flexible uses: community, healthcare, education, leisure, retail and/or commercial (use classes: A1, A2, A3, A4, A5, B1, C2, C3 and/or D1);
 - Public realm improvement works and the creation of green spaces. It is envisioned that elements of the site's historic use will be retained within the landscaping and public realm improvements; and
 - Access improvement works. Multiple access points on to the site are anticipated.
- 5.12 It is anticipated that the proposed development will be delivered in a phased approach. Construction of the scheme will not begin until the Club have vacated the site.

WIDER CATALYTIC REGENERATION

Northern Ten Streets

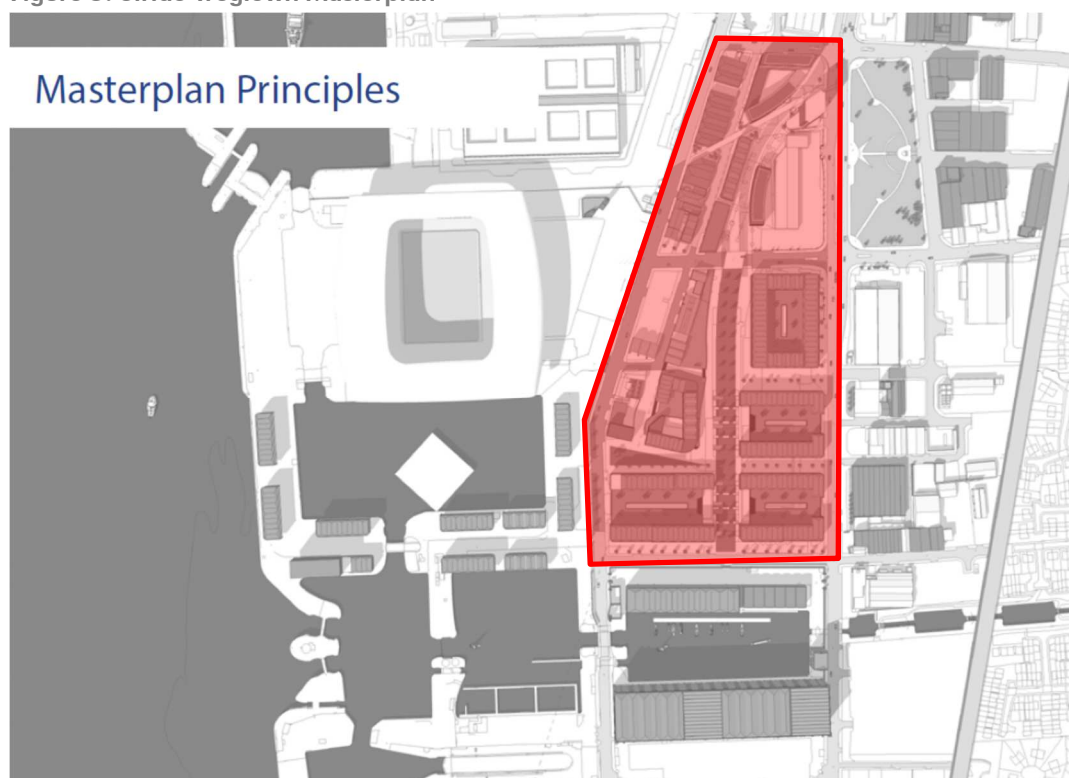
- 5.13 Meis Architects engaged Stride Treglown Architects to consider the wider context in which the stadium would be placed. Although the principal location of development will be within BMD itself, it is assumed that other stadium related uses would be located adjacent to the stadium and that the stadium itself would act as a catalyst to further development.
- 5.14 Given the regeneration aspirations at Ten Streets, the brief to the architect team was to also consider the interface between stadium and the wider regeneration plans at Ten Streets,

The People's Project

including on land across Regent Road to the north of the Titanic Warehouse and Stanley Dock.

- 5.15 The scheme which has been developed for the Northern Ten Streets encapsulates a mix of:
- Just over 700 high quality residential units;
 - Synergistic retail offering of a local neighbourhood scale (c.6,500 sqm);
 - High quality commercial floorspace (c.4,500 sqm);
 - High quality hotel provision;
 - Live-work spaces;
 - Retention of historic assets and existing quality buildings; and
 - Significant public realm work.

Figure 5: Stride Treglown Masterplan



Source: Stride Treglown / Meis Architects (note, this image does not include final stadium design)

- 5.16 A broad outline sketch of the scheme is shown in Figure 5 above, with the area that has the potential to benefit from a catalytic impact from the BMD development illustrated in red⁴³.

Supporting Additional Regeneration

⁴³ Development to the south of BMD at Nelson Dock is not included in this development as it forms part of the Liverpool Waters permission, which is consented for development.

The People's Project

- 5.17 Liverpool City Council together with Peel Holdings, Harcourt Developments and others, are working on progressing a number of other development projects in the area north of the city centre towards Bramley-Moore Dock in the north. Although not included in catalytic impacts of the economic impact assessment of the stadium project, these include:
- A new permanent Cruise Liner Facility;
 - A new Isle of Man Ferry Terminal;
 - Conversion of the historic Grade II listed Tobacco Warehouse into circa 600 residential units, commercial space and an apart-hotel;
 - North Liverpool A565 Key Corridor Highway Improvements; and
 - 10 Million sqft of new mixed-use development at Liverpool Waters are beyond.
- 5.18 Combined with the new stadium and Goodison Park Legacy Project, there is the potential to deliver a transformational scale of development which would support the lasting and sustainable regeneration of North Liverpool.
- 5.19 Whilst these developments are not included in the assessment, the new stadium development does offer a significant opportunity to accelerate the development of these committed projects, particularly in the northern neighbourhoods of the committed Liverpool Waters scheme (such as Nelson Dock), which could be brought forward significantly by the development of BMD.

6.0 New Stadium: Additionality Assessment

- 6.1 There are generally two stages for undertaking an economic impact assessment:
1. **Construction Stage** - the construction stage covers the building works period and the impact that this has on a locality which in this case will cover both the stadium works and the wider scheme itemised in the earlier section
 2. **Operational Stage** - the operational stage covers the period when the stadium is fully functioning and all the ancillary provision and the scheme is complete.
- 6.2 The following provides an additionality assessment of the impacts of the new stadium development proposals.

CONSTRUCTION PHASE

Employment and GVA

- 6.3 The capital cost of building a new stadium at BMD is estimated at **£505m⁴⁴**. As noted, it involves a multi-modal development programme associated with the stadium as well as ancillary public realm and transport developments. Table 16 sets out the impact of the new stadium, detailing the key outputs from the construction phase:

Table 16: Construction Impacts (LCR)

Construction Impacts - LCR	BMD Stadium
Construction costs (£m)	£505m
Total Jobs HCA based guide	8,390
Benchmark Model	8,136
Median Jobs estimate (direct and supported)	8,236
GVA (£m - wage and exp based)	£420m

Source: CBRE

- 6.4 These results relate to the LCR economy only and present a very significant picture of economic contribution. From the £335m of total expenditure, **the project creates over 8,100 jobs for the region and a GVA of £420m.**

Skills and Training

- 6.5 The impact of such a significant multi-faceted project is evidently very significant. It is a major development project with significant (and we would argue in part, permanent) impacts for the construction and related supply-chain companies. In turn, this is likely to require significant skills and training programmes locally in order to support local entry to these job opportunities. The assumption for trainees generated by a development scheme is 1 trainee/apprentice per £1m of construction spend - therefore, the development of a new stadium at **BMD could generate places for 505 new trainees or apprentices.**

OPERATIONAL PHASE: NEW BRAMLEY-MOORE DOCK STADIUM

- 6.6 Everton is a 'unique' product within its market, that is, there is no available substitute for Everton other than opposition clubs. Therefore, we can safely assume that the scale of displacement from activity related to the Club is negligible. It is appropriate to assert that

⁴⁴ This estimate excludes a number of potential costs items that could (significantly) inflate this figure (e.g. land acquisition, legal fees etc). It is strictly preliminary at this stage and subject to change.

New Stadium: Additionality Assessment

within the confines of the new stadium (apart from the effects of leakage⁴⁵) we can assume that any and all new additional outputs / outcomes that the new stadium creates will induce net additional impacts. The wider scheme would, however, be subject to the forces of displacement (this addressed further in this section).

- 6.7 Taking this important principle as the major assumption for the impact assessment, the following tables consider the additional impact of the new stadium once complete and fully operational. Appendix 1 contains other key assumptions underpinning the assessment although it should be highlighted that the approach is compliant with Green Book, HCA and related guidance. Additional EitC related impacts are considered in Section 7.

Employment

- 6.8 Adopting the baseline framework for estimating the current contribution of Everton⁴⁶ in terms of employment, the following estimates a full operational impact of the new stadium in terms of employment, noting that this framework is taking account of additionality factors.

Table 17: BMD Employment

Everton BMD - Employment	LCR	NW
Jobs (FTE) incl casuals	413	874
Minus Everton baseline	320	678
Total Net Additional	93	196

Source: Everton / CBRE

- 6.9 The impact of the new stadium is therefore estimated to create **93 net additional jobs** at the local LCR level and around **196 net additional jobs** at the regional level.

Wage Income

- 6.10 Increased employment will also generate increased local wage income. Similar to the employment estimates, the baseline framework is used to calculate the wage income effects of a larger stadium as illustrated in Table 18.

Table 18: BMD Wage Income

Everton BMD – Wage Income	LCR	NW
Wage income - Jobs (FTE) in £m (incl casuals)	£66m	£260m
Minus Everton baseline	£51.5m	£201m
Total Net Additional in £m	£14.5m	£58m

Source: Everton / CBRE

- 6.11 Estimated net additional wage income at the local LCR level is therefore estimated at **£14.5m annually**; rising to over **£58m at the regional level**.

GVA

- 6.12 Finally, in terms of the direct stadium impacts there will be GVA impacts flowing from the enhanced operations at the new stadium. These are estimated in Table 19 using the same baseline framework.

⁴⁵ Leakage is in any case integrated into the modelling process.

⁴⁶ Based on a stadium capacity of 52,888 but modelled on average attendances of 50,000.

New Stadium: Additionality Assessment

Table 19: BMD GVA

Everton BMD – GVA	LCR	NW
GVA estimates £m - FTE Jobs (incl casuals)	£20m	£43m
Minus Everton baseline	£15.4m	£33.6m
Total Net Additional	£4.6m	£9.4m

Source: Everton / CBRE

- 6.13 Estimated net additional GVA of almost **£5m at the LCR level** and more than **£9m at the regional level** is expected at the operational stage of the new Everton stadium.

Suppliers

- 6.14 Suppliers to Everton make a considerable contribution to the local and regional economy; in total they spend almost £19m of which around 50% are with regional based companies. The enhanced stadium will therefore increase these contribution levels as set out below:

Expenditure

- 6.15 Table 20 provides the gross and net additional impact of the new stadium in terms of estimated increase in expenditure.

Table 20: BMD Supplier Expenditure

Everton BMD – Supplier Expenditure	LCR	NW
Total Supplier Expenditure ⁴⁷ (£m)	£8.9m	£23.9m
Minus baseline (£m)	£6.9m	£18.6m
Total Gross Additional Expenditure (£m)	£2m	£5.3m
Total Net Additional Expenditure (£m) – minus displacement	£1.8m	£4.6m

Source: Everton / CBRE

- 6.16 The effects of a new stadium is therefore to **increase the scale of net additional expenditure by £1.8m locally (ie LCR) and £4.6m at the regional level**.

GVA

- 6.17 Table 21 illustrates the gross and net additional impact of the new stadium in terms of the estimated increase in GVA:

Table 21: BMD Supplier GVA

Everton BMD – Supplier GVA	LCR	NW
Total Supplier GVA estimates (£m)	£3.6m	£18m
Minus baseline	£2.78m	£13.93m
Total Gross Additional GVA (£m)	£0.8m	£4.07m
Total Net Additional GVA (£m) – minus displacement	£0.72m	£3m

Source: Everton / CBRE

- 6.18 The effects of a new stadium is therefore to **increase the scale of net additional GVA by £0.72m locally (ie LCR) and approximately £3m at the regional level**.

⁴⁷ Note that this estimate includes the effects of a multiplier since the modelling is driven from a baseline which incorporates the effects of expenditure scalars and multipliers. This is also the case for GVA and jobs supported estimates.

New Stadium: Additionality Assessment

Jobs Supported

- 6.19 Table 22 illustrates the gross and net additional impact of the new stadium in terms of the estimated increase in jobs supported.

Table 22: BMD Supplier Jobs Supported

Everton BMD – Supplier Jobs Supported	LCR	NW
Total Jobs supported	74	362
Minus baseline	58	281
Total Additional Jobs Supported	16	81
Total Net Additional Jobs supported – minus displacement	15	69

Source: Everton / CBRE

- 6.20 The impact of the new stadium on supplier jobs supported is therefore to increase the scale of net additional jobs supported by **15 locally (ie LCR)** and **69 jobs supported at the regional level**.
- 6.21 Overall, whilst the net increases in supplier impact appear conservative, this must also be set within the context of the gross contribution that the Club will be making in the local and regional economy. **That is, Everton expects to be contributing approximately £24m of supplier expenditure at the regional level annually which will be supporting a total of over 362 jobs and generating £18m of GVA.**

Supporters

- 6.22 As noted Everton has a very strong and loyal fan base – reflected in terms of the scale of season ticketholders (80%) and the numbers of season ticket holders on a waiting list. Competitive pricing and rising expectations suggest that the Club could quite easily exceed the current Goodison Park capacity for season ticket holding. With a projected capacity of 52,888 and an estimated average attendance levels of 50,000 assumed, then the headroom for more away and foreign based visitor fans to matches increases significantly. However, it is also evidently clear that on the basis of the baseline assessment this is not going to be the most important element of the stadium's impact on the wider economy – the Club are clearly the main beneficiaries of the enhanced support and this is already accounted for through employment and supplier effects. That said, a successful Everton will clearly help to enhance the direct and wider attractiveness of the city. It is therefore appropriate to assume a far more positive contribution from this source of impact. Table 23 provides the key results on this basis:

Table 23: BMD Net Additional Supporter Impacts

BMD – Net Additional Supporter Impacts	High Contribution (non-displaced supporters)
Expenditure (£m)	£2.38m
GVA estimate (£m)	£0.96m
Additional Jobs supported	20
Total additional attendances ⁴⁸	258,000

Source: Everton / CBRE

- 6.23 The principle of developing the new stadium is one which is underpinned by a very successful Club in footballing terms. In turn, we would expect more games including those in Europe.

⁴⁸ Football only.

New Stadium: Additionality Assessment

This would also attract more foreign visitors as well as those coming to the city for matches, although this group of visitors are considered separately in this report. In turn we assume a total of 23 games on average at the new stadium. With greater headroom, this allows for more away or visiting fans which increase from a 5% share of the volume to an assumed 10% (ie an average of c. 5,000 share per game).

- 6.24 We assume no displacement since the majority of additional visiting fans are assumed not to be displacing local / regional expenditure (currently there are 4 occasions where this might not be the case – Liverpool, Burnley and the Manchester clubs - but presume this is marginal). This therefore is an attempt at measuring non-displacing additional impacts from the development. It is very unlikely that this aspect would have any substitution effects other than at the margin, those relating to local services around Goodison Park. To this effect, efforts by the Club to keep a strong linkage between the old and new stadium should minimise the potential threat of both factors to current services. As such, this is not factored into the calculations here (see also Community / Social Impacts below).
- 6.25 This assessment indicates that this should yield net **additional local expenditure of £2.38m** and **support over 20 additional jobs** as well **attract almost 260k additional supporters** – around 45,000 of which would be away-fans. In total, the new stadium should expect to attract approaching **1.15m football fans to the city each season**.

Non-Footballing Events

- 6.26 A state of the art stadium on a waterfront location will be an attractive proposition for more general events. Goodison Park had limitations in this regard although the much publicised Tony Bellew world title fight was a clear example of the sort of events that this new stadium could easily host. Whilst it is too early to schedule such activities there is an expectation that significant events will be held at the venue. In footballing terms, the new stadium will be occupied for just 23 days (assumed for this assessment) which leaves considerable scope for non-footballing events. We have assumed 5 major events per year which would yield the following⁴⁹ for each event and in total.

Table 24: BMD Non-Footballing Events

DIRECT ECONOMIC IMPACT (LCR) – BMD Non-Footballing Events	
Spectator Spending	£2m
Attendee Spending	£16,050
Direct Leakages	£100,000
Direct Spending	£250,000
Total	£2.2m
Aggregated (x 5 events)	
Expenditure	£11m
GVA Impact	£4.9m
Jobs Supported ⁵⁰	184
Source : Calculated from eventsIMPACT model (2017)	

⁴⁹ The following focuses on the economic gain from the event excluding the potential impact of the extra revenues flowing to Everton – the latter is already accommodated in the earlier analysis (ie these events are assumed to be accommodated within the enhanced Everton capacity). eventsIMPACT is a specific events calculator which these outputs are based upon.

⁵⁰ This is higher than expected by using the average local wage as the denominator; the GVA per filled job would suggest that a more realistic estimate of jobs supported would be around 110 jobs.

New Stadium: Additionality Assessment

- 6.27 Whilst this is a rudimentary assessment and based on fairly conservative assumptions, it provides a guide as to the sort of local (ie LCR) impact that could be expected from a large scale event. **If 5 such events were held at the new stadium during the year then this would yield near £11m of additional direct spending, £4.9m of GVA and support 184 jobs locally.** Given that this is a new venue / attraction with capacity which is largely unmatched within the LCR then this would attract very marginal / negligible displacement effects; substitution effects could be evident if these events were more conservative. Therefore, assuming that the focus was on large and otherwise unmanageable events elsewhere in the LCR, these impacts could be considered as net additional outturns.

Tourism / Visitors

- 6.28 The baseline estimates for the scale of visitors / tourists to Goodison are very conservative – albeit the value of foreign tourists is high and lucrative. The vision and objectives set for the new stadium are ambitious – and rightly so. Based on the footballing ambitions of the Club, a significant uplift in (foreign) visitor numbers is expected between these two factors (ie European / domestic cup footballing and ‘iconic status’ ambitions of the stadium). What this actually means in terms of enhanced tourism / visits is difficult to judge. Assuming that the stadium is an iconic work of art with an ‘autonomous’ ability to attract visits to the city then a target of around 20,000 pa visits would not seem unreasonable. Alongside which an increase in foreign tourism which is equivalent to that estimated for Craven Cottage (ie the lowest separately identified estimate) would seem a reasonable and conservative target which would then yield the following outturns:

Table 25: BMD Additional Visits / Tourism

BMD Additional Visits / Tourism	
Volume of foreign visitors	30,000
Total spend (£m)	£27.3m
Footballing spend (£m)	£8.4m
Non footballing spend (£m)	£18.9m
Stadium Visits	20,000
Total spend (£m)	£1.2m
Total non-footballing spend (£m)	£20m
Minus Baseline (£m)	£9.7m
Minus Displ / Subs (very low)	£1m
Net Additional Non Footballing Expenditure (£m)	£9.3m

Source: CBRE

- 6.29 Assuming that the displacement effects of the new stadium is very low⁵¹ then the **net additional spending by additional tourists / visitors would amount to approximately £9.3m⁵².**

Image and Marketing Profile

- 6.30 The iconic status of the new stadium with the expectation of further significant work and development at Goodison Park is a significant opportunity for Club and the city. Liverpool FC's value is thought to currently top £1bn. Its value to the city in terms of image and

⁵¹ those mainly visiting the stadium will be either Everton supporters or foreign supporters of the opposing side - by default they cannot be displacing support from elsewhere. However, a small displacement is acknowledged for the casual visitor who otherwise could have visited something else in the city

⁵² For consistency with the baseline no 'jobs supported' estimate is calculated here however this is additional spending that could be attributed towards supporting around 70 jobs locally.

New Stadium: Additionality Assessment

marketability is substantial and may indeed be reflective. Everton vision is not to replicate or emulate this, but rather complement it. Everton has a very different image and marketability, but equally very valuable. Current sponsorship assesses that value as being £40m in 2019. A conservative estimate of incremental increase in **marketing and sponsorship revenue for the Club at 2024 is estimated to be £55m⁵³ – a net additional increase of £15m as a result of the new stadium development.**

Community / Social Impacts

- 6.31 The key impact of the Club on the community is considered through the impacts of the legacy programme detailed in Section 7. However, it is worth highlighting that maintaining the presence of Everton within its immediate and wider community is extremely important. Evidence from the Mental Health Forum highlights the importance of football and associated clubs to the psychological well-being of supporters and in turn the immediate community – in this case the **Blue Mile**. Everton FC's decision not to fully convert the commercial asset that is Goodison Park and to both consolidate its presence and community input within the County ward cannot be overstated as a value-adding / additional contribution to the community. It is also a statement of intent that Everton FC wishes to maintain its roots of nearly 140 years. Maintaining the linkages therefore between the old and new stadium is of heightened importance to this particular football club.
- 6.32 Developments for example that will identify a **Blue Path⁵⁴** from the old to the new stadium will be a critical feature of maintaining community and supporter links with Goodison Park. Measuring the impacts of these more subtle though important parts of the scheme is clearly difficult to gauge until the development is complete. However, on balance, the mitigation of potentially negative effects (ie such as displacement) is being effectively targeted by the wider scheme and so allows somewhat for this 'softer' treatment of additionality.

SUMMARY

- 6.33 The additionality assessment of the new stadium development demonstrates that the project has the potential to generate significant economic benefits to the region in both the construction and operational phases of development. In summary, during the construction phase the new stadium project could deliver:
- ✓ **£505m in construction value** and investment into the economy.
 - ✓ More than **8,100 construction jobs** during the construction phase of the project in the City Region.
 - ✓ **£420m in wage and expenditure based GVA** in the City Region.
 - ✓ **Upskilling and training** benefits to the local community through the provision of up to **505 construction apprenticeships** and local employment opportunities.
- 6.34 During the operation phase for the new BMD stadium, the project will generate significant additionality when compared to the current Goodison Park baseline. This includes:
- ✓ A **net additional 93 full time jobs** and **196 net additional full time jobs** in the City Region and the North West respectively.

⁵³ Everton projections, 2019

⁵⁴ The Blue Path is intended to link Goodison Park with BMD via a series of development, wayfinding and signage

New Stadium: Additionality Assessment

- ✓ A **net additional wage income** of almost **£15m and £60m** in the City Region and the North West respectively.
 - ✓ A **net additional GVA** of more than **£4.5m and £9m** in the City Region and the North West respectively.
 - ✓ A **net additional expenditure in the supply chain** of **almost £2m and more than £4.5m** in the City Region and the North West respectively.
 - ✓ **15 and 69 net additional supplier jobs supported** in the City Region and the North West respectively.
 - ✓ Additional **supporter expenditure of almost £2.4m**, supporting over **20 additional jobs** and attracting more than **260,000 new supporters** – attracting a total of **1.15 million fans** to the city per year.
 - ✓ **£11m of direct additional spending** in the local economy and almost **£5m of GVA**, supporting more than **180 new jobs** locally due to the ability of the stadium to hold premium events.
 - ✓ **30,000 tourist visitors** generating a **net additional non-footballing expenditure of more than £9m**.
 - ✓ **£15m in additional marketing value to the Club**.
- 6.35 The impact of these contributions is significant and demonstrates the additional value of the new stadium. The following section sets out the impact of the parallel Goodison Park Legacy Project which together with the new stadium development, is an integral part of the People's Project.

7.0 Goodison Park Legacy: Additionality Assessment

- 7.1 Everton has been developing a legacy at Goodison Park for a considerable period; with properties acquired surrounding the stadium being developed to integrate the Club and EitC with its supporters and its surrounding community. As discussed earlier in this report, EitC has been laying substantial foundations in the community that will generate a permanent legacy that reinforces the Club's role and presence within County ward. These form part of the wider Goodison Park Legacy programme which is an integral part of the Club's departure programme and should therefore be considered as an integral part of the new stadium impact.
- 7.2 As discussed earlier, EitC has undertaken capital works around Goodison Park totalling c. £8m. The Goodison Park Legacy is a unique opportunity for the Club to build substantially on substantially its EitC portfolio. This section sets out the key components of the Goodison Park Legacy programme and provides a detailed assessment of the legacy impact that could be generated by the re-development of Goodison Park.

THE GOODISON PARK MASTERPLAN

- 7.3 The fundamental component of the Goodison Park Legacy Project is outline planning application (application reference 20O/0997, currently pending determination) and illustrative proposals for the redevelopment of Goodison Park.
- 7.4 This is supported by an outline masterplan which is summarised in Section 5 and forms the baseline for this assessment⁵⁵:

Table 26: Goodison Park Masterplan

Use	Total Floor Space (Gross External Area m ²)
A1	1,084
A2 / A3 / A4 / A5	644
A2	393
A3	635
B1	4,762
C2	5,863
C3	16,003 (173 units)
D1	9,998
Total	39,382

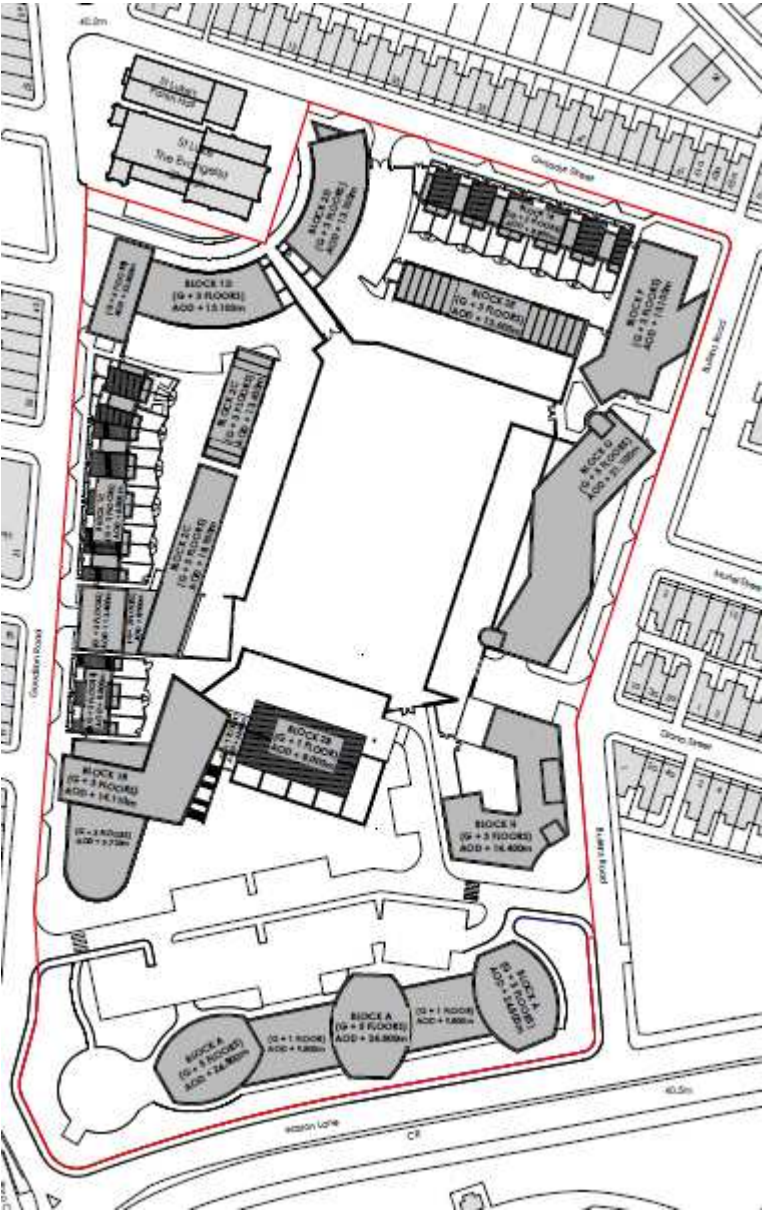
Source : Condry Lofthouse Architects

- 7.5 The scheme, as currently proposed, seeks to provide a mix of housing and medical/care/education support alongside appropriate retail/commercial provision. An illustrative masterplan of the scheme, correct as at April 2020, is shown below:

⁵⁵ It should be noted that the uses and parameters for the GPLP could be subject to future change.

Goodison Park Legacy: Additionality Assessment

Figure 6: Goodison Park Legacy Project – Illustrative Plan



Source: Condry Lofthouse Architects (2020)

- 7.6 The proposals offer an exciting mix of residential, community/ social care and retail services integrated with the heritage of the old ground.

GOODISON PARK LEGACY IMPACTS

- 7.7 The following details the additional impact of the Goodison Park Legacy project. Key parts of the Everton Legacy Programme, via existing EitC development, are already in the process of being delivered. The analysis that follows details the impacts that are expected to flow from the Goodison Park Legacy masterplan.

Goodison Park Legacy: Additionality Assessment

Construction Phase

Employment and GVA

- 7.8 The combined capital cost of the Goodison Park Legacy is estimated at **£82.5m⁵⁶**. This includes the development of the illustrative masterplan and wider scheme as well as ancillary public realm and transport developments. The following sets out the impact of the Goodison Park Legacy project during the construction phase:

Table 27: Construction Impacts (LCR)

Construction Impacts - LCR	Goodison Park Legacy Project
Construction costs (£m)	£82.5m
Total Jobs HCA based guide	1,370
Benchmark Model	1,328
Median Jobs estimate (direct and supported)	1,349
GVA (£m - wage and exp based)	£69m

Source: CBRE

- 7.9 From the £76m of total expenditure, **the project creates over 1,300 FTE jobs** (direct and supported) and **expenditure and wage based GVA of £69m** for the City Region.

Skills and Training

- 7.10 The development of the Goodison Park Legacy project will generate demand for significant skills and training programmes locally in order to support local entry to these job opportunities. The assumption for trainees generated by a development scheme is 1 trainee/apprentice per £1m of construction spend - therefore, the development of a new stadium at **the Goodison Park Legacy project could generate places for 82 new trainees or apprentices**.

Operational Phase

Residential Housing

- 7.11 In order to deliver a successfully Goodison Park Legacy project, housing is required as a facilitator of the scheme. Table 28 estimates the impacts of the housing element of the Goodison Park Legacy on the wider scheme.

Table 28: Goodison Park Housing Impacts

GP Housing Impacts		
Indicator	Scale	Comment
Total hectares	2.46	
Total housing units	173	
Average occupancy (England)	2.4	
Total forecast population	415	
Household income (County - 2017)	£22,224	

⁵⁶ This estimate excludes a number of potential costs items that could (significantly) inflate this figure (e.g. land acquisition, legal fees etc). It is strictly preliminary at this stage and subject to change.

Goodison Park Legacy: Additionality Assessment

Total income from residents	£3.84m (min) to £6.81m (max)	Minimum / maximum
Employment	138	ratio 1:0.8
GVA (£m) from employment	£6.7m	
Council Rate yield (£m)	£0.41m	Taking the Band E as the notional average.

Source: CBRE

Employment and GVA

- 7.12 Estimated net additional employment and GVA from the masterplan scheme for Goodison Park is set out in Table 29. The key additionality assumptions underpinning the impact assessment for the scheme at the LCR level are set out in the Technical Appendix 1.

Table 29: Goodison Park Net Additional Employment and GVA

LCR Net Additional Impacts – Goodison Park Legacy	Jobs (FTE)	GVA (£m)
Direct and Indirect	452	£22m

Source: CBRE

- 7.13 The Goodison Park Legacy is expected to support over **452 jobs** and **generate £22m of additional GVA** into the LCR economy.

Suppliers

- 7.14 Suppliers to Everton make a considerable contribution to the local and regional economy; and the development of the Goodison Park Legacy Project has the potential to generate significant benefits for the supply chain. The enhanced stadium will therefore increase these contribution levels.

Expenditure

- 7.15 Table 30 provides the gross and net additional impact of the new stadium in terms of estimated increase in expenditure:

Table 30: Goodison Park Legacy – Supplier Expenditure Net Additional

Goodison Park Legacy – Supplier Expenditure Net Additional	LCR	NW
Total Supplier Expenditure ⁵⁷ (£m)	£1.7m	£2.3m
Job Supported	35	45
Total Net Additional Expenditure (£m) – minus displacement	£0.28m	£0.38m
Total Net Additional Jobs – minus displacement	6	8

Source: Everton / CBRE

- 7.16 The effects of a new stadium is therefore to **increase the scale of net additional expenditure by £280,000 locally (ie LCR) and £380,000 at the regional level.**

⁵⁷ Note that this estimate includes the effects of a multiplier since the modelling is driven from a baseline which incorporates the effects of expenditure scalars and multipliers. This is also the case for GVA and jobs supported estimates.

Goodison Park Legacy: Additionality Assessment

EITC ADDITIONAL IMPACTS

- 7.17 Assessing a financial value on the additional economic impacts that EitC could contribute to the LCR and wider North West region as part of the Goodison Park Legacy project, Table 31 summarises the additional jobs, wage income and GVA impacts (adopting the same framework which has been used for the Everton assessment):

Table 31: Estimated EitC Net Additional Impacts

EitC Net Additional Impact @ 20% of base ⁵⁸	LCR	NW	UK
Total Jobs	102	161	192
Wage income (£m)	£2.2m	£3.4mm	£4.2m
GVA estimates (£m)	£4.9m	£8.0m	£10.4m
EitC net additional			
Expenditure (£m)	£0.37m	£0.57m	£0.7m
GVA estimates (£m)	£0.82m	£1.33m	£1.74m
Jobs supported	17	27	32

Source: EitC / CBRE

- 7.18 In terms of the volunteer base supporting the work of the EitC, Table 32 provides a monetised value of their input to the community at the LCR level:

Table 32: EitC Volunteer Value (LCR)

EitC volunteer value (LCR)	LCR
EitC Volunteers	45
Total Value (£m)	£0.72m
Adj to current prices (£m)	£0.77m

Source: CBRE

SUMMARY

- 7.19 The additionality assessment of the Goodison Park Legacy Project demonstrates significant economic benefits, particularly to the local community within which the Club sits. In summary, the Goodison Park Legacy Project has the potential to deliver:
- ✓ **£82.5m in construction value** and investment into the local economy.
 - ✓ More than **1,400 FTE and supported** during the construction phase (including trainees and apprentices).
 - ✓ Over **£69m of GVA** during the construction phase.
 - ✓ **173 new homes** generating **415 new residents**, up to **£6.8m** of **income from new residents** and almost **£7m in GVA** from employment.
 - ✓ More than **450 net additional jobs** and **£22m of additional GVA** in the City Region as a result of commercial development during the operational phase.
 - ✓ **17 net additional EitC jobs** and **45 additional volunteer jobs** in the City Region.

⁵⁸ Refer to Appendix 1 for assumptions

Goodison Park Legacy: Additionality Assessment

- 7.20 The impact of these contributions is significant and demonstrates the transformational value that the Goodison Park Legacy Project can have, particularly in its immediate locality in the Blue Mile and in Liverpool 4. It demonstrates the Club's commitment to its existing community and its genuine aspirations to leave a truly lasting legacy in the at its spiritual home.

8.0 Catalytic Impacts: Wider Scheme Developments

- 8.1 This section provides an assessment of the potential catalytic impact of the new BMD development on the 'wider scheme' – which, as discussed earlier, comprises the regeneration of land in the northern Ten Streets which will be accelerated as a result of the new stadium development. Whilst the Club has reduced control over these wider impacts, the new stadium at BMD is assumed to catalyse the majority (if not the whole) of this wider scheme comprising land in the northern Ten Streets area.
- 8.2 With respect to Liverpool Waters, the assumption is that waterfront development will not be lost or displaced to other parts of the city. It is assumed that these outputs can be realised elsewhere within the wider Liverpool Waters development proposals, notwithstanding that development of the northern neighbourhood of Liverpool Waters is not anticipated to commence for some 30 years post the planning consent being achieved. Therefore, both the new stadium and the proposed wider developments can assume a significant degree of additionality as the basis of the assessment⁵⁹.

Wider Scheme Outputs

- 8.3 As highlighted in Section 5, the wider scheme incorporates a mix of dwellings, commercial / retail and upgrading works to existing structures and supplementary development works. The following goes on to summarise the key impacts from these proposals.

Construction Phase Impact

Employment and GVA

- 8.4 The combined capital cost of the Northern Ten Streets wider scheme is estimated at **£212m**⁶⁰. This includes the development of the Stride Treglown indicative masterplan as well as ancillary public realm and transport developments. Table 34 sets out the impact of the wider scheme project during the construction phase:

Table 34: Wider Scheme – Construction Phase Impacts

Whole Programme Impacts for the Construction Phase (LCR)	Wider BMD Scheme
Construction Costs (£m)	£212m
Median Jobs estimate (direct and supported)	3,562
GVA / Income (£m - wage and expenditure based)	£1176m

Skills and Training

- 8.5 The development of the wider Ten Streets area will generate demand for significant skills and training programmes locally in order to support local entry to these job opportunities. The assumption for trainees generated by the regeneration of this area is 1 trainee/apprentice per £1m of construction spend - therefore, the development of a new stadium and its wider catalytic impact **could generate places for 212 new trainees or apprentices**.

⁵⁹ That is in principle these particular outputs and impacts would not occur in the absence of the new Everton stadium. Where they differentiate from the original planning approvals then full additionality must be presumed. However, where they coincide then an element of displacement must be presumed.

⁶⁰ This estimate excludes a number of potential costs items that could (significantly) inflate this figure (e.g. land acquisition, legal fees etc). It is strictly preliminary at this stage and subject to change.

Catalytic Impacts: Wider Scheme Developments

Housing

- 8.6 The wider scheme incorporates provision for housing - in total it accommodates over 14ha. The following table summarises the economic contribution this scale of housing can generate in the local economy:

Table 35: Wider Scheme – Housing Impacts

Housing Impacts		
Indicator	Scale	Comment
Hectares	14.12	
Density (dwellings per hectare)	50	Assumed to be higher than average given planning context
Estimated units	706	
Average occupancy (England)	2.4	Assumed as GP legacy
Total population	1,694	
		Range
Household income (Kirkdale)	£20,806	£57,700
Total income	£14.7m	Minimum
	£40.1m	Maximum
	£27.8m	Median
Employment	565	Ratio 1:0.8
GVA (£m)	£27.2m	
Council rates	c. £1.7m	Band E

Source: CBRE

- 8.7 The scheme therefore has potential to support an **increase in population of almost 1,700 people across some 700 housing units**. This in turn will inject approximately **£30m of income in the locality**. It will also **increase the labour supply by 700 and expected employment should be between 550-600 with an average GVA contribution to the area of at least £27m⁶¹**. The rates yield for the Council should be of the order of **£1.7m in Council Tax**.

Commercial / Retail

- 8.8 A full additionality model of the retail, commercial, live-work and hotel proposals from the wider scheme generates the following forecast impacts:

Table 36: Wider Scheme – Net Additional Commercial Impacts

Net Additional Impact –Catalytic Impacts (LCR)	Jobs (FTE)	GVA (£m)
Direct	1,977	£95.5m
Total (including indirect)	2,046	£98.8m

Source: CBRE

- 8.9 The wider 'catalytic' impacts of the stadium could provide over **2,000 net additional jobs** and approaching **£100m of net additional GVA** to the local (LCR) economy. Importantly, this absorbs the increase in employment supported through the housing development and

⁶¹ To note, this GVA may not in part or indeed whole be additive to the GVA estimate provided through the other parts of the scheme. In all likelihood it would be a sub-set of the latter.

Catalytic Impacts: Wider Scheme Developments

provide significant residual jobs for the local area in terms of providing employment and training opportunities.

SUMMARY

- 8.10 The net additional impacts of the wider catalytic scheme around BMD demonstrate significant benefits for the local area. The new stadium development has the potential to accelerate development in the northern Ten Streets area and have a transformational impact on the regeneration of North Liverpool. The key benefits of this wider catalytic development include:
- ✓ **£212m in construction value** and investment into the local economy.
 - ✓ Over **3,500 FTE jobs** during the construction phase.
 - ✓ **£176m in GVA** during the construction phase.
 - ✓ **706 new homes** generating **1,700 new residents**, **£28m** of **income from new residents** and **£27m in GVA from related employment**.
 - ✓ More than **2,000 jobs** and almost **£100m in GVA** from the commercial developments within the Northern Ten Streets area during operation.
- 8.11 The impact of these contributions is significant and demonstrates the additional value of both the new stadium and its potential for wider transformational change.

9.0 Summary

- 9.1 The overall assessment demonstrates that **the People's Project has the potential to deliver transformational benefits for North Liverpool, the Liverpool City Region and the wider North West Region**. The project will not only deliver significant additionality in terms of jobs and investment, but will accelerate the development of key regeneration priorities along the northern docks including Liverpool Waters, the Ten Streets and the wider Atlantic Corridor regeneration area. **The economic benefits, which will deliver transformational jobs and investment into the City, should not be underestimated and offer an opportunity to truly transform the City and the City Region on a scale that has not been seen before in North Liverpool. This is an opportunity – in economic and regeneration terms – that cannot be missed and should be supported and capitalised upon across the region as a catalyst project that could drive the Region's economic recovery from the global pandemic.**
- 9.2 Figure 7⁶² and Table 37 bring together the combined economic and social value additionality of the new stadium, the wider catalytic development (in the Northern Ten Streets area) and the Goodison Park Legacy project. These aggregate calculations demonstrate that the project will have very significant benefits for the City Region and have the potential to truly provide a **once-in-a-generation opportunity to deliver a project of a scale that can transform an area that is a major focus of regeneration in Liverpool.**

Table 37: Headline Economic Benefits of the People's Project (LCR)

OUTPUT	BMD	GOODISON PARK LEGACY	WIDER CATALYTIC DEVT
Construction Phase (LCR impact)			
Construction Value	£505m	£82.5m	£212m
Construction Jobs	8,136	1,328	3,562
Construction GVA	£420m	£69m	£176m
Apprenticeships/Trainee Jobs	505	82	212
Operational Phase (LCR impact)			
Net Additional Jobs & Supported Jobs	312	520	2,046
Net Additional GVA	£11.2m	£29m	£99m
Net Additional Wage Income (BMD) & Household Income (GPLP and Wider Scheme)	£14.5m	£6.8m	£28m
Net Additional Spend (suppliers, supporters, visitors and marketing)	£39.5m	£1.42m	n/a

Source: CBRE

⁶² This includes the quantitative benefits from social and heritage reports undertaken by Real Worth and Simetrica – at £205m and £182m. These are additive to the economic benefits.

Summary

Figure 7: Headline Benefits of the People's Project



- 9.3 As illustrated above the project will also have a **significant social and heritage value to the City Region of more than £360m⁶³** associated with the development of the stadium, the GPLP and the growth of EitC – which together with the economic impacts set out in this report could overall contribute more than **£1.3bn boost to the City Region economy**. This impact is by any measure significant and will have a considerable impact both locally and regionally.

⁶³ Reports which quantify the Societal Value of Goodison Park Legacy and EitC (Real Worth, updated by Simetrica, August 2020) and Social and Heritage Value of BMD (Simetrica) are provided separately as part of the People's Project Planning Submission

Appendix 1: Methodology and Assumptions

TECHNICAL APPENDIX 1

Economic Impact Assessment
Methodology and Assumptions

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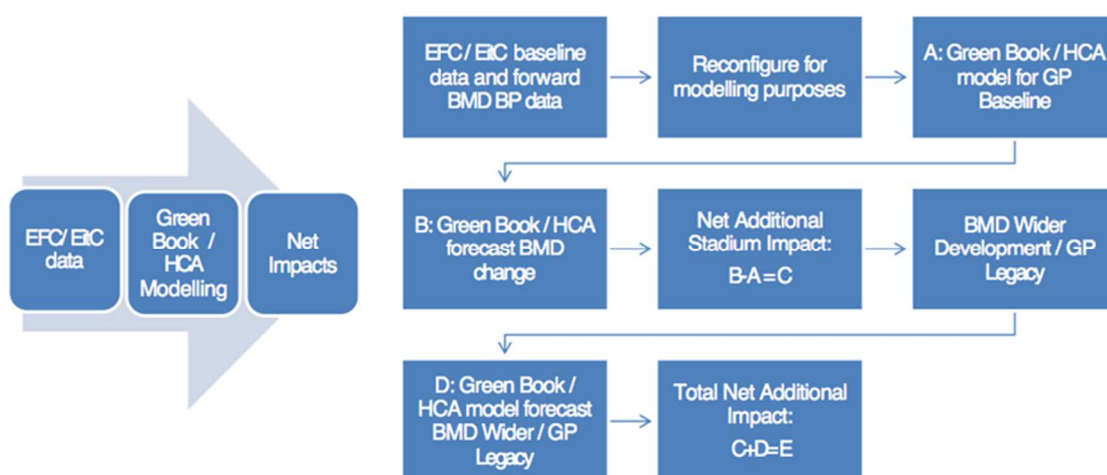
1.0 Introduction

- 1.1 Everton Football Club (herein referred to as “the Club” or “Everton”) confirmed in November 2017 that it had reached agreement (subject to obtaining satisfactory planning permission) to acquire land at Bramley Moore-Dock (“BMD”) for construction of a new football stadium. Everton considers BMD to provide a site that offers a suitable location and iconic setting that is befitting of a top English Premier League (“EPL”) club; and one which retains Everton’s cultural and historic ties to North Liverpool and to Goodison Park (“GP”) whilst catalysing significant regeneration along Liverpool’s North Docks.
- 1.2 The Club has explored in depth the potential to redevelop or extend existing stands on the same Goodison footprint, the stadium is currently considered not fit for purpose or to meet the needs for a top tier EPL or European Club due to:
 - It’s poor physical condition.
 - Physical and size constraints which provide no redevelopment potential to meet modern needs.
 - Lack of amenity to meet the needs of a modern football stadium, such as poor supporter experience in many areas of the stadium.
 - Limited capacity or modern facilities to match the ambition of Everton.
 - Inability to comply with modern regulations.
- 1.3 The ability of Everton to secure and deliver a new football stadium in the City is contingent on a planning application demonstrating that the benefits of a scheme at BMD outweigh any perceived costs to the UNESCO World Heritage Site (WHS) designation. A key element of the planning process is the requirement to measure the socio-economic impact the project will have on the local and wider economies.
- 1.4 The following sections outline the approach proposed for a comprehensive Economic Impact Assessment (“EIA”).

2.0 Method

- 2.1 There are very few comparable schemes on which to draw a strict approach to measuring the impacts of the BMD proposals. Indeed, in many of the cases the available evidence regarding¹ impacts of new stadiums is somewhat indeterminate with a tendency towards neutral socio-economic contribution. This is largely due to the pure displacement associated with 'new' stadiums. That is, invariably new stadiums merely replace old stadiums with much of the economic throughput remaining at similar levels whilst reducing the overall vibrancy of the donor area.
- 2.2 In this particular case, the contribution of a legacy programme within the donor area and proximity of the new stadium to Goodison Park is critically important to off-set the impact of the switch to another site. Together with ancillary or linked developments in the new host area (around BMD) this will create uplift to off-set the major displacement associated with such a project. This is shown in the following chart:

New Stadium Impact Measurement Framework



- 2.3 The process of establishing an impact modelling framework is complex having to take account of:
- The **baseline position** of the current stadium and club activities which in the case of Everton is extensive and involves a number of output variables such as management, administrative and related employment, players and coaching staff, suppliers, supporters, visitors, volunteers and less tangible contributions such as the value of the brand to the city. In addition to this, Everton in the Community ("EitC") also has a wide portfolio of community based activities and is arguably the most prolific programme of community activity in the Premier league - and a crucial linked component to the Club's activities and therefore a key contributor to the baseline case.

¹ An authoritative reference in this field is "The Oxford Handbook of Sports Economics"; volumes 2 and 3.

2.0 Method

- 2.4 Once the baseline is established, then the socio-economic impact (or measuring the change) needs to be measured across a range of key areas including:
 - The forecast marginal change in the baseline output variables through relocating to a new purpose-built stadium;
 - The forecast impacts of the Goodison Park legacy project for the existing stadium;
 - Any forecast impacts across ancillary developments directly linked to the new stadium (comprising land in the Northern Ten Streets area);
 - Accounting for both the construction and operational stages of the project.
- 2.5 Put simply, the modelling framework needs to measure the current baseline contribution of Everton across a range of key direct output variables linked to the Clubs activity in the marketplace. Against this, it then needs to measure the forecast marginal change across all these direct output variables but also the wider developments associated with the wider Northern Ten Streets area and the Goodison Legacy project.
- 2.6 At the core of this approach is HMT's Green Book and other key official guidance (principally the Housing and Communities Agency ("HCA") Employment Densities and Measuring Additionality based guidance) as well as benchmark works on the subject². In turn, additionality factors including deadweight, displacement, and leakage and multiplier effects have been taken into account as well as other planning related considerations such as a detailed contextual analysis of the local and wider impact areas. In addition, a range of secondary data sources have been used to support the assessment including local newspaper articles and key reports.
- 2.7 The assessment is undertaken in current market prices.

² Many impact assessment or appraisal studies have been undertaken within the USA but which reflect 'poor' rate of returns on investment. Therefore, these provide useful methodological context rather than best practice benchmarks etc. Other reference points were Manchester City, the new Spurs stadium as well as the proposed Chelsea stadium and the Emirates Stadium at Arsenal.

3.0 Additionality Assessment

3.1 Data was requested in this configuration to aid and increase the accuracy of the estimation process and in particular key elements of the additionality assessment. Geographically segregating the data removes the need to apply HCA based guidance to measure economic leakage and therefore provide a highly accurate measure of economic impact at each layer of impact area. Beyond which the Green Book (eg discounting) and HCA guidance along with previous benchmark assessments, background literature and professional judgment have all been used to calibrate sensible additionality metrics for the impact work. The general assumptions regarding additionality are highlighted as follows:

- **Deadweight** - the assessment has been considered as nil throughout - this is a programme of projects that would be unlikely to happen regardless especially those proposed through the Goodison Park legacy programme and stadium events for example.
- **Displacement** - has been assumed as 100% of the baseline. No additional displacement is assumed for the EitC and Everton staffing for the new stadium since it was adjudged to be negligible given the somewhat specialised nature of being part of this football club. Whilst there is some marginal evidence of displacement evident between the two key clubs in the city, this is very much at the margin and unlikely to be a particular feature of the growth generated through the new stadium. A (very) low level of displacement (10% (LCR) and 15% (NW) has however been assumed for the increased supplier impacts generated through the new stadium activity. This is only to acknowledge capacity issues rather than competition between clubs for these services / products. No displacement is assumed for the increased EitC suppliers impact due to the more specialised nature of provision and therefore the negligible likelihood of displacing through competition.
- **Leakage** – as noted the data framework obviates the need to assess this element for the baseline. A consequence is that it was assumed that leakage rates for the new stadium would follow those defined through the baseline assessment.
- **Multiplier** - the general multiplier framework for the baseline and operational assessment are summarised below:

KEY ASSUMPTIONS – GENERAL MULTIPLIERS	LCR	NW	UK
non-playing	1.15	1.5	1.7
playing	1.15	1.6	1.9

3.2 Given the much higher income generated through playing staff and therefore a higher propensity to consume, the multipliers are marginally higher. The non-playing multipliers are therefore the more generalised multipliers that have been used across the whole of the project at the operational stage. It should also be noted that the multiplier rates for the LCR are based on neighbourhood rates – LCR is considerably larger than a neighbourhood but is clearly not regional (the next option from the HCA guidance). Therefore, despite being designated as ‘high’ these remain very conservative multiplier rates for the appraisal at the LCR level which is in keeping with the academic literature which asserts the tendency to over-inflate local multiplier rates³.

³ In general, the local multiplier rates applied for sports stadiums have tended to start at 2+ and have thus been discredited as being unreasonably high.

3.0 Additionality Assessment

- 3.3 A slightly higher multiplier was adopted for the construction stage assessment at the LCR level (1.2 and 1.3); this was based on taking account of past industry estimates and those that have been applied more generally for construction project appraisals, otherwise these were also multipliers were applied for the remaining area for consistency.
- 3.4 Key assumptions adopted for the Goodison Park Legacy programme are summarised below at the LCR level:

LCR ⁴				
KEY ASSUMPTIONS - HCA BASED	DEADWEIGHT	DISPLACEMENT	LEAKAGE	MULTIPLIER
Medical	Zero	Nil	Low	High
Education	Zero	Nil	Low	High
Office	Zero	Low	Low	High
Retail & Restaurants	Zero	Medium	Low	High
Care	Zero	Nil	low	high

- 3.5 The quotients specified in the HCA guidance have been used on this basis (eg Medium displacement equates with 50% additionality). Given the preliminary nature of the project definition, these are notional assessments and could be subject to revision but are considered fair and robust at the time of writing. It should also be noted that the multiplier rates for the LCR are based on neighborhood rates – LCR is considerably larger than a neighborhood but is clearly not a region (the next option from the HCA ready reckoner guidance). Therefore, despite being designated as ‘high’ these remain very conservative multiplier rates for the appraisal at the LCR level.
- 3.6 Key assumptions adopted for the wider Northern Ten Streets scheme are summarised below at the LCR level:

LCR				
KEY ASSUMPTIONS - HCA BASED	D/W	DISP.	LEAKAGE	MULTIPLIER
Hotel	Zero	Medium	Low	High
Live- wrk Space	Zero	Low	Low	High
General Office	Zero	Medium	Low	High
Retail / Rest	Zero	Medium	Low	High

- 3.7 The quotients specified in the HCA guidance have thus been used on this basis (e.g. Medium displacement equates with 50% additionality). Given the preliminary nature of the project definition, these are notional assessments and are considered fair and robust at the time of writing.
- 3.8 Otherwise contemporaneous secondary data has been used to support the appraisal where appropriate. In the main, these have been sourced from official Government databases (eg ONS Regional and Sub-regional Productivity February 2019 release to support the GVA per filled job measure); official Government Agencies databases (eg Visit Britain / Visit England for tourism spending per head) or official published reports sponsored by Government

⁴ These would differ for the regional estimation

3.0 Additionality Assessment

Agencies (e.g. Inbound Football Tourism Report - Visit Britain). For more localised information, the Liverpool Echo has been a useful source (e.g. Club Valuation citations) and other relevant sources of information including Liverpool City Council.

4.0 Everton: Baseline Measurement

4.1 CBRE’s approach to measurement was to extract highly confidential information across a range of these output variables that could then be used to support accurate estimates of the potential impacts flowing from the football club, by modelling the results in accordance with Green Book, HCA and related guidance. In order to support this approach, the following details were being sought from Everton:

Everton FC Information requirements

- Latest Everton business plan / annual report
- BMD proposals / business plan / wider development site plan
- Goodison Park re-development legacy proposals / business plan / site plan
- Latest EITC annual report, impact reports, masterplan and outcome results
- All personnel wages by geography (domicile)
- Volunteer numbers and costs
- Marketing spend / value
- Supplier expenditure (all sites) by geography (source PAYE location)
- Supporters data
- Any other source of expenditure or income generation

4.2 The general format sought for the wages / employment / supplier data was the following:

Descriptions		Employment		Domiciled			
Persons (ie job de	Occupation (SOC)	Job Numbers (FTE)	Wage rate (£ annual	Local (within 15 miles)	LCR	North West Region	UK
Groundsmen	Horticulture	3	20,000	60000			

DESCRIPTIONS	EXPENDITURE SOURCE			
Products and Services	Local (within 15 miles)	LCR	North West Region	UK

LCR= Liverpool City Region

4.3 The original preliminary assessment was based on this approach in 2016/17, although not all information was provided in the format suggested due to confidentiality issues or otherwise because the information was simply not available. Information regarding volunteer, supporters, marketing spend, non-football related activity (eg events) and visitor numbers were provided directly by the Club. Information regarding the Goodison Park Legacy and wider Northern Ten Streets scheme were separately identified and assessed using standard Green Book / HCA guidance based on preliminary spatial planning of the proposed sites/areas.

4.4 The process allowed for what was thought reasonably accurate baseline measurements of key parameters of relevance for EIA purposes including:

- Employment

4.0 Everton: Baseline Measurement

- Wage income
 - Gross Value Added ("GVA")
- 4.5 Estimates for these measures were geographically defined for the:
- Local (not reported)
 - Liverpool City Region
 - North West Region
 - UK (where appropriate)
- 4.6 These spatial designations were deemed the most appropriate for measuring the contribution of Everton with Liverpool and North West regions deemed the most relevant for reporting purposes. This was discussed with the Club in order to safeguard client confidentiality given the sensitivity of the data being processed.

5.0 Everton New Stadium Impact Measurement

- 5.1 The methodology for this element was dependent on securing Everton's BMD stadium business plans which would provide the relative uplift across these indicators alongside EitC's forward plans and detailed designs for both the Goodison Park Legacy and wider Northern Ten Streets scheme.
- 5.2 In terms of both the BMD stadium and EitC, the absence of fully articulated business plans has resulted in having to 'engineer' the estimated changes from the baseline through a **pro rate uplift** in these indicators driven by the capacity increase in the proposed new Everton BMD stadium and an assumed average occupancy rate for the footballing season⁵.
- 5.3 This approach was discussed with Everton as and is a reasonably accurate approximation of the eventual outcomes. To this effect, this implied a simplifying assumption that the productivity and efficiency rates of the new stadium would equate with those for the current Goodison Park. However, this method was also likely to slightly over-estimate the underlying socio-economic contribution in terms of employment, wage and incomes effects for the new stadium. In turn the additionality factors used for the modelling (ie multiplier effects) were moderated to balance these effects out. Further and with reference to key academic studies on measuring the impacts of new stadiums, this was a necessary approach to the measurement approach. The general tendency being to adopt highly inaccurate inflated multipliers to 'justify' investments. The conservative approach being adopted therefore would increase the confidence levels in the results being generated.
- 5.4 In terms of the original appraisal, the following indicators, data sources and methods were adopted to secure the baseline and the forecast column relates to the impact estimation process:

**TABLE 1 AGGREGATE
IMPACT OF EVERTON -
2016**

	DATA SOURCE	METHOD	FORECAST
Employment (incl. EitC)	Everton / EitC	Payroll data by postcode with additionality assessment	Uplift pro –rate with additionality assessment
Wage Income (incl. EitC £m)	Everton / EitC	Payroll data by postcode with additionality assessment	Uplift pro –rate with additionality assessment
GVA (incl. EitC £m)	CBRE	Estimated using employment data and ONS (GVA per filled job) with additionality assessment	Uplift pro –rate with additionality assessment
Supplier Expenditure (incl. EitC £m)	Everton / EitC	Expenditure data per company by postcode with additionality assessment	Uplift pro –rate with additionality assessment
Jobs Supported (incl. EitC)	CBRE	Estimated using ONS data and supplier expenditure results (additionality assessment already included)	Uplift pro –rate with additionality assessment

⁵ The uplift was scaled to 55k for BMD given a max capacity of 60k at the time– therefore approx. uplift was $55/38.5 = 1.428$

5.0 Everton New Stadium Impact Measurement

Supporter Additional Expenditure	CBRE	Estimated — av spend by day visitors to Liverpool with additionality assessment	Rating method adopted — medium level of additional spending reported. Supporter Survey required to increase level of accuracy
Visitors and Supporters to Everton Goodison Park		Visitors - Guesstimate provided by Everton plus assumed level of non-footballing full stadium 'events'. Supporters' data by Everton. Impacts modelled through Impact Events Model	Assumptions of 250k of event visitors (ie 5 * 50k events pa) plus 20k of direct stadium visits and 30k of footballing visitors (ie mix of foreign footballing visitors and direct visits to the stadium). Supporters - Uplift pro —rate with additionality assessment applied.
Visitor additional spend (£m)	CBRE	Estimated — average spend by day visitors to Liverpool with additionality assessment	As noted for visitor numbers above
Marketing / PR value (£m)	Everton / CBRE	Everton Accounts plus benchmark estimates	Estimates provided on the basis of comparator benchmarks and current Everton business plans.
Volunteers	Everton / CBRE	Estimated from the aggregate volunteer costs — assumed all local	Uplift pro —rate with additionality assessment
Volunteer Well Being Value (£m)	EitC /CBRE	Estimated from benchmark values and EitC impact report	Baseline only although asserted to double (pro-rate increase in space)
EitC Client Interactions	EitC	EitC impact report	Baseline only- although asserted to double (pro-rate increase in space)
EitC Client Interactions - Value (£m)	EitC	EitC impact report	Baseline only although asserted to double (pro-rate increase in space)

6.0 Goodison Park Legacy and Catalytic Development

- 6.1 The additional jobs, income and related outputs from the Goodison Park legacy and BMD wider catalytic impact also required calculation. This involved taking account of the proposed planning space requirements by type of use for these plans – including employment, housing, public realm and adopting the standard HCA density guides, Green Book / HCA guidance for appraisal and appropriate official sources (eg ONS) on measures such as household incomes to estimate the impacts.
- 6.2 A full consideration of additionality was required, as was the requirement to measure the impacts for both construction and operational stages of these proposals. As in most cases this would be assessed in current prices (unless long term phasing dictated otherwise).

7.0 Updates to the BMD Economic Impact Assessment

- 7.1 The approach described in Section 2-6 was undertaken to prepare an initial iteration of the Economic Impact Assessment (in 2017/2018). This has been repeated for a 2nd iteration of the assessment by:
- Using the latest Everton and EitC accounts to support the aggregate numbers (ie employment, wages, spending, etc) used for the impact assessment.
 - Assuming that the 2017 baseline estimation provided a reasonably accurate reflection of the current volume and spatial distribution of employment /costs / expenditure by Everton and EitC – noting this was based on 2015/16 data. This would then remain as the main distribution framework (ie where wages and spending flowed). A suitable scalar such as the RPI or GDP deflator was used to update the aggregate figures and as noted it was assumed that the distribution of these aggregates remained unchanged.
 - Adjusting the pro-rate uplift to reflect the proposed revised size and occupancy of the new stadium – therefore the uplift would be approx. $50/38.5 = 1.298$ (assuming a 52.9k max capacity and average total occupancy of 50k per season)
 - Updating / re-modelling the outturns for the wider developments (ie Northern Ten Streets and the Goodison Park Legacy)
 - Updating the benchmark data used to calculate the relevant net outturns (eg GVA per filled job).
- 7.2 A 3rd iteration of the assessment has also been undertaken which has taken account of:
- revised the baseline models with more up to date core data for employment, wages and supplier spending from the key sources (ie Everton / EitC) –the same data that was provided previously but updated. The assessment process has though been ‘anchored’ to the aggregate data provided from the latest Everton and EitC Accounts used for the 2nd iteration. In other words, the aggregate figures provided through the 2nd iteration remain unchanged; the latest data has therefore been used to rebalance the distribution of those aggregate data according to the latest management accounts by Everton / EitC. We would also note here that the latest data provided by Everton was far less detailed than the original datasheets provided to model outcomes in 2017. A small degree of accuracy may (or will) have been lost to this effect although it still remains a very accurate reflection of activity in the region.
 - reconciliation of the proposed BMD business plan and EitC (Goodison Park Legacy) business plan to underpin the respective forecast uplift changes in the key output variables being measured here which would help consolidate a pro-rate uplift method currently used. Three outcomes have emerged from this reconciliation process:
 - a. on the whole we are satisfied that the latest pro-rate uplift reconciles broadly with the latest BMD business plan. The business plan is clearly a fluid document and will undoubtedly be subject to change over the coming months however the underlying⁶ uplift costs expected in the plan coincide with the overall forecast increase in employment for the North West and the increase in supplier spending generated through the pro-rate up lift – noting that footballing costs are a constant within the planning forecasts for Everton.

⁶ The reconciliation was anchored to the first-year non-footballing operating costs which would provide a non-inflation based estimate of the first round up-lift in activity.

7.0 Updates to the BMD Economic Impact Assessment

- b. the EitC business plan could not be relied upon to provide a meaningful benchmark on which to define the net uplift in staffing (and so income and GVA estimates). The SVA⁷ being undertaken by Real Worth on behalf of Everton estimated that the net uplift in EitC staffing was likely to be of the order of 20% and this was therefore used as the basis of the forecast. In turn the EitC area designated within the Goodison Park legacy plans were **excluded** from the Goodison Park legacy impact assessment to avoid double counting the BMD stadium effects
 - c. the events component of the new BMD business plan happily coincided with the original impact appraisal albeit the characteristics of those events are likely to be more broad based than originally assumed. Given that the aggregate numbers are though broadly the same then these have been recalculated through the Impact Events Model.
- 7.3 In relation to supplier expenditure, enquiries with the FSA⁸ revealed a lack of information regarding away fans' spending patterns⁹. The assumption which has been applied herein is that in the main, supporter spending is encapsulated through its effects on Everton (ie staffing etc). We have attempted to measure (net) expenditure which is undertaken outside the football stadium and therefore not captured through Everton, but which is thought marginal. This could be incorrect although the evidence suggests that prudence should be applied in this regard. This has been the approach for the estimation process throughout (ie a 'medium' level of expenditure has been reported).
- 7.4 In terms of the appraisal, the following table considers indicators, data sources, method and comments which have been used for measuring the forecast marginal change from the development as it refers to a new stadium / Everton / EitC¹⁰:

TABLE 2 FINAL AGGREGATE IMPACT OF EVERTON - 2019	DATA SOURCE	PROPOSED METHOD	OUTCOME
Employment (inc EitC)	Everton / EitC	Everton BMD / GP EitC business plans – using the baseline spatial distribution where only aggregate change in employment is provided	Everton accounts was provided and distribution revised through 3 rd iteration and reconciled with the latest Everton business plan
Wage Income (incl. EitC £m)	Everton / EitC	Everton BMD / GP EitC business plan - using the baseline spatial distribution where only aggregate change in wage costs is provided	Everton accounts was provided and distribution revised through 3 rd iteration and reconciled with the latest employment business plan

⁷ Social Value Assessment undertaken by Real Worth and submitted as part of the application.

⁸ Football Supporters Association

⁹ In fact the general indications from the FSA was that away football supporters tend to arrive in coaches, go to the ground and leave immediately after the game which would suggest very little impact at all.

¹⁰ Additionality assessment would be presumed throughout.

7.0 Updates to the BMD Economic Impact Assessment

GVA (incl. EitC £m)	CBRE	Estimated using latest ONS (GVA per filled job) and employment data	CBRE calculated
Supplier Expenditure (incl. EitC £m)	Everton / EitC	Everton BMD business plan - using the baseline spatial distribution where only aggregate change in supplier costs is provided	Everton accounts was provided and distribution revised through 3 rd iteration and reconciled with latest Everton business plan
Jobs Supported (incl. EitC)	CBRE	Estimated from supplier exp using ONS data (GVA per filled job)	CBRE calculated
Supporter Additional Exp	Everton / CBRE	Everton BMD business plan and Visit England estimates	CBRE calculated Everton Supporter survey required to increase the level of accuracy.
Visitors and Supporters to Goodison Park	Everton	Everton BMD business plan	Everton plans provided and reconciled. Impacts modelled through Impact Events Model
Visitor additional spend (£m)	Everton / CBRE	Everton BMD business plan and VE estimates	CBRE calculated
Marketing / PR value (£m)	Everton	Everton BMD business plan	2017 estimate
Volunteers	Everton	Everton BMD business plan — assumed all local	Everton accounts was provided and distribution revised through 3 rd iteration and reconciled with latest Everton business plan
Volunteer Well Being Value (£m)	EitC / CBRE	Estimated from GP EitC business plans	CBRE calculated
EitC Client Interactions	EitC	GP EitC business plans	2017 estimate plus uplift
EitC Client Interactions - Value (£m)	EitC / CBRE	Estimated from GP EitC business plans	2017 estimate plus uplift

8.0 Goodison Park and Northern Ten Streets Update

- 8.1 In addition to the 'stadium' impacts a further consideration is updating the socio-economic impacts of the Goodison Park legacy programme and the wider Northern Ten Streets scheme. The direct EitC impacts should be captured as part of the 'stadium' assessment itemized previously.
- 8.2 For the remaining part of the Goodison Park legacy project and the wider Northern Ten Streets Scheme, then this is arguably more straightforward which has been to repeat what was done previously for the first report but include the Goodison Park legacy updated scheme in the calculations. This has required taking account of the proposed planning space requirements by type of use for these plans – including employment, housing, public realm and adopt the standard HCA density guides, Green Book / HCA guidance for appraisal and appropriate official sources (eg ONS) on measures such as household incomes to estimate the impacts.
- 8.3 A full consideration of additionality would be required as would be the requirement to measure the impacts for both construction and operational stages of these proposals. Magnitude, sensitivity, confidence and significance testing would be considered as part EIA application (not included in this report). The wider social impacts (ie Social Value Assessment) would be considered through a separate commission¹¹.

¹¹ Real Worth SVA 2019

9.0 Conclusion

- 9.1 CBRE has developed a definitive Economic Impact Assessment approach which is robust, clear and highly accurate and which diligently follows the formal guidance (ie Green Book, HCA etc) for conducting planning related EIAs.