

# **The Former Gateacre Community Comprehenshiv School Site, Gateacre, Liverpool**

## **Economic Benefits Summary Statement**

Countryside Properties

February 2015

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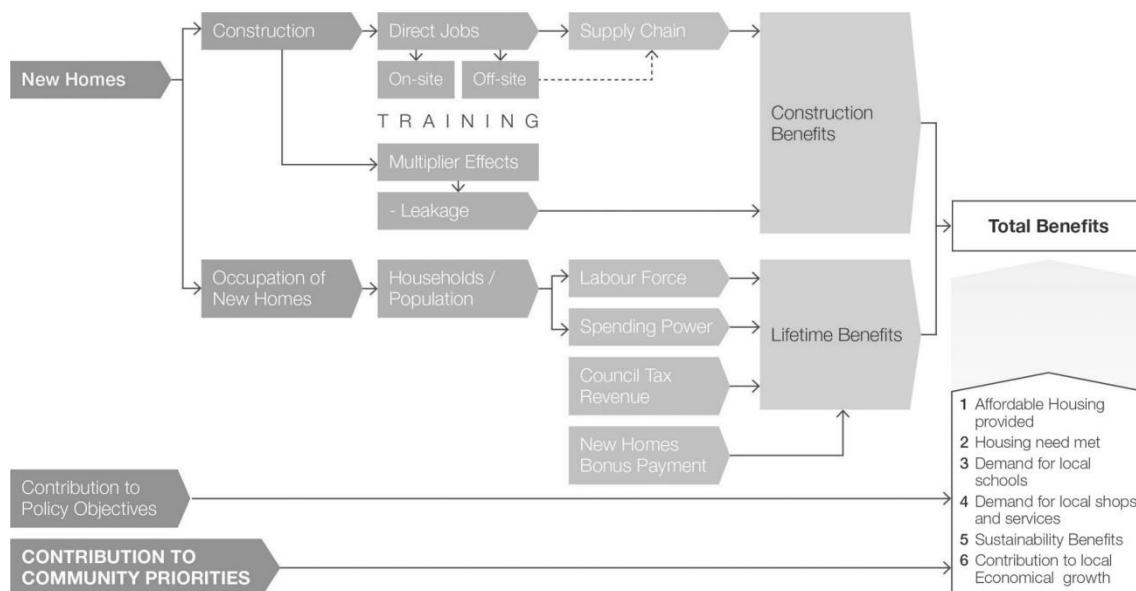
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# 1. Economic Benefits Summary Statement

## Introduction

- 1.1 This Economic Benefits Statement has been prepared by Turley Economics in support of the proposed residential development on land at the site of the former Gateacre Community Comprehensive School, Gateacre, Liverpool.
- 1.2 This Economic Impact Statement utilises Turley Economics' Local Economic Benefits (LEB) methodology. LEB provides a robust logical framework for evaluating the economic impacts of development proposals.

**Figure 1.1: Local Economic Benefits Framework – Residential Development**



Source: Turley Economics

- 1.3 This assessment of economic impacts evaluates the potential economic impacts of 200 (C3) residential dwellings. An illustrative accommodation schedule, incorporating a mix of units sized at 3 beds, 4 beds and 5 beds, has been utilised. This draws upon the illustrative masterplan layout for the proposed development, which has been made available to Turley Economics by the applicant, and forms part of the information prepared in generating the related planning application for the proposed development.
- 1.4 This evaluation considers the quantifiable impacts of the proposed development both during the construction phase and the subsequent operational 'lifetime'.
- 1.5 This evidence therefore forms part of the planning application documentation submitted to Liverpool City Council ('the Council') for the proposed development.

## The Economic Benefits

1.6 The following headline economic impacts have been identified as being derived from the provision of new residential dwellings on the application site during the construction phase:

- **Direct Construction-Related Employment** – the proposed development has the capacity to support approximately 312 person-years of direct employment with the construction sector. This equates to an average of **52 full-time equivalent (FTE) temporary construction jobs** on-site annually<sup>i</sup>, of which it is estimated that 47 FTE jobs could be sourced locally and across the wider North West regional labour force<sup>ii</sup>.
- **Construction-Derived Indirect and Induced Employment** – a further annual average of **23 FTE temporary jobs** would be supported within the supply chain, related businesses, and onward expenditure within Liverpool and across the wider North West regional economy throughout the construction period<sup>iii</sup>.
- **Construction-Related Productivity** - the construction phase of the proposed development will generate a significant increase in Gross Value Added (GVA)<sup>iv</sup>, which provides a key measure of economic productivity. Put simply, GVA is the total of all revenue into businesses, which is used to fund wages, profits and taxes. The construction capital expenditure associated with the proposed development could deliver an annual net additional **£3.6 million GVA contribution to the North West economy** each year, of which circa £1.8 million per year could contribute to the growth of the Liverpool economy<sup>v</sup>, during the construction period.

1.7 The following headline economic impacts have been identified as being derived from the provision of new residential dwellings on the application site during the operational lifetime of the proposed development:

- **Enhanced Local Labour Force & Spending Power** – there is potential to increase the local population by **circa 440 people** residing within 200 new high quality homes<sup>vi</sup>. Based on this total population growth, there will be **circa 174 economically active and employed residents** residing on the completed scheme<sup>vii</sup>, who will generate a gross household income of approximately **£3.8 million annually**. These residents will bolster local labour supply, with circa 41% projected to be employed in higher skilled and professional occupations.
- **Support for Local Retail & Leisure Services** - from these residents there is the potential to capture circa **£2.4 million of household retail (convenience and comparison) expenditure, and £1.3 million of leisure (goods and services) expenditure**, every year within Gateacre and the wider Liverpool economy, from households living on the completed scheme<sup>viii</sup>. This will help to boost the vitality and viability of local shops and businesses, and sustain essential local leisure and support services.

- **Public Council Tax Revenue for Investment in Community Services** – the construction of the new homes on the application site would generate **circa £400,000 additional Council Tax revenue** for Liverpool City Council per annum upon full occupation<sup>ix</sup>.
- **Public New Homes Bonus Revenue for Investment in Community Services** - the proposed development also has the potential to generate circa **£2.1 million New Homes Bonus payment for Liverpool City Council**. This would provide an important source of revenue funding for the Local Authority in delivering public services as well as investing in maintaining and enhancing infrastructure within the locality.

1.8 The economic benefits presented above are reproduced in a summary infographic format within Appendix 1 overleaf.

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<sup>i</sup> HM Treasury considers that 1 permanent FTE construction job is equivalent to 10 person-years of employment. This therefore assumes a 10 year construction period as standard. In reality the volume of construction employees on site will fluctuate and will be higher if the construction period is reduced. It is assumed that the proposed development will have a 6 year construction period allowing for site preparation, infrastructure and residential development.

<sup>ii</sup> Local and regional labour market containment assessed utilising ONS Annual Population Survey (APS)

<sup>iii</sup> Direct, indirect and induced impacts applied utilising leakage, displacement and multiplier effects in line with HCA (2014) Additionality Guide Fourth Edition.

<sup>iv</sup> GVA measures the value of output created (i.e. turnover) net of inputs purchased and used to produce a good or service (i.e. production of the output). GVA therefore provides a measure of economic productivity.

<sup>v</sup> Average GVA per FTE employee estimates within Liverpool and the North West construction sector sourced from Experian Local Market Forecasts (average trend derived from 2010-14 period).

<sup>vi</sup> Assuming 2.2 persons per household in line with average household size in Liverpool drawn from the Census 2011.

<sup>vii</sup> NOMIS (2014) ONS APS (October 2013 - September 2014)

<sup>viii</sup> Expenditure data drawn from Oxford Economics via Pitney Bowes – estimates in 2014 prices

<sup>ix</sup> Utilises assumed 2015/16 Council Tax charges based on 2% inflation of 2014/15 charge applied by Liverpool City Council

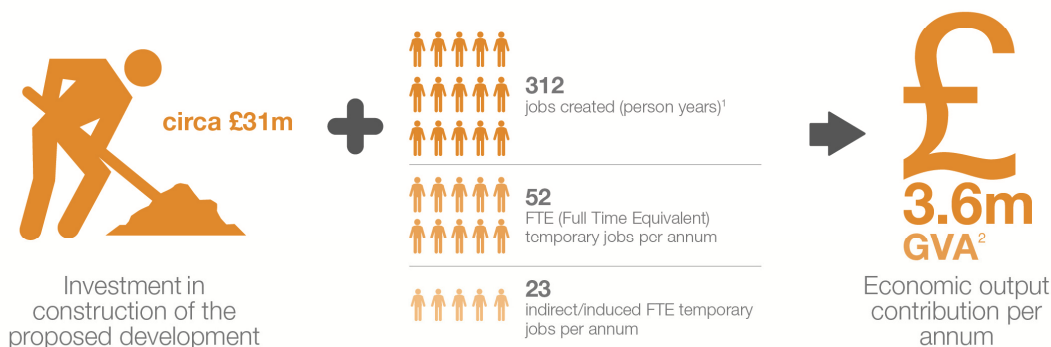
# Appendix 1: Infographic Diagram

## Economic Benefits Infographic

Site: The former Gateacre School, Gateacre, Liverpool

Scale of development: 200 residential dwellings

### Construction Phase



### Lifetime Phase

“174 working age economically active and employed residents estimated to live on the new development”



“Enhance vitality and viability of local retail and service offer and provision within Liverpool and the wider North West region”



<sup>1</sup> A person year is the volume of work that is equal to the output of a single person in a single year (i.e. the volume of construction workers required to deliver the proposed scheme in a single year).

<sup>2</sup> GVA (Gross Value Added) measure the value of output created (i.e. turnover) net of inputs used to produce a good or service (i.e. production of outputs). It provides a key measure of economic productivity. Put simply the GVA is the total of all revenue into businesses, which is used to fund wages, profits and taxes.

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