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**CHAPTER 12**

**12.0 SOCIO ECONOMIC EFFECTS ..... 1**

12.1 Introduction..... 1

12.2 Methodology ..... 3

12.3 Baseline..... 8

12.4 Assessment of Effects ..... 11

12.5 Mitigation ..... 18

12.6 Residual Effects and Conclusions..... 18

**Figures (Volume 2 – Bound Separately)**

Figure 12.1 Socio-Economic Assessment Study Area



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## 12.0 SOCIO ECONOMIC EFFECTS

### 12.1 Introduction

12.1.1 This Chapter of the Environmental Statement (ES) considers the likely effects of the Proposed Development with regards to socio-economic matters. Socio-economic effects most commonly relate to effects upon the human population living in the area surrounding a development site.

12.1.2 The assessment includes the following:

- Identification of the socio-economic baseline in respect of key issues identified, focussing on the characteristics of the local labour force. These characteristics can then be used as a measure for assessing future change; and
- Identification of the socio-economic effects, both direct and indirect, that would arise from the construction and operation of the Proposed Development.

12.1.3 A description of the Proposed Development is set out in Chapter 4.0.

#### ***Planning Policy Context***

12.1.4 For a detailed appraisal of planning policy, refer to the Planning Supporting Statement that forms part of the planning application. Those policy documents of most relevance to this Chapter are listed below, with a summary of their key contents following:

- *National Planning Policy Framework* (the NPPF)<sup>1</sup>;
- Saved policies from *District Local Plan*;<sup>2</sup>
- *Core Strategy*<sup>3</sup>.

12.1.5 The NPPF contains a range of policies related to land-use planning in England. It confirms that the purpose of the planning system is to achieve sustainable development. Core planning principles set out in the NPPF include:

- to proactively drive and support sustainable economic development to deliver infrastructure that the country needs.

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<sup>1</sup> Department of Communities and Local Government, 2012. *National Planning Policy Framework*

<sup>2</sup> Harrogate Borough Council, adopted 2001, with selective alteration 2004. *Harrogate District Local Plan*.

<sup>3</sup> Harrogate Borough Council, adopted 2009. *Harrogate District Local Development Framework Core Strategy*

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12.1.6 More detailed policies covering a range of planning and environment-related topics are set out in the NPPF, the subjects of which are addressed elsewhere in this ES or in other documents forming part of the planning application.

12.1.7 The Harrogate Core Strategy includes a range of strategic objectives, including:

- to promote a robust and varied economy for the benefit of local people.

12.1.8 The saved policies from the District Local Plan include a specific policy relating to motorway service areas, identifying various criteria that development proposals would be considered against. The criteria relate to environmental matters and to the need to have regard to various standards in relation to parking, access etc.

### ***Other Policies***

12.1.9 The Site is located within Harrogate Borough, which falls within the boundaries of two Local Enterprise Partnerships (LEPs), namely the Leeds City Region, and York, North Yorkshire and East Riding. Both LEPs have produced strategic economic plan documents.

12.1.10 The *Leeds City Region Strategic Economic Plan*<sup>4</sup> (Leeds SEP) sets out an overarching vision that includes to deliver upwards of 35,000 additional jobs and an additional £3.7 billion of annual economic output by 2036.

12.1.11 The Leeds SEP describes a series of headline initiatives and priorities to enable the plan's vision to be achieved. These include to improve transport infrastructure and services, and to increase skill levels and employability.

12.1.12 The *York, North Yorkshire and East Riding Strategic Economic Plan*<sup>5</sup> (N Yorks SEP) identifies an ambition to create 20,000 new jobs and £3 billion of growth by 2021. A series of priorities and objectives are set out, including to build competitive advantage through higher level skills and to support high quality apprenticeships and internships, The A1/A19 is identified as a 'growth corridor', where large investment opportunities are located.

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<sup>4</sup> Leeds City Region Enterprise Partnership & West Yorkshire Combined Authority, undated. *Leeds City Region Strategic Economic Plan 2016-2036*.

<sup>5</sup> York, North Yorkshire and East Riding Enterprise Partnership, 2014. *Strategic Economic Plan*

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12.1.13 Harrogate Borough Council have produced an *Economic Action Plan*<sup>6</sup>, which includes actions to increase the diversity of sectors and number of high skilled jobs available, and to promote improvements to road networks where appropriate.

## **12.2 Methodology**

### ***Introduction***

12.2.1 The assessment is based upon an approach typical in Environmental Impact Assessment, which considers the sensitivity of receptors to change and the magnitude of the particular change that each receptor would experience. Based upon this, a conclusion can be drawn as to whether the resultant effect is significant or not.

12.2.2 The assessment considers the potential for the Proposed Development to affect local socio-economic conditions both during the construction stage and once the development becomes operational. These two elements are largely separate and as such are addressed under separate headings below. However, the methodology for determining effects is the same for both elements of the assessment.

12.2.3 The assessment has been carried out by undertaking a desk-based study, including a review of key statistical information.

12.2.4 The Proposed Development has the potential to affect local socio-economic conditions via three types of effect, as follows:

- Direct economic effects: jobs and wealth that are wholly or largely related to either the construction or operation of the Proposed Development;
- Indirect economic effects: jobs and wealth generated in the economy via the supply chain of goods and services that support the direct activities; and
- Induced economic effects: jobs and wealth created by direct and indirect employees' spending.

### ***Current Guidance***

12.2.5 There is no overarching guidance for the assessment of socio-economic effects. However, information published by various government bodies has been used to

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<sup>6</sup> Harrogate Borough Council, 2016. *A strong local economy. Action Plan 2015-2020. 2016-2017 edition (year 2)*

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derive estimates of employment generation and economic benefit that would accrue from the Proposed Development.

12.2.6 Construction employment has been estimated using data set out in *Calculating Cost per Job*<sup>7</sup>.

12.2.7 The net positive economic effect of the Proposed Development has been estimated using information set out in the *Additionality Guide*<sup>8</sup>.

### ***The Study Area***

12.2.8 The Study Area for the Assessment has been determined via the online mapping resource, *Data Shine Commute*<sup>9 10</sup>, which utilises 2011 Census data to identify travel-to-work patterns for particular locations. The mapping is based upon Middle-layer Super Output Areas (MSOAs) identified as part of the Census data.

12.2.9 The closest MSOA to the Site is MSOA Harrogate 005, centred on the village of Boroughbridge. It is considered that travel-to-work patterns for this MSOA (discussed further in Section 12.3) are likely to give a good indication as to where those employed at the Proposed Development are likely to originate.

12.2.10 Data Shine Commute identifies all other MSOAs from where more than five people commuted to MSOA Harrogate 005 for work in 2011.

12.2.11 Figure 12.1 maps these MSOAs, with local authority boundaries superimposed. The Figure illustrates that the great majority of those working in MSOA Harrogate 005 are relatively local, living in nearby parts of Harrogate Borough and Hambleton District. As such, these two local authorities have been adopted as the Study Area for the Assessment.

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<sup>7</sup> Homes and Communities Agency, 3<sup>rd</sup> edition 2015. *Calculating Cost per Job: Best Practice Note*

<sup>8</sup> Homes and Communities Agency, 4<sup>th</sup> edition 2014. *Additionality Guide*

<sup>9</sup> Data Shine Commute <<http://commute.datashine.org.uk>> [accessed 17 Mar 2017]

<sup>10</sup> DataShine Blog (undated), About the Project <<http://blog.datashine.org.uk/about/>> [accessed 17 Mar 2017]

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## **Receptors**

12.2.12 In socio-economic assessment, both receptors and the effects of development upon them may be abstract and diffuse when contrasted with environmental receptors. The specific receptors that this assessment is concerned with are:

- Construction sector employment; and
- Rates of employment and gross value added (on-site and off-site), once the Proposed Development becomes operational.

12.2.13 Understanding the effects on these receptors enable a conclusion to be made as to the effects on the economy within the Study Area.

12.2.14 The sensitivity of the receptors is determined based upon the importance attached to each receptor in policy, and the use of professional judgement relating to the scale of socio-economic challenges faced by each receptor (following analysis of the baseline). The criteria followed in determining receptor sensitivity are set out in Table 12.1. The criteria are indicative and the assessment includes a reasoned justification explaining the criterion allocated to each specific receptor.

**Table 12.1: Sensitivity Criteria**

<b>Sensitivity</b>	<b>Description</b>
High	<ul style="list-style-type: none"><li>○ Evidence of direct and significant socio-economic challenges relating to the receptor; and/ or</li><li>○ Identification in policy as a key thematic or spatial priority</li></ul>
Medium	<ul style="list-style-type: none"><li>○ Some evidence of socio-economic challenges linked to the receptor, which may be direct or indirect; and/ or</li><li>○ The receptor is identified in policy, but not as a key policy priority.</li></ul>
Low	<ul style="list-style-type: none"><li>○ Little evidence of socio-economic challenges relating to the receptor; and/ or</li><li>○ No identification in policy.</li></ul>
Negligible	<ul style="list-style-type: none"><li>○ No socio-economic issues relating to the receptor; and/ or</li><li>○ No particular economic weaknesses or challenges</li></ul>

## **Assessment of Construction Employment**

12.2.15 Likely construction employment has been estimated using the coefficient set out in *Calculating Cost per Job*<sup>11</sup>, namely that to deliver £1 million of private commercial development would require 16.6 ‘worker years’. It should be noted that this is based on 2011 prices.

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<sup>11</sup> Homes and Communities Agency, 3<sup>rd</sup> edition 2015. *Calculating Cost per Job: Best Practice Note*

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### ***Additionality***

12.2.16 The concept of additionality refers to the extent to which something would happen as a result of a particular intervention. In regards to this assessment, this means how the economy of the Study Area is likely to change because of the Proposed Development. The *Additionality Guide*<sup>12</sup> includes a formula for estimating the change in employment that would occur from development, which takes into account the influence of 'leakage' (jobs taken up by people living outside the Study Area), 'displacement' (where a development would take employment/ market share from other businesses or organisations), and 'economic multipliers' (knock-on effects in the Study Area economy).

### ***Gross Value Added***

12.2.17 Gross Value Added (GVA) is a measure of the contribution to the economy of a specific business or industry. It can be used at a headline indicator to monitor economic performance at regional and national level. It can also be estimated at a project-specific level to give some indication of the likely financial contribution of employment associated with a particular development. GVA per person at the local authority level is identified in Section 12.3.

### ***Magnitude of Change***

12.2.18 The magnitude of change undergone by each receptor is determined by considering the likely deviation from baseline conditions. Magnitude criteria are set out indicatively in the table below. Again, the assessment includes a reasoned justification explaining the criterion allocated to each specific receptor.

**Table 12.2: Magnitude Criteria**

<b>Magnitude</b>	<b>Description</b>
Large	A large change to existing conditions, in terms of either absolute or percentage change
Medium	A moderate change to existing conditions, in terms of either absolute or percentage change
Small	A limited change to existing conditions, in terms of either absolute or percentage change
Negligible	No tangible change from baseline conditions.

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<sup>12</sup> Homes and Communities Agency, 4<sup>th</sup> edition 2014. *Additionality Guide*



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### **Significance of Effect**

12.2.19 As described above, once the sensitivity of the receptor and the magnitude of change have been identified, these are considered together to determine whether the resultant effect is significant or not. The level of effect that would occur is determined guided by the matrix below.

**Table 12.3: Criteria for Assessment of the Level of Socio-Economic Effects**

Magnitude		Sensitivity			
		High	Medium	Low	Negligible
	Large	<i>Substantial</i>	<i>Major</i>	<i>Moderate</i>	<i>Negligible</i>
	Medium	<i>Major</i>	<i>Moderate</i>	<i>Minor</i>	<i>Negligible</i>
	Small	<i>Moderate</i>	<i>Minor</i>	<i>Slight</i>	<i>Negligible</i>
	Negligible	<i>Negligible</i>	<i>Negligible</i>	<i>Negligible</i>	<i>Negligible</i>

12.2.20 For the purposes of this Assessment, a major or substantial effect is considered to be significant. Where an effect is moderate, this may also be deemed significant following further consideration. A reasoned justification is provided as part of the assessment in relation to all judgements as to whether an effect is significant or not.

12.2.21 Wider and more intangible socio-economic effects may also derive from the Proposed Development, occurring upon receptors that cannot easily be identified, or where the change occurring is difficult to quantify with any degree of certainty. In these cases, the likely effect is described textually and a statement made as to whether that effect would be significant or not, based upon the professional judgement of the assessor.

### **Limitations**

12.2.22 The Assessment and its conclusions are both dependent upon the accuracy of third-party data. Economic data used to project the changes resulting from the Proposed Development is inevitably historic, and actual outcomes may vary from those stated due to wider economic fluctuations, or to changes in technology. See Section 12.3 for details of data sources.

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## 12.3 Baseline

### ***Data Collection***

12.3.1 The Assessment utilises data gathered from various sources, including:

- 2011 Census Data<sup>13</sup>;
- NOMIS data<sup>14</sup>; and
- The Applicant's, and the Consultant Team's, experience of other, similar types of development.

### ***Baseline Conditions***

12.3.2 NOMIS travel to work data<sup>15</sup>, based upon the 2011 Census gives a picture of employment levels for Harrogate MSOA 005. A total of 1736 people had a place of work within the MSOA (including those commuting from outside). 2427 people that lived within the MSOA commuted to places of work outside. Employment within the MSOA is broken down in Table 12.4.

**Table 12.4: Employment within Harrogate MSOA 005 (2011)**

<b>Location of employees</b>	<b>Number of jobs (with % of total in parentheses)</b>
People with a place of work in Harrogate MSOA 005	1736 (100%)
People with a place of work in Harrogate MSOA 005, that live within Harrogate MSOA 005	517 (30%)
People with a place of work in Harrogate MSOA 005, commuting from the remainder of Harrogate or Hambleton Local Authority areas	865 (50%)
People with a place of work in Harrogate MSOA 005, commuting from further afield	354 (20%)

12.3.3 NOMIS labour market profile data identifies that between January and December 2016, unemployment within Harrogate Borough was lower than the average figures for both the Yorkshire and the Humber region and for Great Britain. Qualification levels in the Borough were above the regional and national averages. Average

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<sup>13</sup> UK Data Service Census Support. [online] <[https://borders.ukdataservice.ac.uk/easy\\_download.html](https://borders.ukdataservice.ac.uk/easy_download.html)> [accessed 17 March 2017]

<sup>14</sup> NOMIS Official Labour Market Statistics. *Area profiles* [online] <<https://www.nomisweb.co.uk/>> [accessed 13 April 2017]

<sup>15</sup> NOMIS Official Labour Market Statistics. *Location of usual residence and place of work* [online] <<https://www.nomisweb.co.uk/census/2011/wf01bew>> [accessed 18 April 2017]

earnings in Harrogate Borough were above the regional average, but below the national average. With regards to employment breakdown by industry, the largest number of jobs were in the wholesale and retail trade (including repair of motor vehicles), with employment in this sector above the regional and national average.

12.3.4 In Hambleton District, unemployment is similarly below average. Qualifications, earnings and the spread of employment by sector are all close to regional and national averages.

12.3.5 NOMIS data for local government wards is also available, but is less up to date. The Proposed Development would be located within Newby ward. In 2011, unemployment in Newby was lower than for Harrogate Borough as a whole. Less people worked in professional and managerial jobs than for the Borough as a whole, with a greater proportion employed in skilled trades. In Wathvale ward, to the north of the Site, there was an above average concentration of people in professional and managerial employment (and particularly in associate professional and technical roles). In Boroughbridge ward, to the south of the Site, unemployment was closer to the Borough average.

12.3.6 The NOMIS data referred to above are set out in Tables 12.5-12.10 (percentage numbers are rounded, and do not necessarily add up to 100%).

**Table 12.5: NOMIS total employee jobs (Local Authority)**

Area	Total number of employee jobs (2015)
Harrogate	78,800
Hambleton	40,000

NOTE: Figures exclude the self-employed, those employed in farm-based agriculture, government-supported trainees, and HM forces.

**Table 12.6: NOMIS employment and pay data (Local Authority)**

Area	Unemployment (Jan 2016-Dec 2016)	Average Weekly Earnings (2016)
Harrogate	2.7%	£535.50
Hambleton	2.8%	£496.80
Yorkshire and the Humber	5.2%	£498.30
Great Britain	4.8%	£541.00

NOTE: Average weekly earnings figures are for place of residence.

**Table 12.7: NOMIS qualification level data (Local Authority)**

Area	Qualification Level (2015)					
	NVQ4	NVQ3	NVQ2	NVQ1	Other	None
Harrogate	42.9%	63.6%	80.1%	93.5%	4.3%	-

Area	Qualification Level (2015)					
	NVQ4	NVQ3	NVQ2	NVQ1	Other	None
Hambleton	23.5%	51.8%	77.9%	89.4%	-	9.1%
Yorkshire and the Humber	31.3%	52.3%	71.0%	83.4%	7.1%	9.5%
Great Britain	38.2%	56.9%	74.3%	85.3%	6.6%	8.0%

NOTE 1: Percentage figures for NVQ levels are for that level and above, i.e. the NVQ1 figure includes the totals for NVQ2, 3 and 4.

NOTE 2: Where the entry is blank, reliable estimates not available.

**Table 12.8: NOMIS employment level by industry (2015) (Local Authority)**

Industry	Harrogate	Hambleton	Yorkshire and the Humber	Great Britain
Mining and Quarrying	0.1%	0.1%	0.1%	0.2%
Manufacturing	6.4%	12.5%	11.5%	8.3%
Electricity, Gas, Steam and Air Conditioning Supply	0.1%	0.1%	0.4%	0.4%
Water Supply; Sewerage, Waste Management and Remediation Activities	0.3%	1.0%	0.7%	0.7%
Construction	3.8%	5.6%	4.5%	4.6%
Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	17.9%	15.0%	15.5%	15.8%
Transportation and Storage	3.8%	4.4%	5.0%	4.7%
Accommodation and Food Service Activities	10.3%	8.8%	6.5%	7.2%
Information and Communication	2.6%	1.5%	2.2%	4.2%
Financial and Insurance Activities	3.2%	1.0%	3.4%	3.6%
Real Estate Activities	1.6%	1.5%	1.3%	1.7%
Professional, Scientific and Technical Activities	10.3%	5.6%	6.6%	8.4%
Administrative and Support Services	7.7%	7.5%	9.4%	8.9%
Public Administration and Defence; Compulsory Social Security	2.6%	8.8%	4.6%	4.4%
Education	9.0%	7.5%	10.2%	9.2%
Human Health and Social Work Activities	15.4%	12.5%	14.0%	13.3%
Arts, Entertainment and Recreation	3.2%	1.5%	2.6%	2.4%
Other Service Activities	1.6%	2.5%	1.3%	2.0%

**Table 12.9: NOMIS Gross Value Added (Local Authority)**

Area	Gross Value Added (2015)	Gross Value Added per head (2015)
Harrogate	£3,828 million	£24,380
Hambleton	£2,082 million	£23,123

NOTE: Figures exclude the self-employed, those employed in farm-based agriculture, government-supported trainees, and HM forces.

**Table 12.10: NOMIS employment data (Ward)**

Data (2011)	Newby ward	Boroughbridge ward	Wathvale ward	Harrogate Borough	England and Wales
Unemployment	3.0%	3.8%	2.7%	4.0%	7.6%
<i>Employment by Occupation</i>					
Managers and Senior Officials	18.7%	13.5%	15.6%	14.4%	10.8%
Professional	15.4%	13.7%	14.0%	18.2%	17.4%
Associate Professional & Technical	11.8%	12.5%	20.9%	14.3%	12.7%
Administrative & Secretarial	10.4%	11.0%	9.2%	10.7%	11.4%
Skilled Trades	13.6%	13.3%	15.2%	11.8%	11.5%
Personal Services	8.6%	8.4%	7.2%	9.0%	9.4%
Sales and Customer Services	6.2%	8.4%	4.1%	7.3%	8.4%
Process Plant and Machine Operatives	5.2%	9.4%	5.6%	4.8%	7.2%
Elementary Occupations	10.0%	9.6%	8.1%	9.5%	11.2%

NOTE: Figures for Employment by Occupation are a percentage of those in employment, and are independent of the unemployment.

## 12.4 Assessment of Effects

### **Construction**

#### *Sensitivity of Receptor*

- 12.4.1 The NOMIS data displayed in Section 12.3 shows that employment in the construction sector is below the regional and national averages within Harrogate Borough, but above average in Hambleton. In both cases, construction employment was less than 6% of total employment. Unemployment in both areas is below average. In 2011, employment in the skilled trades was above local and national averages in all of the three wards located close to the Site.

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12.4.2 Construction employment on a particular project is inherently temporary, lasting for only as long as that particular project (or specific aspect of that project) is under construction. Construction employment is therefore dependent upon ongoing development opportunities being available. Given this, whilst construction employment plays a limited role in the labour market of the Study Area, there may be some challenges linked to maintaining employment levels in this sector. There is general policy support for the creation of new jobs and economic growth, which construction employment would make a contribution to. As such, sensitivity is medium.

*Direct Effects*

12.4.3 The Applicant has confirmed that construction of the Proposed Development is likely to cost approximately £40 million, and that construction works are likely to last for approximately twelve months.

12.4.4 Using the coefficient set out in Section 12.2, the construction of the Proposed Development would therefore require approximately 664 'worker-years'. The number of people on-site at any one time is likely to fluctuate depending upon the programming of particular work elements, and would be likely to comprise a mix of full-time and part-time contractors. It is estimated that approximately 200 construction workers would be present on-site during periods of peak activity.

12.4.5 There is a convention in economic terms that ten temporary jobs are equivalent to one FTE<sup>16</sup> job, based on the assumption that a permanent job lasts approximately ten years. It can then be assumed that ten worker-years are equivalent to one FTE job. Therefore, it is estimated that the construction of the Proposed Development would directly support approximately the equivalent of 66-67 permanent, long-term jobs.

12.4.6 It is likely that elements of construction would be tendered in a series of sub-contractor packages, including for example ground works, steel works etc. Local contractors may be able to fulfil the requirements of some of these packages, and given the breakdown of the local labour market, there is scope for the employment of local people during the construction process (for example those employed in skilled trades). However, some of the contractors and some of the workforce for more

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<sup>16</sup> Full-time equivalent

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specialised elements of construction are more likely to be drawn from outside the Study Area.

12.4.7 There would be an increase in construction employment during the construction phase, either via the creation of new jobs, or via the maintenance of existing employment. In absolute terms, with approximately 200 workers on-site at peak times, and with the potential to support approximately 66-67 permanent jobs, this would represent a medium magnitude of change when considered against baseline construction employment levels. The effects of this on the Study Area overall would clearly be beneficial, but would be of moderate magnitude. The effects, which would be temporary, could be significant for individual businesses and workers, particularly for those which are locally based.

*Indirect and Induced Effects*

12.4.8 Indirect effects associated with the construction process would derive from supply chain employment. Construction materials and services would be bought-in by contractors. Some of these materials and services would be specialised, whilst others would be more generic. The various supply chains can only be determined by the relevant appointed contractors and therefore effects cannot be quantified at the time of writing. It should be recognised however, that supply chain businesses will benefit from construction and demand for their goods or services is likely to support continued or additional employment.

12.4.9 Induced effects would derive chiefly from the expenditure by those employed in construction. Some of this expenditure is likely to occur locally to the Site, or elsewhere in the Study Area. Expenditure by construction workers on food and drink is likely to have benefits for local shops and supermarkets. Additionally, any non-local workers whose home base is remote from the Site are likely to require accommodation during the week, and there would therefore be potential benefits to local hotels/ guest houses.

12.4.10 The *Additionality Guide* suggests a composite multiplier of 2.7 (covering income and supply) is appropriate for construction employment. As such, it is estimated that approximately 111-115<sup>17</sup> FTE jobs would be supported via the indirect or induced effects of the Proposed Development.

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<sup>17</sup> I.e. 66-67 direct FTE construction jobs multiplied by 2.7 gives 178-181, with the difference (i.e. 111-115) being the additional indirect or induced employment supported

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12.4.11 The magnitude of change deriving from indirect and induced construction employment cannot be stated with any certainty, and could range from small at a regional scale, to large for some individual businesses. The level of effect would range from being minor regionally, to major (and therefore significant) for some local businesses and some supply chain businesses, given the size and scale of the Proposed Development. It should be noted that many supply chain businesses may be located outside the Study Area, and that expenditure by construction workers may also take place outside the Study Area (including for example, online purchases, holiday expenditure, etc.). There is nevertheless clear potential for some businesses within the Study Area to derive economic benefits from the Proposed Development, during the construction stage.

### ***Operational***

#### *Sensitivity of Receptor*

12.4.12 Locally, unemployment is low, as set out in Section 12.3. Wholesale and retail employment is above the regional and national averages within Harrogate Borough, and is around the average in Hambleton. In the three wards located close to the Site, occupation types skew towards professional, managerial and administrative roles. Employment in the Study Area therefore appears relatively buoyant. Notwithstanding this, there remains a circa 3% level of unemployment in the study area.

12.4.13 National and local economic policy (refer to Section 12.1) supports the need to create jobs improvement and improve skill levels within the workforce, with the York, North Yorkshire and East Riding Strategic Economic Plan identifying the A1/A19 as a 'growth corridor'.

12.4.14 On the basis of the foregoing the sensitivity of employment in the Study Area is considered to be medium.

#### *Employment*

12.4.15 The Proposed Development would result in the creation of approximately 300 FTE jobs. The occupational mix would be broadly as follows:

- Managers and Senior Officials: 7;
- Professional Occupations: 66;
- Associate Professional and Technical Occupations: 3;
- Administrative and Secretarial Occupations: 8; and



- 
- Sales and Customer Service Occupations: 216.

#### *Leakage*

12.4.16 Approximately 80% of those working within MSOA Harrogate 005 live within the Study Area, based upon commuting patterns identified in the 2011 census (as referenced in Section 12.3), and therefore approximately 20% of existing (in 2011) jobs are taken up by those living further afield. As such, the likely leakage of employment outside the Study Area is considered to be approximately 20%.

#### *Displacement*

12.4.17 It is possible that the Proposed Development would take trade from other businesses located within the Study Area. However, given the essentially 'closed' nature of the Proposed Development as a motorway services that is not accessible from other, non-motorway roads (i.e. very unlikely to be used by local people), and the proven need for a service area on this stretch of the A1(M), it is unlikely that this would be significant. Additionally, the type of jobs created by the Proposed Development involve a high degree of transferable skills rather than requiring a very specific skill-set, allied with the broad occupational mix of jobs offered the MSA would offer a good mix of employment opportunities to job seekers in the study area. This would reduce the likelihood of displacing staff from existing businesses and instead assist in providing employment to those currently out of work. As such, displacement resulting from the Proposed Development is likely to be low, and has been estimated at no more than 10%.

#### *Indirect and Induced Effects*

12.4.18 There will inevitably be a range of bought-in goods and services required, once the Proposed Development becomes operational. These will result in continued or additional indirect employment by the suppliers of these goods and services. Further induced, effects would derive from spending by those employed directly and indirectly at the Proposed Development, which would inevitably support employment (continued or additional) in relation to a further range of goods and services. The scale of this additional indirect and induced employment can be estimated via use of a multiplier. The *Additionality Guide* suggests a composite multiplier (covering income and supply) of 1.21 is appropriate for retail activity. As such, approximately

63<sup>18</sup> new or existing FTE jobs would be supported via the indirect or induced effects of the Proposed Development.

#### *Additionality*

12.4.19 Based on the above, the additionally deriving from the Proposed Development, i.e. how it would be likely to affect the economy of the Study Area once operational can be estimated. Gross Value Added per job has been calculated using an average of the rates per head for Harrogate and Hambleton (which are set out in Table 12.9)<sup>19</sup>, and has been set at £23,751.50.

12.4.20 Table 12.11 sets out the additionality calculation for the Proposed Development.

**Table 12.11: Additionality**

	<b>FTE Employment</b>	<b>Gross Value Added</b>
A. Direct Employment	300	£7,125,450.00
B. Leakage (outside Study Area)	20%	n/a
C. Gross Direct Effect (A - B)	240	£7,700,360.00
D. Displacement <sup>20</sup>	10%	n/a
E. Net Direct Effect (C - D)	216	£5,130,324.00
F. Multiplier	1.21	n/a
G. Total Net Effect (E x F)	261 <sup>21</sup>	£6,199,141.50

12.4.21 As the Site is at present a field within a larger agricultural holding, it is considered that it does not currently support any specific employment and the loss of this agricultural land is unlikely to affect the employment level of the relevant agricultural business(s). As such, the effects of the Proposed Development are not considered against any corresponding loss of employment at the Site.

12.4.22 The Proposed Development would result in the direct creation of approximately 300 FTE jobs. When additionality is taken into account, the Proposed Development is likely to support approximately 261 jobs within the Study Area. The net gross value added to the economy of the Study Area by the Proposed Development would be in the region of £6.2 million annually. In absolute terms these figures represent a moderate change from the baseline for both employment and Gross Valued Added

<sup>18</sup> I.e. 300 direct FTE jobs multiplied by 1.21 gives 363, with the difference (i.e. 63) being the additional indirect or induced employment supported

<sup>19</sup> I.e. (GVA per head for Harrogate + GVA per head for Hambleton) divided by 2

<sup>20</sup> Displacement is estimated at 10%, as discussed in 12.4.17

<sup>21</sup> Actual figure is 261.36

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reported in Section 12.3. When considered at a local level the beneficial effects of the Proposed Development has the potential to result in significant beneficial effects.

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## **12.5 Mitigation**

### ***During Construction***

- 12.5.1 The effect on construction employment within the Study Area is considered to be beneficial and no specific mitigation measures are deemed necessary.
- 12.5.2 Nevertheless, there are enhancement measures that could be used to increase the positive aspects and potential supply chain benefits to local businesses, such as:
- Use of labour agreements to maximise the proportion of local construction workers;
  - A recruitment/training programme with a focus on the closest Jobcentres; and
  - Local procurement of products and services where possible.
- 12.5.3 As the construction period would be of limited duration, it is considered unlikely that this presents the opportunity to establish specific training or apprenticeships for the types of trades that will be required.

### ***During operation***

- 12.5.4 The effect on permanent (non-construction) employment within the Study Area is considered to be beneficial and no specific mitigation measures are deemed necessary
- 12.5.5 On completion of the Proposed Development, the Applicant would provide additional training to new employees, including a Manager Development Programme, an Intern Programme with Business Management Degree, as well as courses on specific topics such as Employment Law.
- 12.5.6 These training and personal development opportunities are enhancement measures that would increase the benefits of the Proposed Development, increasing the skill base of the local labour force.

## **12.6 Residual Effects and Conclusions**

- 12.6.1 The Proposed Development would have a beneficial effect on construction employment within the Study Area. As such the scheme would have a clear positive influence upon the continued viability of a range of contractor companies and their employees, as well of other businesses forming part of the supply chain. There may therefore be significant effects for specific businesses, and indeed for individuals

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employed in construction. This would be of general benefit to the wider economy, in terms of retention and possible upgrading of skilled workers, and in terms of the viability of construction sector businesses. Construction is a sector that is dependent upon the availability of continued opportunities to undertake built development, and the Proposed Development would provide such an opportunity.

12.6.2 Once operational, the Proposed Development would directly create approximately 300 jobs. A further 63 jobs are likely to be created or supported by indirect or induced expenditure (e.g. services bought-in to the Site, or spending outside the Site by employees). Once the effects of displacement and leakage are considered, it is estimated that within the Study Area approximately 261 jobs would be supported directly or indirectly. This would add an estimated £6.2 million to the economy of the Study Area each year. The effects of the Proposed Development would clearly be beneficial in reducing the unemployment levels in the study area, particularly as the MSA offers a broad range of job types and skill levels. When considered in the context of the wider Study Area economy, it is concluded that the effect would be moderate, which could result in significant beneficial effects at the local level.

12.6.3 The job creation and increase in gross value added that would result from the Proposed Development, together with the training providing by the Applicant, would contribute to the achievement of both planning and economic policies.