



# Socio-Economic Impact Appraisal of SPZ Proposals for Hillington Park

Final Report for MEPC

6 April 2014

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# Contents

Executive Summary	i
1. Introduction	1
2. Baseline Review	3
3. Economic Impact Assessment	6
4. Social and Catalytic Impacts	12
Technical Appendix	16

## Executive Summary

This Executive Summary presents the key economic, social and catalytic impacts predicted to be generated/safeguarded through the existing activity and the proposed Simplified Planning Zone (SPZ) within Hillington Park. Please note the impacts are reported at the gross and regional levels<sup>1</sup>.

### Hillington Park Today

The Park is a key business location and makes a significant contribution to the economy:

- generates/safeguards employment – 6,120 gross FTE jobs
- generates/safeguards economic wealth of £333m every year
- generates/safeguards disposable income (wages) of £180m every year

### Over the Next Ten Years - Delivered through the SPZ

Hillington Park has the potential to deliver c. 85,000 sqm of commercial floorspace:

- potential to generate a further 2,800 gross FTE jobs
- generate/safeguard economic wealth of £217m every year
- generate/safeguard disposable income (wages) of £112m every year

### Construction Impacts

The proposed SPZ will also create one-off short term impacts over the construction period, including:

- 1,025 one-off construction jobs
- generate new economic wealth of £68m
- generate disposable income (wages) of £34m

### Social and Catalytic Impacts

The Park has the potential to deliver more than just economic impacts:

- local employment boost
- opportunities for supply chains
- place development and catalytic impact

<sup>1</sup>

a) Economic wealth refers to Gross Value Added, b) Construction jobs are measured in gross Person Year Equivalents.

# 1. Introduction

MEPC, the majority landowner and operator of commercial property at Hillington Park has commissioned EKOS Ltd to undertake an independent robust assessment that considers the key economic, social and catalytic impacts predicted to be generated/safeguarded through current, and future commercial development activity delivered under the proposed Simplified Planning Zone (SPZ) at Hillington Park on the boundary of Glasgow and Renfrewshire. The report will be used to support the development of a Simplified Planning Zone (SPZ).

The assessment is based on information and data supplied by MEPC. It provides our estimate of the likely economic and social benefits generated through the proposed SPZ Scheme. It does not comment on the need, or business case for, the project which has been developed elsewhere.

## 1.1 Development Breakdown

Our assessment considers the impact of the current activity supported, and the potential new impacts generated through the development of a SPZ.

1. Current activity within Hillington Park – existing floorspace:
  - c. 494,352 sqm<sup>2</sup>;
  - c. 450 - 500 businesses; and
  - c. 6,120 FTEs<sup>3</sup>
2. Proposed floorspace under the SPZ Scheme – this includes existing space that will be redeveloped/upgraded and brought back into use:
  - Commercial floorspace: 85,017 sqm:
    - 44,652 sqm office floorspace – class 4
    - 13,935 sqm industrial space – class 5, 6
  - Complementary land uses<sup>4</sup>:
    - 26,430 sqm - class 1, 2, 3, 7, 11;
  - timescale for delivery of SPZ: 2015 – 2025; and
  - estimated construction costs: c. £155m.

<sup>2</sup> This includes the recently demolished properties at the former Rolls Royce site.

<sup>3</sup> Based on total headcount and assumed split between full and part time jobs - based on regional average.

<sup>4</sup> Complementary uses include; retail, food and drink provision, hotel/accommodation and leisure uses.

## 1.2 Structure of Report

The remainder of the report is structured as follows:

- Section 2: [Baseline Review](#);
- Section 3: [Economic Impact Assessment](#);
- Section 4: [Social and Catalytic Impact](#); and
- [Technical Appendix](#).

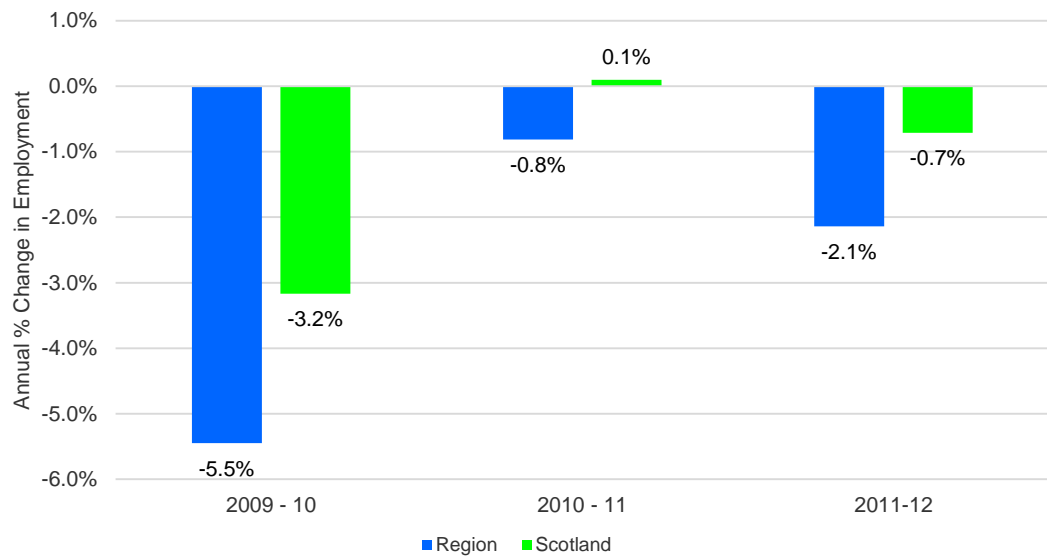
## 2. Baseline Review

This section provides a brief overview of the socio-economic context in which the SPZ will be delivered. The information presented below provides a ‘snapshot’ of the economic baseline position within the regional and national areas.

Please note that the regional area is defined as Glasgow and Renfrewshire local authority areas.

Figure 2.1 reports the annual change in the workplace employment base for the two comparator areas in the post-recession period (2009 – 12). The wider regional area has experienced greater levels of decline on the back of the recession. There are likely a number of reasons for this, including the vulnerability of some industry sectors to the impacts of wider recession.

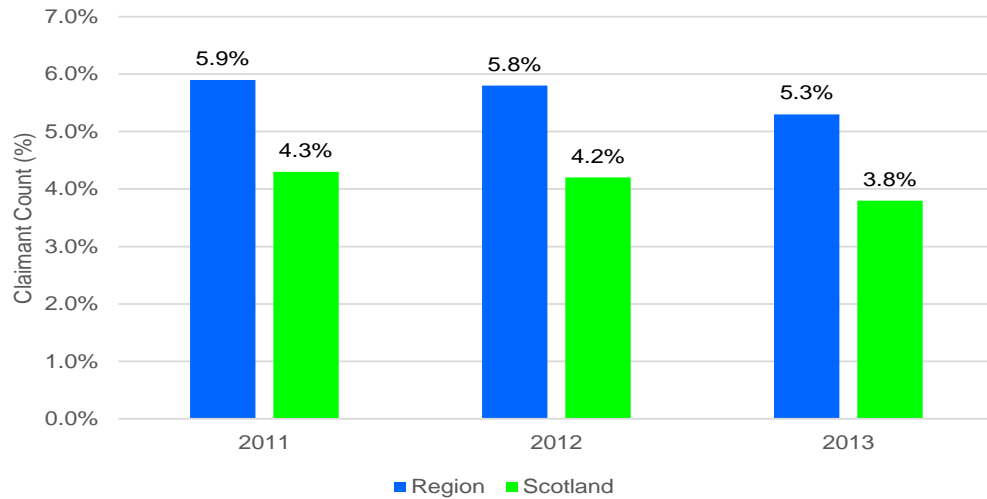
**Figure 2.1: Annual Change in Employment Base 2009-12**



Source: Business Register and Employment Survey

One of the potential consequences arising from a decrease in employment opportunities is an increase in those claiming unemployment related benefit. Claimant Count data shows that the regional area has consistently had a higher proportion of the working age population unemployed but actively seeking work, see Figure 2.2.

**Figure 2.2: Claimant Count 2011-13**



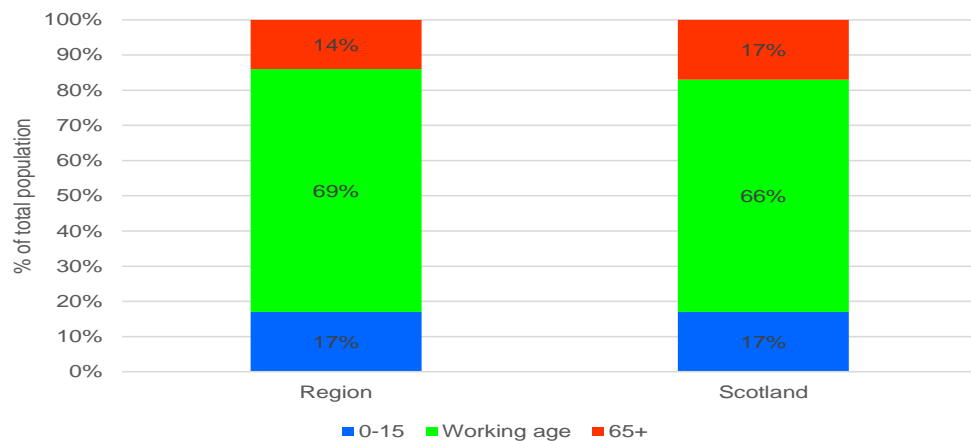
Source: Claimant Count

The average annual Claimant Count rate has been c. 1.5% greater than the national average for the last three years.

It should be noted that more recent national level data shows positive signs of recovery across the Scottish economy – with growth starting to return to pre-recession levels (see Scottish Government).

The most recent mid-year population forecasts (2011) identifies that there is a larger proportion of working age people across Glasgow/Renfrewshire than compared to Scotland as a whole, see Figure 2.3. This means that there is potentially a large supply of labour to meet an increase in demand from businesses as the economy begins to recover.

**Figure 2.3: Mid-Year Population Forecasts 2011**



Source: General Register Office for Scotland



## Key Messages

A brief review of the regional area shows that there have been notable changes within the make-up of the economy, characterised by a lack of investment from the private sector and a decline in employment opportunities.

What this means is that there is a sizable work-ready population within the area that would potentially be able to take advantage of any new employment opportunities generated through the proposed commercial development within Hillington Park under the SPZ.

Recent economic analysis and growth forecasts published by various sources, including the Scottish Government's State of the Economy Report (August 2013)<sup>5</sup> indicate somewhat of a resurgence in the Scottish economy with a pick up across both the labour market and economic output.

Whilst there are a number of positive signs, recovery remains fragile, and within Scotland particularly, economic recovery will be driven through an increase in productivity and indigenous growth – which in turn will help support the labour market. In essence, generating employment opportunities within higher value added and key growth sectors will be vital over the short to medium term to drive the economic recovery across Scotland.

Established and proven business locations, such as Hillington Park will have a role to play in supporting the economic recovery in the West of Scotland through the creation of good quality commercial accommodation to attract new investors and grow the indigenous business/employment base.

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<sup>5</sup> <http://www.scotland.gov.uk/Topics/Economy/state-economy/latestSofE>

### 3. Economic Impact Assessment

The economic impacts are reported as Full Time Equivalent (FTE) jobs, Gross Value Added (GVA) and salaries and have been calculated using a bespoke appraisal model and based on HM Treasury ‘Green Book’ guidance. Impacts are reported at the regional (Glasgow/Renfrewshire), and national (Scotland) level. A full breakdown of the Socio-Economic Impact Assessment (SEIA), including the additionality factors and assumptions used are contained within the [Technical Appendix](#).

Our assessment takes account of a range of economic impacts:

- [on-site impacts](#) – captures the new and safeguarded operational jobs that are predicted to be generated within Hillington Park through the existing, and proposed commercial accommodation through the SPZ;
- [construction impacts](#) – captures the one-off impacts associated with the construction of the development under the proposed SPZ;
- [financial impacts](#) – captures the level of Business Rates generated through the existing and proposed developments under the SPZ; and
- [cumulative impacts](#) – captures the net discounted impacts of the existing, and proposed SPZ developments over a 10 year appraisal period – the period in which the SPZ will be in place.

#### Technical Note

Throughout this report a number of technical economic terms are used:

- **gross jobs:** the direct jobs accommodated on-site at the existing and proposed SPZ developments, this includes the activity within redeveloped or upgraded floorspace. The existing gross on-site jobs and breakdown of floorspace has been provided by MEPC. The gross jobs generated through the proposed SPZ Scheme has been assessed through EKOS calculations using employment density benchmark data. However, economic output associated with these jobs (salaries and GVA) has been taken as sectoral averages from official published data;
- **net jobs** – the out-turn of the gross jobs taking account of:
  - the impact the development is estimated to have on other businesses and the labour market (displacement)

- the proportion of impacts that will benefit those outwith the defined spatial areas (leakage)
- the positive spin off benefits generated through income and supplier multiplier effects;
- FTE jobs – jobs or posts where the working hours are a minimum of 37 hours a week and last for a period of ten years;
- Gross Value Added – GVA is a measure of the value of goods and services produced before allowing for depreciation or capital consumption. GVA measures the income generated by businesses after the subtraction of input costs but before costs such as wages and capital investment. GVA is the Government’s preferred method for measuring economic performance;
- PYEs – construction jobs are based on Person Year Equivalents (PYE). This method allows the number of people on-site over the whole construction period (which will vary over the period between full-time, part-time, permanent, temporary and contract) to be estimated as an annual equivalent post. Please note, construction impacts are one-off; and
- net cumulative discounted impacts – the total quantified value of the net additional GVA impact over a 10-year period taking account of the date at which the development will be completed and occupied, and the time value of money i.e. £1 today is worth more than £1 next year.

We have used the HM Treasury Social Time Preference Rate (3.5%) to discount the estimated impacts.

### Disclaimer Note

The SEIA has been undertaken based on information provided by MEPC, and based on EKOS’ professional judgement and assumptions, outlined in the [Technical Appendix](#). It does not constitute a detailed market demand assessment but outlines the potential impacts that could be delivered through the SPZ.

Our review is based on current economic conditions and identifies the potential impacts and benefits that could be generated from the development if completed in full, and occupied as per our detailed assumptions.

The actual results, however, will likely vary from those projected as they will be subject to future market conditions and other economic influences, as well as performance against the assumptions adopted by EKOS.

Variances from our projections could be material (positive or negative), but it should be noted that EKOS has adopted a robust appraisal methodology in the estimation of the economic impacts for this development proposal.

We do not anticipate substantial variation, unless there is major change in the economic structure, change in market profiles, and/or competition from other developments in the local, regional or national area.

### 3.1 Gross Economic Impacts and Benefits

The gross impacts will be generated through on-site activities - impacts reported are both new to the economy and safeguarded.

The key gross impacts the existing and proposed developments under the SPZ are predicted to support are outlined below<sup>6</sup>:

**Table 3.1: Gross Impacts**

	FTE Jobs	Salaries per annum	GVA per annum
Existing	6,120	£180m	£333m
Proposed SPZ Scheme	3,740	£112m	£217m

Note: Jobs rounded to the nearest 10 and salaries and GVA to the nearest £m

The assessment of gross impacts identifies that the proposed SPZ will generate significant gross impacts. An additional 3,740 on-site jobs which represents a sizeable increase from the current employment base at Hillington Park.

In addition, there is an aspiration for the SPZ to attract 'higher value' businesses and employment opportunities to the Park.

<sup>6</sup> Note: Gross impacts are assessed based on the development breakdown outlined above and if occupied in full and are the same across the different geographic levels..

## 3.2 Net Economic Impacts and Benefits

However, these gross impacts cannot be considered in isolation and must take account of a range of other factors – displacement, leakage and multiplier effects (as detailed in the [Technical Appendix](#)). Please note that gross and net impacts are not cumulative, but that net impacts are the outturn of the gross impacts after accounting for additional factors.

The net impacts are reported in [Table 3.2](#).

**Table 3.2: Net Impacts<sup>7</sup>**

	FTE Jobs	Salaries per annum	GVA per annum
<b>Region</b>			
Existing	4,940	£145m	£269m
Proposed SPZ Scheme	2,030	£61m	£121m
<b>Scotland</b>			
Existing	7,430	£218m	£404m
Proposed SPZ Scheme	3,010	£89m	£181m

Note: Jobs rounded to the nearest 10 and salaries and GVA to the nearest £m

## 3.3 Construction Impacts and Benefits

In addition to the gross/net impacts generated through operational/on-site activity at Hillington Park, there are also one-off short term construction impacts associated with the construction activity to consider, see [Table 3.3](#).

<sup>7</sup> Net impacts are based on the development being 100% occupied – i.e. the figures quoted in Table 3.2 represent the maximum net impact of the project.

**Table 3.3: Gross and Net Construction Impacts**

	Gross Impacts			Net Impacts		
	PYE Jobs	Salaries	GVA	PYE Jobs	Salaries	GVA
<b>Region</b>						
Proposed SPZ Scheme	1,025	£34m	£68m	1,070	£35m	£71m
<b>Scotland</b>						
Proposed SPZ Scheme	1,025	£34m	£68m	1,610	£53m	£107m

Note: Jobs rounded to the nearest 10 and salaries and GVA to the nearest £m

### 3.4 Financial Impacts

It is estimated that currently, the commercial activity within Hillington Park generates c. £18.3m in Business Rates per annum.

Based on an assumed Rateable Value for the floorspace delivered via the SPZ (based on rental values: office - £180 per sqm and industrial/complementary uses - £80 per sqm), and applying the current Poundage Rate (47.1p in the pound for larger businesses) the proposed SPZ Scheme has the potential to generate **additional Business Rates of £5.3m per annum.**

### 3.5 Cumulative Impact

Please note that the gross and net impacts reported above represent the maximum capacity of Hillington Park to support and generate economic activity.

However, when considering the cumulative longer term effects of the commercial activity, it is important to understand other market factors such as the delivery and occupancy profiles, and the 'present value' of impacts i.e. adjusting historical and future impacts into today's values<sup>8</sup>.

We have therefore made assumptions (based on Hillington Park's historical take-up) on the likely occupancy rates, and adjusted/delayed the economic and financial impacts using the HM Treasury recommended rate of 3.5%.

Below we have considered the cumulative effects over the 10 year timescale of the SPZ, please note that this accounts for both operational and construction activity.

<sup>8</sup> See HM Treasury Green Book for more information  
[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/220541/green\\_book\\_complete.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220541/green_book_complete.pdf)

Please note, for the purposes of our assessment we have assumed there will be no notable fluctuation in the current occupancy levels of Hillington Park over the long term (based on information provided by MEPC which indicates a relatively stable occupancy profile over a number of years).

**Table 3.4: Cumulative Economic Impacts – 10 year SPZ Timescale**

	Existing	Proposed SPZ Scheme
<b>Region</b>		
Gross jobs	6,120	2,800
Net jobs	4,940	1,520
Net GVA (£'000,000)	£2,502	£429
Net salaries (£'000,000)	£1,354	£216
<b>Scotland</b>		
Gross jobs	6,120	2,800
Net jobs	7,430	2,260
Net GVA (£'000,000)	£3,766	£642
Net salaries (£'000,000)	£2,039	£317

Note: Jobs rounded to the nearest 10 and salaries and GVA to the nearest £m

A review of the cumulative impacts identifies the significant scale of the economic activity that is both; currently generated through Hillington Park and potentially could be generated in the future through the proposed SPZ Scheme.

Over a ten year period the proposed SPZ Scheme is estimated to support **2,800 gross FTE jobs** and **generate net additional economic output (GVA) of c. £429m** and **expendable income (salaries) of c. £216m** within the regional economy.

## 4. Social and Catalytic Impacts

One of the key issues to consider over and above the quantifiable economic impacts reported above is the likelihood of additional social and catalytic impacts/benefits for the local and wider regional area.

This section does not try to quantify the extent of this social and catalytic benefit but simply outlines the potential benefits that the proposed development is likely to generate.

### Local Employment Boost

#### Key Points

The proposed SPZ development will support and create a range of employment opportunities – **2,800 gross FTE jobs** over a ten year period across a range of sectors.

Given the strategic location of Hillington Park within the central belt, its good access to road, rail and air links, and considering the current tenants/sectors located within the Park - a high proportion of these jobs will likely be within higher value added and priority sectors, for example software, logistics, etc.

There is an opportunity to develop clusters of high value activity. For example the Park already has a notable presence within software development and engineering sectors. The proposed developments have the potential to attract further activity within these higher value sectors and further establish the area as a key hub for activity in the west of Scotland.

In addition, the development of the new Southern General Hospital, which is due for completion in 2015 at a cost of c. £850m making it the largest hospital in Europe will attract significant new activity and investment to the Scottish health sector.

There is potential to develop a medical, healthcare or related supply chain cluster within Hillington Park given its close links to both the Hospital and Glasgow Airport – adding to the development of the Clyde Bio-Corridor. This will in part, be dependent on the delivery of good quality business space.



As highlighted within our baseline review, the area has experienced notable job losses on the back of the recession, and is recovering at a slower rate than the national average. One of the key factors in supporting and promoting recovery is the availability of good quality commercial accommodation.

A good example of how the development of commercial property at Hillington Park can help grow the economy off the back of the economic downturn is considered here.

The introduction of the SPZ will enable the refurbishment of existing, and provision of new, accommodation on vacant parts of the site that was previously occupied by Rolls Royce – a significant employer in the local area that has recently scaled back operations within the west of Scotland. The SPZ will help to attract new or expanding companies to the area and ‘back fill’ the jobs that were lost to the area.

Finally, the SPZ can also positively impact the local economy through delivering Community Benefit Clauses – in particular, facilitating local employment training and apprenticeship schemes during the construction and operational phases in order to up-skill and promote employment opportunities within the local labour market – targeted particularly at young people.

## Opportunities for Supply Chain

### Key Points

The SPZ could provide an opportunity for local/regional businesses to work with, and benefit from, the proposed developments through supply chain linkages.

The economic activity/output of the developments will help create/safeguard significant impacts and opportunities for the local/regional/national supply chain. These supply chain impacts will be generated through on-site, off-site and construction activity, and are considered below.

The new economic activity generated through the proposed SPZ Scheme will have a positive impact on growing and supporting the regional supply chain, for example, through direct purchases of goods, services, and labour from suppliers, and generating induced impacts elsewhere in the economy, for example, new employees spending wages in the economy.

In total, the proposed SPZ will generate/safeguard **500 net additional jobs within the regional supply chain.**

## Place Development and Catalytic Impact

### Key Points

The proposed SPZ Scheme will add high quality commercial accommodation and help to further demonstrate both Hillington Park and the wider area as a viable development location.

There are a number of established and successful business sites within the wider region, in particular clustered around Glasgow Airport (for example, Inchinan, and Westway Business Parks).

Within the Glasgow and Clyde Valley Strategic Development Plan (2012)<sup>9</sup> Hillington Park and a number of surrounding areas including Bishopton and Glasgow Airport 'Investment Zone' are identified as key Strategic Economic Investment Locations (SEIL). Hillington Park is also a Strategic Industrial and Business Location in the adopted Renfrewshire Local Plan (2006) and a SEIL in the submitted Renfrewshire Local Development Plan, Proposed Plan, June 2013.

Currently, there are only modest on-site facilities at the Park for eating, drinking, hosting conferences, etc. The new development provides an opportunity to develop 'better' infrastructure that will benefit tenants and users, this includes better quality restaurant/café/pub, leisure facilities and some form of sustainable transport hub.

This will help improve the attractiveness of the Park and support its growth from an 'industrial park' to a strategic business and investment location that offers quality business space.

Therefore, there is potential for the proposed development activity to act as a catalyst for further investment and development activity in the local area. The growth of the Park could help demonstrate the viability of the wider area as a development location, particularly in the context of a restricted development market.

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<sup>9</sup> <http://www.gcvsdpa.gov.uk/images/stories/documents/GCVSDPA%20May%202012.pdf>

It is important that physical development on the ground takes place in order for the potential tenants, residents, and investors to see positive changes taking place. The impact of this (i.e. development that can be seen and touched) will have positive spin off benefits and improve the external perception of the area.

## Technical Appendix

This appendix provides the detailed socio-economic impact appraisal (SEIA) and assumptions used within our assessment. This assessment has included an ex-ante EIA and has been undertaken in line with HM Treasury ‘Green Book’ guidance and using a bespoke appraisal model to assess gross and net outputs.

The impact assessment considers the on-site impacts, one-off construction impacts, financial impacts and the longer term economic impacts.

A copy of the detailed Excel model used within our assessment can be obtained through contacting the report author direct.

### Gross Impacts

The gross economic impacts i.e. jobs, Gross Value Added (GVA) and salaries have been calculated based on information provided by MEPC on the size and scale of the proposed SPZ Scheme and thereafter converted into gross jobs using a floorspace density calculation. The Floorspace densities are based on guidance provided within the ‘Employment Densities Guide’, OffPAT and Homes and Communities Agency (2010).

Please note that in terms of the complementary uses, c. 26,430 sqm floorspace – the breakdown has been provided by MEPC and includes class 1, 2, 3, 7, 11, for example, retail, food and drink provision, hotel and leisure facilities.

Please note, Floorspace densities consider jobs in terms of FTE jobs.

**Table A1: Gross On-site Job Assumptions**

	Size (sqm)	Density	Gross Jobs - FTEs
Existing at Hillington Park	494,352	-	6,121
<b>SPZ Scheme</b>			
Office accommodation	44,652	1 FTE per 15 sqm	2,977
Industrial accommodation	13,395	1 FTE per 60 sqm	232
Complementary uses	26,293	1 FTE per 50 sqm	529
<b>Total</b>			<b>3,738</b>

Source: MEPC and EKOS assumptions

Note: (1.) Floorspace breakdown based on information provided by MEPC . (2.) Average floorspace density for complementary uses, 1 FTE per 50 sqm based on EKOS assumptions.

## Construction Impacts

The construction phase of the development will generate additional one-off construction impacts associated with the new investment and development.

Our analysis of construction industry employment impacts are based on Scottish Annual Business Statistics data. The analysis uses an employment co-efficient of £155,114 construction industry spend required to sustain one full-time construction industry employee for a period of one year – a Person Year Equivalent post (PYE).

The Construction co-efficient is derived from Scottish Annual Business Statistics (2011, and adjusted using the GDP Deflator to reflect 2013/14 prices)<sup>10</sup>, which provides data on the average construction spend per employee.

Construction jobs are based on PYEs. This method allows the number of people on-site over the whole construction period (which will vary over the period between full-time, part-time, permanent, temporary and contract) to be estimated as an annual equivalent post – PYE.

Gross construction jobs are derived from dividing the total construction costs (estimated at £155m) by the construction employment co-efficient (regional figures provided).

$$\text{£155,000,000} \div \text{£151,170} = 1,025 \text{ construction PYEs}$$

Gross construction impacts are then taken through the gross to net calculation as outlined below.

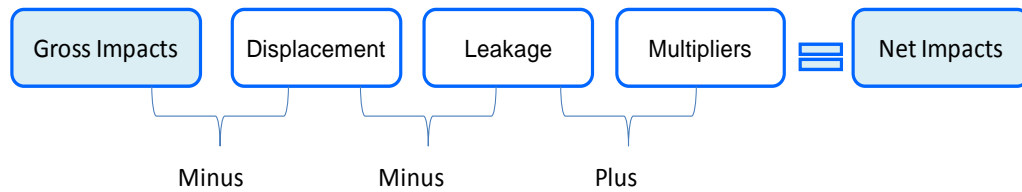
## Net Impacts

However, in order to assess the true economic impact, the gross employment is considered in terms of displacement, leakage and multiplier effects – the logic chain, see [Figure A1](#). Please note, the net impacts are assessed at the regional (Renfrewshire/Glasgow) and national level.

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<sup>10</sup> Please note that at the time of finalising this report, the most up-to-date information with regards price adjustment (using the GDP Deflator) was for 2013 prices (updated on 8 January 2014).

**Figure A1: Moving From Gross to Net Impacts**



Below we provide an assessment of the logic chain factors applied within our assessment.

**Table A2: Logic Chain Factors**

	Leakage	Displacement	Multiplier
<b>Region</b>			
Office accommodation	40%	25%	1.33
Industrial accommodation	25%	60%	1.48
Complementary uses	10%	75%	1.20
Construction activity	30%	10%	1.66
<b>Scotland</b>			
Office accommodation	0%	45%	1.67
Industrial accommodation	0%	70%	1.95
Complementary uses	0%	80%	1.40
Construction activity	15%	20%	2.31

Source: EKOS assumptions and Sectoral Benchmarks (Scottish Enterprise guidance)

### Gross Value Added (GVA)

Gross Value Added (GVA) is a measure of the value of goods and services produced before allowing for depreciation or capital consumption<sup>11</sup>.

GVA measures the income generated by businesses after the subtraction of input costs, but before costs such as wages and capital investment is paid prior to arriving at a figure for profit.

GVA per employee was calculated for on-site and construction jobs based on data from the Scottish Annual Business Statistics.

<sup>11</sup> Gross Value Added (GVA) is equivalent to Gross Domestic Product (GDP) at basic prices.

Latest data was for 2010 and therefore, this was adjusted to 2013 prices using the GDP Deflator, see [Table A3](#).

**Table A3: Average GVA per Employee Assumptions – Regional Level**

	Average GVA	Uprated to 2013	Uprated to FTE
Average for office accommodation	£50,652	£52,590	£61,766
Average for industrial accommodation	£45,197	£46,926	£51,217
Complementary uses	£24,081	£25,002	£39,357
Construction	£64,174	£66,630	-

Source: Scottish Annual Business Statistics

The GVA impact is derived from multiplying the jobs by the average GVA per employee figure – for both gross and net impacts.

## Salaries

The salaries supported through the development are based on average salaries across broad industrial sectors at the Scottish levels and uprated to 2013 prices.

Please note, average salary impacts are based on the same industry sectors used to derive the average GVA per employee figures.

**Table A4: Average Salaries per Employee**

	Average GVA	Uprated to 2013	Uprated to FTE
Average for office accommodation	£24,829	£25,779	£30,277
Average for industrial accommodation	£25,663	£26,645	£29,081
Complementary uses	£11,274	£11,706	£18,426
Construction	£31,521	£32,727	

Source: Scottish Annual Business Statistics

The net salary impact is derived from multiplying the net jobs by the average salary per employee figure.

## Long Term Impacts

In order to assess fully the impact of the existing and proposed activity, it is important to consider the longer term impact it is likely to have on the local economy.

In order to accurately gauge the impact we must consider the total quantified value of the development impact over the 10 year SPZ timescale-year period taking account of the date at which the development will be completed and occupied, and the time value of money i.e. (£1 today is worth more than £1 next year). We have used the HM Treasury Social Time Preference to discount the estimated impacts at 3.5%.

Full details of the cumulative impacts and the adjustments taking account of the 3.5% discounting factor can be obtained by contacting the report author direct.