

Cinders Farm, Ruabon

Socio-Economic Statement

indigo.

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1. Introduction

- 1.1. Indigo Planning has prepared this Socio-Economic Statement on behalf of Soaltar Limited to support the planning application for the proposed agricultural buildings for the rearing of livestock at Cinders Farm, Ruabon.
- 1.2. Planning permission is sought for:
- “Erection of four agricultural buildings for rearing livestock (poultry); ancillary buildings and plant; associated infrastructure; and landscaping.”*
- 1.3. The proposed development is described in the Design and Access Statement and Chapter 3 of the Environmental Statement.
- 1.4. The purpose of this statement is:
- To review the key economic development and related planning policies for Wrexham;
 - To identify, quantify and assess the temporary socio-economic benefits associated with the construction phase of the Development; and
 - To identify, quantify and assess the permanent socio-economic effects associated with the operational phase of the Development.

2. Background

- 2.1. The purpose of this section is to provide relevant background relating to the development and the need for the development.
- 2.2. In comparison to other agricultural sectors, demand for UK poultry meat has seen strong growth, attracted heavy investment from main processors. Cargills, Faccenda and Moy Park have announced expansion in recent years and Maelor Poultry have recently invested heavily in a new processing site in Wrexham local authority area.
- 2.3. The geographical location is logistically a good location for a broiler farm due to the location of the new Maelor Poultry site, a major feed mill operated by 2Agriculture is located at Llay Industrial Estate and Anayalla Chicks breeding site on the Wrexham industrial Estate. The significant elements of the supply chain and the market are within the local authority area of Wrexham.

Management

- 2.4. The poultry farm will be managed in accordance with the Red Tractor Standards by highly skilled and competent staff. Soaltar Limited will employ an experienced poultry stockman with a minimum of three years of experience in a managerial position and who is therefore able to demonstrate competence and will have obtained a "Poultry Passport" to Level 3 or 4 and will therefore have been awarded as a minimum a Poultry Passport-accredited Work-based Diploma in Agriculture (Poultry Production) or equivalent.
- 2.5. The manager will be housed at Cinders Farm and will therefore be close to the flock to carry out routine day-to-day management and respond to any particular requirements of the flock.

Scale and Size

- 2.6. One of the key criteria for the new farm is that it is designed to have the capacity to generate sufficient revenue to provide sufficient income for one full time member of staff and one part time member of staff.
- 2.7. To generate the monetary returns required to finance the initial capital investment and return a sustainable profit Soaltar Limited have been advised by agricultural business consultants that the site would need to grow in the region of 1.6 to 1.7 million birds a year. Working back from 7.5 crop cycles per year to produce a standard bird, this equates to a unit with the capacity of housing approximately 225k broilers. Additionally, to be competitive in a market which demands higher welfare birds, the houses would need to have sufficient footprint to achieve a stocking rate in accordance with Higher Welfare Standards.
- 2.8. Poultry farming is an agricultural activity, and a rural location is appropriate. The birds will eat agricultural produce (wheat), the biomass boiler will be powered by organic products (wood) and the manure produced is used in agriculture as a fertiliser and soil conditioner.
- 2.9. The land to the north of Cinders Farm was identified so that the farm buildings would form one cohesive agricultural unit at Cinders Farm. The whole development could be contained within fields within existing hedgerows meaning that it wouldn't be necessary to dramatically alter the field pattern, lose any mature trees or to remove lengths of established hedgerow.
- 2.10. The farm buildings would be within sight and sound of the farmhouse at Cinders Farm and would be able to be managed without the need to use a vehicle. It is essential that the poultry manager is on site day and night to carry out poultry management duties. The availability of supervision is necessary to ensure that the poultry farm complies with or

exceeds the requirements of the welfare regulations which are reinforced under the Red Tractor scheme which require immediate response times in the event of alarms or emergencies.

- 2.11. The other major advantage of the site is that it is a short distance to the A539 and therefore accessible by supply chain businesses and the market.

Site Layout and Design

- 2.12. This is largely determined by the operational needs of the enterprise. For this reason the proposal is similar to for modern poultry farms that have been built in the county.
- 2.13. The development comprises of a series of low profile purpose built poultry houses set in a line with feed bins in between them and a taller individual building to store the biomass and boiler needed to provide heat. The service ends of the houses, biomass building and feed bins are located furthest away from Cinders Farm and nearby residents at Cinders cottage which will minimise the impact of site activity on our neighbours residents.
- 2.14. The design of poultry houses as with other livestock sheds is determined by the welfare of the livestock they are to house. In the case of broilers, the design is governed by the need for heat efficiency and good ventilation. This results in the characteristic long low buildings with ventilation outlets on the roofs.
- 2.15. The systems and the operation of the systems will be controlled by NRW through the permit which contains conditions relating to matters such as odour, noise dust and pests. There are provisions which allow NRW to require management plans to be revised from time to time and there is always an obligation to operate to BAT (Best Available Techniques) so it is guaranteed that the site will remain up to date in the systems and techniques that are used.

3. Economic Benefits

Overview

- 3.1. Agriculture and the food supply chain are important to the national and the local economy. NFU Cymru's 'Farming – Bringing Wales together' report highlights the economic, societal and environmental contribution of the sector in the wake of the Welsh government's Well-being of Future Generations Act. It says agriculture underpins the food supply chain, which is worth £6bn and is also Wales' biggest employer, creating some 223,000 jobs, of which 58,300 are directly in farming.¹
- 3.2. Poultry production is an economically sustainable production with the most efficient Feed Conversion Ratio among other livestock, low carbon and water footprints, low energy and electricity usage. Thanks to a short supply chain, the poultry industry contributes efficiently to feeding the world, in an environmentally responsible way (British Poultry Council Andrew Large, Chief Exec. 04/06/13).
- 3.3. The British Poultry Council reports that in the UK we each eat an average of 26kg of poultry every year and the UK's total annual consumption is 1.5 million tonnes of poultry².

Employment Benefits

Local Employment

- 3.4. The poultry farm will generate direct part time/fulltime employment on site as follows:
 - a full-time fully qualified and experienced Farm Manager (who will live at Cinders Farm) whose role will be to manage the day-to-day running of the poultry farm and would include responsibility for the care and welfare of the birds;
 - a part-time stockman who would split their time between other duties at Cinders Farm and the poultry farm;
- 3.5. It is a local economic benefit that the Site Manager will live at Cinders Farm as he/she will live and work in the area contributing to supporting local services and facilities – this is also a social benefit. Employment positions at the farm will be advertised in the Farmers Weekly and in the farming section of the local newspapers.

Local and National Employment

- 3.6. The site will also generate contract employment on site and employment within other businesses directly attributable to the poultry farm related to the crop cycle.
- 3.7. The following table is a summary of the man hours generated by the development within other businesses such as the production of chicks, the processing of the birds etc. The table summarises the man hours generated over one year. These have been prepared using Indigo Planning's experience of other poultry developments in the North Wales and borders area and have been relied on at public inquiries.

¹ Farming – Bringing Wales Together' NFU Cymru

² <http://www.britishpoultry.org.uk/category/opinions/>

Table 1 - Contract and associated employment

	Wrexham County -based business	Man Hours per year
<i>Production of raw materials</i>		
Wheat Production	Cinders Farm	3200
Feed manufacture	2Agriculture Ltd, Llay	2000
Bedding Manufacture and delivery	Platts Animal Bedding, Llay	110
Biomass Production and Delivery	Applicant-owned forestry	500
chick production (hatchery)	Annyalla Chicks, Wrexham	3320
<i>Delivery and administering inputs and care for crop</i>		
LPG delivery		15
Chick placement team	Annyalla Chicks	220
Feed Lorry Drivers	2Agriculture, Llay	975
Fallen stock collection	Wynnstay Kennels	45
External Husbandry support		210
Bird Collection Teams	Maelor Poultry Ltd	1500
Bird Collection drivers	Maelor Poultry Ltd	1150
<i>Cleaning site and preparation for next crop</i>		
Loading of litter, Site cleaning. Washing, disinfectant		1950
Hauling of litter from site		420
<i>Processing of birds</i>		
Processing Factory employees	Maelor Poultry Ltd	79000
<i>Ongoing annual maintenance, repair and administration</i>		
lorry servicing / maintenance / fuel / maintenance of equipment for suppliers	Local mechanics	315
Landscape maintenance	Local ground workers	70
Natural Resources Wales Auditing and Reporting on Permit		30
Electrical Maintenance servicing electrical equipment	Local electricians	370
Plumber Maintenance	Local plumbers	75
Biomass boiler servicing	Local plumbing and heating engineers	25
	Total man Hours	95500
	Number of FTE employees (based on 2,200 hrs per year per worker)	43.4

3.8. The 43 FTE that would be created by the Development once complete and operational represent a gross employment figure. In order to calculate net employment, the following assumptions have been made based on ready reckoner figures provided by the Additionality Guide³:

- A percentage figure of 10% was assumed for leakage. This is considered to be a low level of displacement.
- A percentage figure of 25% was used to calculate the likely displacement. This is considered to be a low level of displacement.
- A composite multiplier at the regional level was used to assess the effect of both the

³ Homes and Communities Agency - Additionality Guide (2014)

indirect and induced multipliers. This has been assumed to be 1.7, as it is considered the local area will have 'strong linkages' to the local supply chain.

- 3.9. Based on these assumptions the net additional jobs that will be created by the Development has been calculated using the following formula:

Gross on-site jobs x (1 – displacement) x (1 – substitution) x (1 – leakage) x combined multiplier effects = net additional jobs

$$43 \times (1 - 0.25) \times (1 - 0) \times (1 - 0.10) \times 1.7 = \mathbf{49 \text{ net additional jobs}}$$

- 3.10. After allowing for displacement, leakage and multiplier effects, it is estimated that the Development would create 49 net additional jobs.

Gross Value Added (GVA) to the Local Economy from Net Employment

- 3.11. The net additional employment created by the Development will have wider economic effects by generating gross value added to the local economy.
- 3.12. To estimate the annual GVA created by the complete and operational Development information from the ONS Sub-Regional Productivity tables has been used.
- 3.13. Detailed information on GVA per filled job is provided by the ONS Regional Economic Analysis Sub-Regional Productivity Tables. Table B3 reveals that GVA per filled job for Flintshire and Wrexham was £48,536 in 2016, the most recent year for which data is currently available.
- 3.14. Based on this evidence, it is estimated that the 49 net additional jobs created by the Development would create a gross value added to the local economy of **£2.4 million annually in perpetuity.**

This analysis does not provide GVA per filled job by industry sector. The GVA per filled job for Flintshire and Wrexham of £48,536 in 2016 covers all sectors. This means that it will slightly overstate the GVA for leisure-based employment which will typically be lower than the values for manufacturing industries. Nevertheless, the Development will still make a significant contribution to the gross value added in the impact areas defined for the assessment.

Construction Employment

- 3.15. Temporary jobs will be created as part of the construction. Table 2 below summarises the man hours generated by the construction phase of the development. These have been prepared using Indigo Planning's experience of other poultry developments in the North Wales and borders area and have been relied on at public inquiries.

Table 2 - Construction phase employment

	Man hours for tasks listed
Biomass Boiler installation	1320
Groundworks and concreting	8000
landscape works and follow up maintenance	1530
Electrical Installation Work	2,400
Supply and manufacture of concrete	3,000
Supply and delivery of stone	3,500
Manufacture and installation of heaters and pipework	675

Shed Building Construction	9,600
ESTIMATED TOTAL	30,025
Number of FTE employees (based on 2,200 hrs per year per worker)	13.6

- 3.16. The construction of the poultry farm will take approximately six months and therefore will provide employment in the construction industry for the equivalent of 27 FTE employees for the duration of the build assuming 2,200 hours per year per person.

Gross Value Added by Construction Employment

- 3.17. To estimate the gross value added (GVA) by construction employment, the Annual Business Survey 2016 Revised Results provides estimates of the approximate gross value added by different sectors of the UK economy. During 2016 the approximate gross value added by the construction sector was £96,805 million.
- 3.18. With an average number of people employed in the construction sector during 2016 of 1.41 million, this suggests that the gross value added per full time equivalent construction job in 2016 was £68,656.
- 3.19. Applying this to the 27 FTE construction jobs generated it is estimated that the Development will create gross value added to the local economy of around £1.9 million during the construction phase of the Development.
- 3.20. After allowing for a 10% leakage it is estimated that **gross value added to the local economy of around £1.7 million during the construction phase of the Development.**

Investment

- 3.21. The construction of a poultry farm at Cinders Farm will require a considerable investment. The industry applies a multiplier based on rearing house floor space of circa £22.0 per square foot to include installation of biomass boilers. On this basis the scale of the investment is in excess of £2.5 million.

Wider Economic Benefits

- 3.22. The Welsh Assembly is keen to support strong rural communities. It is important for the future of rural communities and to the countryside that the people who both live and work in the countryside are supported in doing so to retain vibrancy and to keep it active and alive.
- 3.23. Food manufacturers are attracted to areas if there is a concentration of supplies / growers in the locality. The Maelor poultry site has actively been promoting the site for suppliers. The development is therefore contributing indirectly to a wider local economic growth.

4. Social Benefits

Global and National food security

- 4.1. According to the OECD-FAO Agricultural Outlook report (2012-2021), among major agricultural commodities, world meat consumption is expected to grow at one of the highest rates, driven by rising demand in developing countries where increasing wealth is leading to richer diets including more animal protein. Most of the growth is expected to come from poultry, increasing by 2.2% each year⁴. This should be considered in the context of the fact that the global population is expected to grow by 34% to around 9 billion by 2050⁵ and much of the growth will be in developing countries. The UK population is predicted to rise to reach 70 million by 2027⁶. It is therefore necessary to have a strong and expanding farming industry to support the growing global demand for food.
- 4.2. The UK has a large market for poultry meat, according to the OECD-FAO Agricultural Outlook 2012-2021 the growth in the poultry market is forecast to continue⁷. Total broiler production in the UK in 2012 was 1.3 million tonnes⁸. Fresh and prepared poultry is imported to the UK; 47% of all fresh/frozen poultry meat imported to the UK in 2012 was from the Netherlands and 46% of processed meat imported to the UK in 2012 was from Thailand⁹. 716k tonnes of poultry meat were imported in 2012; the UK exported 338k tonnes of poultry meat during the same year meaning that net imports were 378k tonnes¹⁰.
- 4.3. Despite the prediction of an increase demand for poultry meat in the UK and globally the NFU's Housing Age Survey records that 60% of the UK poultry meat industry consists of poultry units that are at least 20 years old¹¹ and therefore have technologically outdated systems of ventilation and energy efficiency. Only 8% of broiler housing had been built in the ten years previous to 2009, making the average age of a broiler house 24 years in 2009¹². The Telegraph also reported in October 2013 that Britain needs more space to grow chickens due to a rising demand in poultry meat¹³. The industry needs investment into new modern efficient sheds to replace ageing sheds in order to meet the future demand for poultry meat in a sustainable way.
- 4.4. European and National Policy that supports increased food production is a material consideration in the determination of this planning application. One of the Government's 223 core policies is "making the food and farming industry more competitive while protecting the environment"¹⁴ and in the Natural Environment White Paper, published in June 2011 it made a commitment (commitments 17, 18, 19 and 20) to find ways to increase food production

⁴ OECD/FAO (2012), OECD-FAO Agricultural Outlook 2012-2021, OECD Publishing and FAO. http://dx.doi.org/10.1787/agr_outlook-2012-en [Page 166]

⁵ FAO 2009. How to feed the world in 2050.

⁶ Office of National Statistics (2010), National Population Projections, 2010-Based Statistical Bulletin [available at: <http://www.ons.gov.uk/ons/rel/npp/national-population-projections/2010-based-projections/stb-2010-based-npp-principal-and-key-variants.html>]

⁷ OECD/FAO (2012), OECD-FAO Agricultural Outlook 2012-2021, OECD Publishing and FAO. http://dx.doi.org/10.1787/agr_outlook-2012-en [page 167]

⁸ Agriculture and Horticulture Development Board, 2013 *Poultry Pocketbook 2013*

⁹ *ibid*

¹⁰ *ibid*

¹¹ The Poultry Site, <http://www.thepoultrysite.com/poultrynews/18571/uk-broiler-farmers-encouraged-to-invest-now>

¹² *ibid*

¹³ Hawkes, S, 2013, Britain is running out of space to farm chickens, warns poultry industry, The Telegraph, 13 October, <<http://www.telegraph.co.uk/earth/agriculture/10375738/Britain-is-running-out-of-space-to-farm-chickens-warns-poultry-industry.html>>

¹⁴ DEFRA, 2013, GOV.UK Government Policies, Available at: <https://www.gov.uk/government/policies/making-the-food-and-farming-industry-more-competitive-while-protecting-the-environment> [accessed 06 January 2013]

while also improving the environment¹⁵.

- 4.5. The proposed development is a modern, efficient, livestock production unit that is designed to fulfil a modern demand for cheap and environmentally efficiently produced food. It therefore contributes to food production and national and global food security in a sustainable way. It represents an effective increase in UK food production in a way that makes optimum use of increasingly scarce resources and without causing harm to the environment. The Poultry Council have presented evidence to the Environmental Audit Commons Select Committee that poultry meat production is the most sustainable form of meat protein production¹⁶. The global reality of feeding the population of the UK and of the world in a sustainable way means that it is necessary for there to be the construction of more modern, increasingly efficient buildings. By increasing production of food in the UK we reduce exposure to fluctuations in the world food market that according to the FAO has been affected by a series of spikes in recent years¹⁷. The Government has highlighted the need to promote home food production and there is pressure to produce more food at a price the consumer can afford to pay.

Local jobs for local people

- 4.6. In addition to the sustainable increase of food production another social benefit of the proposed development is that it will provide opportunities for work for local young people who live in the countryside and in so doing help to retain the vibrancy of the community. One full time and one part time jobs will be created by the development for people who live in the local community. The Taylor Review – *Living Working Countryside*¹⁸ - highlighted the value of a “living, working” rural community. At page 7, paragraph 16 of the report, it states that “our rural communities can only prosper and survive if we nurture a living, working countryside” and at page 121, paragraph 10 it states, “creating and maintaining strong rural economies is critical to supporting sustainable development and vibrant rural communities – with important social, economic, employment and environmental benefits”. At page 122, paragraph 12 it states that “strong rural economies offer those living in rural areas better opportunities for work in their local community. They help reduce the outmigration of younger people and retain skilled graduates through more and better quality local employment opportunities. Being able to live and work in the same place also helps deliver the Government’s sustainability objectives. Working closer to home reduces the need to commute long distances to work and thereby reduces harmful vehicle emissions.

New Entrants to Farming

- 4.7. There is European and National policy emphasis on encouraging new entrants into agriculture due to the ageing work force. The Median age of farmers in 2012 was 59 years old¹⁹. Government policy other than planning policy is always a material consideration in planning decisions and weight should be given to the Government Policy to encourage “new entrants” to farming. This is an issue that is being reported in the general press²⁰ as well as in the farming press over many years.
- 4.8. The European Policy Department for Structural and Cohesion Policies issued a report entitled “EU measures to encourage and support new entrants”²¹ in 2012 that considered the European decline in new entrants to farming, considered the current Schemes of Member States which it claims have only been scantily effective and proposes the redefinition of

¹⁵ Government White Paper: The Natural Choice.

¹⁶ Written evidence submitted by the British Poultry Council to the Environmental Audit Commons Select Committee (5 April 2011).

¹⁷ FAO et al., ‘Price Volatility in Food and Agricultural Markets: Policy Responses’, Policy Report, 2 June 2011.

¹⁸ Communities and Local Government Publications, 2008, *Living Working Countryside – the Taylor Review of Rural Economy and Affordable Housing*.

¹⁹ Defra et al (2012) *Agriculture in the United Kingdom 2012* [available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/208436/auk-2012-25jun13.pdf] [Page 9].

²⁰ Waitrose Weekend, Young Farmers Needed March 2013.

²¹ European Parliament EU measures to encourage and support new entrants 2012.

measures under the Common Agricultural Policy to effectively attract new entrants to farming. Under the European Union Rural Development Policy (the governing rules of which are applied under Council Regulation (EC) No. 1698/2005) there are measures to encourage youths (under 40 years) to choose a farming career²² which in recent years has been supplemented by the option to apply for payment entitlements as new farmers under the Direct Payment Policy (applied under EC Regulation 73/2009). In the latest round of Common Agricultural Policy Reforms the EU Council of Ministers, European Parliament and Commission came to a political agreement regarding, inter alia, support for new entrants to farming which includes “encouragement for young farmers to set up business with an additional 25% top up [of subsidy payment] for new entrants under 40 for the first 5 years”²³.

²² Article 22, 23 and 26, EC Regulation 1968/2005

²³ Europa Press Release IP13//613 *Political agreement on new direction for Common Agricultural Policy*, 26 June 2013

