



Knaresborough: Economic Overview

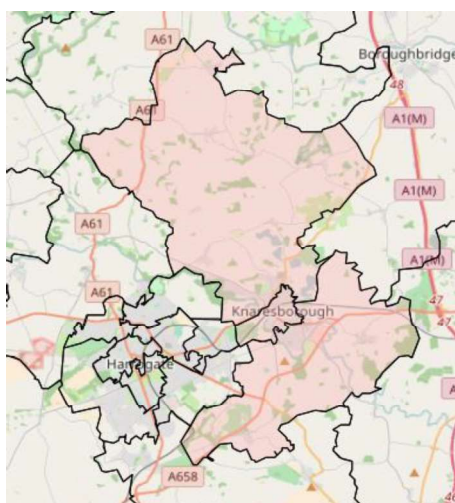
August 2017

Harrogate Borough Council | Planning & Development

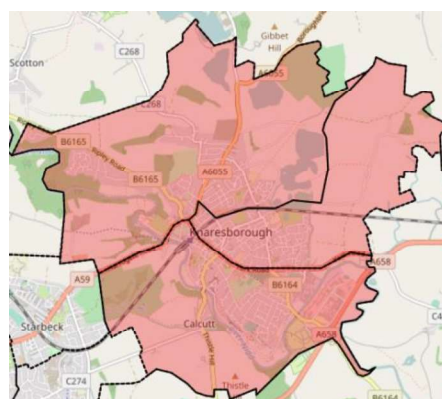
A Note on Geography

- i. The report examines both the ‘Knaresborough Neighbourhood’ and ‘wider Knaresborough economic area’ and distinguishes both throughout.
- ii. The wider economic area is made up of three Middle Layer Super Output Areas (MSOAs) and includes outlying villages and business parks. It has a resident population of 19,700 (compared to 15,500 within the Knaresborough Neighbourhood Plan area).
- iii. MSOAs are a geographic hierarchy designed to improve the reporting of small area statistics in England and Wales. They are built from groups of contiguous Lower Layer Super Output Areas and have an average population of 7,200. Many local economic indicators are only available at this geographic level.
- iv. The report also attempts to define the labour and housing markets within the more localised Knaresborough Neighbourhood.

Knaresborough MSOAs



Knaresborough Neighbourhood



Executive Summary

- v. Knaresborough accounts for around 10% of the Harrogate District economy. Recent growth has been significantly above the rate of wider geographies.
- vi. Like the district, the Knaresborough economy is diverse; with high levels of employment within established service-driven industries recently diluted by emerging professional/technical sectors. However, productivity and workplace wages remain low – whilst demand for lower value work is increasing.
- vii. The council’s 2017 Housing & Economic Development Needs Assessment suggests that Knaresborough’s commercial property stock does not meet the qualitative and quantitative needs of businesses. Concurrently, house prices are high and there is an unmet demand for smaller dwellings.



Wider Knaresborough Economy: Overview



11,295

estimated working-age population in 2015 (12% of Harrogate District)



7,452

Full-Time Equivalent (FTE) jobs in 2017 (10.5% of Harrogate District)



1,020

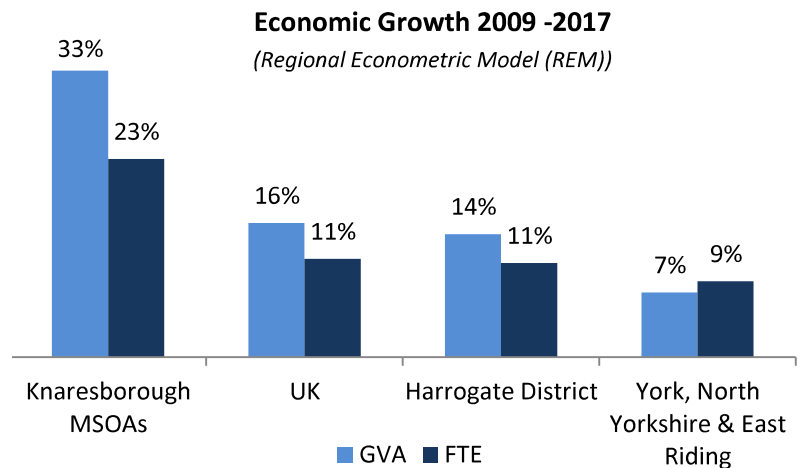
businesses in 2016 (11% of Harrogate District)



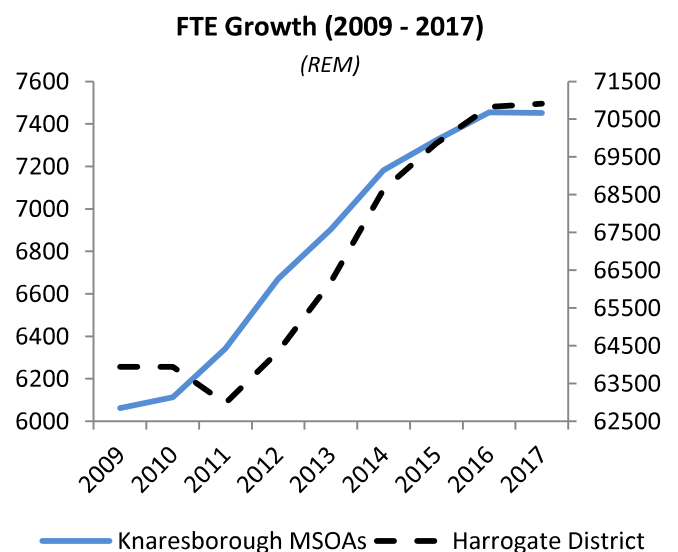
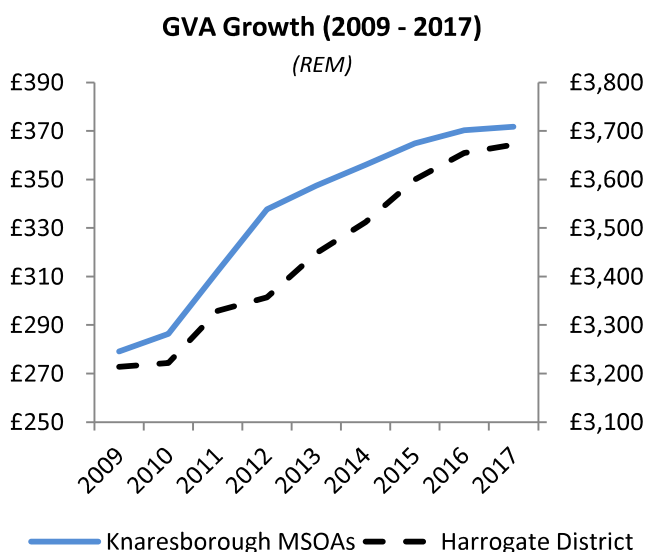
£371.7 million

Gross Value Added (GVA) in 2017 (10% of Harrogate District)

1.1 The wider Knaresborough economy is diverse. Its cultural/recreational attractions support service-driven industries, whilst its proximity to the A59 and A1(M) allows for efficient movement of goods and services across the sub-region and beyond.

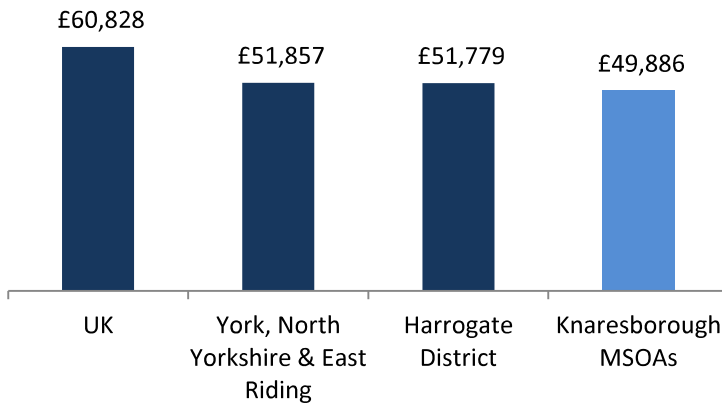


1.2 Since 2009, Knaresborough's wider economy has undergone an extraordinary period of growth. Post-recession recovery was particularly strong; between 2010 and 2012 GVA increased by 18%. The value of retail and wholesale has increased significantly (possibly supported by new, larger units at St James Business Park) whilst both employment and GVA within 'finance and business' has also grown by a third (possibly accommodated by new, higher quality office units at Manse Lane).



Productivity (GVA/FTE) (2017)

(REM)

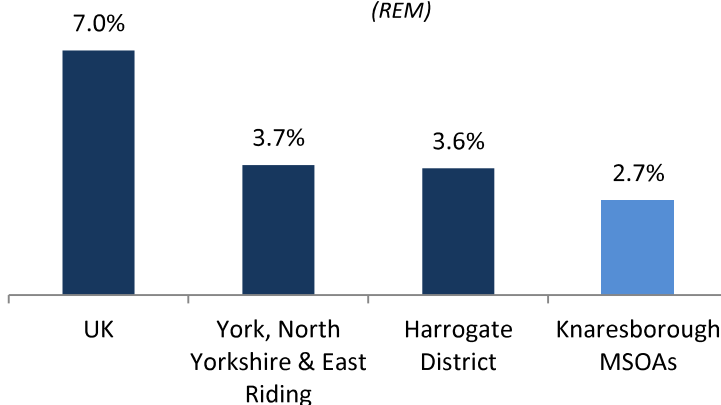


1.3 However, a disproportionate skew in local employment towards lower value sectors drives a low level of productivity. For example, in 2017, 32.3% of FTE jobs are in retail and catering (28.5% across Harrogate District) yet these industries generate only 24.2% of GVA within the wider Knaresborough economy.

1.4 Future growth in the Knaresborough economy is predicted to be sluggish. However, GVA is forecast to increase at a higher rate than FTE, which will see productivity rise. It should be noted though, these forecasts - although devised post referendum - are based on the UK remaining part of the European Single Market. How a hard brexit will impact upon the Knaresborough economy is unknown. However, lessons can be learnt from the 2008 recession, when workforce jobs in Harrogate District reduced by 2,000 across industries associated with the visitor economy and discretionary consumer spend.

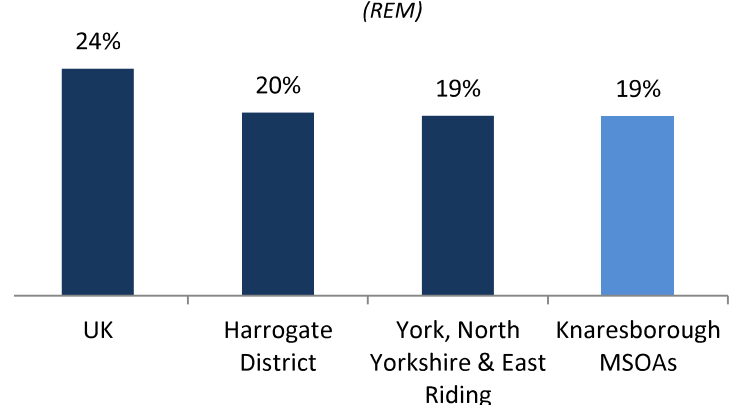
Forecast Growth (FTE) 2017 - 2027

(REM)



Forecast Growth (GVA) 2017 - 2027

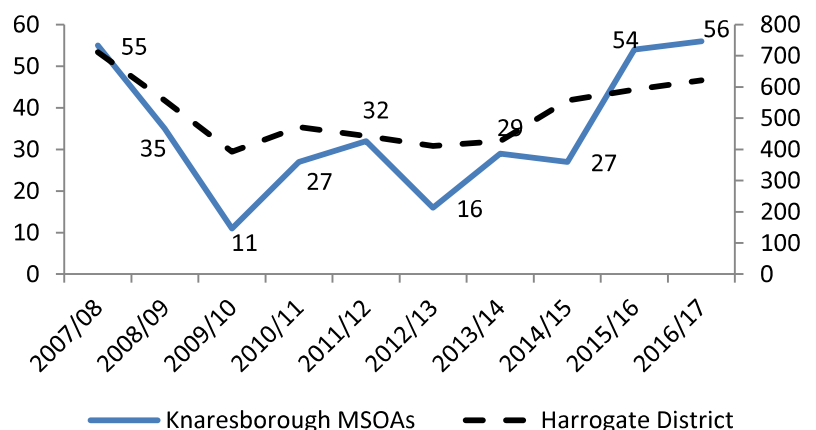
(REM)



1.5 EU Nationals residing in the wider Knaresborough area and registering for employment/ National Insurance has increased significantly since 2014/15. However, this trend has been evident across Harrogate District and 56 National Insurance registrations in 2016/17 was 9% of the district total. 21 of the 56 registrations were by citizens of the A8 succession states.

EU National Insurance Registrations

(2007/08 - 2016/17) (DWP)





Wider Knaresborough Economy: Businesses

Enterprise Count by Broad Industrial Group: 2016 (IDBR)

	K'borough MSOAs	Location Quotient (compared against Harrogate District)	K'borough MSOAs (%)	Harrogate District (%)	York, North Yorkshire & East Riding (%)	England (%)
Professional & technical	215	1.1	21.1%	19%	14%	18%
Construction	95	1	9.3%	10%	11%	12%
Agriculture, forestry & fishing	85	0.7	8.3%	12%	16%	4%
Business administration & support services	80	1	7.8%	8%	7%	8%
Wholesale	65	1.3	6.4%	5%	4%	4%
Retail	65	0.9	6.4%	7%	7%	7%
Information & communication	65	1.1	6.4%	6%	4%	9%
Arts, entertainment, recreation & other services	65	1.1	6.4%	6%	6%	7%
Accommodation & food services	60	1.1	5.9%	5%	7%	6%
Manufacturing	50	1.1	4.9%	4%	5%	5%
Motor trades	40	1.4	3.9%	3%	3%	3%
Property	40	0.8	3.9%	5%	4%	4%
Health	35	1	3.4%	3%	4%	5%
Education	25	1.4	2.5%	2%	1%	2%
Transport & storage	20	0.9	2.0%	2%	3%	4%
Financial & insurance	15	0.8	1.5%	2%	1%	2%

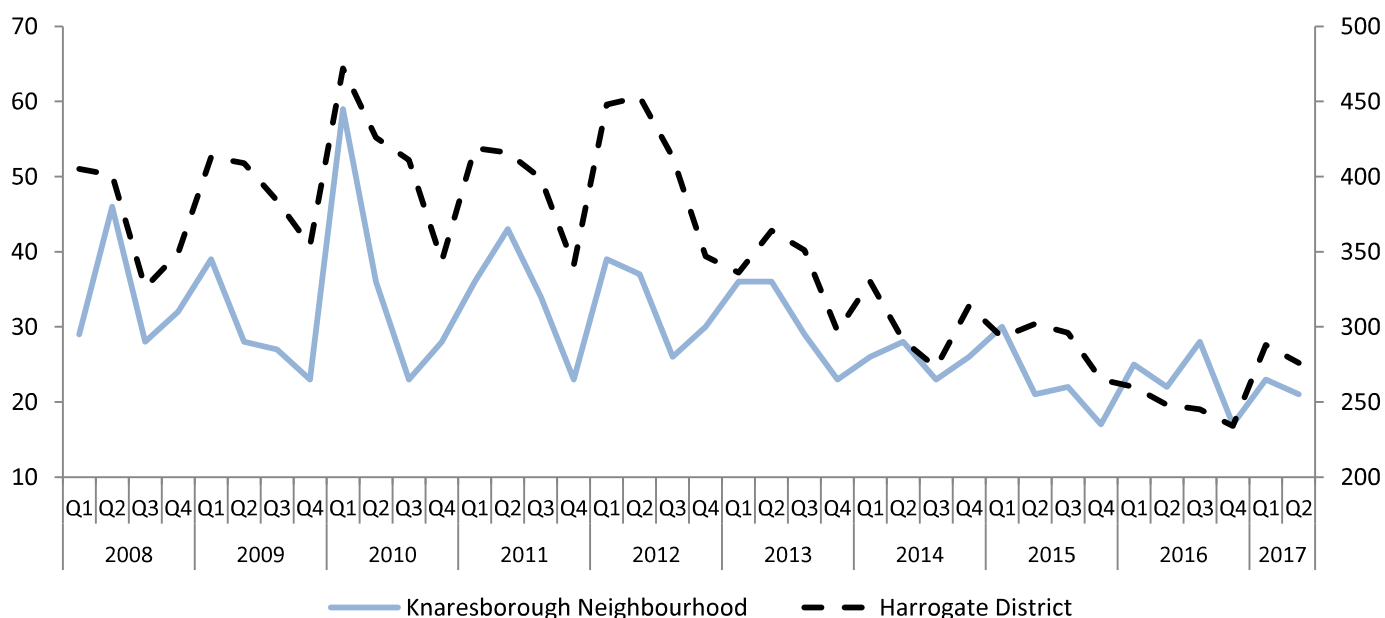
Note: a location quotient is a score relative to a wider geographic area (in this instance Harrogate District) and denotes a level of specialism/prevalence within an economy – where 1.0 is proportionate to that of the comparator.

- 2.1 As seen above, the demography of enterprises registered in the wider Knaresborough area is varied. Wholesale, Motor Trades, Education and Professional & Technical Services are particularly concentrated – which may indicate a unique local advantage or characteristic. 90% of businesses registered within the wider Knaresborough economy are 'micro' (0 – 9 employees).
- 2.2 A local unit is an individual site (for example a factory or shop) associated with an enterprise that may or may not be registered within the locality. As seen below, there are a number of specialised sub-sectors operating within the wider Knaresborough economy – several of which form part of local and national targeted growth industries (e.g. the Government's Industrial Strategy and HBC's Economic Growth Strategy). These include Wholesale and Information & Computing Activities.

Local Units by Specific Industrial Group: Location Quotient >1.0 (2016) (IDBR)

	Local Unit Count: K'borough MSOAs	Local Unit Count: Harrogate District	Location Quotient
Information service activities	10	35	2.5
Creative, arts and entertainment activities	15	65	2.0
Warehousing and support activities for transportation	10	55	1.6
Architectural and engineering activities; technical testing and analysis	45	275	1.4
Sports activities and amusement and recreation activities	25	155	1.4
Wholesale and retail trade and repair of motor vehicles and motorcycles	45	295	1.3
Food and beverage service activities	70	490	1.3
Activities of head offices; management consultancy activities	110	815	1.2
Other personal service activities	35	270	1.1
Computer programming, consultancy and related activities	55	425	1.1
Services to buildings and landscape activities	25	205	1.1
Wholesale trade, except of motor vehicles and motorcycles	65	540	1.1

New Business Bank Accounts in Knaresborough Neighbourhood Area (2008 – 2017)
(Banksearch Consultancy)



2.3 New business formations are steadily decreasing in Knaresborough Neighbourhood. However, this trend is also reflected at district level. A number of factors could account for this decline, including an improving local labour market. In 2016, new businesses in Knaresborough accounted for 9% of the district total.



Wider Knaresborough Economy: Commercial Property

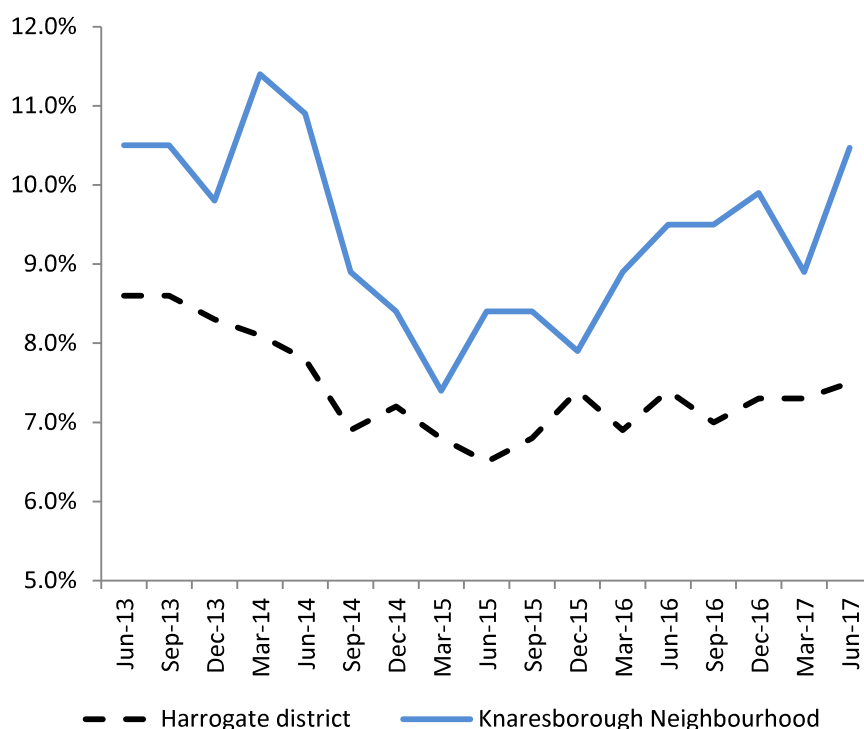
- 3.1 In order to accommodate Knaresborough’s niche industries and growing businesses, an appropriate mix of high quality commercial property must be made available.
- 3.2 As seen below, office units are vacant in seven locations across the wider Knaresborough area in August 2017. According to the Government’s Employment Density Guide 2015, Professional/Corporate Services require 12.5 sqm of office space per employee. There is, therefore, only one available office unit that can accommodate a business of 10+ employees in the wider Knaresborough economic area. Furthermore, at the time of writing, there are only three sites with vacant industrial units.

Office Space Available in Wider Knaresborough Area (August 2017) (CoStar)

Location	Max Contiguous Floorspace (sqft)	Year Built	CoStar Rating
Grimbald Crag Close	792	2012	3/5
Grimbald Crag Court	2085	2008	3/5
Low Moor Lane	1221	1992	2/5
York Place	517	1809	2/5
Cony Hall/Innovation Centre	900	1796	3/5
Monkswell House	295	1994	2/5
K’borough Technology Park	208	1980	2/5

- 3.3 In June 2017, 10.5% of Knaresborough’s 191 units for retail and related activities are vacant. This is above the district rate of 7.5% but below the national rate of 11%. The count of retail units in Knaresborough has remained consistent over four years, whereas the number of units across Harrogate District has decreased by 53 over the same period (-4%).

Retail Vacancy Rate 2013 - 2017 (HBC)

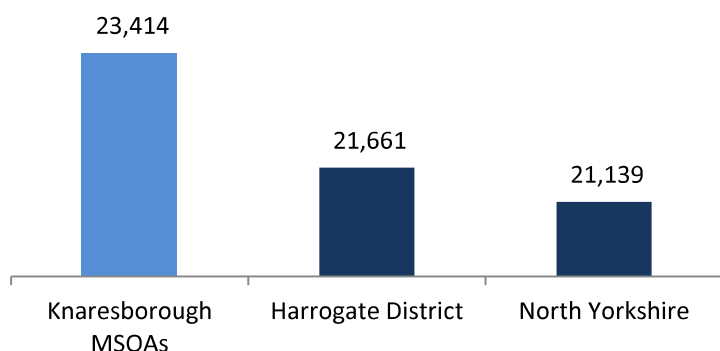


- 3.4 12 retail units are being promoted in the centre of Knaresborough. 75% are rated 2/5 by CoStar and employment density guidance suggests the units support an average of three jobs.

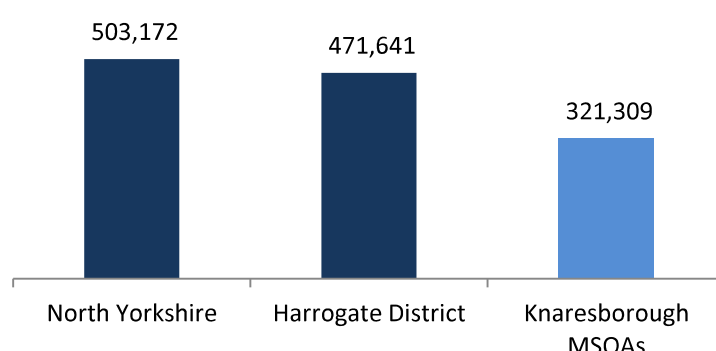
Retail Units Available in Wider Knaresborough Area (August 2017) (CoStar)

Location	Direct Available Space (sqft)	CoStar Rating	Indicative Employment Size
5 Castle Court	300	2/5	2
15 Castlegate	385	2/5	2
47-47a High St	499	2/5	3
53 High St	252	2/5	1
58 High St	1200	3/5	6
63 High St	237	3/5	1
80 High St	594	2/5	3
82 High St	352	2/5	2
Market Pl	253	2/5	1
31-33 Market Pl	247	3/5	1
36 Market Pl	1519	2/5	8
Station Rd	733	2/5	4

Non-Domestic Electricity: Mean consumption per Meter (kWh per meter) 2015 (BEIS)



Non-Domestic Gas: Mean consumption per Meter (kWh per meter) 2015 (BEIS)



3.5 The council's 2017 Housing & Economic Development Needs Assessment¹ identifies a particular lack of suitable employment sites in/around Harrogate and Knaresborough - areas with the largest demand for employment uses.

3.6 A majority of agents consider Knaresborough towards the commercial property market of Harrogate, with not many differences between them. They agree that "if there was more choice in terms of variety, more businesses would come from outside the district".

¹https://www.harrogate.gov.uk/downloads/file/2714/2017_housing_and_economic_development_needs_assessment



Knaresborough Neighbourhood: Labour Demand

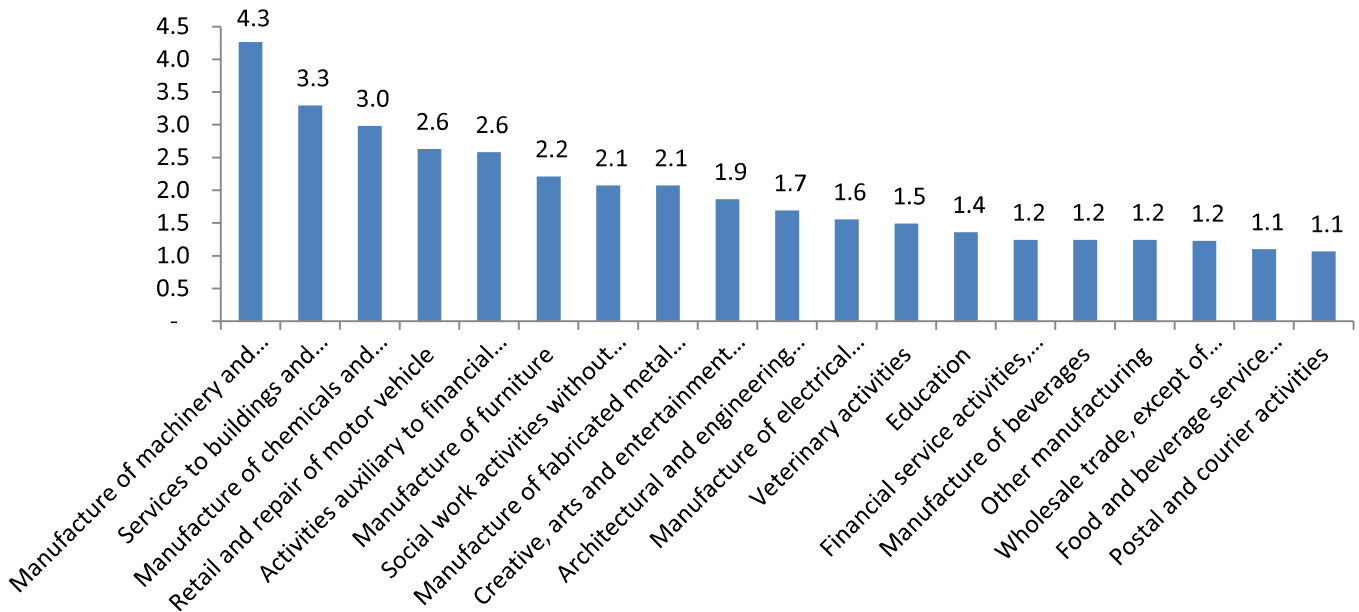
Workplace Employment by Industry 2015 (BRES)

	Jobs in K'borough N'hood	Location Quotient (compared against Harrogate District)	K'borough N'hood (%)	Harrogate District (%)	York, North Yorkshire & East Riding (%)	England (%)
Education	765	1.4	12.2%	9.0%	9.9%	9.2%
Retail trade, except of motor vehicles	590	0.9	9.4%	10.3%	10.1%	9.8%
Services to buildings and landscape activities	530	3.3	8.4%	2.6%	2.5%	2.4%
Food and beverage service activities	530	1.1	8.4%	7.7%	7.5%	5.6%
Social work activities without accommodation	500	2.1	8.0%	3.8%	3.9%	3.0%
Activities auxiliary to financial services	415	2.6	6.6%	2.6%	1.9%	1.5%
Wholesale trade, except of motor vehicles	395	1.2	6.3%	5.1%	3.9%	4.2%
Retail and repair of motor vehicles	370	2.6	5.9%	2.2%	1.9%	1.8%
Human health activities	250	0.6	4.0%	6.4%	6.6%	7.3%
Residential care activities	220	0.9	3.5%	3.8%	2.9%	2.5%
Architectural and engineering activities; technical testing and analysis	170	1.7	2.7%	1.6%	1.7%	1.7%
Manufacture of machinery and equipment	120	4.3	1.9%	0.4%	0.4%	0.6%
Advertising and market research	105	1.0	1.7%	1.6%	0.7%	0.7%
Specialised construction activities	105	0.7	1.7%	2.2%	2.1%	2.5%
Activities of head offices; management consultancy activities	95	0.7	1.5%	2.2%	1.4%	2.7%
Sports, amusement and recreation activities	90	0.6	1.4%	2.2%	2.1%	1.5%
Warehousing and support for transportation	85	0.8	1.4%	1.6%	1.7%	1.7%
Other personal service activities	65	1.0	1.0%	1.0%	0.9%	1.0%
Computer programming and consultancy	65	0.5	1.0%	1.9%	1.2%	2.3%
Manufacture of chemicals and chemical products	60	3.0	1.0%	0.3%	0.5%	0.3%
Construction of buildings	55	0.8	0.9%	1.2%	1.7%	1.4%

...continued	Jobs in K'borough N'hood	Location Quotient (compared against Harrogate District)	K'borough N'hood (%)	Harrogate District (%)	York, North Yorkshire & East Riding (%)	England (%)
Office administrative, office/business support	55	0.5	0.9%	1.6%	1.2%	1.6%
Manufacture of fabricated metal products	50	2.1	0.8%	0.4%	1.2%	1.1%
Manufacture of electrical equipment	50	1.6	0.8%	0.5%	0.5%	0.3%
Other professional, scientific/technical activities	50	1.0	0.8%	0.8%	0.5%	0.6%
Accommodation	50	0.3	0.8%	2.6%	2.5%	1.4%
Public administration and defence	50	0.3	0.8%	2.6%	5.0%	4.1%
Financial service activities, except insurance and pension funding	45	1.2	0.7%	0.6%	0.8%	1.7%
Legal and accounting activities	45	0.3	0.7%	2.2%	1.4%	2.3%
Manufacture of furniture	40	2.2	0.6%	0.3%	0.5%	0.3%
Manufacture of beverages	40	1.2	0.6%	0.5%	0.5%	0.1%
Real estate activities	40	0.4	0.6%	1.6%	1.4%	1.7%
Creative, arts and entertainment activities	30	1.9	0.5%	0.3%	0.2%	0.3%
Veterinary activities	30	1.5	0.5%	0.3%	0.3%	0.2%
Postal and courier activities	30	1.1	0.5%	0.4%	0.5%	0.8%
Manufacture of food products	30	0.2	0.5%	1.9%	2.7%	1.2%
Information service activities	20	2.5	0.3%	0.1%	0.3%	0.3%
Other manufacturing	20	1.2	0.3%	0.3%	0.2%	0.2%

- 4.1 Workplace employment totalled 6,275 jobs in the Knaresborough Neighbourhood in 2015 (8% of the district total). As seen above, there is a higher than average share of employment within the lower paid industries of food/beverage services and social work.
- 4.2 When compared with employment across Harrogate District, a number of industries are particularly concentrated, which may indicate a unique local advantage/characteristic. Several sub-sectors within manufacturing are of note. Activities auxiliary to financial services, architectural & engineering activities and services to buildings & landscape activities are also over-represented relative to employment in the wider district economy.
- 4.3 Concurrently, when compared to wider geographies, employment is under-represented in industries such as food manufacturing, scientific research and development and accommodation.

Workplace Employment 2015:
Selected industries ranked by location quotient (compared with Harrogate District) (BRES)

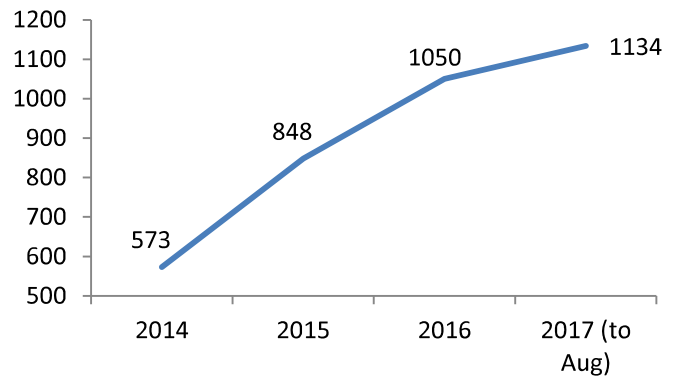


4.4 Since 2014, the number of jobs advertised in Knaresborough has increased year-on-year.

4.5 There were 2,509 job postings in over a two year period to July 2017 (8.5% of the Harrogate District total).

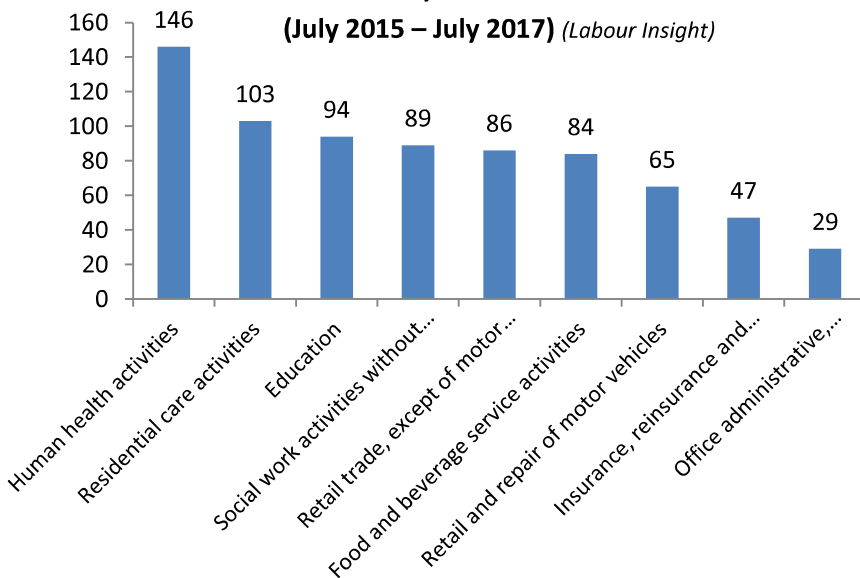
4.6 However, a large share of employment demand was within industries with lower than average earnings (note: 60% of records have been excluded because they do not include an industry. As a result, the chart below is not fully representative).

Advertised Jobs (Labour Insight)



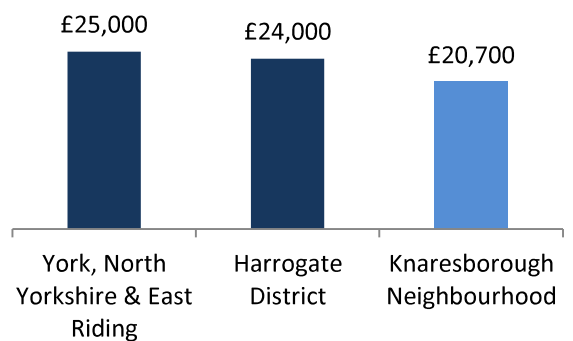
Industry of Advertised Jobs

(July 2015 – July 2017) (Labour Insight)



Median Salary of Advertised Jobs

(July 2015 – July 2017) (Labour Insight)



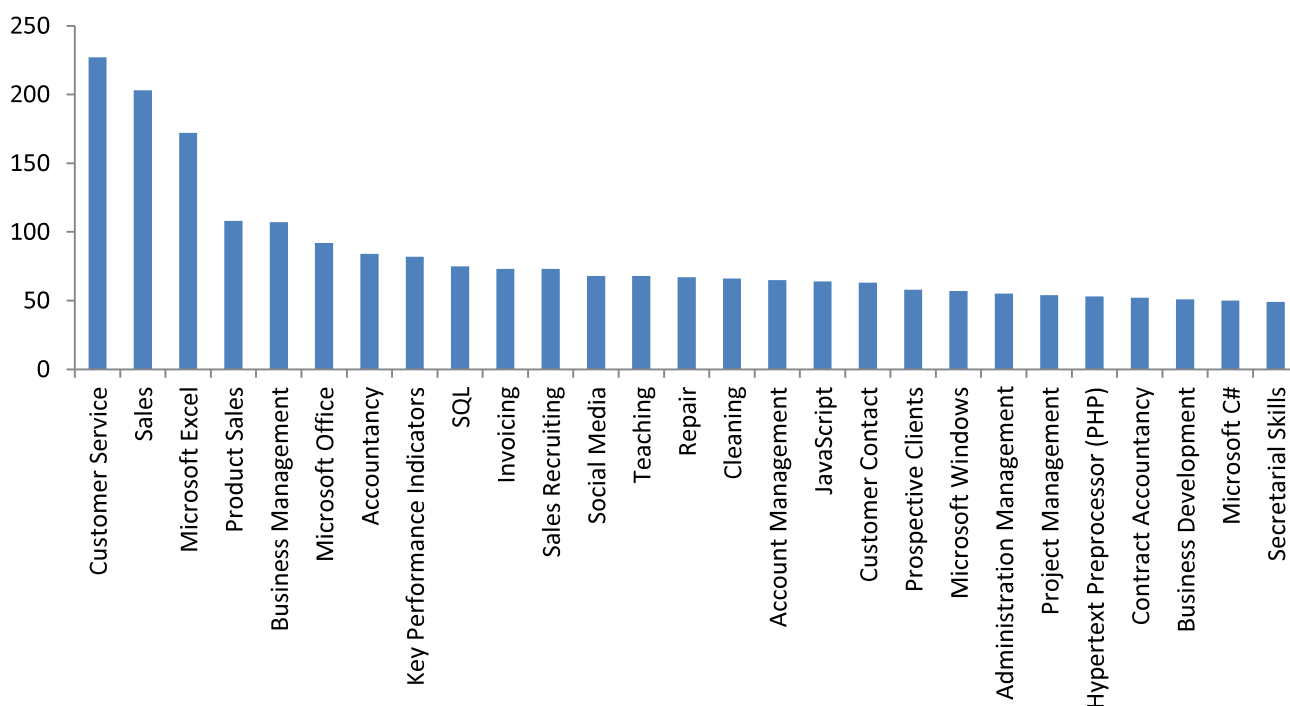
Top Occupations of Advertised Jobs (July 2015 – July 2017) (Labour Insight)

	Knaresborough	Harrogate District	Location Quotient
Repair / Service Technician	18	38	5.2
Production Worker	50	167	3.3
Construction Helper / Worker	16	54	3.3
Training and Development Specialist	17	68	2.8
Labourer / Material Handler	62	267	2.6
Assistant Care Worker	27	125	2.4
Business Intelligence Architect / Developer	14	68	2.3
Underwriter	19	96	2.2
Nursing Manager / Supervisor	20	102	2.2
Sales Representative	174	951	2.0
Electrician	20	116	1.9
Information Security Engineer / Analyst	16	96	1.8
Network Engineer / Architect	34	227	1.7
Family / School / General Social Worker	67	456	1.6
Automotive Service Technician / Mechanic	29	203	1.6
Sales Manager	25	186	1.5
Network / Systems Administrator	19	143	1.5
Credit Analyst / Authoriser	17	130	1.4
Kitchen Staff	22	169	1.4
Nursery nurses, assistants and playworkers	15	118	1.4
Delivery Driver	23	191	1.3
Janitor / Cleaner	36	300	1.3
Care assistant	50	440	1.3
Customer Service Representative	58	567	1.1
Accountant	50	490	1.1
Registered General Nurse	91	899	1.1
Project Manager	26	284	1.0
Office / Administrative Assistant	77	848	1.0
Secondary School Teacher	24	282	0.9
Primary School Teacher	15	178	0.9
Caregiver / Personal Care Aide	20	238	0.9
Sales Consultant	30	360	0.9
Registered Mental Nurse (RMN)	18	218	0.9
Software Developer / Engineer	43	528	0.9
Financial Manager	15	200	0.8
Bookkeeper / Accounting Clerk	39	581	0.7
Web Developer	58	873	0.7
Receptionist	22	334	0.7
Retail Store Manager / Supervisor	43	661	0.7
Marketing Manager	15	239	0.7
Computer Support Specialist	29	635	0.5
Restaurant / Food Service Supervisor	17	383	0.5
Chef	32	766	0.5

Note: top 43 results included in Knaresborough (14+ jobs over two year period)
 Results sorted by location quotient

- 4.7 As seen above, over a two year period the top three occupations in demand within Knaresborough were Sales Representative (possibly driven by an over-representation of businesses in automotive retail) Registered General Nurse and Office/Administrative Assistant.
- 4.8 When compared with the Harrogate District, manual and process driven occupations are particularly concentrated, as are Business Intelligence Architects/Developers and Information Security & Network Engineers/Analysts.

Advertised Jobs: Top Specialist Skills in Demand (July 2015 – July 2017) (*Labour Insight*)



- 4.9 Specialist skills in demand in Knaresborough are diverse – yet the most prevalent skills in demand resemble the Harrogate District labour market. Computer programming skills demanded by employers include C#, JavaScript, SQL and PHP.



Knarborough Neighbourhood: Resident Labour

5.1 In 2015, 57.8% of the Knarborough Neighbourhood population were aged 16-64 (Harrogate District: 59.6%, England: 63.3%) and this has decreased since 2011, when 60.6% of residents were of working age.

5.2 24.3% of the resident population were aged 65+ in 2015 (Harrogate District: 22.4%, England: 17.7%) and this has increased since 2011, when 20.8% of residents were aged 65+.



15,532

estimated population in 2015
(9.9% of Harrogate District)



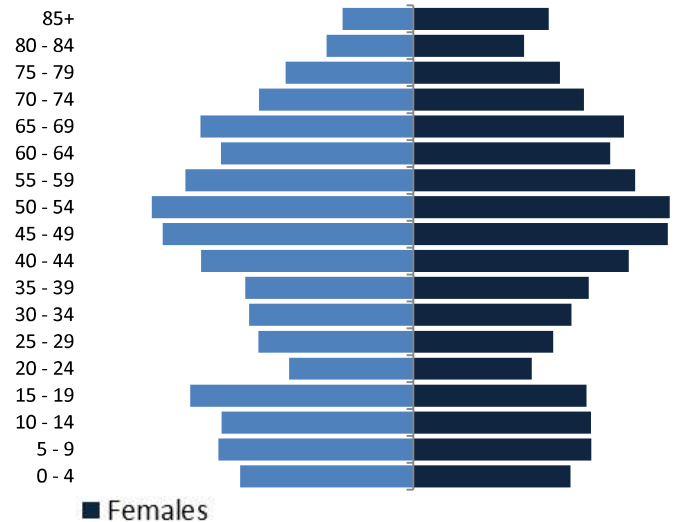
1%

decrease since 2011 (15,674)

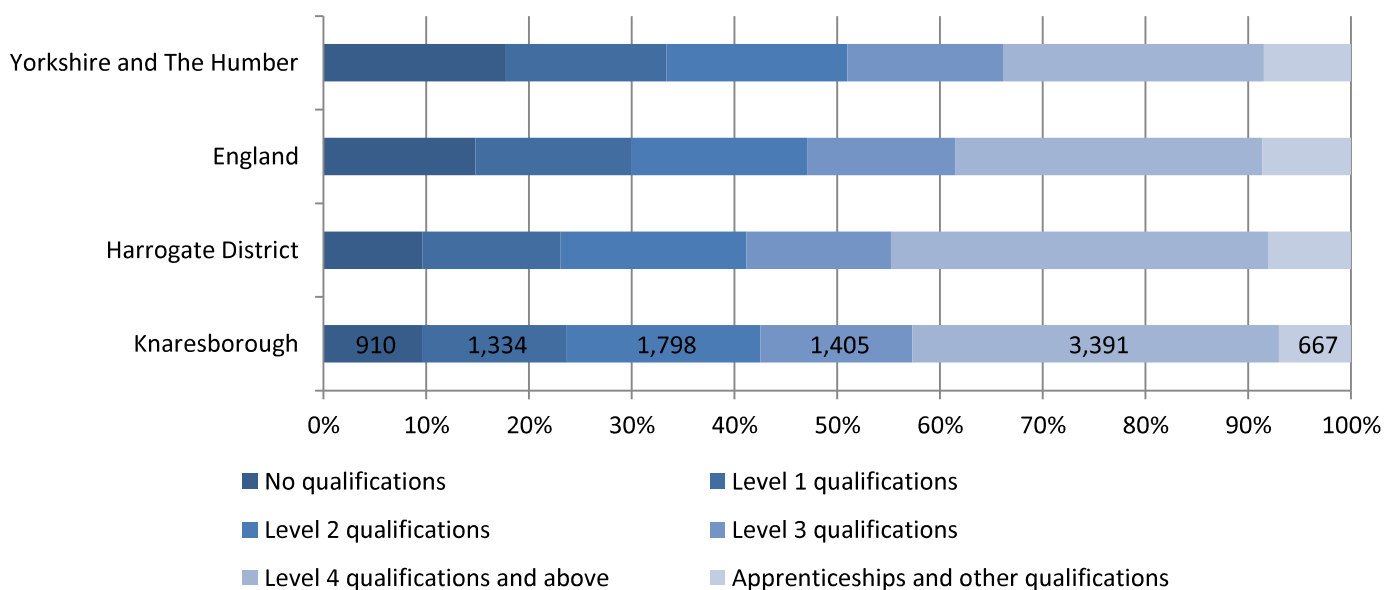
Knarborough Neighbourhood: Breakdown of Age



Harrogate District: Breakdown of Age (ONS 2015)



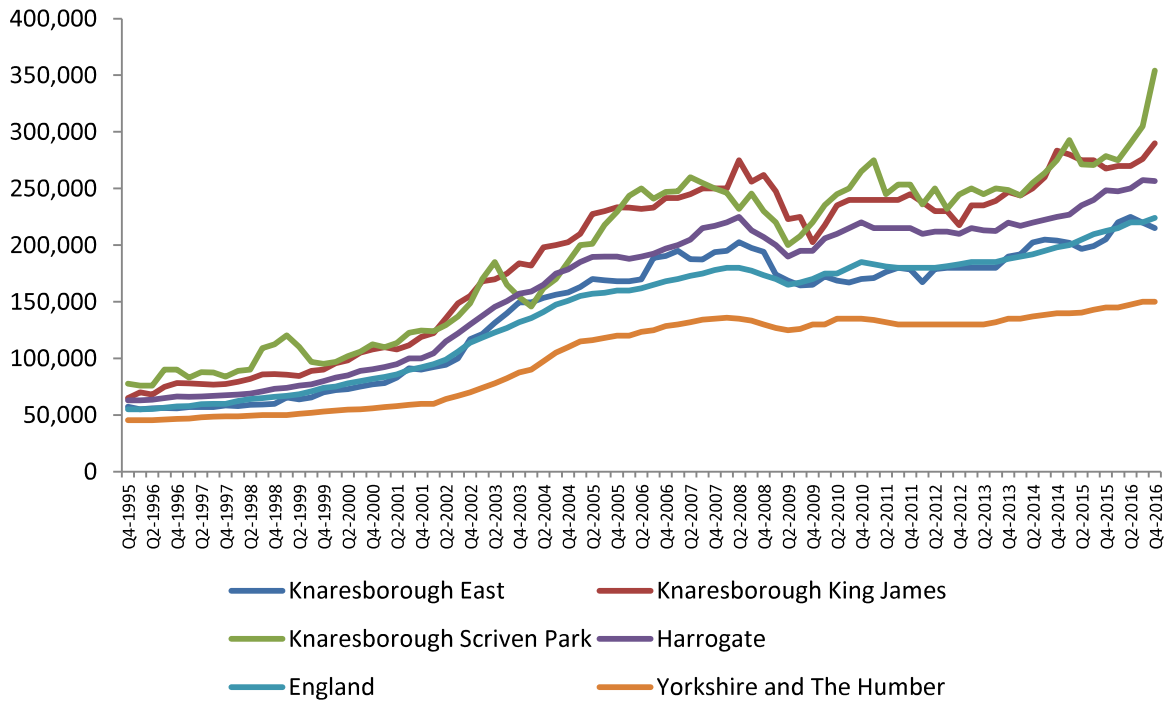
Highest Level of Qualification (All usual residents aged 16 to 64) (Census 2011)





Knaresborough Neighbourhood: Housing Market

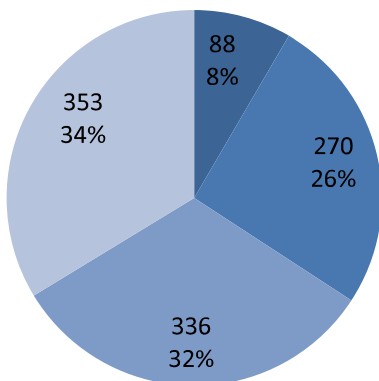
Median House Price (1995 – 2016) (Land Registry)



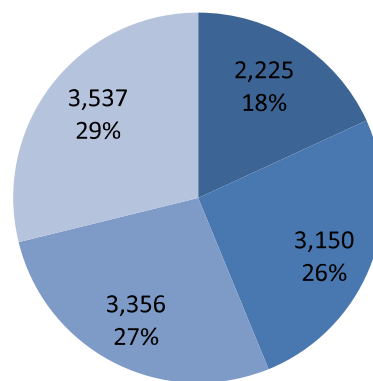
6.1 In 2016, the median house price in the Wards of Knaresborough King James (£290,000) and Knaresborough Scriven Park (£354,125) were above the Harrogate District median average of £256,500. However, Knaresborough East (£215,000) was 16% below the district average.

Residential Property Sales by Type (2016) (Land Registry)

Knaresborough Neighbourhood



Harrogate District



6.2 As seen above, there were 1,047 residential property sales in 2016 in the Knaresborough Neighbourhood (8.5% of the district total). Relative to the wider district, a smaller proportion of sales were flats/maisonettes. Only 30 (3%) of property sales were new-build.

6.3 The percentage of 1 bedroom properties is highest in Harrogate Town and surrounds (11%) followed by Ripon and Boroughbridge (8%) and then Knaresborough and surrounds (7%).

6.4 The council’s 2017 Housing & Economic Development Needs Assessment² states that Knaresborough’s goal should be to increase the delivery of smaller one to three bedroom homes and reduce the delivery of properties of four bedrooms or more. This will address the clear gap in the market for this property type and allow for downsizing to occur in greater numbers.

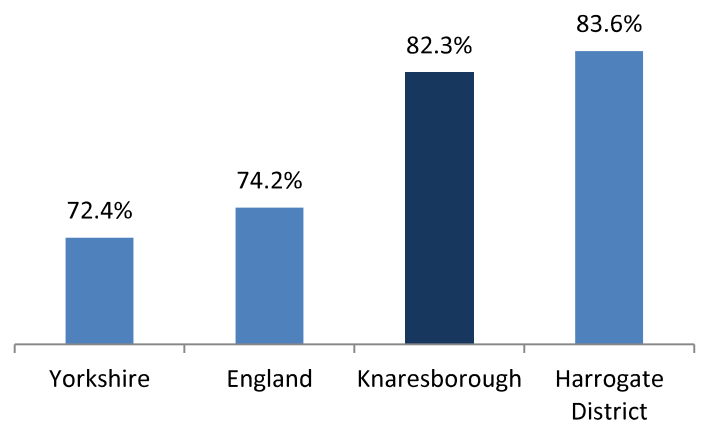


Knaresborough Neighbourhood: Travel

7.1 Car ownership levels are high in Knaresborough - and a higher than average proportion of people travel to work by car or van.

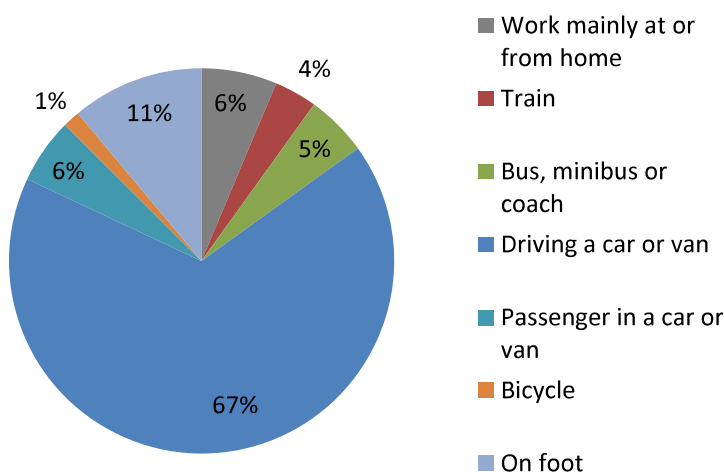
7.2 Between 2012/13 and 2016/17, propensity for ‘off street’ car parking in Knaresborough increased by 13%. Conversely, instances of ticketed ‘on street’ car parking decreased by 6%.

Households with One or More Cars (Census 2011)

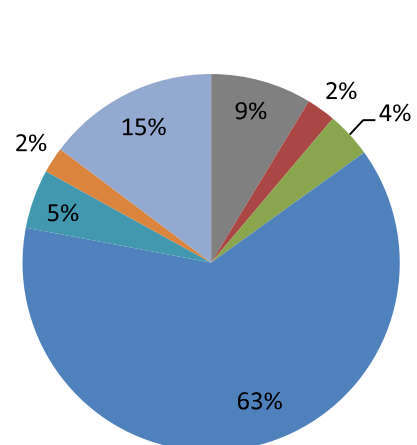


Method of Travel to Work (Census 2011)

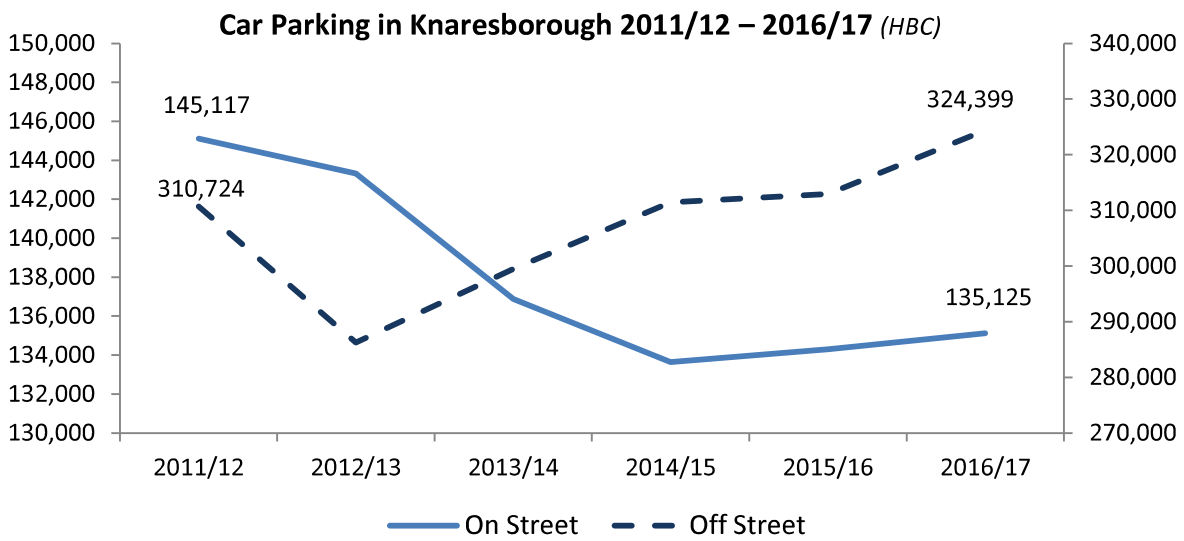
Knaresborough Neighbourhood



Harrogate District



²https://www.harrogate.gov.uk/downloads/file/2714/2017_housing_and_economic_development_needs_assessment



7.3 As seen below, Knaresborough Rail Station usage has increased by 42% since 2007/08.

Entries/Exits at Knaresborough Rail Station 2011/12 – 2016/17 (ORR)

