



ECONOMIC STATEMENT

**ON BEHALF OF
ADVANCED PROTEINS (AP)**

**APPLICATION FOR
FOOD PROCESSING FACILITY/EDIBLE BONE FACTORY**

**AT
BONES LANE, CHEDDLETON**

**Our Ref: EN/RJB/9794
January 2022**

CONTENTS

	<u>Page</u>
1. Introduction	3
2. Background Of Advanced Proteins and The Site at Cheddleton	3
3. Site and Surroundings	5
4. Proposed Development	6
• The Process	6
• The development	7
5. Staffordshire Moorlands District Economic Profile	7
6. Employment Justification	9
• Local Employment	10
• Local Supply Chain	11
• Training and Apprenticeships	12
• Size of the new facility	12
7. Conclusion	12

The copyright and intellectual property rights are vested in Stansgate Planning Consultants Limited.

1. INTRODUCTION

- 1.1 This economic statement has been prepared to accompany a Full planning application submitted on behalf of Advanced Proteins (AP) on land adjacent to their existing site at Bones Lane, Cheddleton ST13 7BT.
- 1.2 The proposal is for a food processing facility/edible bone processing factory.

2. BACKGROUND OF ADVANCED PROTEINS AND THE SITE AT CHEDDLETON

- 2.1 Advanced Proteins (AP) are a by-products division of ABP, one of Europe's leading food processors with 60 years of industry experience. The core business of ABP is to provide quality beef to customers throughout the world including the UK and Europe. AP as its pet food and protein division in the UK combines to ensure the value of by-products is maximized and the environmental impact of their business is minimized. To maintain their position as market leaders ABP are committed to continuing to develop, research, innovate and invest in every area of their business. They have invested circa £70 million in their sites in the UK in the last 10 years. They are investing in AP as one of the largest providers of animal by-product collection solutions and pet food protein ingredients suppliers in the UK. AP operate the largest single site rendering plant in the UK.
- 2.2 AP acquired John Pointon's and Sons by-products and proteins business in Staffordshire in January 2020. The AP site at Cheddleton, was formerly owned and operated by the Pointon family until February 2020, and traded as John Pointon and Sons Ltd.
- 2.3 The operations at the site have been established over 80 years with many elements on site pre-dating planning legislation. The site was established as Gilbert's Animal By Products from 1950 up until businessman John Pointon purchased the site in 1976, and it became known as John Pointon and Sons Ltd in 1996.
- 2.4 The facility has evolved organically from this date to become one of the largest rendering plants in the UK, and also the largest single site in the country. The operations at the facility provide a specialist and essential service to the UK meat industry and also the by products from the food production industry. Advanced Proteins are also an approved service provider for the UK Government (DEFRA).

- 2.5 In addition to the services provided, The Company produce premium quality processed animal proteins for the major pet food manufacturers in the United Kingdom and the EU.
- 2.6 The facility also produces essential biomass fuels for UK industries and also renewable bio-fuels which support the biodiesel industry, as well as renewable energy industry. Such products help to achieve the UK's net zero and decarbonisation targets.
- 2.7 Advanced Proteins currently source animal by-products from in excess of 1,000 sources that include primarily Meat Processing Facilities and Farms, along with Fallen Stock Operators and Hunts throughout the UK. The Gel Bones will be sourced from Beef Boning halls throughout the UK. The Boning halls will harvest the bones and convey them to a refrigerated collection and storage area where AP, using their own transport will transport the bones in covered bulk trailers to their plant in Cheddleton. The plant in Cheddleton, Stoke on Trent is centrally located in the UK so minimising the distance between source and processing plant as the bones are perishable and have a limited lifespan.
- 2.8 As a by-products business the main contribution to the rural economy is as a vital service to these meat plants ensuring that all of their animal by-products are handled in a bio-secure way.
- 2.9 Since Acquiring John Pointon's, AP has invested in the site to upgrade the facilities and has invested primarily in its Waste Water Treatment facility. This is to ensure that they continue to adhere to the highest environmental standards. In addition, they are investing in new cookers to ensure that they process their raw materials using the most efficient technology on the market and are currently rolling out a rain water harvesting project to harvest roof water from a number of buildings which will be used as washdown and process water. This will significantly reduce the need for well water and move towards a more sustainable future.
- 2.10 Additional investment is proposed to replace the roof on the existing Category 3 Facility in order to eliminate odours and noise emanating from this area.
- 2.11 AP employ 220 people across 4 sites. Cheddleton is their largest site where they employ 188 people, primarily in production and transport roles, many of whom come from the local area. Jobs are broken down as follows:

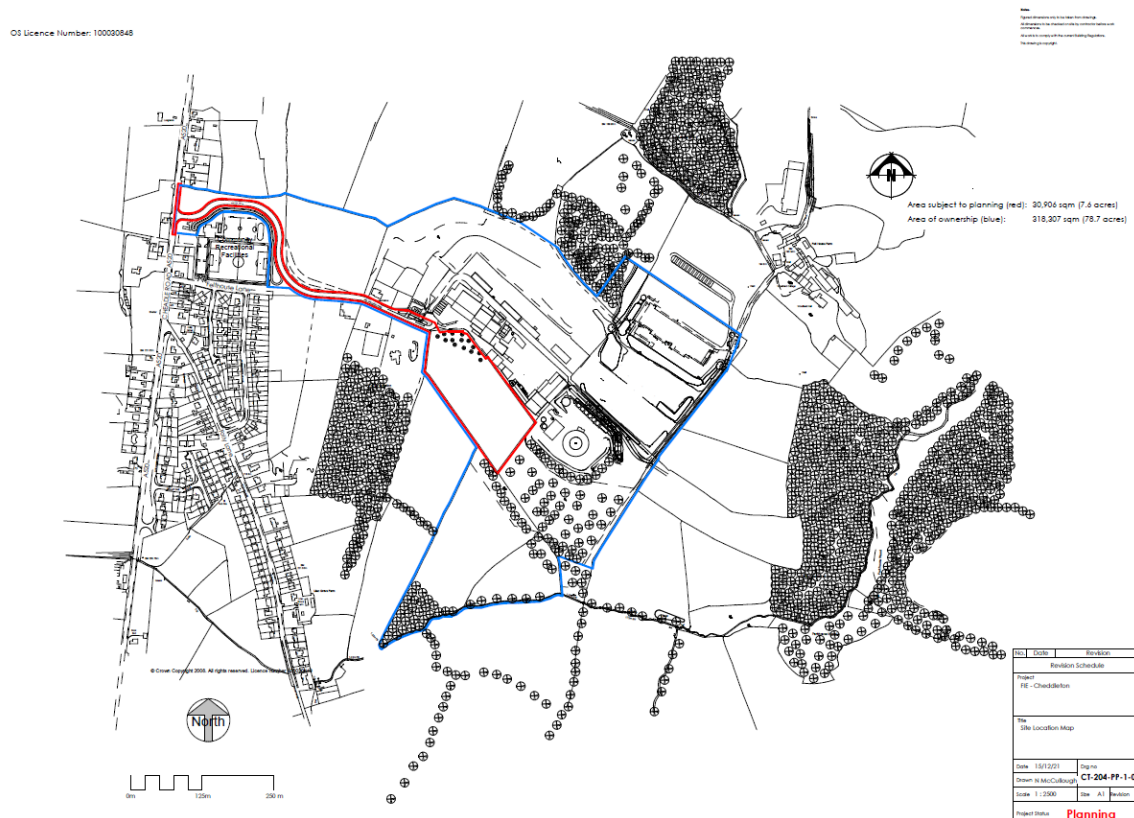
- Production 65
- Engineering 29
- Water Treatment 5
- Transport (Drivers, garage, transport office) 60
- Trailer wash 3
- Security 8
- Management, Administration and ancillary 18

2.12 To continue to move forward as a leading business in the UK and to move towards a more sustainable future, further investment and new innovation is needed.

3. SITE AND SURROUNDINGS

3.1 The site for the proposed facility amounts to 2.9 hectares and is shown outlined red on the Site Location Map in Figure 1. The main buildings of the existing facility are focused on the north eastern boundary of the site.

Figure 1 Site Location Map



- 3.2 It is part of the wider AP ownership of 31 hectares outlined blue on Figure 1. The main buildings of the existing processing plant are located about 460m from the access on Cheadle Road. On the northern boundary is the existing processing plant which comprises substantial buildings and hard surfaced areas. On the western boundary is established planting within which are a couple of dwellings and a storage building and beyond the planting are houses and a playing pitch of Cheddleton village. To the east is woodland and to the south farmland. The site itself is grassland with some planting in the north western corner. Access is via Bones Lane to Cheadle Lane in the west.
- 3.3 The existing processing plant on its northern boundary comprises a variety of substantial buildings, filter beds, hard surfaced areas, portacabin offices and car parking. It is terraced down the slope moving in a north-easterly direction. The site itself slopes down west to east.

4. PROPOSED DEVELOPMENT

- 4.1 AP is seeking planning permission for a new food processing facility/edible bone processing factory on land adjoining the existing rendering facility. It is innovative cutting-edge technology and will be the first of its kind in the country.

The Process

- 4.2 The new food processing facility will use the same raw material for the process, food grade bovine bones, sourced from DEFRA approved boning halls throughout the United Kingdom. The bones will be transported in designated covered containers which will be sealed and transported directly from source to FIE - Cheddleton.
- 4.3 On arrival at the plant the truck will be weighed and directed to a designated intake building. The bones will then be discharged directly into a receiving hopper. The transport containers are thoroughly washed in the intake building before re-use.
- 4.4 The bones are conveyed from the intake to the adjoining process building where they are firstly inspected and then crushed in stages to reduce particle size. The bone product is then subjected to heat treatment. During heat treatment the meat tissue is stripped from the bones and this tissue is dried and further heat treated to dry and stabilise the product before grinding/sieving. The resulting protein is stored in designated silos for dispatch.

- 4.5 The bones are further dried separately from the meat tissue, then sorted on particle size and density to meet customer specification. The final products are then stored in silos prior to despatch. The fat that is separated during the production process is centrifuged and clarified into a high-grade animal fat.
- 4.6 The plant will produce three streams of end products - Bone chips (classified into various types and sizes), Animal fat and Processed Animal Protein (PAP) all of which will all be stored in designated sealed silos and loaded directly to containers and road tanks for despatch off site to customers.

The development

- 4.7 The proposed buildings and site layout are identified in the submitted plans and Planning Statement and comprise a single process building, 2 storey office and associated works as described in the Planning Statement.

5. STAFFORDSHIRE MOORLANDS DISTRICT ECONOMIC PROFILE

- 5.1 Staffordshire Moorlands Local Plan portrait of the district states in respect of the local economy that the public administration, education & health sectors are well represented and provide a larger proportion of employment than regional and national rates. Other key sectors of employment are distribution, hotels & restaurants and manufacturing. Manufacturing in particular is over-represented in comparison with regional and national levels and has experienced a much slower rate of decline than the West Midlands average (SMLP para 2.9). It states employment sites are almost at full capacity and there is a lack of good quality small to medium sized industrial premises, which is suppressing demand (SMLP para 2.10) and states *Whilst there is the continued presence of large nationally recognised employers, the business structure of Staffordshire Moorlands is dominated by micro and small businesses of between 1 and 10 employees which collectively accounted for over 92 per cent of all businesses in 2016 (SMLP para 2.11).*
- 5.2 Notably, economic activity rates in the district (84.2%) are higher than national (77.8%) and regional (75.4%) averages although weekly pay for jobs is low compared to the West Midlands or national average (SMLP para 2.13).

- 5.3 The SMLP identifies a threat to the economy from a constrained labour force, the loss of existing employment sites due to closures, restructuring and pressure for redevelopment for other uses, especially housing. It states a *need to support existing major employers whilst developing policies to diversify the economic base by making sites available for modern employment facilities (SMLP para 3.1)*.
- 5.4 The population structure is changing with census data showing declining numbers of younger people and an aging population. The predicted population changes is:
- 18-64 age -8.6% percentage change 2019 to 2039
 - 65 and over age +29.1% percentage 2019 to 2039
- (2016-based population projections, Office for National Statistics)
- 5.5 This suggests appropriate local employment opportunities take on greater importance to retain and attract people of working age. Economic growth is therefore particularly important in the district as a predicted decline in working age population will have a detrimental impact on the local economy.
- 5.6 There are strong 'cross border' work force links with Stoke conurbation where about 15.4% of daily work-journeys into the Moorlands are from the conurbation and about 26.8% of the Moorlands resident workforce work in the conurbation (SMLP 2.15). A greater level of employment in the Moorlands would increase self-containment and stem the need for residents to commute out.
- 5.7 In terms of quality of life, the local plan states the district is ranked 203 out of 326 districts in England (SMLP para 2.14). Since the Local Plan was prepared, the governments Levelling Up agenda has gained momentum and Staffordshire Moorlands is identified in priority category 1. The objective is to address regional inequality and to level up the country to deliver economic recovery. The levelling up agenda of June 2021 says '*good jobs and career opportunities where people live is central to the government's levelling up ambitions*'. The Levelling Up Fund was announced in June 2021 and to help the fund deliver its core objective of improving local communities by investing in infrastructure that has a visible impact on people, an index has been prepared to place local authorities in categories 1,2 or 3 depending on their level of identified need, where category 1 represents places deemed in most need of investment. Staffordshire Moorlands is placed in category 1 and is therefore identified in the highest priority of places where investment should be focused to level

up with other parts of the country. Investment in jobs will boost the local economy and contribute to a flourishing economic environment.

- 5.8 Overall, the local economy would benefit by securing major employers who often have greater desire and ability to invest and grow and can offer a more secure employment for its workforce; support for industry in the B2 sector such as included in the AP proposals, would help underpin the diversity of the economy in the district; economic growth is particularly important in the district as a predicted decline in working age population will have a detrimental impact on the local economy; and a greater level of employment in the Moorlands would increase self-containment and stem the need for residents to commute out. Furthermore, to reduce deprivation and increase prosperity economic growth is important.

6. EMPLOYMENT JUSTIFICATION

- 6.1 The economic impacts are generated in four main channels:

- Direct impacts – jobs created in the construction phase and during the ongoing use of the development and the resulting enhancement of the existing facility;
- Indirect (supply chain) impacts – these are the economic effects of procurement, through expenditure on inputs of goods and services;
- Induced (consumer spending) impacts – those employed directly or indirectly are paid wages providing disposable income which will be spent on housing, consumer goods and leisure in the local economy;
- Catalytic impacts – more subtle impacts such as encouraging other inward investment, improved confidence, improved company profile leading to a higher number or better quality of job applicant.

- 6.2 The proposal will allow for investment and shared facilities that will enhance the efficiency of the existing business and secure its future in supporting Staffordshire Moorlands economy and UK food production. There will be 30 new direct skilled jobs and engineering jobs created immediately.

- 6.3 In the context of the local economy, the proposal has the scope to generate new employment roles at a site that already employs a significant number of staff (188), in an otherwise predominantly rural area, and is therefore a very significant employer in the locality. The proposal will consolidate and safeguard the existing roles at the

Company by allowing Advanced Protein's to offer their meat industry supply chain customers a more competitive commercial service package, and therefore this will facilitate and secure long-term contracts for all their by-products in what is an extremely competitive industry.

- 6.4 The new facility will also provide excellent opportunities for shared services and utilities, which will provide cost efficiency opportunities for both businesses. Ultimately this will have a significant positive impact on the profitability of the existing business and allow continued investment to maintain and grow its position in the market.
- 6.5 In larger villages, such as Cheddleton, by establishing a synergy with the new facility, the existing business will develop exponentially and there will be a natural consolidation of its economic base. In turn this will allow the business to invest and improve the existing infrastructure and provide a modern and evolving employment facility for the local community, which will further establish existing employees and attract staff members from future generations as well as allowing a transfer of skills offering employees greater scope for employment. The new facility is also likely to be more attractive generating additional applications.

Local Employment

- 6.6 The proposed development represents an estimated £30 million capital investment in the local area and will provide 30 direct new skilled jobs and engineering jobs in the local labour market, an increase of almost 16% on the number of existing jobs on the Cheddleton site. The jobs are all full time and are largely skilled with the biggest increase in jobs created being in production and transport. Jobs are available to all ages and social groups.
- 6.7 Indirect jobs in the locality will result from new contract drivers, maintenance, electricians and other supply chain elements, amounting to about 15 jobs.
- 6.8 In addition the proposed development will create jobs in construction as work is undertaken to build the new unit and will provide opportunities for local suppliers to provide materials and services which will bring indirect benefits. It is estimated new construction jobs will amount to between 150 and 250 throughout construction.

- 6.9 As many employees are from the local area and as the nature of the new jobs created are similar to those existing, it is anticipated the new facility would attract new employees also coming from the local area. Employees are recruited locally via job centre adverts or via an agency who advertise in the local job centre as well as places like local shops. The site is well located to attract local employees.
- 6.10 The local economy would also benefit as employees spend money in the local area using local services and shops to buy personal and household goods. Disposable income is kept in the local economy.

Local Supply Chain

- 6.11 The existing supply chain is both local and national, from the animal by-product collection services that are provided, through to the finished products that are delivered to AP customers.
- 6.12 Animal by products and food related products are collected on a daily basis by the inbound logistics team from numerous meat producers, farms and associated food industries across the Staffordshire Moorlands and neighbouring districts. The services extend throughout England and Wales. Several local hauliers are utilised routinely to assist the Company's in house transport operations. All vehicles in the fleet are inspected, serviced and maintained by local companies in the Moorlands and Stoke on Trent.
- 6.13 AP's manufacturing processes and maintenance workshops are supported by many local engineering businesses, in the form of specialist skills and essential equipment and spares, with the primary aim of achieving minimum downtime. The procurement team also source a wide variety of consumables products and services from local vendors wherever possible, such as packaging, cleaning products, chemical treatments, personal protective equipment and I.T. skills.
- 6.14 The final phase of the supply chain is the delivery of finished products to end-users in the UK, EU and internationally. The collections and deliveries are predominantly co-ordinated through local and national third-party hauliers. Products such as pet food ingredients and biomass fuels are transported through a network of trusted providers.

6.15 The supply chain can be summarized to include the following, most of which is sourced locally:

- Fuel
- Dry goods
- Specialist maintenance such as electricians/refrigeration /plant /IT
- Food
- Site maintenance such as landscaping/surfacing
- Ancillary drivers
- PPE equipment
- Office furniture/stationary/consumables

6.16 The proposal will use all the same services and as a result will lead to increased economic activity and provide a boost to the indirect jobs and local supply chain. Furthermore, the investment will increase confidence in the locality that may create a catalyst for further inward investment in Cheddleton and Staffordshire Moorlands.

Training and Apprenticeships

6.17 The ability to offer local training will increase and the proposal will provide the opportunity for both existing and new employees to upskill in areas such as production, engineering and environmental as examples.

Size of the new facility

6.18 The size of the new building is determined by the use and quantity of intake. The process is described above and all processes need to take place within the building for health and safety reasons. The height of the building is fixed by the process as described. The Design and Access Statement provides more detail about the scale of the building. In addition, office space and staff facilities are required and these offer the opportunity to rationalise and upgrade those available at the existing rendering facility. Therefore this size of facility is required to deliver a suitable business proposal.

7. CONCLUSION

7.1 The economic impacts are generated in four main channels:

- Direct impacts – jobs created in the construction phase and during the ongoing use of the development and the resulting enhancement of the existing facility;
- Indirect (supply chain) impacts – these are the economic effects of procurement, through expenditure on inputs of goods and services;
- Induced (consumer spending) impacts – those employed directly or indirectly are paid wages providing disposable income which will be spent on housing, consumer goods and leisure in the local economy;
- Catalytic impacts – more subtle impacts such as encouraging other inward investment, improved confidence, improved company profile leading to a higher number or better quality of job applicant.

7.2 The proposed development represents an estimated £30 million capital investment in the local area and will provide 30 direct new jobs in the local labour market, an increase of 16% on the existing position, plus 15 indirect jobs in the local area. Overall, it will secure the future of the existing site confirming a total of 218 jobs across the existing and the proposed sites which will provide long term job opportunities for the local population.

7.3 It proposes a rationalisation of the existing offices to upgrade facilities. It will provide short term construction jobs providing opportunities for local suppliers. It will support the local supply chain, bring indirect benefits and will allow training and upskilling opportunities. Local employment will benefit the local economy retaining disposable income to be spent in the local area.

7.4 Overall, the local economy would benefit by supporting a major employer who needs to invest and grow. Support for industry in the B2 sector such as this, would help underpin the diversity of the economy in the district. Economic growth is particularly important in the district as a predicted decline in working age population will have a detrimental impact on the local economy and a greater level of employment in the Moorlands would increase self-containment and stem the need for residents to commute out. Furthermore, to reduce deprivation and increase prosperity economic growth should be supported.

7.5 Overall, the proposals are sustainable economic development that will boost economic prosperity in Cheddleton and Staffordshire Moorlands District.