

Land South of Westwells Road, Corsham Data Centre

Economic Impact Assessment

The Proposed Development of additional data centre floorspace as an expansion to the existing Spring Park Campus will provide economic benefits as a result of the operational employment of the development. Further to this, the expansion of data centre infrastructure can help the wider economy by supporting digital jobs in Wiltshire.

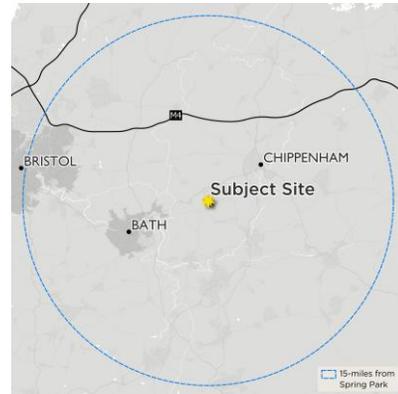
The assessment of economic benefits of the Proposed Development will follow the approach set out in guidance including the Green Book (2020), Homes and Communities Agency Additionality Guide (HCA, 2014), and the Department for Communities and Local Government Appraisal Guide (DCLG, 2016).



BENEFITS TO THE LOCAL AREA

Ark was founded in Wiltshire and remains a Wiltshire headquartered company. As a result of this, the jobs created at the existing Spring Park campus have positively contributed to the local area.

- 61% of existing Ark employees at Spring Park are located within 15 miles of the Campus (see adjacent map);
- 69% of employees of key suppliers to Ark are located within 15 miles of the Campus.



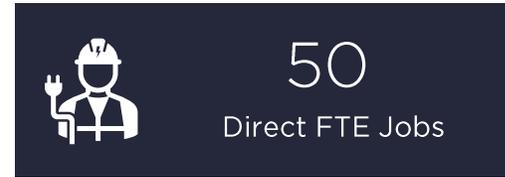
Alongside the direct employment benefits, Ark also positively contributes to the local area in a number of other ways:

- Ark funded the installation of the continuous illuminated cycle path between the Spring Park Campus and Corsham town centre along Park Lane;
- Ark support a University Technical College Program to encourage students between 14 and 18 into engineering-based professions;
- Ark's sponsorship of Corsham Juniors Football Team since 2020 and in 2024 funded the redevelopment of Corsham Town Football Club's Stadium;
- Ark's participation in Corsham School Open Days and their support for work experience programs;
- Arks' active participation and support for the Corsham Railway Station campaign.



OPERATIONAL PHASE JOBS

To estimate the operational jobs at the Proposed Development we have used employment densities from the HCA, guided by case study examples from similar data centre developments in the UK. We estimate that the development will support up to 50 direct FTE jobs on-site with this rising to up to 87 net additional jobs to the wider economy after taking into account multiplier and displacement effects. Whilst a similar sized scheme may be able to provide over 100 FTE jobs, as the Proposed Development will operate as an extension to the existing Spring Park campus it is anticipated that directly generated employment would equate to 50 FTE jobs.

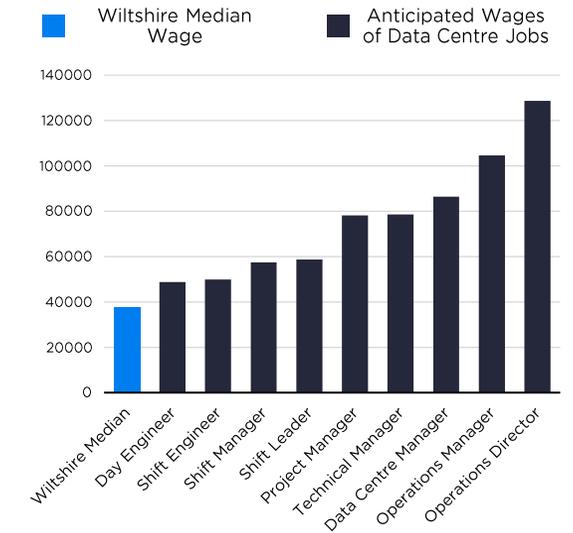


Source: HCA, ONS Input Output Tables

The jobs created at the Proposed Development would be expected to be of high quality, with expected pay levels substantially above the Wiltshire median wage (See Figure 2). The Proposed Development would therefore positively contribute to the local economy. The jobs at the Proposed Development would not only be limited to the highest skilled jobs but also include roles such as facilities management and security that would be accessible to a wider pool of potential workers.

Using output data from the ONS, we can estimate that the Proposed Development would contribute £98 million per annum in GVA (direct and indirect). This would positively contribute to both the local and national economy, Further to this, using data from the VOA we estimate that the Proposed Development would generate up to £4 million in annual business rates revenue, helping to fund the spending of Wiltshire council. Ark was founded in Wiltshire and remains a Wiltshire headquartered company, contributing to the local economy.

Figure 2 Data centre wages vs Wiltshire Median



Source: ONS APS, DataXConnect 2024



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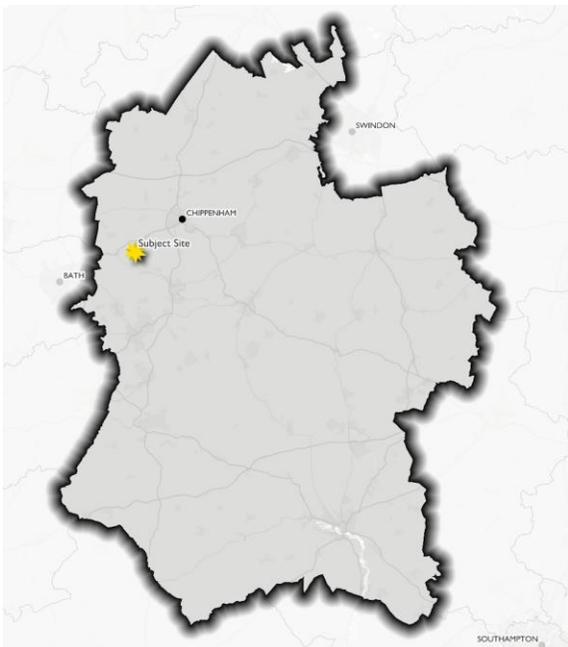
Construction Phase Social Value Summary

The Social Value Assessment considers the benefits for the local community resulting from the Proposed Development according to the following themes:

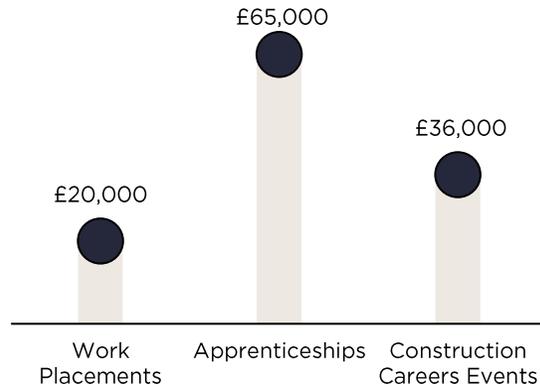
- **Skills Improvements** – benefits from work placements, apprenticeship opportunities, qualifications and Construction Careers Information, Advice and Guidance Events;
- **Community Benefits** – such as local procurement opportunities, unemployment reduction benefits and NHS savings as a result of the reduced unemployment.

Site Location

The Proposed Development lies within the administrative boundary of Wiltshire in the South West region of England.



Skill Improvements



The scheme will benefit the local community through a variety of education focussed means. The scheme would deliver training opportunities for young people and positions for new entrants which are estimated based on benchmarks from the National Skills Academy for Construction.

CONSTRUCTION WORK PLACEMENTS

£20k Estimated social value of non-paid work experience placements (7) for students from schools and colleges delivered during the construction period

CONSTRUCTION APPRENTICESHIPS

£65k Estimated social value of apprenticeships (6) delivered during the construction period

CONSTRUCTION CAREERS EVENTS

£36k Estimated total social value of Construction Careers Information, Advice and Guidance Events (7 events)

CONSTRUCTION QUALIFICATIONS

£343k

Estimated total social value of Qualifications achieved (equiv. NVQ2 or above) – 32 non-apprentice workers

The Proposed Development will be able to provide high quality employment opportunities for people with a variety of qualification levels., positively contributing to the local economy and helping to meet the national demand for data centres.

Community Benefits

UNEMPLOYMENT REDUCTION (NPV)

£1.4m

Estimated social value of hiring those who are not in employment, education, or training (NEETs) during the construction period

NHS SAVINGS FROM UNEMPLOYMENT REDUCTION (NPV)

£143k

Estimated NHS saving assuming that expenditure on unemployed person is double the average NHS expenditure during the construction period



SUPPORTING LOCAL BUSINESSES

£11.5 million

Estimated total value of local procurement during the construction period assuming 10% of all monies spent locally (NPV)

Local businesses will be supported due to local procurement during the construction phase, ensuring that the local community will benefit from the investment in the area. The estimate of local procurement is based on the best practice being achieved in comparable areas.



Example Data Centre Interior: ARK Union Park

TOTAL SOCIAL VALUE (NPV)

£13.4 million

Over the construction period

Land South of Westwells Road, Corsham - Data Centre

Economic Importance of Data Centres



ECONOMIC IMPACT OF DATA CENTRES

The outsized economic impact of data centres, and the crucial role they play in the future economy is able to be evidenced in a variety of manners. Firstly, we can see through GVA multipliers compiled by techUK that for every £100 of GVA generated directly by data centres, we would expect between £17 and £164 in additional GVA. We also see a similar trend for employment multipliers, where for every direct data centre jobs, we would expect between 1.4 and 2.5 jobs to be supported in the wider economy. This in turn would create further employment opportunities in the wider economy through induced impacts arising from the productive output of the data centre.

Recent government policy has recognised the importance of data centres to the future economy. Data centres have recently been designated as Critical National Infrastructure (CNI), placing data centres on an equal footing with vital services such as water and energy. Further to this the updated NPPF states that local planning authorities (LPAs) should recognise that data centres are a form of infrastructure which will be the foundation of the UK's future economy.

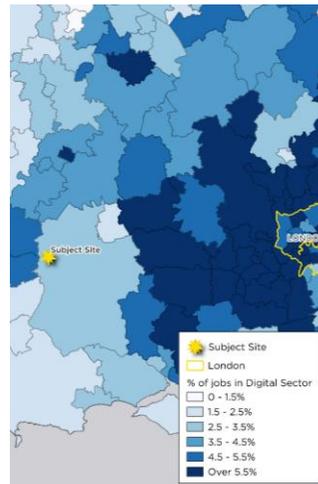
Source: techUK



SUPPORTING THE DIGITAL ECONOMY

The UK is one of the most advanced digital economies in Europe, attracting inward investment into start-ups and scale-ups in the tech world, alongside a substantial presence by global tech companies. Highlighting the digital economy is important when understanding the impact of data centres, as these are the industries which are likely to gain the most with an increase in data centre provision. The digital sector has become a large part of the UK economy, directly generating £161 billion in GVA in 2022, which comprised 7.2% of the total UK GVA. Once the indirect impacts of the digital economy are included, the total GVA attributable to the digital sector equated to around £247 billion in 2022.

The digital sector is one of the fastest growing segments of our economy with employment in the digital sector grew by 16% compared to only 7% across the economy. The Proposed Development would be able to support digital jobs in Wiltshire, helping to bring the local authority more in line with the Thames Valley Corridor (see adjacent map).



Source: ONS

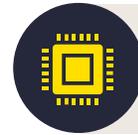


CLOUD COMPUTING

The UK is one of the most advanced cloud computing ecosystems in the world. The UK, building upon its finance industry has been one of the early adopters of cloud computing. In 2023, the UK had the sixth highest number of firms adopting cloud computing (64%), substantially higher than the Euro Area average of 45%. Firms adopt cloud computing as a result of the productivity increases it brings. Telecom Advisory Services have estimated that in 2023, the economic gains as a result of cloud computing equate to over £42 billion, or almost £1,300 per worker. The cloud computing sector is equivalent to 1.6% of UK GDP, which is larger than the UK automotive manufacturing sector .

Cloud computing is an industry inherently linked with the provision of data centres. Without data centres, cloud platforms could not deliver the on-demand, scalable, and flexible services that businesses and individuals rely on today. Therefore, to maintain and expand the current cloud computing infrastructure, new data centre capacity is required.

Source: Eurostat, Telecom Advisory Services, ONS



ARTIFICIAL INTELLIGENCE

In recent years AI has become one of the main talking points in regard to data centre demand. Primarily, data centres are required during the training period for AI models but also during the operational phase to process requests from end users. Data centres, as the most optimal machines for computer processing are therefore required in large quantities to enable AI development.

It is the consensus among both AI experts and economists that the generative AI will lead to automation of tasks that are currently providing employment. This is expected to lead to increase in productivity as tasks can be automated with AI, following this, workers will have some of their time freed-up to complete other tasks that can increase total output, and therefore productivity. Many academic papers have found a roughly 2-3% increase in productivity within firms after the adoption of AI automation. At a national level, AI adoption could grow the UK economy by an additional £400 billion by 2030 through enhancing innovation and productivity in the workplace.

However, a lot of these companies are unable to develop products as they would like to. Tortoise Media create a Global AI Index to benchmark nations on their level of implementation, innovation and investment in AI. Overall, the UK ranks fourth highest out of all countries. When these rankings are split into the individual 'pillars' the UK ranks strongly in all areas apart from infrastructure and development. These are the 'pillars' most relevant to data centre capacity and would therefore require new data centre development in order to improve in these areas.

The government recently announced the AI Opportunities Action Plan, which represents a significant shift towards positioning the UK as a global leader in AI innovation and adoption. From transforming industries to delivering smarter public services, this plan emphasises the incredible potential of AI to drive economic growth and improve lives in the UK.

Source: Alderucci et. al (2020), Google 2023, Tortoise Media, DSIT