Preston

Post-CWB

Pre-CWB

Time Period

Outcome

Counterfactual

Control

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| *Variable* | *Calculation* | *Source* |
| *Gross Operating Surplus* | Gross Value Added minus Total Employee Compensation | Gross value added and average employee wages are provided by the ONS (Office of National Statistics, 2024; Office for National Statistics, 2018). |
| *Investment* | Also known as fixed capital formation (FCF) (Stemerding, 2023, p. 8) | Rates of FCF by local authority are provided by the ONS (Office for National Statistics, 2023). |
| *Beta* | A list of the top 5 industries most contracted by the city council in a city will be compiled, and those industries’ beta will be found by matching with a list of known industry betas. A weighted average beta will then be calculated, where the weights corresponds to an industry’s prevalence. | Betas for industries are provided by trading firms such as PwC. Procurement records are provided by local authorities (PwC, 2009; Lancashire City Council). |
| *Risk free rate* | This is the *investment* multiplied by a ten-year bond yield. | A ten-year government bond’s yield can be found on many trading websites (Trading Economics, 2024). |
| *Market Rate* | Gross Operating Surplus minus Investment | *Already stated.* |
| *Rent as a proportion of GDP* | Surplus cash flow divided by Gross Value Added | *Already stated.* |

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| Predictor | Source |
| Rent as a proportion of GDP | Dabla-Norris & Wade (2001, p. 22) suggest that high rents encourage rent-seeking; consequently, rent levels adopt a recursive definition and use themselves as predictors. |

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| **Decile** | **UK 2010 IMD Distribution** |
| **1** | 5.77 |
| **2** | 8.49 |
| **3** | 10.99 |
| **4** | 13.79 |
| **5** | 17.25 |
| **6** | 21.35 |
| **7** | 26.77 |
| **8** | 34.17 |
| **9** | 44.88 |
| **10** | 87.80 |

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| **Quartile** | **Preston 2010 IMD Distribution** |
| **Minimum** | 4.88 |
| **First Quartile** | 11.40 |
| **Median** | 25.42 |
| **Third Quartile** | 40.45 |
| **Maximum** | 75.04 |