
LAND AT LITTLE BUSHEY LANE, BUSHEY

ECONOMIC BENEFITS STATEMENT

Prepared on behalf of
Redrow Homes Ltd

March 2023

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1.0 INTRODUCTION

- 1.1 This Economic Benefits Statement (EBS) has been prepared by Barton Willmore, now Stantec's Development Economics Team on behalf of Redrow homes Ltd. This Statement is submitted in support of an appeal (Appeal Reference: APP/N1920/W/23/3314268) against the refusal of an outline planning application, for the proposed residential development of Land at Little Bushey Lane, Bushey (the 'Development'):

"Application for residential development (up to 310 units) with access from Little Bushey Lane, and land reserved for primary school, community facilities and mobility hub (Class E) along with car parking, drainage and earthworks to facilitate drainage, open space, and all ancillary and enabling works. (Outline Application with Appearance, Landscaping, Layout and Scale Reserved)."

- 1.2 This report will review the economic benefits associated with the development lifecycle, assessing both the construction phase and operational affects. Benefits generated throughout the construction period are expressed in terms of employment sustained and the value of the economic output (Gross Value Added, GVA) generated.
- 1.3 The operational phase will consider the economic benefits resulting from the future resident population, highlighting the level of GVA generated by economically active residents, along with the potential annual commercial household expenditure. It will also assess the fiscal impacts of the development, including council tax payments.

2.0 ECONOMIC BENEFITS OF THE APPLICATION PROPOSAL

2.1 This Section has been prepared to assess the economic benefits to the local community and the wider economy that would arise from the construction and operational phases of the Development.

a) Construction Phase

2.2 It is estimated that Development will be built over an estimated 6.5 years, generating a range of temporary economic benefits. These include the following:

- Direct construction jobs - a review of the direct employment occupations supported by the Proposed Development;
- Indirect jobs - employment supported as a result of the construction multiplier effect; and
- Economic output (Gross Value Added) generated by employment supported over the construction period.

i) Direct Employment

2.3 The level of labour demand generated throughout the proposed construction period is calculated using the Construction Industry Training Board (CITB) Labour Forecasting Tool (LFT). Utilising the project value (i.e. construction cost), duration and location, the LFT predicts the labour demand on a month-by-month and trade-by-trade basis. Forecasts are based on historic data from past projects and updated as new data becomes available, taking account of time and location.

2.4 It is estimated, utilising the LFT, that the Application Proposal could support **157¹ direct construction job on site per month over the estimated 6.5² year construction period.**

2.5 The LFT accounts for 28 occupation groups, split into the following work types:

- Design - those involved in the design process, including senior managers and support staff with design organisations;

¹ For the purposes of estimating the number of construction jobs, the construction cost has been calculated based on an average floor area per dwelling of 97 sqm (English Housing Survey, Headline Report 2020-2021). Approximate build cost (per sqm) estimates have been sourced from Costmodelling Limited, utilising an average 'estate housing' residential build cost.

² Based on estimated delivery of 50 dwellings per annum.

- Management of construction - those staff involved with the management of the delivery of construction and installation. This includes professionals employed for the construction stage or the projects; and

Construction operatives - those operatives involved in the delivery of the construction or installation

2.6 Table 2.1 sets out the occupation split across the three groups that make up the occupations assessed within the LFT. It emphasises the varied occupation profile and skill requirements across the sector. Demand for each occupation type will vary throughout the construction programme. The range of occupations and skills required during the construction phase of the development includes, for example, process managers, civil engineers, surveyors and architects on the design side through to scaffolders, bricklayers, plasterers, roofers, electricians and plumbers etc.

Table 2.1: Construction Employment – Skills Profile

Design	• Senior, executive and business process managers; • Non-construction professionals, technical, IT and other office-based staff; • Civil Engineers; • Architects; • Surveyors; • Other construction professionals and technical staff.
Management of Construction	• Senior, executive and business process managers; • Construction project managers; • Process managers; • Non-construction professionals; • Construction trade supervisors; • Civil Engineers; • Architects; • Surveyors; • Other construction professionals and technical staff.
Construction Operatives	• Wood trades; • Bricklayers; • Building envelope specialists; • Painters and decorators; • Plasters; • Roofers; • Floorers; • Glaziers; • Specialist builders; • Scaffolders; • Plant operatives; • Plant mechanics; • Steel erectors; • Labourers; • Plumbing and heating engineers;

	• Logistics; • Civil engineering; • Non-construction operatives.

CITB Labour Forecasting Tool (LFT)

- 2.7 Direct employment activity throughout the construction phase will generate economic output, measured through the generation of Gross Value Added (GVA). GVA is a measure of economic output, distributed through retained profit and wages. Based on an average GVA per construction worker of around £85,198 per annum across Hertsmere (Oxford Economics, 2015-2020), **the Application Proposal could generate a direct construction job GVA of approximately £87.1m over the construction period.**

ii) Indirect Employment

- 2.8 In addition to jobs created as a direct effect of the construction and management of the Development, further indirect employment and economic benefits would be experienced as a result of the spin-off and multiplier effects. The level of indirect employment generated during the construction period has been assessed by applying the ONS Type 1 employment multiplier (2018)³ to the direct construction employment. Based on this, **it is estimated that the Development could support 185 indirect positions over the construction period.**

- 2.9 **The 185 indirect jobs are expected to generate approximately £63.8m of economic output** over the construction period, based on applying the UK average GVA per worker figure of £55,340 per annum (Oxford Economics, 2015-2020). This would provide a combined GVA from direct and indirect construction employment of £150.9m over the construction period.

b) Operational Phase

i) Future Residents and Economically Active Population

- 2.10 Applying the average household size for Hertsmere Borough, according to 2021 Census data⁴, **it is calculated that the delivery of up to 310 dwellings could provide homes for approximately 776 residents.**

³ ONS, Type 1 UK Employment Multipliers and Effects, reference year 2018

⁴ 2021 Census Average Household Size for Hertsmere Borough (2.50)

- 2.11 A proportion of the Development's future residents will be economically active and in employment. It is assumed, based on Hertsmere's population who are economically active (45%), that the Development could accommodate 352 economically active residents, of whom 329 (i.e. 42%) would be assumed to be in employment (based on the employment profile for Hertsmere, September 2022)⁵.
- 2.12 Utilising a GVA per worker figure of around £62,460 per annum⁶, it is estimated that those **residents in employment could generate around £20.6m of economic output (GVA) per annum**, contributing to the success of the local and wider economy.

ii) Commercial Expenditure

- 2.13 Experian provide up to date retail and leisure expenditure data for all local authorities across the UK. Experian report (Experian Retail Planner Data, 2021 prices) that the average annual household expenditure on convenience (food), comparison (non-food), and leisure goods and services for Hertsmere is as follows:
- Convenience - £6,962 per household per annum;
 - Comparison - £9,900 per household per annum; and
 - Leisure - £8,603 per household per annum.
- 2.14 On the basis of these figures, the provision of up to 310 dwellings will generate an annual convenience goods expenditure of £2.2m; comparison goods expenditure of £3.1m; and expenditure on leisure goods and services of £2.7m.
- 2.15 This represents approximately £7.9m of total commercial expenditure per annum, a proportion of which will be spent within the local area and beyond. For example, around £1.5m of the total commercial expenditure is expected to be spent on food and non-alcoholic beverages. A further £1.1m of household spend will support restaurant and café services. Households within the Development are projected to spend around £133,980 on recreational and sporting services. This emphasises the positive contribution the Development could have on local businesses.

⁵ Office for National Statistics, Annual Population Survey, September 2022 [downloaded from NOMIS]

⁶ Oxford Economics (2015-2020) average GVA for Hertsmere, subject to rounding

iii) Council Tax

- 2.16 Based on the average of Council Tax bands (average of groups B to G) for 2023/2024, relating specifically to the local area of Bushey, the Development of 310 units could generate around £442,000 in council tax payments per annum.

3.0 SUMMARY

- 3.1 This EBS has identified the economic benefits associated with the Development and Table 3.1 summarises these economic benefits.

Table 3.1: Summary of Economic Benefits

<u>Construction Phase (78 months)</u>	
No. of Direct Construction Jobs	157
No. of Indirect Construction Jobs	185
Total Job Supported over the Construction Phase	342
GVA from Direct Construction Jobs	£87.1m
GVA from Indirect Construction Jobs	£63.8m
Total GVA from Construction Phase	£150.9m
<u>Operational Phase</u>	
No. of Dwellings	Up to 310
Residential Population	776
Economically Active Population	352
In Employment	329
Residential GVA Per Annum	£20.6m
Commercial Expenditure Per Annum:	£
Convenience Goods	£2.1m
Comparison Goods	£3.1m
Leisure Goods	£2.7m
Total commercial Expenditure	£7.9m
Council Tax Per Annum	£442,440

Source: Section 2 of the Economic Benefit Statement & Oxford Economics GVA per worker for Hertsmere (2015-2021)

Notes: 1) Numbers may not sum due to rounding