Economic Benefits Statement

Downlands Farm, Uckfield

May 2022

BARTON WILLMORE now Stantec

ECONOMIC BENEFITS STATEMENT

Prepared by Barton Willmore now Stantec

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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 Gleeson Strategic Land Ltd. This Statement will assess the economic benefits likely to arise is planning permission is granted for the following:

> ***Outline Application (with all matters reserved except for access) for the erection of up to 424 residential dwellings including affordable housing, the provision of vehicular, pedestrian and cycle access and separate emergency access from the Uckfield Bypass (A22), pedestrian and cycle access from Snatts Road, open spaces including children's play space, sustainable urban drainage systems, associated landscaping, infrastructure and earthworks.***

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 and New Homes Bonus 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 two year, 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 Development could support **162[1] direct construction related jobs per month** over an estimated 4 year[2] construction period, of which 90 are expected to be predominantly site based roles per month.

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

[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 96 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 approximately 106 dwellings delivered on-site per annum.

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

- 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

Construction Period Employment Sector	Skill Requirement
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;

Construction Period Employment Sector	Skill Requirement
	• 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 £41,700 per annum across Wealden (Oxford Economics, 2015-2019), the Development could generate a direct construction job **GVA of approximately £27.1m 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 (2015)[3] to the direct construction employment. Based on this, it is estimated that the Development could support **157 indirect positions** over the construction period**.**

2.9 The **157 indirect jobs are expected to generate approximately £35.4m of economic output** over the construction period, based on applying the UK average GVA per worker figure of £56,200 per annum (Oxford Economics, 2015-2019). This would provide a combined GVA from direct and indirect construction employment of **£62.5m** over the construction period.

b) Operational Phase

i) Future Residents and Economically Active Population

2.10 Applying the average household size for Wealden[4] to the proposed 424 dwellings will result in homes for approximately **851 residents.**

[3] ONS, Type 1 UK Employment Multipliers and Effects, reference year 2015
[4] According to 2011 Census data, Assessing average household size by number of bedrooms.

2.11 A proportion of the Development's future residents will be economically active and in employment. It is assumed, based on Wealden's population who are economically active (50%), that the Development could accommodate 425 economically active residents, of whom 419 (i.e. 49%) would be assumed to be in employment (based on the employment profile for Wealden, December 2021)[5].

2.12 Utilising a GVA per worker figure of around £40,240 per annum[6], it is estimated that those residents in employment could generate around **£16.9m 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, 2020 prices) that the average annual household expenditure on convenience (food), comparison (non-food), and leisure goods and services for Wealden is as follows:

- Convenience - £7,082 per household per annum;
- Comparison - £11,162 per household per annum; and
- Leisure - £8,724 per household per annum.

2.14 On the basis of these figures, the provision of 424 dwellings will generate an annual convenience goods expenditure of £3.0m; comparison goods expenditure of £4.7m; and expenditure on leisure goods and services of £3.7m[7]

2.15 A proportion of the household expenditure will be spent within the local area and beyond. For example, around £2.0m of the total commercial expenditure is expected to be spent on food and non-alcoholic beverages. Households will spend around £1.0m supporting restaurant and café services. Households within the Development are also projected to spend around £200,000 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, Jan 2021– December 2021 [downloaded from NOMIS]
[6] Oxford Economics (2015-2019) average GVA for Wealden, subject to rounding
[7] Numbers Subject to Rounding

iii) Council Tax

2.16 Based on the average of Council Tax bands (groups A and H) for 2022/2023, the Development of 424 units could generate around £1.2m[8] in council tax payments per annum.

2.17 Around £850,400 oof this annual payment will be shared to East Susses County Council (72%). Approximately £107,000 (9%) goes to Wealden District Council. Sussex Police and Crime Commissioner accounts for £118,400 (10%). A further £47,400 is utilised by the East Sussex Fire Authority. £59,200 is directed to local town and parish councils.

iv) New Homes Bonus

2.17 The New Homes Bonus Calculator (2021/2022) provided by the Ministry of Housing, Communities and Local Government (MHCLG) confirms that the provision of 424 (148 of which are affordable dwellings) new homes could equate to a New Homes Bonus of around £856,800[9] over a one-year period[10].

[8] Number subject to rounding
[9] Number subject to rounding
[10] Based on properties being within Council Tax band D.

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

Economic Indicator	Application Proposal[1]
Construction Phase (4 years)	
Total Direct Construction Jobs	162
- Of which are primarily site-based	90
Total Indirect Jobs supported over the Construction Phase	157
Total Job Supported over the Construction Phase	320
GVA from Direct Construction Jobs	£27.1m
GVA from Indirect Construction Jobs	£35.4m
Total GVA from Construction Phase	£62.5m
Operational Phase	
No. of Dwellings	424
Residential Population	851
Economically Active Population	425
In Employment	419
Residential GVA Per Annum	£16.9m
Commercial Expenditure Per Annum: Convenience Goods Comparison Goods Leisure Goods **Total commercial Expenditure**	 **£3.0m** **£4.7m** **£3.7m** **£11.4m**
Council Tax Per Annum	£1.2m
New Homes Bonus (over 1 Year)	£856,700

Source: Section 2 of the Economic Benefit Statement & Oxford Economics GVA per worker for Wealden
Notes: 1) Numbers may not sum due to rounding