

Forty Acre Farm Economic Benefits Assessment

Final Report

Barratt Homes and David Wilson Homes

3 May 2018

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The economic benefits of Forty Acre Farm, Bedhampton



320 new homes offers the opportunity to stimulate economic growth, assist in meeting Havant Borough Council's objectively assessed housing need and add to the local authority's revenues

The proposal



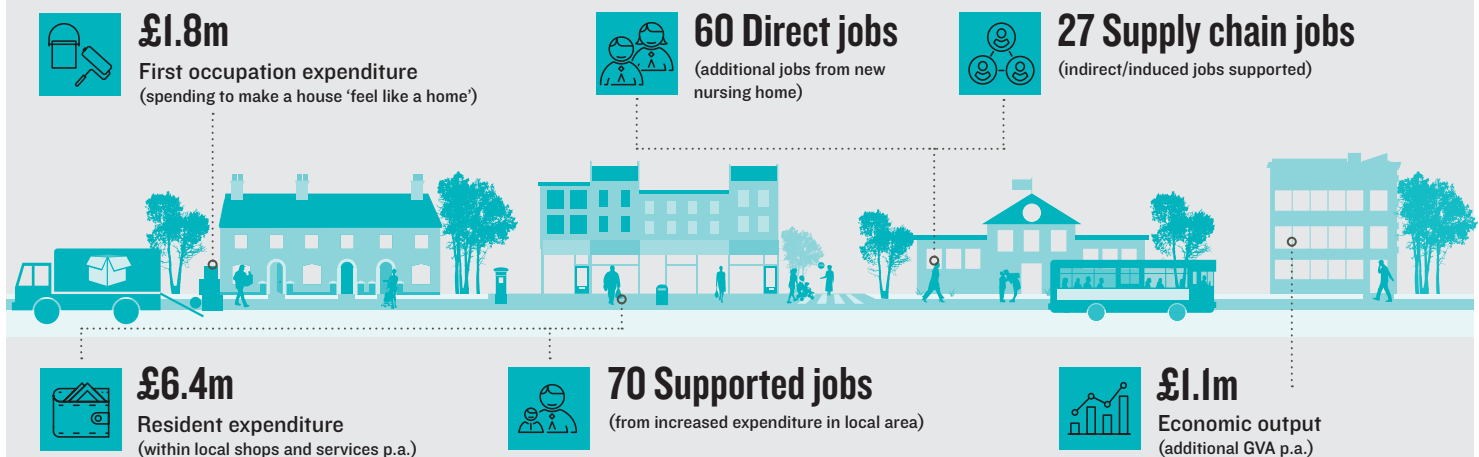
320 New homes
30% Affordable homes

Other details:
66 Bed Nursing Home

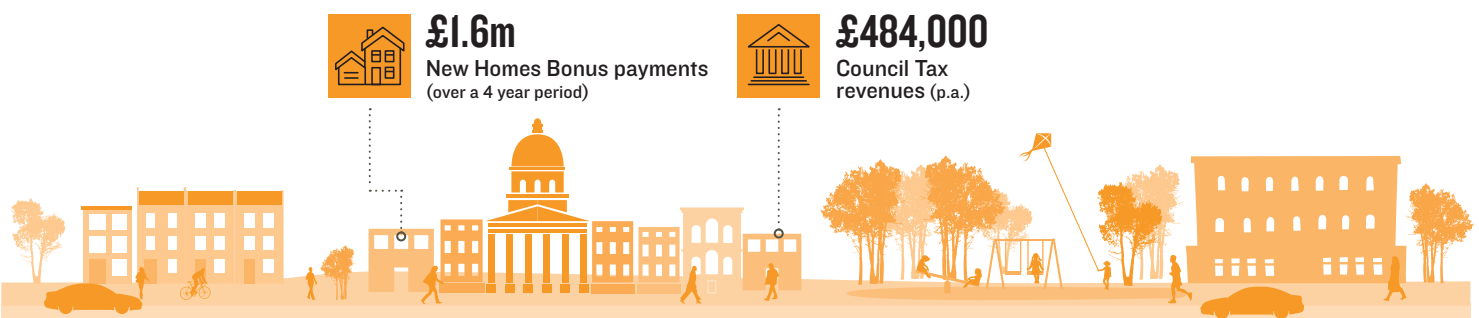
Construction benefits



Operational and expenditure benefits



Local Authority revenue benefits



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1.0

Introduction

1.1

This report has been prepared by Lichfields on behalf of Barratt Homes and David Wilson Homes. It assesses the potential economic and regeneration benefits of the proposed residential development on the former Forty Acres Farm at Havant Road, Bedhampton, located within the Borough of Havant.

Proposed Development

1.2

The site is located in the suburb of Bedhampton on the eastern side of Havant. It is surrounded by residential dwellings and is located to the north of the Havant Bypass. Bedhampton station lies 1.7km to the north east and provides access to south western and southern mainline rail services. Figure 1.1 presents the site boundary alongside an illustrative master plan of the proposed development, which features 320 new dwellings (30% affordable) and a 66-bedroom nursing home.

Figure 1.1 Illustrative Master Plan



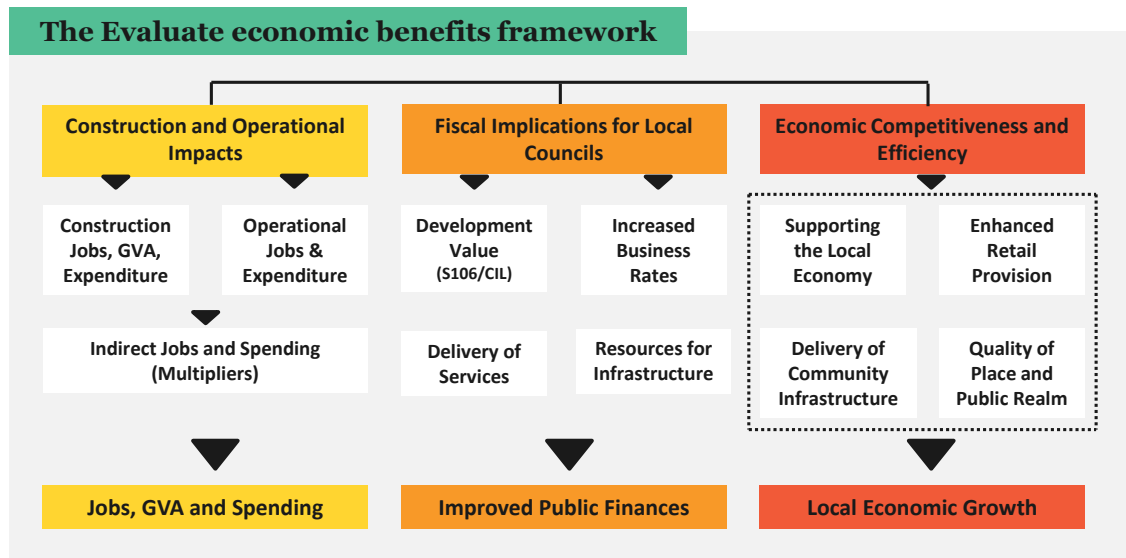
Source: Barratt Homes and David Wilson Homes

Study Framework

1.3

This report draws on the Evaluate methodology developed by Lichfields, which provides an analytical framework for assessing the economic impacts arising from new development. This framework, as it relates to the analysis of the proposed development is shown in Figure 1.2.

Figure 1.2 Evaluate Analytical Framework



Source: Lichfields

- 1.4 The analysis focuses first on the key quantifiable impacts of the development during the construction phase and upon completion, before considering the wider qualitative effects of the role that new developments have in the context of supporting economic growth more generally.
- 1.5 For residential-led schemes incorporating other employment generating land uses, the scale and type of economic impacts are typically determined by:
- The scale of capital investment in the scheme, including any significant infrastructure requirements, which generates employment and economic output during construction;
 - The quantum and type of residential dwellings proposed, and in turn, the socioeconomic profile and spending patterns of residents;
 - The quantum of employment generating floorspace or rooms;
 - The location of the development in relation to other centres of retail activity and other town centre uses, which capture and benefit from the additional expenditure of residents; and
 - The extent to which the proposed development also provides other amenities, such as community facilities, social infrastructure and public open space.

Report Structure

- 1.6 The remainder of this report is structured as follows:
- **Section 2** reviews the economic, regeneration and housing context of Havant;
 - **Section 3** outlines the potential economic impacts generated during construction;
 - **Section 4** outlines the operational employment impacts of the proposed development once complete;
 - **Section 5** outlines the expenditure impacts once the scheme is built out and occupied;
 - **Section 6** examines the fiscal implications of the proposed development;
 - **Section 7** considers the economic competitiveness and wider impacts associated with the proposed development; and
 - **Section 8** draws together overall conclusions.

2.0 Economic, Regeneration and Housing Context

2.1 This section establishes the baseline socioeconomic context for the residential-led development at Forty Acre Farm, Bedhampton, highlighting key economic and housing trends and drivers of regeneration need at the Borough level. This has been derived from published data and other information available at the local level.

2.2 Housing delivery is a key component to sustainable economic development in both a local and national context, as it provides a series of direct and indirect socioeconomic benefits that ultimately support the formation of more sustainable communities. National planning policy requires local authorities to take into account the needs of existing and future residential and business communities, so as to ensure that balanced economic growth can be achieved.

Population and Labour Market

2.3 The residential population of Havant in 2016 amounted to 123,900 people¹. The population is expected to continue to increase and by 2033, it is anticipated that there will be 132,700 people living in Havant, representing a 7.1% increase over the 2016 level².

2.4 In the Borough, 80.8% of 16-64 year-olds were economically active in 2017, lower than the South East average (81.4%) but higher than in Great Britain (78.4%)³. Out of the Borough's working age population (people aged 16-64), just 2.4% were unemployed which amounts to around 1,400 people. This is lower than the equivalent rates for the South East (3.2%) and Great Britain (4.4%).

2.5 In 2017, a lower proportion of the Borough's working age resident population (27.5%) had NVQ4+ (National Vocational Qualifications 4+) level qualifications than the South East and Great Britain averages (41.4% and 38.6% respectively).

2.6 In 2017, median gross resident wages in the Borough amounted to £543.60 per week⁴. The equivalent rate for the South East was approximately 8.9% higher (£596.80) and the Great Britain median (£552.7) was 1.7% higher than in Havant⁵.

2.7 According to the 2016 Business Register and Employment Survey (BRES), there are 45,000 people employed in Havant⁶. The largest broad industrial groups include retail (13.3%), education (13.3%) and business administration and support services (13.3%). A relatively high proportion of employed people are also engaged in manufacturing (10.0%).

Regeneration

2.8 Deprivation at the local level is measured by the Indices of Multiple Deprivation (IMD), which uses a series of data to rank areas across seven domains that range from income to health. These categories are combined to produce multiple deprivation scores for each local area. The IMD 2015 identifies that of the 326 local authorities nationally; Havant is ranked 208 and is,

¹ ONS, Mid-Year Population Estimates, (2017)

² ONS, 2014-based Subnational Population Projections for Local Authorities and Higher Administrative Areas in England (2016)

³ ONS, Annual Population Survey (2017)

⁴ ONS, Annual Survey of Hours and Earnings – Resident Analysis (2017)

⁵ ONS, Annual Survey of Hours and Earnings – Workplace Analysis (2017)

⁶ ONS, Business Register and Employment Survey: Open Access (2016)

therefore, one of the less deprived local authorities England⁷. The proposed development site is also located in an area that falls within the 40% least deprived neighbourhoods in the country.

- 2.9 The overall deprivation level in Havant and the area surrounding the site is lower than other parts of the UK, however, the Borough performs less well regarding access to housing and services ranking, ranking just outside of the 50% most deprived local authorities in this domain. This highlights that measures could be undertaken in the future to help improve access to housing and services for existing and potential residents.

Housing

- 2.10 One of the key housing challenges facing Havant is the growing gap between house prices and income, which is generating affordability problems and keeping residents from being able to access open market housing. The median house price in Havant in 2016 was £250,000, exceeding the England average of £225,000⁸.
- 2.11 Affordability ratios assess the relationship between lower quartile house prices and lower quartile earnings. Based ONS data, the affordability ratio for Borough was 9.2 in 2016, compared to 7.2 for England⁹. This indicates the affordability of housing is a more significant issue for the population in Havant than elsewhere.
- 2.12 The Havant Core Strategy Plan (2011) Policy CS9 sets a Borough housing provision target of 6,300 homes between 2006 and 2026 at an average rate of 315 homes per annum¹⁰. This figure has increased in the latest Partnership of Urban South Hampshire (PUSH) Strategic Housing Market Assessment (SHMA), which indicates that Havant's Objectively Assessed Housing Need (OAN) is 450 dwellings per annum (11,250 in total) over a 25-year period between 2011 and 2036¹¹.
- 2.13 Annual monitoring data shows that housing completions in the Borough are above the target set in the Core Strategy (2011), since 2006 a total of 3,596 net dwellings had been built by December 2017¹². However, if the past average rate of delivery continues the Borough will fail to match the PUSH SHMA target of 450 dwellings per annum.

Summary

- 2.14 Havant performs similarly to Great Britain across a number of the labour market and economic indicators; however, the Borough underperforms when compared to the South East. The Borough's workforce is characterised by average levels of economic activity and employment, and lower levels of educational attainment. Median resident wages in Havant are lower than the South East and Great Britain on average.
- 2.15 In this context, the housing market in Havant displays relatively high house prices and affordability issues that are impacting on the ability of local people to access market housing on affordable terms.

⁷ Ministry for Housing, Communities and Local Government (MHCLG), Indices of Multiple Deprivation (2015)

⁸ ONS, House Price Paid, (2017)

⁹ ONS, Housing Affordability, (2017)

¹⁰ Havant Borough Council, Core Strategy (2011)

¹¹ Partnership for Urban South Hampshire (PUSH), Strategic Housing Market Assessment (2014)

¹² Havant Borough Council, Annual Monitoring Report (2017)

3.0 Construction Impacts

- 3.1 This section sets out the potential economic impacts arising from the construction phase of the proposed development at Forty Acre Farm, Bedhampton. The key impacts relate to new employment opportunities and additional economic output that will be generated during the duration of the build.

Direct Employment

- 3.2 Using ONS Annual Business Survey data, it is possible to estimate the number of direct jobs the construction phase of the proposed development will generate¹³. It is expected the development would generate 401 person-years of construction employment over the duration of the construction period. Resulting in 100 temporary jobs per year of the construction phase, or 40 FTE (full-time equivalent) construction jobs¹⁴.
- 3.3 Although national and regional construction firms often use their own labour on projects, it is typical that a share of the contractors employed are drawn from the local labour pool. However, it is difficult to determine the likely source of labour to fill these jobs before contracts have been let. Based on past experience, it is reasonable to expect a proportion of the construction jobs to be taken up by local workers, particularly if measures are in place to raise local skill levels and encourage local recruitment (e.g. through apprenticeships).

Indirect and Induced Employment

- 3.4 Housing construction involves purchases from a range of suppliers who in turn purchase from their own suppliers via the supply chain. The relationships between the initial direct spending and total economic impacts are known as the 'multiplier effect', which demonstrates that an initial investment can have much larger economic benefits as this expenditure is diffused through the economy. The construction industry is recognised to be a part of the UK economy where there is a particularly high domestic benefit in the supply chain. Research showed the construction sector imported less than 8% of its supply, while in contrast, the UK car manufacturing industry imported nearly 28%.
- 3.5 It is expected that local businesses in Havant will benefit from trade connections established during the construction phase of the proposed scheme. As a result, further indirect jobs would be supported locally within the economy through the suppliers of construction materials and equipment.
- 3.6 In addition, businesses would also be expected to benefit to some extent from temporary growth in expenditure linked to the direct and indirect employment effects of the construction phase. While only a portion of these benefits would be felt in the local area, it would be anticipated that the local economy would gain a large temporary boost from the wage spending of workers within shops, bars and restaurants, and other service facilities. Such effects are typically referred to as 'induced effects'.
- 3.7 Research undertaken on behalf of the National Housing Federation indicates that the construction industry has an indirect and induced employment multiplier of 2.51¹⁵. Applying this employment multiplier to the 100 direct construction jobs per year derived above indicates an additional 152 indirect and induced jobs could be supported per year of construction by the

¹³ ONS, Annual Business Survey (2017)

¹⁴ Based on HM Treasury assumption that 10 person-years of employment equates to 1 permanent position.

¹⁵ National Housing Federation, 2013. An employment multiplier of 2.51 implies that per direct job generated a further 1.51 induced jobs and supported in the supply chain.

proposed development in sectors throughout the UK economy. This is in addition to the 100 direct jobs.

Economic Output

- 3.8 The construction phase of the development will also make a major contribution to local economic output, as measured by Gross Value Added (GVA). GVA is a measure of the difference between what is produced as output (goods and services) and the inputs (raw materials, semi-finished products etc.) used in the production of those outputs. It represents the additional value that is added through economic activity.
- 3.9 Based on 2017 Experian data, the construction sector generates an average GVA per FTE worker of £81,341 in the South East¹⁶. Applying this to the direct employment impact of the scheme (as derived above), it is estimated the direct construction activity could generate £8.2 million of direct GVA and an additional c.£11.5m of indirect GVA for each year of construction¹⁷. This equates to around £19.7 million direct and indirect GVA in total per annum. It should be noted that not all of this will be retained locally.

¹⁶ Experian, Gross Value Added (2017)

¹⁷ To calculate indirect construction GVA a multiplier of 2.41 has been applied to direct construction GVA. The multiplier is from research done by National Housing Federation in 2013.

4.0 Operational Impacts

- 4.1 Alongside the residential uses, the proposed development also includes plans for a 66-bedroom nursing home, which will generate employment, additional economic output and expenditure within the local area once operational.

Direct Employment

- 4.2 The 66-bedroom care home is expected to employ 60 people in FTE jobs once complete and operational; this is based on an operator estimate. This will provide local residents with the opportunity to take full time roles near to where they live.

Indirect and Induced Employment

- 4.3 Indirect jobs will be supported by the operator of the nursing home spending capital on goods, supplies and services in the surrounding area. The spending of wages by both employees of the on-site operators and of the local firms supplying goods and services to these facilities will also support induced employment in other local shops, services and firms.
- 4.4 It is estimated that the additional 60 FTE jobs will result in a further 15 'spin-off' FTE jobs in local services and other firms in the area. At the regional (South East) level, a total of 27 'spin-off' FTE jobs are expected to be supported in services and firms (27 FTE jobs includes the 15 FTE jobs in the local area)¹⁸.

Economic Output

- 4.5 As with the construction phase of the development, the operational phase will also make a significant contribution to local economic output and GVA by supporting the creation of new employment. The net additional direct jobs created could deliver an additional £1.1 million of GVA per annum once the nursing home is complete and operational.

¹⁸ Multipliers of 1.25 and 1.45 from the Homes and Communities Agency's Additionality Guide 4th Edition (2014) were used to calculate indirect and induced jobs at the local and regional level respectively.

5.0 Expenditure Impacts

- 5.1 This section assesses the resident expenditure impacts generated by the development land at Forty Acre Farm, Bedhampton once the development is completed and occupied. For residential developments, the key economic impacts relate to the increase in local expenditure to be supported by new households attracted to the area. Clearly, the scale of these impacts will be determined by the expenditure patterns of local residents, and the extent to which residents of the new housing move into the area from elsewhere.

‘First Occupation’ Expenditure

- 5.2 Research suggests that the average homeowner spends approximately £5,500 to make their house ‘feel like home’¹⁹. This money is generally spent on furnishing and decorating a property. This expenditure on goods and services will generate a range of economic benefits for the local economy, by supporting indirect and induced jobs within local businesses.
- 5.3 By applying this average level of one-off spending on household products and services, it is estimated that the new residents of the 320 dwellings could generate £ 1.8 million of first occupation expenditure. This injection of resident spending within the local economy will help to support local businesses and could support 10 additional FTE jobs in the local area thereby increasing work prospects.

On-going Resident Expenditure

- 5.4 Analysis of Output Area Classifications indicates that housing areas within the area surrounding the proposed development site are largely dominated by households in the ‘suburbanites’ socio-economic classification group²⁰. It is anticipated that the new households accommodated within the proposed market housing would broadly be within the same type of household group.
- 5.5 The ONS Family Spending Survey 2017 (2018 edition) provides data on household spending by socio-economic classification²¹. This indicates UK average spending levels of £663.50 per week for households in the ‘suburbanites’ group. Spending by South East households is 17.8% higher than the UK on average, resulting in an average household expenditure figure of £781.40 per week. Similarly, average expenditure levels amongst the ‘Hard-pressed living’ group (i.e. comprising those occupying the scheme’s affordable housing) amounts to £441.90 per week across the UK and £520.40 in the South East.
- 5.6 Based on these assumptions, it is estimated that residents of the development could generate total gross expenditure of around £11.7 million per annum.

Net Additional Expenditure

- 5.7 It is recognised that not all residents of the proposed development will be ‘new’ to the local area, as some will move from elsewhere in Havant. National research provides standards on the average distance moved between a head of the household’s present and previous residential address, which can be used to estimate the share of residents of the scheme that maybe new to the locality²².

¹⁹ Research carried out by OnePoll surveying around 2,000 UK adults in August 2014: <http://www.barratthomes.co.uk/the-buying-process/home-buying-advice/10-Year-Warranty-Terms-andConditions/>

²⁰ ONS, 2011 Area Classification for Output Areas

²¹ ONS, Family Spending, (2018)

²² DTLR, Survey of English Housing, Tenure by Distance Moved, 2013/14.

- 5.8 In addition, only a proportion of the gross expenditure by new residents of the proposed housing will be retained within Bedhampton and the wider Borough. Based on retail expenditure retention rates set out in the Council's Town Centre, Retail and Leisure study²³, it is estimated that 80% of comparison and convenience goods will be retained within Havant. This takes into account existing shopping patterns in the local area which show a small proportion of retail expenditure leaks from Havant to other retail destinations within the Borough.
- 5.9 Taking these factors into account, it is estimated that total net additional spending of just over £6.4 million per annum will be created by new residents of the development and be retained within the Borough's economy. This additional spending will support the vitality and viability of local firms and could encourage other businesses to move to the local market as well as supporting the functioning of town centres. It is also estimated that this additional expenditure could support a further 61 FTE jobs in retail, leisure, hospitality, catering and other service sectors.

²³ Havant Borough Council, Town Centres, Retail and Leisure Study, (2009)

6.0

Fiscal Implications

- 6.1 This section considers the benefits delivered by the proposed development at land at Forty Acre Farm, Bedhampton that will accrue to the Borough of Havant Council and help fund the delivery of social and community infrastructure and services.

New Homes Bonus

- 6.2 In 2010, the Coalition Government introduced an incentive-based scheme to support the delivery of new housing. The New Homes Bonus (NHB) matched for a six-year period the increase in Council Tax income from new homes, or homes brought back into use. However, in December 2016, a number of changes to the scheme were announced. From 2017, a national baseline for housing growth of 0.4% will apply. Below this, the NHB will not be paid to local authorities. Furthermore, the number of years for which payments are made has been reduced from six to five years in 2017-18 and reduced further to four years from 2018-19. It was also indicated that from 2018-19, the Government would consider withholding NHB payments from local authorities that are not planning effectively and delivering housing growth.
- 6.3 Taking the construction programme into account, the proposed development has the potential to generate payments over a four-year period. Payments are not ring-fenced and therefore allow local authorities to use payments in the most beneficial way to support their needs. A premium of £350 is payable on affordable housing units.
- 6.4 The proposed development will deliver 320 new dwellings across a variety of sizes and therefore Council tax bands. Using standard methods of calculation, as contained within the Ministry of Housing, Communities and Local Government (MHCLG) New Homes Bonus calculator²⁴, it is estimated that the new development could generate about £402,000 of New Homes Bonus payments each year, or £1.6 million during a set four year period (i.e. albeit profiled to reflect the build period for the development scheme) should the Council meet the baseline growth threshold.

Council Tax Payments

- 6.5 In addition, the scheme would generate an increase in Council Tax receipts. This would provide an additional boost to the revenue base of Havant Borough Council, over and above the impact of the NHB payments. Drawing upon the assumptions and analysis presented in relation to NHB (and having regard to levels of Council Tax levied by the local authority in the 2018/19 financial year)²⁵, it is estimated that the development could generate around £484,000 per annum in additional Council Tax payments in perpetuity.

²⁴MHCLG, New Homes Bonus Calculator, (December 2017)

²⁵ Havant Borough Council, Council Tax Bands 2018/19, (2018)

7.0

Economic Competitiveness and Wider Impacts

7.1

This section assesses the potential impact of the proposed development on the economic competitiveness and wider impacts on the local economy.

Labour Market Flexibility

7.2

Housing supply can play a major role in the flexibility of the local labour market, which in itself is an important component of local economic competitiveness. This is because a shortage of housing, or a lack of affordability, can be a key barrier to people accessing work opportunities, often resulting in long-distance commuting with adverse transport and environmental impacts. A geographic mismatch between labour supply and demand can impede national economic productivity levels.

7.3

With this in mind, increasing housing supply generated by the proposed development could allow for a better match between labour and employment within the area, which will help to improve the overall economic competitiveness of the local economy.

Housing

7.4

The proposed development will assist the Council in boosting housing delivery which is a key objective of Government, as expressed in the Housing White Paper 'Fixing our broken housing market'²⁶. Measured against the latest objectively assessed the need for housing of 450 dwellings per annum for the Borough, the proposed development could deliver almost 71.1% of the annual need (albeit profiled over the build period).

7.5

Constrained housing supply, and among other things, continued affordability pressures could have a significant impact on the ability of residents to buy housing locally, particularly those with lower-paid jobs. This could force such workers to move further afield, increasing out commuting even further but also reducing local labour supply. This would limit the prospects for businesses to create or maintain jobs in the Borough.

Wider Role of Housing in the Economy

7.6

Research has focused on the wider role that new housing can play in supporting economic growth, alongside the need to ensure greater value for money in public expenditure terms. The role of housing in the economy is complex, however, new housing delivery has the potential to generate a range of improved economic outcomes (as outlined in Table 7.1 below).

²⁶ UK Government, Housing White Paper "Fixing our broken housing market", (2017)

Table 7.1 Economic Outcomes for New Housing Delivery

Type of Role	Impact of New Housing Delivery
Supporting Growth	• Macroeconomic boost from new housing building (multiplier effect)
Enhancing Productivity	• Labour market and spatial flexibility from housing choice • Impact on economic competitiveness (e.g. quality of place, access to services)
Structural Shifts	• Replacement of poor quality stock, impacting on health, income and life chances • Better balance of supply and demand • Matching jobs with homes • Increased energy efficiency of new housing reducing carbon emissions (and saving mitigation costs)

Source: Lichfields based on HCA 2009/HBF

- 7.7 As demonstrated in Section 3.0, house building is a relatively labour-intensive activity and generates a high number of jobs per £1 of investment made. This new activity would drive up productivity, support existing jobs and make new job creation more likely. Strong local supply chains for materials also mean a far greater share of spending remains in the UK, rather than being channelled into foreign imports as with many other sectors.
- 7.8 The economic contribution of new housing development has been acknowledged by Government announcements and policy documents, including the 'Fixing our broken housing market' Housing White Paper, 'Fixing the Foundations'²⁷, the Local Growth White Paper²⁸ and National Planning Policy Framework²⁹. Housebuilding is therefore recognised in national policy as having a major role in stimulating economic growth and ensuring the long-term competitiveness of the UK economy.
- 7.9 A publication by the Home Builders Federation³⁰ assesses the economic footprint of the national house building industry and quantifies the economic contribution to the national economy. This study indicates that in 2014, c.140,000 new homes were built across the UK leading to the following economic impacts:
- a £12.5 billion capital investment and expenditure on land and buildings for housing;
 - b £5.5 billion annual expenditure on supplies;
 - c Supporting 233,000 direct construction jobs;
 - d Creating 605,580 indirect and induced jobs; and
 - e Generating £19.2 billion of economic output.
- 7.10 This indicates that the house building industry has an important role in stimulating economic growth and support significant levels of employment.

Quality of Place and Sustainability

- 7.11 The proposal site offers an opportunity to regenerate a disused employment site and put in place buildings, which fit cohesively with the surrounding urban area, while contributing to the enrichment of local environmental quality. Achieving this will be the consideration of housing mix and open space in the southern part of the site, which also includes play space.

²⁷ HM Treasury, Fixing the foundations: Creating a more prosperous nation (July 2015)

²⁸ HM Government, Local Growth: Realising Every Place's Potential (October 2010)

²⁹ Communities and Local Government, National Planning Policy Framework, March 2012

³⁰ HBF, The Economic Footprint of UK House Building, Nathaniel Lichfield & Partners (March 2015)

- 7.12 The provision of green space is recognised by the Government as a key element that contributes to the quality of place. High-quality green infrastructure and open spaces can have a significant impact on local economic vitality; as locations increasingly compete with one another to attract investment, the presence of parks, gardens and open spaces (collectively referred to as ‘green infrastructure’) becomes a vital asset to underpin local economic growth and success.
- 7.13 The open space on the site will provide expanded opportunities for recreational activities, thereby improving physical health, fitness, mental health and well-being. This high-quality public environment will also provide opportunities for social interaction between people of different communities, fostering social inclusion, community development and business interaction. This can have indirect economic benefits by increasing productivity (e.g. fewer ‘sick days’) as well as acting as a preventative measure on health and social needs that can impact on public budgets.
- 7.14 Local social infrastructure and services in Bedhampton and Havant are easily accessed from the proposed development site. Regarding sustainable transport modes, both the town centres can be easily accessed by means of public transport services; there is a frequent public bus service, meaning future residents will not have to rely solely on the use of private cars.

Contribution to Economic Objectives

- 7.15 The potential economic impacts of the proposed development at Forty Acre Farm, Bedhampton, align well with a wide range of national, sub regional and local policy objectives. The proposals would increase the supply of high quality, sustainable and affordable housing to meet projected increases in population, enhance economic prosperity through creating employment opportunities for local people and bringing significant private sector investment to the area, thereby stimulating further regeneration across the Borough.
- 7.16 The table below summarises the strategic fit of the proposals with relevant planning and economic development strategies at the national, sub-regional and local authority

		Relevant Key Message	Contribution of Proposed Development to Policy Objective
National	National Planning Policy Framework (March 2012)	Local planning authorities should: - Do “everything they can” to support economic growth; - Significantly boost the supply of housing; and - Seek to secure a wide choice of homes, high-quality design and a good standard of amenity for all existing and future occupants of land and buildings.	- Create and support new jobs, and contribute £19.7 million of GVA per annum throughout the construction phase; - Deliver 60 new FTE jobs and £1.1 million of GVA per annum through the development of a nursing home; - Injection of private sector capital that will deliver 320 new homes; and - Provide a mix of high-quality homes, from two-bed flats to four-bed family houses to meet local needs.
	Fixing our broken housing market (February 2017)	The White Paper sets out how Government intends to boost housing supply to create a more efficient housing market to match needs and aspirations and support wider economic prosperity. Key proposals include: - Planning for the right homes in the right places; - Building homes faster; - Diversifying the market; and - Helping people now.	- Ensure a skilled workforce lives nearby to support growing businesses in Havant; - Delivery of 320 additional dwellings to boost housing supply in Havant; and - Improving housing affordability through additional supply.
	Fixing the foundations: Creating a more prosperous nation (July 2015)	Government’s framework is built on two pillars: - Encouraging investment in economic capital, including infrastructure, skills, knowledge and jobs; and - Promoting a dynamic economy (including through the provision of more housing).	- Support 100 direct jobs and 152 indirect/induced jobs per annum throughout the build period at a range of skills levels; - Contribute £19.7 million GVA per annum to the economy through the construction phase; - Provide 60 FTE direct jobs and 27 indirect FTE jobs in the wider region once the care home is complete and operational; and - Support an additional 61 FTE jobs in local shops and services through ongoing resident expenditure.
Sub-Regional	Solent Local Enterprise Partnership: ‘Transforming Solent’ Growth Strategy (2015)	The Strategic Economic Plan includes the following objectives that encompass: - Providing a business environment that accommodates up to 15,500 additional jobs by 2020; - Investing in skills to establish a sustainable pattern of growth, to the benefit of local residents; and - Enabling the delivery of 24,000 new homes.	- Provide 60 FTE direct jobs and 27 indirect FTE jobs in the wider region once the care home is complete and operational; - Support 100 high-value jobs on site through the construction phase; and - Provide 320 new high quality for current Solent residents and people planning to relocate to the Borough from elsewhere in the country.
Local	Havant Core Strategy (2011)	The Council’s vision for the Havant includes objectives such as: - Identify sufficient space for 6,300 new homes in order to meet the requirements of the now redundant South East Plan; and - Providing services for older people and other vulnerable groups, including extra care facilities.	- Provide 60 FTE direct jobs and 27 indirect FTE jobs in the wider region once the nursing home is complete and operational; - Deliver 320 new high-quality homes to meet the needs of the population; and - Provide a 66-bed care home for the more elderly residents of the Borough to continue living healthy and enjoyable lives.

8.0

Conclusions

- 8.1 The proposed residential development at Forty Acre Farm, Bedhampton represents an opportunity for investment into the local community of Havant. The proposed development will include a quantum of new housing and a care home that will create a range of economic impacts in the local area.
- 8.2 Some of the more quantifiable economic impacts of the proposed development include:
- Creating approximately 401 person-years of temporary construction employment, equivalent to 100 temporary construction jobs each year of construction at a range of skill levels;
 - Supporting a further 152 jobs in services and other businesses from the wage spending of construction workers and supplier sourcing;
 - Generating £8.1 million direct GVA and £11.6 million indirect GVA per annum from the construction phase of the proposed development;
 - Creating 60 new direct FTE jobs once the care home is operational and supporting a further 27 jobs in the supply chain;
 - Generate a further £1.1 million of GVA per annum once the care home is operational.
 - Helping to deliver a significant boost to the local economy by generating ‘first occupation expenditure’ of £1.8 million on goods that make a dwelling ‘feel like a home’;
 - Once the scheme is fully constructed and occupied, residents are expected to generate £11.7 million of expenditure per year in shops and services, of which £6.4 million each year will be retained within local businesses in Havant. The increase in local expenditure is anticipated to support an additional 61 FTE jobs; and
 - Delivering £484,000 of Council Tax receipts per annum once the scheme is built out and occupied, and £1.6 million of New Homes Bonus payments over the first four-year period.
- 8.3 The proposed residential development will also benefit the local community in some less tangible ways including:
- Improving the residential environment in Havant by delivering a high-quality housing scheme to meet the needs of future population growth;
 - Provide jobs for local people and accommodation for more elderly members of the community to live in; and
 - Provide green space, resulting in an attractive, accessible and safe place for all residents and visitor to enjoy.
- 8.4 These economic benefits align with a range of national, sub-regional and local policy objectives. In particular, the proposed development will help meet the Borough’s housing requirements, enhance the socioeconomic prosperity of people through job creation and support the economic vitality of Havant.

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