



JULY 2022

Land off Hart Plain Avenue, Waterlooville

Economic Benefits Statement

Iceni Projects Limited on behalf of
Frontier Estates Ltd

July 2022

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ON BEHALF OF FRONTIER
ESTATES LTD

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Land off Hart Plain Avenue,
Waterlooville
ECONOMIC BENEFITS STATEMENT

Economic Benefits of Development at Land at Hart Plain Avenue, Waterlooville

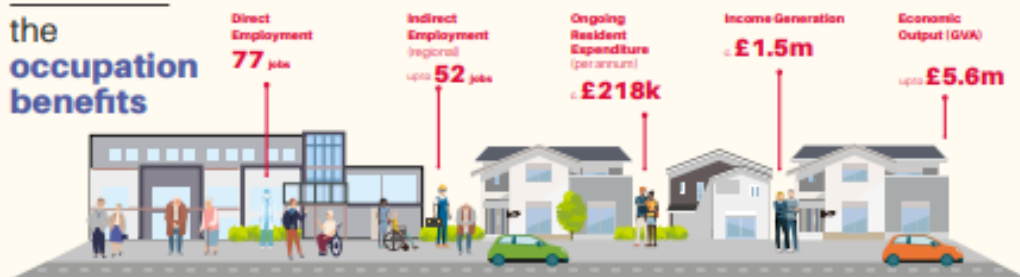


This infographic provides an overview of the economic benefits that could be delivered through the development at Land at Hart Plain Avenue, Waterlooville. The proposed development is expected to deliver a range of economic benefits during both the construction and operational phases which will make a positive contribution to the local economy.

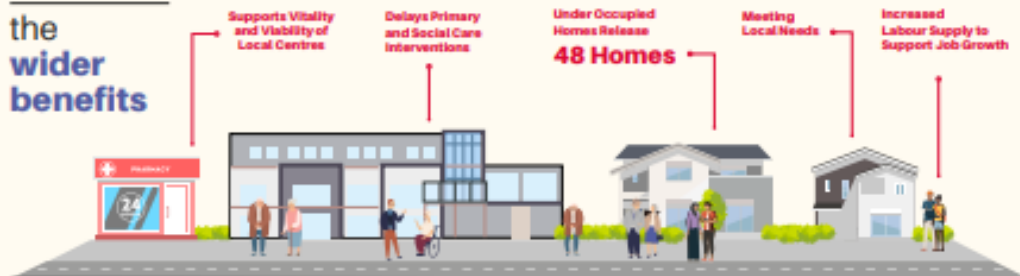
the construction phase benefits



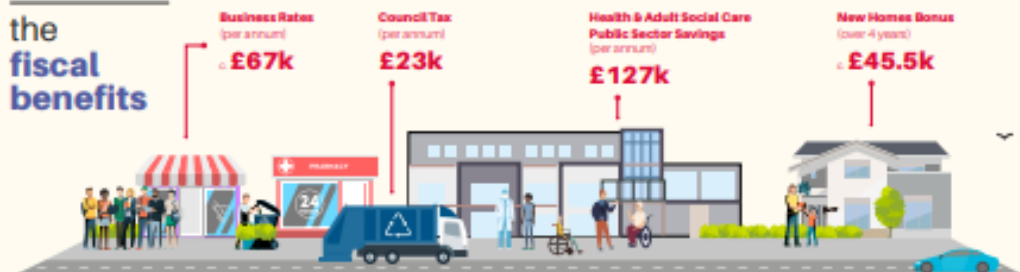
the occupation benefits



the wider benefits



the fiscal benefits



*Figures rounded

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1. INTRODUCTION

- 1.1 This Economic Benefits Assessment has been prepared by Icen Projects Ltd on behalf of Frontier Estates Ltd. The statement has been prepared to highlight the potential economic benefits arising from the planning application for a 64-bed residential care home and 6 dwellings at Land off Hart Plain Avenue, Waterloooville (“the Site”).

Site Context

- 1.2 The Site is located within the grounds of Cowplain Community School and comprises two distinct plots, which both border the north of Hart Plain Avenue and are separated by a small cluster of residential dwellings.

- Plot 1 is 0.73 ha and currently forms part of the school's playing field and will comprise the care home.
- Plot 2 is 0.21 ha and was formerly a tennis court and has been used as a car park for many years and will comprise the 6 residential dwellings.

- 1.3 The Proposed Development is located approximately 1.25km north of Waterloooville town centre. Waterloooville town centre has a full range of shops, services and social infrastructure. This includes schools, healthcare, supermarkets, restaurants, banks and community centres.

Proposed Development

- 1.4 The planning application seeks permission for the demolition of existing structures and the erection of a 64-bed residential care home (Class C2) and 6 residential units (Class C3). The description of development is:

Erection of a care home (within Use Class C2) and erection of 6 dwellings (within Use Class C3), with associated works including access, parking, and landscaping.

- 1.5 The Care Home will provide a range of facilities in the form of lounges, dining rooms, a café and a library. As expected with purpose built-care homes, lifts will be provided on all floors and the overall design is expected to exceed Care Quality Commission standards.
- 1.6 The proposed six residential dwellings will provide 2 detached 4-bedroom dwellings and 4 semi-detached 3-bed dwellings for market sale. Each property will benefit from a front and rear garden, a driveway and a detached garage.
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1.7 The Site Layout Plan is shown in **Figure 2** below.

Figure 2 Site Layout Plan



Source: WR Dunn

Assessment Methodology

- 1.8 This report assesses the economic impacts the Proposed Development is anticipated to have on the economy and population of Havant Borough and the wider South East Region.
- 1.9 This assessment quantifies the economic benefits that are expected to be generated by the Proposed Development, applying industry-standard assumptions and drawing on publicly accessible data from the Office of National Statistics (ONS), Department of Levelling Up and Housing Communities (DLUHC) and other recognised sources.
- 1.10 Wider benefits are also considered to highlight the qualitative impacts of the Proposed Development. The assessment examines the potential impacts over the construction and operational phases of the development.

Report Structure

- 1.11 The following sections of the report are structured as follows:
- Section 2 – provides an overview of the economic policy context;
 - Section 3 – outlines the local economic context of Havant;
 - Section 4 – identifies the construction phase economic impacts;

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- Section 5 – identifies the operational phase economic impacts;
 - Section 6 – provides an overview of wider benefits; and
 - Section 7 – summarises the overall impacts

2. ECONOMIC POLICY CONTEXT

- 2.1 This section briefly reviews the policy context relating to the economic aspects of the Proposed Development scheme at the national, regional and local levels. It focuses on economic development issues. A more detailed policy review is provided in the Planning Statement supporting the application.

National Policy

National Planning Policy Framework (2021)

- 2.2 The National Planning Policy Framework (NPPF) was last amended in July 2021. The main objective of the NPPF is to increase the delivery of sustainable growth and development. The Framework includes several policies of relevance for this assessment:

- **Paragraph 8-** The economic objective of achieving sustainable development should help to build a strong, responsive and competitive economy, by ensuring the right type of land is available to support growth.
- **Paragraph 82-** Planning policies should set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth.
- **Paragraph 119-** Planning policies and decisions should promote effective use of land in meeting the needs for homes and other uses while safeguarding and improving the environment and ensuring safe and healthy living conditions.

- 2.3 The NPPF identifies older people, and people with disabilities, as specific groups in the community whose housing needs should be assessed and reflected in planning policies. The Government National Planning Practice Guidance on 'Housing for older and disabled people in recognition of the increasing ageing population, and the need to ensure disabled people do not face discrimination and disadvantage in housing.

Local Policy

Havant Borough Core Strategy (2011)

- 2.4 The Havant Borough Core Strategy was adopted in March 2011 and sets out the Council's long term aims and aspirations for the Borough and provides the basis for deciding on planning applications.
- 2.5 There is a strategic objective in the plan to meet the needs of older people, and other groups who need specialist housing.

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- 2.6 **Policy CS9 Housing** states that planning permission will be granted for housing proposals that will contribute towards the target of delivering 6,300 new dwellings between 2006 and 2026. The new dwellings hold ensure mixed communities are created and achieve a suitable density of development for the location.
- 2.7 The policy also outlines the target of 450 extra-care dwellings to be provided between 2006 and 2026. These units should be provided in sustainable locations and provide a variety of care needs and flexibility to accommodate the different requirements of ageing care.
- 2.8 The specific needs of older people are outlined in **Policy DM7 Elderly and Specialist Housing Provision**. This policy stated that within defined urban areas development specific to the requirements of the elderly, people with disability or other forms of specialised supported housing will only be permitted which meet certain criteria. This includes, appropriate levels of on-site amenity space, the building is in keeping with the surrounding area and there is sufficient space for servicing.

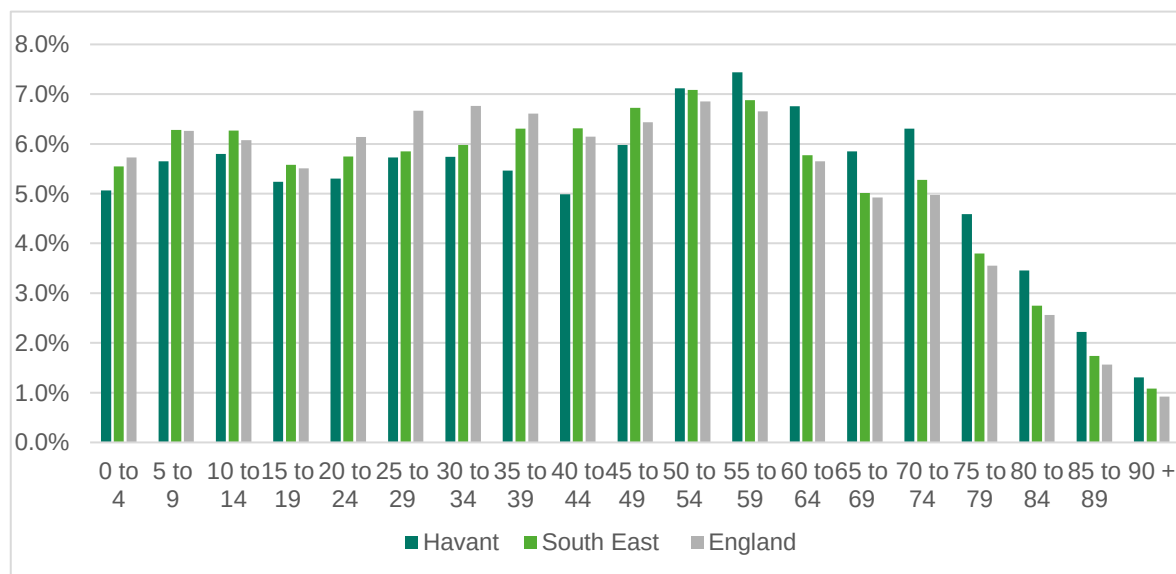
3. LOCAL ECONOMIC CONTEXT

- 3.1 This section provides a brief overview of the profile of the local economy and the housing market in Havant to provide context for the following assessment.

Local Population Profile

- 3.2 Based on the ONS 2020 mid-year population estimates the total population of Havant was 126,339.
- 3.3 As shown in **Figure 3.1** Havant has a higher proportion of older people (aged over 65+) when compared with the South East region and England. Overall, the 65+ demographic make up 24% of Havant's population, in comparison to the South East where 20% of the population is aged 65 and 19% of England's population.
- 3.4 Conversely, Havant has a smaller proportion of young people (aged under 20) than the comparative areas. Additionally, it is noted that Borough has a smaller proportion of the working-age population aged under 50, in particular the population aged between 40 to 44.

Figure 3.1 Population Age Profile



Source: ONS-2020 Mid-Year Population Estimates

- 3.5 The ONS 2018-based subnational population projections anticipate that the population in the Havant will increase by c.17,600 people between 2018 and 2043, equivalent to a 14% increase compared to a projected 9% increase across the South East Region in the same time frame.
- 3.6 The 2018-based population projections indicate that the population of the over 65s cohort within Havant is expected to increase to 13,000 by 2043, which represents a 44% increase over the current

number of residents that fall in this age bracket. Within the South East, the population over 65s is expected to increase by 46% by 2043.

Local Economic Context

- 3.7 Local labour market indicators, using the latest available data, are summarised in Table 3.1. The analysis demonstrates that Havant is characterised by a comparatively smaller economic working-age population compared to the South East region and with a lower economic activity rate. Levels of education attainment (as measured by the percentage of holding university qualifications) are marginally lower than in the region.
- 3.8 There is a slight difference between resident and workplace-based earnings, with some out-commuting to higher paid jobs likely. However, the median workplace weekly salary in Havant is slightly lower than the GB average.

Table 3.1 Labour Market Indicators

Indicator	Havant	South East	Great Britain
Working-age population (16-64 years) % of total Population (2020)	74,000 (58.6%)	61.1%	62.4%
Economic Activity Rate (2021)	58,900 (76.6%)	81.1%	78.7%
Unemployment (claimant count – job seekers) (2021)	2,800 (4.8%)	4.1%	4.9%
Tier 1-3 Occupations (managers, professionals, technical) (2021)	18,500 (34.1%)	53.1%	49.9%
NVQ4+ Qualifications (2021)	30,800 (41.9%)	44.9%	43.1%
Earning by place of residence (2021), Gross Weekly Pay	£560.3	£660.1	£613.1

Source: ONS, (Annual Population Survey, Population Estimates and Annual Survey of Hours and Earnings)

- 3.9 The unemployment rate in Havant, ending December 2021, was marginally below the national average but above the regional level. The unemployment rate has fluctuated in light of the pandemic reaching 5.0% unemployment in December 2020. Furthermore, as of April 2021, Havant had 2,770 residents claiming universal credit, which represents 3.7% of working-age residents.
- 3.10 Within the Borough, gross weekly wages are somewhat lower than the regional and national levels. Within the Borough, the average wage is £560 per week compared to the South East of £600 and England being £613.

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- 3.11 The Business Register and Employment Survey (BRES) shows the amount of employment by sector. There are 43,000 employee jobs¹ in Havant and the local economy is diverse, with the three largest sectors in 2020 being wholesale and retail trade; motor vehicles (17.1%), education (12.2%), manufacturing (9.8%) and Human Health and Social Work (9.8%).
- 3.12 Of relevance for the proposed development, construction work also plays a key role in the local economy making up 7.0% of employee jobs as do Health and Social which make up 10.5% of employee jobs.

Local Housing Market Context

- 3.13 In 2020, there were 56,046 dwellings within Havant². In the same year, there were estimated to be 55,050 households within Havant. The Government 2018-based Household Projections forecast that the number of households in Havant will increase to 64,800 households by 2043 which is a 17% increase from 2020.
- 3.14 Based on ONS data for September 2021, Havant's median house price was £310,000 which is above the UK house price of £282,000. When compared to the median earnings of residents, the Borough has a residents-based affordability ratio of 10.67. This means that on average people living in Havant purchase homes worth 10 times their annual earnings. This ratio is higher than England (8.96) but marginally lower than the South East Ratio (10.74).
- 3.15 At the lower end of the housing market, the ratio of the lower quartile house price to lower quartile residents' earnings in Havant is 10.35. This is higher than both the English average (7.96) but lower than the South East average (11.02). This demonstrates that for those residents of Havant who are of lower-income housing is extremely unaffordable. This also highlights a barrier to market entry for first-time buyers in the Borough.
- 3.16 The Havant Core Strategy (2011) outlines a need for 6,300 new dwellings between 2006 and 2026, equivalent to 315 new dwellings per annum. However, the Council's Five-Year Housing Land Supply Update, June 2021, shows that the standard method calculation for the Borough is 504 dwellings per annum.
- 3.17 The Housing Delivery Test 2020 analyses the housing requirement and compared the net homes delivered over the previous three years. Over the period 2017-18 to 2019-2020, Havant are required to deliver 1,280 homes. Overall, they have delivered 923 homes. Therefore, the housing delivery test

¹ ONS, BRES (2020)

² ONS, Table 406 Household Projections by Borough

2020 measurement for Havant is 72%. As a consequence of the result is less than 75%, the presumption in favour of sustainable development applies.

3.18 The Havant Specialist Housing Analysis, July 2020 reinforces that the population of Havant is ageing. Using the LIN data derived from the Strategic Housing for Older People Analysis Tool, it is estimated that the future needs for extra care housing for 2035 is approximate:

- Sheltered Housing: 2,813
- Enhanced Sheltered / Extra Care: 900
- Registered Care: 2,475

3.19 The Havant Housing Delivery Report (January 2021), states that in April there were 1,701 dwellings with outstanding planner permission and only 267 dwellings (16%) were completed during 2019/20. Housing delivery has been compounded by nutrient neutrality over the last 12-18months, with an estimated 242 homes directly stalled and a further 409 significantly or principally backlogged by these issues as of February 2020.

Summary

3.20 Havant's population is ageing. As the population continues to age there will be a corresponding drop in the proportion of working-age people and an increase in demand for specialist older persons' accommodation needs.

3.21 In comparison to regional labour market indicators show that the Borough performs below the regional average with unemployment being at 4.8% in Havant compared to 4.1% in the region and waged being lower in Havant.

3.22 The Borough has a high affordability ratio with median house prices of £310,000. The Borough is not delivering enough housing as shown through failing the housing delivery test. The Borough has also identified a need for older person housing.

4. CONSTRUCTION PHASE IMPACTS

- 4.1 This section considers the economic benefits linked to the construction phase of the Proposed Development. It is expected that the construction phase will extend over 18 months. The primary benefits relate to the level of private sector investment, employment opportunities created, and the additional economic output generated.

Construction Investment

- 4.2 It is expected that the development of the Site to provide a residential and care home development will lead to private sector construction investment amounting to approximately **£10 million** based on the developer's estimates. This represents an injection of private sector investment within the Havant economy in the short to medium term (1 and a half build period).

Construction Employment

Direct Employment

- 4.3 To estimate the number of construction jobs supported during the 18-month construction period, a turnover-to-employment ratio for the construction sector has been used. This draws on the Office for National Statistics (ONS) Annual Business Survey³ data resulting in a ratio of one job per £123,260. Applying this ratio to the construction cost results in **81 person-years of construction employment**, equivalent to **54 direct construction jobs** per annum over the construction period. The number of construction workers on-site at any one time will vary as the development phases progress.
- 4.4 Construction involves a wide range of trades and sub-sectors who are involved with the site as it develops. Construction labour is typically mobile nevertheless, it can be expected that the Proposed Development will help support existing local trades and contractors. There is a potential that the Proposed Development will lead to opportunities for apprenticeships and training.

Indirect and Induced Employment

- 4.5 Several additional effects need to be considered when calculating the economic benefits of the construction phase, in line with the HCA Additionality Guide (2014). The main effects are as follows:
- Displacement i.e. whether the jobs supported through the development are detracting from other businesses or construction sites;

³ ONS (2020) Annual Business Survey 2018

-
- Leakage i.e. to what extent jobs are taken by that outside of the study area; and
 - Multiplier effects i.e. downstream business benefits through the supply chain (indirect) and benefits created through additional income-expenditure of employees (induced).
- 4.6 In terms of construction employment, the level of displacement is the number of the **81 direct jobs** that would be supported elsewhere in the study area if the Proposed Development did not take place. Labour resources are finite and therefore labour requirements can lead to a reduction in economic activity elsewhere. However, construction labour tends to be highly mobile and flexible meaning levels of displacement tend to be lower than for employment in general. In reality, displacement in construction tends to mean a delay in alternate economic activity rather than it not taking place at all. On this basis, it is considered appropriate to apply a low discount for displacement (25%) in line with HCA guidance⁴ for Havant and a medium discount for displacement (50%) for the South East.
- 4.7 The level of leakage is the proportion of jobs which are taken by that not residents in Havant. ONS location of usual residence and place of work data based on the 2011 Census shows that 49% of those employed in Havant also reside within the Borough These figures have therefore been used to represent the level of leakage.
- 4.8 Multiplier effects relate to the further economic activity (such as jobs, expenditure or income) associated with additional income, local supplier purchases and longer-term development effects. In terms of housing development, the scale of the multiplier effects will depend on the extent to which local sub-contractors (with their local labour) and local suppliers (for materials and services) are used in construction. For commercial development, multiplier effects are relevant to employment, investment and income associated with the construction phase.
- 4.9 To deduce the indirect employment effect a multiplier has been applied in line with HCA guidance. For Havant, a multiplier of 1.5 is used which suggests that for every direct construction job supported, a further 0.5 jobs are likely supported in the supply chain and through additional income expenditure. Applying this multiplier to the net additional direct jobs figure suggests that **the Proposed Development will support a further 47 net additional indirect and induced jobs for residents in Havant during the construction phase.**
- 4.10 However, when considering multiplier effects across a wider geographical area it is appropriate to apply a larger multiplier. Therefore a 'regional level' multiplier of 2.51 has been applied in line with HCA guidance. This suggests that for every direct construction job supported, a further 1.5 jobs are supported in the supply chain and through income-expenditure across Scotland. Applying this

⁴ HCA Additionality Guide (2014) – Table 4.8.

multiplier to the net additional direct construction jobs figure suggests that **the Proposed Development is likely to support a further 61 indirect and induced net additional jobs for residents of South East during the construction phase.**

Table 4.1 Summary of Construction Employment per annum

	Havant	South East Region
Gross Direct Employment	81	81
Displacement	25%	50%
Leakage	49%	10%
Multiplier	1.5	2.51
Net Additional Employment	47	61

Source: Icení Analysis

Economic Output

- 4.11 The contribution of the construction sector to the economy can be measured by Gross Value Added (GVA). GVA only considers the actual added value of the industry and excludes costs incurred in the construction process. The average ratio of expenditure to jobs in the construction industry is £92,945 per workforce job⁵ across the South East. Applying this to the direct employment impact of the Proposed Development results in GVA output of around £5 million per annum and up to **£7.5 million** over the construction period.
- 4.12 In terms of indirect GVA, the 2014 HCA Additional Guide suggest a composite output multiplier of 1.5 is appropriate for the construction sector. This indicates that the Proposed Development could generate **£2.1 million** per annum. It should be noted that indirect GVA impacts are likely to an extent over a wider spatial area.

⁵ Regional Gross Value Added (Balanced) by Local Authority in the UK (2016) & ONS, BRES (2016)

5. OPERATIONAL PHASE IMPACTS

- 5.1 This section considers the economic contribution of the proposed care home and residential development at Hart Plain Avenue once the scheme is complete, occupied and operational. The primary benefits relate to direct and indirect employment, economic output and fiscal benefits.

Operational Impacts

Direct Employment to the Care Home

- 5.2 An operator has yet to be confirmed for the care home, nevertheless, once complete and operational, the proposed care home will support permanent employment opportunities for Havant. In gross terms, it is estimated that the Proposed Development could support approximately **77 Full-Time Equivalent (FTE) jobs**. This assumes that per 1 bed there will be 1.2 jobs⁶.

Table 5.1 Direct Employment

Use	Number of Beds	Care Home Beds to Employee Ratio	Total Jobs
Residential Care Living (Use Class C2)	64	1 bed to 1.2 Employees	77

- 5.3 The new jobs created will primarily fall within the health sector although there will also be supporting roles related to security, maintenance and cleaning and administration. The proposals would support jobs at a range of skill levels to provide employment opportunities for residents.

Indirect and Induced Employment from the Care Home

- 5.4 In addition to the direct jobs considered above, some indirect employment would also be created by additional spending on goods and services by the new employment-generating occupiers of the Site. The wage expenditure for workers employed directly at the Site, as well as those employed in local businesses supplying these employment uses, would also support jobs in shops, services, and other businesses within the local economy⁷.
- 5.5 The HCA Additionality Guide recommends a range of composite multiplier effects by property-related activity however, C2 uses are not specifically covered. It is considered that a local multiplier of 1.29

⁶ This estimation is based on previous experience and estimates from other sources.

⁷ The same additionality assumption applies in the operational phase as they did in the construction phase.

is reasonable for this type of development to calculate the indirect employment generation from the care home.

- 5.6 In this context, it is estimated that the 48 gross direct jobs created could support a further **38 jobs locally and 52 jobs in the wider economy** to support the local supply chain, local shops, services and other businesses to support the running of the care home.

Table 5.2Summary of Operational Employment per annum

	Havant	South East Region
Gross Direct Employment	77	77
Displacement	25%	50%
Leakage	49%	10%
Multiplier	1.29	1.5
Net Additional Employment	38	52

Source: Icen Analysis

Economic Output from the Care Home

- 5.7 The operational phase will also generate significant levels of GVA which can be measured based on the amount of employment generated and the average levels of GVA per worker in the relevant sector.
- 5.8 As the majority of direct employment will be in health and care activities, the GVA per worker for the South East Region Human Health and Social Care Sector of £32,366 has been used.
- 5.9 Based on the direct employment figure, the Proposed Development is likely to generate around **£2.5 million indirect net additional GVA for South East region's economy.**
- 5.10 The net additional employment figure is likely to be generated in a range of sectors. Therefore, the average GVA per job in the South East has been used as £60,171 to calculate the GVA generated by net additional activities.
- 5.11 Based on the net additional employment figure, the Proposed Development is likely to generate a further **£3.1 million net additional GVA for the South East economy.**
- 5.12 Overall, the Proposed Development is likely to generate around **£5.6 million net additional GVA for the South East economy.**

Income Generation from the Care Home

- 5.13 It is estimated that jobs on-site will generate additional income generation. With an average annual workplace salary of £30,748⁸ in Havant. It is estimated that workplace salaries will amount to approximately **£1.5 million**, a proportion of which is likely to be spent locally.

Resident Expenditure from the Residential Dwellings

- 5.14 The proposal also includes six residential dwellings. New housing development can lead to increased resident expenditure in the local area. Research has shown that homeowners are spending £5,000-£10,000 per home on furnishing their homes for the first time⁹. The level of spending would be determined by the level of disposable income available to residents and the profile of the house buyer (for example first-time buyers or those downsizing). This would indicate that the new residents of the market housing elements of the proposal could spend in the region of **£30,000 – £60,000** on comparison goods such as furniture and appliances in local centres including Waterlooville. This spending would support new and existing businesses and support employment.
- 5.15 The ONS Family Spending Survey provides data on household spending by region. The average expenditure among residents in the South East is £698.60 per week per household. This includes spending on convenience (food and drink) and comparison goods (clothing and footwear and household goods) as well as recreation and culture and restaurants.
- 5.16 Translating this weekly expenditure into an annualised figure, it is estimated that the households of the six new residential dwellings within the Proposed Development could therefore generate **total gross spending of £218,000 each year** which could support the vitality and viability of local centres, businesses and services.

Fiscal Benefits

Business Rates from the Care Home

- 5.17 Business rates are charged on non-domestic properties like shops, offices, education and community facilities. The proposed development will generate annual business rates. Taking into consideration comparable rateable values¹⁰ for similar types of care home facilities as proposed at Hart Plain Avenue, it is estimated that the Proposed Development could generate around **£67,000** per annum in business rates.

⁸ ONS, Annual Survey of Hours and Earnings (2018)

⁹ HBF (2015) The Economic Footprint of UK House Building

¹⁰ Sourced from the VOA.

New Homes Bonus

- 5.18 The New Homes Bonus is a grant paid by central Government to local councils to reflect and incentivise housing growth in their areas. It is based on the amount of extra Council Tax revenue raised for new-build homes, conversions and long-term empty homes brought back into use. There is also an extra payment for providing affordable homes.
- 5.19 Local authorities will only receive New Homes Bonus payments on any housing delivered over a national baseline level of growth of 0.4% of the dwelling stock. Assuming Havant meets the baseline level of growth required, the Proposed Development of six residential units have the potential to generate **£11,388** in New Homes Bonus payments per year. Therefore, over four years the scheme has the potential to generate a total of **£45,552 of New Homes Bonus**¹¹.
- 5.20 At present, the future of the new Homes Bonus Scheme lacks clarity over if it will continue with the Government having not confirmed whether there will be further round of New Homes Bonus Payments in 2023-2024¹².

Council Tax

- 5.21 Council Tax is a tax on domestic property. The proposed development of six residential units will generate additional Council Tax payments to Havant Borough. Taking into account Havant Council Tax charges for 2022/23, it is estimated that the proposed development could generate up to **£23,000** per annum,^{13 14} once the dwellings are complete and occupied. These payments will be made in perpetuity.

Stamp Duty Land Tax

- 5.22 Stamp Duty Land Tax (SDLT) is payable on the purchase of property or land over a certain price. The current SDLT threshold is £125,000 for residential properties and £150,000 for non-residential land and properties. It is difficult to accurately estimate the level of STLTL that the proposed development will generate without making several assumptions given the wide range of criteria that apply and also the discounts that apply, for example, first-time buyers. However, the Site will likely be likely to pay Stamp Duty Land Tax.

¹¹ This figure would be subject to change if the calculation for NHB is altered or removed altogether.

¹² LGC (2022) Worrying lack of clarity over future of New Homes Bonus

¹³ This figure is likely to be at the upper end of the range as single person homes are entitled to discount of approximately 20% off the total council tax bill.

¹⁴ It is assumed that all properties fall within Band E for the purposes of this assessment based on the Council Tax Valuation list finder provided by Direct Gov, <http://cti.voa.gov.uk/cti/inits.asp> last accessed 22 August 2019

Public Sector Savings – Healthcare Cost Savings to the Local Authority

- 5.23 Residential care homes are generally run by local authorities, private firms, voluntary organisations or charities. Private provision helps to alleviate the demand on local authority facilities thereby resulting in potential cost savings for the local authority.
- 5.24 The average cost of supporting an older person in Hampshire is around £44,000 per year¹⁵. This means that a local authority care home with the same capacity as the Proposed Development (64 beds) would cost around **£2.8 million** a year to run. Some of this cost would be paid by the care home's residents, however, some would be incurred by the local authority.
- 5.25 Recent research suggests¹⁶ that there are considerable financial cost-benefits associated with the impact on and the identified benefits for the health care system that accrue from the provision of housing with care. Housing with care has been identified to have the following benefits:
- Reduction in the number of GP visits and number of community health nurse visits;
 - Reduction in the number of non-elective admissions to hospital;
 - Reduction in the length of stay and delayed discharges from the hospital; and
 - A reduction in ambulance call-outs is typically linked to a reduced incidence of falls.
- 5.26 Through the above, housing with care can save around £1,980 per person per annum. Therefore with 64 beds, the Proposed Development could **save around £127,000 per annum in perpetuity for the NHS.**

¹⁵ Hampshire County Council (2022) Paying for Care in a Care Home.

¹⁶ Southampton City Council and Housing LIN: identifying the health care system benefits of housing with care (August 2019)

6. WIDER BENEFITS

- 6.1 The Proposed Development has the potential to deliver a range of wider economic and social benefits.

Under Occupied Homes Release

- 6.2 A recent study¹⁷ of retirement villages suggests that 75% of the people moving to a retirement village used to live in under-occupied houses and flats of three bedrooms or more. It is reasonable to assume that the same applied to care or nursing homes. The study suggests that an average retirement village of 150 units would be likely to release 75 large three or more bedroom houses and 38 other large types of family-sized accommodation units with three or more bedrooms. Applying this ratio to the proposed 64-beds provides an estimate of approximately **32 large three or more-bedroom houses and 16 other large types of family-sized accommodations** which are likely to be released as a result of people downsizing and moving into the proposed nursing homes. These would become available for other households.

Meeting Needs

- 6.3 The Proposed Development will deliver a 64-bed nursing home to help meet the care needs of Havant's residents. The latest Havant Specialist Housing Paper states that the level of unmet need is expected to be 6,188 dwellings in Havant by 2035 and the proposed development could meet 1.0% of this unmet need.
- 6.4 The Proposed Development will deliver six residential units which will assist in meeting Havant's housing needs. Based on the 2011 Adopted Core Strategy, the housing target for the Borough is 315 homes per annum over the 20 years plan period. Within this context, the proposal would contribute to meeting 1.9% of the Borough's housing needs.
- 6.5 The New Local Plan for the Borough has been withdrawn however, the standard method figure for the Borough demonstrates a need for 504 homes per year. Therefore, the Proposed Development will deliver 1.2% of the Borough's housing needs.

¹⁷ Worcester Research, An Economic, Social and Environmental Impact Assessment of a Typical retirement Village for English Care Villages, February 2017

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- 6.6 The impact on the economy could be to improve the labour market and spatial flexibility, improved competitiveness and a balance between demand and supply of jobs.

Labour Market Impacts

- 6.7 Increasing housing supply and reducing affordability constraints in Havant will allow for a better alignment between labour supply and demand in the local area, thereby increasing labour market flexibility. This can reduce the need for long-distance commuting and reflects a more sustainable pattern of development which is promoted by national planning policy.

Contribution to Economic Objectives

- 6.8 The Proposed Development will assist in meeting the economic objectives identified in Section 2. These can be summarised as follows:
- The combination of uses proposed within the scheme will help to create a strong, responsive, competitive economy by aligning housing and employment growth, increasing housing supply to support labour market flexibility;
 - Delivery of housing and employment space will ensure that potential barriers to investment are addressed as employment land will be provided in the Borough and housing delivery levels do not meet the identified need; and
 - The scheme delivers homes, and jobs and leverages investment which will help to deliver the objectives set out in the Havant Core Strategy.

Improvements to the Playing Pitches

- 6.9 As part of the proposal, drainage works are being carried out at the Cowplain School to make sure that the pitch can be used throughout the year. Improving the outdoor environment will help promote and improve the physical and mental health of the students.

Community Benefits

- 6.10 The care home operator has provided evidence that their existing care home facilities are seen as community assets which offer reciprocal benefits. Community groups will be actively involved with the service, providing opportunities for volunteering and skills development.

Mental Health Benefits

- 6.11 Research by Lancaster University has identified a range of mental health benefits for care home residents including lower than average levels of depression, anxiety and improved memory and

cognitive skills. The same research also found levels of loneliness in care home residents were below the national average and improved relative to this living alone. Therefore, the Proposed Development will lead to improved mental health outcomes for its elderly residents.

7. CONCLUSIONS

- 7.1 This assessment has sought to identify the potential economic impacts that could be generated by the Proposed Development at Land off Hart Plain Avenue.

Policy Alignment

- 7.2 The Proposed Development supports growth by providing jobs on an unutilised Site and provides homes to meet the needs of present and future generations thus contributing to both the economic and social objective of sustainable development outlined in the NPPF
- 7.3 The Proposed Development aligns with Policy CS9 Housing of the Havant Core Strategy through contributing to the achieving the Borough's housing target for new dwellings as well as contributing to providing accommodation for the ageing population in a sustainable location.

Meeting Economic and Demographic Needs

- 7.4 The Proposed Development will cater for the housing and care requirements of Havant's and the wider South East's rapidly ageing population. It will also release a supply of under-occupied housing (including family housing) and contribute towards meeting the Borough's housing targets in an efficient manner which utilises existing stock and only a small portion of land. Finally, the Proposed Development will provide employment, tackle high unemployment in the Borough and aid the recovery from Covid-19. It will also help reverse the shrinking of the Residential Care sector in the Borough and provide skilled and rewarding employment.

Economic Benefits

- 7.5 The headline economic benefits can be summarised as follows, the scheme could:
- Lead to private sector construction investment amounting to approximately **£10 million**.
 - Support **54 direct construction jobs** per annum over the 18-month duration of the build.
 - Support around **47 net additional jobs across Havant** during the construction phase, including a further **102 across the South East**.
 - Generate around up to **£7.5 million in GVA** over the construction period.
 - Provide a total of **48 gross direct jobs** on-site at the Care Home

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- Support around **24 new additional jobs across Havant** during the operational phase, including a further **32 around the South East**.
 - Generate around **£5.6 million net additional GVA for the South East economy**.
 - The Proposed Development could generate up to **£23,000** per annum in council tax for the Borough
 - Generate around **£45,500 in New Homes Bonus**
 - Deliver and estimated **£67,000 per annum in Business Rates**.
 - Save the NHS around **£127,000 per annum in perpetuity** for the NHS.

Summary

- 7.6 It is apparent that the benefits of the Proposed Development are wide-ranging and will make a meaningful contribution to achieving the economic objectives in place locally.