



Nathaniel Lichfield
& Partners

Planning. Design. Economics.



Havant Road, Emsworth

Economic Benefits Assessment

Barratt Homes

July 2016



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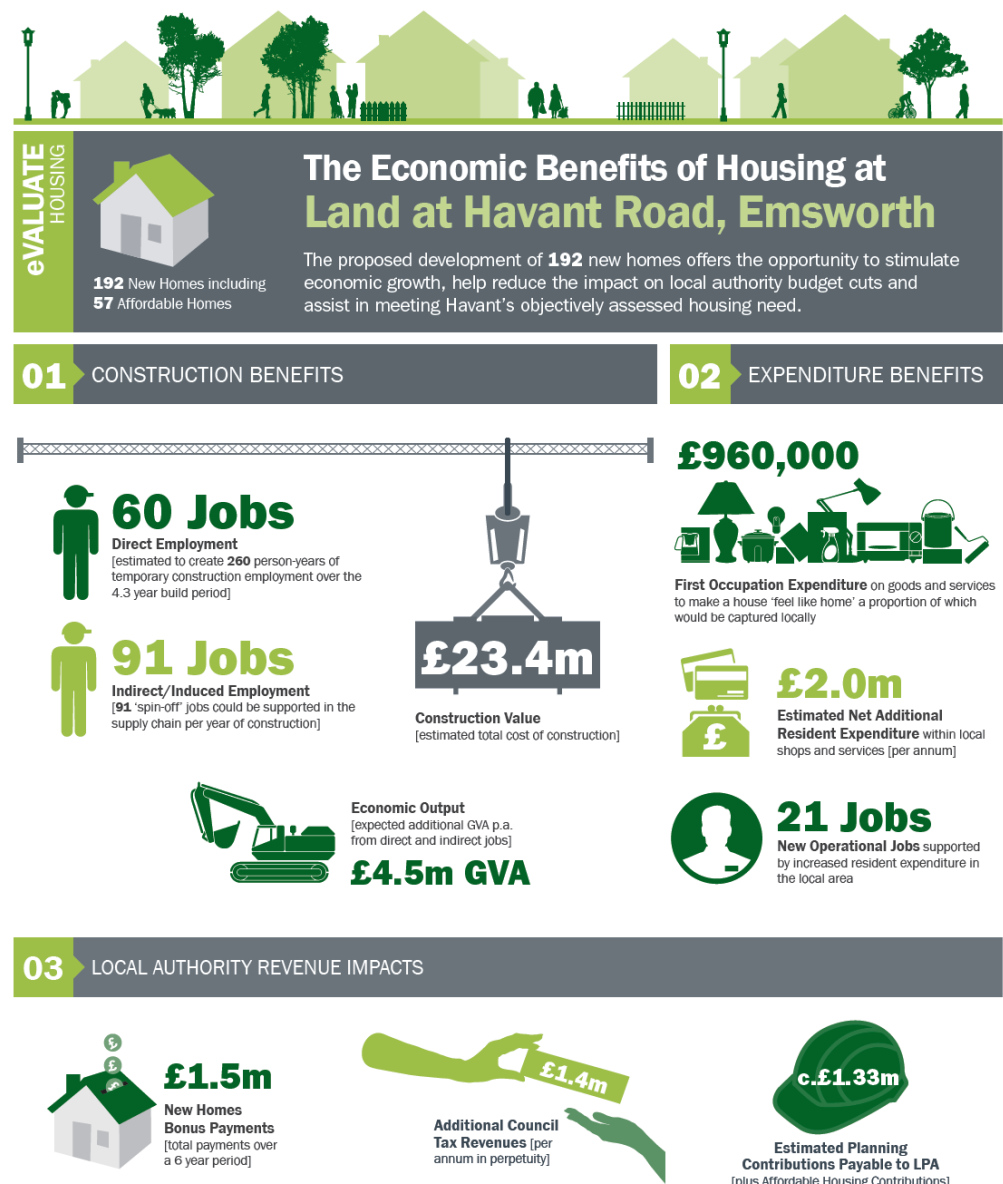
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Executive Summary

This report provides an assessment of the economic and regeneration benefits of the proposed development of 192 dwellings at Land at Havant Road, Emsworth in the Borough of Havant.

The headline economic benefits of the proposal are summarised below:



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1.0 Introduction

- 1.1 This report has been prepared by Nathaniel Lichfield & Partners (“NLP”) on behalf of David Wilson Homes. It sets out the potential economic and community impacts for the proposed residential scheme at Havant Road, Emsworth, located within the local planning authority (LPA) area of Havant Borough Council.

Proposed Development

- 1.2 The site is located to the west of Emsworth, north of Havant Road and is surrounded by residential dwellings along Selangor Avenue and Victoria Road to the east. The A27 straddles the west and north boundaries together with the Portsmouth to Brighton railway line. The site location is shown in Figure 1.1 below:

Figure 1.1 Site Location Map



Source: Barratt Homes

- 1.3 The proposal is for a residential-led development comprising 192 dwellings (including 57 affordable units) with associated parking, access, landscaping, and surface water drainage, pumping station and sub-station. The site currently comprises greenfield, farmland uses. The Masterplan for the proposed development is shown in Figure 1.2.

Figure 1.2 Proposed Development Masterplan

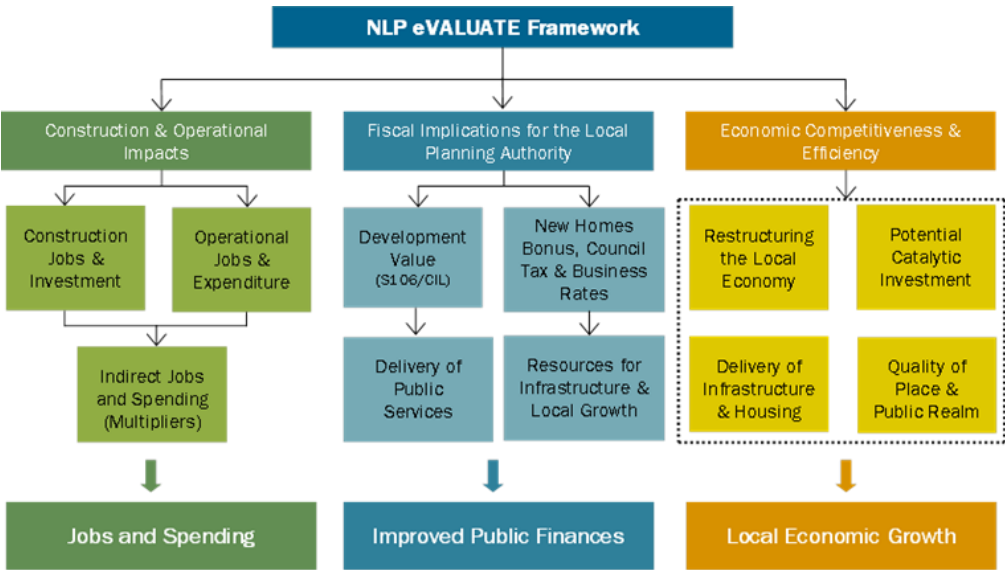


Source: Barratt Homes / Simon Cooper Associates Limited

Study Framework

1.4 This report draws on the eVALUATE methodology developed by NLP, which provides an analytical framework for assessing the economic impacts arising from new development. This framework, as it relates to the analysis for the proposed development, is shown in Figure 1.3 below.

Figure 1.3 NLP eVALUATE Analytical Framework



Source: NLP Analysis

- 1.5 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 housing developments have in the context of supporting economic growth more generally.
- 1.6 For residential-led schemes, the scale and type of economic impacts are typically determined by:
- a The scale of capital investment in the scheme, including any significant infrastructure requirements, which generates employment and economic output during the construction phase;
 - b The quantum and type of residential dwellings proposed, and in turn, the socio-economic profile and spending patterns of residents;
 - c 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
 - d The extent to which the proposed development also provides other amenities, such as community facilities, social infrastructure and public open space.

Report Structure

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

2.0

Economic, Regeneration and Housing Context

2.1

This section establishes the baseline socio-economic context for the residential development at Havant Road, Emsworth, 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 this 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 socio-economic 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

2.3

Havant Borough Council's Adopted Core Strategy (2011), projected that the population would rise to 119,558 by 2026. Recent data from the Office for National Statistics (ONS), however, reveals that the population totalled 122,900 in 2015, thereby exceeding the expected levels of population growth. By the end of the Plan period, updated population projections (2014) now indicate that the population will rise to 128,600 by 2026 (an increase of 4.6%), representing an increase of just over 9,040 residents above the planned growth rates.

2.4

The current population profile (2015) also suggests that the Borough currently has a lower proportion of working age residents (56%) than the South East (58%) and national (59%) average. It is therefore likely that the population increase will be associated with an ageing population, smaller average household size and an increase in the number of one-person households.

Economy and Labour Market

2.5

The Borough's economy has traditionally been manufacturing-based and has a high concentration of advanced manufacturing and marine businesses. Economic activity rates (78.2%) are comparable to the national average (77.8%) but slightly below the regional average (80.3%).¹ The proportion (47.0%) of residents working in higher skilled employment (including: Managers, Directors and Senior Officials; Professional occupations; and Associate Professional & Technical occupations) also exceeds the national average (44.4%), but is slightly lower than the regional average (49.2%).

2.6

According to the ONS Annual Population Survey (2015), 8.5% of the economically active population have no formal qualifications; this is higher than the percentage in the South East region (6.3%). A lower proportion of

¹ ONS Annual Population Survey, Jan 2015-Dec 2015. Numbers are for those aged 16-64 years.

residents (31.6%) also have NVQ Level 4+ qualifications than the regional (39.8%) and national average (37.1%).

- 2.7 Resident and workplace earnings in Havant are exceeded by regional and national averages. In 2015, average gross resident pay in the Borough amounted to £520.10 per week. The equivalent rate for the South-East was approximately 11% higher at £574.9. Similarly, average gross workplace pay in Havant is 6% lower than the South-East average, amounting to £521.70 per week compared with £552.10.
- 2.8 According to the 2014 Business Register and Employment Survey (BRES)², there are a total of 41,800 employee jobs³ in Havant. The largest employment industries include public admin, education and health (29%), financial and other business services (18.2%) and wholesale and retail (17%). A relatively high proportion of employees (11%) are also engaged in manufacturing.
- 2.9 An analysis of jobs density data for the same year indicates that there are 74 jobs in the Borough for every 100 working age residents. This ratio is lower than both the regional (85) and national (82) average.⁴ Business start-up rates per 10,000 working-age residents are also lower (79) than the South East (96) and national average (89).⁵

Regeneration

- 2.10 While Havant Borough ranks within the 50% least deprived local authority areas in England (ranking 142nd out of 326 local authorities)⁶, stark contrasts of deprivation and wealth within the Borough provide the authority with the challenge to address those areas most in need of regeneration. Deprivation is concentrated around Leigh Park, Wecock and West Leigh areas. At the other end of the scale, some of the least deprived areas include; Langstone, Hart Plain, Emsworth and Cowplain. This disparity needs to be addressed in order to create more mixed and balanced communities in Havant.

Housing

- 2.11 One of the key housing challenges facing Havant is the growing gap between house prices and income, which is generating significant affordability problems and keeping many local residents from being able to access open market housing. The median house price in Havant in 2014 was £217,000, exceeding the national average of £195,000.⁷ During the 15 year period from 1999 to 2014, house prices across the Borough also rose by 174%.
- 2.12 Affordability ratios assess the relationship between lower quartile house prices and lower quartile earnings. Based on Department for Communities and Local

² 2014 data

³ Employee jobs excludes self-employed, government-supported trainees and HM Forces

⁴ ONS, (2014), Jobs Density

⁵ ONS, (2014), Business Demography

⁶ DCLG, (2015), Index of Multiple Deprivation

⁷ ONS, (2015), Median sale price by dwelling type and parliamentary constituency (£), 1995–2014

Government data, the affordability ratio for Havant was 8.87 in 2014, compared to 6.95 for England.⁸ This indicates the affordability of housing is a more serious issue for the population in Havant than elsewhere.

- 2.13 The Havant Borough Core Strategy (2011) identifies a housing target of 6,300 new dwellings to be delivered across the five areas that comprise the Borough between 2006 and 2026. This equates to an annual target of 315 dwellings per annum. Since the commencement of the plan period (2006), net dwelling completions across the Borough have amounted to 2,363. This equates to the delivery of approximately 263 dwellings per annum, which is 16.5% below the annualised target. This annual target has only been reached twice since 2006, in 2007/08 and 2014-15.
- 2.14 Policy CS 9 'Housing' of the Havant Borough Core Strategy requires housing proposals to deliver 30-40% affordable housing on sites of 15 dwellings or more. During 2014/15, a net total of 194 new affordable homes were built - equivalent to 39% of total net completions. Despite meeting the policy target in this year, delivery of affordable homes has been inconsistent in recent years, just over 200 net additional affordable dwellings were provided between 2010 and 2014. In 2010/11 just 11 net additional affordable homes were built.⁹

Summary

- 2.15 Havant faces a number of economic challenges to continued growth and prosperity; it underperforms in the South-East region against a range of indicators, including below average skills levels, wages, jobs density ratios and business start-up rates. By 2026, the Borough's population is also expected to exceed the levels projected within the adopted Core Strategy by just over 9,040 residents.
- 2.16 The scale of housing need and the demand for new homes in Havant is high, and is projected to grow in future alongside forecast population growth. The provision of sufficient housing, particularly affordable housing, to meet the growing needs of local residents therefore represents one of the most significant challenges facing the Borough.

⁸ DCLG, (2015), Ratio of lower quartile house price to lower quartile earnings by Local Authority

⁹ Havant Borough Council Annual Monitoring Report (various years)

3.0 Construction Impacts

- 3.1 This section sets out the potential economic impacts arising from the proposed development at Havant Road. The key impacts relate to new employment opportunities and additional economic output that will be generated by the proposals.

Direct Employment

- 3.2 Based upon build costs provided by the client, it is estimated that the total construction cost of the proposed scheme will amount to c.**£23.4 million**. This figure can be used to estimate the amount of construction employment that could be generated by the housing scheme.
- 3.3 ONS Annual Business Survey data (2014 edition) indicates the average ratio of expenditure (i.e. on materials, goods and services) to jobs in the construction industry is £89,970.¹⁰ Applying this ratio to the estimated construction cost suggests that the development could be expected to generate **260 person-years of construction employment** over the duration of the 4.3 year (52 month) build period.¹¹ This is equivalent to creating an average of just over **60 temporary construction jobs per year** during the construction phase.
- 3.4 Given that national construction firms sometimes use their own permanent workforce on projects, but also employ contractors with a proportion of construction workers drawn locally, it is difficult to identify the likely source of workers to fill these construction jobs before contracts have been let. However, based on experience elsewhere it would be reasonable to expect that a proportion of the construction jobs created by the scheme would be taken up by the local workforce, particularly if measures are in place to raise local skill levels and encourage local recruitment (e.g. apprenticeships).

Indirect and Induced Employment

- 3.5 Housing construction involves purchases from a range of suppliers (e.g. concrete, glass, steel), who in turn purchase from their own suppliers further down the supply chain. The relationship between the initial direct spending and total economic impacts is referred to as the “multiplier effect” and demonstrates that an initial investment can have substantially larger economic benefits as this expenditure is transmitted through the economy.
- 3.6 The construction sector is recognised as being part of the UK economy where there is a particularly high domestic benefit in the supply chain. Research indicates that the construction sector imports less than 8% of its supplies, while in contrast the UK car manufacturing industry imports nearly 28%.¹²

¹⁰ Annual Business Survey 2012: Results published June 2014 with detailed data on construction sector spending.

¹¹ Job figures have been rounded to the nearest 5.

¹² UK Contractors Group, Construction in the UK Economy: The Benefits of Investment, 2009 and 2012 Update

- 3.7 As a result, it is anticipated that some businesses in the local and regional economy would benefit from trade linkages established during the construction of the scheme. Consequently, a number of indirect jobs would be supported in suppliers of construction materials and equipment.
- 3.8 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 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'.
- 3.9 Research undertaken on behalf of the National Housing Federation indicates the construction industry has an indirect and induced employment multiplier of 2.51.¹³ Applying this to the 60 direct construction jobs per year derived above indicates an additional **91 jobs could be supported per year** of construction (in addition to the 60 direct jobs derived above).

Economic Output

- 3.10 The construction phase of the development will also make a major contribution to local economic outputs, 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.
- 3.11 Based on 2014 Experian data, it is estimated that the scheme could be expected to deliver an additional **£4.5 million of GVA for each year of construction**. This estimate has been derived having regard to:
- The level of direct employment to be supported during construction;
 - Average GVA per construction worker for the South East¹⁴;
 - An appropriate GVA multiplier for the construction industry¹⁵.

¹³ National Housing Federation, 2013. An employment multiplier of 2.51 implies that for every one direct job generated a further 1.51 induced jobs and supported in the supply chain.

¹⁴ Source: Experian (2014).

¹⁵ A multiplier of 2.41 has been applied, drawing upon research undertaken by CEBR on behalf of the National Housing Federation (2013).

4.0 Operational Impacts

- 4.1 This section assesses the main economic impacts that could be supported by housing development at Havant Road, once the site is completed and occupied. For residential developments, the key operational 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

- 4.2 Research suggests that the average homeowner spends approximately £5,000 to make their house 'feel like home' within a year and a half of moving into a property.¹⁶ 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.
- 4.3 By applying this average level of one-off spending on household products and services, it is estimated that the new residents of the 192 dwellings could generate **£960,000 of first occupation expenditure**. This injection of resident spending into the local economy will help to support local businesses.

On-going Resident Expenditure

- 4.4 An analysis of Output Area Classification data indicates that the housing areas surrounding Havant Road are largely dominated by households in the 'Prospering Suburbs' socio-economic classification group. It is anticipated that households accommodated within the proposed new housing would broadly be within the same type of household group, albeit tenants of the affordable housing element may fall within a different socio-economic classification.
- 4.5 The 2013 ONS Family Expenditure Survey¹⁷ provides data on typical household spending by household socio-economic classification. This indicates average spending levels of £527.20 per week for UK households in the 'Prospering Suburbs' group. Adjusting this figure to account for regional differentials, results in an average household expenditure figure for the South East of £527.20 per week. Similarly, average expenditure levels among the 'Constrained by Circumstances' group (i.e. comprising those occupying the scheme's affordable housing) amounts to £306.10 per week for the South East.
- 4.6 Based upon the data sources and assumptions outlined above, it is estimated that residents of the proposed development could be expected to generate total gross expenditure of just under **£5.4 million per annum**.

¹⁶ <http://blogs.independent.co.uk/2012/11/02/it-costs-5000-to-turn-a-house-into-a-home/>

¹⁷ Published 2014

Net Additional Expenditure

- 4.7 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 the Borough. National research provides standards on the average distance moved between a head of 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 locality.¹⁸ It should be noted that NLP's methodology also takes account of the 'domino effect'¹⁹ in estimating the number of new households generated by any proposed new development.
- 4.8 In addition, only a proportion of the gross expenditure by new residents of the proposed housing will be retained in the local area. Based on retail expenditure retention rates set out in the Council's most recent retail study²⁰, it is assumed that around 45% of comparison goods expenditure and 74% of convenience goods expenditure will be retained in the local authority area. This equates to an estimated 55% of total resident expenditure. These rates factor in existing shopping patterns in the local area which show some leakage to the surrounding retail offer available in nearby East Hampshire and Portsmouth.
- 4.9 Taking these factors into account, it is estimated that total **net additional spending of just over £2.0 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. It is also estimated that this additional expenditure could support a further **21 FTE local jobs** in retail and other service sectors.

¹⁸ Survey of English Housing – Tenure by Distance Moved 2007-08

¹⁹ The 'domino effect' refers to the impact of new residents drawn into the Borough to occupy those existing homes vacated by 'local' moves to the new site

²⁰ Havant Borough Council, (2009), Town Centres, Retail and Leisure Study

5.0 Fiscal Implications

- 5.1 This section considers the financial impacts delivered by the proposed development that accrue to the local authority. At a time when finances are constrained through the Government's public sector austerity measures, this additional revenue is a significant source of income for local authorities. For Havant Borough Council specifically, it is understood that £7.9 million in cuts were made in 2015, with further cuts projected in future years.²¹

New Homes Bonus

- 5.2 The New Homes Bonus (NHB) was introduced in 2010 as an incentive-based scheme to support the delivery of new housing. The Bonus matches for a six-year period the increase in Council Tax income²² from new homes or homes brought back into use. Payments are not ring-fenced and therefore allow local authorities to use these payments in the most beneficial way to support local needs. A premium of £350 is payable on affordable housing units.
- 5.3 The proposed housing scheme will deliver 192 new units at a variety of sizes and therefore Council Tax bands. Using standard methods of calculation as contained in the CLG New Homes Bonus Calculator, it is estimated that the new development could generate just under **£247,000** of NHB payments per year, or just under **£1.5 million** over six years (albeit profiled to reflect the build period for the residential development).

Council Tax Payments

- 5.4 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) it is estimated that the development could generate just under **£1.4 million per annum** in additional Council Tax payments.

Planning Contributions

- 5.5 The proposed development will also make a contribution to the local community via a Community Infrastructure Levy (CIL) payment. CIL is a levy that local authorities charge on developments in their area. These contributions can be used by Havant Borough Council to fund new services and infrastructure in the local area including roads, schools, green spaces and community facilities.

²¹ <http://www.haylingtoday.co.uk/news/business/fresh-cuts-in-funding-drive-local-councils-to-the-brink-1-6482268>

²² New Homes Bonus is calculated based on national averages, whereas Council Tax differs between areas and Local Authorities, hence numbers are slightly different.

- 5.6 Havant Borough Council's CIL Charging Schedule came into effect in 2013. For residential development in the Emsworth area, CIL is charged at £100 per sqm (subject to indexation). It is anticipated that CIL contributions payable to the Council associated with this development will amount to c.£1.3 million.
- 5.7 In addition, as the site is located within 5.6km of a Special Protection Area, a contribution of £176 per dwelling (based on 2016 rates) would be required, totalling just under £33,800. It is therefore anticipated that the planning contributions secured as part of this proposal would total **c.£1.33m**.
- 5.8 Where required, further contributions will also be made towards the delivery of on-site affordable housing, equivalent to 60% of the per unit sum.²³ Any other s.106 contributions required towards items not listed on the Council's CIL Regulation List will also be identified as part of the application process.

²³ As set out within the Council's(2011) Housing SPD.

6.0 **Economic Competitiveness and Wider Impacts**

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

Labour Market Flexibility

6.2 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. This is particularly the case for lower and intermediate level skills where a lack of geographical mobility is in part the consequence of a lack of affordable homes.

6.3 With this in mind, increasing housing supply generated by 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 including Affordable Housing

6.4 The proposed development will assist the Council in meeting its housing target of 6,300 dwellings over the course of the Core Strategy to 2026 (315 dwellings per annum). Providing 192 dwellings, the proposed development will meet over 60% of the Council's annual housing target (albeit profiled over the build period).

6.5 The proposals at Havant Road, Emsworth, will provide approximately 57 units of affordable housing which equates to 30% of the total number of units. The final mix, size and tenure of the affordable homes will ultimately be determined in discussion with the local authority, but the dwellings will be tenure blind, designed to the same high standards as the overall scheme and distributed throughout the development. This meets the Council's Core Strategy policy objective which requires 30-40% of new homes to be affordable.

6.6 As outlined in Section 2, there are areas of significant deprivation in Havant, however, the location of the proposed development lies within a prosperous area. The inclusion of affordable housing units could help create more mixed and balanced communities.

6.7 Housing affordability represents a key Borough-wide issue in meeting the growing need for housing in Havant. Therefore the proposed scheme would make a meaningful contribution to addressing affordable housing deficits.

- 6.8 Constrained housing supply, and inter alia, 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 of Havant.

Wider Role of Housing in the Economy

- 6.9 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 6.1 below).

Table 6.1 Economic Outcomes for New Housing Delivery

Timescale	Type of Role	Impact of New Housing Delivery
Short (0-5 years)	Supporting Growth	Macro-economic boost from new housing building (multiplier effect)
Medium (5-10 years)	Enhancing Productivity	- Labour market and spatial flexibility from housing choice - Impact on economic competitiveness (e.g. quality of place, access to services)
Long (10+ years)	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: NLP based on HCA, 2009/NLP analysis/HBF

- 6.10 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.
- 6.11 The economic contribution of new housing development has been acknowledged by Government announcements and policy documents,

including 'Fixing the Foundations'²⁴, the Local Growth White Paper²⁵ and National Planning Policy Framework.²⁶ 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.

- 6.12 A recent publication by the Home Builders Federation²⁷ 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.
- 6.13 This indicates that the house building industry has an important role in stimulating economic growth and support significant levels of employment.

Quality of Place

- 6.14 Through extensive consultation with local residents, the proposed development at Havant Road, Emsworth, will contribute to an improved local environmental quality through consideration of housing mix, open space and public realm design and the use of high quality and sustainable design, build and preservation principles. The proposed scheme incorporates an abundance of green space including informal play areas and formal and informal public open space. The Landscape Strategy for the site also incorporates measures for retaining and improving the quality of the green infrastructure.
- 6.15 The provision of green space is recognised by the Government as a key element that contributes to 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.
- 6.16 The open space across the site will provide expanded opportunities for recreational activities, thereby improving physical health, fitness, mental health and wellbeing. 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.

²⁴ HM Treasury, Fixing the foundations: Creating a more prosperous nation (July 2015)

²⁵ HM Government, Local Growth: Realising Every Place's Potential (October 2010)

²⁶ Communities and Local Government, National Planning Policy Framework, March 2012

²⁷ HBF, The Economic Footprint of UK House Building, Nathaniel Lichfield & Partners (March 2015)

- 6.17 Local social infrastructure and services in both Havant and Emsworth are easily accessed from the proposed development site. In terms of sustainable transport modes, both town centres are within walking distance and can be easily accessed by means of public transport services; there are two railway stations situated close to the site and there is a frequent public bus service, meaning future residents will not have to rely solely on the private car.

Contribution to Economic Objectives

- 6.18 The potential economic impacts of the proposed development at Havant Road, Emsworth, align well with a wide range of national, sub regional and local policy objectives. In particular, 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.
- 6.19 Table 6.2 overleaf summarises the strategic fit of the proposals with relevant planning and economic development strategies at the national, sub regional and Borough level.

Table 6.2 Contribution of the Proposed Development to Economic Objectives

	Policy/Strategy	Relevant Key Messages	Contribution of proposed development to objectives
NATIONAL	National Planning Policy Framework (March 2012)	Local Plan Authorities should: • Do “everything they can” to support economic growth • Significantly boost the supply of housing • 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 around £4.5 million of GVA per annum throughout the construction phase • Private sector investment injection of £23.4m that will deliver 192 new homes, including 57 affordable homes • Provide a mix of high quality homes, from 1 bed flats to 4 bed family houses to meet local needs
	Laying the Foundations: A Housing Strategy for England (November 2011)	Housing Strategy sets out a package of reforms to: • Get the housing market moving again • Support choice and quality in housing for tenants • Improve the environmental standards and design quality	• Provide new high quality family homes that include a mix of sizes in order to meet the needs of the resident population • Provide 30% affordable homes in the local area at a range of sizes • Improve the local environment through the use of high quality design alongside landscaped green space
	Fixing the foundations: Creating a more prosperous nation (July 2015)	Government’s framework is built around two pillars: • Encouraging investment in economic capital, including infrastructure, skills, knowledge and jobs • Promoting a dynamic economy (including through the provision of more housing)	• Support 60 direct jobs and 915 indirect/induced jobs per annum throughout the build period at a range of skills levels • Contribute £4.5 million GVA per annum to the economy through the construction phase • Support an additional 21 permanent FTE jobs in local shops and services through on-going resident expenditure
SUB-REGIONAL	Solent Local Enterprise Partnership (March 2014)	The strategy includes the following objectives by 2020: • To support sustainable economic growth • To enable the delivery of 24,000 new homes • To achieve GVA growth of 3% • To create an additional 15,000 new jobs	• To provide a minimum of c.£23.4 million private sector investment to the Borough • Provision of 192 new residential dwellings, including 57 affordable units • New residents will support shops and services in the local area and the wider region supporting local employment

	Policy/Strategy	Relevant Key Messages	Contribution of proposed development to objectives
	Partnership for Urban South Hampshire (PUSH) Objectively-Assessed Housing Need Update (April 2016)	Provides an up-to-date assessment of the housing need in south Hampshire. • For Havant Borough up until 2036 the objectively assessed housing need is 11,250 units, or 450 dwellings per annum • This is in excess of the current planned target of 315 dwellings per annum – 6,300 to 2026 • PUSH Spatial Position Statement published 6 June identifies that plans fall short of overall OAN	• Provision of 192 new residential dwellings, meeting c.43% of one year's annual need as defined by PUSH, or 61% as defined by Havant Borough Council • Development of 57 affordable homes at a range of sizes • Provision of c.£23.4 million private sector investment in housing development
LOCAL	Havant Borough Council Core Strategy (March 2011)	The Core Strategy sets out a vision for the Borough to be a cleaner, safer and more prosperous place, this will be achieved by a number of objectives including: • Ensuring all new development maximises economic, social and environmental regeneration for the whole Borough • Ensuring a mix of dwelling types is provided, in the right places at the appropriate times, and that an appropriate level of affordable housing provision is achieved • Ensure all new development is built to a high quality sustainable design that is inspired by the character and setting of the local area • Promote and protect the vitality and viability of the borough's town, district and local centres • To encourage healthier lifestyles that will improve wellbeing across the borough	• Improved local environmental quality through use of high quality design, build and preservation • Proposed development will provide 30% affordable housing (57 units) increasing access to high quality housing for more disadvantaged residents and creating more diverse, balanced communities • £1.33m financial contributions to help fund/support local services and facilities, plus additional support for affordable housing • Provision of a significant amount of public open space and associated recreational facilities for local residents • Located between Emsworth and Havant, the residents of the proposed development will be supporting local shops and services and therefore maintaining the vitality and viability of these centres in particular, as well as the wider regional economy • Inclusion of recreational and open space that will improve the well-being of residents

Source: NLP analysis

Conclusions

7.0

7.1

The proposed development at Havant Road, Emsworth, represents an opportunity to support private sector capital investment into the local economy of Havant, and will deliver a quantum of new housing that will create a range of direct, indirect and induced economic impacts in the local area that are both quantifiable and non-quantifiable.

7.2

Some of the more quantifiable economic impacts of the proposed development include:

- 1 Injection of approximately **£23.4 million** in total private sector investment;
- 2 Creating around **260 person-years of temporary construction employment**, which is equivalent to 60 jobs in each year of construction at a range of skill levels;
- 3 Supporting a further **91 'spin-off' jobs** in services and other businesses from the wage spending of construction workers and supplier sourcing;
- 4 Generating **£4.5 million of direct and indirect GVA** per annum during the construction phase of the scheme;
- 5 Helping to deliver a boost to the local economy including **'first occupation expenditure' of £960,000** on goods and services, a proportion of which will be retained locally;
- 6 Once the scheme is fully constructed and occupied, residents will also generate just under **£5.4 million** of additional annual resident expenditure in shops and services, of which just over £2.0 million will be net additional to local businesses within Havant. This increased expenditure will also support 21 permanent FTE jobs in local shops and services;
- 7 Delivering just under **£1.4 million of Council Tax** receipts per annum once the scheme is built-out and occupied, and just under **£1.5 million of New Homes Bonus** payments over a six year period; and
- 8 Providing c.**£1.33 million in planning contributions** towards associated infrastructure/services, plus additional support towards affordable housing.

7.3

The proposed residential-led development will also benefit the local community in a number of less tangible ways, including:

- Improving the residential environment in Havant by delivering a high-quality housing scheme which helps meet the needs of future household growth;
- Delivering new high quality family homes at a range of sizes to meet local needs;

- Supporting the delivery of 57 additional affordable housing units that are much needed in the area; and
- Supporting the sustainability of local shops and services within the Borough.

7.4

These economic benefits align with a wide range of national, sub-regional and local policy objectives. In particular, the proposed development will increase the supply of high-quality homes within the local area, which will help meet the Borough's annual housing requirement, enhance socio-economic prosperity through job creation and support the vitality and sustainability of Havant and the wider area.



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