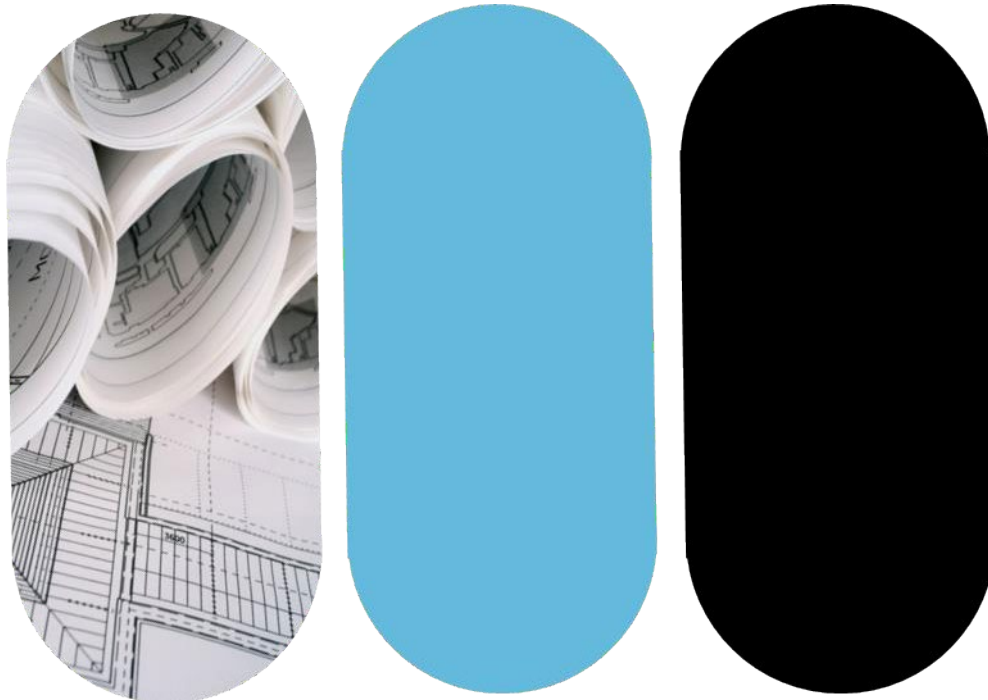




Richborough

SPENCERS WOOD

ECONOMIC BENEFIT STATEMENT





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INFOGRAPHIC SUMMARY OF ECONOMIC BENEFITS



Proposed Mixed Use Residential and Employment Development at Spencers Wood, Wokingham

The Proposed Development will comprise up to 420 dwellings, an 80 bed care home, local centre, employment land, primary school, GP surgery, 3G sports pitch and changing facility, open space & infrastructure.

CONSTRUCTION PHASE

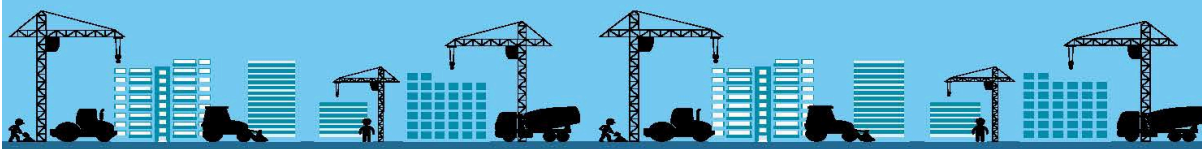
(Associated with delivery of the development over an anticipated 7 year construction period)

70 FTE
Local Jobs

£30m
Local Economic Output
Over Construction Period

170 FTE
Regional/ UK Jobs

£74m
Total Economic Output
Over Construction Period



OPERATIONAL PHASE

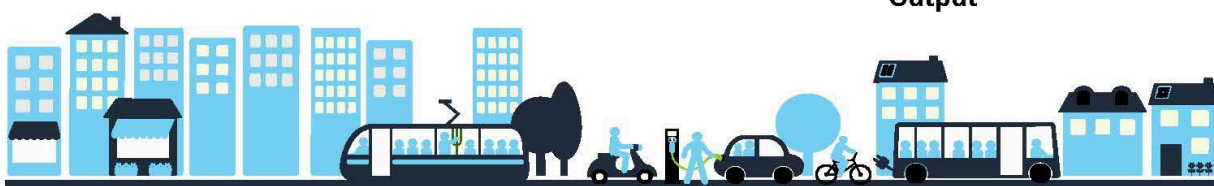
239 (gross)
On-Site Jobs Created

169 (net)
Local Employment

£12m
Local Economic Output

412 (net)
Total Employment

£28m
Total UK Economic
Output



LOCAL AUTHORITY REVENUE & EXPENDITURE BENEFITS

£870,000 per annum
Business Rates

£954,000 per annum
Council Tax

£6.7m per annum
Residents Expenditure on Local Retail and Services



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1. INTRODUCTION

- 1.1 This Economic Benefit Statement has been prepared by Marrons on behalf of Richborough in support of a planning application for mixed use residential and employment development in Spencers Wood, Wokingham.
- 1.2 The planning application comprises:
- “Outline planning permission is sought with all matters reserved for future determination, save for the means of access via Basingstoke Road, for: up to 420 dwellings (Use Class C3), an 80 bed care home (Use Class C2), 1ha of employment land (Use Class E(g), primary school (Use Class F1), local centre (Use Classes E(a), (b), (c), (f)), GP Surgery (Use Class E(e)), sports pitch and changing facility, public open space, SANG provision and associated infrastructure.”*
- 1.3 Section 2 of this Statement reviews the relevant national planning policy objectives relating to the economy and economic growth.
- 1.4 Section 3 sets out the associated economic benefits of the proposed development, expressed through the development lifecycle.



2. PLANNING POLICY CONTEXT

National Planning Policy Framework (2024)

- 2.1 The National Planning Policy Framework (NPPF) is a material planning consideration and since its inception has set out the importance of economic development in the planning system and to decision-making.
- 2.2 Indeed, the NPPF identifies the purpose of the planning system is to contribute to the achievement of sustainable development. This requires the delivery of the three overarching objectives identified in paragraph 8, the economic, social and environmental objectives.
- 2.3 The economic objective within this paragraph seeks *“to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure.”*
- 2.4 The NPPF notes that local planning authorities should approach decisions on proposed developments in a positive and creative way and work to secure developments that will improve the economic conditions of the area¹.
- 2.5 Section 6 of the NPPF *‘Building a strong, competitive economy’*, confirms that planning policies and decisions help create the conditions in which businesses can invest, expand and adapt. Paragraph 84 also confirms that significant weight should be placed on the need to support economic growth and productivity. It goes on to set out that the approach taken by the local authority should allow each area to build on its strengths, counter any weaknesses and addresses the challenges of the future.
- 2.6 Paragraph 86 confirms those weaknesses and challenges to include potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment.
- 2.7 The role of residential development in achieving wider economic growth is clearly emphasised in the NPPF, and it is considered that the proposed development fully complies with these objectives.

¹ Paragraph 39, NPPF
902832.43.SM

3. ECONOMIC BENEFITS OF THE PROPOSED DEVELOPMENT

- 3.1 The proposed development comprises a mix of up to 420 dwellings, including 40% affordable homes, together with an 80 bed care home, 1ha of employment land, a two form entry primary school, local centre occupying land of 0.28ha, a GP surgery, 3G sports pitch (and associated changing facility), public open space and associated infrastructure.
- 3.2 We set out below calculations of the economic benefits associated with the construction of the Proposal, as well as its ongoing operation and habitation.

i) Construction Phase

- 3.3 The level of labour demand generated throughout the construction period has been calculated by applying the average turnover per construction worker to the estimated construction cost of the Proposal. Construction costs are estimated to total approximately £99m, excluding infrastructure costs. The costs broadly comprise the following. It should be noted that the costs set out above and below are used for the purposes of calculating the temporary economic benefits associated with the construction of the proposed development within this report and should not be used or inferred for any other purpose:
- £67m for the construction of the residential dwellings, based upon a construction cost of £1,674 per sq m (as sourced from costmodelling.com), and assuming an average unit size of 1,033 sq m.
 - The cost of the elderly accommodation is estimated to total approximately £14m, and is based upon an indicative size of 5,928 sq m and cost per sqm of £2,376 (based upon floorspace assumptions provided in evidence by Churchill Retirement Living and McCarthy & Stone in its examination statement to Worthing Borough Council, September 2014; and costmodelling.com).
 - It is assumed that the 40% of the employment land (1ha) will be built out equating to 4,000 sq m of floorspace. A construction cost of £1,544 per sq m is assumed equating to a construction cost of approximately £6m.
 - The cost of the local centre is assumed to amount to approximately £7m, and assumes a floorspace of approximately 580 sq m, at a construction cost of £1,544 per sq m (sourced from costmodelling.com).
 - The cost of the primary school (assuming 2 form entry) and a floorspace of approximately 2,460 sq m is anticipated to total around £7m, based upon a construction cost per sq m of £2,862.



- The GP surgery is assumed to total approximately 1,000 sq m. Based upon an approximate construction cost of £2,905 per sq m, it is assumed to cost £2.9m to construct.
 - The 3G pitch changing facility is likely to comprise a floorspace of approximately 125 sq m. Based upon an assumed construction cost per sq m of £2,246 per sq m, it is assumed to cost £280,000 to construct. This figures excludes any allowance for the 3G pitch itself.
- 3.4 The Office for National Statistics (ONS), latest Annual Construction Statistics (2022) confirms the average construction turnover per head relating to residential projects (£131,000 per annum), and non-residential projects (£179,000 per annum).
- 3.5 It is estimated that the proposed construction activity could support 690 person years of construction employment.
- 3.6 Over the course of an assumed 7 year construction period, the development would therefore support approximately 99 FTE gross direct construction jobs.
- 3.7 In addition, the construction phase will also generate additional economic outputs associated with the indirect supply chain benefits. Reflecting the number of people seeking elementary occupations (based upon job seekers allowance data, totalling 150 people in June 2024) a low level of displacement has been assumed (25%), reducing net direct temporary job creation to 74 FTE. In calculating indirect job creation, a central placed based employment multiplier scenario has been assumed, comprising a tradable sector multiplier of 0.4 and a non-tradable sector multiplier of 0.9 – both multipliers are applied to the direct net additional employment figure. As a result, the temporary indirect job creation during the construction phase is likely to total a further 96 FTE jobs, resulting in total job creation within the UK of 170 FTE jobs over the 7 year period.
- 3.8 Accounting for leakage, which based upon 2011 Census travel to work inflows of 59%²³, would suggest that temporary job creation within Wokingham will total approximately 70 temporary FTE jobs, with the remaining labour force drawn from outside of the local area.
- 3.9 Employment activity throughout the construction phase will generate economic output, measured through the generation of gross value added (GVA). GVA is a measure of economic output, distributed through retained profit and wages. Drawing upon ONS published regional gross value added figures and workforce statistics it is possible to derive construction GVA per head across the England (totalling £62,304 per annum).

² 41% of Wokingham's workforce is drawn from within the District, with 59% drawn from other areas.

³ The ONS raises concern over the use of 2021 travel to work data given the influence of the COVID pandemic on travel to work activity.

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/methodologies/traveltoworkqualityinformationforcensus2021>

3.10 Based upon the net direct and indirect construction job calculation totalling 170 FTE, the development activity will generate a temporary economic output throughout the construction period of approximately £74m across the UK. After accounting for leakage, the temporary economic output to Wokingham during construction of the proposal is likely to total £30m.

3.11 In summary, the construction jobs and GVA figures benefiting the local economy are:

- **Total net (direct and indirect) FTE jobs generated during the 7 year construction period = 170 FTE jobs (of which 70 FTE jobs within Wokingham)**
- **Total temporary economic output during the construction of the proposed development = £74m, of which £30m within Wokingham.**

ii) Completed Development

3.12 The completed development will comprise up to 420 dwellings (40% of which will be affordable housing); an 80 bed care home; 1ha of employment land; primary school; local centre; GP surgery and 3G sports pitch and changing facility, as well as public open space and associated infrastructure.

3.13 We set out below the economic benefits associated with each of the residential and non-residential uses proposed.

i) Residential development

3.14 Drawing upon 2021 Census data, it is estimated that the resident population of the scheme will total approximately 1,061 people once fully occupied, based upon an average household size of 2.52.

3.15 Assuming an approximate employment rate of 45%⁴, it is assumed that the scheme will provide for approximately 480 new residents in employment. Based upon GVA per head figures for the South East, totalling £68,253, residents of the proposed scheme could contribute £33m per annum to the wider economy. Based upon 2011 Census commute patterns, some £11m per annum would flow into the local Wokingham economy.

3.16 In addition, residents of the new development will contribute to the local economy through spend in local shops, leisure facilities and services. Data provided by the ONS Family Spending Survey (2022) confirms that across the South East, households typically spend £307 per week on convenience, comparison, leisure and other services (excluding utilities, health, transport, education and communication). On this basis, the provision of 420 additional homes within

⁴ ONS Labour Market Profile
902832.43.SM



Spencers Wood will generate an additional £6.7m of retail, leisure and services expenditure, through resident spend, which will be available to the local and wider economy.

Council Tax

- 3.17 Based upon a Band D Council Tax equivalent of £2,272 per household within Shinfield (the Parish within which Spencers Wood sits), the Proposed Development of 420 homes would provide additional Council Tax revenue of approximately £954,000 per annum.

New Homes Bonus

- 3.18 The Government are currently consulting on the future of the New Homes Bonus (NHB) with a view to phasing it out. The Government is due to consult on alternative arrangements later in 2025. On the basis of the current NHB calculation, assuming that the Council meets the Government's New Homes Bonus baseline criteria of 0.4% growth in housing stock per annum, the Proposed Development would generate a single year New Homes Bonus payment of £884,000.

ii) Non-Residential Development

- 3.19 We set out below likely levels of on-site employment provided within each of the proposed non-residential uses, after which we collectively assess indirect job generation.

Care Home

- 3.20 It is understood that the care home will likely comprise 80 bed spaces.
- 3.21 The exact level of on-site employment will depend on a number of factors, including the type of care to be provided, and the specific care needs of residents. On-site employment will likely include care assistants, kitchen and domestic staff, lifestyle and activities coordinators, front of house and management staff. These positions will provide new opportunities across a broad range of skilled and unskilled roles that will be immediately created upon opening of the care home.
- 3.22 LNT Care Developments Limited submitted a planning application for a 66 bed care home in Pacific Drive Eastbourne in 2022 (Application reference 220852). A memo from the Council's Regeneration Officer (15 November 2022) confirms that the scheme would provide for 48 full time jobs and 20 part time jobs, which equate to 58 full time equivalent jobs.
- 3.23 It is reasonable to assume that an 80 bed care home at the Application Site will provide for at least this level of on-site jobs.



Employment Land

- 3.24 It is assumed for the purposes of this exercise that the employment land will be built out based on a plot ratio of 40%, equating to 4,000 sq m of employment floorspace across a mix of Use Class E (g) (i.e. former B1 class uses).
- 3.25 For the purposes of establishing job creation it is assumed that the employment land will comprise a mix of occupiers across the permitted uses. Reference to the HCA Employment Density Guide confirms a range of employment densities within the former B1 Use Class from 12 sq m per employee within office floorspace; 40 – 60 sq m per employee for R&D space; and 47 sq m per employee for light industrial floorspace. This equates to an average of 36 sq m per employee (based upon a net internal area).
- 3.26 Assuming a gross external to internal ratio of 95% and gross internal to net internal ratio of 80% the approximate net internal area of the employment floorspace totals 3,040 sq m. On this basis the employment land could provide for around 84 on-site FTE jobs, accepting this could be higher or lower dependent on the nature of the end occupiers business.

Local Centre

- 3.27 The proposed Local Centre will be encompassed within a site area of 0.28ha, and likely comprise approximately 580 sq m of floorspace across 3 x units across a range of Use Classes (E(a), (b) and (c) (i.e. former A class uses).
- 3.28 Reference to the HCA Employment Density Guide confirms that employment densities within the former A Class uses typically range from 15 – 20 sq m per employee (net internal area). Assuming an average of 17.5 sq m per employee, and based upon the same gross to net floorspace assumptions as set out above (resulting in an assumed net internal area of 440 sq m), the proposed local centre is likely to result in 22 on site FTE jobs.

Primary School

- 3.29 The development makes provision for a 2 form entry Primary school.
- 3.30 On the basis of a reasonable assumption of 1 staff per 10 pupils (based upon the average staff FTE / pupil ratio within Wokingham local authority maintained primary schools)⁵, it can be deduced that the Primary school will provide for approximately 42 jobs. This is based upon the assumption that there will be 2 forms of entry, with an average class size of 30 (i.e. 420 pupils).

⁵ School workforce census 2023 [Browse our open data, Data catalogue – Explore education statistics – GOV.UK \(explore-education-statistics.service.gov.uk\)](https://www.gov.uk/explore-education-statistics)

- 3.31 In addition the day to day operation of the primary school will draw upon a local supply chain of external contractors, which may for example include cleaning, catering, or grounds maintenance companies all of which will support additional jobs within the local area, as well as a wider supply chain.

GP Surgery

- 3.32 There is no prescribed measurement of jobs within health centres, as this very much depends on patient list size, and the type of clinical services provided for on-site.
- 3.33 The GP Surgery will be encompassed within a site of 0.4ha, and is likely to comprise a floorspace of approximately 1,000 sq m.
- 3.34 By way of comparison Wokingham Health Centre is said to comprise a floorspace of 1,600 sq m⁶ and NHS Digital GP Practice Workforce Statistics, 2024 confirm a total headcount of 53 FTE.
- 3.35 A simple pro rata of this headcount based upon the proposed floorspace of 1,000 sq m would suggest that the proposed GP surgery could provide for 33 on site jobs.
- 3.36 For the purposes of this assessment it is assumed that the 3G pitch will not generate any on-site jobs.
- 3.37 The following table summarises estimated on-site jobs provided by each of the proposed non-residential uses set out above:

Table 3.1 Summary of On-Site Jobs

Non-Residential (job generating) Uses	On-Site Job Estimate (FTE)
80 Bed Care Home	58
Employment Land	84
Local Centre	22
Primary School	42
GP Surgery	33
Total On-Site Jobs	239

⁶ <https://www.ajbuildingslibrary.co.uk/projects/display/id/6903902832.43.SM>



-
- 3.38 It is therefore likely that the proposed development will provide for approximately 239 on-site FTE jobs.
- 3.39 In calculating the impact on employment opportunities in Spencers Wood and the wider area it is necessary to assess displacement, and indirect job creation resulting from the multiplier effect on the wider supply chain.
- 3.40 Assuming a low level of displacement (25%), net direct employment opportunities will total 179 FTE jobs.
- 3.41 In calculating indirect job creation, a central placed based employment multiplier scenario has been assumed, comprising a tradable sector multiplier of 0.4 and a non-tradable sector multiplier of 0.9 – both multipliers are applied to the direct net additional employment figure. As a result, the indirect job creation is likely to total a further 233 FTE jobs, resulting in total net job creation within the UK of 412 permanent FTE jobs.
- 3.42 Accounting for leakage, which based upon 2011 Census travel to work flows of 59% into Wokingham, would suggest that job creation within Wokingham itself will total approximately 169 jobs, with the remaining labour force drawn from outside of the local area.
- 3.43 Employment activity will generate economic output. Drawing upon ONS published regional gross value added figures and workforce statistics average GVA per head across the South East of England totaled £68,253 (2022).
- 3.44 Based upon the net direct and indirect job calculation totalling 412 FTE, the job generating non-residential uses proposed will generate an economic output of approximately £28m per annum across the UK. After accounting for leakage, the economic output to Wokingham is likely to total £12m per annum.

Business Rates

- 3.45 Assuming an average rateable value of £121 per sq m, based upon Valuation Office data for Wokingham in 2022, and assuming a standard multiplier of 51.2 pence, business rates payments associated with the proposed non-residential floorspace are likely to total £870,000 per annum.

4. SUMMARY

4.1 This Economic Benefit Statement has been prepared by Marrons on behalf of Richborough in support of a planning application for mixed use residential and employment development in Spencers Wood, Wokingham.

4.2 The planning application comprises:

“Outline planning permission is sought with all matters reserved for future determination, save for the means of access via Basingstoke Road, for: up to 420 dwellings (Use Class C3), an 80 bed care home (Use Class C2), 1ha of employment land (Use Class E(g), primary school (Use Class F1), local centre (Use Classes E(a), (b), (c), (f)), GP Surgery (Use Class E(e)), sports pitch and changing facility, public open space, SANG provision and associated infrastructure.”

4.3 The National Planning Policy Framework (NPPF) confirms that local planning authorities should approach decisions on proposed developments in a positive way and work to secure developments that will improve the economic conditions of the area, noting that significant weight should be placed on the need to support economic growth and productivity.

4.4 The proposed development will deliver the following economic benefits to the local area and wider economy.

Construction Phase

4.5 In summary, the construction jobs and GVA figures benefiting the local economy are:

- Total net (direct and indirect) FTE jobs generated during the 7 year construction period = 170 FTE jobs (of which 70 FTE jobs within Wokingham)
- Total temporary economic output during the construction of the proposed development = £74m, of which £30m within Wokingham.

Operational Phase

- Accommodating 1,061 new residents, of which approximately 480 are likely to be in employment.
- Those residents in employment will generate a gross direct economic output of approximately £33m per annum of which £11m is likely to flow into the Wokingham economy.
- Residents of the Proposed Development will spend a combined average of approximately £6.7m per annum on retail, leisure and service goods.



-
- Proposed non-residential employment generating uses will support around 239 on-site jobs, increasing to 412 FTE jobs across the wider economy, and resulting in an economic contribution of £28m per annum.
 - Of these jobs, some 169 are likely to be filled by Wokingham residents, benefitting the Wokingham economy by approximately £12m per annum.
 - The Proposed Development will generate Council Tax receipts totaling £954,000 per annum
 - The Proposed Development will generate business rates of approximately £870,000 per annum.
 - The Proposed Development will also generate a New Homes Bonus payment totaling £884,000, noting Government is likely to replace New Hones Bonus with an alternative, as yet unknown, arrangement.