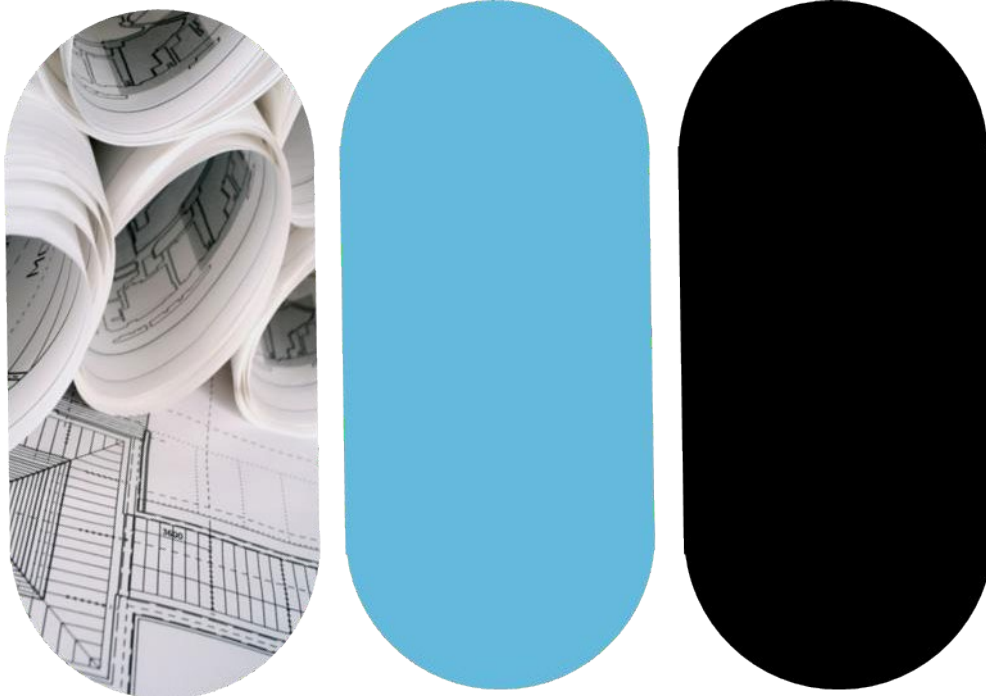




Croudace Homes, Vortal Homes Limited and Falcon Developments (SE) Limited

**LAND NORTH OF SCHOOL ROAD,
ARBORFIELD CROSS**

ECONOMIC BENEFIT STATEMENT





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INFOGRAPHIC SUMMARY OF ECONOMIC BENEFITS



Proposed Residential Development at Land North of School Road, Arborfield Cross

The proposed development will comprise a mix of up to 70 dwellings, including 40% affordable homes, together with open space and associated works

CONSTRUCTION PHASE

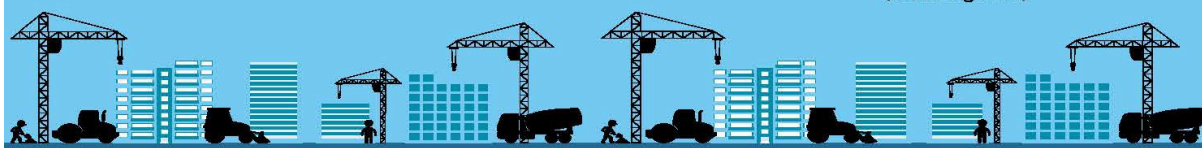
Associated with delivery of the development over a 2 year construction period

28 FTE
Local Jobs

£3.5m
Local Economic Output
Over Construction Period

69 FTE
Total Regional/ UK Jobs
(including local)

£8.6m
Total Economic Output
Over Construction Period
(including local)



OPERATIONAL PHASE

80 people

New resident population in employment

£1.1m per annum

Residents Expenditure on Local Retail and Services

£1.8m per annum

Local Economic Output of New Residents

£5.5m per annum

Total Economic Output of New Residents



LOCAL AUTHORITY REVENUE

£159,000 per annum

Council Tax

£147,000 single payment

New Homes Bonus

Plus a Community Infrastructure Levy financial contribution in excess of £2.5m



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1. INTRODUCTION

- 1.1 This Economic Benefit Statement has been prepared by Marrons on behalf of Croudace Homes, Vortal Homes Limited, and Falcon Developments (SE) Limited in support of a planning application for residential development on Land North of School Road, Arborfield Cross, Wokingham.
- 1.2 The planning application comprises:
- “Proposed residential development of up to 70 dwellings together with landscaping, open space, access and associated works. Means of Access to be considered (with Appearance, Landscaping, Layout and Scale to be reserved)”.*
- 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
2522477.3.SM



3. ECONOMIC BENEFITS OF THE PROPOSED DEVELOPMENT

- 3.1 The proposed development comprises a mix of up to 70 dwellings, including 40% affordable homes, together with open space and associated works.
- 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 indicative construction cost of the Proposal totaling c.£10m, based upon an average construction cost per dwelling², and excluding infrastructure costs.
- 3.4 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.
- 3.5 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).
- 3.6 It is estimated that the proposed construction activity could support 80 person years of construction employment.
- 3.7 Over the course of an assumed 2 year construction period, the development would therefore support approximately 40 FTE gross direct construction jobs.
- 3.8 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 30 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 39 FTE jobs, resulting in total job creation within the UK of 69 FTE jobs over the 2 year period.

² Residential construction cost assumed to average £1,550 per sq m x an assumed average house size of 96 sq m. (<https://costmodelling.com/#about>)



- 3.9 Accounting for leakage, which based upon 2011 Census travel to work inflows of 59%³⁴, would suggest that temporary job creation within Wokingham will total approximately 28 temporary FTE jobs, with the remaining labour force drawn from outside of the local area.
- 3.10 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).
- 3.11 Based upon the net direct and indirect construction job calculation totalling 69 FTE, the development activity will generate a temporary economic output throughout the construction period of approximately £8.6m across the UK. After accounting for leakage, the temporary economic output to Wokingham during construction of the proposal is likely to total £3.5m.
- 3.12 In summary, the construction jobs and GVA figures benefiting the local economy are:
- **Total net (direct and indirect) FTE jobs generated during the 2 year construction period = 69 FTE jobs (of which 28 FTE jobs within Wokingham)**
 - **Total temporary economic output during the construction of the proposed development = £8.6m, of which £3.5m within Wokingham.**

ii) Completed Development

- 3.13 The completed development will comprise up to 70 residential dwellings. Drawing upon 2021 Census data, it is estimated that the resident population of the scheme will total approximately 177 people once fully occupied, based upon an average household size of 2.52.
- 3.14 Assuming an approximate employment rate of 45%⁵, it is assumed that the scheme will provide for approximately 80 new residents in employment. Based upon GVA per head figures for the South East, totalling £68,253, residents of the proposed scheme could contribute £5.5m per annum to the wider economy. Based upon 2011 Census commute patterns, some £1.8m per annum would flow into the local Wokingham economy.
- 3.15 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

³ 41% of Wokingham's workforce is drawn from within the District, with 59% drawn from other areas.

⁴ 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>

⁵ ONS Labour Market Profile



convenience, comparison, leisure and other services (excluding utilities, health, transport, education and communication). On this basis, the provision of 70 additional homes within Arborfield will generate an additional £1.1m of retail, leisure and services expenditure, through resident spend, which will be available to the local and wider economy.

a) Council Tax

3.16 Based upon a Band D Council Tax equivalent of £2,276 per household within Arborfield and Newland Parish, the Proposed Development of 70 homes would provide additional Council Tax revenue of approximately £159,000 per annum.

b) New Homes Bonus

3.17 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 £147,000



4. SUMMARY

4.1 This Economic Benefit Statement has been prepared by Marrons on behalf of Croudace Homes, Vortal Homes Limited, and Falcon Developments (SE) Limited in support of a planning application for residential development at Land North of School Road, Arborfield Cross, Wokingham.

4.2 The planning application comprises:

“Proposed residential development of up to 70 dwellings together with landscaping, open space, access and associated works. Means of Access to be considered (with Appearance, Landscaping, Layout and Scale to be reserved)”

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 2 year construction period = 69 FTE jobs (of which 28 FTE jobs within Wokingham)
- Total temporary economic output during the construction of the proposed development = £8.6m, of which £3.5m within Wokingham.

Operational Phase

- Accommodating 177 new residents, of which approximately 80 are likely to be in employment.
- Those residents in employment will generate a gross direct economic output of approximately £5.5m per annum of which £1.8m is likely to flow into the Wokingham economy.
- Residents of the Proposed Development will spend a combined average of approximately £1.1m per annum on retail, leisure and service goods.



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- The Proposed Development will generate Council Tax receipts totaling £159,000 per annum
 - The Proposed Development will also generate a New Homes Bonus payment totaling £147,000.
 - The Proposed Development will also include a Community Infrastructure Levy (CIL) financial contribution in excess of £2.5m.