

Economic and Social Benefits Statement

Land at Cranleigh, Waverley

December 2022

Contents

| | |
|--|----|
| Economic and Social Benefits Infographic | i |
| 1. Introduction | 1 |
| 2. Policy and Economic Context | 4 |
| 3. Construction Phase Impacts | 9 |
| 4. Operational Phase Impacts | 14 |
| 5. Social Benefits | 17 |
| 6. Conclusion | 21 |

Client
Gleeson Land Limited

Our reference
GLEP3003

December 2022

Economic and Social Benefits Infographic

PROPOSED DEVELOPMENT: Up to 162 new dwellings and 6.7 ha of green infrastructure

SITE: Land at Cranleigh, Waverley

Construction Phase



c. £30.0 million
Investment

In the scheme's construction



45 gross jobs

Full time equivalent (FTE) jobs supported on average during construction (c. 3 years)

Generating 30 net direct jobs

FTE jobs, including 15 for Waverley residents

**Plus 15 net indirect/
induced jobs**

FTE jobs, including 5 for Waverley residents



£12.5 million
Productivity boost

Total GVA¹ generated during construction, including £9.7 million in Waverley

Operational Phase



345
Residents

Living at the Proposed Development, helping to support the long term prosperity of Cranleigh, Waverley and the South East



170
employed residents

Benefiting businesses seeking workers which are located close to the site and across Waverley



£370,000
Council Tax

Annual revenue for collection by Waverley Borough Council, contributing to the delivery of public services and infrastructure.



£5.0 million
Combined income

Of employed residents per annum, growing local spending power²



£4.9 million
Resident expenditure

Annually on retail and leisure goods and services



15
Retail and leisure jobs
Supported by resident expenditure

Social Benefits



6.7ha Green Infrastructure

Comprising natural and semi-natural greenspace; parks, gardens and play areas and a biodiversity improvement area



£60,000 in social value

Through the delivery of 5 construction traineeships, apprenticeships or graduate opportunities

¹ GVA (Gross Value Added) measure the value of output created (i.e. turnover) net of inputs used to produce a good or service (i.e. production of outputs). It provides a key measure of economic productivity. Put simply the GVA is the total of all revenue into businesses, which is used to fund wages, profits and taxes.

² Note that this is based on median South East incomes for the average overall occupational profile in Waverley, and therefore wages earned by residents could, for example, be higher than this figure if residents work in higher-paid jobs than the average for their occupation in the region and/or if the resident profile is weighted more towards professional occupations than the borough average. This figure also does not include other sources of income, such as those derived from investments or social security benefits.

1. Introduction

The Proposed Development

- 1.1 This Economic and Social Benefits Statement has been prepared by Turley Economics on behalf of Gleeson Land Limited in support of an application to Waverley Borough Council for outline planning permission to develop Land at Cranleigh, Waverley ('the Site') for up to 162 new homes and 6.7 ha of green infrastructure (the 'Proposed Development').
- 1.2 The indicative mix of the 162 new homes (52 of which will be affordable) is as follows:
- 38 x 1 bed flats, 2 of which will be affordable
 - 43 x 2 bed houses, 13 of which will be affordable
 - 54 x 3 bed houses, 9 of which will be affordable
 - 27 x 4 bed houses, 1 of which will be affordable

Economic Impact Assessment

- 1.3 This assessment is informed by the 2014 Homes and Communities Agency's (HCA, now known as Homes England) Additionality Guide (4th edition)¹ and draws on published statistical data sources (including the Office for National Statistics (ONS) and organisations such as Experian) and information specific to the Proposed Development provided by the applicant.
- 1.4 The assessment considers the quantifiable impacts of the Proposed Development during both its construction and operational lifetime. Economic impact estimates are presented as net figures, accounting for additionality factors such as leakage, displacement and multipliers.

Study Area for the Assessment

- 1.5 For the purposes of this assessment, a functional economic geography has been determined using data on labour market containment from the last full reported Census in 2011. This analysis has resulted in economic impacts being measured at two spatial scales:
- The **local impact area**, covering the local authority of **Waverley**. The 2011 Census found that around 44% of people who work in Waverley also live in the area, demonstrating a medium level of socio-economic containment at this scale;² and
 - The **wider impact area**, covering the **South East** region. The 2011 Census shows that circa 95% of all jobs in the South East are taken by people residing in the

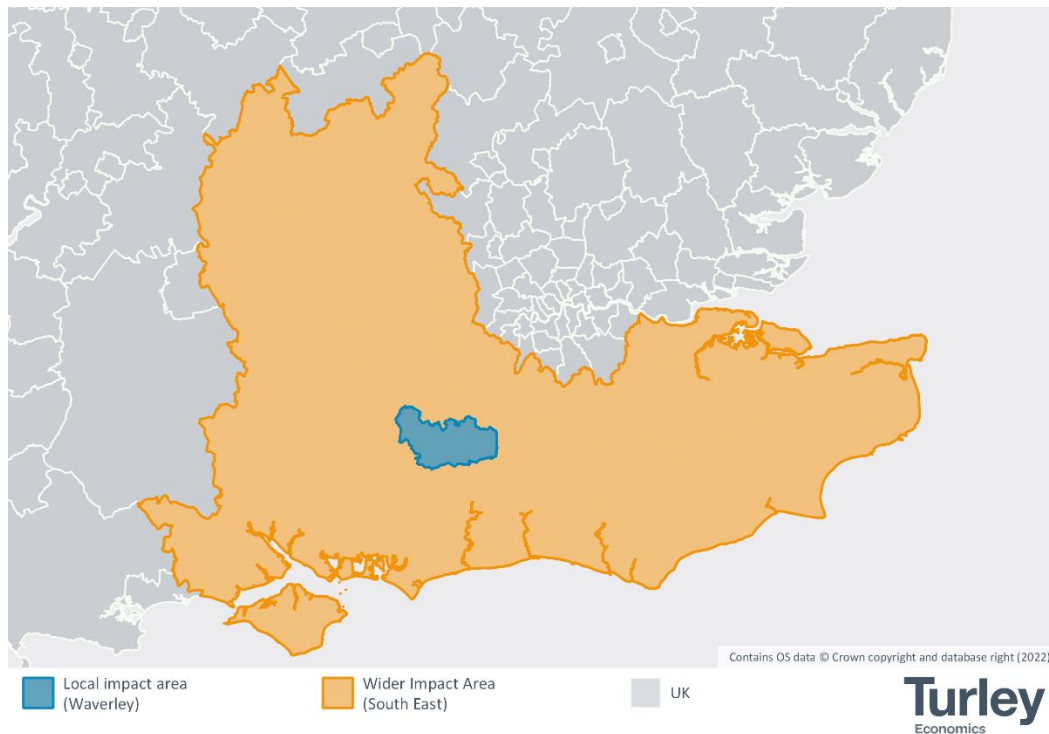
¹ Homes and Communities Agency (2014) Additionality Guide 4th Edition

² ONS via Nomis (2011) 2011 Census: WU01UK - Location of usual residence and place of work by sex

wider combined authority area, suggesting a relatively high level of containment within this geography.³ It is considered, therefore, that the majority of socio-economic effects will be concentrated and experienced within the wider impact area.

1.6 The study area is presented spatially below at Figure 1.1.

Figure 1.1: Assessment Study Area



Source: Turley Economics, 2022

Structure of Report

1.7 The remainder of the report is set out as follows:

- **Section 2: Policy and Economic Context** – outlines the policy and economic context for the Site.
- **Section 3: Construction Phase Impacts** – estimates the future net additional economic impact which may be generated by the Proposed Development during the construction phase.
- **Section 4: Operational Phase Impacts** – estimates the future net additional economic impact which may be generated by the Proposed Development once fully completed and occupied.

³ Ibid.

- **Section 5: Social Benefits** – outlines the wider societal benefits and the benefits to residents' health and wellbeing that may be generated by the Proposed Development.
- **Section 6: Conclusion** – summarises the net additional benefits generated as a result of the Proposed Development.

2. Policy and Economic Context

- 2.1 This section firstly provides an overview of the relevant economic policy and strategy context; demonstrating both the national and local Government commitment to facilitating sustainable economic growth through a supportive planning system. It then presents the baseline economic context against which the impact of the Proposed Development is considered.

National Policy and Economic Strategy Context

National Planning Policy Framework

- 2.2 The revised National Planning Policy Framework⁴ (NPPF) was published in July 2021 by the Ministry of Housing, Communities and Local Government (MHCLG, since renamed to the Department for Levelling Up, Housing and Communities, DLUHC). This, along with the accompanying Planning Practice Guidance⁵ (PPG), sets out the Government's planning policies for England.
- 2.3 As with previous iterations, the revised NPPF and PPG continue to be built around a policy commitment to sustainable development, outlining the expectation that future development will play in meeting economic and social objectives. Details of these objectives are provided at paragraph 8 of the NPPF:

“an economic objective – to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types 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; and

a social objective – to support strong, vibrant and healthy communities, by ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations; and by fostering a well-designed and safe built environment, with accessible services and open spaces that reflect current and future needs and support communities' health, social and cultural well-being”⁶

- 2.4 In order for sustainable development to be pursued a positive way, at the heart of the NPPF is a “*presumption in favour of sustainable development,*”⁷ which requires local authorities – in the development of their Local Plans – to “*seek to meet the development needs of their area.*”⁸

Levelling Up White Paper

- 2.5 In February 2022, the UK Government launched the Levelling Up White Paper⁹ (LUWP) which outlines how it intends to “*spread opportunity more equally across the UK.*”

⁴ Ministry of Housing, Communities and Local Government (2021) National Planning Policy Framework

⁵ Ministry of Housing, Communities and Local Government (2021) Planning Practice Guidance

⁶ Ministry of Housing, Communities and Local Government (2021) National Planning Policy Framework, para 8.

⁷ Ibid, para 10.

⁸ Ibid, para 11.

⁹ HM Government (2022) Levelling Up the United Kingdom

Within this, a number of ‘Levelling Up Missions’ are outlined, relating to themes such as living standards, research & development and housing.

- 2.6 There is an aspiration to upgrade the general quality of housing across the country. The LUWP states that: *“By 2030, renters will have a secure path to ownership with the number of first-time buyers increasing in all areas; and the government’s ambition is for the number of non-decent rented homes to have fallen by 50%, with the biggest improvements in the lowest performing areas.”*¹⁰
- 2.7 The LUWP also notes the importance of community, local pride and belonging. This involves ensuring a mix of social and physical capital, giving areas *“their unique character and vibrancy”*. In addition, it notes that *“access to leisure and cultural amenities and safe neighbourhoods can also attract businesses to high street...leading to private sector investment in communities.”*¹¹
- 2.8 By 2030, the LUWP argues that this is possible by *“unleashing private investment, encouraging enterprise and supporting a dynamic business sector.”* This can be achieved by combining human, physical, intangible and financial capital to empower businesses to generate productivity gains. The LUWP argues this will *“drive productivity, improve people’s quality of life and help restore their pride in the places where they live.”*¹²
- 2.9 The Levelling-Up and Regeneration Bill is currently progressing through Parliament. After its third reading in the Commons in December 2022, the Bill has now been introduced to the House of Lords, which is set to debate it on 17 January 2023, to agree on its content before it becomes law.

Sub-Regional Policy and Strategy Context

Enterprise M3 Local Enterprise Partnership (EM3LEP)’s Strategic Economic Plan has a vision to transform Enterprise M3 into a globally competitive region

- 2.10 The EM3LEP area, which covers west Surrey and most of the county of Hampshire, is one of the most successful LEPs in England and a national economic asset. It is the sixth largest LEP in terms of GVA and contributes 2.9% of the UK’s annual economic output.
- 2.11 The EM3 Strategic Economic Plan acknowledges that the cost of housing is a pressing issue in the area with affordability a key challenge for residents. The low provision of new housing is identified as a part-cause of this issue. The Plan then underlines that *“Increasing and accelerating the supply of new housing, including affordable family homes, will be key to continuing growth without increasing the strain of affordability.”*¹³
- 2.12 Other commitments that are outlined in the Plan include investing in approaches that accelerate the building of homes, building the right homes in the right places and

¹⁰ Ibid.

¹¹ Ibid. page 206.

¹² Ibid, page 160.

¹³ Enterprise M3 Local Enterprise Partnership (2022) A Strategic Economic Plan For The Enterprise M3 Area 2018 – 2030

having well designed and appropriately located homes in sufficient numbers to meet the needs of residents and support the economic future of the LEP area.¹⁴

Local Policy and Strategy Context

Waverley Local Plan

- 2.13 Part 1 of the Waverley Local Plan was adopted in February 2018 and focuses on the Strategic Policies and Sites. Local Plan Part 2 will contain development management policies, site allocations and land designations and is currently being prepared.¹⁵
- 2.14 The Local Plan outlines a vision for Waverley in 2032, which includes components such as:
- Ensuring the economic prosperity of Waverley is maintained and housing, jobs and other forms of development are accommodated in the most sustainable way possible;
 - New development will have taken place in a way which takes account of the wide range of social, environmental and economic aspirations of the community and the needs of future generations;
 - Where needed to deliver the planned amount of new housing, new development will have taken place on the edge of the main settlements; and
 - A range of sizes, types and tenures of new housing and accommodation will have been provided.
- 2.15 Cranleigh specifically is highlighted as one of the four main settlements where the focus for new housing and other development will be.

Waverley Borough Council's 2018 – 2032 Economic Development Strategy aims to realise a Waverley where everyone living and working there can share in its economic prosperity

- 2.16 The Council's Economic Development Strategy is centred around six themes. These include encouraging sustainable business and employment growth in both urban and rural areas; supporting healthy town and village centres and supporting the right housing development in Waverley.
- 2.17 The Council also demonstrates an awareness of the importance of social value and inclusive growth. The strategy notes that through actions such as raising awareness of Council procurement opportunities amongst local businesses, it can support the retention of economic benefits within the borough.
- 2.18 The final theme includes the statement that "it is important that affordable housing is available for key service employees, and good accessibility for those who commute in, alongside sustainable economic development."¹⁶

¹⁴ Ibid.

¹⁵ Waverley Borough Council (2018) Waverley Local Plan

¹⁶ Waverley Borough Council (2018) Economic Development Strategy

Housing Strategy

- 2.19 Waverley Borough Council published the Waverley Housing Strategy¹⁷ for the 5-year period 2018-2023. The goals of the Plan are to increase delivery of well built, affordable housing; optimise social and economic wellbeing, make best use of existing homes and engage with partners to achieve their joint aims.
- 2.20 The Strategy states that the Council is keen to promote well designed, well built affordable housing, providing attractive new homes and excellent places for people to live. The Strategy also cites evidence that local employers view affordability of housing as a hinderance on their ability to recruit or retain staff. Therefore, over the 5-year strategy period the Council has committed to maximising the delivery of affordable housing to meet the needs of people working in Waverley.

Local Socio-Economic Conditions

- 2.21 In order to set the Proposed Development in a broader context and to assess its potential impacts, a socio-economic profile of Waverley is presented. This looks at key metrics, including age profile, economic activity and unemployment rates, as well as the economic contribution of the construction sector. These characteristics are described below:

Population Composition

- The total population of Waverley in 2020 stood at circa 126,600, of whom 73,100 people were of working age (16-64 years).¹⁸ The working-age population equates to 57.7% of total residents, which is slightly lower than in the wider impact area of the South East as a whole (where 61.1% of residents are of working age). These are both lower than the equivalent figure for Great Britain (62.4%).

Economic Output

- Experian estimates that between 2017 and 2021, Waverley generated annual average gross value added (GVA)¹⁹ of circa £3.2 billion.²⁰ In terms of economic output per full-time equivalent (FTE) employee (i.e. productivity), workers in Waverley each generated c. £78,800 on average annually during this period. This average productivity per FTE worker is marginally higher than across the South East as a whole (£78,300).

Economic Activity and Unemployment

- Economic activity rates in Waverley (at 84.1%) were higher than the South East (80.9%) over the year to June 2022.²¹ The employment rate recorded in Waverley (82.6%) during this period was also notably higher than the South East (78.2%) and the national average (75.5%).

¹⁷ Waverley Borough Council (2018) Waverley Housing Strategy 2018 - 2023

¹⁸ ONS via Nomis (2022) Population Estimates: local authority

¹⁹ Gross Value Added (GVA) measures the value of output created (i.e. turnover) net of inputs used to produce a good or service (i.e. production of outputs). Put simply, the GVA is the total of all revenue into businesses, which is used to fund wages, profits and taxes, and therefore is key towards understanding economic productivity.

²⁰ Experian (2022) Local Market Forecasts Quarterly: September 2022

²¹ ONS via Nomis (2022) Employment and unemployment (July 2021 – June 2022)

- Unemployment rates are slightly lower in Waverley than recorded in the South East. As of June 2022, 1.9% of Waverley residents aged 16 and older are claiming benefits associated with being out of work,²² which is lower than the proportion recorded in the South East (2.9%), and nationally (3.6%).
- As of October 2022, there were at least 4,970 people in the South East claiming Jobseeker's Allowance and seeking employment in construction-related occupations, including 65 people in Waverley.²³

Sectors of Employment

- Just over 7% of all employee jobs in Waverley are in the construction sector, accounting for a slightly higher proportion of total employment in comparison with the South East (5%).²⁴

Summary

2.22 Supporting the construction sector and the delivery of new housing has been routinely identified at all levels of government as key to achieving growth and prosperity. At a national level, it is central to the UK Government's ambition to improve infrastructure and 'level up' parts of the country in need of regeneration. At a local level, housing development is seen as a key tool in sustaining prosperity in the South East area, and crucial to tackling affordability issues locally in Waverley, and, in settlements such as Cranleigh.

²² ONS via Nomis (2022) Claimant Count: October 2022

²³ ONS via Nomis (2022) Jobseeker's Allowance by Occupation: October 2022

²⁴ ONS via Nomis (2022) Business Register and Employment Survey: 2022

3. Construction Phase Impacts

3.1 This section presents the quantified economic impacts likely to be generated during construction of the Proposed Development. These include full-time equivalent (FTE) construction jobs and Gross Value Added (GVA) (productivity) impacts assessed in respect of Waverley (the local impact area) and the South East (the wider impact area).

Investment and Gross Employment

3.2 Construction of the Proposed Development will support important investment in the construction sector, with build costs, inclusive of infrastructure and professional fees, estimated as £30.0 million.²⁵

3.3 Investment of this scale is expected to support approximately 134 person-years of direct employment, based on the average turnover per employee in the construction industry in the South East.²⁶ This equates to an average of circa 45 gross direct FTE construction-related jobs supported on and off-site over the duration of an estimated 3-year build period.²⁷

Net Additional Employment

3.4 Net additional employment is a term used to refer to the final scale of employment that is generated once a number of economic considerations have been taken into account. The net additional employment is the sum of the direct and indirect employment impacts of the Proposed Development.

3.5 The creation of temporary construction jobs during the build period will provide new employment opportunities for the local and wider labour force in Waverley and across the South East. The positive economic impacts of the Proposed Development will extend beyond construction employment. Expenditure on construction materials, goods and other services will have far-ranging benefits both locally and further afield as it filters down the supply chain.

3.6 The body now known as Homes England recommends a specific approach to calculating additionality.²⁸ Its recommended approach takes account of multiplier effects generated both through the Site supply chain and induced financial benefits arising from increased local expenditure. The approach allows for the consideration of the following:

- **Deadweight** – the economic outcomes which would occur if the Proposed Development were not implemented;

²⁵ Build costs estimate provided by the Applicant

²⁶ Department of Business, Energy and Industrial Strategy (2020) Business population estimates: Table 18 – South East

²⁷ Some figures appear not to sum due to rounding.

²⁸ 'Additionality' is defined in the Homes and Communities Agency (2014) Additionality Guide 4th Edition. The Guide advises on the assessment of the additional impact (or 'additionality') of interventions in terms of local and regional economic growth.

- **Leakage** – a measure of the extent to which employment will be taken up by persons residing outside of the target area;
- **Displacement** – the extent to which investment in the Proposed Development will lead to existing companies or employees within the target area relocating activities to the Site, rather than attracting new investment and employment from businesses located outside of the target area; and
- **Multiplier effects** – further economic activity (jobs, expenditure or income) associated with additional local income (from employment), local supplier purchases and longer-term expenditure effects.

3.7 These factors are considered below to estimate the net additional employment benefit generated by construction of the Proposed Development, with the exception of deadweight which is considered to be zero during construction and is not explored in further detail, given that the Site’s existing state does not generate employment opportunities in the construction sector.

Leakage

3.8 The creation of construction jobs at the Site can be expected to provide new employment opportunities both for local residents of Waverley and those residing in the rest of the South East.

3.9 The 2011 Census found that c. 44% of those working in Waverley also resided in the borough, with c. 95% of jobs in Waverley also being filled by residents of the South East.²⁹ It is therefore reasonable to assume that a rounded proportion of approximately 55% of jobs created through construction of the Proposed Development will be contained within and accessed by residents of the borough, expanding to 95% being filled by those residing in the South East region, with the remaining 5% living further afield outside of the wider impact area.

Displacement

3.10 Displacement occurs when new development takes existing market share, in this case labour, from other existing local businesses. During construction, this allows for the possibility that an increase in demand for construction workers could result in delays to other developments or increased costs, if there is a temporary shortage of construction labour.

3.11 As highlighted in Section 2 of this report, as of June 2022 there were at least 65 JSA claimants in Waverley seeking employment in construction-related occupations, as well as further claimants receiving Universal Credit whose sought occupation is not reported.³⁰ Further latent labour force capacity also exists beyond the borough in the rest of the South East, with at least 4,970 people seeking employment in occupations relating to construction.

3.12 It is therefore considered reasonable to make an allowance for only a low level of displacement in the local impact area of Waverley and wider impact area of the South

²⁹ ONS (2011) Census 2011 - Location of usual residence and place of work by sex (WU01UK).

³⁰ ONS via Nomis (2020) Jobseekers Allowance by Occupation: October 2022

East. This recognises the large supply of construction workers and the scale of employment effect generated by the Proposed Development. Taking into consideration guidance outlined in the Additionality Guide,³¹ a low (25%) rate of displacement has been assumed during construction at both impact areas.

Multiplier Effects

- 3.13 Investment in the Proposed Development will generate considerable expenditure on construction materials, goods and other services that will be purchased from a wide range of suppliers. This expenditure has far-ranging benefits both locally and further afield, as it filters down the construction supply chain (indirect effects). Employees working in construction in relation to the development will also spend their wages on goods and services (induced effects).
- 3.14 This will result in an amplification of the initial investment in the Proposed Development; in other words an economic multiplier effect, with linked benefits in terms of expenditure on goods and services locally. This will bring indirect employment and financial benefits for local individuals and firms involved in skilled construction trades and associated professions, and could help to sustain employment within this sector across the local and wider economy.
- 3.15 Based on the guidance within the Additionality Guide³² a sub-regional composite multiplier of 1.25 has been applied at the scale of the local impact area, with a multiplier of 1.5 being applied at the scale of the wider region.

Net Additional Employment

- 3.16 Allowing for these additionality factors, it is estimated that the construction of the Proposed Development will directly generate 30 FTE employment opportunities for residents of the South East on average during construction, of which 15 will be local to Waverley.
- 3.17 A further 15 indirect and induced FTE jobs could be annually supported across the South East through economic multiplier effects, of which 5 could be local to Waverley.
- 3.18 Therefore in total, the direct and indirect impacts of the construction of the Proposed Development can therefore be expected to annually create 50 net additional FTE employment opportunities for the South East residents, inclusive of 20 jobs for residents of Waverley. This is summarised in Table 3.1 overleaf.

³¹ HCA (2014) Additionality Guide 4th Edition

³² Ibid.

Table 3.1: Construction Phase Employment

| Employment | Local Impact Area | Wider Impact Area |
|--|-------------------|-------------------|
| Person-years of Employment | | 135 |
| Construction Period (Years) | | 3 |
| Gross FTE Employment | | 45 |
| Direct Net Additional FTE Employment | 15 | 30 |
| Indirect / Induced Net Additional FTE Employment | 5 | 15 |
| Total Net Additional FTE Employment | 20 | 50 |

Source: Turley Economics, 2022. May not sum due to rounding.

Productivity

- 3.19 The construction phase of the Proposed Development will generate an increase in GVA, which measures the value of output created (i.e. turnover) net of inputs purchased and is used to produce a good or service (i.e. production of the output). GVA therefore provides a key measure of economic productivity.
- 3.20 Estimates sourced from economic data provider Experian indicate that the average FTE employee in the construction industry in Waverley generates c. £65,700 annually in GVA.³³ Though this is lower than the GVA generated by the average employee across all sectors in the local and wider impact areas (c. £78,800 and c. £78,400 respectively), the construction sector remains an important source of employment in both geographies, accounting for approximately 7% of employment in Waverley and 6% in the South East.³⁴
- 3.21 Applying the appropriate GVA measures to the net additional employment impact generated by construction of the Proposed Development indicates that an additional £4.2 million in GVA could be annually generated across the wider impact area during the construction period, inclusive of £3.2 million concentrated in the local impact area. Over a 3-year construction period, it is therefore estimated that construction of the Proposed Development will generate £12.5 million GVA within the South East, inclusive of £9.7 million concentrated in Waverley. This is summarised in Table 3.2 overleaf.

³³ Experian (September 2022) UK Regional Planning Quarterly; average 2017 – 2021

³⁴ ONS (2022) Business Register and Employment Survey 2021

Table 3.2: Construction Phase GVA

| GVA | Local Impact Area | Wider Impact Area |
|---|---------------------|----------------------|
| Direct Net Additional GVA (Annual) | £2.9 million | |
| Indirect / Induced Net Additional GVA (Annual) | £0.3 million | £1.2 million |
| Total Net additional GVA (Annual) | £3.2 million | £4.2 million |
| Total Net Additional GVA (Construction Period) | £9.7 million | £12.5 million |

Source: Turley Economics, 2022. May not sum due to rounding.

Construction Phase Summary

3.22 In summary, the construction of the Proposed Development has the potential to generate the following economic impacts:

- Investment of c. **£30.0 million** in construction;
- **135** person-years of employment directly supported through construction investment, equating to an average of **45** FTE gross direct jobs over the duration of the estimated construction period of 3 years;
- An average of **50** direct, indirect and induced net additional FTE employment opportunities generated for workers in the South East during construction, of which **20** could be held by residents of Waverley; and
- Total net additional contribution of circa **£12.5 million** GVA to the economic output of the South East economy, of which **£9.7 million** will be concentrated in Waverley.

4. Operational Phase Impacts

- 4.1 This section presents the quantified economic impacts likely to be generated during the operational phase. Upon completion and full occupation, the Proposed Development will deliver a range of economic impacts which will persist over the long term. This will support wider economic growth objectives established through local and sub-regional policy and strategy, summarised in Section 2 of this report.
- 4.2 As in the previous section, the economic benefits are outlined in respect of Waverley (the local impact area) and the South East (the wider impact area). These impacts will all be net additional, as the Site is currently generates zero economic benefit for the local area.

Accommodating Population and Households

- 4.3 The Proposed Development of up to 162 new homes are expected to accommodate approximately 345 residents upon full occupation, based on the average size of the existing households in Waverley who occupy homes of the size proposed.³⁵

Growing the Labour Force

- 4.4 The Proposed Development will help to support the long-term economic competitiveness of Waverley by providing residential homes that will appeal to and attract skilled people to live and work in the area, as well as providing a choice of homes for people already living within the area. As identified in Section 2, the affordability of housing has been identified as a pressing issue for employers in Waverley. The provision of new housing, approximately 15% of which is affordable, will contribute to alleviating affordability issues.
- 4.5 Based on the latest Annual Population Survey's figures regarding the proportion of residents who are of working age, economically active and employed in Waverley, it is estimated that the delivery of up to 162 new homes will have the potential to accommodate 170 working age, economically active and employed residents once the Proposed Development is complete and occupied.³⁶
- 4.6 The new employed residents will help make an important contribution to the ongoing competitiveness of the Cranleigh, and the wider Waverley economy, by maintaining and potentially growing its labour force and securing a supply of skilled labour which will be available to local businesses and prospective investors.

Incomes and Enhanced Local Spending Power

- 4.7 Employed residents will receive incomes and will spend money in the local economy throughout the period in which each home is occupied.

³⁵ ONS (2022) 2011 Census: CT0258 - Age by tenure by number of bedrooms

³⁶ ONS Annual Population Survey (July 2021 – Jun 2022)

- 4.8 The Annual Survey of Hours and Earnings (ASHE) provides income data by occupational group. Utilising this provides an estimate of a combined gross income arising from the residents of the Proposed Development of circa £5.0 million per annum.³⁷
- 4.9 This income will be used to meet housing and other fixed household costs. However, a considerable proportion of this income will be available for discretionary expenditure in the local economy, where it will be supplemented by the expenditure of individuals who are not in employment.
- 4.10 Expenditure from new residents living on the Proposed Development will contribute significantly to sustaining local shops and businesses in nearby centres such as Cranleigh, neighbouring larger settlements such as Godalming and beyond, which in turn provide important sources of local employment.
- 4.11 Expenditure on convenience and comparison goods is estimated to equate to an average of £19,700 per annum per household in Waverley.³⁸ It is estimated on this basis that the Proposed Development could generate total retail expenditure of circa £3.2 million per annum on convenience and comparison goods.
- 4.12 Expenditure on leisure goods and services is estimated to equate to an average of £5,400 per annum per household in Waverley.³⁹ It is estimated on this basis that the Proposed Development could generate total expenditure of circa £1.8 million per annum on leisure goods and services.
- 4.13 This additional expenditure is expected to support jobs within the retail and leisure industries. Based on levels of average turnover per employee in these sectors, it is estimated that resident expenditure could have the capacity to support approximately 15 retail and leisure-related employee jobs across the Waverley and South East economies.⁴⁰
- 4.14 Furthermore, research commissioned by Barratt Homes found that households typically spend an average of £5,350 on furnishing and decorating supplies to 'make a house feel like a home' when they move in.⁴¹ Therefore, the residents of the Proposed Development also have the potential to generate one off expenditure of circa £868,000 upon first occupation. Furthermore, this level of expenditure is considered to be a conservative estimate when reflecting on further evidence relating to a Barratt development in Middlesbrough, included in the same research,⁴² which indicates that new homes can generate even higher levels of average 'first occupation' expenditure.

³⁷ Note that this is based on median South East incomes for the average overall occupational profile in Waverley, and therefore wages earned by residents could, for example, be higher than this figure if residents work in higher-paid jobs than the average for their occupation in the region and/or if the resident profile is weighted more towards professional occupations than the borough average. This figure also does not include other sources of income, such as those derived from investments or social security benefits.

³⁸ Oxford Economics via Precisely – UK Consumer Expenditure in 2022 (2020 prices)

³⁹ Ibid.

⁴⁰ Analysis utilises BPE 2022 South East data for the retail, food and accommodation services and arts, entertainment and recreation sectors to determine the number of jobs supported and / or generated.

⁴¹ OnePoll, on behalf of Barratt Homes (2014)

⁴² 2018 HBF Economic Footprint of Housebuilding report

Public Revenue Generation for Local Investment

- 4.15 In the current economic and fiscal climate, the resources available to local authorities to reinvest in local community infrastructure and services are limited.
- 4.16 New development can make an important contribution to the resource base of local authorities through enhancement of Council Tax revenues, which are then distributed between various public bodies. The Proposed Development can therefore be expected to benefit Waverley Borough Council as well as Surrey County Council, the Fire and Rescue Authority and Cranleigh Parish Council.
- 4.17 Based upon the mix of new homes to be developed and their estimated Council Tax banding, the Proposed Development is expected to generate an additional £370,000 in additional Council Tax payments for collection by the Council annually once fully occupied.⁴³ This could provide an important source of additional revenue for delivering public services as well as investing in maintaining and enhancing infrastructure.

Operational Phase Summary

- 4.18 In addition to creating enhanced social vitality through the increased number of people living in the area, the completion and occupation of the Proposed Development is estimated to result in the following quantifiable net additional impacts:
- Increasing the local population, as a result of **345** residents living in the Proposed Development;
 - Accommodating **170** additional economically active and employed residents, benefiting local businesses located close to the Site;
 - Supporting resident income of c. **£5.0 million** per annum, a significant proportion of which is likely to be spent in the local area;
 - Supporting **£3.2 million** in local household retail expenditure and **£1.8 million** on leisure goods and services per annum, in turn supporting and maintaining **15** retail and leisure-related jobs;
 - Generating **£870,000** in one-off expenditure upon first occupation of homes; and
 - Generating **£370,000** Council Tax payments for collection annually by Waverley Borough Council, contributing to maintaining and enhancing the delivery of public services and infrastructure locally.

⁴³ At 2022/23 Council Tax rates for Cranleigh.

5. Social Benefits

- 5.1 The Proposed Development also has the potential to generate a number of other social benefits once complete. These can be expected to deliver benefits for residents' health and wellbeing.

Health and Wellbeing

- 5.2 The Proposed Development includes the provision of 6.7 hectares of green infrastructure, which is greater than the 5 hectare residential development area. The green infrastructure is comprised of the following:
- 3.2 ha of natural and semi-natural greenspace, including sustainable drainage systems (SuDS) and structural landscape planting;
 - 0.7 ha of amenity greenspace, parks and gardens;
 - 0.4 ha of children's play area; and
 - 3.0 ha of biodiversity improvement area.
- 5.3 There is an established and ever-growing evidence-base which strongly suggests that the inclusion of green infrastructure in urban design can create social value, increasing the health and wellbeing of those accessing spaces.
- 5.4 Poor mental health is estimated to incur an economic and social cost of £105 billion a year in England, with treatment costs expected to double in the next 20 years.⁴⁴ The positive impact of open and green space on mental health is well established. The World Health Organisation (WHO) cites the link between access to open space and improved mental health, such as lower levels of depression and physiological stress. Other research has linked the proportion of green and open space to self-reported levels of health and mental health⁴⁵ for all ages and socio-economic groups.⁴⁶
- 5.5 Research by the University of Exeter, published in 2014, was one of the first studies to consider the effects of green space on mental health over time, leading to increased validity in these findings.⁴⁷ Using data from over 1,000 participants, it showed that those moving to greener areas experienced an immediate improvement in mental health that was sustained for at least 3 years. This research has been endorsed by the National Institute for Health and Care Excellence (NICE) as reliable evidence for policymaking.⁴⁸
- 5.6 The World Green Building Council (WGBC) also affirms that there is a mounting evidence base to show that the provision of natural space can add social and economic

⁴⁴ Office for Health Improvement and Disparities (2020) Improving access to greenspace: A new review for 2020

⁴⁵ Barton and Pretty (2010) What is the Best Dose of Nature and Green Exercise for Improving Mental Health? A Multi-Study Analysis

⁴⁶ Maas, J. et al. (2006) Green space, urbanity, and health: How strong is the relation?

⁴⁷ Alcock, I. et al. (2014) Longitudinal Effects on Mental Health of Moving to Greener and Less Green Urban Areas, Journal of Environmental Science and Technology

⁴⁸ NICE (2014) Physical activity and the environment – Evidence Update April 2014

value, through helping lower stress, improving cognitive function and enhancing creativity.⁴⁹

- 5.7 The 6.7 ha of natural and semi-natural, amenity and play greenspace is integral to the scheme's design vision. As suggested by the research outlined above, this generous green infrastructure network to be established at the site is considered highly likely to make a positive contribution to the physical and mental health and wellbeing of nearby residents and employees of all ages, offering opportunities for exercise and play and for relaxing and spending time in nature.

Employability and Skills

- 5.8 Employment is widely recognised as a key driver of social value, as well as being one of the most significant 'determinants' of health and wellbeing. For instance, 'Access to work and training' is identified by the NHS Healthy Urban Development Unit (HUDU)⁵⁰ as one of the key health determinants which should be considered when seeking to maximise positive wellbeing impacts of new development. Employment is also known to significantly impact on other health determinants, such as physical activity, and other lifestyle choices.

- 5.9 The UK Government's Office for Health Improvements and Disparity (the body formerly known as Public Health England) highlights⁵¹ that employment and work:

- Is the most important means of obtaining the economic resources essential for material wellbeing and full participation in society; and
- Meets important psychosocial needs in societies where employment is the norm and is central to individual identity, social roles and social status, with employment and socio-economic status being among the main drivers of health outcomes.

- 5.10 In addition, the OHID reports that unemployment:

- Causes the loss of regular income, with material and psychosocial impacts contributing to links between unemployment and poor health;
- Causes psychological stressors related to status and self-esteem, identity and the loss of a core role in life, again impacting on health;
- Is associated with unhealthy behaviours, including increased smoking and alcohol consumption and decreased physical exercise; and

⁴⁹ World Green Building Council (2014) Health, Wellbeing & Productivity in Offices: The next chapter for green building, page 40

⁵⁰ NHS Healthy Urban Development Unit (2019) Rapid Health Impact Assessment Toolkit

⁵¹ Office for Health Improvement and Disparities [formerly Public Health England] (2015) Local action on health inequalities: Increasing employment opportunities and improving workplace health

- Can have effects beyond the individual directly affected, with evidence suggesting that financial difficulties or associated stress can increase the risk of poor mental health among the families of those who are unemployed.

- 5.11 The ONS regularly monitors national wellbeing, and its research⁵² highlights a correlation between unemployment and people experiencing feelings of loneliness. Put another way, higher unemployment rates in an area are linked to higher loneliness rates. Unemployment therefore poses a real threat not only to people’s economic means but also, as shown by OHID and ONS research, their health and wellbeing.
- 5.12 Therefore, new employment and skills opportunities created on site during the construction phase will meet both an economic and a social need and will contribute effectively towards supporting healthier lifestyles. This will also help to meet a national strategic need. A recent report from the All Party Parliamentary Group for SME House Builders entitled ‘Improving Skill Levels and Delivering More Apprentices for the UK’s SME House Builders’ sought the views of SME House Builders on how the UK can attract more young people into the construction sector, noting that this was crucial to hitting house building targets.⁵³
- 5.13 The Home Builders Federation’s Housing Calculator estimates that building 162 homes is estimated to provide employment for 5 apprentices, graduates or trainees. Table 5.1 outlines that should these all be delivered as apprenticeships then **£60,000** of social value could be generated as a result.

Table 5.1: Social value through employment at the Proposed Development

| Social Value Indicator | Measure | Social Value | Estimated impact | Total social value |
|------------------------|--------------------------------|-----------------|------------------|--------------------|
| Apprenticeships | Apprenticeship weeks completed | £224 (per week) | 260 (weeks) | £60,000 |

Note: Social value totals rounded to nearest £10,000

Source: Social Value Portal; Home Builders Federation; Turley Economics

New high-quality housing

- 5.14 The Proposed Development will provide up to 162 new homes and will make a significant contribution towards its potential 345 residents’ health and wellbeing by providing a range of types and sizes of homes to meet a diverse range of needs.
- 5.15 A person’s ability or otherwise to access housing which is of good quality, is affordable, and which meets their needs can have a significant impact on their physical and mental

⁵² Office for National Statistics (2021) Opinions and Lifestyles Survey

⁵³ All Party Parliamentary Group for SME House Builders (2022) Improving Skill Levels And Delivering More Apprentices For The UK’s SME House Builders

health. As outlined by guidance published by OHID,⁵⁴ there are risks to an individual's health associated with living in:

- A cold, damp, or otherwise hazardous home (an unhealthy home);
- A home that does not meet the household's needs due to risks such as being overcrowded or inaccessible to a disabled or older person (an unsuitable home); and/or
- A home that does not provide a sense of safety and security, including precarious living circumstances and/or homelessness (an unstable home).

5.16 Poor housing conditions have all been shown to be associated with physical illnesses including eczema, hypothermia and heart disease, with respiratory health also having been shown to be particularly affected in both adults and children. Poor physical conditions can also negatively impact on mental health, due to the stress caused by living in insecure, overcrowded, cold, polluted or damp conditions.⁵⁵ As such, 'Housing Quality and Design' is identified as a key determinant of health by the NHS HUDU.⁵⁶ Research commissioned by Shelter⁵⁷ reported 20% of English adults surveyed stated that a housing issue had negatively impacted upon their mental health in the last 5 years. The Proposed Development will therefore have a positive impact on health and wellbeing in the local area through accommodating an estimated 345 people in new, high quality and healthy housing. This aligns with the aspirations in the Levelling Up White Paper to improve the general quality of housing across the country.

Conclusion

- The provision of **6.7 ha of green infrastructure** can be expected to positively contribute to both existing and new residents' physical and mental health, offer opportunities for exercise and provide space to relax.
- The Proposed Development is estimated to result in five traineeship, apprenticeship or graduate opportunities and deliver **approximately £60,000 in social value**.
- The provision of up to **162 high-quality new homes** can also be expected to provide health and wellbeing benefits to residents by providing secure accommodation that is built to a standard that averts cold, damp and overcrowding.

⁵⁴ Public Health England (2017) Guidance: Improving health through the home

⁵⁵ Shelter (2013) People living in bad housing – numbers and health impacts

⁵⁶ NHS Healthy Urban Development Unit (2019) Rapid Health Impact Assessment Toolkit (4th Edition)

⁵⁷ Shelter (2017) The Impact of Housing Problems on Mental Health

6. Conclusion

- 6.1 This Economic and Social Benefits Statement has been prepared by Turley Economics on behalf of Gleeson Land Limited in support of an outline planning application that seeks permission to develop up to 162 new homes on Land at Cranleigh, Waverley.
- 6.2 The report considers the quantifiable economic impacts of the Proposed Development both during its construction phase and operational lifetime, as well as the broader 'social value' which can be expected to be generated for the local community.
- 6.3 The economic impact generated by the Proposed Development also offers the potential to support a number of important policy objectives, including the sustainable development aspirations of national policy, the economic growth objectives of the Enterprise M3 Local Enterprise Partnership, as well as the local strategic objectives of Waverley Borough Council.

Construction Phase Impacts

- 6.4 In summary, construction of the Proposed Development is likely to generate the following economic impacts:
- Investment of c. **£30.0 million** in construction;
 - **135** person-years of employment directly supported through construction investment, equating to an average of **45** FTE gross direct jobs over the duration of the estimated construction period of 3 years;
 - An average of **50** direct, indirect and induced net additional FTE employment opportunities generated for workers in the South East during construction, of which **20** could be held by residents of Waverley; and
 - Total net additional contribution of circa **£12.5 million** GVA to the economic output of the South East economy, of which **£9.7 million** will be concentrated in Waverley.

Operational Phase Impacts

- 6.5 In addition to creating enhanced social vitality through the increased number of people living in the area, the completion of the Proposed Development is expected to result in the following quantifiable net additional impacts:
- Increasing the local population, as a result of **345** residents living within the housing provided by the Proposed Development;
 - Accommodating **170** additional economically active and employed residents, benefiting local businesses located close to the Site;
 - Supporting resident income of c. **£5.0 million** per annum, a significant proportion of which is likely to be spent in the local area;

- Supporting **£3.2 million** in local household retail expenditure and **£1.8 million** on leisure goods and services per annum, in turn supporting and maintaining **15** retail and leisure-related jobs;
- Generating **£870,000** in one-off expenditure upon first occupation of homes; and
- Generating **£370,000** Council Tax payments for collection annually by Waverley Borough Council, contributing to maintaining and enhancing the delivery of public services and infrastructure locally.

Social Benefits

6.6 The Proposed Development is also expected to deliver a range of benefits for both the existing and new residents' health and wellbeing. Benefits are will be generated from the following:

- The provision of **6.7 ha of green infrastructure** can be expected to positively contribute to both existing and new residents' physical and mental health, offer opportunities for exercise and provide space to relax.
- The Proposed Development is estimated to result in five traineeship, apprenticeship or graduate opportunities and deliver approximately **£60,000 in social value**.
- The provision of **162 high quality new homes** can also be expected to provide health and wellbeing benefits to residents by providing secure accommodation that is built to a standard that averts cold, damp and overcrowding.

Turley
1 New York Street
Manchester
M1 4HD

T 0161 233 7676