Marrons

Part of Shakespeare Martineau

LAND SOUTH OF A507 AND WEST OF BUNTINGFORD

Hallam Land Management Limited

ECONOMIC BENEFIT STATEMENT



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INFOGRAPHIC SUMMARY OF ECONOMIC BENEFITS

Marrons

Proposed Employment Development at Land South of A507 and West of A10, Buntingford

The Proposed Development will comprise an outline planning application for development of employment land (flexible use B2, B8, E(c) and E(g)), informal open space, associated works and infrastructure including a new access from A507, with all matters reserved save for access.

CONSTRUCTION PHASE

(Associated with delivery of the development over an anticipated 1 year construction period)

210 FTE
Local Jobs

426 FTE
Regional/ UK Jobs

£12m
Local Economic Output Over Construction Period

£24m
Total Economic Output Over Construction Period



OPERATIONAL PHASE

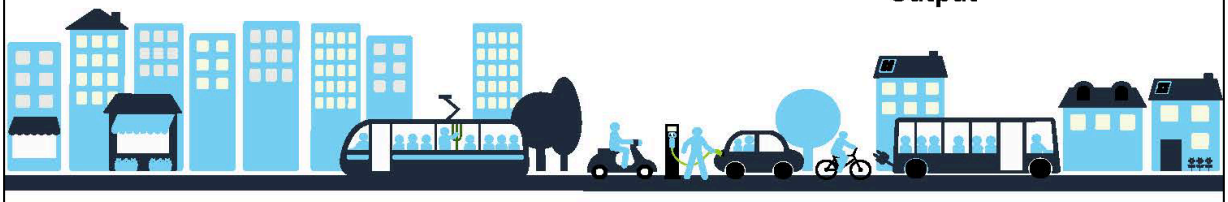
467 (gross)
On-Site Jobs Created

397 (net)
Local Employment

805 (net)
Total Employment

£21m
Local Economic Output

£43m
Total UK Economic Output



LOCAL AUTHORITY REVENUE

£783k per annum (approximate)
Business Rates



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1. INTRODUCTION

1.1 This Economic Benefit Statement has been prepared by Marrons on behalf of Hallam Land Management Limited in support of a planning application for employment development at Land South of A507 and west of the A10, Buntingford.

1.2 The Proposal comprises the development of employment land (flexible use B2, B8, E(c) and E(g)), informal open space, associated works and infrastructure including a new access from A507, with all matters reserved save for access.

1.3 For the purposes of this assessment it is assumed that the site could deliver up to 27,420 sq m of employment floorspace.

1.4 Section 2 of this Statement reviews the relevant national planning policy objectives relating to the economy and economic growth.

1.5 Section 3 sets out the associated economic benefits, expressed as employment created and the value of economic output generated throughout the development lifecycle.

2. PLANNING POLICY CONTEXT

National Planning Policy Framework (2023)

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 Section 6 of the NPPF Building a strong, competitive economy confirm that planning policies and decision help create the conditions in which businesses can invest, expand and adapt. Paragraph 85 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.

2.5 Paragraph 86 confirms those weaknesses and challenges to include potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment. It also confirms that planning policies should be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices, and to enable a rapid response to changes in economic circumstances.

3. ECONOMIC BENEFITS OF THE PROPOSED DEVELOPMENT

3.1 The Proposal comprises the development of employment land (flexible use B2, B8, E(c) and E(g)), informal open space, associated works and infrastructure including a new access from A507, with all matters reserved save for access.

3.2 For the purposes of this assessment it is assumed that the site could deliver up to 27,420 sq m of employment floorspace.

3.3 We set out below calculations of the economic benefits associated with the construction of the Proposed Development employment land. The calculations below exclude the construction and operation of the solar farm which will provide additional economic benefit to the area.

i) Construction Phase

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. Construction costs are estimated to total approximately £39m, excluding infrastructure costs, based upon an assumed construction cost of £1,430 per sq m (costmodelling.com).

3.5 The Office for National Statistics (ONS), latest Annual Construction Statistics (2021) confirms the average construction turnover per head relating to commercial projects.

3.6 It is estimated that the proposed construction activity could support 247 person years of construction employment.

3.7 Over the course of an assumed 1 year construction period, the development would therefore support approximately 247 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 125 people in December 2023), and the size of the proposed scheme, a low level of displacement (25%) in the construction labour force has been assumed (resulting in net direct job creation of 185 FTE).

3.9 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 241 FTE jobs, resulting in total job creation within the UK of 426 FTE jobs over the 1 year construction period.

3.10 Accounting for leakage, which based upon 2011 Census[1] travel to work flows of 51% into East Herts[2], would suggest that temporary job creation within East Herts itself will total approximately 210 jobs, with the remaining labour force drawn from outside of the local area.

3.11 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 £55,408 in 2021).

3.12 Based upon the net direct and indirect construction job calculation totalling 426 FTE, the development activity will generate a temporary economic output throughout the construction period of approximately £24m across the UK. After accounting for leakage, the temporary economic output to East Herts during construction of the proposal is likely to total £12m.

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

- **Total net (direct and indirect) FTE jobs generated during the 8 year construction period = 426 FTE jobs (of which 210 FTE jobs within East Herts)**
- **Total temporary economic output during the construction of the proposed development = £24m, of which £12m within East Herts.**

ii) Completed Development

3.14 The Proposed Development includes the provision of 4.71ha of employment land which will provide for approximately 27,420 sq m of employment floorspace in a mix of employment uses (Use Class B2, B8, E(c) and E(g)). The exact level of employment resulting from the employment floorspace will be dictated by the end-occupiers. However, for the purposes of this assessment, based upon a mid-point of employment densities (as specified in the HCA Employment Density Guide, 2015) of approximately 47 sq m per employee (light industrial NIA job density), and assuming an equivalent net internal area totaling approximately 21,936 (80% NIA to GEA), the proposed employment land is likely to create in the region of 467 gross direct (on-site) jobs.

3.15 Assuming a low level of displacement (25%), net direct job creation totals 350 FTE jobs.

3.16 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

[1] The impact of COVID on travel to work patterns at the point of the 2021 Census mean that it cannot be relied upon to reflect travel to work flows post-pandemic.
[2] 49% of East Hert's workforce is drawn from within the District, with 51% drawn from other surrounding areas.

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 455 FTE jobs, resulting in total job creation within the UK of 805 permanent FTE jobs.

3.17 Accounting for leakage, which based upon 2011 Census[3] travel to work flows of 51% into East Herts[4], would suggest that job creation within East Herts itself will total approximately 397 jobs, with the remaining labour force drawn from outside of the local area.

3.18 Employment activity will generate economic output. Drawing upon ONS published regional gross value added figures and workforce statistics average GVA per head across the East of England totaled £53,551 (2021).

3.19 Based upon the net direct and indirect job calculation totalling 805 FTE, the local centre will generate an economic output of approximately £43m per annum across the UK. After accounting for leakage, the economic output to East Herts the proposed local centre is likely to total £21m.

Business Rates

3.20 Assuming a rateable value of £56 per sq m, based upon Valuation Office data for industrial floorspace within East Herts in 2022, and assuming a standard multiplier of 51.2 pence, business rates payments associated with the employment land are likely to total £783,000 per annum.

3.21 In summary the operational economic benefits of the proposal are as follows:

- The proposed employment land will create 467 on-site jobs, including approximately 805 jobs across the wider economy. Of this some 397 are likely to be filled by East Herts residents. In turn the employment land will generate an economic output of approximately £43m, of which £21m will benefit the East Herts economy.
- Businesses within the local centre are likely to be liable for business rates payments of approximately £783,000 per annum.
- The calculations above exclude the construction and operation of the solar farm which will provide additional economic benefit to the area, including the ongoing maintenance of the solar farm operation.

[3] The impact of COVID on travel to work patterns at the point of the 2021 Census mean that it cannot be relied upon to reflect travel to work flows post-pandemic.
[4] 49% of East Hert's workforce is drawn from within the District, with 51% drawn from other surrounding areas.

4. SUMMARY

4.1 This Economic Benefit Statement has been prepared by Marrons on behalf of Hallam Land Management Limited in support of a planning application for employment development at Land South of A507 and west of the A10, Buntingford.

4.2 The Proposal comprises development of employment land (flexible use B2, B8, E(c) and E(g)), informal open space, associated works and infrastructure including a new access from A507, with all matters reserved save for access.

4.3 For the purposes of this assessment it is assumed that the site could deliver up to 27,420 sq m of employment floorspace.

4.4 The National Planning Policy Framework (NPPF) confirms that local planning authorities 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.

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

Construction Phase

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

- Total net (direct and indirect) FTE jobs generated during the 8 year construction period = 426 FTE jobs (of which 210 FTE jobs within East Herts)
- Total temporary economic output during the construction of the proposed development = £24m, of which £12m within East Herts.

Operational Phase

- The proposed employment land will create 467 on-site jobs, including approximately 805 jobs across the wider economy. Of this some 397 are likely to be filled by East Herts residents. In turn the employment land will generate an economic output of approximately £43m, of which £21m will benefit the East Herts economy.

- Businesses within the local centre are likely to be liable for business rates payments of approximately £783,000 per annum.

- The calculations above exclude the construction and operation of the solar farm which will provide additional economic benefit to the area, including the ongoing maintenance of the solar farm operation.