

## SUMMARY OF ECONOMIC BENEFITS RELATING TO THE PROPOSED RESIDENTIAL DEVELOPMENT AT REBECCA ROAD, PERSHORE

The proposed development will comprise a mix of up to 115 residential dwellings, including 46 affordable homes, with all matters reserved with the exception of access, including open space, landscaping, drainage and associated works

### **i) CONSTRUCTION PHASE**

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<sup>1</sup>.

The Office for National Statistics (ONS), latest Annual Construction Statistics (2022) confirms the average construction turnover per head relating to commercial, and residential projects.

It is estimated that the proposed construction activity could support 156 person years of construction employment.

Over the course of an assumed 2.5 year construction period, the development would therefore support approximately 63 FTE gross direct construction jobs.

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 160 people in July 2024) a low level of displacement has been assumed (25%), reducing net direct temporary job creation to 47 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 61 FTE jobs, resulting in total job creation within the UK of 108 FTE jobs over the 2.5 year period.

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<sup>1</sup> Estimated to total £20.5m, including site works and construction related costs.

Accounting for leakage, which based upon 2011 Census travel to work flows of 50%<sup>2</sup>, would suggest that temporary job creation within Wychavon will total approximately 54 temporary FTE jobs, with the remaining labour force drawn from outside of the local area.

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).

Based upon the net direct and indirect construction job calculation totalling 108 FTE, the development activity will generate a temporary economic output throughout the construction period of approximately £16.9m across the UK. After accounting for leakage, the temporary economic output to Wychavon during construction of the proposal is likely to total £8.4m.

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

- **Total net (direct and indirect) FTE jobs generated during the 2.5 year construction period = 108 FTE jobs (of which 54 FTE jobs within Wychavon)**
- **Total temporary economic output during the construction of the proposed development = £16.9m, of which £8.4m within Wychavon.**

## ii) COMPLETED DEVELOPMENT

The completed development will comprise up to 115 residential dwellings. Drawing upon 2021 Census data, and based upon the mix of the development<sup>3</sup>, it is estimated that the resident population of the scheme will total approximately 251 people once fully occupied, based upon an average household size of 2.18.

Assuming an approximate employment rate of 45%<sup>4</sup>, it is assumed that the scheme will provide for approximately 114 new residents in employment. Based upon GVA per head figures for the West Midlands, totalling £53,779, residents of the proposed scheme could contribute

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<sup>2</sup> 50% of Wychavon's workforce is drawn from within the District, with 50% drawn from other areas.

<sup>3</sup> Based upon an indicative mix provided by the client.

<sup>4</sup> ONS Labour Market Profile

£6.1m per annum to the wider economy. Based upon 2011 Census commute patterns, some £2.8m per annum would flow into the local Wychavon economy.

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 (2021) confirms that across the West Midlands, households typically spend £261 per week on convenience, comparison, leisure and other services (excluding utilities, health, transport, education and communication). On this basis, the provision of 115 additional homes within Pershore will generate an additional £1.6m of retail, leisure and services expenditure, through resident spend, which will be available to the local and wider economy.

a) Council Tax

Based upon a Band D Council Tax equivalent of £2,129 per household within Pershore, the Proposed Development of 115 homes would provide additional Council Tax revenue of approximately £245,000 per annum.

b) New Homes Bonus

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 £242,000.

iii) **SUMMARY**

In the summary the completed development will deliver the following local economic benefits:

**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 2.5 year construction period = 108 FTE jobs (of which 54 FTE jobs within Wychavon)
- Total temporary economic output during the construction of the proposed development = £16.9m, of which £8.4m within Wychavon.

**Completed Development**

- Accommodating approximately 251 new residents, of which approximately 114 are likely to be in employment.
- Those residents in employment will generate a gross direct economic output of approximately £6.1m per annum, of which £2.8m would benefit the Wychavon economy.

- Residents of the Proposed Development will spend a combined average of approximately £1.6m per annum on retail, leisure and service goods.
- The Proposed Development will generate Council Tax receipts totalling £245,000 per annum
- The Proposed Development will also generate a New Homes Bonus payment totalling £242,000.