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## SUMMARY OF THE ECONOMIC BENEFITS RELATING TO THE PROPOSED RESIDENTIAL DEVELOPMENT ON LAND AT DOWNS ROAD, ISTEAD RISE.

The proposed development will comprise a mix of 154 residential dwellings, (including affordable housing), with all matters reserved except of access.

We summarise the economic benefits of the proposed development below:

### **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, totalling approximately £33.8m<sup>1</sup>.

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).

It is estimated that the proposed construction activity could support 258 person years of construction employment.

Over the course of an assumed 4 year construction period, the development would therefore support approximately 65 FTE gross direct construction jobs.

In addition, the construction phase will also generate additional economic outputs associated with the indirect supply chain benefits. Consistent with the HM Treasury Green Book (2020), a low level of displacement has been assumed (25%) reducing direct temporary employment to 48 FTE per annum. 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, and after accounting for an assumed 25% displacement, the temporary indirect job creation during the construction phase is likely to total a further 63 FTE

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<sup>1</sup> Figure provided by client.

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jobs, resulting in total temporary job creation within the UK of 111 FTE jobs over the 4 year period.

Accounting for leakage, which based upon 2011 Census travel to work flows show that the District draws 56% of its workforce from outside of the District, would suggest that temporary job creation within Gravesham District will total approximately 62 jobs, with the remaining labour force drawn from outside of the local Gravesham District 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 in 2022).

Based upon the net direct and indirect construction job calculation totalling 111 FTE, the development activity will generate a temporary economic output throughout the construction period of approximately £28m across the UK. After accounting for leakage, the temporary economic output to Gravesham District during construction of the proposals is likely to total £16m.

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

- **Total net (direct and indirect) FTE jobs generated during the 4 year construction period = 111 FTE jobs (of which 62 FTE jobs within Gravesham District)**
- **Total temporary economic output during the construction of the proposed development = £28m, of which £16m within Gravesham District.**

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## ii) COMPLETED DEVELOPMENT

The completed development will comprise 154 residential dwellings (inclusive of 50% affordable homes). Drawing upon 2021 Census data and assuming an average household size of 2.55 within Gravesham District, it is estimated that the scheme will accommodate approximately 393 people.

Assuming an approximate employment rate of 48%<sup>2</sup>, it is assumed that the scheme will provide for approximately 190 new residents in employment. Based upon GVA per head figures for the South East, totalling £68,254 (2022), residents of the proposed scheme could contribute £13m per annum to the wider economy. Based upon 2011 Census commute patterns which confirm that 33% of residents remain in the District to work, some £4.3m per annum would flow into the local Gravesham District 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 (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 154 additional homes within Istead Rise will generate an additional £2.5m 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 £2,294 per household within Gravesham District, the Proposed Development of 154 homes would provide additional Council Tax revenue of £353,000 per annum.

### b) New Homes Bonus

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,

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<sup>2</sup> ONS Nomis Local Authority Profile June 2025 (Jul 2024 – Jun 2025)

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the Proposed Development would generate a single year New Homes Bonus payment of £330,000.

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### 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 4 year construction period = 111 FTE jobs (of which 62 FTE jobs within Gravesham District)
- Total temporary economic output during the construction of the proposed development = £28m, of which £16m within Gravesham District.

#### **Completed Development**

- Accommodating approximately 393 new residents, of which approximately 190 are likely to be in employment.
- Those in residents in employment will generate a gross direct economic output of approximately £13m per annum, of which £4.3m would benefit the Gravesham District economy.
- Residents of the Proposed Development will spend a combined average of approximately £2.5m per annum on retail, leisure and service goods.
- The Proposed Development will generate Council Tax receipts totalling £353,000 per annum
- The Proposed Development will also generate a New Homes Bonus payment totalling £330,000. noting Government is likely to replace New Hones Bonus with an alternative, as yet unknown, arrangement.