

**SECTION 226(1)(A) OF THE TOWN AND COUNTRY PLANNING ACT 1990
AND THE ACQUISITION OF LAND ACT 1981**

**THE BASILDON BOROUGH COUNCIL
(FRYERNS AND CRAYLANDS) (PHASE NORTH)
COMPULSORY PURCHASE ORDER 2020**

PUBLIC INQUIRY 29 JUNE 2021

**PROOF OF EVIDENCE OF JAMIE SULLIVAN OF ICENI PROJECTS
ON BEHALF OF BASILDON BOROUGH COUNCIL**

**PLANNING INSPECTORATE AND PLANNING CASEWORK UNIT REFERENCE:
APP/PCU/CPOP/V1505/3258817**

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1 INTRODUCTION

- 1.1 My name is Jamie Sullivan, I am a Chartered Town Planner and Director of Icení Projects Ltd. I hold an MA in Town and Country Planning from University of West England and a BSc (Hons) in Town Planning and (Human) Geography from Cardiff University. I have been a full chartered member of the Royal Town Planning Institute for 11 years.
- 1.2 I have 15 years' experience working in the town planning sector for public and private bodies. I have worked at Icení Projects for over 6 years. Icení Projects is a multi-skilled consultancy offering a range of technical specialisms and recently received the RTPI Planning Consultancy of the Year Award 2021 and hold the 2020 Planning Resource Magazine's Planning Consultancy of the Year.
- 1.3 During my time at Icení Projects I was seconded to HM Treasury as Planning Policy Advisory, during this time I worked on a number of policy projects, including the most recent amendments to the Compulsory Purchase Order (CPO) process.
- 1.4 Prior to Icení, I spent 1.5 years working for DTZ - London (now Cushman & Wakefield) and 6 years working for Tetlow King Planning in Bristol. During my time in the private sector, I have undertaken planning applications, appeals, policy promotion and representation work on numerous commercial, residential and civic development schemes and changes of use with significant experience in London, the South East and South West.
- 1.5 I began my career at Northamptonshire County Council working as a Development Control Officer, I was the case officer for approximately 70 planning applications a year. In total I have amassed 15 years of experience as a planning professional.
- 1.6 I am acting as an independent and professionally qualified planning witness. I am instructed on behalf of Basildon Council for the (Fryerns and Craylands) (Phase North) Compulsory Purchase Order 2020. While colleagues at Icení have acted as agent for this scheme, I have not been previously involved. My role as a witness is to assess the regeneration of Craylands against the following element of the 2018 MHCLG CPO & Crichel Downs Guidance:
- The need for the acquiring authority to obtain the Order Land in planning terms.
 - The redevelopment's basis in a strategic framework.

- The achievement of economic, social or environmental wellbeing benefits.
- Whether there is any impediment in planning terms to the redevelopment.

1.7 The evidence which I have prepared and provided for this inquiry reference APP/PCU/CPOP/V1505/3258817 (in this proof of evidence) is true and has been prepared and is given in accordance with the guidance of my professional institution. I confirm that the opinions expressed are my true and professional opinions.

2 SCOPE OF EVIDENCE

- 2.1 I have prepared this proof of evidence in support of the (Fryerns and Craylands) (Phase North) Compulsory Purchase Order 2020 (the “**Order**”) which was made on 19 August 2020. The land subject to the Order lies within the third phase of the regeneration and renewal of the Craylands Estate in Basildon (the “**Estate**”), described as Phase North which relates to 8.49 hectares of the Estate.
- 2.2 The Council’s purpose in making the Order, and seeking its confirmation is to enable the Council to acquire compulsorily the land the subject of the Order (“the **Order Land**”), which is described below, in order to facilitate the delivery of the next (third) phase of the comprehensive redevelopment and renewal of the Estate (the “**Scheme**”).
- 2.3 My evidence will describe the Order Land and the wider regeneration of the Craylands Estate in section 3. I will also describe the Scheme and the details of the planning permissions for both the Estate and Phase North.
- 2.4 In section 4, I will detail the benefits provided by the section 106 agreement dated 29 March 2017 (CD 5.3) including affordable housing, as well as discuss the regeneration of the Craylands Estate more widely.
- 2.5 I am advised that where, as here, planning permission is in place, it is not appropriate to revisit the detailed planning merits of the proposal and take a different view on planning considerations which have already been considered, unless there is fresh material or a change of circumstances which justify doing so (*Alliance Spring Co Ltd v The First Secretary of State* [2005]).
- 2.6 In section 5, I will describe the Planning Framework and explain how the Scheme complies with it.
- 2.7 In section 6, I will explain the significant benefits of the Scheme and its contribution to the achievement of promoting and improving the social, environmental and economic well-being of the area including the Estate.
- 2.8 In section 7, I will explain the Council’s assessment of the impacts of the Scheme on those with protected characteristics in accordance with the requirements of the public sector equality duty.
- 2.9 In section 8, I will respond to the single objection to the CPO insofar as it relates to planning issues.

3 DESCRIPTION OF THE ORDER LAND AND THE SCHEME

3.1 This section describes the Order Land and the Scheme, as defined in Section 2 above.

Wider Project

3.2 The Estate is located to the north of Broadmayne, to the west of East Mayne and to the south and west of Peterborough Way in Basildon. The full extent of the Estate, including the former Fryerns School, comprises approximately 38 hectares.

3.3 The Estate was originally built in the 1960's, and over time has become a mix of owner occupied (through the right to buy) and social rented properties (see existing mix in the Affordable housing Provision Note in CD7.10). The Estate was identified as a regeneration priority in 2006 due to its recent decline (both building fabric and infrastructure) and increasing anti-social behaviour reported within the Estate, as set out in other proofs (e.g. Section 3 of the evidence of Trevor Burns), this is partly considered to be a product of the 'Radburn' inspired layout of the original Estate which sought to separate pedestrians and vehicles, characterised by cul-de-sacs, parking courts and alleyways between houses. There are limited vehicular entrances into the site from the perimeter roads which do not connect and make the estate impermeable by car and difficult to navigate (see pages 42, 44 and 57 of the 2016 Site wide DAS – CD5.7).

3.4 There is poor connectivity and permeability through the Estate, limited natural surveillance of public areas and insufficient overlooking of parking areas. The Estate has little in the way of meaningful green areas, with the exception of small private gardens and some communal spaces. Engagement with residents provided a clear desire for the unpopular maisonette blocks to be replaced and the Estate to be laid out in a more logical way. These considerations provided the impetus for the comprehensive redevelopment and renewal of the Estate, together with the need to replace sub-standard accommodation and underused parking areas (see Site-Wide DAS CD5.7).

3.5 To facilitate the redevelopment, a 'hybrid' planning application was submitted for regeneration of the Estate with the following description of development (Basildon planning reference 16/00898/OUT):

Re-development to provide up to 587 dwellings and 5,424 sqm of commercial floorspace with associated means of access, car parking, landscaping and other associated works and improvements.

Full planning permission sought for 8.78ha comprising the north phase for up to 96 residential dwellings (use Class C3), associated means of access, car parking, landscaping, service infrastructure and other associated works and improvements; and the central phase for a landscaped community hub area.

Outline planning permission sought on 21.4ha comprising the south phase (13.9ha) for up to 205 residential dwellings (use Class C3) and associated access, landscaping, car parking and infrastructure works; central west phase (0.39ha) for up to 5,424 sqm of flexible floorspace (Use Classes A1-A5, B1, C3, D1, D2) with associated means of access, open space / landscaping, car parking and infrastructure works (all matters reserved); and the west phase for up to 251 residential dwellings (use Class C3), and associated access, landscaping, car parking and infrastructure works with all matters reserved with exception to appearance.

- 3.6 The permission was granted on 22 March 2017 (CD 5.1) and was not challenged. The permission is accompanied by a section 106 agreement (CD 5.3) which includes contributions towards education and health provision, as well as the provision of affordable housing.
- 3.7 The hybrid nature of the application was controlled by the proposed comprehensive phasing of the redevelopment, summarised as follows:
- North Phase (8.49 ha) – Detailed planning application relating to 5 ‘intervention’ areas within the northern half of the estate;
 - Central Phase (0.29 ha) – Detailed planning application for a new landscape hub within the centre of the estate;
 - Central West Phase (0.39 ha) – Outline planning application with all matters reserved for a commercial/NHS hub within the centre of the site;
 - South Phase (12.66 ha) – Outline planning application with all matters reserved except access;
 - West Phase A (6.89 ha) – Outline planning application with all matters secured except appearance for the site of the former Fryerns School;

- West Phase B (0.22 ha) – Outline planning application with all matters reserved for a proposed area of self-build properties.

3.8 The location and phasing of this redevelopment is shown on the 'Masterplan - Phasing Plan' (CD5.4).

The Scheme

3.9 For the purposes of the CPO Inquiry, I am referring to 'the Scheme' as comprising the North Phase of the redevelopment of the Estate, which is being progressed independently. The boundary for the North Phase comprises 8.49 hectares, however the Scheme only involves five defined 'intervention' areas within the phase. These intervention areas were defined following an assessment of the existing dwellings to identify those providing sub-standard accommodation which require replacement (many of the remaining properties will be refurbished instead). This includes removal of 105 dwellings which are located within 7 three-storey maisonette blocks and 14 two-storey houses. These areas are shown on the 'North Phase - Demolition Plan' (CD 5.8), and are located at:

- Fowley Way (central to the North Phase);
- Lincoln Road (on the north-eastern boundary of the North Phase);
- Chichester Close (on the southern boundary of the North Phase); and
- Lincoln Road/Glyne Way (on the eastern boundary of the North Phase).

3.10 Following the demolition of the 105 properties within the North Phase, the Scheme will construct 96 new homes with associated access, car parking and landscaping. A range of accommodation types and sizes will be provided, including 15 social rented dwellings. The Scheme also creates clearer vehicular and pedestrian routes through the Estate, to improve permeability and navigation. The most significant change is the new route running north-south which establishes clear vehicular and pedestrian routes through and beyond the Estate with new landscaping and lighting (see pages 42, 44 and 57 of the 2016 Site wide DAS CD5.7). The siting of the new buildings creates a traditional street pattern resulting in a more secure environment, with passive surveillance over all streets and back gardens. This is outlined in the 'North Phase - Proposed Ground Floor Plan' (CD 5.9). Two non-material amendments have been approved for the North Phase for minor adjustments to the scheme (Basildon planning references 20/00756/NMABAS and 21/00232/NMABAS). The non-material

amendments approved through these permissions comprise of very minor changes to the proposed landscaping, external appearance and internal layout, as well as re-positioning houses by up to 65cm to the west. All pre-commencement planning conditions for the North Phase have been discharged. Separate planning permissions have also been granted for a substation to serve the North Phase (Basildon planning references 20/00800/FULL and 21/00257/FULL).

- 3.11 Implementation works for the North Phase were carried out in March 2020, with preliminary works including the excavation, pouring and installation of the foundations to serve the development of Plot 79. A site inspection was carried out by Basildon Borough Council Building Control to confirm that the foundations have been constructed and are formally approved. As such, the planning permission for the North Phase has been implemented.

Pre-Hybrid Consent Planning History

- 3.12 It is also worth noting that this permission for the regeneration of the Estate follows on and presents a revised masterplan to an earlier redevelopment scheme which was prepared by English Partnerships with Swan Housing Association as the delivery partner. Both schemes had very similar objectives for improving the public realm and creating safer living conditions the feeling of safety physical enhancements such as lighting, traffic calming and better places to park vehicles. However, the main difference is that the English Partnerships scheme sought to demolish houses which are in a perfectly adequate state of repair. As such, the Committee Report (CD 5.6) notes that the revised masterplan seeks to retain as many houses as possible where their demolition would be unsustainable and unnecessary. The revised masterplan only proposed demolition where retention is not possible and to result in wider significant benefits as discussed in Section 6.
- 3.13 The English Partnerships scheme was prepared in 2006 with the following description of development (Basildon planning reference 06/00873/OUT):

Partial demolition and redevelopment to provide up to 1400 new dwellings (of which up to 750 net new dwellings) together with a local centre comprising up to 6 Class A retail units, community uses, education use, health use, associated roads, car parking and landscaping with all matters reserved apart from access.

- 3.14 This planning application was approved in 2008 and related to the whole estate, rather than individual phases and has been subject to revisions and subsequent permissions.

Reserved Matters for 391 dwellings on what is now Phase North, together with the retention of 35 existing dwellings, temporary shops and community facilities was approved in August 2008 (Basildon planning reference 07/00002/REM).

- 3.15 In relation to the North Phase, this masterplan (which can be seen on page 12 of the Site-Wide DAS – CD5.7) sought to deliver similar objectives as the hybrid permission of creating a new more permeable layout with residential properties fronting on to a new primary route which removed the large car parking area.
- 3.16 Subsequent changes were required and a separate full planning application for revised elevations and roofs on 133 dwellings (known as Phases 1A-1B) was approved in April 2010 (Basildon planning reference 10/00150/FULL). Another full permission for 206 new dwellings, new shops, community hall and associated works (known as Phases 1C-1F) was approved in April 2010 (Basildon planning reference 11/00719/FULL). By 2018, 407 of the new homes in Phase 1 had been delivered on the Estate under these permissions.

The Order Land

- 3.17 Given the scale of the development on the North phase, it is useful to first remind ourselves of the context. The application boundary for the North Phase extends to 8.49 hectares. Within this larger North Phase area, five smaller “intervention areas” were defined to facilitate the delivery of the Scheme. These five intervention areas are as follows:

1. Fowey Way - Located to the centre of the North Phase to the east of Peterborough Way and north of Wells Gardens. It comprises of two four-storey maisonette blocks, fourteen two-storey terrace houses, garages and surface car parking areas.
2. Lincoln Road – Located at the north-east boundary of the North Phase with Lincoln Road running along the east. It comprises of a four-storey maisonette block and car parking.
3. Chichester Close (west) – Located on the southern boundary of the North Phase with Chichester Close to the east and Wells Gardens to the north. It comprises of two four-storey maisonette blocks.
4. Chichester Close (east) – Located on the southern boundary of the North Phase with Chichester Close to the west and Humber Way to the north. It comprises of one four-storey maisonette block as well as garages and car parking areas.

5. Lincoln Road / Glyne Way – Located on the eastern boundary of the North Phase. It comprises of one four-storey maisonette block, as well as garages and car parking.

3.18 Within these areas, a total of 105 properties are proposed for demolition comprising of 7 four-storey maisonette blocks and 14 two-storey terrace houses. Of these properties, 74 were occupied by Council tenants and have already been rehoused, whereas 31 were owned either on a freehold or leasehold basis as shown in the following table.

| Intervention site | Total to be demolished | Freehold / leasehold | Basildon Council |
|----------------------------|------------------------|----------------------|------------------|
| 1 Fowey Way | 40 | 16 | 24 |
| 2 Lincoln Road | 13 | 1 | 12 |
| 3 Chichester Close (west) | 26 | 9 | 17 |
| 4 Chichester Close (east) | 13 | 2 | 11 |
| 5 Lincoln Road / Glyne Way | 13 | 3 | 10 |
| Total | 106 | 31 | 74 |

3.19 Of these 31 properties, 24 were acquired prior to the Order (CD 1.1). The Order comprises of the 7 remaining properties, as shown on the Order Map (CD 1.2) and detailed as follows:

1. 26 Wells Gardens – 283sqm of house and garden located within the Fowey Way intervention area.
2. 33 Wells Gardens – 134sqm of land, garden and flat at ground and first floor located within the Chichester Close (west) intervention area.
3. n/a
4. 12 Chichester Close – 132sqm of land, garden and flat at ground and first floor located within the Chichester Close (west) intervention area.
5. 9 Peterborough Way – 119sqm of land, garden and flat at ground and first floor located within the Fowey Way intervention area.
6. 17 Peterborough Way – 51sqm of flat at second and third floor located within the Fowey Way intervention area.

7. 21 Peterborough Way – 49sqm of flat at second and third floor located within the Fowey Way intervention area.
8. 31 Peterborough Way – 116sqm of land, garden and flat at ground and first floor located within the Fowey Way intervention area.

3.20 Since making the Order, four of the properties have been acquired (12 Chichester Close and 9, 21 & 31 Peterborough Way). Negotiations are ongoing regarding the acquisition of the remaining three properties:

1. 26 Wells Gardens – The acquisition of this property is close to completion. However, the sale is delayed by a probate process further down the chain.
2. 33 Wells Gardens – The offer to acquire this property has been accepted and is currently conveyancing.
3. 17 Peterborough Way – An objection has been lodged against the Order by the owner of this property (CD 8.1).

3.21 17 Peterborough Way is a second and third floor maisonette dwelling within a larger four-storey block of 12 maisonettes. The property is accessed via a set of stairs from the car park up to the second floor and has deck access from this set of stairs. It is located directly above a disused flat at ground and first floor and is the second flat from the northern end of the maisonette block. The maisonette block fronts on to a large car park area which includes a number of garages and serves the adjoining maisonette block as well. The car park backs on to Peterborough Way and further increases the scale of the tarmacked area in this location and connects the site to the distributor road for the estate (also called Peterborough Way to the west and Chesterford Green to the east). This creates a very large area of hardstanding at a key entrance to the estate – Peterborough Way/Chesterford Green (See photos in Appendix JS1).

3.22 To the rear of both maisonette blocks is an alleyway which provides access to the houses behind it. These alleyways are narrow in some places and bounded by a large wooden closed boarded fence on one side (see photos in Appendix JS1).

4 DETAILS OF THE PLANNING PERMISSION AND SECTION 106 AGREEMENT

4.1 As outlined in Section 3 of this proof and Section 3 of Mr Burns' evidence, following a period of decline in building fabric and infrastructure, as well as increasing anti-social behaviour, the Council first formally approved in principle that it would take steps to regenerate the Estate in 2007 (para 3.21 of Mr Burns' Proof). Prior to this initial work making a business case, consultation and gathering evidence on the need for regeneration had taken place as far back as 2001 (para 2.3 of Trevor Burns' Proof).

4.2 Whilst there is an extensive and complex planning history for the site, a timeline of the key events in relation to the hybrid permission is summarised as follows:

- December 2015 – May 2016: Extensive stakeholder engagement and community consultation on the redevelopment proposals. This built on previous consultation with local residents, such as the production of the 2011 Community Action Plan. As outlined in the Design and Access Statement (CD 5.7) and Statement of Community Engagement, a total of 6 consultation events were held to seek feedback and provide information to local residents of the estate and surrounding areas. Ongoing monthly meetings have also been held with owners, tenants and residents in the Estate, as well as Beechwood Residents Association. Ad hoc surgeries, meetings and visits were also arranged with individual residents. Key issues raised included the need for traffic calming, dangerous alleyways and insufficient lighting, lack of green areas and inadequate parking in the right places. The redevelopment has sought to address these issues through the incorporation of traffic calming measures including raised table pedestrian crossing and bollards, enhanced landscaping and public realm improvements.
- December 2015 – April 2016: Pre-application Discussions with Basildon Borough Council, Essex County Council and statutory consultees.

To inform the emerging design, there were three pre-application meetings held with Basildon Borough Council (with additional discussions regarding inclusive access and waste management), three meetings with Essex County Council regarding transport matters and two meetings each with the Fire Brigade and Essex Police.

- June 2016 – March 2017: Determination and approval of planning permission 16/00898/OUT.

The Application was submitted and validated on 27 June 2016. Nine third party representations were submitted to the application objecting on the grounds of;

- loss of trees along Hastings Path (including a petition with 76 signatures), not wanting a park near Rochester Way;
- the Council/Swan changing their mind on original plans to demolish their particular block; and
- removal of parking areas.

After considering all material considerations, the Officer's Report (CD5.6) recommended approval and the Application secured resolution to grant at planning committee on 04 October 2016, where members voted to approve the application (7 in favour and 2 abstentions). The approval notice was issued on 22 March 2017 (CD5.1).

- May 2017 onwards: Discharging conditions, approval of reserved matters and construction of the West Phase, Central Phase and Central West Phase.
- December 2019 – February 2020: Discharging pre-commencement conditions for the North Phase.
- March 2020: Implementation of North Phase permission.

4.3 The permission grants consent for up to 587 dwellings and 5,424 sqm of commercial floorspace across the Estate. The regeneration of the Estate is extensive and comprehensive, and whilst the phases are being delivered independently of each other, they are all interlinked.

4.4 In the North Phase, the permission provides consent for a building with 8 new flats as well as 88 new two-storey houses with rear gardens. Of these new homes, the section 106 Agreement secures 15 will be provided as social rented accommodation (for the purpose of the S106 agreement this is sometimes call affordable rent at target rents, but this is essentially social rented properties by another name). This amounts to 16% of this phase (although more than 30% is secured through the Section 106 agreement across the scheme as a whole) with the remaining 81 units as market dwellings.

4.5 This does not tell the whole story in terms of number of affordable units. The Section 106 allows for a developer agreement to be used to secure additional affordable

housing on top of that secured in the Section 106 agreement. This is because Homes England grant for affordable homes can only be secured on units which sit outside of the Section 106 agreement. An additional 10 shared ownership units will be provided on this phase by Swan Housing taking us to a total of 26% affordable on the North Phase (albeit only 16% secured through the s106) and 71 market dwellings once this is taken in to account.

- 4.6 These new homes would sit alongside the 191 existing dwellings within the North Phase.
- 4.7 The Scheme creates new landscaping, lighting and access routes resulting in an enhanced, safer and useable public realm. The most significant change is the creation of a new connection between Peterborough Way and Britten Avenue. Through reconfigured parking arrangements, 375 car parking spaces would be incorporated which allows existing residents to park closer to their homes.
- 4.8 The permission is accompanied by a section 106 legal agreement (CD 5.3), which secures the following:
- £20,000 towards the Beechwood Community Trust to improve the social well-being of the community (Mr Riley's evidence provides additional information about the work of the Trust);
 - £12,500 per quarter Development Cost Contribution as per the previous 2008 English Partnerships section 106 agreement;
 - Education contribution of £13,930 per net early years and childcare pupil, as well as £12,218 per net primary pupil;
 - £74,740 Health Services Contribution towards the provision of increased GP capacity;
 - £200,000 Transportation Contribution for improving any or all of Broadmayne/Timberlog Lane, East Mayne/Broadmayne/South Mayne, East Mayne/Felmores, East Mayne/Cranes Farm Lane Road, Enhancement of Route 8 bus service;
 - Travel vouchers with 6 tickets for each household;

- £150,000 Flood Alleviation Scheme Contribution to alleviate flooding in the Basildon Barstable Fryerns Critical Drainage Area (ECC BAS14);
- £75,000 Street Numbering Contribution to re-number streets in the Estate;
- Training and Employment Schemes to recruit local residents and contract local companies; and
- Provision of a community hall.
- New pedestrian/cycle entrance to Northlands Park
- Housing provision with the following tenure mix:

| Tenure | Phase 1 a-b | Phase 1 c-f | Phase West | Phase North | Phase South | Total | % |
|---------------------|----------------|----------------|---------------|----------------|----------------|------------|-------------|
| Social Rent | 75 | 149 | 18 | 15 | 29 | 286 | 29% |
| Shared Ownership | 8 | 4 | 0 | 0 | 0 | 12 | 1% |
| Private Sale | 118 | 53 | 268 | 81 | 176 | 696 | 70% |
| Total | 201 | 206 | 286 | 96 | 205 | 994 | 100% |

- 4.9 The legal agreement secured no less than 30% of new dwellings constructed on the Estate (in all phases) as affordable (although as previously stated additional affordable housing is being delivered on top of this).
- 4.10 This is in line with the saved Basildon District Local Plan Policy BAS S5 (Affordable Housing) (CD4.1) and identified as making a significant contribution towards meeting the need for housing as identified by the South Essex Strategic Housing Market Assessment 2016. This was confirmed in the consultation response from Basildon Council's Planning Policy as stated in the Committee Report (CD5.6).
- 4.11 As set out previously this is only the position in relation to the affordable housing secured through the Section 106 agreement and additional affordable housing is being delivered on top of this. Further information on this and the wider position on affordable housing across the wider project can be found in CD7.10. This also demonstrates that the unit mix of affordable housing broadly addressed need in the SHMA at the time of the decision.

5 THE PLANNING FRAMEWORK AND THE SCHEME'S COMPLIANCE WITH THAT FRAMEWORK

The Use of CPO Powers – Purpose of the Act

- 5.1 When demonstrating the justification of acquiring land compulsorily under section 226(1)(a) of the Town & Country Planning Act 1990, section 104 of the MHCLG CPO Guidance (CD 3.1) states it is important that the programme of land assembly is set within a clear strategic framework. The guidance also states (paragraph 95) that the CPO powers should be used to assemble land *'to implement proposals in their Local Plan or where strong planning justifications for the use of the power exist. [my emphasis added]'*
- 5.2 In paragraph 97, it explains that the powers can be used to facilitate the *'development redevelopment or improvement on, or in relation to, the land being acquired and it is not certain that they will be able to acquire it by agreement'*.
- 5.3 As such, this section of my proof seeks to examine whether the wider project within which the Order sits can be clearly justified in planning terms, in line with section 226 of the Town & Country Planning Act 1990. I have utilised the 2016 hybrid permission (16/00898/OUT) as the basis for this analysis, given that it grants permission for the development that the Order land is being acquired to deliver.
- 5.4 Before turning to those matters, it is first necessary to provide additional context in terms of the objection to this Order and the constraints of the use of CPO powers with reference to the 2018 Guidance.

The Use of CPO Powers – Does the land need to be acquired?

- 5.5 The objection from Mr Howe (owner of 17 Peterborough Way) to the confirmation of the Order was as follows:
- The Craylands Estate is a low density development, therefore there is plenty of surplus land for new homes without the need to demolish any of the maisonette blocks and surrounding houses.*
- The maisonette blocks and houses can be retained with full refurbishment.*
- 5.6 Mr Howe's objection is that the property he owns and all other maisonette blocks proposed for demolition could simply be refurbished instead.

5.7 While Mr Howe's property is just one unit within the maisonette block of several to be demolished, it is my view that the demolition is necessary to implement the main objectives of the redevelopment - to improve the legibility and wider physical environment of the North Phase. This is addressed in more detail in Section 8 below – Objection to the Order.

The Use of CPO Powers - Constraints to using the power

5.8 As set out by Section 103 of the CPO Guidance, the main limitation (in regards to the scope of my evidence) is that the acquiring authority must not utilise the power, unless the redevelopment is *'likely to contribute to achieving the promotion or improvement of the economic, social or environmental wellbeing of the area for which the acquiring authority has administrative responsibility.'*

5.9 It continues by clarifying that these benefits are *'not restricted to the area subject to the compulsory purchase order, as the concept is applied to the wellbeing of the whole (or any part) of the acquiring authority's area.'*

5.10 This matter is explored in Section 6 of my proof, which follows on naturally from the assessment of the redevelopment against the planning framework. In summary, I have concluded there are a range of well-being benefits, most notably the provision of improvements to the physical environment.

The Use of CPO Powers – Estate Regeneration National Strategy

5.11 Aside from the 2018 Guidance, the Government has also published its Estate Regeneration Strategy. The Estate Regeneration National Strategy was published in December 2016 (CD3.2). It provides guidance to those involved in estate regeneration. I have linked it to examples that apply to the Crayland scheme, as set out below:

- The Strategy recommends *'adopting a placemaking approach'* so that *'regeneration can generate value for residents and the local community through improved neighbourhood pride, a locally informed housing offer, better connections to local opportunities and improved services'*. This reflects the principles underpinning Swan and Basildon's approach to the scheme.
- The document recommends that regeneration can be used to deliver new community infrastructure, such as community centres. This is at the heart of the Beechwood regeneration.

- The Government state that good design should be central to regeneration, they state that *'the application of good urban design principles can lead to the transformation of estates into well connected, attractive neighbourhoods that integrate with their surroundings... it is important that external environments are high quality, safe, accessible, secure and healthy, offering improved amenity, including through the use of green space'*. Seeking to deliver better permeability and reducing a fear of crime is one of the key drivers of the proposed design (See Section 3 Trevor Burns Proof).
- There is no requirement for a local referendum, but the Strategy recommends the use of high quality and effective public consultation. As set out in Trevor Burns (Section 3), this has been a guiding principle of the scheme and has significantly influenced design.
- In the Good Practice guidance Section, the Strategy lists meeting the housing needs of existing residents and options of re-provision as a key consideration. The evidence of Mr Burns, Mr Pearce and Mr Riley address the approach taken by the Council and Swan to meeting the needs of existing residents, ensuring that the regeneration of the estate is focused on benefitting the people who live there. The mix of housing proposed addresses the housing needs of the area, and responds to the need to balance competing considerations, including viability.

5.12 Like the 2019 CPO Guidance (CD3.1), the National Strategy does suggest that Local Plan documents can be used to help deliver estate regeneration schemes, but is not prescriptive in this regard.

5.13 Notwithstanding this I consider that the Wider Project approach delivers key regeneration outcomes: good inclusive design, driven by the aspirations of the local community, with ongoing engagement (see e.g. the Community Action Plan in Section 3 of Mr Burns' Proof). It was also developed via a scheme-wide masterplan which set out these principles and allows them to be delivered across the scheme in a comprehensive fashion. A table denoting the tenure mix of the estate before and after the proposed development can be found in CD7.10. This demonstrates that the scheme continues to provide a mix of homes for residents. Furthermore, as demonstrated by Section 3 of Mr Riley's Proof, existing residents whose homes need to be acquired and redeveloped have been offered a range of options for new accommodation, providing for residents to stay or near the Estate if that is what they preferred to do. The evidence

of Mr Riley and Mr Pearce demonstrates that the demand created by residents who needed to move has been met in accordance with their preferences.

Planning Considerations

5.14 Paragraph 106 of the 2018 CPO Guidance states that in addition to the merits of the scheme, the Secretary of State will consider the four following factors when considering whether to confirm a CPO. These are:

1. Conformity with an adopted Local Plan or the NPPF.
2. Contribution towards the economic, social or environmental wellbeing benefits.
3. Whether alternative proposals would be appropriate which avoid the need for acquiring the Order Land.
4. Is there a reasonable prospect of the site coming forward with regard to the financial viability of the scheme.

5.15 These are considered in turn below.

Conformity with the Planning Framework for the area

5.16 When deciding whether to confirm an order made under section 226(1)(a), the MHCLG CPO Guidance (CD 3.1) states that while confirmation will be made on its own merits, the Secretary of State can be expected to consider whether the purpose for which the land is being acquired fits in with the adopted Local Plan for the area or, where no such up to date Local Plan exists, with the draft Local Plan and the National Planning Policy Framework (CD3.3)¹.

5.17 In the case of the Order Land, the Scheme has detailed planning permission, pre-commencement conditions have been discharged and initial works were commenced meaning the consent has been implemented. Consequently, there is no planning impediment to completion of the Scheme.

5.18 As previously highlighted one of the starting points for acquiring land under Section 226 of the Town and Country Planning Act is to ensure that redevelopment is based on a

¹ Paragraph 106 (CD 3.1)

clear strategic framework. There is no requirement for redevelopment proposals to be included within a development plan document (paragraph 104 of the Guidance) and a subsequent paragraph (106) states that where there is no up-to-date Local Plan, then the NPPF and the emerging Local Plan can be considered.

- 5.19 The Council's Local Plan is made up of policies originating in the Local Plan adopted in 1998, which were saved in 2007. Given the timing of the production of the Local Plan, there is no reference to the Craylands regeneration development. The emerging Local Plan also does not reference the redevelopment as the hybrid consent was granted in 2017 and it did not require strategic support in the Local Plan to be delivered. .
- 5.20 Nevertheless, there is significant strategic support for the proposal. It is clear from Section 3 of Mr Burns' Proof that the regeneration of the Estate has long been a strategic corporate priority of the Council and that significant work underpinning the need for this redevelopment underpins the decision to bring this development forward. The submission from the Council to the Office of the Deputy Prime Minister for funding for the scheme highlights the recorded issues with crime on the estate and how the layout and physical environment contributed to this, hence the need to deliver a redevelopment of the area.
- 5.21 Furthermore, the Council produced the Craylands Community Action Plan (2008-2011) (CD7.5) which highlights the objectives for improving the area in accordance with local residents' own aspirations for their area. The Community Action Plan outlines a vision for the area, key improvement priorities, joined up activities and measures for success.
- 5.22 While it is acknowledged that this is not adopted planning document, it is clear that the Council has undertaken community engagement and evidence gathering that is similar to the process involved with producing such a document, albeit at a grassroots level and outside the development plan process.
- 5.23 In addition, there is strategic support for the scheme within the Local Plan Saved Policies and, importantly, the NPPF (2012 Version – current at the time of the planning permission being granted – CD3.4). References and summaries are set out below:
- Policy BAS BE12 of the Local Plan requires development to deliver high quality development in relation to design and layout is brought forward.
 - Policy BAS BE24 of the Local Plan seeks to deliver scheme which avoid the creation include the consideration of crime prevention.

- Paragraph 21 of the NPPF states that, ‘investment in business should not be overburdened by the combined requirements of planning policy expectations. Planning policies should recognise and seek to address potential barriers to investment, including a poor environment or any lack of infrastructure, services or housing.’ It goes on to list a number of considerations for local authorities to seek to deliver, including:
 - set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
 - identify priority areas for economic regeneration, infrastructure provision and environmental enhancement; and
 - that the planning system should positively embrace well-conceived development to deliver the economic growth necessary and the housing needed to create inclusive and mixed communities.

- Paragraph 17 sets out a series of underpinning core principles which, inter alia, seek to proactively drive and support sustainable economic development to deliver the homes, business, infrastructure and thriving local places that the country needs; secure high quality design, take account of the different roles and character of different areas; recognise the intrinsic character and beauty of the countryside; contribute to the conservation and enhancement of the natural environment; promote mixed use development and sustainable, accessible development.

- Paragraph 47 of the Framework places a requirement on local planning authorities to “boost significantly” the supply of housing and this proposal presents an opportunity to do that without encroaching on Green Belt land or on land that is designated for its nature conservation value, landscape quality, historic or conservation value. It will in addition not only provide new housing but also proposes a range of environmental improvements to help in the overall regeneration of the estate.

- Paragraph 69 seeks to ensure that local planning authorities should create a 'shared vision with communities of the residential environment and facilities they wish to see'. To support this, local planning authorities should to ensure planning policies deliver:
 - opportunities for meetings between members of the community who might not otherwise come into contact with each other, including through mixed-use developments, strong neighbourhood centres and active street frontages which bring together those who work, live and play in the vicinity;
 - safe and accessible environments where crime and disorder, and the fear of crime, do not undermine quality of life or community cohesion; and
 - safe and accessible developments, containing clear and legible pedestrian routes, and high quality public space, which encourage the active and continual use of public areas.

5.24 Importantly, as previously highlighted, the redevelopment of the wider site benefits from an extant planning permission, which is currently being delivered, so it is clear that in planning terms, there is no impediment to bringing forward the wider redevelopment.

5.25 Finally, as noted in the Planning Statement for the 2006 outline application, the Craylands Regeneration did have a draft policy in the 2005 Replacement Local Plan First Deposit which was published for consultation in May 2004. This Plan was abandoned prior to determination of this application as the Council chose to pursue a Local Development Framework instead, but it does indicate that the Council's intention was to include the site as a Local Plan policy. More details of this policy are contained in 4.5.1 – 4.5.5. of the Planning Statement in relation to the 2006 outline consent (CD5.13).

5.26 Given the above I consider that the scheme is in accordance with the planning framework for the area.

Delivery of economic, social or environmental wellbeing benefits

5.27 Section 6 of this document highlights the economic, social and environmental benefits of the scheme in detail, but in summary these are as follows:

- Direct and indirect employment as a result of the construction phase and new residents moving in to the area.
- Significant improvements to the physical appearance of the Estate, including enhanced landscaping.
- Reducing opportunities for and fear of crime.
- Improving the legibility of the estate.
- Access to a greater range of services and facilities as part of the wider redevelopment of the Estate.

Alternative options to CPO

5.28 The Order Land is required to assist with delivering the legibility and place-making benefits of the scheme and this is set out in more detail in Section 8. Those benefits would be significantly undermined by excluding a large maisonette block. I consider that there is no sensible alternative in order to deliver the key improvements to the physical environment of the North Phase.

Financial viability

5.29 The consideration of the financial viability of the scheme is contained within Luke Riley (Swan Housing) Proof. Section 3.2.2 highlights that Swan must provide evidence that funding is in place for the relevant phase prior to commencement. This is a requirement of their agreement with Basildon and must be provided before work on each phase commences. Section 3 of Mr Riley's proof demonstrates that the scheme is financially viable, detailing, amongst other things, Swan's commitment through a £30 million loan from Homes England.

5.30 In Section 8 of Mr Burns' Proof, he highlights the Council's financial support and commitment to the scheme.

Planning Application – detailed assessment

5.31 As noted in earlier sections, the delivery of the Wider Project is through the 2016 hybrid planning permission. The planning merits are, in my view, settled (and the planning committee report can be referred to in this context (CD5.6)). Nonetheless, I have gone on to consider the relevant planning objectives of up to date national policy. In my view,

the changes between the 2012 version of the NPPF and the 2019 version of the NPPF are not material changes which would affect the merits of the scheme for which planning permission was granted (an analysis of the changes can be found in Appendix JS2).

5.32 Appendix 1 of the Report to Planning Committee 4 October 2016 (CD 5.6) states the statutory development plan comprises the Basildon District Local Plan Saved Policies 2007, with the broad planning policy framework applicable at the time of determination being as follows:

- National Planning Policy Framework, (NPPF), March 2012
- Planning Policy for Traveller Sites, March 2012 Planning Practice Guidance, March 2014
- Essex and Southend-on-Sea Waste Local Plan 2001
- Essex & Southend-on-Sea Replacement Structure Plan Saved Policies 2007
- The Essex Minerals Local Plan 2014
- Second Essex Local Transport Plan (LTP2) 2006 - 2011
- Basildon District Local Plan Saved Policies (until replaced by LDF Development Plan documents). This includes the Development Control Guidelines as approved April 1993, with later alterations approved March 1997.

5.33 Other relevant material considerations include Supplementary Planning Documents or Guidance such as the Planning Obligations Strategy (2015) and Parking Standards – Design and Good Practice (2009).

5.34 While it is acknowledged that the Local Plan was adopted in 1998 and the policies saved in 2007 (following assessment by the Secretary of State that they remained up-to-date - some policies were deleted), in 2018, these policies were assessed for conformity with the NPPF (CD5.13). All the policies referred to in the Committee Report for determination of the 2016 hybrid application were considered to still attract weight.

5.35 At the time of determination of the Application, the emerging Basildon Local Plan was at Regulation 18 stage and as such it was afforded little weight. The draft Local Plan was eventually submitted for examination in March 2019, however due to various

delays the hearing sessions are yet to be undertaken and the evidence has not yet been tested.

- 5.36 As such, it is my view that there is no material change to the planning position insofar as the emerging Plan should now be given significant weight (compared to the position when the application was heard and the Local Plan was given very limited weight).
- 5.37 Notwithstanding this, having reviewed the emerging Local Plan there are no policies within this which I consider would lead to a material change in circumstances for this development.

6 WELL-BEING BENEFITS OF THE SCHEME

6.1 In this section of my evidence, I will explain the significant benefits of the Scheme and its contribution to the achievement of promoting and improving the social, environmental and economic well-being of the area including the Estate.

6.2 Section 226(1A) of the Town & Country Planning Act 1990 (CD2.1) states that local authority must not exercise the power to acquire compulsorily any land unless:

“...they think that the development, re-development or improvement is likely to contribute to the achievement of any one or more of the following objects:

(a) the promotion or improvement of the economic well-being of their area;

(b) the promotion or improvement of the social well-being of their area;

(c) the promotion or improvement of the environmental well-being of their area.”

6.3 In accordance with Paragraph 106 of the MHCLG CPO Guidance (CD 3.1), I will outline the extent to which the Order will contribute to the achievement of economic, social or environmental well-being of the area.

6.4 This focusses on how the Order Land contributes to these benefits, however it is important to consider the redevelopment holistically, as all phases are interlinked and will ultimately deliver comprehensive regeneration.

Economic Well-being

6.5 Comprehensive redevelopment of the Estate will comprise of a significant capital investment within Basildon, which can act as a catalyst for growth in the wider area. The physical improvements to the built environment can assist with attracting more inward investment to Basildon.

6.6 There will also be direct economic benefits from the construction of the project. These benefits were not quantified in the planning application, however I consider it appropriate to do so as part of this proof. The Home Builders Federation (HBF) ‘The Economic Footprint of UK House Building’ Report² (Appendix JS3) indicates that as an industry average, 1.5 full time jobs are created per dwelling. This would lead to direct

² HBF, NLP, The Economic Footprint of UK House Building (March 2015) <https://www.hbf.co.uk/news/economic-footprint-of-house-building-in-the-uk/>

construction employment of approximately **880 direct full time jobs** (144 associated with the North Phase), which will extend over the build period.

- 6.7 There is likely to be induced employment effects arising; these effects related to the employment supported by the wage spending of construction and supply chain workers in shops, services and other businesses throughout the economy and demonstrate the wide ranging impacts associated with development activity. The HBF reports that the combined indirect and induced employment multiplier can be as high as 2.6, indicating that for every one direct construction job created, 1.6 jobs are created in the economy. Applying this multiplier to the 880 construction jobs identified above, indicates that approximately **1,408 indirect and induced jobs** (230 associated with the North Phase) could be supported over the duration of the build.
- 6.8 Combined, the direct and indirect employment impact of the proposed development amounts to **2,288 jobs**, of which 374 could be attributed to the North Phase.
- 6.9 The construction phase will allow for the training opportunities and will help to tackle unemployment in the longer-term. The construction industry is already an important component of the local economy in Basildon, accounting for 6.8% of employee jobs³ (See Appendix JS4). Schedule 6 of the section 106 agreement (CD 5.3) requires training and employment schemes to ensure these benefits are secured. These opportunities would result in economic benefits and assistance with contracting local businesses and residents on low incomes and with lower skill levels, as well as residents who want to change jobs but lack the skills. Enhancements to the Route 8 bus service as secured in the section 106 agreement (CD 5.3) could also improve residents' access to work opportunities in the town.
- 6.10 New residents will add to the local labour pool to support economic growth and help to service new and existing jobs. New housing development and can lead to increased resident expenditure which supports existing local businesses and services. Research has shown that homeowners are spending significant sums on home improvements when they move in to new homes. Only 1% of those surveyed by the HBF said they spent nothing, whereas 36% spent up to £10,000⁴ and 34% spending Between £10,000 and £40,000. Taking an average of £10,000, this would indicate that the new residents could spend in the region of £960,000 on comparison goods such as furniture and

³ Basildon Economic Development Policy Refresh 2017

⁴ Why Buy New? Home Buyer Intentions And Opinions.

appliances in local shops. This spending would support new and existing business and support on-going employment (see Appendix JS5).

- 6.11 As a consequence of the above, I consider there to be wide-ranging economic well-being benefits for local residents and across the wider area.

Social Well-being

- 6.12 The Scheme will make a significant contribution towards the delivery of a range of new homes to meet the Council's identified need, providing higher quality and more choice within the local housing market. This helps to suppress the socio-economic consequences of persistently insufficient housing delivery, such as house price increases.
- 6.13 The new dwellings will provide a modern and high-quality living environment in homes that meet national space standards. They are of excellent design and will include units which achieve Building Regulations Part M4(2) and M4(3), providing inclusive housing accessible to all members of the community. The new homes will result in improved living conditions and quality of life for individuals and families.
- 6.14 Current and new occupiers will also benefit through the physical enhancement of their neighbourhood. The design of the Scheme has been informed through pre-application discussions with Essex Police to incorporate Secured by Design principles into the built environment to reduce opportunities for crime and increase natural surveillance. This will significantly improve current perceptions of the Estate and reduce residents' fear of crime which was raised as a concern during the community consultation process (CD 5.7). Concerns with personal safety can be a deterrent to active forms of travel, so improved security could encourage more walking and cycling trips. These aspects can result in positive impacts on mental well-being and increase levels of satisfaction experienced by residents. The prioritising of walking and cycling also encourages residents to exercise resulting in healthier lifestyles. The existing Estate does not provide high-quality play amenity spaces or pedestrian routes for residents, which play space being isolated and largely unused. The Scheme will improve the current condition through the provision of linked linear greens to create a more pleasant walking environment as outlined in the Design and Access Statement (CD 5.7). Only a secondary road passes through to avoid dividing the phase up, providing the sense of a single linear park. This is achieved through improved paving, robust street furniture and natural play features at Rochester Way and Wells Gardens, which will encourage

residents to pause, socialise and play whilst walking from the north-eastern periphery of the Estate, via the North Phase, to the Central Hub where the nearest community facilities, retail services and park are located.

- 6.15 Illustrations of the Estate as existing compared with the Estate following completion of the Scheme are shown in Appendix JS1. When walking through the current Estate, the experience for pedestrians is one characterised by extensive blank fencing along rear private gardens and brick walls of garages which results in dead frontages, as well as areas of disorganised car parks and predominantly concrete landscaping. The Scheme will be replace these features with more active and interesting frontages and a traditional street pattern. These design features seek to maximise eyes on the street and passive surveillance, aid with orientation, animate the streetscape and encourage use by the community.
- 6.16 The section 106 agreement (CD 5.3) secures a £20,000 contribution to Beechwood Community Trust, providing funding to support its work in improving the social well-being of the community. As outlined in Section 4 of Mr Riley's evidence (CD 9.5), the Beechwood Village Community Trust provides important support for all residents of the Estate. This includes a wide range of skills courses and well-being events which are held in the community facility provided within Phase 1 of the Estate⁵. These sessions include a weekly youth club, 8-week counselling course, a job club, a monthly community brunch and boxercise events. Whilst the planning obligations secured in the section 106 are intended to make the Scheme acceptable, they do provide wider social benefits by supporting the health and education well-being of residents in the Estate. It includes a contribution of £74,740 towards health services and an education contribution of £13,930 per early years child and £12,218 per primary school child.
- 6.17 While the community benefits provided by the new facility are already being brought forward as part of the overall regeneration of the scheme, the Order Land forms part of a phase that helps deliver this scheme and we consider that indirect benefits can be conferred.
- 6.18 I therefore consider the development will result in significant social well-being benefits for existing and new residents, as well as the wider community.

⁵ <https://beechwoodtrust.org.uk/>

Environmental Well-being

- 6.19 As a starting point, existing buildings in an inadequate condition and the poorly-design public realm will be replaced with a high-quality and attractive new development, resulting in a significant enhancement to the built environment and public realm. These physical improvements and environmental benefits will increase the permeability and legibility of the Estate.
- 6.20 These changes are driven by the aspirations of local residents. Pages 32-36 from the Scheme-wide DAS (CD5.7) highlight the engagement process and that a wide range of changes to the built environment should be delivered in specific intervention areas. These issues were worked through in a series of consultation events where design responses were provided and then supported by residents. As can be noted by the proposals and some of the examples highlighted in Appendix JS1, these proposals have been worked through to provide a significant improvement to the physical environment which is founded in community support.
- 6.21 I have set out below some of the relevant changes and the responses that are proposed in the hybrid application (as demonstrated by the amendments in Appendix 1) and provided some further details in the text below the table.

| Community comment | Proposed intervention to the built environment |
|---|---|
| Residents highlighted the large car parking area in front of maisonette blocks on Peterborough Way as ‘an area to be improved’. | Car park in front of maisonette blocks removed and housing fronting directly on to Peterborough Way provided. |
| There is a need for more parking right in front of existing houses. | Large car park removed and revised layout is based on plot parking on parking areas with good surveillance. |
| Improved landscaping and green areas. | Significant amendments and interventions to the built environment provided to help ‘green’ the estate. |

| | |
|---|---|
| Most alleys are dangerous and dark. | Alley to the rear of Peterborough Way by demolishing the maisonette block and a new street is created with houses on both side of the thoroughfare. |
| The provision of new estate gateways (including at Chesterford Green/Peterborough Way). | Maisonette block demolished and layout which provides a more legible gateway is provided. |

- 6.22 As highlighted above, the landscaping scheme and wider redevelopment for the North Phase will create a sense of arrival from the periphery roads of Peterborough Way and Lincoln Road. This is achieved through minor alterations to the junctions with Rochester Way and Peterborough Way. This is notable from the material Appendix 1 showing the changes to this area. Currently the Peterborough Way/Chesterford Green is the main junction on to the estate that leads nowhere and those arriving in this location are greeted by a large expanse of hardstanding and garages with maisonette blocks set a long distance back from the road edge.
- 6.23 In order to enliven the key streets within the North Phase, there will be new tree planting and improved and widened pavements, together with attractive front gardens. Linked public lawns such as those along Rochester Way will also be enhanced to provide a robust and sensitive landscape offer. A comparison the existing landscaping compared with sketches of the Estate following completion of the Scheme are shown in Appendix JS1.
- 6.24 The proposed redevelopment will dramatically improve this gateway location, by providing a legible layout and sense of arrival fitting of its gateway status. The provision of housing on the road frontage, replacing old and tired looking buildings is transformational for this key space. Interventions to Wells Gardens allows for a primary vehicular route through the estate which further enhances legibility and creates a clear street hierarchy (see Site-wide DAS page 40-47 CD 5.7 for the evolution of this approach).
- 6.25 The other key change requested by residents and identified as a key constraint in the DAS is the presence of narrow and alleys that felt unsafe. These are replaced by the

demolition of the maisonette block and replaced by streets with homes on either side. The thoroughfare is pedestrian only, but is now overlooked on both sides, rather than having a close boarded fence on one side with limited overlooking from the maisonette block. As can be noted by the visualisations in Appendix JS1 the scheme will deliver a high quality sense of place.

- 6.26 High-quality planting can contribute towards ecological well-being and enhance biodiversity. The Design and Access Statement (CD 5.7) outlines the strategy for the tree planting for the Scheme, which aims to reinforce the street character and punctuate the key areas of interest. Signature evergreen trees will be planted within the main green areas at a larger size will help bring an individual character to each of the spaces. This will provide a consistent canopy throughout the year and variable species/form to individualise each space. A single species of street tree will be used to reinforce the road and add consistency to the street-scape. This will be important as the trees form will help balance the architectural form and provide a subtle indication of the road type. Flowering cherries will fill in the gaps between parking bays.
- 6.27 The section 106 agreement (CD 5.3) secures a contribution of up to £150,000 towards a scheme to alleviate flooding in the Basildon Barstable Fryerns Critical Drainage Area (ECC BAS14). The flood alleviation will improve the environmental well-being of not just the Estate but also the wider Basildon area. Similarly, the section 106 contribution towards enhancing the Route 8 bus service, and the prioritisation of walking and cycling will improve environmental well-being by encouraging sustainable forms of transport within the Estate and across surrounding areas.
- 6.28 Given the significant interventions in the built form set out above, the Scheme is considered to make a significant contribution towards environmental well-being.

7 THE PUBLIC SECTOR EQUALITY DUTY

7.1 The Equality Act 2010 sets the legal framework for equal rights legislation. As per section 149 of the Equality Act 2010, due regard must be had to the potential impacts of the decision on those directly affected by it, regarding equality objectives and the desirability of promoting them. Basildon Council undertook an equalities impact assessment in line with the Public Sector Equality Duty (CD 7.1). When exercising its functions, the duty requires the Council to have regard to eliminating unlawful discrimination, harassment and victimisation to advance equality of opportunity between those with Protected Characteristics and those who do not, and to foster good relations between those groups. This section of my proof provides further consideration and an update to the Public Sector Equality Duty.

7.2 I outline the potential positive and negative equality impacts of the Scheme in this section of my evidence and summarise how they affect those with protected characteristics identified in the Equality Act 2010. The protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. Mitigation measures are explained where any potential negative impacts are identified.

7.3 In assessing potential impacts, consideration has been given to personal, social, cultural, economic and environmental factors which affect equality outcomes. This includes determinants such as housing, employment, the environment, transport, education and access to services. How these outcomes are affected by the Order and redevelopment are also assessed.

Baseline Conditions

7.4 Before considering potential impact, it is important to understand the demographic profile of those who could be affected.

7.5 The initial number of properties within the Scheme affected by the Order was 105. Of these 74 were Council tenants who have already been rehoused and 31 were private owners. Of the private owners Swan Housing has successfully acquired 28 of these through voluntary negotiations. Negotiations are ongoing regarding the acquisition of the remaining 3 properties.

7.6 Of these three properties, we understand the one owner is the process of being acquired. A further one was close to being finalised, but an occupier further up the chain sadly died this property is now in probate – once this is resolved the property can be

released. The final property is Mr Howe's rental property at 17 Peterborough Way. We understand that this is currently vacant and no longer has a tenant.

7.7 It is acknowledged that the redevelopment of the Estate has potential to have wider (mostly positive) impacts on surrounding residents.

7.8 As outlined in the Public Sector Equality Duty report (CD 7.1), the Estate experiences high incidence of crime and anti-social behaviour and is ranked within the top 10% most deprived wards in England and third worst for education.

7.9 In November 2017 a personal circumstances questionnaire was delivered to 26 households, the response was poor with only 6 responses. The survey was followed up with home visits and showed the following information:

- Ethnicity: A higher than average percentage of people are from the BAME Community. Of the 10 Owner Occupiers who replied to the questionnaire 4 are from ethnic minority communities.
- Disability: There have been three cases of family members identified with disabilities, one with mobility problems, one with glaucoma and one with sickle cell disease.
- Age: One household identified age as an impediment to rehousing having a family member with dementia.
- Schooling: One household had two children in full time education.
- Language: One household identified language or access requirements.

Assessment of Pathways

7.10 Pathways are factors which change the way personal, social, cultural, economic and environmental factors change equality outcomes. Redevelopment of the Estate has potential to affect the following pathways:

- Access to secure housing including affordable – Redevelopment includes the demolition of maisonette blocks requiring the resettlement of residents which impact on all parts of the community, but can have a disproportionately negative effect on older people, lone parent families and ethnic minority communities. This is due to the risks of physical isolation, a lack of social

resources and a removal of familiarity. Resettlement can also cause disruption to how people access education, employment, and local services.

- Wider regeneration of the Estate – The comprehensive redevelopment is a significant investment in the local area which can reduce social inequalities and deprivation. It will assist in meeting residents’ and the Council’s vision for the Estate, through high-quality design. It will improve the quality and supply of housing to meet housing needs, improve health and wellbeing which positively affects the general population.
- Local employment provision – The Scheme comprises of the demolition of existing buildings and structures and the construction of new housing. As outlined in Section 6 above, this would provide significant employment opportunities during the construction and operational phases, which can positively benefit groups with protected characteristics such a women and ethnic minority communities.
- Crime and fear of crime - Research suggests that personal security concerns are often experienced by women, older people, people from ethnic minority backgrounds, disabled people and lesbian, gay, bisexual, and transgender people. The design of the scheme has been informed by Secured by Design principles and in consultation with Essex Police as documented in the Design and Access Statement (CD 5.7). The proposal incorporates a range of design and measures to increase security and reduce crime experienced in the area. The public realm enhancements will also help to reduce fear of crime by users and visitors to the Estate. Based on this, the Scheme can have a direct, permanent positive impact on reducing crime for all identified priority groups as well as the general population.
- Accessibility and movement – The Scheme will significantly improve access and navigation through and around the Estate. New vehicular connections and traffic calming measures will be provided, as well as widened and improved pedestrian paths. The Scheme will include units which achieve Building Regulations Part M4(2) and M4(3), providing inclusive housing accessible to all members of the community. Contributions towards enhancing the Route 8 bus service have also been secured. Some existing underused parking areas will be redeveloped which has potential to affect disabled people, however appropriate levels of new parking will be provided. Overall, there would be a positive and permanent impact in terms of access and movement.
- Public realm – The Scheme will provide enhanced public realm and landscaping around the Estate that will result in better connectivity through the area. The proposals provide an attractive public realm that includes new

planting and useable amenity space. The public realm is fully accessible with step free access provided. Overall, the public realm improvements are assessed as having a direct and permanent positive impact on identified priority groups as well as the general population.

- 7.11 The matrix below assesses these pathways in detail and incorporates possible mitigation measures to address any potential negative impact relating to the Scheme and to optimise the outcomes from an equalities perspective.

Equality Impact Matrix

| Determinant | Pathway | Details/Evidence | Potential Impact | Mitigation |
|----------------|--|--|---|--|
| Socio-cultural | Access to secure and appropriate housing | <p>Negotiations are ongoing to acquire 3 properties to enable the Scheme to proceed. Residents of these homes will need to be resettled which can cause disruption to how people undertake daily life, with risks they may face additional costs and move to sub-standard accommodation. The need to find new accommodation could disproportionately affect those with protected characteristics, for example those with young children or older people.</p> <p>It is worth noting the pre-existing housing stock is in a poor state and resident can move into better quality homes. The Scheme will deliver modern, well-designed and accessible homes that meet the needs of residents.</p> | Adverse for all groups prior to mitigation. Neutral following mitigation. | <p>The option to relocate on or close to the Estate has been made available to all affected residents. This will ensure social and family networks can be maintained.</p> <p>Compensation payments for loss and disturbance, as well as support (including access to language translators) have been offered to help those affected find suitable replacement homes. Displaced tenants have moved into housing which meets the 'Decent Homes Standard' and the Councils' allocations policy is Equalities Act compliant.</p> |
| | Access to social infrastructure | <p>Demolition of the housing contained within the maisonette blocks will require the relocation of existing residents which can negatively affect how they access education, employment, and local services.</p> <p>The Scheme contributes towards the delivery of community facilities on the Estate providing potential to enhance and improve access to social infrastructure.</p> | Adverse for all groups prior to mitigation. Neutral following mitigation. | <p>The option to relocate on or close to the Estate has been made available to all affected residents. This will ensure schooling is not affected and residents can maintain convenient and continuous access to local amenities, businesses and services. The section 106 agreement includes a £20,000 contribution to the Beechwood Community Trust to help foster socio-economic benefits and provide interventions in education, training, health and crime and disorder.</p> |

| Determinant | Pathway | Details/Evidence | Potential Impact | Mitigation |
|-------------|--------------------------------|--|---|---|
| | | | | Education contributions are also secured for each new pupil on the Estate, and a community hall has been provided at the central hub. |
| | Crime and fear of crime | Crime rates in the locality of the Site are relatively high. Secured by Design principles have been discussed with officers and incorporated into the scheme, and the proposal will improve passive and active surveillance of adjacent areas. These measures are outlined in the Design and Access Statement and will allow priority groups who are commonly subjected to street crime or hate crime, or discrimination to enjoy the public realm and reduce concerns relating to crime, safety, and vulnerability. This will help the priority groups to feel more confident in the urban environment. | Positive for all groups | N/A |
| Economic | Employment during construction | Creation of employment opportunities at a range of skill levels during the construction phase will provide opportunities for parents and guardians to access employment and thereby could help reduce child poverty. Construction activity has the potential to provide job opportunities for young people, and ethnic minority communities who often face barriers to access to employment. However, provision of employment opportunities for those with disabilities | Neutral for disabled groups, positive for all other priority groups | The section 106 agreement includes a requirement for training and skills |

| Determinant | Pathway | Details/Evidence | Potential Impact | Mitigation |
|---------------|--|--|----------------------------------|--|
| | | (depending on the type of disability) is likely to be limited. | | |
| | Employment and GVA generated by new residents | New residents will increase spending locally which supports economic growth in the area and will help to service new and existing jobs. As above, this has potential to benefit all communities who often face barriers to access to employment. | Positive for all groups | N/A |
| Environmental | Wider regeneration of the Estate, public realm enhancements and movement around the Scheme | The original layout is typified by the separation of pedestrian and vehicle movement and characterised by cul-de-sacs, parking courts and alleyways between houses with poor legibility and wayfinding. The Estate has little in the way of meaningful green areas. The design of the Scheme provides an attractive public realm with high-quality landscaping which can encourage community activities and pedestrian movement around the Estate. The design represents a significant improvement to the quality of the public realm on the Estate which will have a positive impact on all priority groups particularly children and older people. The design of the public realm can impact on the ability of older people and those with disabilities to use it. | Positive for all priority groups | N/A |
| Transport | Sustainable travel provision | The Scheme has been designed to implement a range of traffic calming measures including raised table pedestrian crossing and bollards across the Estate, which was recommended by residents at public consultation events. There | Positive for all priority groups | The section 106 agreement includes a transport contribution which could enhance the Route 8 bus service. |

| Determinant | Pathway | Details/Evidence | Potential Impact | Mitigation |
|-------------|--|--|---|------------|
| | | <p>is a focus on increasing pedestrian priority wherever possible and creating clearly defined, safe, accessible and attractive pedestrian links and connections through the site. Cycle parking is also provided on plot within a secure garage or covered area. There are nearby bus stops which will provide opportunities for those with physical disabilities to be independently mobile without the use of private car. The Scheme promotes sustainable and low-cost travel options.</p> | | |
| | <p>Development of existing parking areas</p> | <p>Some existing underused parking areas will be reconfigured and redeveloped as part of the Scheme, which can have greater implications for those with disabilities. However, parking provision has been evaluated having regard to the existing provision and distribution, with the Scheme representing an overall improvement ad a ratio of 1.3 spaces per dwelling. Parking spaces are also laid out so they are in locations that have greater surveillance and security.</p> | <p>Positive for all priority groups</p> | <p>N/A</p> |

8 OBJECTION TO THE ORDER

- 8.1 This proof of evidence responds to the objection that was received insofar as it relates to planning matters.
- 8.2 One statutory objection to the Order has been received by the Secretary of State from Mr Tristan Richard Howe, the leaseholder owner of Plot 6, third floor flat known as 17 Peterborough Way (CD8.1).
- 8.3 Mr Howe objects to the Order on the basis that the Estate is a low-density development, therefore there is plenty of surplus land for new homes without the need to demolish any of the maisonette blocks and surrounding houses. He asserts that the maisonette blocks and houses can be retained with full refurbishment.
- 8.4 It is not possible to retain the maisonette blocks as well as delivering the crime prevention objectives of the design strategy for the site. Mr Burns' Proof (Section 3) identifies how crime and a fear of crime has been a key driver of the need to redevelop the estate. He highlights how the large car parking areas have been a source of car theft and that some residents had started parking their cars away from the large car parking areas due to fear of crime.
- 8.5 Redevelopment of the maisonette blocks allows for these large open car parking areas to be redeveloped and deliver a tighter urban grain with dedicated parking and more natural surveillance (see Appendix JS1 for a comparison between the existing and proposed urban grain and also page 12 of the site wide DAS and page 34 of the Phase North DAS which identifies this as an existing constraint area in need of improvement).
- 8.6 In addition, there would not appear to be sufficient space to deliver development on the site of the existing car park and retain the maisonette blocks. So, in my view the retention of the maisonette blocks does not allow the creation of a tighter urban grain, with properties fronting on to the new primary road. As a result, the clear permeability benefits of the redevelopment would also not be delivered.
- 8.7 If the maisonette blocks were retained then, people turning off Peterborough Way/Chesterford Green on to the new primary route through the estate would be greeted with a large expanse of car parking and the new primary route would be hidden behind the existing garages (assuming that the acquisition of properties on Wells Garden could take place to deliver the new primary route connecting Peterborough Way with Chichester Close).
- 8.8 I have included a Street View picture of the existing view from the turning off Peterborough Way/Chesterford Green. In my view, this does not give the impression of the start of a primary route through the estate, it looks like what it is – the entrance to a cul-de-sac. Furthermore, this is identified from the community consultation programme as an area that should become a future a gateway to the Estate (page 34). In my view the retention of the maisonette blocks would not achieve this.
- 8.9 I would also further highlight that demolition will only be undertaken where it is required. A blanket approach towards demolition has not been pursued, with the Scheme managing to retain more residential dwellings than originally envisioned in the 2008 English Partnerships masterplan (see page 12 of the Site-wide Masterplan of the DAS – CD5.7).
- 8.10 The Scheme presents an opportunity to establish a clearer street hierarchy which are easier to navigate with improved permeability and legibility. It also creates a more traditional street pattern resulting in a more secure environment, with passive surveillance over all streets and back gardens. This builds upon the existing street network where possible, but it is clear that a new primary street off Peterborough Way, as proposed in the Design & Access Statement would significantly assist with improving legibility (see pages 42, 44 and 57 of the 2016 Site wide DAS).
- 8.11 If the maisonette blocks are retained, then the ability to provide a legible primary street with properties directly fronting on to it (rather than set back behind a car park) will be lost.
- 8.12 Finally, retention of the maisonette blocks would not allow for an improvement of the access to the houses to the rear of the blocks. These are currently accessed by a narrow alleyway which has a close boarded fence on one side. This creates poor quality entrance to these properties. As noted on page 51 of the DAS (comparison in Appendix JS1 of the existing v proposed environment) the character of this area is intended to be changed to a mews.
- 8.13 As outlined in Section 5 of this proof, the Scheme has detailed planning permission, pre-commencement conditions have been discharged and initial works were commenced meaning the consent has been implemented. Consequently, there is no planning impediment to completion of the Scheme, and the Scheme is compliant with the Council's strategic planning framework. In this case, the planning matters raised by the objector have already been considered and addressed through the process of the grant of planning permission.
- 8.14 Having assessed the objection as it relates to planning matters, have already been considered and addressed through the Application, which has been assessed by the Local Planning Authority in the Report to Planning Committee 4 October 2016 (CD 5.6). It was deemed

that having regard to the planning balance, the Scheme was deemed to constitute sustainable development for the purposes of the NPPF and was granted planning permission. In my view, there is a compelling case for the confirmation of the compulsory purchase order.

9 STATEMENT OF TRUTH

9.1 I declare that the evidence set out in this proof for the inquiry is true and follows accepted good practice. The opinions expressed are my own and are formed from professional judgements based on my experience.



Signed.....

JAMIE SULLIVAN MRTPI

DIRECTOR, ICENI PROJECTS

SUMMARY PROOF OF EVIDENCE OF JAMIE SULLIVAN OF ICENI PROJECTS

1 OVERVIEW

- 1.1 My name is Jamie Sullivan. I am a Chartered Town Planner and Director of IcenI Projects Ltd. I hold an MA in Town and Country Planning from University of West England and a BSc (Hons) in Town Planning and (Human) Geography from Cardiff University. I have been a full chartered member of the Royal Town Planning Institute for 11 years.
- 1.2 I have 15 years' experience working in the town planning sector for public and private bodies. I have worked at IcenI Projects for over 6 years.
- 1.3 During my time at IcenI Projects I was seconded to HM Treasury as Planning Policy Advisory, during this time I worked on a number of policy projects, including the most recent amendments to the Compulsory Purchase Order (CPO) process.
- 1.4 I am acting as an independent and professionally qualified planning witness. I am instructed on behalf of Basildon Council for the (Fryerns and Craylands) (Phase North) Compulsory Purchase Order 2020.

2 DESCRIPTION OF THE ORDER LAND AND THE SCHEME

Wider Project

- 2.1 The Estate is located to the north of Broadmayne, to the west of East Mayne and to the south and west of Peterborough Way in Basildon. The full extent of the Estate, including the former Fryerns School, comprises approximately 38 hectares.
- 2.2 There is poor connectivity and permeability through the Estate, limited natural surveillance of public areas and insufficient overlooking of parking areas. Engagement with residents provided a clear desire for the unpopular maisonette blocks to be replaced and the Estate to be laid out in a more logical way.
- 2.3 To facilitate the redevelopment, a 'hybrid' planning application was submitted for regeneration of the Estate and permission was granted on 22 March 2017 (CD 5.1). The Scheme
- For the purposes of the CPO Inquiry, I am referring to 'the Scheme' as comprising the North Phase of the redevelopment of the Estate, which is being progressed independently. The boundary for the North Phase comprises 8.49 hectares, however, the Scheme only involves five defined 'intervention' areas within the phase. This includes removal of 105 dwellings which are located within 7 three-storey maisonette blocks and 14 two-storey houses.
- 2.4 Following the demolition of the 105 properties within the North Phase, the Scheme would construct 96 new homes with associated access, car parking and landscaping. A range of accommodation types and sizes will be provided, including 15 social rented dwellings (and a further 10 shared ownership units delivered outside of the Section 106 agreement). This represents 16% affordable housing secured on the Phase through the section 106 agreement (although 30% is secured across all phases of development). Including the units outside of the Section 106 agreement takes the percentage of affordable housing up to 29% on this phase. Full details of the affordable housing provision can be found in CD 7.10.
- 2.5 The Scheme also creates clearer vehicular routes through the Estate, to improve permeability and navigation. The most significant change is the new route running north-south which establishes clear vehicular and pedestrian routes through and beyond the Estate with new landscaping and lighting (see pages 42, 44 and 57 of the 2016 Site wide DAS CD5.7).

The Order Land

- 2.6 The Order comprises 7 remaining properties, as shown on the Order Map (CD 1.2).
- 2.7 Since making the Order, four of the properties have been acquired (12 Chichester Close and 9, 21 & 31 Peterborough Way). Negotiations are ongoing regarding the acquisition of the remaining three properties. (26 and 33 Wells Gardens and 17 Peterborough Way).
- 2.8 The owner of 17 Peterborough Way, Mr Howe, has submitted an objection to the Order. This property is a second and third floor maisonette dwelling within a larger four-storey block of 12 maisonettes.

3 THE PLANNING PERMISSION

- 3.1 My evidence provides the detail of the planning history of the Estate. Hybrid planning permission was granted in March 2017, including detailed permission for Phase North under reference number 16/00898/OUT.

4 THE PLANNING FRAMEWORK AND THE SCHEME'S COMPLIANCE WITH THAT FRAMEWORK

The Use of CPO Powers – Purpose of the Act

- 4.1 When demonstrating the justification of acquiring land compulsorily under section 226(1)(a) of the Town & Country Planning Act 1990, section 104 of the MHCLG CPO Guidance (CD 3.1) states it is important that the programme of land assembly is set within a clear strategic framework. The guidance also states (paragraph 95) that the CPO powers should be used to assemble land *'to implement proposals in their Local Plan or where strong planning justifications for the use of the power exist. [my emphasis added]'*.
- 4.2 My proof seeks to examine whether the wider project within which the Order sits can be clearly justified in planning terms, in line with section 226 of the Town & Country Planning Act 1990. I have utilised the 2016 hybrid permission (16/00898/OUT) as the basis for this analysis, given that it grants permission for the development that the Order land is being acquired to deliver.
- 4.3 I also provide some further context in terms of the objection to this Order from Mr Howe and the constraints of the use of CPO powers with reference to the 2018 Guidance.

The Use of CPO Powers – Does the land need to be acquired?

- 4.4 Mr Howe's objection is that the property he owns and all other maisonette blocks do not need to be demolished and could simply be refurbished instead.

While Mr Howe's property is just one unit within the maisonette block of several to be demolished, it's my view that the demolition is necessary to implement the main objectives of the redevelopment - to improve the legibility and wider physical environment of the North Phase.

The Use of CPO Powers - Constraints to using the power

- 4.5 As set out by Section 103 of the CPO Guidance, the main limitation (in regards to the scope of my evidence) is that the acquiring authority must not utilise the power, unless the redevelopment is *'likely to contribute to achieving the promotion or improvement of the economic, social or environmental wellbeing of the area for which the acquiring authority has administrative responsibility.'*
- 4.6 It continues by clarifying that these benefits are *'not restricted to the area subject to the compulsory purchase order, as the concept is applied to the wellbeing of the whole (or any part) of the acquiring authority's area.'*
- 4.7 In summary, I have concluded there are a range of well-being benefits, most notably the provision of improvements to the physical environment.

The Use of CPO Powers – Estate Regeneration National Strategy

- 4.8 Aside from the 2018 Guidance, the government has also published its estate regeneration strategy and in my proof, I have linked it to examples that apply to the Craylands scheme, including with reference to adopting a placemaking approach to regeneration; the delivery of new community infrastructure; good design being central to regeneration; the use of high quality and effect public engagement and consultation; and the guidance in relation to meeting the housing needs of the existing residents and options of re-provision. The proofs of Luke Riley and Trevor Burns detail how this has been achieved in relation to the Craylands Estate.

Planning Considerations

- 4.9 Paragraph 106 of the 2018 CPO Guidance sets out the factors that the Secretary of State will consider when considering whether to confirm a CPO in addition to the merits of the scheme and my proof addresses each of these factors:

Conformity with a Strategic Framework

- 4.10 In the case of the Order Land, the Scheme has detailed planning permission, pre-commencement conditions have been discharged and initial works were commenced meaning the consent has been implemented. Consequently, there is no planning impediment to completion of the Scheme.
- 4.11 It is clear that the Council's Local Plan is considered to be out-of-date. It is made up of policies from 1998 Local Plan which were saved in 2007. Given the timing of the production of the Local Plan, there is no reference to the Craylands regeneration development. The emerging Local Plan also does not reference the redevelopment as the hybrid consent was granted in 2017.

- 4.12 This does not mean that there is no strategic support for the proposal. It is clear from Section 3 of Trevor Burns' Proof that the regeneration of the Estate has long been a strategic corporate priority of the Council and that significant work underpinning the need for this redevelopment underpins the decision to bring this development forward.
- 4.13 Furthermore, the Council produced the Craylands Community Action Plan (2008-2011) (CD7.5) which highlights the objectives for improving the area following extensive consultation with local residents.
- 4.14 While it is acknowledged that this is not adopted planning document, it is clear that the Council has undertaken community engagement and evidence gathering that is akin to the process involved with producing such a document.
- 4.15 In addition, there is strategic support for the scheme within the Local Plan Saved Policies and, importantly, the NPPF (2012 Version – current at the time of the planning permission being granted) as detailed in my proof.

Delivery of economic, social or environmental wellbeing benefits

- 4.16 I set out later in my evidence the economic, social and environmental benefits of the scheme in detail, but in summary these are as follows:
- Direct and indirect employment as a result of the construction phase.
 - Significant improvements to the physical appearance of the Estate, including a enhanced landscaping.
 - Reducing opportunities for and fear of crime.
 - Improving the legibility of the estate.
 - Access to a greater range of services and facilities as part of the wider redevelopment of the Estate.

Alternative options to CPO

- 4.17 The Order Land is required to assist with delivering the legibility and place-making benefits of the scheme as I set out in more detail later in my evidence. Acquiring the land is the optimal way to deliver these improvements to the physical environment of the North Phase.

Financial viability

- 4.18 The consideration of the financial viability of the scheme is contained within Luke Riley's proof. Section 3.2.2 highlights that Swan must provide evidence that funding is in place for the relevant phase prior to commencement.
- 4.19 In Trevor Burns Proof, he highlights the Council's support of the scheme.

Planning Application Assessment

- 4.20 As noted previously, the delivery of the Wider Project is through the 2016 hybrid planning permission. I have been provided with an interpretation of the Alliance Spring decision which states that the planning permission should not be revisited unless there are fresh or material change in circumstances.
- 4.21 My proof of evidence considers the scheme against the planning framework used for determining planning permission to provide comfort on this matter, including an assessment against the Basildon District Local Plan Saved Policies 2007; the draft Basildon Local Plan, supplementary guidance and the NPPF. In particular, I explain the position in relation to the delivery of affordable housing on the North Phase and the wider estate and compliance with the Estate Regeneration National Strategy.
- 4.22 In my proof I conclude that as there are no fresh material or changes in circumstances between when the Order was made and when it is confirmed, the planning merits and proposed design of the Scheme will continue to be considered suitable and appropriate.

5 WELL-BEING BENEFITS OF THE SCHEME

- 5.1 In my proof of evidence, I explain the significant benefits of the Scheme and its contribution to the achievement of promoting and improving the social, environmental and economic well-being of the area including the Estate.
- 5.2 This focusses on how the Order Land contributes to these benefits, however it is important to consider the redevelopment holistically, as all phases are interlinked and will ultimately deliver comprehensive regeneration.

Economic Well-being

- 5.3 Comprehensive redevelopment of the Estate will comprise of a significant capital investment within Basildon, which can act as a catalyst for growth in the wider area. The physical improvements to the built environment can assist with attracting more inward investment to Basildon.
- 5.4 There will also be direct economic benefits from the construction of the project and I quantify these in my proof. There could also be induced employment effects arising which are also quantified in my proof; these effects relate to the employment supported by the wage spending of construction and supply chain workers in shops, services and other businesses throughout the economy and demonstrate the wide ranging impacts associated with development activity.
- 5.5 The construction phase will allow for the training opportunities and will help to tackle unemployment in the longer-term. Enhancements to the Route 8 bus service as secured in the section 106 agreement (CD 5.3) could also improve residents' access to work opportunities in the town.
- 5.6 New housing development and can lead to increased resident expenditure which supports existing local businesses and services as quantified in my proof.
- 5.7 As a consequence of the above, I consider there to be wide-ranging economic well-being benefits for local residents and across the wider area.

Social Well-being

- 5.8 The Scheme will make a significant contribution towards the delivery of a range of new homes to meet the Council's identified need, providing higher quality and more choice within the local housing market. This helps to suppress the socio-economic consequences of persistently insufficient housing delivery, such as house price increases.
- 5.9 The new dwellings will provide a modern and high-quality living environment in homes that meet national space standards. They are of excellent design, will include units which achieve Building Regulations Part M4(2) and M4(3) and will result in improved living conditions and quality of life for individuals and families.
- 5.10 Current and new occupiers will also benefit through the physical enhancement of their neighbourhood which will significantly improve current perceptions of the Estate and reduce residents' fear of crime which should in turn encourage more walking and cycling trips. These aspects can result in positive impacts on mental well-being and increase levels of satisfaction experienced by residents. The prioritising of walking and cycling also encourages residents to exercise resulting in healthier lifestyles. The Scheme will improve the current condition through the provision of linked linear greens to create a more pleasant walking environment as outlined in the Design and Access Statement (CD 5.7).
- 5.11 My proof of evidence provides illustrations of the Estate as existing compared with the Estate following completion of the Scheme which demonstrate that the Scheme will replace dead frontages and a predominantly concrete landscaping with more active and interesting frontages and a traditional street pattern.
- 5.12 The section 106 agreement (CD 5.3) secures a £20,000 contribution to Beechwood Community Trust, providing funding to support its work in improving the social well-being of the community. As outlined in Luke Riley's evidence, the Beechwood Village Community Trust provides important support for all residents of the Estate. This includes a wide range of skills courses and well-being events which are held in the community facility provided within Phase 1 of the Estate⁶.
- 5.13 While the community benefits provided by the new facility are already being brought forward as part of the overall regeneration of the scheme, the Order Land forms part of a phase that helps deliver this scheme and we consider that indirect benefits can be conferred.
- 5.14 I therefore consider the development will result in significant social well-being benefits for existing and new residents, as well as the wider community.

⁶ <https://beechwoodtrust.org.uk/>

Environmental Well-being

- 5.15 Existing buildings in an inadequate condition and the poorly-designed public realm will be replaced with a high-quality and attractive new development, resulting in a significant enhancement to the built environment and public realm. These physical improvements and environmental benefits will increase the permeability and legibility of the Estate and can only be achieved through the Scheme.
- 5.16 The existing streetscape is largely inactive and underused. The landscaping scheme for the North Phase will create a sense of arrival from the periphery roads of Peterborough Way and Lincoln Road. This is achieved through minor alterations to the junctions with Rochester Way and Peterborough Way. In order to enliven the key streets within the North Phase, there will be new tree planting and improved and widened pavements, together with attractive front gardens. Linked public lawns such as those along Rochester Way will also be enhanced to provide a robust and sensitive landscape offer. A comparison the existing landscaping compared with sketches of the Estate following completion of the Scheme are shown in Appendix JS1.
- 5.17 High-quality planting can contribute towards ecological well-being and enhance biodiversity. Flood alleviation secured via the section 106 agreement (CD5.3) will improve the environmental well-being of not just the Estate but also the wider Basildon area. Similarly, the section 106 contribution towards enhancing the Route 8 bus service, and the prioritisation of walking and cycling will improve environmental well-being by encouraging sustainable forms of transport within the Estate and across surrounding areas.
- 5.18 The Scheme therefore makes a significant contribution towards environmental well-being.

6 THE PUBLIC SECTOR EQUALITY DUTY

- 6.1 The Equality Act 2010 sets the legal framework for equal rights legislation. As per section 149 of the Equality Act 2010, due regard must be had to the potential impacts of the decision on those directly affected by it, with regard to equality objectives and the desirability of promoting them. Basildon Council undertook an equalities impact assessment in line with the Public Sector Equality Duty (CD 7.1). When exercising its functions, the duty requires the Council to have regard to eliminating unlawful discrimination, harassment and victimisation to advance equality of opportunity between those with Protected Characteristics and those who do not, and to foster good relations between those groups. My proof provides further consideration and an update to the Public Sector Equality Duty.
- 6.2 My proof outlines the potential positive and negative equality impacts of the Scheme and summarises how they affect those with protected characteristics identified in the Equality Act 2010. The protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. Mitigation measures are explained where any potential negative impacts are identified.
- 6.3 In assessing potential impacts, consideration has been given to personal, social, cultural, economic and environmental factors which affect equality outcomes. This includes determinants such as housing, employment, the environment, transport, education and access to services. How these outcomes are affected by the Order and redevelopment are also assessed.
- 6.4 Of the three properties that are yet to be acquired, I am informed that one owner is in the process of being acquired. A further one was close to being finalised, but the occupier sadly died on a property further up the chain and is now in probate – once this is resolved the property can be released. The final property is Mr Howe’s rental property at 17 Peterborough Way. This is currently vacant and no longer has a tenant.
- 6.5 It is acknowledged that the redevelopment of the Estate has potential to have wider (mostly positive) impacts on surrounding residents.
- 6.6 As outlined in the Public Sector Equality Duty report (CD 7.1), the Estate experiences high incidence of crime and anti-social behaviour, and is ranked within the top 10% most deprived wards in England and third worst for education.
- 6.7 My proof identifies the factors which change the way personal, social, cultural, economic and environmental factors change equality outcomes and concludes that the Redevelopment of the Estate has potential to affect the following pathways: Access to secure housing including affordable; Wider regeneration of the Estate; Local employment provision; Crime and fear of crime; Accessibility and movement – The Scheme will significantly improve access and navigation through and around the Estate; and Public realm – The Scheme will provide enhanced public realm and landscaping around the Estate that will result in better connectivity through the area.
- 6.8 I include a matrix in my proof of evidence which assesses these pathways in detail and incorporates possible mitigation measures to address any potential negative impact relating to the Scheme and to optimise the outcomes from an equalities perspective.

7 OBJECTION TO THE ORDER

- 7.1 My proof of evidence responds to the objection that was received insofar as it relates to planning matters. Mr Howe objects to the Order on the basis that the Estate is a low-density development, therefore there is plenty of surplus land for new homes without the need to demolish any of the maisonette blocks and surrounding houses. He asserts that the maisonette blocks and houses can be retained with full refurbishment.
- 7.2 It is not possible to retain the maisonette blocks as well as delivering the crime prevention objectives of the design strategy for the site. Mr Burns’ Proof (Section 3) identifies how crime and a fear of crime has been a key driver of the need to redevelop the estate. He highlights how the large car parking areas have been a source of car theft and that some residents had started parking their cars away from the large car parking areas due to fear of crime.
- 7.3 Redevelopment of the maisonette blocks allows for these large open car parking areas to be redeveloped and deliver a tighter urban grain with dedicated parking and more natural surveillance, as demonstrated in Appendix JS1.
- 7.4 In addition, there would not appear to be sufficient space to deliver development on the site of the existing car park and retain the maisonette blocks. So in my view the retention of the maisonette blocks does not allow the creation of a tighter urban grain, with properties fronting on to the new primary road. As a result the clear permeability benefits of the redevelopment would also not be delivered.
- 7.5 Demolition will only be undertaken where it is required. A blanket approach towards demolition has not been pursued, with the Scheme managing to retain more maisonette blocks than originally envisioned in the 2008 English Partnerships masterplan.

- 7.6 The Scheme presents an opportunity to establish a clearer street hierarchy which are easier to navigate with improved permeability and legibility. It also creates a more traditional street pattern resulting in a more secure environment, with passive surveillance over all streets and back gardens. If the maisonette blocks are retained, then the ability to provide a legible primary street with properties directly fronting on to it (rather than set back behind a car park) will be lost.
- 7.7 Finally, retention of the maisonette blocks would not allow for an improvement of the access to the houses to the rear of the blocks. These are currently accessed by a narrow alleyway which has a close boarded fence on one side. This creates poor quality entrance to these properties.
- 7.8 As outlined in Section 5 of this proof, the Scheme has detailed planning permission, pre-commencement conditions have been discharged and initial works were commenced meaning the consent has been implemented. Consequently, there is no planning impediment to completion of the Scheme, and the Scheme is compliant with the Council's strategic planning framework. In this case, the planning matters raised by the objector have already been considered and addressed through the process of the grant of planning permission.
- 7.9 Having assessed the objection as it relates to planning matters, have already been considered and addressed through the Application, which has been assessed by the Local Planning Authority in the Report to Planning Committee 4 October 2016 (CD 5.6). It was deemed that having regard to the planning balance, the Scheme was deemed to constitute sustainable development for the purposes of the NPPF and was granted planning permission. In my view, there is a compelling case for the confirmation of the compulsory purchase order.

JS1

**Proposed and Existing Visualisations and Photos of the
Development**

Illustration of existing and approved development using CGIs from the Design and Access Statement (CD 5.7)

| Location | Existing | Future |
|---|---|--|
| <p>View along Lincoln Road looking north with active frontages and animated streetscape instead of concrete car parking and blank fencing</p>  |  |  |
| <p>View of Wells Gardens of new mews houses instead of existing back alleyways</p>  |  |  |

View along Fowey Way looking south with active frontages and soft landscaping instead of concrete car parking and blank brick walls



View of Glyne Way looking north with additional tree planting and natural play features, replacing disused play space



Before and after layout plans

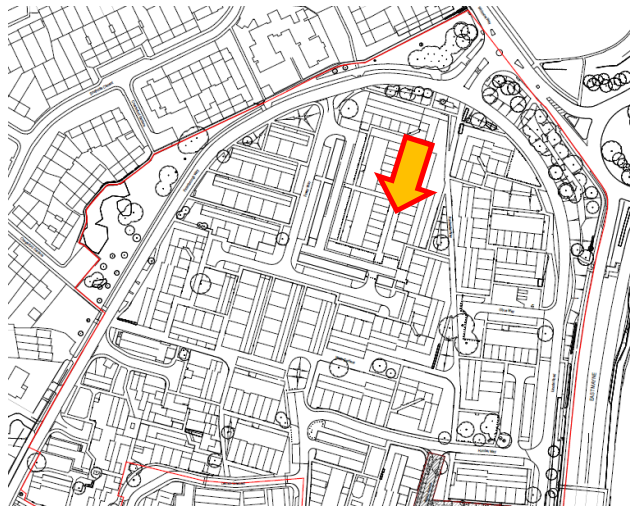
Existing layout – red areas are properties to be demolished.



Views of the gateway in to the estate from Peterborough Way/Chesterford Green



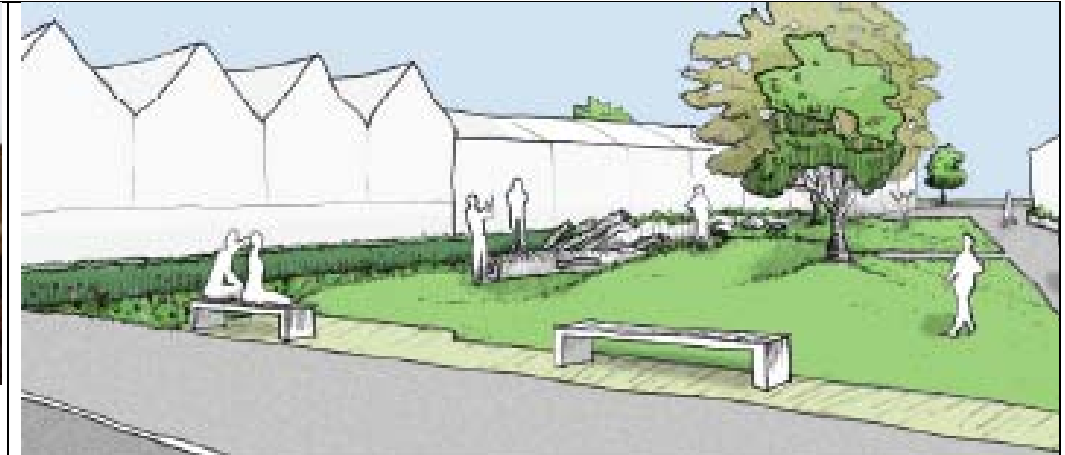
Rear of Maisonette block – new news development
NB – arrow denotes location of photo, visualisation is
from slightly further North.



North Phase – Wells Gardens



North Phase – Rochester Way



North Phase – Glynne Way



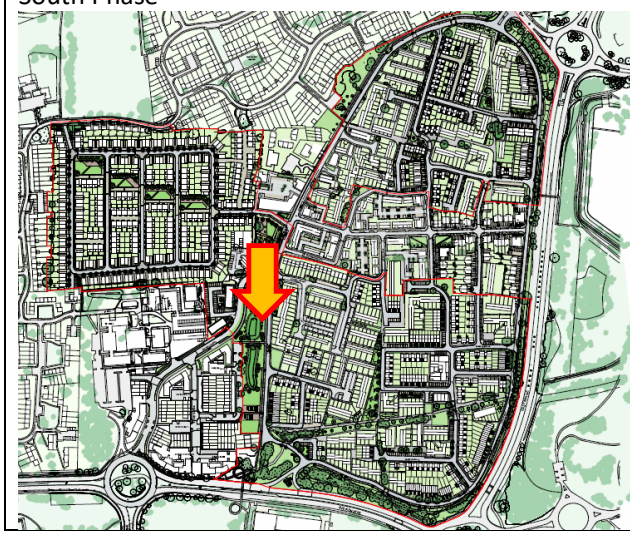
Central Hub



West Phase – Landscaping



South Phase –



JS2

Comparison of NPPF 2019 and 2012

SECTION 226(1)(A) OF THE TOWN AND COUNTRY PLANNING ACT 1990

Appendix 2 - Comparison of National Planning Policy Framework 2019 and 2012

| 2012 NPPF Reference | 2019 NPPF Text | Commentary |
|--|---|--|
| Paras 11, 12 and 196 - Applications must be determined in accordance with the development plan unless material considerations indicate otherwise. The Framework continues to place importance on the plan-led approach. | Para 2 – development should be in accordance with the development plan. Para 15 – planning system should be genuinely plan-led. | No change, just emphasises the legal basis for decision making in the Planning Act. |
| Para 14 – reference to the golden thread of the presumption of sustainable development. | Para 11 sets out the presumption in favour of sustainable development. | No mention of a golden thread in the updated NPPF, but this is essentially a rebranding and the |
| Paras 214 – 216 – 12 month grace period before the NPPF bites and existing policies which conflict receive full weight. In addition, weight to be afforded to development plan depending on the stage the Local Plan is at and the extent of unresolved conflict. | Para 48 – Very similar wording as para 216 of 2012 NPPF on weight to be given to emerging plans. | Paragraphs 214 and 215 are not transferred across, because the NPPF has been place for some time and such transitional periods are not required. On the weight to be afforded to the emerging Local Plan the policy wording is almost identical and the level of weight to be given to the Local Plan remains the same. |
| Paras 6 and 7 set out the main principles of sustainable development. Para 8 confirms that the roles should not be taken isolation. | Para 8 of the revised NPPF contains very similar provisions on the three elements of sustainable development principles. It also states that these objectives should be pursued in mutually supportive ways. | No material difference in the text. |
| Para 17 sets out core principles which will design good design, economic growth and numerous other principles. | These core planning principles are omitted from the revised text, but are included in the various chapters on these topics. | While the same wording does not exist in the same order, it is retained within the new structure of the 2019 NPPF. In any case, it is considered that the principles set out here are high level and the development has been delivered in accordance with them. |
| Para 186-187 – sets out the proactive approach that local authorities should take when assessing new development. | Para 38 contains very similar wording. | No material change. |

JS3

**The Home Builders Federation (HBF) 'The Economic Footprint of
UK House Building' Report**



THE ECONOMIC FOOTPRINT OF UK HOUSE BUILDING

MARCH 2015



Nathaniel Lichfield
& Partners
Planning, Design, Economics.



Home Builders Federation

The Home Builders Federation (HBF) is the representative body of the home building industry in England and Wales. The HBF's member firms account for around 80% of all new homes built in England and Wales in any one year, and include companies of all sizes, ranging from multi-national household names through regionally based businesses to small local companies.



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Nathaniel Lichfield & Partners is an independent planning, design and economics consultancy. NLP has been the Royal Town Planning Institute's Planning Consultancy of the Year for the last three years. NLP has clients in both the public and private sectors and is a retained economic advisor to a number of house building companies and property sector corporates.

LAST YEAR THE UK HOUSE BUILDING INDUSTRY BUILT AROUND 140,000 NEW HOMES. ITS ECONOMIC FOOTPRINT WAS SIGNIFICANT

Investment



£12.5bn
invested in land and buildings for homes



£5.5bn
spent on suppliers
[90% stays in the UK]

Jobs and Growth



£19.2bn

of Economic Output
based on the last quarter of construction sector orders

More than 600,000 jobs

233,000 directly employed in the industry (18% of the construction industry)



4.3 jobs for every home built

3,700 apprentices, 400 graduates and 500 other trainees

each year, excluding those in contractors and suppliers

Resources for Public Services



£1.4bn
of tax paid

Stamp Duty Land Tax, Corporation Tax, NI, PAYE, and Residents' Council Tax



£3.1bn

of new 'affordable housing'

38% of all new homes built in the UK are 'affordable'



£576m for infrastructure

including £225m on new and improved schools

Stronger Local Communities and Environment



6.5m trees and shrubs
planted or retained



£131m invested in open space, community, sport and leisure facilities



80% of construction waste recycled

£3.8bn spent in local shops and services by residents of new homes

Another £705m is spent to make each house "feel like home"



The UK should increase annual supply of homes by at least 100,000. Achieving this would mean:

£1.1bn
more net capital expenditure

£13.6bn
increase in economic output

430,000
extra jobs

£1.2bn
more tax paid

£432m
extra investment in local infrastructure

£3.2bn
resident spending on goods and services

These extra benefits would be additional to the economic footprint of the current supply of 140,000 new homes.

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INTRODUCTION



The economic contribution that house building makes to the UK economy has long been recognised by Government, policy makers and practitioners. However, the recent recession and ongoing housing crisis has placed the industry firmly under the spotlight, with house building increasingly acknowledged as a crucial driver of economic growth; capable of maintaining a prosperous economy as well as providing much needed housing to support sustainable communities.

In order to better understand and articulate this value and what it means in practical terms, the Home Builders Federation ('HBF') commissioned Nathaniel Lichfield & Partners ('NLP') to assess the economic footprint of the national house building industry and quantify its economic contribution to the national economy.

The study looks at a wide and comprehensive range of economic, social and environmental benefits that day-to-day house building generates in a way that has not been captured before. It uses a number of primary and secondary data sources to measure the industry's national footprint and draws on a survey of some of the UK's largest house builders as well as the latest economic appraisal techniques and benchmarks.

The remainder of the report is structured as follows:

- Section 2 summarises the methodology and approach;
- Section 3 provides an overview of the national house building industry;
- Section 4 considers the wider economic role of house building;
- Section 5 details the national economic footprint of the house building industry across a series of key themes and metrics;
- Section 6 considers the additional scale of economic benefits that could be realised if the delivery of new homes were to increase to meet the level of need identified by the latest demographic projections; and
- Overall conclusions are presented in Section 7.

Although the HBF is focused on England and Wales, many of its members operate in other parts of the UK, and where possible this report presents a UK-wide perspective.



MEASURING THE ECONOMIC FOOTPRINT



This report provides an in-depth quantitative and qualitative analysis of the contribution of house building to the UK economy. It quantifies the economic contribution of house building in terms of both direct impacts (through house builders themselves and their contractors) as well as indirect and induced impacts (from other sectors and firms that rely on house building and its supply chains and spending). It also considers some of the 'softer' or wider/non-monetary impacts generated by house building that are typically harder to quantify such as re-use of brownfield land and contributions made towards supporting education, healthcare and leisure facilities in local communities.

Due to the scale and complexity of the house building industry, there is no single source of data that provides comprehensive information about the industry and its day-to-day economic activity and operations. Whilst the larger house builders generally publish a wealth of economic information in the public domain (through for example annual corporate reporting), much less information is available for smaller house builder firms, particularly those trading as private limited companies who are not obliged to publish corporate information.

In light of this challenge and in order to ensure that the outputs from the analysis are as accurate and robust as possible, this study uses a combination of approaches to measure the economic contribution of the national house building industry, broadly following a three stage assessment as set out below.

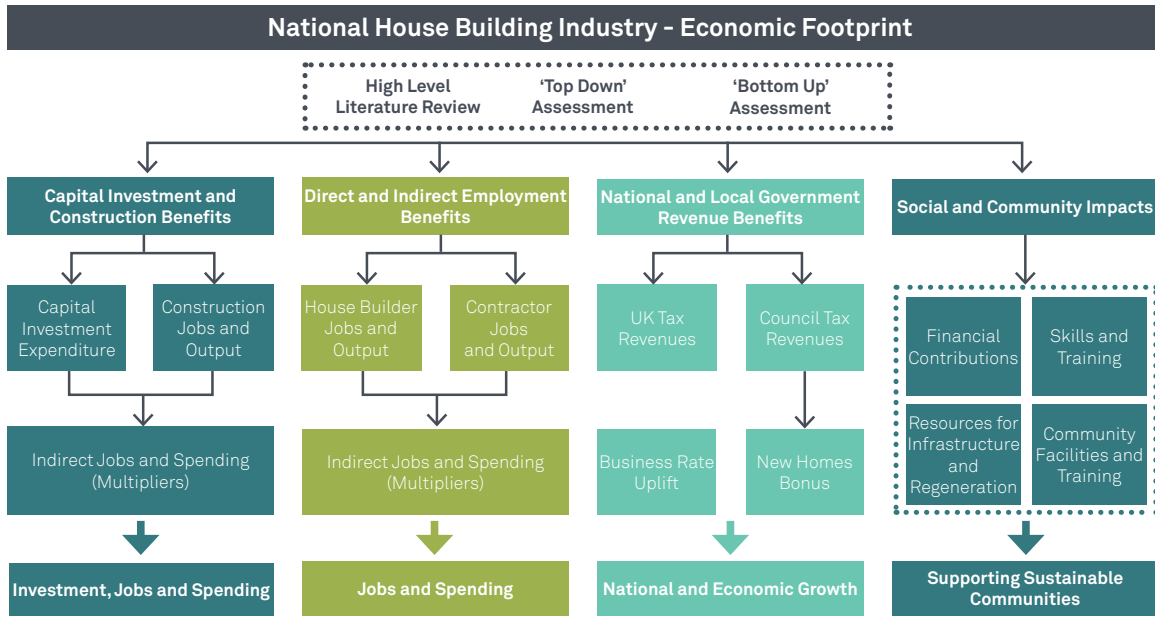
- a. **High Level Literature Review** - a review of recent work undertaken by industry leading organisations exploring the economic contribution of the UK house building industry and the construction sector more generally. Bespoke economic impact assessments commissioned by some of the UK's largest house builders are also reviewed to explore whether there is any consistency across the key economic footprint metrics reported by these assessments. This review establishes the most commonly reported metrics within the industry, as well as key assumptions and benchmarks against which to test subsequent analysis (as presented below).

- b. **'Top-down' Assessment** - estimating the economic contribution of the UK house building industry through a 'top down' assessment using published Government accounts data and surveys. Although this approach ensures that the industry as a whole is captured, it is less useful in disaggregating official economic data associated with residential-only building (as opposed to all sub-sectors of the construction industry).
- c. **'Bottom-up' Assessment** of the UK house building industry's economic footprint by collecting a series of primary company data from a sample of house builders, aggregating and extrapolating this up to cover the industry in its entirety. A sample of HBF house builder members were selected from each size tier (i.e. large, medium-sized and small firms) in order to undertake a detailed 'deep dive' analysis of each company's output, financial and monitoring data as far as this information is available and reported in a consistent format.

The outputs from each step have been brought together and synthesised in order to estimate the industry's existing economic footprint across the following broad categories:

- a. **Capital Investment and Expenditure Benefits:** this relates to the value of capital investment and expenditure generated by the industry on new land for housing development;
- b. **Construction Benefits:** this relates to the impacts of this capital investment on construction employment and associated income generation and economic output during the construction of housing;
- c. **Direct Employment Benefits:** the number of people employed directly by UK house builders and their contractors, as well as the levels of economic output generated by such jobs;
- d. **Indirect and Induced Employment Benefits:** further jobs supported in the wider economy in house building supply chains and by spending amongst direct and supply chain employees on goods and services;
- e. **Resident Expenditure Benefits:** the level of expenditure generated by residents of new housing development;
- f. **UK Public Finances:** contribution to UK plc through tax revenues generated by house builders and their supply chain;
- g. **Local Authority Revenue Benefits:** the benefits that house building development brings in terms of local authority financial receipts from New Homes Bonus and Council Tax;
- h. **Local Community Benefits:** financial contributions made by house building to fund new facilities, services and infrastructure for local communities; and
- i. **Other 'Softer' Benefits:** this relates to other benefits that tend to be non-monetary such as the re-use of brownfield land, open space preserved and enhanced and sector skills development.

Figure 1: Analytical Framework
Source: NLP



The analytical framework for the study is summarised above.

A glossary for the various terms and definitions is set out at Appendix 1.

It should be noted that, as with any research report of this nature, there are a number of limitations associated with the methodology and therefore outputs are intended to provide a broad 'point-in-time' indication of the house building industry's estimated economic contribution rather than a definitive assessment. It incorporates the latest data and other evidence available at the time of preparation.

The sample survey of house builder firms covers purely private sector enterprises. The results from the survey have been extrapolated to represent the industry as a whole - including the share of the industry accounted for by housing associations/registered providers and local authorities, both of which have an important role to play in delivering new homes each year – although it is recognised that operational models and day-to-day activity is likely to vary across different sub-sectors of the industry. The accuracy of data derived from the 'deep dive' sample survey of house builder firms, as well as other data derived from third party sources, has not been checked or verified by NLP.

Depending upon the output in question, it has not always been possible to draw together and synthesise primary and secondary data from all three approaches or methodologies and in some cases one key source has been used as a proxy to estimate the national economic footprint for that metric.



HOUSE BUILDING IN THE UK

The Need for Housing

For decades, housing completions in the UK have not been keeping pace with estimates of housing need and demand. In 2004, the Barker Review of Housing Supply¹ found that to increase affordability by freezing the real time increase in house prices would require an additional 240,000 homes per annum across the UK. Figure 2 shows that this level of growth was not matched by completions in any of the last ten years. In total, since 1980 housing completions in the UK have averaged just 192,000 per annum, and in 2013-14 the figure was just under 141,000.

The problems faced with regards to lack of housing supply are stark; the UK has not built enough new homes for more than a generation and the impact of the most recent recession has compounded this issue. One of the biggest impacts of a lack of housing supply is affordability; a knock on effect of this is that the quantity of concealed households is growing. To illustrate, ONS Data (2013)² shows that over 3.3 million adults in the UK aged between 20 and 34 were living with a parent (26% of this age group compared to 21% in 1996).

The latest English Housing Survey³ found that in 2013-14 almost half (48%) of all households aged 25-34 rented privately, up from 45% in 2012-13. The proportion in this age group living in the private rented sector has more than doubled from 21% in 2003-04. Over the same 10 years, owner occupation in this age group dropped from 59% to 36%. Private tenants now spend 40% of their income on housing costs, compared to 20% of homeowners. The social consequences of a generation not being able to realise their housing aspirations are stark and, without an increase in supply, will only worsen.

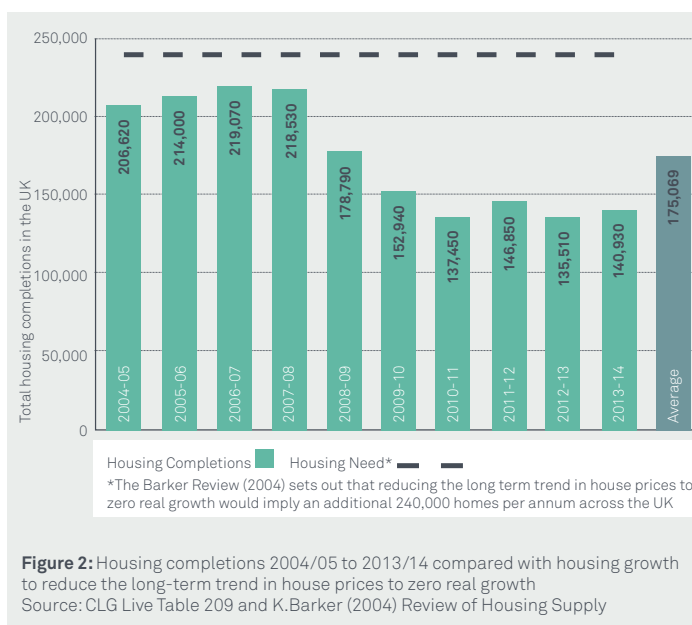


Figure 2: Housing completions 2004/05 to 2013/14 compared with housing growth to reduce the long-term trend in house prices to zero real growth
Source: CLG Live Table 209 and K.Barker (2004) Review of Housing Supply

The House Building Industry

The supply of housing is delivered via a large number of different organisations. Government data indicates that there are around 30,460 individual enterprises involved in the construction of domestic buildings across the country⁴ generating in excess of £46 billion of turnover per annum. The HBF estimates c.3,000 house building firms, so the larger figure includes organisations in the supply chain as well as companies involved in repairs and maintenance.

So-called house builders represent just one part of the industry, and are not responsible for the entire value chain. Figure 3 below provides a summary illustration of some of the types of organisation that make up the supply of new housing and an indicative description of their role⁵.

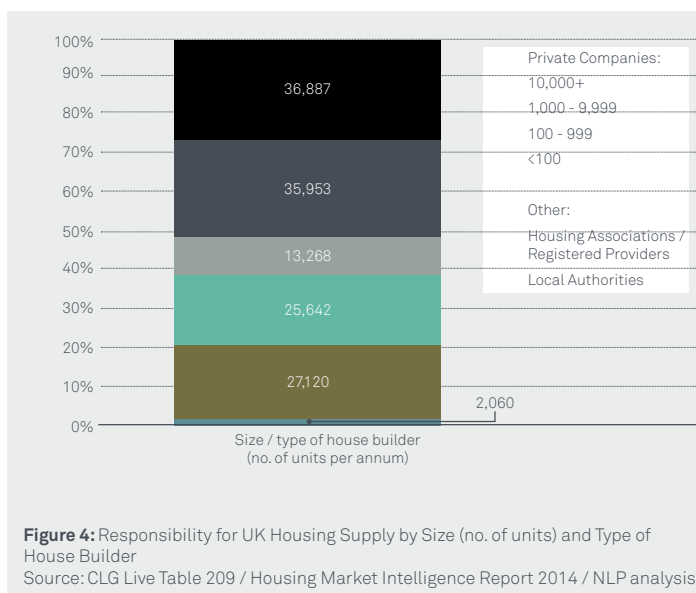
| | Finance | Land | Planning and Design | Construction | Materials | Sales | Rent | Management |
|---|---------|------|---------------------|--------------|-----------|-------|------|------------|
| Financial Institutions | ● | ● | | | | | | |
| Land Agents / Promoters | | ● | ● | | | | | ● |
| House Builders | ● | ● | ● | ● | | ● | | |
| Professional Services Organisations | | | ● | ● | | ● | | ● |
| Contractors | | | | ● | | | | |
| Suppliers | | | | | ● | | | |
| Housing Associations / Registered Providers / LAs | ● | ● | | ● | | ● | ● | ● |
| Management Companies | | | | | | | ● | ● |

Figure 3: Components of the supply of new housing
Source: NLP analysis

Much commentary on the residential development industry (and indeed the analysis in this report) focuses on house builders, and it is these organisations that are generally the nexus of most housing output – responsible either directly or indirectly for the construction and disposal of new homes (through sale to private customers or to housing associations/registered providers). However their economic footprint (and indeed many of the factors driving their effectiveness) is shaped by other types of organisations. For example, a significant proportion of land is actually controlled and promoted through the planning system by land agents / developers who do not themselves build or sell houses⁶. Many house builders sub-contract some or all construction work to contractors, and procure materials from a range of individual suppliers.

In terms of the organisations responsible for building homes and the contribution by scale of output, Figure 4 provides an estimated breakdown, by size and type of house builder, of the responsibility for construction of new homes. This is drawn from a synthesis of data on Government housing completions combined with evidence compiled by the HBF and National House Building Council (NHBC)⁷.

The analysis highlights that the industry comprises a range of different types of organisation – from large-scale national volume house builders, through to medium size and regional companies, as well a local builders, housing associations/registered providers and local authorities.



The NHBC notes that since 1988, the number of developers building up to 100 homes per year has fallen by 78%⁸. An industry characterised by a more diverse range of house builders is considered by many commentators to be crucial in order to increase the range of products on offer to homebuyers, help to insulate the market from external shocks and boost overall industry capacity. A 2013 Shelter Report⁹ notes that a lack of diversity will hamper the step change increase in house building the UK requires. In practice, achieving this step change will mean all sectors of the industry (from the smallest to largest) being able to increase their supply, alongside encouraging new organisations to enter the market.

4

THE ECONOMIC BENEFITS OF HOUSE BUILDING



New school funded by house building section 106 agreement

Housing is inextricably linked to the wider health of the economy and is often referred to as a key barometer of national economic performance. Its relationship with the wider economy can be characterised in three main ways; through the impact of activity in the housing (and wider construction) sector, through the way in which housing wealth affects consumption behaviour, and supporting the economic competitiveness of places.

The threat that a shortage of housing poses to the country's future economic success and stability is considerable, as noted by the Barker Review of Housing Supply. Whilst the focus of this report is on the national economic footprint of the house building industry, it is important to recognise that it also has a range of significant effects on economic performance at the regional, sub-regional and local level.

Housing as a Driver of Economic Growth

At the national level, Government is clear on the economic importance of the house building industry and the role it can play in helping to stimulate economic growth and increase the pace of recovery¹⁰. In the recovery phase after recession, house building was seen in national policy as having a key role in leading the economy back towards growth and looking ahead is important in improving the long term competitiveness of the UK economy.

A defining feature of the house building industry is its significant and complex network of supply chains and contracting relationships, bringing together a vast array of trades, specialists and skills, from large manufacturers right through to sole traders. The breadth and depth of these supply chains means that the domestic spin-off benefits from house building activity are far greater than for many other economic sectors. Furthermore, the vast majority of goods and services used in the building of new homes originate from the UK itself, relying very little on imports and ensuring that the benefits of development are maximised within the country. For instance, research from 2009 showed the construction sector imported less than 8% of its supplies, while the UK car manufacturing sector imported nearly 28%¹¹.

Delivering 'Real' Jobs and Economic Value

The house building industry is a major source of national employment and economic growth (as is demonstrated in section 5 of this report). Housing construction supports more jobs, compared with equivalent investment in many other sectors of the economy, because it supports a large amount of related activity such as concrete production, and glass and brick manufacturing.

It is sometimes claimed that house building does not generate 'real' jobs and economic value, perhaps because – at an individual site level – employment and output is perceived as relatively transient. Nevertheless, the industry does support real, permanent employment opportunities (Barratt alone directly employs 5,700 staff) – jobs are transferred from site to site as new housing is delivered and not tied to a permanent position at one specific location.

The house building industry (and construction industry more widely) also provides a crucial labour market entry point for young, lower skilled workers and those moving out of unemployment, and supports significant numbers of Apprenticeships each year¹².

There are also significant parts of the country's economy and employment base that benefit more indirectly from house building and the value of consumption and spending generated by residents of new homes. As new residents spend money on goods and services in the local economy, this can have a positive impact on other sectors of the economy such as retail and leisure which depend upon consumer spending to sustain and grow¹³ and generate local employment opportunities.

Supporting Labour Market Mobility and Wellbeing

Housing can have a positive impact on the national economy through its relationship with labour market mobility. A healthy, well-functioning labour market requires a good supply of housing that is affordable for local people to enable them to move jobs freely and match up skills supply with employer demand¹⁴, supporting their ability to achieve their economic potential. Whilst the relationship between labour market flexibility and housing is a complex one, in general terms a dysfunctional housing market (and shortage of housing in the right place, of the right type) can inhibit labour market mobility (particularly for lower and intermediate level skills) and in turn stifle economic growth at a national level¹⁵. This has place-competitiveness impacts, summarised later in this section.

Housing supply issues can also have a fundamental impact on the quality of life of individuals and households (including educational attainment¹⁶ and health¹⁷).

Enhancing Place Competitiveness and Local Economic Development

Another indirect effect that housing can have upon the economy is through its longer-term impact on the perceived competitiveness of specific locations¹⁸ and the costs of mitigating the social and environmental problems associated with poor or insufficient housing¹⁹. A well-functioning housing market is considered important for an area to remain competitive and attractive to business and economic activity, which in turn will drive the economic growth the country needs.

Although there is a lack of firm quantitative evidence on the direct role of housing quality and supply on place competitiveness - due to the complexity of the impact of quality of life (of which housing plays one part) at different spatial scales - some ongoing research for the Homes and Communities Agency suggests that housing quality (as proxied by various measures) is a significant explanatory variable associated with levels of worklessness and Gross Value Added per employee at a local level²⁰.

As highlighted above, in areas of high economic growth and high labour demand it is crucial that the supply of workers is not inhibited by a constrained supply or availability of housing. The problem of housing affordability has the potential to have a negative impact on the ability of certain key competitive locations that provide unique productivity opportunities to the UK (such as Cambridge) to remain competitive. Recent research by London First²¹ found that 73% of businesses think London's housing supply and costs are a significant risk to the capital's economic growth – in the context that London contributes around a quarter of UK Gross Domestic Product (GDP), that is a consideration of national significance.

New housing along with other development, can also help support investment in local infrastructure, including transport, public realm, and social and community facilities. Similarly, delivery of new housing plays a critical role in bringing forward, and making viable, sites for economic and commercial development, thereby creating new jobs and economic growth. The cross-subsidy offered by residential development remains critically important to the future delivery of new jobs across the country, particularly in more marginal areas away from key commercial centres where viability is more of an issue.



THE INDUSTRY'S ECONOMIC FOOTPRINT



House building makes a direct contribution to the UK's GDP through the economic output or Gross Value Added (GVA) that it produces. The industry supports a significant scale of employment and contributes to UK public finances through the tax revenues that it generates.

Looking more broadly, house building activity has an important role to play in stimulating further demand and economic activity through its extensive supply chains and networks, which in turn generates additional output, employment, spending and tax contributions.

This section draws together a number of data sources in order to quantify and present the range of economic benefits and impacts that house building generates for the national economy. Impacts are generally presented for the UK as a whole, although where this is not available this is clarified where relevant.

Capital Investment and Expenditure

The value of capital investment and expenditure generated by the industry on acquiring new land for housing development is significant. House builders are constantly investing in new land and sites in order to build their development pipeline and this expenditure can be reinvested into the UK economy.

Based on our sample survey of house builder firms it is possible to estimate that across the UK, annual capital investment and expenditure on new land for housing development amounts to nearly £11 billion. Theoretically this land has the potential to yield a significant supply of new homes. However, some of this land is associated with a strategic or longer term development pipeline, and does not currently benefit from any planning status, and indeed due to planning uncertainty, may well not be successful in securing allocations in local plans or planning permission. Based on our survey, the estimate is that house builders invested in land with equivalent capacity of 325,000 homes to feed their short term pipelines and on sites that are therefore anticipated to be developed in the coming years alongside those homes on sites acquired in previous years. How quickly these will come forward will largely depend on the time it takes for them to negotiate the planning process.

In addition, it is estimated that the house building industry generates over £1.5 billion of net capital expenditure²² per year on acquiring or upgrading physical assets such as property, industrial buildings or equipment to support day-to-day commercial operations.

Economic Output

House building has an important role to play in generating economic output within the construction industry. As shown in Table 1 to the right, the construction sector as a whole generated £15.4 billion of economic output (as measured by construction sector orders) in Quarter 3 of 2014. Nearly a third of this (£4.8bn or 31%) was generated by private and public sector house building.

Extrapolated across the full calendar year 2014²³, this implies that private and public sector house building contributes £19.2 billion of economic output each year to the UK economy, although this may be affected by seasonal factors. This includes house builders themselves as well as their contractors and suppliers, but excludes induced economic output.

It is also possible to estimate how much GVA (a measure of economic output) the house building industry directly generates using data from the Annual Business Survey. Across the UK as a whole, house building²⁴ was reported to generate £13.7 billion²⁵, but this figure will exclude some supply chain and induced impacts.

It is recognised that the industry has a large number of dependencies resulting from a substantial supply chain, and that it is important for the role it plays in underpinning and enabling growth in other sectors²⁶. As a result, the house building industry specifically – including building and maintenance and repairs – is estimated to account for around 3 per cent of the UK's total GDP²⁷. Analysis by Savills estimated that for every 50,000 new homes built, approximately 0.5% is added to national GDP²⁸.

The supply chain impacts of the house building sector supports significant levels of wealth generation. A number of recent studies have sought to quantify the scale of multiplier effect that direct economic output in house building has upon the wider supply chain, on both a national and individual house builder basis. An economic study conducted by L.E.K. Consulting indicates that every £1 spent on construction output generates a total of £2.84 in total economic output (i.e. GDP increase)²⁹. Meanwhile, a recent assessment of Barratt Developments' socio-economic impact³⁰ estimates that a £1m investment in house building will generate £2.41m in the UK economy in total: representing a GVA multiplier effect 2.41. This analysis draws upon a Centre for Economics and Business Research (CEBR) report for National Housing Federation³¹ (NHF) and GVA per worker averages produced by Experian.

| Type of work | Output (£ billions) | % of total |
|-----------------------|---------------------|-------------|
| Private sector | 11.4 | 74% |
| Housing | 4.4 | 28% |
| Infrastructure | 1.4 | 9% |
| Industrial | 0.7 | 4% |
| Commercial | 5.0 | 33% |
| Public Sector | 4.0 | 26% |
| Housing | 0.4 | 2% |
| Infrastructure | 1.2 | 8% |
| Other | 2.4 | 15% |
| Total | 15.4 | 100% |

Table 1: Value of construction output by type of work (Q3 2014)
Source: House of Commons, (2014), The construction industry: statistics and policy

Employment

House building plays a significant role in creating and supporting employment across the country. This includes people directly employed by house building firms and their contractors, as well as employees supported in the wider supply chain (i.e. in firms that supply house builders with goods and services) and in the wider economy through the spending power of house builder, contractor and supply chain firm employees.

Direct Employment

Whilst there is no agreed figure regarding the size of the house building sector in terms of direct employment, official Government data collated as part of the Business Register and Employment Survey (BRES) provides an estimate of the number of people directly employed in the construction of domestic buildings; in 2013, this equated to 230,800³². A very similar figure is identified by the Annual Business Survey which recorded a total of 233,300³³ people employed within the construction of domestic buildings in 2013. This is equivalent to just under 18% of total employment within the UK construction sector in 2013.

This includes employees directly employed by house builder firms and organisations as well as firms contracted to deliver new homes on behalf of the country's house builders. It should be noted that direct employment of trade labour by house builders is low, with only 15% of the workforce estimated to be employed directly.³⁴ The construction industry as a whole (as well as house building more specifically) relies on a high degree of sub-contracting to specialist firms to carry out the bulk of housing construction on a site-by-site basis.

Based on our sample survey of house builder firms it is possible to estimate that across the UK as a whole, house builder firms and organisations directly employ nearly 71,000 people. Our survey results would suggest the number of personnel on site (including both direct employees and sub-contractors) is equivalent to 939,000 over the course of a year, although this figure is not a Full Time Equivalent figure and indeed is likely to include some double-counting, reflecting multiple contracts and sites.

A number of recent studies have sought to quantify the number of direct jobs created by house building activity across the UK. For example, Professor Michael Ball's report on behalf of the HBF and Construction Skills (2005) found that volume builders (> 500 units p.a.) created around 1.2 direct full time jobs per dwelling, compared to an industry average of 1.5 full time jobs³⁵.

Indirect and Induced Employment

In addition to direct and on-site employment, it is widely recognised that the house building industry has a large supply chain, and this was reflected by our survey of firms which identified a larger number of suppliers – albeit many of whom will supply more than one house builder. Annual expenditure on suppliers (i.e. providing goods, services and materials) across the UK house building industry is estimated to total £5.5 billion, based on our sample survey of house builder firms. Much of this supplier spending is retained within the UK; for example, it is estimated that for every £1 spent in construction at least 90% stays in the UK³⁶.

Recent studies have identified a range of multipliers to calculate the extent of the sector's supply chain in employment terms, as summarised below:

- a. The work by Professor Ball estimated that for every 50,000 homes built, approximately 75,000 direct jobs and 50,000 indirect jobs are supported³⁷, indicating that every 1 direct job supports 0.5 indirect jobs in the supply chain;
- b. Ernst & Young's Economic Impact Assessment for the Berkeley Group identifies a supply chain multiplier in construction of 1.53, i.e. 1 construction job supports 0.53 jobs elsewhere in the supply chain³⁸; and
- c. The CEBR report for the NHF 2013 identifies a supply chain multiplier of 1.78, i.e. 1 construction job supports 0.78 jobs elsewhere in the supply chain.³⁹

When also taking into account induced employment effects – i.e. employment supported by the wage spending of construction and supply chain workers in shops, services and other businesses throughout the UK economy – a range of higher 'combined' employment multiplier figures can be identified by recent studies:

- a. CEBR's report for the NHF identifies a multiplier of 2.51. This indicates that for every 1 construction job, 1.51 indirect and induced jobs are created elsewhere in the supply chain and wider UK economy⁴⁰;
- b. Drawing upon company specific data, Ernst & Young's assessment of Berkeley's Economic Impact identifies a multiplier of 2.53, indicating that for every 1 construction job created by Berkeley, 1.53 jobs are created elsewhere; and
- c. Barratt Developments' 2014 Socio-Economic Footprint identifies a multiplier of 2.6⁴¹, indicating that for every 1 direct job created, 1.6 jobs are created elsewhere.

Employment Summary

In overall terms, the national house building industry is estimated to support up to 606,580 people across a range of organisations, operations and occupations. As summarised in Table 2 on the right, just over a third (38% or 233,300) of these employees are directly employed by house building firms and organisations and their subcontractors.

The remaining 373,280⁴² is relatively evenly split between indirect employees (i.e. those working within the house building supply chain) and other employees working across the wider economy, for example providing goods and services to house builder, subcontractor and supplier employees.

This scale of employment supported by house building is equivalent to between 4.2 and 4.3 direct, indirect and induced jobs per dwelling built⁴³.

| | Total |
|---|--------------------------|
| Direct employment supported (i.e. by house builders and their subcontractors) | 233,300 |
| Indirect employment supported (i.e. in the house building supply chain) | 116,650 – 181,970 |
| Induced employment supported (i.e. in the wider economy) | 235,630 – 191,310 |
| Total employment supported (direct, indirect and induced) | 585,580 – 606,580 |

Table 2: Summary of House Building Employment
Source: NLP analysis (based on the range of sources and employment multipliers outlined above)

UK Public Finances

The house building industry also makes a significant contribution to UK plc through tax revenues generated by house builders and their supply chains.

Stamp Duty Land Tax (SDLT) is charged on all purchases of houses, flats and other land and property in the UK over a certain price and generates over £9.3bn per year for the exchequer⁴⁴. House builders alone are estimated through our survey sample to generate £355 million of Stamp Duty Land Tax per year through sales of new build homes, and this figure seems likely to be an underestimate given the sector's share of the market.

Corporation tax is levied on profit generated by house builders and provides a direct revenue stream for UK plc. Based on our sample survey, it is estimated that house builders incur nearly £359 million of corporation tax each year, of which £102 million was 'paid' in the most recent year⁴⁵, reflecting the fact that, in accounting terms, the majority of house builders were, in the survey year, still incurring losses associated with the recent recession and downturn in activity.

House builder firms also make a significant contribution to HMRC revenues through employee related National Insurance and Pay As You Earn (PAYE) contributions, which are estimated to total over £807 million per year. This figure excludes tax paid by employees in contractors and the supply chain.

The industry also contributes to the Exchequer through a range of other taxes such as landfill tax, business rates and non-recoverable Value Added Tax (VAT).

More broadly, analysis undertaken by KPMG and Shelter estimates that for every £1 spent on housing construction, 56p returns to the exchequer of which 36p is direct savings in tax and benefits⁴⁶.

Local Authority Fiscal Benefits

The house building industry also delivers economic benefits for local authorities through financial receipts generated in the form of New Homes Bonus (NHB) payments and ongoing Council Tax. At a time when finances are constrained through the Government's public sector austerity measures, this additional revenue represents a significant source of income for local authorities.

In 2010, the Coalition Government introduced an incentive-based scheme to support delivery of new housing. The NHB matches for a six year period the increase in Council Tax income from new homes, or homes brought back into use. Payments are not ring-fenced and therefore allow local authorities to use Bonus payments in the most beneficial way to support their needs. A premium is payable on affordable housing units. In the financial year 2014-15, NHB allocations to local authorities across England amounted to £917 million⁴⁷, bringing total allocations up to £2.2bn over the 4 years between 2011 and 2015. There is, however, a redistributive effect associated with NHB, linked to its design, which means that authorities who are rewarded for housing output in their areas do so at the expense of other locations.

Ongoing Council Tax generates £23.4bn⁴⁸ each year for local authorities across England. It is estimated that residents of the 140,930 additional homes built across the UK in 2013/14 alone contributed just under £180 million of Council Tax receipts.

Local Community Benefits

In addition to delivering much needed housing and supporting employment across a range of sectors of the economy, house building also provides a wide range of other economic benefits for local communities through financial and other contributions made through the planning system.

Section 106 and CIL Contributions

Section 106 of the Town and Country Planning Act 1990 (amended) provides a tool for securing investment in essential infrastructure arising from the impacts of development and this contribution can be used by local authorities to fund new services and infrastructure in the local area. Key examples include education, healthcare and leisure facilities, transport and highway improvements and the provision of public open, play and amenity space.

Based on our sample survey of house builder firms it is possible to estimate that across the UK, over £576 million of s.106 contributions are made each year towards funding these facilities and services. The majority of this funding relates to financial contributions made to the local authority, with the remaining associated with works undertaken directly by house builders to construct and/or implement the facilities themselves. S.106 contributions most commonly relate to education provision (i.e. school places), although significant financial contributions are also made through house building activity towards funding public open space, community facilities and improvements to public transport and highways (Table 3). Due to the challenges experienced by some respondents in collecting comprehensive data on s.106 agreement obligations, it is considered that this figure is likely to be a conservative estimate.

The Community Infrastructure Levy (CIL) was introduced by Government in 2012 to allow local authorities in England and Wales to raise funds from developers undertaking new building projects in their area. The income can be used to fund a wide range of infrastructure including road improvements, flood defences, schools, hospitals, park improvements, green spaces and leisure centres. The CIL is levied separately to s.106

contributions. Based on the sample survey of house builder firms, it is estimated that the industry generates over £33 million of CIL contributions each year to support local community infrastructure. This relatively modest amount reflects that, at the time of writing, just 70 local authorities are recorded as having adopted Charging Schedules, many of them having done so late in 2014, thus unlikely to have been reflected in the figures⁴⁹. This figure will increase significantly in future years as more local authorities adopt CIL charging schedules.

| Type of Facility | Annual s.106 Contributions |
|---|----------------------------|
| Education facilities | £225.3m |
| Public open space | £72.6m |
| Youth and community facilities | £40.2m |
| Sport and leisure facilities | £18.2m |
| Healthcare facilities | £5.9m |
| Other contributions (including public transport, highways and public art) | £213.8m |
| Total | £576m |

Table 3: S.106 Contributions by Type
Source: HBF/NLP House Builder Survey 2015

Affordable Housing

House building also has an important role to play in supporting mixed and sustainable communities by providing affordable housing as part of residential schemes to help meet the housing needs of local people. Affordable housing is defined as social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the wider market. It must remain at an affordable price for existing and future eligible households.

A total of 42,710 affordable homes were delivered in England in 2013-14⁵⁰, representing approximately 38% of all residential dwelling completions. The majority (73%) of these homes were delivered in the social rented sector with the remaining 27% being made available for affordable home ownership (so called 'intermediate' affordable housing).

These affordable homes were delivered through a combination of private sector house builders, registered providers of social housing and local authorities. Based on our sample survey of house builder firms, it is possible to estimate the value of affordable housing sales (associated with private enterprise house builders) at £1.9 billion per year across the UK, representing a total discount to market value (in effect, a subsidy) of around £1.2 billion or 38% on average. This represents £3.1bn of affordable housing.

Whilst the latest official published Government data on affordable housing contributions is a little out of date, it was estimated that in 2011-12, approximately 32,000 affordable homes were agreed through section 106 agreements, with a total value of £2.3 billion⁵¹. A further £1 billion was paid in direct contributions towards affordable housing. Delivery of this would be extended over more than one year.

Resident Expenditure

New housing development also offers an opportunity to increase local expenditure as residents spend their money on goods and services in the local area. It is estimated that residents of the 140,930 additional homes built across the UK in 2013/14 generated £3.8 billion⁵² of spending over the course of the year⁵³ and a further £705 million of one-off spending on furnishing and decorating a property to make their new house 'feel like home'. This latter figure (based on a notional £5,000 per dwelling⁵⁴) could be an under-estimate: a recent survey of residents living in a new development by Barratt in Middlesbrough found average 'first occupation' spending was around £10,000 per dwelling. This additional expenditure in turn supports a range of retail and leisure jobs in local service sectors, helping to maintain the vitality of local economies across the country.

Wider Benefits

Whilst traditional economic impact assessments of house building have tended to focus upon monetary benefits, it is important to recognise that the industry and its activity also has an important role to play in generating more qualitative, wider benefits that are often harder to quantify or assign a monetary value to. The extent to which these wider metrics are monitored or recorded varies significantly across the house building industry, although these wider metrics are being increasingly recognised as a valuable way of capturing and measuring the industry's contribution in wider socio-economic and environmental terms. Some of these are covered below.

Re-use of Brownfield Land

The Government recognises that brownfield land (i.e. land that has been previously developed) suitable for housing has a vital role to play in meeting the country's need for new homes while protecting the countryside⁵⁵. This is particularly important in those areas of the country that face the challenge of a constrained supply of land for development, and for this reason the Government wants to maximise the number of new homes built on suitable brownfield land. For example, it has put in place measures to make it easier to build on brownfield sites by creating 30 Housing Zones on brownfield sites across the country which will benefit from Government funding and simplified planning policies.

Analysis of land use change undertaken by the HBF shows that between 2008 and 2011, 72% of all new homes built were on Brownfield land⁵⁶ and this proportion has been increasing over the last few years. At a notional density of 40-55 dwellings per hectare, every 100,000 homes built would regenerate between 1,818 and 2,500 hectares of brownfield land.

Sector Skills and Employability

The house building industry (alongside the construction industry more widely) provides a crucial labour market entry point for lower skilled workers and young people entering the labour market for this first time. The industry offers a range of opportunities across different trades and skill sets from bricklaying and carpentry through to plumbing and maintenance.

According to official Government data, there were 16,000 Apprenticeship starts within the Construction, Planning and the Built Environment broad sector in 2013/14⁵⁷, and this figure has been increasing over the last few years.

Our sample survey of house builder firms provides an estimate of the number of Apprentices, Graduates and Trainees that are directly supported by the industry (i.e. in-house through house builder firms and organisations themselves). Across the industry and UK as a whole, this is equivalent to over 3,700 Apprentices, nearly 400 graduates and 500 other trainees. The actual figure is likely to be significantly higher as many more will be employed by contractors and suppliers.

It is possible to point to a number of specific examples of house builders pro-actively increasing the numbers of jobs and apprenticeships they offer, including⁵⁸.

- a. Barratt Developments, who are expanding their recruitment programme over the next three years for graduates, apprentices and trainees to 1,100 – in addition to 600 apprentices recruited over this and last year;
- b. Taylor Wimpey, who have doubled their intake across entry level trainee programmes in the last year, including trade and site apprenticeships, management trainees and graduates and plan to continue to expand these over the next three years;
- c. Crest Nicholson, who each year add up to 60 new apprentices onto their payroll;
- d. Persimmon, which has a dedicated team to help former soldiers start a new career in construction; and
- e. Redrow, who have plans to start a new National Veterans' Training Initiative.

Quality of Place

Provision of green and open space is recognised by the Government as a key element that contributes to quality of place. High quality green infrastructure and open spaces can have a significant impact on economic vitality as locations are increasingly competing with one another to attract investment. The analysis of s.106 agreement contributions estimated that house builders have invested £72.6m into open space through planning obligations, although this figure will not include landscape space provided within schemes separate to what is required via a legal agreement. It also excludes private gardens: Barratt told us they created 260 hectares of private gardens in 2014 – if this was extrapolated for the whole industry, this would mean almost 2,500 hectares of private green space.

Open spaces provided within housing developments generate opportunities for local residents to undertake recreational activities, contributing to improved physical health, fitness, mental health and wellbeing. A high quality environment also provides opportunities for social interaction between people of different communities, fostering social inclusion and community development.

Based on our sample survey, it is estimated that 6.5 million trees and shrubs are planted or retained on housing developments each year, thereby making a significant contribution to public realm and environmental amenity within local communities across the country. This is equivalent to around 45 trees and shrubs per dwelling completed.

Waste Recycling

Given the scale of development associated with house building across the country each year, it is crucial that steps are undertaken to minimise any negative impact of development upon the environment and surrounding communities.

Whilst policy and legislation represent a key driver behind construction waste recycling and re-use in the UK, the financial benefits of recycling can also be significant. All of the house builder firms responding to our survey cited that at least 80% of their construction waste is recycled, while over half (55%) recycled more than 90% of construction waste generated by residential development.



THE ECONOMIC BENEFITS OF INCREASING SUPPLY



As set out in section 3, the UK has, for decades, been providing far fewer new homes than it requires. It is broadly accepted that at least an additional 240,000 homes are required each year across the country in order to meet demand and maintain existing levels of affordability. This figure was identified back in 2004 by the Barker Review and remains broadly applicable in light of the most recent household projections⁵⁹. Last year housing completions across the UK totalled 140,930⁶⁰; annual delivery is therefore falling short of the target by approximately 100,000 new homes.

The analysis presented in the previous section shows that the national house building industry already generates significant economic benefits to the UK economy; however the scale of benefits and value that can be achieved is being constrained by under delivery. Table 4 indicates that if housing supply were to increase by around 100,000 per year across the country (i.e. in order to match need), the benefits could be substantial.

In other words, these are the additional economic benefits that could be achieved each year across the UK if the supply of housing was to increase to meet the identified level of need.

UK Public Finance and Local Authority revenue flows from a combination of taxes, levies and bonus payments which are clearly not all guaranteed and are subject to changing legislative arrangements or shifts in future policy. Whilst there are likely to be significant calls upon that income for delivery of necessary infrastructure, it is a measure of the potential scale of development across the country that the additional development-related income (to help support public services and infrastructure delivery) is substantial.

All figures are based on current estimates/levels which are likely to increase in scale/value in future years as a result of productivity. Commensurate to a strategic high level study, assessments have been based on conservative assumptions of economic benefit per new dwelling, taxes levied and resident spending profiles based on current averages. On this basis, the additional economic benefits that could be achieved in the future if house building were to increase in scale and volume are therefore likely to be even greater than illustrated here.

| Type of Economic Benefit | | Annual Economic Footprint | | |
|---------------------------|---|--------------------------------|--------------------------------|---|
| | | Current Delivery ⁶¹ | Potential Uplift ⁶² | Total Potential Footprint ⁶³ |
| Net Capital Expenditure | Acquiring or upgrading physical assets to support day-to-day operations | £1.5bn | +£1.1bn | £2,6bn |
| Economic Output | Builders, their contractors and suppliers | £19.2bn | +£13.6bn | £32,8bn |
| Employment | Direct | 233,300 | +165,500 | 398,800 |
| | Indirect | 181,970 | +129,100 | 311,100 |
| | Induced | 191,310 | +135,700 | 327,000 |
| | Total | 606,580 | +430,400 | 1,037,000 |
| UK Public Finance Revenue | Stamp Duty Land Tax Receipts | £355m | +£252m | £607m |
| | Corporation Tax Incurred | £359m | +£255m | £614m |
| | NI and PAYE Contributions | £807m | +£573m | £1.38bn |
| Local Authority Revenue | New Homes Bonus payments ⁶⁴ | £917m | +£651m | £1,57bn |
| | Council Tax Receipts | £180m | +£128m | £308m |
| Local Community Benefits | S.106 Contributions | £576m | +£409m | £985m |
| | Community Infrastructure Levy Payments | £33m | +£23m | £56m |
| | New Resident Expenditure | £4.5bn | +£3.2bn | £7.7bn |

Table 4: Economic benefits of increasing housing supply (by 100,000 units per year)
Source: Summary of Economic Footprint Analysis presented in section 5 / NLP

In reality, achieving this step change in housing delivery will mean that all sectors of the industry (from the smallest to the largest house builders) will have to increase their scale of activity and dwelling completions, but will also provide the opportunities for new organisations to enter the market. As noted earlier, an industry characterised by a more diverse range of house builders is considered by many commentators to be crucial in order to increase the range of products on offer to homebuyers. Whilst realising this outcome will necessitate a fundamental shift in the composition of the current house building industry and the way that it operates, the analysis shown above indicates that the scale of economic value to be gained from this shift is considerable.

Based on the geographical split inferred by the household projections⁶⁵, the majority of these additional economic benefits are expected to be generated in England, equivalent to an additional 375,000 jobs (direct, indirect and induced), £11.9 billion of economic output, just under £1 billion in tax revenues to UK plc, nearly £356 million of s.106 contributions to fund local community facilities and nearly £2.8 billion of additional resident spending each year. Within England, London and the South East are expected to account for the majority of new housing supply (accounting for nearly 43% of the England total between them) and therefore uplift in economic benefits over and above the current position.



SUMMARY AND CONCLUSIONS



Over recent years, much of the debate over the economic benefit of new housing has focused on the undoubtedly important structural benefits to the nation of securing a better balance of supply and demand for homes, particularly in terms of matching homes with jobs and ameliorating the pressures on house price affordability. This research reviewed as part of the preparation of this report highlights the significant relationship between new housing and national economic competitiveness:

- a. housing as a driver of UK economic growth
- b. delivering 'real' jobs and economic value
- c. supporting labour market mobility and wellbeing
- d. enhancing place competitiveness and local economic development.

More recently, the Government's Housing Strategy identified that "*housing is inextricably linked to the wider health of the economy... [and] getting house building moving again is crucial for economic growth*". The NPPF re-states the economic imperative behind the planning system and the need to increase housing supply.

This research takes the debate one step further by providing an assessment of the current economic footprint of the house building industry. Based on a mixture of literature review, analysis of published statistics, and a survey of house building companies, this report has identified some headline conclusions on the economic value of the c.140,000 new homes that were built across the UK last year:

1. Annual capital investment and expenditure on new land for housing development amounts to nearly £11 bn.
2. £1.5 bn of net capital expenditure per year on acquiring or upgrading physical assets such as property, industrial buildings or equipment.
3. Official figures show that house building generated £13.7 bn of economic output last year, whilst extrapolating the most recent quarter of construction sector orders (including builders and their suppliers) suggests economic output by the industry of £19.2bn.
4. The number of people directly employed in the industry is just over 233,000, equivalent to just under 18% of total employment within the UK construction sector.
5. Annual expenditure on suppliers (i.e. providing goods, services and materials) of £5.5 bn, of which 90% is likely to stay in the UK.
6. Taking into account the supply chain and induced effects up to 606,580 jobs across a range of organisation, operations and occupations. This is equivalent to 4.3 jobs per new dwelling.
7. Significant fiscal benefits, notably £355m of Stamp Duty Land Tax, £102 million of Corporation tax paid (the amount incurred is £359m), and National Insurance and PAYE contributions, of over £807m per year. Residents of the 140,930 new homes built in 2013/14 alone will have contributed just under £180m of Council Tax receipts.
8. Over £576m of s.106 contributions are made each year towards funding facilities and services, notably education facilities (£225m), public open space (£72.6m), community facilities (£40m) and sport and leisure (£18.2m), with the remainder (£220m) on important areas such as transportation, health and public art.
9. Around 38% of all new homes built in the UK are classified as 'affordable housing'. House building firms built about £3.1bn of affordable homes last year, with a discount to market value (in effect, a subsidy) of around £1.2bn.
10. The combined s.106, CIL and 'subsidy' for affordable housing equates to around £1.8bn.
11. It is estimated that residents of new homes built last year generated £3.8bn of spending in shops and services over the course of the year and a further £705m of one-off spending to make their new house 'feel like home'.
12. The vast majority of new homes are built on brownfield land. At a notional density of 40-55 dwellings per hectare, every 100,000 homes built would regenerate 1,818-2,500 hectares of brownfield land.
13. The industry provided opportunities to over 3,700 apprentices, nearly 400 graduates and 500 other trainees each year, with many more in contractors and suppliers.
14. House builders planted or retained 6.5m trees and shrubs on housing developments, equivalent to around 45 trees and shrubs per dwelling completed.
15. House builders recycle at least 80% of their construction waste while over half (55%) recycled more than 90% of construction waste generated by residential development.

The need to increase the supply of housing is very high on the agenda for most policy makers, given the scale of the housing crisis that effects many parts of the UK. How to deliver increased amounts of house building is likely to feature in the political manifestos of most parties in the forthcoming general election. Analysis in this report shows that if UK house building output does increase by 100,000 units to achieve the c.240,000 homes requirement (matching the Barker Review and the latest official household projections for the constituent parts of the UK) there will be an economic as well as housing dividend:

- a. An extra £1.1bn of capital expenditure
- b. £13.6bn extra economic output in the UK economy
- c. 430,000 extra jobs
- d. £1.2bn of increased UK tax revenue (£128m of extra Council Tax to local government)
- e. £432m of s.106 and CIL payments for local infrastructure improvements
- f. Residents of these extra new homes will spend £3.2bn on goods and services.

These positives are on top of the structural economic benefits that will arise in the UK from having a housing market that meets the needs of its population, improves macro-economic stability, supports its labour market and facilitates the competitiveness so vital to the UK's economic prosperity.

For house builders, these national benefits support the industry's contribution to the housing policy debate in different parts of the UK. Recent contributions to the policy debate on the future of planning and housing supply⁶⁶ have referred to potential national spatial planning or 'larger than local' strategic planning. It is essential that the economic dimension of house building is properly referenced in those plans.

However, there is also a local dimension. All housing developers are regularly engaged with local planning authorities and communities as part of the planning process. It is important that the economic factors identified in this report are treated as material considerations in the planning balance when Local Plans⁶⁷ are formulated and planning applications determined. House builders should give active consideration to how they present the economic case for their proposals to ensure these factors are given appropriate consideration by local planning authorities, alongside other planning matters that are typically considered.

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APPENDIX 1: GLOSSARY

Affordable Housing

Affordable housing is defined as social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market. Eligibility is determined with regard to local incomes and local house prices. Affordable housing should include provisions to remain at an affordable price for future eligible households or for the subsidy to be recycled for alternative affordable housing provision.

Brownfield Land

Brownfield land is an area of land or premises that has been previously used, but has subsequently become vacant, derelict or contaminated. Brownfield sites typically require preparatory regenerative work before any new development can go ahead.

Business Rates

Businesses and other non-domestic occupiers of property pay non-domestic rates (known as business rates) to contribute towards the cost of local authority services.

Capital Investment and Expenditure

Funds used by a company to acquire or upgrade physical assets such as property, industrial buildings or equipment. This includes both capital expenditure (i.e. on-going asset management, upgrade, maintenance and refurbishment work) and capital investment (i.e. in a new building or extension).

Community Infrastructure Levy (CIL)

The Community Infrastructure Levy is a new levy that local authorities in England and Wales can choose to charge on new developments in their area. The charges are set by the local council, based on the size and type of the new development. The money raised from the CIL can be used to support development by funding infrastructure that the council, local community and neighbourhoods want, such as new or safer road schemes, park improvements or a new health centre.

Concealed Households

Concealed households are family units or single adults living within 'host' households.

Corporation Tax

Corporation tax is a corporate tax levied in the United Kingdom on the profits made by companies.

Full Time Equivalent (FTE)

The number of equivalent employees working full-time. One FTE is equivalent to one employee working full-time.

Gross Domestic Product (GDP)

Gross Domestic Product is one of the primary indicators used to gauge the health of a country's economy. It represents the total value of all goods and services produced by a country over a specific time period.

Gross Value Added (GVA)

Gross Value Added is the amount of wealth created by a company, calculated as net sales less the cost of bought-in goods and services. This information can be aggregated up to provide average GVA per employee by sector.

Indirect and Induced

Impacts supported by additional spending effects in an area as contractors/suppliers and workers directly benefiting from an intervention purchase goods and services from local providers.

Multiplier Effects

Further economic activity (jobs, expenditure or income) associated with additional local income, local supplier purchases and longer term effects.

New Homes Bonus

The New Homes Bonus is a grant paid by central government to local councils for increasing the number of homes and their use. The New Homes Bonus is paid each year for 6 years. It is based on the amount of extra Council Tax revenue raised for new-build homes, conversions and long-term empty homes brought back into use. A premium is payable on affordable units.

Pay As You Earn (PAYE)

Pay As You Earn is the system by which an employer deducts income tax from an employee's wages before paying them to the employee and sends the deduction to the Government.

Registered Providers

Registered providers (often known as social landlords) are the bodies that own and manage social housing. They tend to be non-commercial organisations such as local authorities or housing associations.

Section 106 Planning Obligation

Planning obligations are legal contracts made under Section 106 of the 1990 Town and Country Planning Act. They are used to prescribe the nature of development to comply with policy; compensate for loss or damage created by a development; and mitigate a development's impact.

Stamp Duty Land Tax (SDLT)

Stamp Duty Land Tax is charged on all purchases of houses, flats and other land and property in the UK over a certain price.

Town and Country Planning Act 1990

The Town and Country Planning Act 1990 is an act of the United Kingdom Parliament regulating the development of land in England and Wales. It is a central part of English land law in that it concerns town and country planning in the United Kingdom.



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Basildon Economic Development Policy Refresh 2017

**BASILDON ECONOMIC
DEVELOPMENT POLICY
REFRESH JULY 2017**

Executive summary

In 1946, with a grand ambition to create homes and jobs in places that were still just names on a map, the UK government passed the New Towns Act giving rise to the establishment of Basildon. Basildon has long since passed the original capacities envisaged, and provided, for the town, and Basildon is now home to 181,700 people¹, and is the largest economy ²in Essex.

Over the years, Basildon has prospered and it still has significant potential for future growth based on a number of key strengths;

- It is the nearest town to the DP World London Gateway Port – just eight miles away
- It is only 35 minutes by train from central London
- It is near major road and rail connections
- Three London airports are reached within 40 minutes,
- and it is already home to major businesses.

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Major businesses choose Basildon.

Basildon has a long history of being the **home of advanced engineering and manufacturing**. Companies such as Ford Motor Company, New Holland Agriculture, Leonardo, Costa Coffee and Konica Minolta continue to bolster this reputation.

Our vision

Basildon's emerging Local Plan for the next 15 years will set out a vision for borough which has a balance between development and growth, and quality of life for those that live and work in the Borough. This Economic Development Policy underpins the emerging Local Plan and Corporate Plan to ensure that sustainable economic opportunities are accessible to **all** our residents.

“By 2050 Basildon can be the real economic powerhouse to the east of London. “

As growth shifts away from London, Basildon is in prime position to take advantage of some of the high technology companies looking for alternative space to grow. We believe that our ability to accommodate high value advanced technology and digital businesses is our Unique Selling Point and the basis for our future growth.

Basildon will be a place where ambitious and innovative businesses, which develop and make modern products, will choose to base their business, and where people with technical expertise, creativity and entrepreneurial skills will want to work and live.

¹ ONS 2016

² East of England Forecasting Model 2016

Basildon will continue to have the strongest economy in Basildon with businesses who embrace international trade and contribute to the growth of our GDP (currently at £3.7bn per annum)

Our economic growth must be inclusive and must benefit all residents by ensuring they have access to economic opportunities through a great basic education and enhanced skills offers in the borough.

Our challenges

In order to ensure this inclusive growth, a number of issues need to be addressed:

Major additional investment into infrastructure improvements is needed to ensure that we are in the best position to attract growth to employment areas. Our main employment areas along the A127 Corridor and A13 are often congested and this acts as a disincentive for companies wishing to relocate to Basildon or for our existing businesses who want to expand.

Our town centre needs to be reinvented and revitalised with exciting residential, retail and leisure offers to create additional footfall and a much-needed evening economy. It needs to be a modern, dynamic town centre which reflects the economic ambitions of the borough. A previous Employment Capacity study by Roger Tym & Partner and Lambert Smith Hampton³ has also recommended creating additional employment in the Town Centre as a sustainable alternative which can be reached by public transport.

Basildon's growth doesn't reach to all residents, creating unequal growth because very few of our residents can access our high paid employment opportunities – this must be addressed in the future.

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³ Roger Tym & Partners, Basildon Employment Capacity Study, June 2008

Policy Review

Basildon Borough Council is committed to promoting sustainable growth in the local economy and its businesses in order to benefit local residents. In 2014, the Council developed an Economic Development Policy together with a three-year Action Plan.

However, since then, we face new challenges and opportunities which need to be addressed through a review of the existing Policy:

- Brexit
- An increasingly challenging public sector financial position
- The Government's Industrial strategy

We believe that it is critical that we review our policies to address the challenges and embrace the opportunities for our residents and businesses. Economic inclusiveness will form the corner stone of our policies, ensuring economic growth benefits **all** residents and businesses.

Our refreshed Policy Statements are listed below and reflect the outcome of engagement with some of our key stakeholders, ECC and Basildon Business Group. They also take into account current and future anticipated Government policy changes, such as the emerging Industrial Strategy and the most recent research evidence from Centre of Cities and other statistical sources.

REFRESHED POLICY STATEMENTS

Policy Statement 1: *We will work towards sustaining the Borough's strong economy by engaging and supporting local businesses to enable them to grow and prosper.*

Policy Statement 2: *We will work to improve the employment prospects, education and skills of local people.*

Policy Statement 3: *We will work with our partners to promote sustainable economic growth by ensuring the provision of essential strategic infrastructure and connectivity in the Borough.*

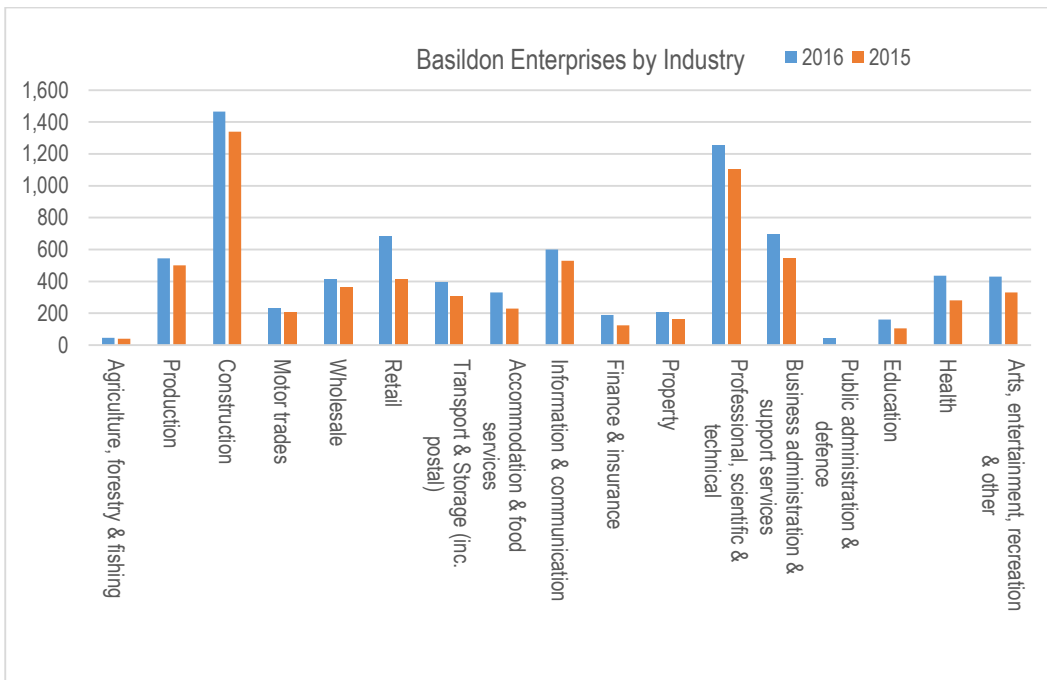
Policy Statement 4: *We will further strengthen the "Basildon Brand" to attract inward investment and work to bring about an economy that can adapt to global trade and competition.*

These policies will direct a three-year work programme of activity from 2017 to 2020.

1. The Basildon economy

Policy Statement 1: *We will work towards sustaining the Borough's strong economy by engaging and supporting local businesses to enable them to grow and prosper.*

With a population of 180,700 people, an economy worth £3.7bn, and a number of internationally recognised businesses, Basildon is the largest economy in Essex and a significant driver of regional and national growth. There were 93,000 people employed in the Basildon economy in 2015, across a range of sectors. This represents a rise of 12,200⁴ jobs from 2012. The borough has particular strengths in the Digital, Creative and ICT sector (providing over 5,000 jobs) and advanced manufacturing. The presence of firms such as Ford (automotive, low carbon) and Leonardo (formerly SELEX Galileo) (aerospace, ICT and advanced electronics) gives Basildon an advantage in government recognised growth sectors. At the same time, employment is also high in some of the lower value sectors of the economy, including the retail and wholesale sectors.



Nomis 2016

1.1 Basildon – key hub for employment...

Basildon is the key employment hub in Essex and the centre of economic activity in South Essex residents. 36,000 people travel to Basildon to work every day to take up the 93,000 employment opportunities (14% of all jobs in Essex)⁵, more than any other part of Essex. Basildon is the local authority area with the largest net gains of workforce within the Greater Essex region and has a

⁴ ONS 2016

⁵ ONS 2015

net surplus (discounting out commuters) of 12,000 people every day.⁶ This means that more people come into Basildon to work than those travelling out to work outside of the Borough (mostly commuting to London).

...with growth in key and opportunity sectors

Basildon has a strong enterprise base and sector profile. This balance has been achieved by a fast growing rate of enterprises, a number of international / multi-national businesses and a stronger economic output compared to England and Essex as a whole. In 2015, Basildon was home to a total of 7,725 businesses⁷. The increase in businesses has been spread over different sectors suggesting that our economy has been diversifying. Key global brands and corporates have chosen the Borough as their home including Case New Holland, Konica Minolta, Leonardo and IFDS to mention a few. In 2017, Costa completed construction of its new £38m coffee roasting plant and relocation to Basildon. One of the Borough's largest employers, Ford Dunton Technical Centre, is the largest of its type in the UK with 3,000 highly skilled designers, engineers and support staff and is Ford's global Centre of Excellence for Powertrain and Commercial Vehicle engineering and design. In 2015, £475 million was invested to develop and produce a low emission engine at its facility in Dunton.



To measure specialisation or strength of a sector in the borough we measure Locational Quotient (LQ). The LQ is computed as an industry's share of a regional total divided by the industry's share of the national total for the same statistic. A Locational Quotient above 1 for a sector means that the region has a higher concentration than the nation.

The following sectors has a LQ higher than 1 and are therefore particularly strong in the Borough:

- ICT and Digital
- Wholesale
- Construction
- Motor Trades
- Retail
- Financial and Insurance
- Health
- Manufacturing

However, it is important also to look to the future and to opportunity sectors. Essex Economic Commission sets out High Value Manufacturing and the associated enabling technologies as a growth opportunity. Key to growth within this sector is the conversion of innovation into growth and the development of new sectors such as Low Carbon and Smart Cities. The Digital sector also presents a similar opportunity. Basildon, with a considerable strength in both these sectors, is in an excellent position to take advantage of this growth which is not only about new jobs but increasing the value of existing jobs leading to higher skilled and paid jobs.

⁶ Greater Essex Economic Linkages, 2015

⁷ UK Business Counts and ONS Business Demography

The Digital and Creative sectors are particularly strong in the borough and they generate over 5,000 jobs which is more than anywhere else in the South East. We are also experiencing greater growth in these sectors than both London⁹ and Cambridge.

The companies driving this growth are mainly within the advanced manufacturing and technology sector and some examples are set out below:

SeeClear

SeeClear have used computer software to design and develop innovative carbon reducing automotive safety components to reduce road traffic accidents.

Oakley Mobile

Oakley Mobile develops and creates virtual reality and mobile apps such as virtual reality event experiences, gaming, 3D modelling and 360° video tours.

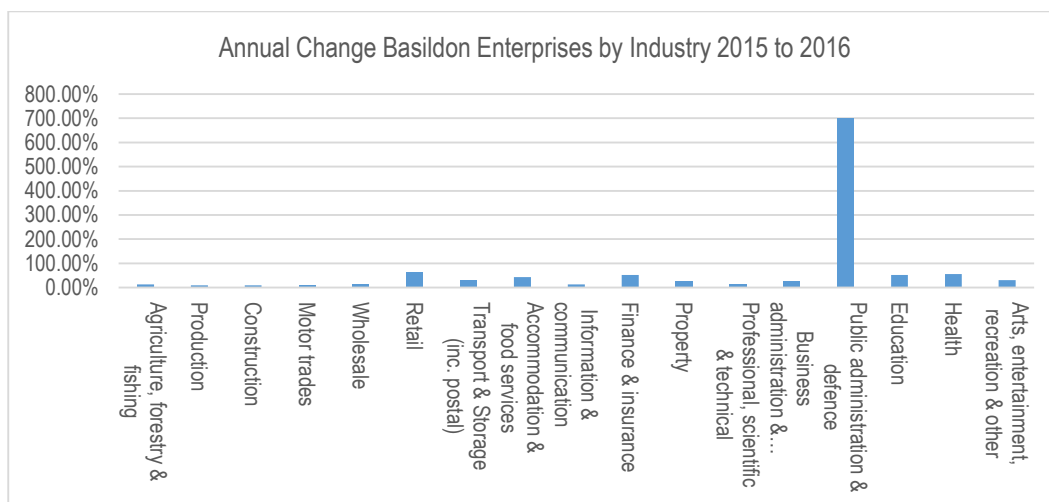
GridKey

GridKey is revolutionary Low Voltage (LV) substation monitoring system that can be fitted to the feeders of an LV substation without interrupting supply to customers. It provides continuous remote monitoring of the substations as well as timely warnings, status and loading information. As a result, Distribution Network Operators experience reduced network maintenance costs and significantly increased knowledge of the state of their LV network.



1.2 Our business base is growing...

Basildon’s business base has increased rapidly in recent years and the number of businesses per 10,000 people in Basildon is one of the highest in the Country¹⁰. Basildon has 7,725 thriving businesses and new start-ups are increasing faster than anywhere else in Essex and in the South East (22, 06% increase between 2004 – 2014)¹¹.



⁸ Business Register and Employment Survey (BRES), 2015

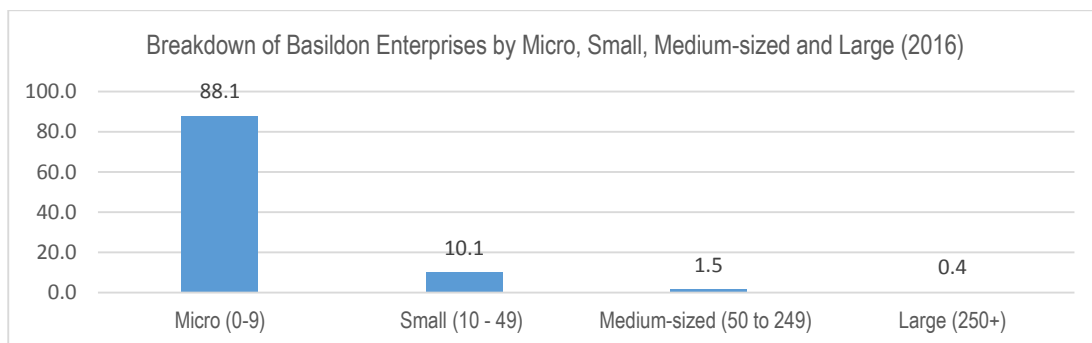
⁹ BRES 2015

¹⁰ Centre for Cities 2017

¹¹ ONS 2017

This data shows that the number of enterprises for each industry have grown and have not declined through the years 2015 to 2016. Public administration and defence has the highest growth rate from 2015 to 2016 at 700%. However the total number of enterprises in this industry is only 40 in 2016 and was 5 in 2015 which may have distorted the growth figure ie grown from 5 companies to 40 in a year. Retail had the second highest growth rate at 65.9% and health the third highest growth rate at 55.4% from 2015 to 2016. The number of enterprises in the retail industry has increased from 410 to 680. The number of enterprises in the health industry has risen from 280 to 435.

Most businesses in the Borough are very small, with the large majority employing fewer than 10 people, whilst the ten largest companies in Basildon account for 12.5% of total employment. This is both a sign of business confidence in the borough, but also means that the local economy is relatively vulnerable should one of its larger companies stop trading in the area.



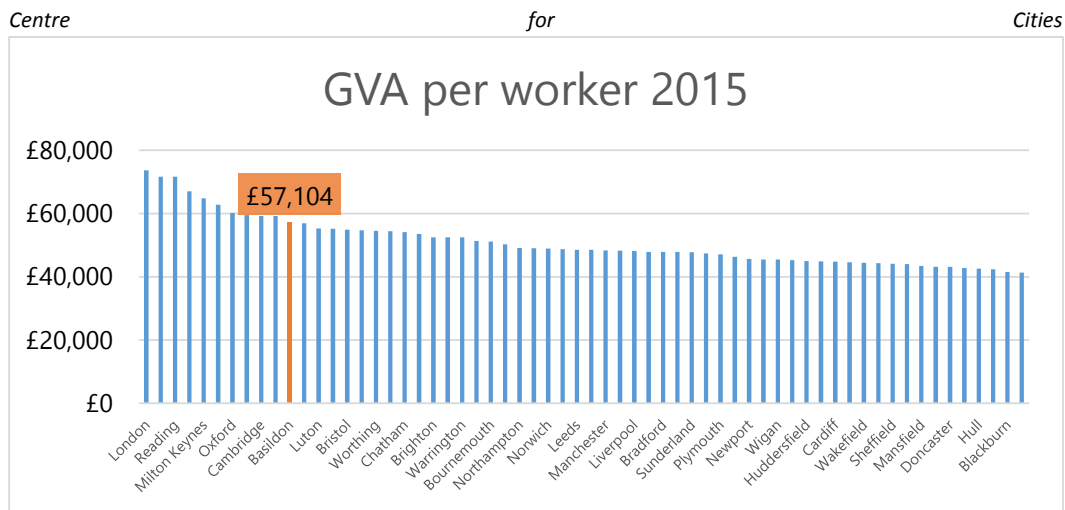
Nomis 2016

Whilst the small enterprise base helps to spread the risk in the economy, it also creates challenges as business accommodation and infrastructure requirements become more pronounced. This creates an interesting dynamic for the provision of employment space, whether that be industrial, commercial or retail. Areas with a significant micro business base, as is found in Basildon, often struggle to keep up with the demand for growth and move-on space as such businesses seek to expand.¹²

...producing high quality goods and services

Basildon is one of the most prosperous areas in the South East. This has been recognised by the Centre for Cities, an influential and independent think tank, which identified Basildon as one of 63 primary urban areas or largest cities and towns in the UK. In its research, Basildon is placed 11th (out of the 63) in terms of GVA per worker.

¹² ECC Grow on Space Feasibility Study, BBP Regeneration 2016

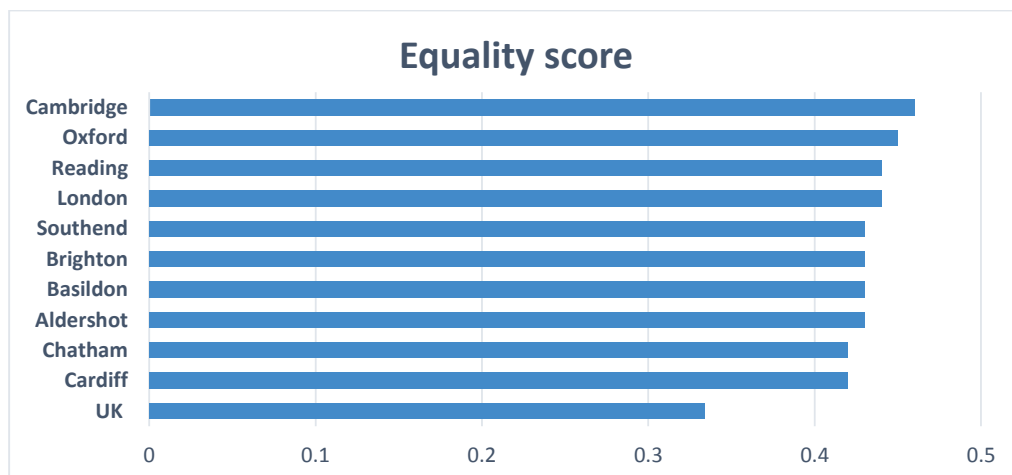


Our high GVA per worker indicates the high productivity of goods and services being produced in the Borough and, accompanying that, the existence of a large number of highly skilled and paid employment opportunities.

...but growth is unequally spread

Basildon's growth doesn't reach to all residents, creating unequal growth because very few of our residents can access our high paid employment opportunities. The Centre for Cities research into the inequality of UK cities is set out in the graph below using the Gino coefficient i.e. it compares the distribution of income amongst residents, with 0 as most equal and 1 as least.

The average for the UK was 0.332 in 2013¹³. Basildon is the joint 5th most unequal city in the UK with a Gino Coefficient of 0.43¹⁴. Raising the economic growth benefits for all residents can be achieved by raising skills in our low value sectors and improving access to skills and development opportunities for all residents.¹⁵



ONS Research Outputs; Income from PAYE and benefits for tax year ending 2014. ¹⁶

¹³ ONS 2013

¹⁴ Centre for Cities Data Tool 2017

¹⁵ RSA Economic Commission 2017

¹⁶ Centre for Cities data tool, 2017

1.3 ...and there are still barriers to growth

While businesses are doing well in the Borough, there is scope for new businesses to contribute even more to creating employment and economic output. Moreover, there are concerns that the business environment remains challenging. Access to finance continues to be a problem for some SMEs. Other barriers to growth identified by our businesses are lack of access to affordable high speed broadband, the problems with road infrastructure and low skills levels of local residents¹⁷.

.....potentially reducing future income to the Council

While there are proposals for Councils to retain 100% of business rates, the arrangements are not clear and we do not know when this is likely to happen. The Council's current financial forecasts assume that there will be no impact on the resources that are available as a result of 100% retention, because a redistribution mechanism will still be needed to iron out regional differences in tax take, to fund upper tier authorities and the fire service, and to compensate for the loss of other grants e.g. revenue support grant. 100% retention means that Local Government nationally retains 100% of the national total of business rates not that 100% of locally raised business rates will be retained at a local level.

A major concern with the business rates retention proposals in general is its unpredictability. We may forecast a growth in rates, due to new business facilities being established, but this growth can be easily wiped out by, for example, the impact of appeals and the provision we have to make against potential losses.

However, encouraging employers to grow and to locate in the borough and to invest in new facilities in the borough must be seen as a good thing since this will grow the base for our business rates income and if we do not encourage business growth our financial position as a Local Authority could be significantly worse than it otherwise would be.

1.4 What do our businesses think?

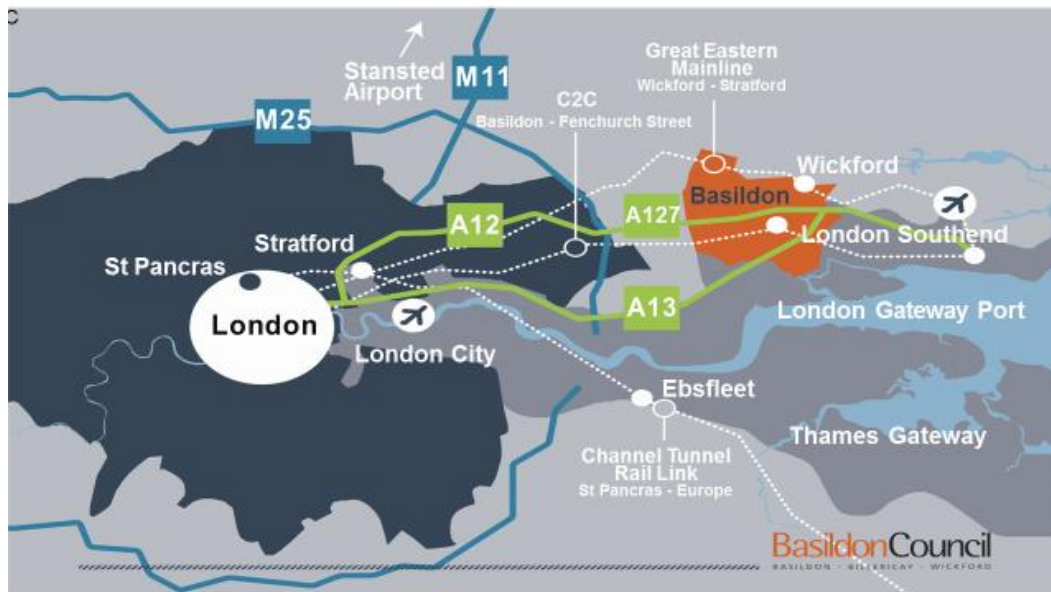
As part of our research with local businesses,¹⁸ they were asked about their concerns and barriers to growth. Whilst our businesses broadly wanted to remain and grow in Basildon, they highlighted the acute need for a number of changes to be implemented and concluded that, if Basildon is to grow, work needs to be done to improve its image, make more employment sites and move-on premises available and improve local skills. Other issues highlighted included congestion on the roads and the need to revitalise Basildon Town Centre. They considered that, if these changes were delivered, they would be more likely to remain in Basildon to grow their business and move into larger premises - providing more jobs and opportunities for the development of existing staff.

¹⁷ BC Business Survey 2015

¹⁸ Future Proofing Basildon, Shared Intelligence 2016

1.5 Basildon - A successful place for business?

Basildon is undoubtedly a successful and attractive business location and a magnet for companies wanting to move out of London. Located only 35 minutes by train from the City of London and with excellent road links and access to air and seaports together with lower rents, it offers the ideal location.



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1.6 Business need support to grow....

A successful place has a buoyant enterprise culture where businesses are encouraged to collaborate and the importance of networking is understood. It is also key to ensure that all existing businesses, and potential entrepreneurs, have access to the right kind of advice and support to help them grow sustainably in the long term. Businesses report significant benefits from accessing business information and advice. However, less than half of our SME employers currently use our business support services, primarily due to lack of information about how to access support¹⁹. Smaller companies, in particular, are less likely to be aware of our business support services and providers than larger employers²⁰. Even where businesses are aware of business support from public sector providers, the majority have not used their services. The large increase in smaller businesses means that there are many younger firms in the economy, many of whom may lack basic business knowledge or skills, and may have relatively weak business-to-business networks to draw on.

.... and growing companies require leadership skills

There is a widespread view that the lack of management and leadership skills in SMEs in the UK has a detrimental effect on business performance and productivity. Many small companies have been set up by the inventor/entrepreneur and, although an expert in his/her field with extensive technical skills, he/she may not have the Leadership skills to accelerate growth. Many companies therefore remain lifestyle companies with capacity for little or no growth. In a worst case

¹⁹ BIS (2013) SMEs: The Key Enablers of Business Success and the Economic Rationale for Government Intervention

²⁰ BMG research (2010) Essex Employer and Business Survey 2010

scenario, the company will fold when reaching a certain size due to lack of management experience. Evidence shows there is a direct link between management and leadership skills and the growth of SMEs.²¹The lack of strategic management skills results in lack of aspirations and demand to innovate, trade and acquiring a skilled workforce. When planning the execution of the ED Policy, we consider that due regard must be given to the provision of business support but equipping managers with the skills necessary to grow their business is also important as this, in return, will drive up demand for business support.

1.7 Brexit – challenges and opportunities

When the UK joined the EU in 1973, the world economy looked very different to now. Among other things, the rest of the world economy has grown faster than the EU, particularly the developing world, so the EU makes up a smaller share of the world economy. The EU is currently the UK's main trading partner, but Brexit and the growing demand for UK goods and services from developing economies, present new opportunities for businesses within the borough.

The UK voted to leave the EU in June 2016 and Article 50 was invoked on 29th March 2017. A two year period of negotiations for the UK's withdrawal from the EU commenced in June 2017. Leaving the EU will mean leaving the single market bringing uncertainty for Businesses in relation to possible future trade tariffs. Until negotiations are concluded it is unclear whether a net trading deficit between the United Kingdom and the European Union, (the EU sells more to the UK than the UK sells to the EU), will act as an impediment to agreeing trade tariffs. Under current trade agreement with EU, local companies can import and export tariff free. However leaving the EU would also mean leaving the trade agreement and trade no longer being tariff free. The think tank Open Europe has assessed that all exporting sectors would experience initial disruption and uncertainty in the event of UK withdrawal. The 35% of the UK's goods exports to the EU could be subject to high tariffs between 4% to over 30%. Open Europe also notes that in all goods sectors UK firms would face new administration costs at the EU border due to new regulations. If agreement cannot be reached, both the EU and the UK could revert to World Trade Organisation rates. Alternatively, agreement could be reached on tariffs to be imposed on EU imports and vice versa.

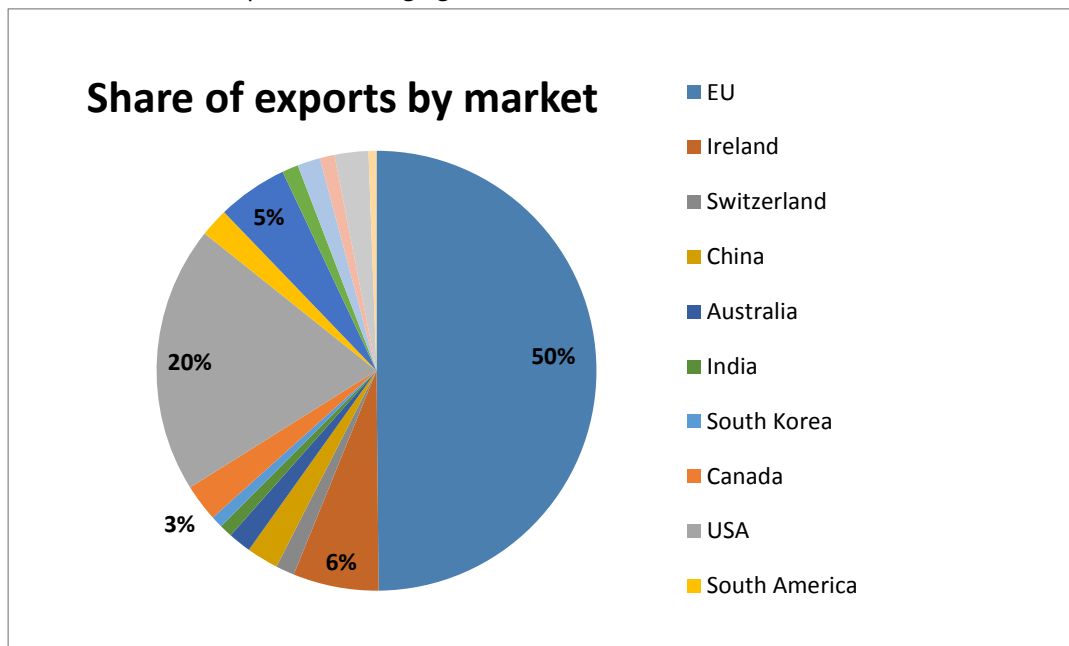
There are also some opportunities our local companies in relation to Brexit as follows:

- *Cheaper exports* - Devaluation of the Pound will provide a boost to manufacturing exporters
- *Better trade deals* - The whole process of leaving the EU will take time, so in theory there should be no sudden major change in trading conditions and outside the EU, it should be easier to negotiate free trade deals rather than current EU deals, which can involve high tariffs on imports of food.
- *Opportunity to reform current procurement rules* - Communities Secretary Sajid Javid has said that the Government will use Brexit to make it easier for small companies to bid for work from local authorities.²²

²¹ Leadership and Management Skills in SMEs, BIS 201

²². The MJ (March 2017)

In the meantime, local businesses will need to prepare for the challenges and opportunities Brexit will present to trade and export. When it comes to exporting, Basildon currently lags behind other UK cities²³, producing only half the export value per job in comparison to the UK average. In addition to this, there is also an opportunity for our businesses to explore other markets and increase exports to emerging markets such as India and China.



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Source: ONS 2016, Regionalised estimates of UK service exports; HMRC 2016, Regional Trade Statistics; ONS 2016 Business Registers of Employment Survey; CfC calculations.

Although there are no detailed figures for the sectors and companies exporting most in Basildon, the figures are available at UK level.

Looking forward, the fastest-growing sectors will be industrial machinery and transport equipment, according to HSBC's Trade Forecast, which expects those two areas to account for almost 50 per cent of the increase in the value of goods exported from the UK up to 2030. This presents a strong opportunity for Basildon as we have a particular strength within those sectors such as ICT, Manufacturing and Professional, Scientific and Technical Services.



²³ Centre for Cities, 2017

Over the past three years, Basildon Council has successfully provided support to local businesses to help them find new markets and increase their exports beyond Europe. Public sector support is considered vital to reduce any negative impacts of Brexit and to take advantage of new trade deals with non EU countries and developing markets. The Council has worked in partnership with existing organisations such as Foreign and Commonwealth Office, Department for Industry Trade and Chamber of Commerce to provide specific knowledge of opportunities to local companies. This has included accessing funding to allow companies to travel and attend sector exhibitions, organised B2B events with potential international trade partners and matched international tendering opportunities to local companies and assisted with the tendering process. This support has enabled local companies to connect with new markets and customers and will, in the future, provide further opportunities for growth through international trade.

1.8 International and trade support

Regardless of the mechanism used, it is clear from the Government's Industrial Strategy that there will be a focus on promoting Trade and helping companies to export. The Government has set a target of increasing exports to £1trillion by 2020. This will require continuing hard work to create the environment in which trade can flourish and the Council has extensive expertise in this area and will continue to help local companies to find new markets and customers in the UK and beyond.

"With knowledge of their local area, connections with key local stakeholders and influence over the infrastructure and the planning system, local authorities have a role to play in the inward investment process and with regard to international trade"²⁴

SQW states in their report to Local Government Association that Local Authorities are best placed to provide inward investment and trade support and recommend the following

- *the inward investment offer and service needs to be promoted at a spatial scale that "makes sense" to businesses.*
- *services should be targeted to support the wider strategic priorities and opportunities for the area* In implementation, there will be a need for *patience and consistency: developing international relationships takes time*
- *meaningful partnerships need to be developed* with UKTI and its affiliated organisations through the LEPs, regional UKTI partnership team staff and through other connections such as through local chambers.

An important strand of the Council's budget strategy is to ensure that we continue to support the growth of our existing business base, attract new businesses to the Borough and wherever possible commercialise our own services/expertise. This is critical for the future

²⁴ *Export markets and inward investment: The role of local councils, Segal, Quince, Wicksteed (SQW) 2012*

prosperity of our residents and to generate a strong income base to deliver services. One of our key areas of work that best exemplifies the approach to stimulating economic growth is the Council's focus on encouraging inward investment and supporting businesses develop export markets.

Developing and expanding the borough's international networks provides the opportunity to access potential investors interested in coming to Basildon to take advantage of proximity to London and good transport connections. In particular, the Council works closely with the UK High Commission to India to identify trade opportunities and interested inward investors. The opportunity to develop this specific relationship came from a successful EU funded project which allowed the Council to build up a successful network of business contacts in India and to fund trade missions for local companies. The Council has focussed on the Indian market as it is one of the key global emerging markets and also to complement Essex County Council's focus on China.

India provides great opportunities for what and is underrepresented as a trade partner. Particularly the export of British technological knowledge is in particular demand, together with advanced technological products, both of which are a particular strength in Basildon. India is also one of the fastest growing economies in the world and has emerged as a key destination for foreign investors in recent years and India is ranking amongst the top ten investment destinations since 2007. India's Gross Domestic Product (GDP – value of goods and services produced) has also grown at around 7.9% per year since 2003 and is the 10th largest in the world and projected to be the 3rd largest by 2030.

The launch of India's Smart City programme also provides an opportunity for companies in the Digital and Low carbon sectors and successes for local companies within these sectors have already been achieved. One such example is EnviroComms Ltd a specialist environmental consultancy based in Cranes Farm road who was supported through bespoke advice, trade mission and was given the opportunity to deliver taster workshops for Aluva Municipality in India. EnviroComms used this as case study and it has enabled them to win international business in excess of £ 100.000.

In summary Basildon's international trade and investment support is unique amongst UK Local Authorities and has been recognised through being shortlisted for an Enterprise Britain Award in 2017. Whilst there are national organisations, such as Department of Trade (DIT), which provide generic support, the Council can provide a targeted approach and deeper engagement with local companies. The focus of activities has been to encourage trade and internationalisation in general of our local companies and a result of a EU funded project focusing on expanding trade to India and resources we have until now focused on this market. Moving forward we are working with partners such as Banks, Department of International Trade and Chamber of Commerce to expand our offer whilst continuing to take advantage of the extensive business network already established in India.

The Council has also been successful in commercialising its services to companies outside of the Borough and creating a modest income stream which is invested into economic development activities within the borough.

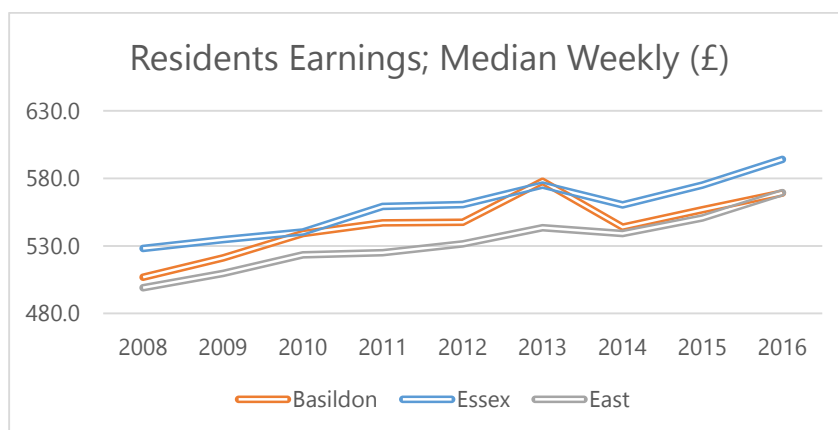
2 Labour market and skills

Policy Statement 2. *We will work to improve the employment prospects, education and skills of local people.*

2.1 Low unemployment....

The rate of employment amongst Basildon's residents is still relatively strong and the claimant count in the borough has fallen slightly (49%) since 2015²⁵. Unemployment stood at 4.9% in December 2016 compared to 4.8% in the rest of the UK and the inactivity rate (those not in work but not necessarily signing on) was lower at 19.9% as opposed to 22.2% for the rest of the UK.²⁶ However, at the same time residents' earnings fell considerably from the 2013 median level of £580 per week. This figure has now risen slightly over the last two years and stood at £565 per week in 2016. This is also reflected in Workplace Earnings, (these are not necessarily the wages of residents), which have fallen from £540 per week in 2013 to £521 per week in 2016²⁷.

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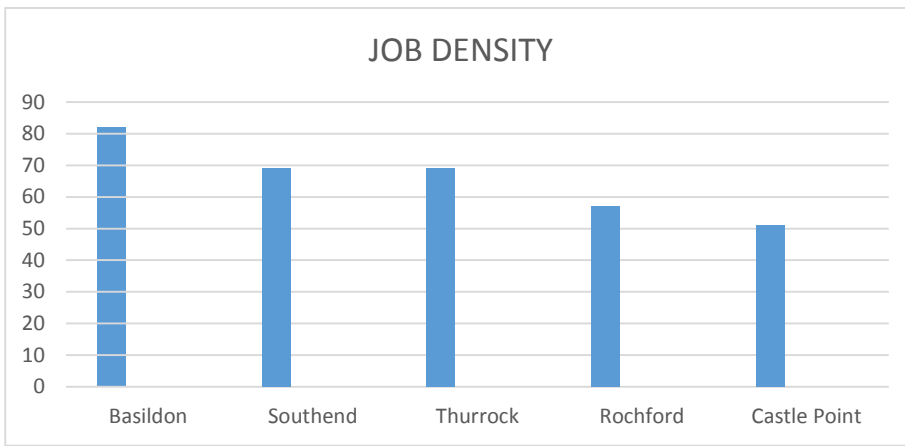
Basildon Borough also has an extensive employment opportunities and more jobs available per residents than anywhere in South Essex²⁸. The job density calculation measures jobs per working age residents. 1 indicates 1 job per resident so Basildon's 0.82 indicates that there are substantial employment opportunities for residents in Basildon. It is clear from the table below that residents in the rest of South Essex need Basildon's buoyant job market. It also makes clear that recruitment of local residents can be a challenge to employers in Basildon and there is a significant need to attract and retain a new future workforce.

²⁵ Centre for Cities 2017

²⁶ Inactivity rate: those people between 16 – 64 that are not in employment as a share of the workforce excluding those in education.

²⁷ ASHE

²⁸ ONS 2016



ONS 2016

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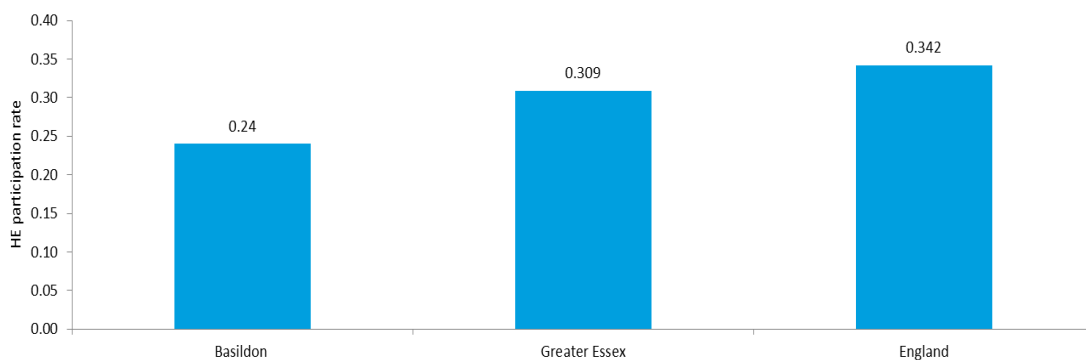
...but low wages and skills

The fall and stagnation in wages indicates a worrying trend of a reduction in higher paid and skilled employment opportunities and demonstrates the inability of local residents to access higher skilled and paid employment due to their lack of skills.

More people have **only** basic qualifications (NVQ1) in Basildon than the Essex and UK average (89.1% in Basildon, 85.7% in Essex and 85.3% in the UK).²⁹

Basildon residents are lagging behind the rest of the UK when it comes to acquiring higher skills with just 25% of the working population having an NVQ4 or equivalent qualification, in comparison to the rest of the UK where nearly 36% have higher skills. (26.6% in Essex and 30% in the SE LEP area)³⁰.

This is also reflected in our Higher Education participation rate, which is 24% in Basildon as opposed to nearly 35% in the rest of the UK. Lowest rates can be found in Wickford and Pitsea and the highest in Billericay.



ESB Skills Profile 2016

²⁹ NOMIS 2016

³⁰ Essex Skills Board 2016

Another concern is the future automation of employment in certain sectors. PwC suggests in their analysis³¹ that around 30% of UK jobs could potentially be at high risk of automation by the early 2030s. Furthermore, the risk appears highest in sectors such as transportation and storage (56%), manufacturing (46%) and wholesale and retail (44%). These are the key sectors in Basildon providing most of our jobs, so our workforce is at higher risk than others.

In order to reduce the risk of exclusion of a large part of the current workforce in Basildon, there is a strong case for increased investment in lifelong vocational education and training to help people adapt to increased automation. This would provide them with higher skills and, therefore, access to higher paid employment.

2.2 Skills shortages?

Businesses report that the most important skills they want workers to have are communication skills, followed by Microsoft Excel and customer services skills³². 36% of vacancies advertised on the Job Centre website specify the need for communication skills within the role.

The skills shortage and skills mismatch in the area have negative implications for productivity levels, as our workforce potential is not optimised. Employers talk of difficulties recruiting locally and sourcing local labour that meets their needs, particularly due to the pull from London with higher wages and cultural and leisure assets. More than half of businesses disagree that the local workforce has the qualifications and skills required for their businesses.³³ They consider the development of education and skills as one of the major issues that the local authority needs to address with its partners.

...or recruitment problems?

It is surprising that Basildon has the least reported skills shortages of the 63 UK Cities in Centre of Cities report, with only 1.73% of businesses reporting that they are unable to find skilled staff. This is probably due to the large in-commuting of highly skilled staff into the Borough with 36,000 people travelling to Basildon to work, more than in any other part of Essex. Basildon is the local authority area with the largest net gains of commuters (see 1.1) within the Greater Essex region and has a net surplus (discounting out commuters) of 12,000 people every day.³⁴ This figure indicates that 12,000 more people travel into the Borough to work than those who travel out of the Borough to work. These jobs could be occupied by local residents and this demonstrates the clear case for ensuring that local residents have greater opportunity and skills to access these more highly skilled and better paid jobs.

2.3 High tech companies.....

Basildon has a strong presence of high tech employment with 33% of Essex's advanced manufacturing jobs (6160). Creative industries have doubled in size in Basildon between 2009 and 2015. The creative industry sector is more specialised than anywhere else in Essex and is

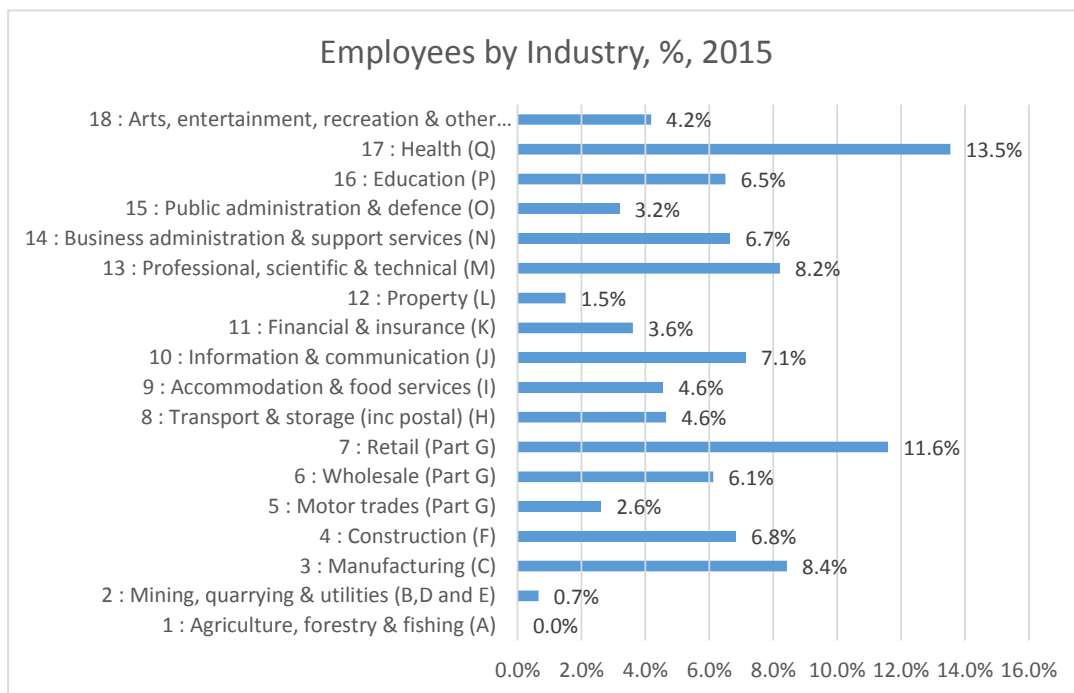
³¹ Economic Outlook 2017; PwC

³² ESB Skills Profile 2016

³³ Future Proofing Basildon 2016

³⁴ Greater Essex Linkages, 2015

growing faster in Basildon than Cambridge and London with a quarter of Essex's creative jobs based in the Borough³⁵.



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....mixed with low value and low paid jobs

There is a large proportion of low value low skills sectors such as retail and wholesale in the Borough. Combined with zero hour contracts, and few pathways of progression to higher skilled employment within the sector, this produces a disengaged local resident workforce with limited prospects or aspiration.

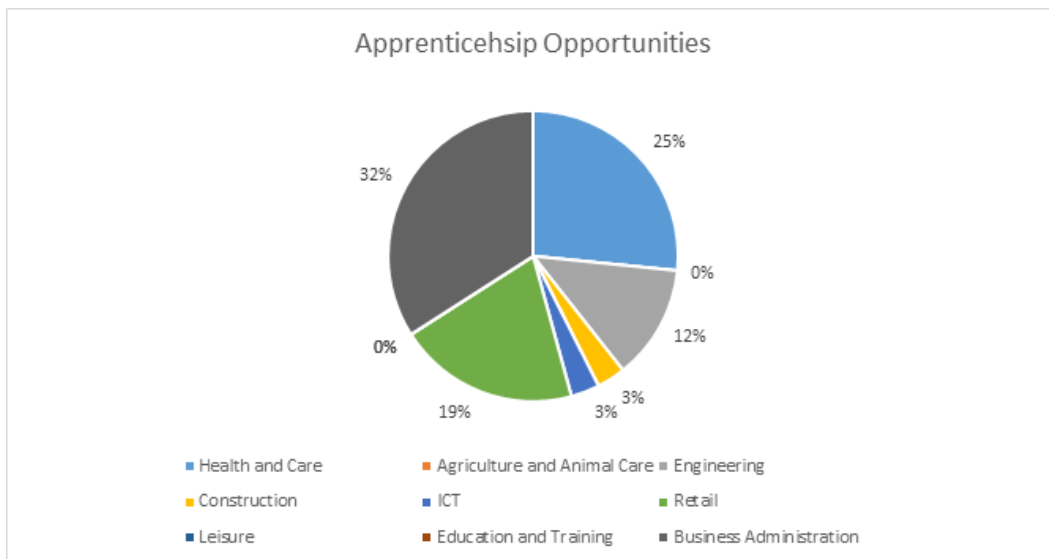
The largest sector in the borough is the Care/Health sector, with Basildon and Thurrock University Hospital (BTUH) being the largest employer. The whole care sector suffers from recruitment problems with 5,500 vacancies in the Essex in 2015/16 and 400 of those being in Basildon.³⁶ In addition to this, BTUH reports that over 20% of their workforce will soon retire³⁷ forcing the hospital to look outside UK borders to recruit new staff. Brexit will present a real challenge to them, and also to other care providers as they try to fill these vacancies.

2.4 Room for growth.....

Over 16% of employees in Basildon do not have the adequate skills to do their job which provides a huge opportunity for investment in skills by the employers to contribute to both an increase in productivity and this could lead to increased wages for residents.³⁸

³⁵ BRES 2015
³⁶ Essex Skills Board 2017
³⁷ BTUH presentation to Basildon Council 2017
³⁸ Employer Survey 2015, Centre for Cities

The existence of a skills offer which is commissioned and driven by employers is crucial for the continued success and growth of the economy in the Borough. It is therefore concerning that 47% of all apprenticeships offered in the Borough are in low paid sectors and only 15% in high growth priority sectors.³⁹



ESB 2017

In addition to this, the majority of the apprenticeships offered are at the lowest NVQ level, with only 2% offered at the highest qualification level.

Notwithstanding the lack of higher apprenticeships there is a substantial amount of skills provision available in the Borough. The Borough has two Further Education Colleges, PROCAT, Further Education College of Advanced Technology and South Essex College and five 6th Form providers. The recent Area Review⁴⁰ of skills provision will set out the current provision and plan provision for the future. The results of the review are anticipated later in 2017. The issue is not so much the provision of skills, but it is the demand for skills training, and the low levels of local residents who access the opportunities already available to them. This Policy recommends that the focus should be on ensuring the accessibility to existing provision in the borough whilst, at the same time, developing higher skills opportunities and pathways to improving skills in the workplace.

The newly introduced apprenticeship levy presents an opportunity to further increase the engagement of employers in training our future workforce. The Government estimates that 2% of UK employers, approximately 22,000 organisations, will be required to pay the levy. In a straw poll conducted at the CMI (Chartered Management Institute) conference, employers said that understanding and working with the new apprenticeship funding rules was by far their largest concern. Described by some critics as a new payroll tax, the levy is paid into a fund and receives a 10% top-up grant from government. Employers can then draw on the fund to pay for apprenticeship training. The new Apprenticeship Levy presents employers with a simple choice

³⁹ ESB Skills Survey 2016

⁴⁰ 2017 Area Review - Essex

- treat it like a tax, or seize the opportunity to maximize the training and development of your staff.

It remains to be seen what effect the Levy will have on employers who have yet to engage fully with apprenticeships, but Bruce Carnegie-Brown, chairman elect of Lloyd's of London and also president-elect of the CMI, urged business leaders to take notice and consider how they can invest more in developing their employees. "It should be a crime for any employer not to aim to spend 100% of the levy on developing their people," he said. "Employers are much less committed to training programmes than they were 30 years, and in a fast moving world, it's become their preference to poach someone with experience and expertise than grow their own talent".⁴¹

Working with those employers in the Borough who will have to pay the levy will be key to driving up the local apprenticeship offer.

...but local people need access to skills and high value employment

20 years ago we had very little idea that the Digital sector would grow so rapidly and that there would be a significant number of employment opportunities within this sector. Similarly, we now have little knowledge of how our sectors will grow in the future and what skills will be needed, other than they will require a flexible, agile and digitally skilled workforce. 65% of children starting primary school now will ultimately end up working in completely new job types which don't yet exist.⁴² Responding to today's sector and business skills needs should not be at the exclusion of future skills requirements but we also need to prepare tomorrow's workforce by providing a firm base of **STEAM** subjects (Science, Technology, Engineering, Arts/Digital, Mathematics) together with excellent skills in English and Communication.

Careers advice is patchy in the borough and is not readily accessible and can hinder young people from finding out about the careers available locally and the education/training pathways they need to follow to access these opportunities. Careers advice is also lacking for those in employment, making it difficult for them to identify opportunities and pathways to access higher skilled employment.

South Essex College's new state-of-the-art college planned for Basildon Town Centre will raise the profile of skills and education in the borough and will contribute to raising the aspirations of local residents to develop their skills and career prospects. The planned curriculum has been developed with local businesses and will focus on digital skills – thus providing our young people with a sound knowledge base from which to take advantage of the higher paid jobs within Basildon and Essex.

PROCAT, Further Education College of Advanced Technology, is providing an employer-commissioned and driven curriculum focussed on Advanced Technologies and offers higher apprenticeships and foundation degrees in growth sectors such as Rail, Aviation and Engineering.

⁴¹ Skills opportunity or payroll tax? Employers on the apprenticeship levy, Chartered Institute of Director publication Insight 24 May 2017

⁴² Future of Jobs, World Economic Forum 2016

Their plans to further expand, and include a Higher Education offer, will also increase the opportunities for our local young people to become more highly skilled.

Although there are some Higher Education offers available from PROCAT and South Essex College, mainly from Anglia Ruskin University, there is no dedicated HE presence in the Borough. This means that young people have to travel outside the Borough to access higher skills training and very few come back to live in the Borough, as set out in 4.2. This results in a requirement from businesses to import skilled staff and the Borough loses many of its young graduates who could be our future skilled workforce.

The lack of a Higher Education facility is considered to be a major barrier to raising aspirations and access to higher skills and better paid employment for local residents. Essex Economic Commission has set out the local economic contribution of universities:

- Students add to the local population, employment and spending.
- Source of high level skills for the local and national labour markets.
- Products of research provide opportunities for staff and students to establish new businesses as well as attracting new businesses and investments.
- Operational requirements of universities lead to local procurement of goods and services.

There are currently two universities in Essex, Anglia Ruskin in Chelmsford and Essex University in Colchester. However, there are currently no plans from either institutions to provide a facility in Basildon and in addition to this their offer lacks links to the Borough's key sectors. It may be necessary to look further afield to attract a university presence which is more aligned to the Borough's economy, such as University College of London or Loughborough University, both which focus on advanced technologies and digital sectors, and further consideration needs to be given to the borough's HE strategy.

2.5 Inclusive growth....

There are continuing concerns raised by employers about the availability of local labour and the extent to which the qualifications of local residents correspond with their skills requirements. There is a risk that, without major improvement in resident's skills and employability, lower skilled residents will be increasingly marginalised in the labour market and improvements in the borough's economy will be unevenly shared. This is particularly relevant to the sectors at risk of automation where there is a clear risk that, without up to date and continuous skills training, a large part of the workforce within these sectors will be left behind and are more likely to face unemployment.

... requires raised demand and information of opportunities.

Our challenge is the combination of low demand for skills training from individuals, due to lack of information about career opportunities in Basildon and access to local higher skills and training opportunities, together with the ability of employers to access a skilled workforce from outside the Borough.

Many employers are also concerned about the lack of skilled young people coming forward to take up positions and the effect this will have on a workforce nearing retirement age.

The current existence of a large number of companies producing low value goods and services also has a detrimental effect on the requirement to employ skilled staff and up-skill existing employees. Skills investment in these companies will only take place if their goods and services require new and advanced technologies, which is why promoting innovation, and the take up of new technologies within local firms, is crucial to raising the willingness for employers to invest in skills development.

3. Transport and infrastructure

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Policy Statement 3: We will work with our partners to promote sustainable economic growth by ensuring the provision of essential strategic infrastructure and connectivity in the Borough.

3.1 Transport infrastructure is vital to economic growth...

For businesses to grow to their full potential, they need to be supported with appropriate infrastructure that will give them the ability to run their businesses effectively and the confidence to invest in business growth. Transport and communications infrastructure both have a key role in enabling and supporting growth by improving the connectivity, reliability and the accessibility of a local area.

Adequate transport infrastructure is a vital component of economic growth. This is particularly important for Basildon, given the importance of manufacturing to the local economy and our ambition to promote international trade. In the 2010 Essex Employer and Business Survey, the road network in Essex was identified as important to business operations by 72% of Basildon's businesses (compared with 71% across Essex); links to major rail and road routes were identified by 63% of businesses (58% across Essex)⁴³.

However, much of the local road network is operating close to capacity, with some parts of the network experiencing significant congestion. Vehicle miles travelled increased by 4.4% in Essex between 2002 and 2012, compared to just 0.2% across England.⁴⁴

The A13 and A127 provide strategic vehicular access to the south including the London Gateway Port and London Southend Airport, with the A127 carrying over 70,000 vehicles daily⁴⁵. Both the A13 and A127 suffer from significant levels of congestion, with the A127 in particular having an insufficient layout for the volume of traffic it carries. Substantial improvements and significant investment is required to increase capacity.

⁴³ BMG research (2010) Essex Employer and Business Survey 2010

⁴⁴ Department for Transport (2013) National Road Traffic Survey

⁴⁵ Greater Essex Growth and Infrastructure Framework 2016 - 2036

As mentioned in 1.1, 36,000 people travel into to work in Basildon each day, and much of this in commuting is due to the fact that companies find it hard to recruit high skilled workers locally and therefore need to import staff from outside the borough. Jobs in Basildon exceed the available workforce ⁴⁶ and this, coupled with low unemployment and high economic activity, means that local employers find it difficult to find staff locally. As a priority, our aim is to have local people up-skilled and trained to fill local employment opportunities. Encouraging young people to gain higher skills, together with a quality housing offer will help to reduce the road congestion as employers will be able to choose from a pool of more local labour.

The recent announcement of the Lower Thames Crossing route will assist in better planning of the future road network design and will also provide a much needed direct route to the south of England and the continent beyond. The Lower Thames Crossing also presents other benefits, such as better access to export routes for our companies and better access to the workforce in Kent, (although this could of course be seen also as a further challenge to our local residents who could otherwise access local employment).

However, there is also a need to be aware of some of the challenges and risks associated with the Crossing and these include the scenario, well experienced in Thurrock, where there has been a substantial increase in demand for warehousing along the access to the crossing. Bringing the crossing nearer to Basildon may also cause the, already strong, demand for warehousing to increase to a level seen in Thurrock, where land for warehousing commands higher values than housing land.⁴⁷ This would mean a risk, not only to the development of land for advanced technologies and high value sector jobs, but also to the development of further housing sites. In addition to this, it is clear that the additional traffic crossing the Thames will require the updating of the current infrastructure on A127/A130/A13 as a matter of urgency, and a wider strategic network approach for the whole of the South East has to be adopted.

The lack of a north/south rail link between the c2c and Greater Anglia lines such as between Chelmsford and Southend and Wickford/Billericay and Basildon, also results in a limited modal choice and high levels of car usage on the borough’s roads.

Businesses in Basildon are telling us that, in order to grow their business, they need:

- *an improved and widened A127 and improved road networks into industrial areas*
- *superfast broadband on all industrial and commercial areas*
- *rail links north to south.*
- *Access to economic development sites (expansion needs)*

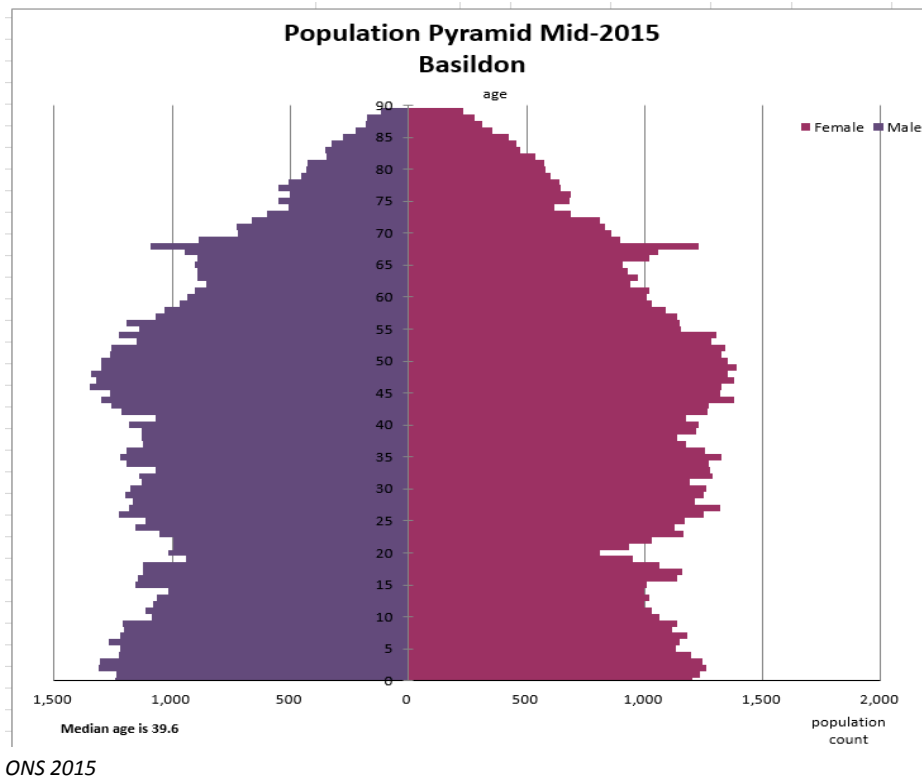
⁴⁶ Essex Economic Commission 2017

⁴⁷ Soft Market Testing of Housing Development Options within the Lakeside Centre Study Area, p23 , 2012, SKM Colin Buchanan

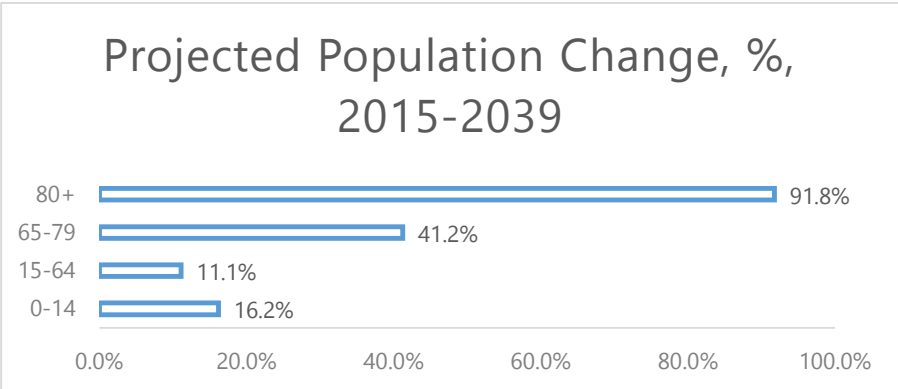
... and a future labour force

The existence of a low skilled resident population in the borough, as set out in Chapter 2, together with a very low unemployment rate will prove to be a considerable challenge for future growth due to companies finding it difficult to recruit staff.

The competitiveness and attractiveness of an area to investors is very much dependant on the existing workforce and demographics. A successful economy will have a large population in the 24 – 35 year bracket, and will also be able to retain its graduates. Unfortunately Basildon has neither, with the largest population between 45 and 55 and very few graduates settling in the Borough once they have qualified (only 27% come back after graduation).



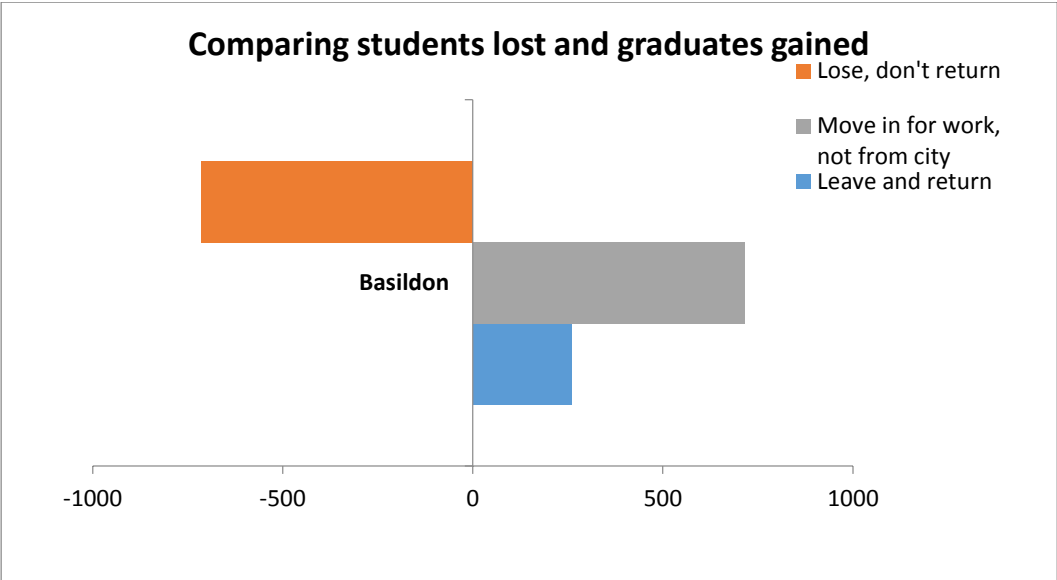
Although there is currently also a small spike in residents aged 25 – 35 years, our challenge is to retain this workforce and ensure they are skilled. It is also worth noting that there is a slight decline in 20 year olds and a spike in 0 – 5 year olds. The challenge here is to attract the 20 – 25 year olds back to the Borough after studying outside of the Borough and to develop our very young children at an early stage so they possess a strong knowledge base and become a valuable attraction for future investors. Looking at future projections, there is a steep increase in 65 – 80+ with a very minor increase in 15 – 64 year olds. The Council’s wider regeneration strategy aims to retain and attract a younger and skilled workforce by providing a much better place to live and work. This includes regenerating the Borough’s town centres with new leisure, restaurant and retail offers and the relocation of South Essex College to Basildon town centre. A new housing strategy is also being developed together with a new housing offer including aspirational housing and town centre apartment style living opportunities.



ONS 2015

3.2 A successful economy needs young graduates to stay and settle....

There are currently few graduates who choose to live in the Borough once they have graduated so our companies have to import them from other areas. Basildon loses over 700 graduates per year and then has to import a similar figure to fill vacancies for highly skilled jobs. Only 259 out of 974 graduates, (or 27%), return to live and work in the Borough after leaving to study elsewhere.



Source: HESA Destination of Leavers Survey

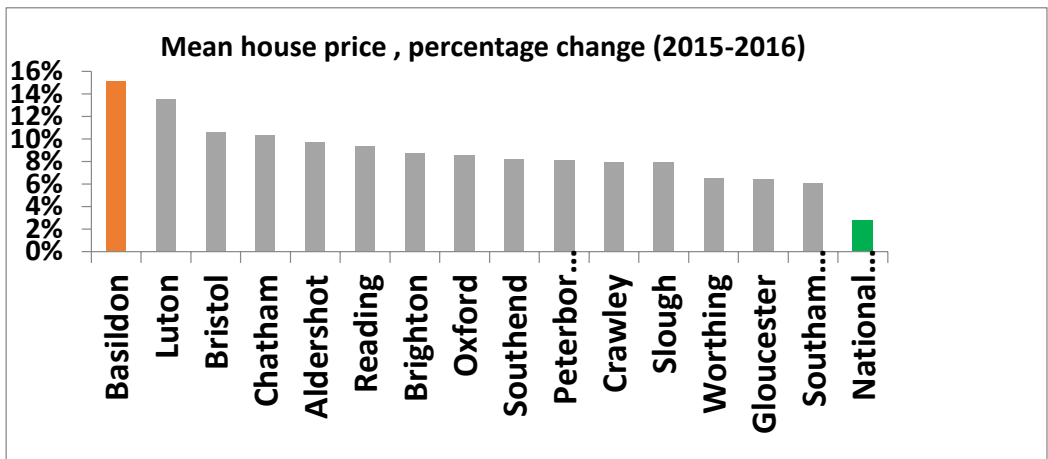
This corresponds with the fact that very few Basildon companies report that they have a skills problem, and the high numbers of people who commute into the borough to work. It is a very detrimental figure in relation to ensuring the economic growth has a local impact, because it means that the opportunities to access higher paid employment are not available to local residents because they lack of the skills to apply for these jobs. The only way for companies, such as Ford and Leonardo, to continue their growth is to import a skilled workforce from outside the Borough and even outside the UK. There is much to do to link the skills required within businesses, to the training and skills development of local people.

There are also uncertainties in relation to the effects of an ageing population within the labour market⁴⁸. The main implication of an ageing population is the rise in the dependency ratio, placing a higher burden on the shrinking population due to an increasing number of pension benefit claimants. While anecdotal evidence suggests that people are working to an older age, the nature of this work is shifting away from certain sectors towards others and this might be detrimental to labour productivity such as retail.

An ageing population will also lead to the reduction of tax revenue, resulting in a challenges to the delivery of public services. To counteract these effects and to attract and retain a young workforce, investment in social infrastructure such as good quality housing, green open spaces and high performing schools is crucial.

..and have access to a range of housing, including quality, affordable homes.

Whilst Basildon’s housing is still relatively affordable, in comparison with other areas in the South East, house prices are increasing in Basildon more than in most UK cities and it will be important to ensure that there is a range of housing on offer to our residents.



Land Registry, Market Trend data; Price Paid Scottish Neighbourhood Statistics, CfC calculations.

It is clear that for the local economy to grow, and to reduce in-commuting and the current strain on the road infrastructure, further housing provision is needed to both retain young people to stay in the Borough and to attract a future workforce.

⁴⁸ ONS, Implications of population ageing for the labour market, Labour Market Trends. <http://www.ons.gov.uk/employment-and-labour-markets/employment-and-labour-market-trends> However a successful economy needs more than affordable housing and the offer should also: <http://www.oeaw.ac.at/vid/download/fuernkranz/dixon.pdf>

The Council's Housing Strategy sets out the priorities for meeting the Borough's future economic growth and sets out the following challenges:

- *The borough population continues to grow naturally, which raises supply challenges in meeting the borough's own housing demand*
- *With rising property values and rent prices predicted to continue, and an increase in households moving out of London into the local area, there is a challenge to supply enough housing, in particular housing which remains genuinely affordable to local residents*
- *We need homes to be attractive and well built*
- *We need homes for employees of local businesses.*
- *We need family homes which are aspirational and help retain our economically active households in the Borough*

The Housing Strategy includes the following recommendation to meet the above challenges:

- *Deliver a range of quality market, intermediate and affordable housing via the Council's housing company, Sempra Homes*
- *Develop our relationship with the borough's key housing providers and developers to ensure that between us, we can deliver a range of quality housing products that will increase overall supply to meet our growing need.*

These recommendations will contribute towards ensuring that the housing offer in the borough complements our economic development priorities.

4.3 Companies need space to grow....

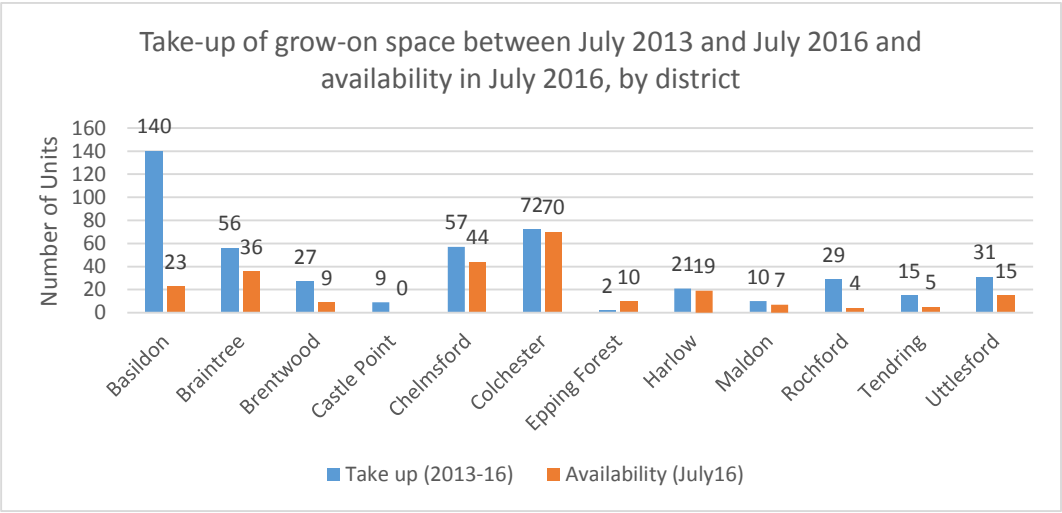
A lack of grow on space is a key barrier to growth with Basildon. This is due, to not only lack of premises, but of quality of quality premises available.

“There has been an absence of speculative industrial development in Basildon over the past 10 years, limited to large warehouses between 70,000 – 100,000 sq ft at Gateway Basildon and Prologis Park. Whilst these have successfully attracted both international companies and local businesses including Amazon, Costa Coffee and Swan Housing Group these developments have not addressed the needs of local SME's struggling to source smaller sized modern accommodation.

There is strong developer appetite to invest in Basildon however there are very few development opportunities and the restricted land supply is preventing much needed new accommodation being delivered to serve the needs of local businesses.”

Jim O'Connell, Glennys.

More employment designated land is required in Basildon to ensure that the existing and future needs of businesses is catered for, to safeguard employment and to prevent organisations from relocating out of the borough.



Source: BBP Regeneration analysis of EGI (2016) data

The emerging Local Plan makes provision for 49ha of additional employment provision, primarily within the A127 Enterprise Corridor. This comprises a range of sites both within, and adjacent to, existing industrial estates, and also as new extensions to the east and west of the Corridor. This additional land provision will enable businesses of different scales and different types to invest in and grow within the borough.

It is apparent that there is an imbalance between the potential demand and supply for grow-on accommodation across almost all districts in Essex and this is particularly notable in Basildon. With firms not able to make the most out of opportunities by expanding into grow-on space, opportunities for economic growth and an uplift in business rates returns are diminished, and the ability to foster a more entrepreneurial culture is weakened. In addition, a lack of appropriate grow-on space also limits the opportunity to attract smaller-scale inward investment.

There could be a substantial positive impact on the increase in economic growth by supplying “grow on” space (which is one step up from starter units) within the employment land allocation in the Local Plan. This could generate an additional £52million GVA for Basildon over a ten year period.⁴⁹ It would also have a positive impact on Business Rates with an additional £701,000 in income forecast over a 10 year period, and the creation of over 1,000 new jobs. The requirement for additional grow on space will be considered in the development of the Local Plan.

In a literal sense, grow-on space for a business is simply larger space than that which the firm currently occupies. That could mean that grow-on space is any size of space, depending on the business seeking to grow. However in this context in this context grow-on space is a space for small growing businesses with around 10 employees plus; that is, businesses that have grown to the extent that they are too large to be accommodated in incubator space or enterprise centres, but are still too small to occupy large, often freestanding, offices or factory/workspace units and with a size of between 100 to 300 sq m.

⁴⁹ ECC Grow on Space Feasibility Study, BBP Regeneration 2016

Job growth is dependent on having enough employment land available, and employment land provision must meet local sector profiles. The Local Plan continues to safeguard employment land and provide more industrial space, which will help to prevent a decline in manufacturing and create opportunities for inward investment, clustering and supply chain development. It will also focus on making sure that highly-skilled, highly-paid sectors are supported through positive policy support. This will be complemented by actions to avoid a shortfall of office space which supports knowledge intensive industries.

In addition to developing new employment facilities, the poor quality of the existing industrial estates is also of concern. Although it has to be recognised that that for some companies within the “dirtier” industry sector, such as waste management, these estates are suitable, the importance of the ensuring that basic infrastructure, such as roads and superfast broadband, is in place is still as important. Businesses tell us that there is an urgent need to review the physical environment and infrastructure on these estates including parking, signage and landscaping, in order to raise the profile of their business and the Borough’s industrial estate offer.

.....and access to Superfast Broadband

Access to high quality broadband is increasingly one of the ‘must haves’ for businesses and residents. For some, it is seen as the fourth utility. However, there is growing anecdotal evidence that numerous business locations across parts the Borough are struggling with exceptionally slow speeds, some as low as under 2MB. To put that into perspective, Ofcom recommend that 10 Mbps is the minimum speed needed to meet the demands of many small businesses.

The concern is that the circa 5,000 premises and the majority of those are micro businesses and mostly situated along the A127 Basildon Enterprise Area do not have superfast broadband. Whilst some businesses have already, or could seek to explore an alternative route in providing broadband for their business, e.g. a dedicated lease line, for our smaller businesses, the majority of our local business base, the cost to implement this is not viable.

The innovative advanced technology firms in Basildon are dependent on access to high speed broadband. Such limitations in coverage are very likely to be a contributory factor to the restriction of future business growth which could have a detrimental knock-on effect - with businesses considering leaving the borough and relocating to better connected areas. It is also likely to negatively influence the decision of other businesses to relocate and invest in the Borough. As Basildon is the main contributor of highly paid and skilled employment in Essex, the effect of these companies choosing to leave Basildon in order to improve their broadband access could also reduce the economic growth of the rest of Essex, if they leave the County.

Essex County Council's **Superfast Essex** programme was set up as part of a national programme to enable 95% of the Essex population to be able to access Superfast Broadband (speeds of 24Mbps - recently revised to 30Mbps for future implementations and above) by 2020. However, in spite of the recent investment, there are still around 3,000 businesses in the Borough with no access to Superfast Broadband. The worst coverage is on the Borough’s industrial estates and this is hugely detrimental to the ability to attract inward investment and for current companies to operate at full capacity.

4. Global Basildon Brand – Basildon for Business

Policy Statement 4: We will further strengthen the “Basildon Brand” to attract inward investment and work to bring about an economy that can adapt to global trade and competition.

4.1 What Basildon has to offer?

Basildon is one of the fastest growing areas in the UK⁵⁰ with a long tradition of growing technology companies such as Ford Motor Co, Leonardo and Konica Minolta. Its accessibility to markets and customers nationally and internationally and its proximity to London, only 35 minutes by train, makes it the ideal choice for investors and existing companies to establish and grow.

Knowledge intensive companies are choosing Basildon and we have seen the fastest growth of this sector in the UK⁵¹ over the last 5 years. As London and Cambridge cannot respond to the demand of these companies to find premises, companies are seeking alternative destinations and selecting Basildon as their first choice.

Basildon is also the premier employment location for the South East with 93,000 employment opportunities and over 36,000 people travelling into Basildon every day to work. The number of jobs in the borough continues to grow.

The close relationship to London, both traditionally and logistically, means that Basildon is seen as a strong option for companies wanting to expand their business. One such example is the construction of Costa Coffee’s new roasting plant in Basildon in March 2017. The constraints of space and the difficulty of access and road infrastructure at their previous plant in South London, incentivised Costa Coffee to locate an expanded facility in Basildon.

London companies are also attracted to relocate to Basildon because of the lower cost of commercial facilities and industrial land in comparison to London. One such example is the comparison in rental value of prime office space in Stratford - rents in Basildon are, on average, less than half of those in Stratford.⁵² This is the same for similar prime industrial space, where rents in Basildon are also half of those in Stratford. It is therefore no surprise that Basildon has seen an exceptional growth of knowledge intensive companies in recent years.

Basildon can also offer a specialist skills provision such as Rail Apprenticeships, Advanced Technology Skills training, Digital Skills training which are delivered by Prospect College of Advanced Technologies and South Essex College. These educational institutions are working closely with employers to tailor their provision to the needs of businesses.

⁵⁰ Centre for Cities 2016

⁵¹ Centre for Cities 2016

⁵² Glenny’s Data Book 2016

The development of businesses and the local economy has great political support and the Council is making considerable investment in Economic Development activities to support local businesses and residents. A business friendly Council is a great attraction for investors and Basildon Council offers a range of services and support such as:

- Skills and employment services
- Innovation support
- Funding and grant support
- International trade services and access to new markets and customers

4.2 What do we want Basildon to be?

Basildon has the opportunity to be the regional centre for advanced technology and knowledge intensive companies, offering high value and skilled employment to residents and a business friendly environment to new and existing investors.

To achieve this, Basildon needs to:

- retain the employers already based in the borough and support those able to grow
- attract new employers to the area

The development of a Place Marketing and Lobbying Strategy is an essential tool to focus on the actions needed to ensure Basildon takes its rightful place as a major contributor to future growth.

4.3 Basildon - the hidden secret?

Basildon has for many years suffered from a negative image, which so many New Towns are unfairly suffering from, and it has not traditionally promoted itself as a good place for businesses to locate to. Speaking to businesses, there is both confidence in, and support of, the Borough as the leading economic growth hub.

Residents who came to Basildon 50 years ago speak with fondness of the paradise which awaited them, coming out cramped housing in London. Housing and jobs were plentiful and the Borough was brimming with confidence and hope for the future with a young population driving the vision forward.

50 years on the Borough needs to recapture this same feeling of excitement, hope and aspiration. We need to create pride in our achievements and celebrate the success of local businesses in order to attract a new generation of workforce and businesses who can take the Borough into the next 50 years.

In terms of central government and inward investors, Basildon remains a lesser known opportunity and there is a role for the Council and businesses to actively promote the opportunities in Basildon.

...Basildon's selling point?

The feedback from businesses is not so much a negative image of Basildon but a lack of a Unique Selling Point (USP). What is the Borough's identity and key feature? Business all agree that Basildon is an excellent location for business which is reflected by the survey by Puttock Brown where businesses set out the key attractive features:

- Easy access to the surrounding areas and connectivity to London and the continent
- Excellent sport and leisure facilities
- Basildon's plans for more housing to attract skilled workforce
- The Council's town centre regeneration plans
- Variety of suppliers
- Cost effective location
- Support from the council

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A USP is emerging of an area which is:

- Well connected
- Has ambitious plans for the future and a Council which is pro-business
- Close to customers but yet cost effective
- Has clusters of companies in key sectors

4.4 A Strategy for Basildon 2.0

A Place Marketing and Lobbying Strategy will be developed which will build on the emerging USP and the work which has already commenced to promote the Borough to investors. This includes the launch of the BaSE magazine, the successful 2016 investor event in London and the regular investor tours for potential inward investors.



In addition, the Basildon for Business Brand has been developed, together with a series of promotional literature and presentations. An investor website including a property portal for inward investment enquiries is also being developed.

However, there is still work to be done to reach a wider audience and to continue to highlight the business friendly environment in the Borough.

Establishing the Borough as a key economic contributor and a national opportunity, in order to attract public investment, requires the identification of the key political channels and opportunities. These will be set out a Lobbying Strategy which will focus our efforts to gain central government support and attract future funding for our investment and infrastructure challenges.

4.3 Basildon's place in the South East, the UK and the World

The challenge for Basildon is to be noticed, nationally and globally, as a priority area for economic growth, with its excellent location and outstanding Local Authority support. The future growth of London provides an opportunity for Basildon to establish itself as a key economic centre which can attract high value companies, particularly within the digital and IT sector. The Atkins report "Future Proofing London"⁵³ sets out a major strategy programme to revitalise outer London which we want to be part of and, together with the Thames Estuary Commission's future recommendations, Basildon has an opportunity to play a key part in this exciting programme.

The Borough is home to large global brands such as Ford Motor Co and national brands such as Costa Coffee. Building on their success and place in the global market, there is an opportunity to showcase them, and other large global companies in Borough such as Leonardo, Konica Minolta and IFDS, to promote the Borough both to investors and central Government.

The Government's recent Industrial Strategy focusses on place, and Basildon, as a key employment centre, provides growth far beyond the Borough boundaries and could play a key part in assisting the Government to achieve its ambition.

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5 Summary

Although the ED Policy is only 3 years old, there have been substantial changes in the UK Economy and Policy context. Brexit, the Government's emerging Industrial Strategy, continued public sector challenging finances, Devolution and the implementation of the Local Enterprise Partnerships are some of the changes which we need to take account of as we further develop and refine our Economic Development Policy and Strategy Action Plan.

Residents are feeling increasingly excluded from job opportunities and technological developments within the borough and there is still significant inequality of opportunity in Basildon.

In order to achieve inclusive growth, the demand for growth from businesses must be supported, together with stimulating increased demand from residents to access skills development opportunities in the borough which should result in access to more highly paid jobs.

Basildon has delivered significant economic performance over the past years, but there are emerging threats to the stability of its economy due to the lack of available land and move on space for businesses. To reverse this, the refresh of the current Economic Development Policy suggests that the Council needs to support growth in high performing sectors and to work with

⁵³ "Future Proofing London", WS Atkins, 2016

partners to improve local skills and the supply of skilled labour. In order to maintain the Borough's economic strengths, we also should support existing sectors that are key to the local economy as well as our small business base. Priority should be given to high-tech and medium high-tech manufacturing businesses that have declined in the past to ensure high levels of productivity and a more sustainable business base. Manufacturing activities, especially the high-tech type, offer great job opportunities to local residents and add significant value to the local economy.

Without improvements to our road networks and higher quality broadband infrastructure and additional space, there is a very real risk that existing businesses might relocate elsewhere, (out of the borough), and new businesses could be put off from coming to the borough. Improvements to the A127 and A13, the provision of high-speed broadband, and securing and making available workspace for small businesses, and supporting knowledge intensive services will go a long way to maintaining economic performance in Basildon.

To encourage further investment and new investment we need to develop Brand Basildon and our Unique Selling Point (USP). This Policy suggests developing an Investment Strategy building on existing strengths and sector clusters such as Digital and Advanced Technology sector. We also need to lobby for support from central Government and highlight the opportunities for government investment in the Borough.

This Economic Development Policy will provide the Council's Policy framework to increase local inclusive economic growth for the Borough over the next 3 years and will ensure that residents and businesses are best placed to take advantage of the changing economic environment. Once approved by Members, a 3-year Strategy Action Plan will be developed which will be approved by the Infrastructure, Growth and Development Committee later on in 2017.

JS5

Why Buy New? Home Buyer Intentions And Opinions

WHY BUY NEW?

HOME BUYER INTENTIONS AND OPINIONS



HOME BUILDERS FEDERATION & YOUNG & RUBICAM



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EXECUTIVE SUMMARY

The **'Why buy new? Home Buyer intentions and opinions'** survey of 2,000 people throughout Britain demonstrates the continuing aspirations of people to own their own home. But it also highlights the challenges they face in turning their dreams into reality.

House prices and mortgage deposit requirements combine to make affordability the biggest issue for prospective home buyers - despite a very high level of awareness of Government schemes aimed at assisting first time buyers in particular to buy a new home.

Whilst the Help to Buy equity loan scheme has now helped over 75,000 people buy a new home, and in turn contribute significantly to the big increase in house building production levels - that itself will help address affordability - many remain frustrated in their attempts to buy.

In addition to affordability, the home buying process itself remains a clear deterrent to many. Stresses about the overall complexity of the process, with concerns in particular about dealing with estate agents and managing the home moving chain, conspire to put people off buying a home.

The survey also gives an interesting insight into the changing approaches and concerns of younger buyers today. Individuals in the 18 - 34 age bracket are much more concerned by the likely ongoing running costs of a home. Unsurprisingly, location and price are the top considerations when buying a home, for younger people utility bills pose a greater concern than whether the home has a garden.

The survey also shows just how much home owners spend on their properties once they move in. Homeowners routinely spend tens of thousands of pounds upgrading their new homes. New build homes come with brand new kitchens and bathrooms, including appliances; are double glazed throughout with the latest energy efficient and secure doors and windows; have brand new heating systems, including energy efficient boilers - all reducing the amount new build homes owners have to spend; not forgetting the amount of stress induced by DIY or finding a reliable builder to carry out improvement works.

However, despite this the general perception of new build homes - whilst much improved on similar surveys of a decade or so ago - still remains relatively low. It shows the challenge the new homes industry faces convincing the general public - many of whom have never set foot in a new build home - of the high quality homes now being delivered by developers, particularly when compared with the generally very positive views of those with direct experience of new build homes.

The industry also faces a challenge ensuring people are aware of the many benefits of new build homes, particularly their affordability. Many purchasers of a new build home require just a 5% deposit, making the first step of buying a home a far more realistic prospect.

Buying a new build home is also much more straight forward than when purchasing a second hand home, with no onward chains to contend with, no concerns of last-minute price changes, and help on hand from trained sales staff at all stages.

The running costs of a new build home are also very low when compared to an existing property, thanks to high energy efficiency ratings, very little maintenance to carry out, and their high build quality thanks to rigorous building regulations and regular inspections. Added to this is the further benefit of a 10 year warranty that protects buyers from unforeseen problems with their home.

OUR RESEARCH FOUND THAT:

Only 1% of home owners said that they didn't have to spend money to make improvements when moving house, with 21% saying they spend £1,000 - £5,000 and 13% admitting to spending more than £40,000.

34% of people have never visited a home built in the past 5 years or a show home; whilst a further 27% hadn't done so for between 5 and 20 years.

84% of 18 – 34 year olds that don't already own their own home aspire to do so.

The main obstacles for first time buyers trying to get on to the property ladder are saving for a deposit (73%), property prices (69%) and getting a mortgage (53%). Similarly, the main put-offs to buying a home (for the first time or otherwise) are saving for the deposit (72%) and needing to get a mortgage (60%).

33% of people surveyed said they would consider buying a new build home with 46% saying it was unlikely.

When buying a new home, the most important factors house hunters consider are price (80%) and location (80%). However a greater proportion of younger house hunters – 67% of 18 – 24 year olds – take into consideration the running costs of a property, compared to 55% across all age groups.

Among 18 – 24 year olds 55% say they would be likely to consider buying a new build home, and only 10 per cent saying 'not at all likely'. Compare that to over 55s, where 42% would be 'not at all likely' to buy a new build home, and a further 15% saying it would be "not very likely".

When moving home, the majority of people buying a second hand home have to make improvements to both their kitchen (51%) and bathrooms (52%), with 70% saying that they also have to redecorate.



INTRODUCTION

For thousands of people across the country, housing remains a major concern. Whether that's how to go about saving for a deposit, the affordability of a mortgage, or, more generally, the price of homes seeming to put the prospect of homeownership out of reach. And with house price growth, according to the ONS, currently running at about 8% year on year¹, it can appear to be an increasingly unrealisable dream.

While the house building sector is often misunderstood, it remains the only realistic solution for addressing the UK's housing crisis; and thanks to buyer support schemes from the government such as Help to Buy equity loan, house building production levels have increased massively over the last couple of years.

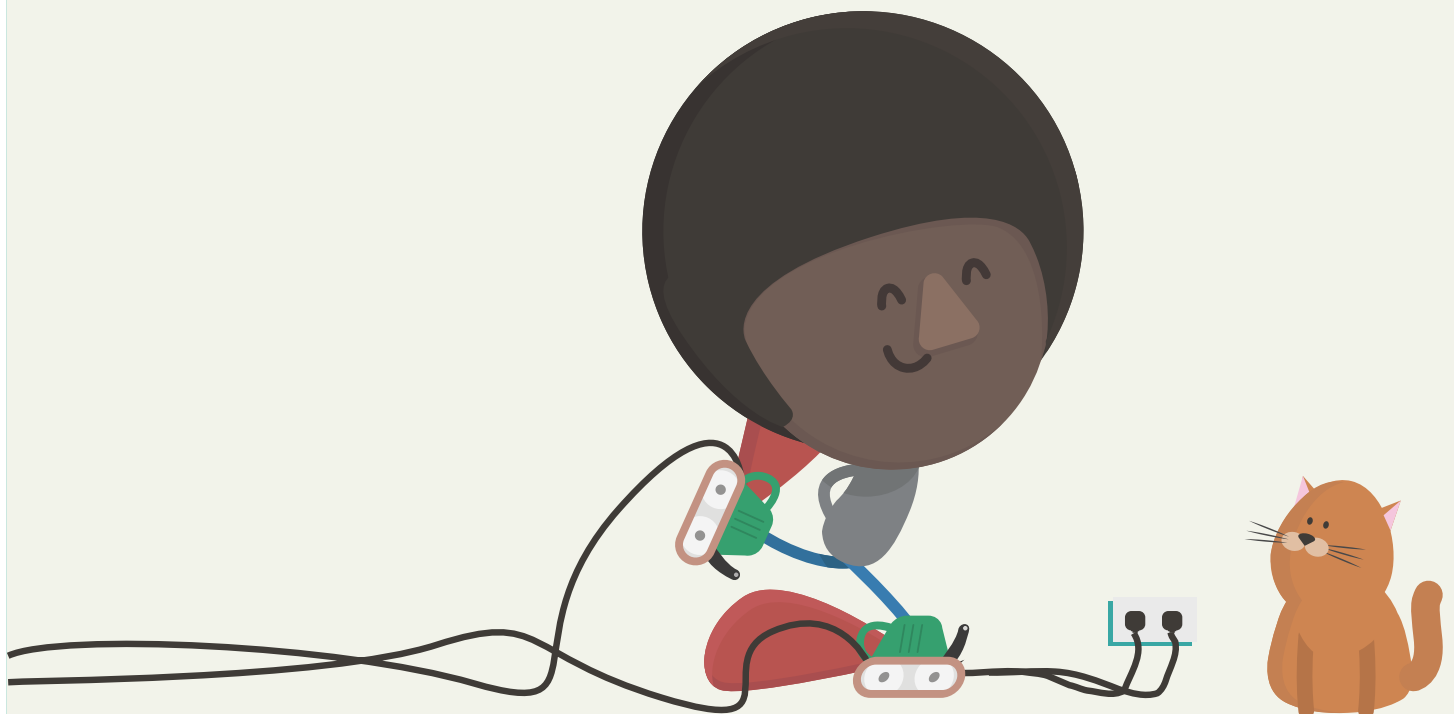
The combination of excellent purchase assistance schemes, competitive pricing, attractive incentives for potential customers (such as payments towards stamp duty, moving or legal costs), and the high quality build and finish of new build homes has resulted in thousands of people every month choosing to buy a new home.

The success of the industry, though, does not mean we should stand still. With over 1 million homes being sold every year², the housing market is both a busy and competitive environment in which to operate.

Understanding what house hunters deem to be important when looking to move home and knowing what concerns them about the current market is vital if the industry is to continue to attract new customers.

The report was published to launch New Homes Week 2016, an industry-backed initiative that looks to promote the benefits of new build homes to consumers across the country.

This major study of customer behaviours and attitudes about new homes sought to examine these attitudes and assess opinions of the industry to help further our knowledge of customers and potential customers across the country.



1 House Price Index, Office for National Statistics, available at: <http://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/housepriceindex/feb2016>

2 UK property transaction statistics, HM Revenue and Customs, available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/517464/UK_Tables_Apr_2016_cir_pdf

MAIN SURVEY FINDINGS

ASPIRATION

The survey results demonstrate an overwhelming continued aspiration amongst young people to own a home. 84% of 18 - 34 year olds who currently do not own a home aspire to do so.

This follows the long term trend of past such surveys in Britain that people in this country want to own a home.

AFFORDABILITY

In spite of the continued level of interest in actually owning a home, in recent years, this ambition, largely achieved by previous generations, has become an increasingly daunting prospect. The price of housing and the associated costs of purchasing and moving weigh heavily on the minds of prospective purchasers.

The deposit required to secure a mortgage remains first time homes buyers' biggest concern, with 73% highlighting it as an obstacle. However, conversely, there is a very high level of awareness amongst the public of Government schemes to assist prospective first time buyers to save for a deposit for a new home (66% of people are aware of the Government Help to Buy ISA savings scheme); and an even higher number of people, 77%, are aware of the Help to Buy equity loan scheme that allows first time buyers to purchase a new build homes with just a 5% deposit. 34% are aware of the proposed Starter Homes scheme that will see first time buyers get a 20% reduction on the cost of a new build, even in advance of homes being built.

The actual cost of a home is also a significant concern with 69% of people saying property prices are an obstacle. In London, not surprisingly this figure rises to 77% whereas in the Midlands it is 58%.

It is widely agreed that a critical component to preventing house price acceleration is increased housing output and whilst housing output is increasing - latest figures showing over 180,000 homes were added to the housing stock in 2014/15, supply is still well short of demand which is estimated at around 230,000 per year.

Stamp duty and tax (45% / 20%) are key issues for new home buyers, which combined with saving for a mortgage deposit, present a challenge for people looking to get onto the property ladder, despite recent changes to the rules aimed at helping first time buyers in particular.

"THE DEPOSIT REQUIRED TO SECURE A MORTGAGE REMAINS ASPIRING HOMES OWNERS' BIGGEST CONCERN, WITH 73% HIGHLIGHTING IT AS AN OBSTACLE."



UPGRADING A HOME

Over a third of homeowners surveyed who made home improvements, 34%, spend £10,000 - £40,000 upgrading their recently purchased home, with 13% reporting that they spend over £40,000. Over half of people did the kitchen (51%), or the bathroom (52%).

7 in 10 British homeowners said that they repainted or re-wallpapered their new home; 40% of people have to upgrade the heating system/plumbing and 39% have to install double glazed windows, both costly endeavours that help to make new build homes highly energy efficient.

However, recent figures show that the cost of upgrading a second hand home to the standard of a new build homes is around £45,000³. This is because new build homes come with brand new kitchens and bathrooms, including appliances; are double glazed throughout with the latest energy efficient and secure doors and windows; have brand new heating systems, including energy efficient boilers - all reducing the amount new build homes owners have to spend; not forgetting the amount of stress induced by DIY or finding a reliable builder to carry out improvement works.



NEW BUILD AS AN OPTION

A third of people (33%) surveyed would be likely to consider buying a new build home. Whilst this number has doubled since similar surveys were done a decade ago it still underlines the marketing challenge the industry faces getting consumers to appreciate the high quality homes now being built in the UK.

This aligns with those who have seen first-hand the quality of homes available; just over a quarter of those who don't already live in new build homes say they have actually visited a new build home or a show home in the past 5 years; with over a third, 34% saying they have never been in a new build home, meaning many will be basing their perceptions on very out of date experiences or misconceptions.

When those who were unlikely to consider buying a new build home were asked to provide a reason, 41% of people cite build quality, despite stringent building regulations,

“21% OF THOSE SURVEYED PERCEIVE THERE WOULD BE A LACK OF SOUND PROOFING WHEN TODAY’S NEW HOMES ARE BUILT TO SOUND INSULATION STANDARDS THAT ARE HIGHER THAN AT ANY TIME PREVIOUSLY.”

regular inspections, and a 10 year warranty protecting customers and ensuring high quality building standards. Furthermore, industry surveys show very high levels of satisfaction amongst new build home owners. 21% of those surveyed perceive there would be a lack of sound proofing when today's new homes are built to sound insulation standards that are higher than at any time previously.

The survey highlights the challenge the new build industry faces in closing the gap between consumer perception and reality in terms of build quality and customer service.

3

Why Buy New factsheets, HBF, available at: http://www.hbf.co.uk/fileadmin/documents/members/FactSheets/HBF_Fact_sheets_web.pdf

MAIN SURVEY FINDINGS

RUNNING COSTS – YOUNG PEOPLE MORE AWARE.

With utility bills continuing to rise, more and more people are citing energy and water bills as a consideration when buying a new home. Young people in particular, faced with totting up outgoings inflated by their mortgage payments, often saddled with student loan debt and only benefiting from low wage inflation, are factoring in what they will spend on their home each month.

67% of 18 - 24 year olds take into consideration the running costs of a property when looking to buy a home. This contrasts with 55% of people overall. The 18 - 24 year old age bracket was the only one that considers energy prices more of an issue than whether the property has a garden.

Only the property location and price were considered more important general factors when looking for a property.

On average new homes built today are 65% more energy efficient than a Victorian home of the same style.

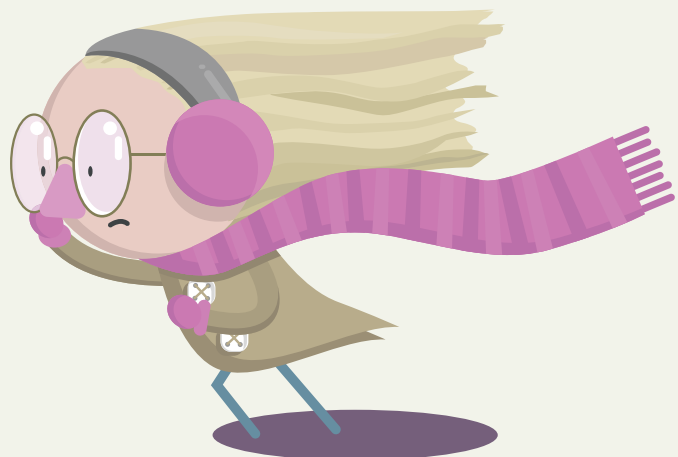
This is achieved through a combination of design and the modern materials available, for example installing boilers that only give you hot water when you need it, fitting modern double glazing throughout, using quality insulation in the roof and walls, and by creating sophisticated water drainage systems.

As a result new homes currently built in the UK are roughly 50% cheaper to run per year than the equivalent Victorian house. That could mean an annual saving of £440 for a 1-bed ground floor flat, or £1,410 for a 4-bed detached house.

In addition, new homes use a series of innovative designs that mean on average they use 30% less water than older properties. This saves the average home owner £54 on their water bill every year.



“67% OF 18 - 24 YEAR OLDS TAKE INTO CONSIDERATION THE RUNNING COSTS OF A PROPERTY WHEN LOOKING TO BUY A HOME. THIS CONTRASTS WITH 55% OF PEOPLE OVERALL.”



THE BUYING PROCESS

The survey highlights the worries people have about the home buying and moving process generally. As well as the well documented challenges people face in terms of affordability and securing a mortgage, the survey makes clear the concerns people have about the wider process.

More than a third - 36% - of people said that the general stress of buying a house could put them off actually doing so; whilst 21% list having to deal with an estate agent as a reason that would put them off buying a home; managing a chain (of buyers and sellers) would put 24% of people off.

The new build industry has invested heavily in its customer service processes to help address these issues for new build buyers. Housebuilders and new home sites have a team of highly trained customer service staff able to help buyers through the process, whilst new builds of course have the benefit of being without a chain. Many companies also now offer a part exchange facility so the selling part of the process is as straight forward as the buying part for new build customers.

ABOUT THE SURVEY



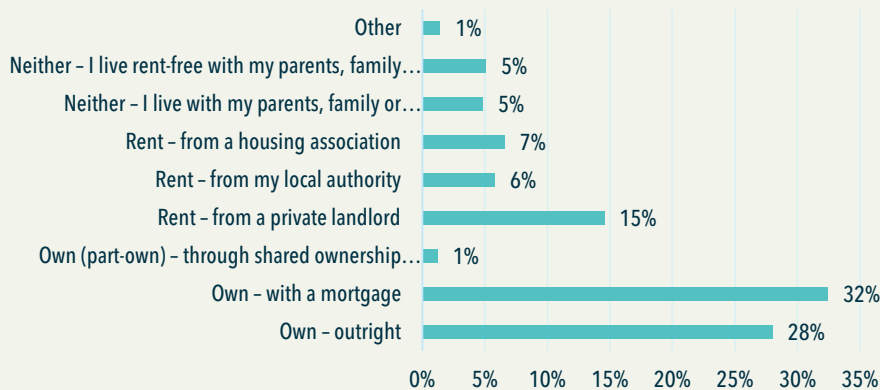
All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2,017 adults. Fieldwork was undertaken between 7th - 8th April 2016. The survey was carried out online. The figures have been weighted and are representative of all GB adults (aged 18+).

SURVEY RESULTS BREAKDOWN

N.B. A full breakdown of the survey results is available upon request.

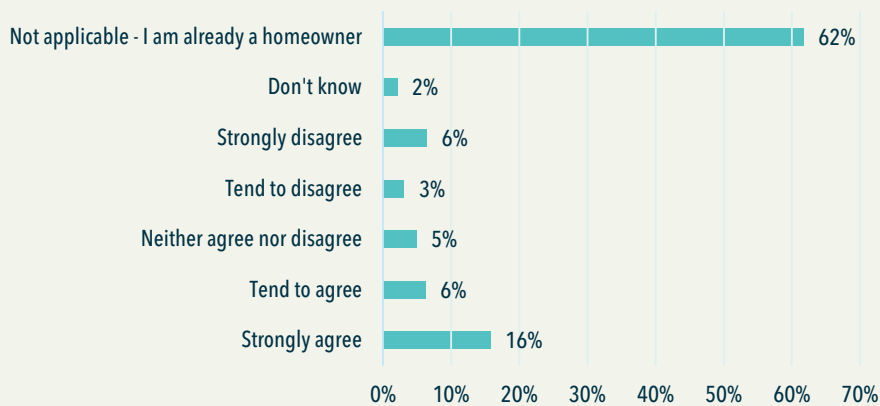
Q1: HOUSE TENURE OF RESPONDENTS. [Unweighted base: All GB adults 2,017]

HOUSE TENURE OF RESPONDENTS



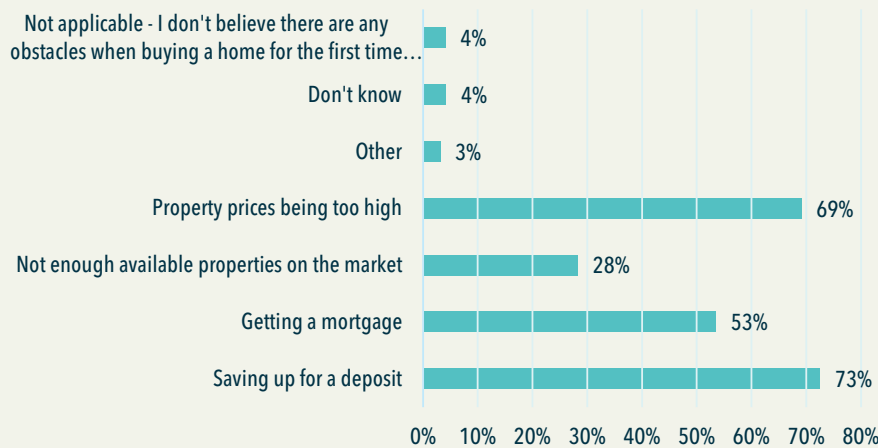
Q2: TO WHAT EXTENT DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENT: "I ASPIRE TO OWN MY OWN HOME IN THE FUTURE"? [Unweighted base: All GB adults 2,017]

ASPIRATIONS TO OWN...



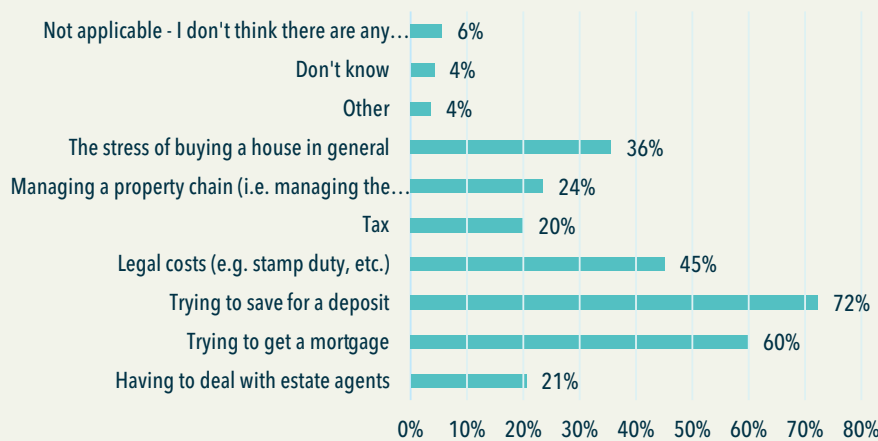
Q3: WHICH, IF ANY, OF THE FOLLOWING DO YOU THINK ARE OBSTACLES FOR FIRST TIME BUYERS LOOKING TO GET ON THE PROPERTY LADDER THESE DAYS? [Unweighted base: All GB adults 2,017]

OBSTACLES FOR FIRST TIME BUYERS



Q4: WHICH, IF ANY, OF THE FOLLOWING DO YOU THINK ARE REASONS WHY SOMEONE WOULD BE PUT OFF BUYING A PROPERTY? [Unweighted base: All GB adults 2,017]

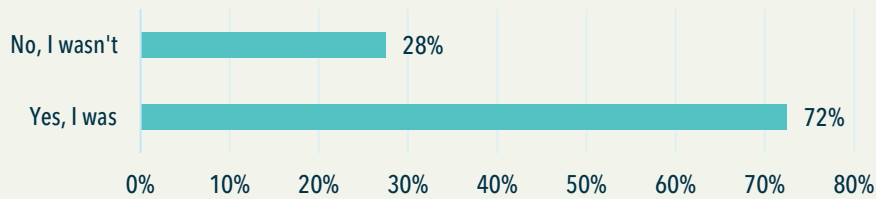
PUT OFF BUYING A PROPERTY...



SURVEY RESULTS BREAKDOWN

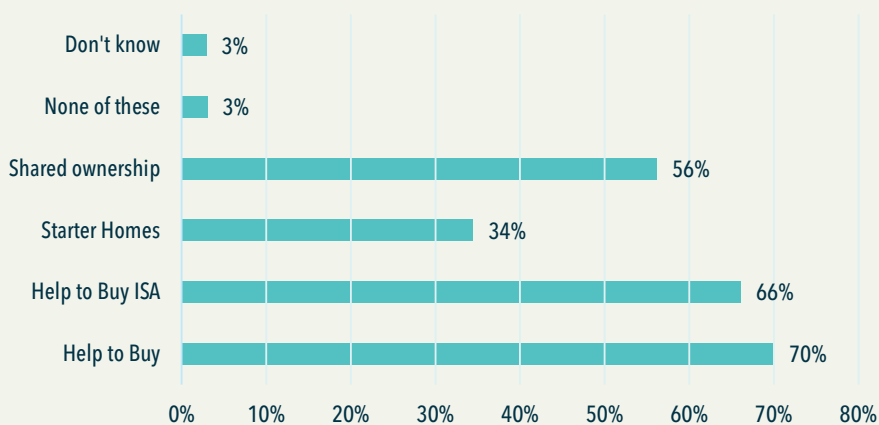
Q5: BEFORE TAKING THIS SURVEY, WERE YOU AWARE THAT THE GOVERNMENT CAN OFFER FINANCIAL SUPPORT IN ORDER TO HELP YOU BUY A HOME? [Unweighted base: All GB adults 2,017]

AWARENESS OF FINANCIAL HELP FROM GOVT...



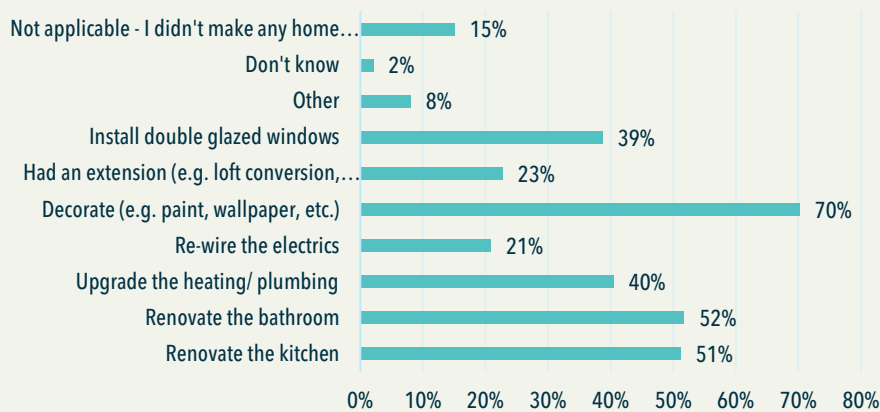
Q6 (IF ANSWERED "YES" TO Q5): BEFORE TAKING THIS SURVEY, WHICH, IF ANY, OF THE FOLLOWING GOVERNMENT SCHEMES THAT HELP PEOPLE TO BUY A HOME WERE YOU AWARE OF? [Unweighted base: All GB adults 1,502]

GOVT SCHEMES AVAILABLE...



Q7: THINKING ABOUT THE MOST RECENT TIME YOU MOVED INTO A PROPERTY WHICH YOU HAVE PURCHASED, WHICH, IF ANY, OF THE FOLLOWING HOME IMPROVEMENTS DID YOU MAKE/ ARE YOU PLANNING ON MAKING TO THIS PROPERTY? [Unweighted base: All GB homeowners 1,328]

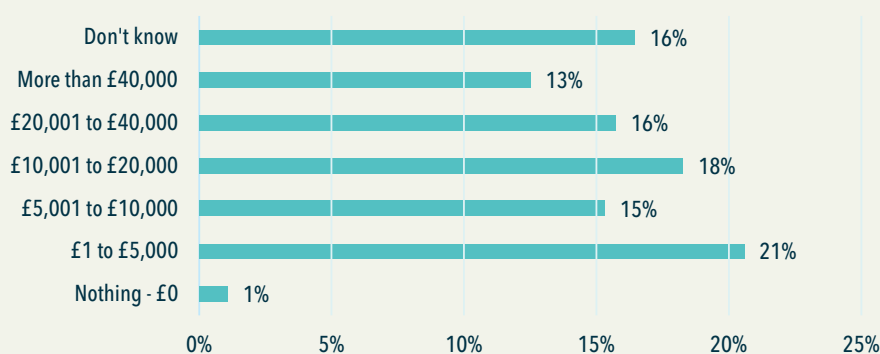
HOME IMPROVEMENT INTENTIONS....



Q8: THINKING ABOUT THE MOST RECENT TIME YOU MOVED INTO A PROPERTY WHICH YOU HAVE PURCHASED, APPROXIMATELY HOW MUCH MONEY, IF ANYTHING, DID YOU SPEND IN TOTAL ON HOME IMPROVEMENTS?

[Unweighted base: All GB homeowners who have made/ planning to make home improvements s 1,142]

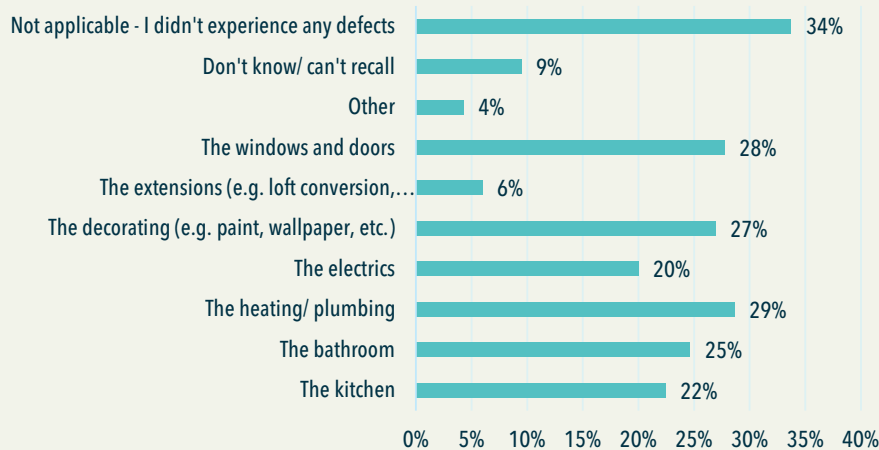
HOME IMPROVEMENT SPEND...



SURVEY RESULTS BREAKDOWN

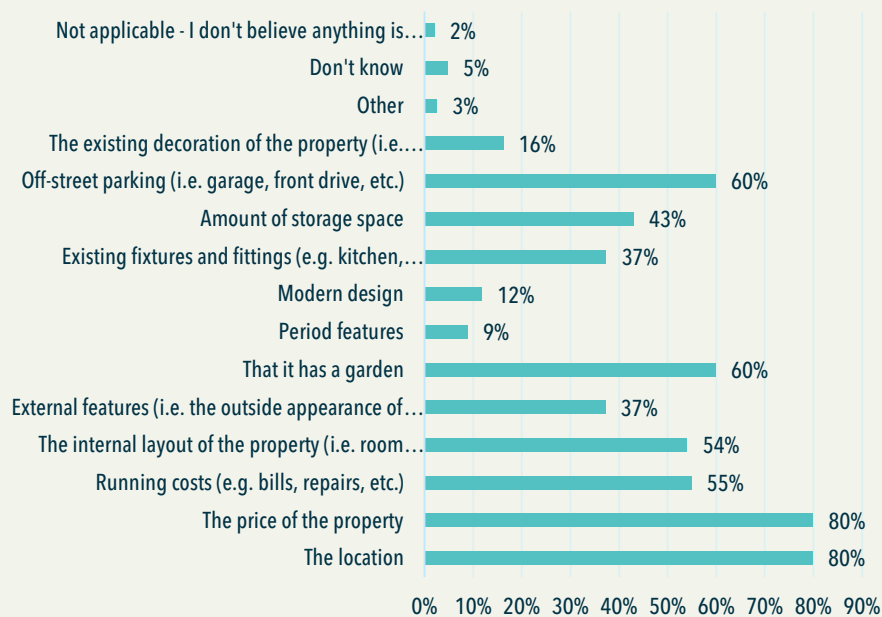
Q9: THINKING ABOUT THE MOST RECENT TIME YOU MOVED INTO A PROPERTY WHICH YOU HAVE PURCHASED, WHICH, IF ANY, OF THE FOLLOWING DID YOU EXPERIENCE DEFECTS WITH IN YOUR PROPERTY? [Unweighted base: All GB homeowners 1,328]

DEFECTS IN PROPERTY...



Q10: WHICH, IF ANY, OF THE FOLLOWING DO YOU BELIEVE ARE IMPORTANT FACTORS WHEN LOOKING TO BUY A HOME? [Unweighted base: All GB adults 2,017]

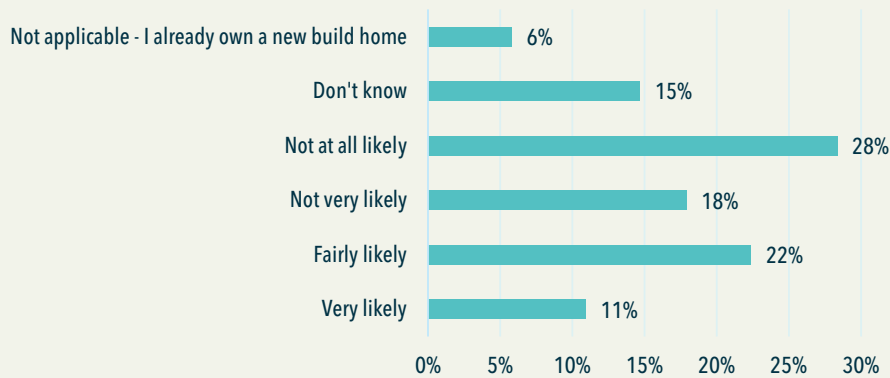
IMPORTANT FACTORS WHEN BUYING A HOME...



Q11: HOW LIKELY, IF AT ALL, WOULD YOU BE TO EVER CONSIDER BUYING A NEW BUILD HOME?

[Unweighted base: All GB adults 2,017]

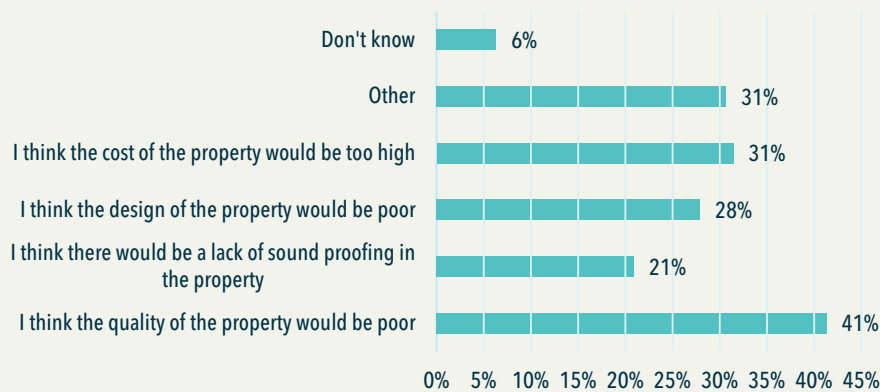
LIKELIHOOD TO CONSIDER NEW BUILD...



Q12: YOU SAID THAT YOU WOULD NOT BE LIKELY TO EVER CONSIDER BUYING A NEW BUILD HOME, WHICH, IF ANY, OF THE FOLLOWING ARE REASONS FOR THIS?

[Unweighted base: All GB adults who are unlikely to consider a new build home 991]

REASONS FOR NOT CONSIDERING NEW BUILD...

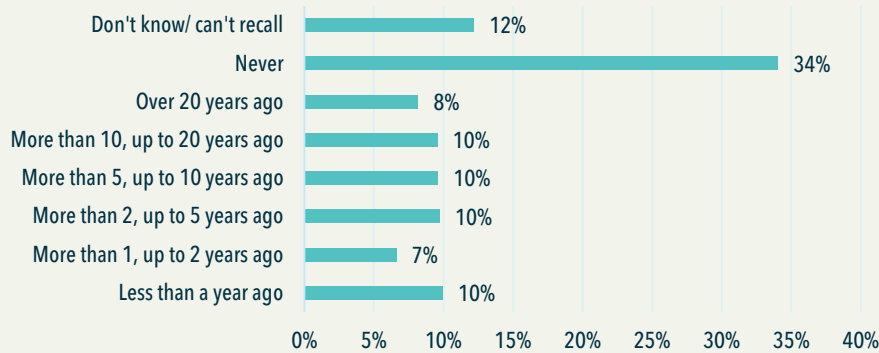


SURVEY RESULTS BREAKDOWN

Q13: WHEN, IF AT ALL, WAS THE LAST TIME YOU VISITED A NEW BUILD HOME / SHOW HOME?

[Unweighted base: All GB adults who don't own a new build home: 1,897]

LAST TIME VISITED NEW BUILD HOME / SHOW HOME...



ABOUT HBF

The Home Builders Federation (HBF) is the representative body of the home building industry in England and Wales. HBF's members' accounts for 80% of all new homes built in England and Wales in any one year, and include companies of all sizes, ranging from multi-national, household names through regionally based businesses to small local companies.

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This report was published to launch New Homes Week 2016, an industry-backed initiative that looks to promote the benefits of new build homes to consumers across the country.

