

Greggs Bakery Site, Gould Road

Economic Benefits Assessment

Final Report

Greggs Plc

September 2017

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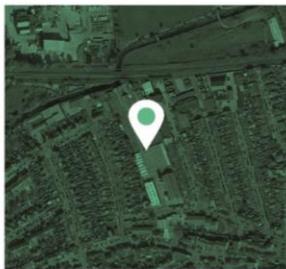
Executive Summary

This report provides an assessment of the economic benefits associated with the proposed redevelopment of the Greggs Bakery site on Gould Road, Twickenham to create: 2,765 sqm Gross Internal Area (GIA) of start-up enterprise and SME office space; 96 dwellings including 45 affordable units; and associated access, parking, private gardens and amenity space. The headline economic benefits are summarised below:



The economic benefits of housing and start-up/SME office development at:

Gould Road, Twickenham



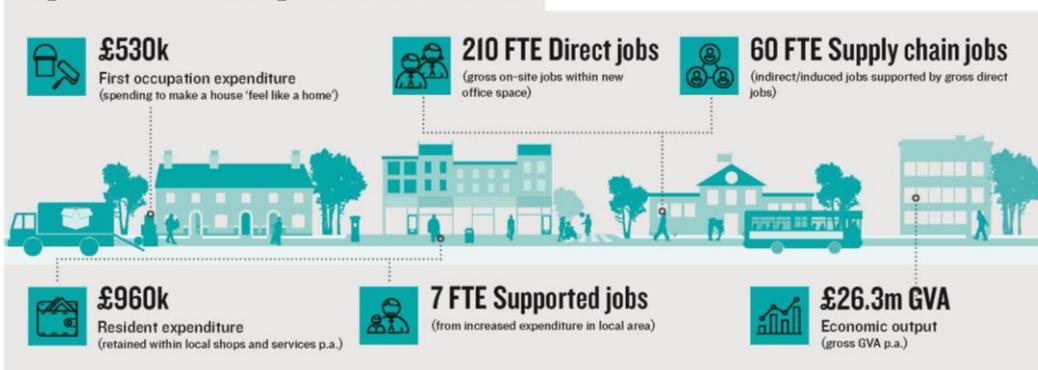
The proposal



Construction benefits



Operational and expenditure benefits



Local Authority revenue benefits



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1.0 Introduction

1.1 This report has been prepared by Lichfields on behalf of Greggs Plc (“Greggs”). It sets out the potential economic benefits of the proposed redevelopment of land at the Greggs Bakery site, Gould Road, located in Twickenham in the London Borough of Richmond upon Thames (LB Richmond).

Proposed Development

1.2 The development being examined via this assessment comprises the relocation of the existing on-site Bakery and redevelopment of the site to create a mixed use development comprising:

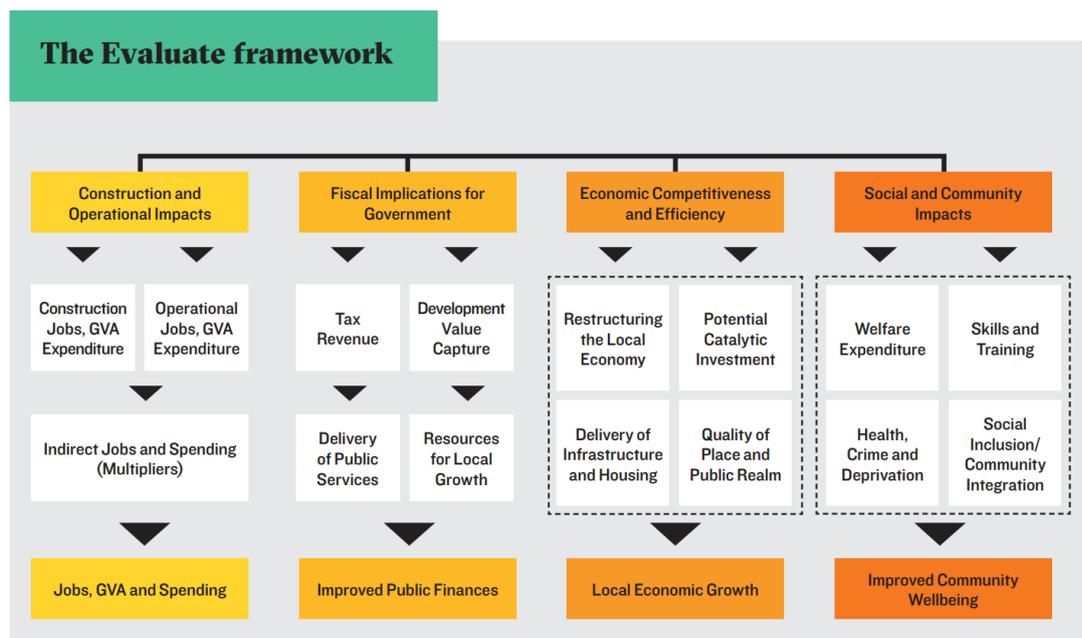
- 2,765 sqm Gross Internal Area (GIA) of start-up enterprise and SME office space;
- 96 dwellings including 45 affordable units, comprising a mix of 61(no.) 1 and 2 bed flats and 35(no.) 2, 3 and 4 bed homes; and
- Associated access, car parking, private gardens and amenity space.

1.3 The proposed scheme, which has been produced by ACG architects, has informed pre-application discussions with LB Richmond and been included as part of representations made previously to the emerging Local Plan consultation process. A copy of the proposed site plan is included at Appendix 1.

Assessment Framework

1.4 In order to assess the economic benefits of the above proposals, this report draws upon the Evaluate methodology developed by Lichfields, which provides an analytical framework for assessing the economic impacts generated by new development. This framework, as it relates to the proposed development outlined above, is shown in Figure 1.1 below.

Figure 1.1 Evaluate Analytical Framework



Source: Lichfields

- 1.5 The analysis focuses first on the key quantifiable impacts of the relocation of the existing Bakery and the proposed redevelopment of the site during the construction phase and upon completion, before considering the wider qualitative effects of the role that start up enterprise space and housing can have in supporting economic growth more generally.

Area of Impact

- 1.6 The economic impacts generated during construction and by the employment generating uses within the completed redevelopment are likely to be concentrated within the labour catchment area – the area from which the proposed development would draw the majority of its workforce.
- 1.7 For the purposes of this assessment, the main area in which most impacts are expected to be concentrated during the construction and operational phases has been defined as the London Borough of Richmond and the wider area of impact has been defined as London. This has been defined having regard to the site’s location, economic linkages, the scale of the proposed development, and data from the 2011 Census relating to commuting patterns.
- 1.8 This shows that 38% of workers in the Middle Super Output Area (MSOA) within which the application site is located (Richmond upon Thames 014) live within LB Richmond and a further 49% live elsewhere in the London Boroughs (excluding Richmond). Circa 33% of workers in the MSOA live and work in LB Richmond and a further 44% live elsewhere in London.

Structure of the Report

- 1.9 The remainder of the report is structured as follows:
- **Section 2.0** provides a context for the assessment, including details of the application site, existing employment and wider economic profile of LB Richmond;
 - **Section 3.0** considers the potential economic impacts that could be delivered by the redevelopment proposals, during the construction period;
 - **Section 4.0** outlines the potential operational impacts generated by the proposed start-up enterprise and SME office space upon completion;
 - **Section 5.0** outlines the impact of the development proposals with respect to resident expenditure generated by the completed housing units;
 - **Section 6.0** provides a summary of the likely impact of the redevelopment proposals on local authority revenue streams;
 - **Section 7.0** summarises the wider socio-economic impacts that the redevelopment proposals could be expected to support; and
 - **Section 8.0** presents overall conclusions.

2.0 Site Context and Background

2.1 This section provides an overview of the application site and reviews the nature of existing employment on-site, as well as the wider economic profile of LB Richmond to provide a context for the assessment.

Application Site

2.2 The application site is located on Gould Road in Twickenham, the largest district centre in LB Richmond. It currently comprises industrial buildings that are used for production facilities by Greggs Bakery (B2 Use Class).

2.3 As shown in Figure 2.1, the site is an inverse 'L' shape that extends to 1.1 ha. The buildings take up approximately 85% of the site extent, with limited storage yard and/or manoeuvring space available within the site. Anecdotally there are reports of staff parking on residential streets which would reflect this site:building ratio.

Figure 2.1 Extent of Greggs Bakery Site (red line boundary)



Source: Google Earth Pro (2016)

2.4 As demonstrated above, the site is predominantly surrounded by existing residential uses, and is bound:

- To the south, east and west by two storey terrace dwellings that are approximately 60 dwellings per hectare; and
- To the north by the River Crane with the railway line beyond with the Mereway Cottages in between.

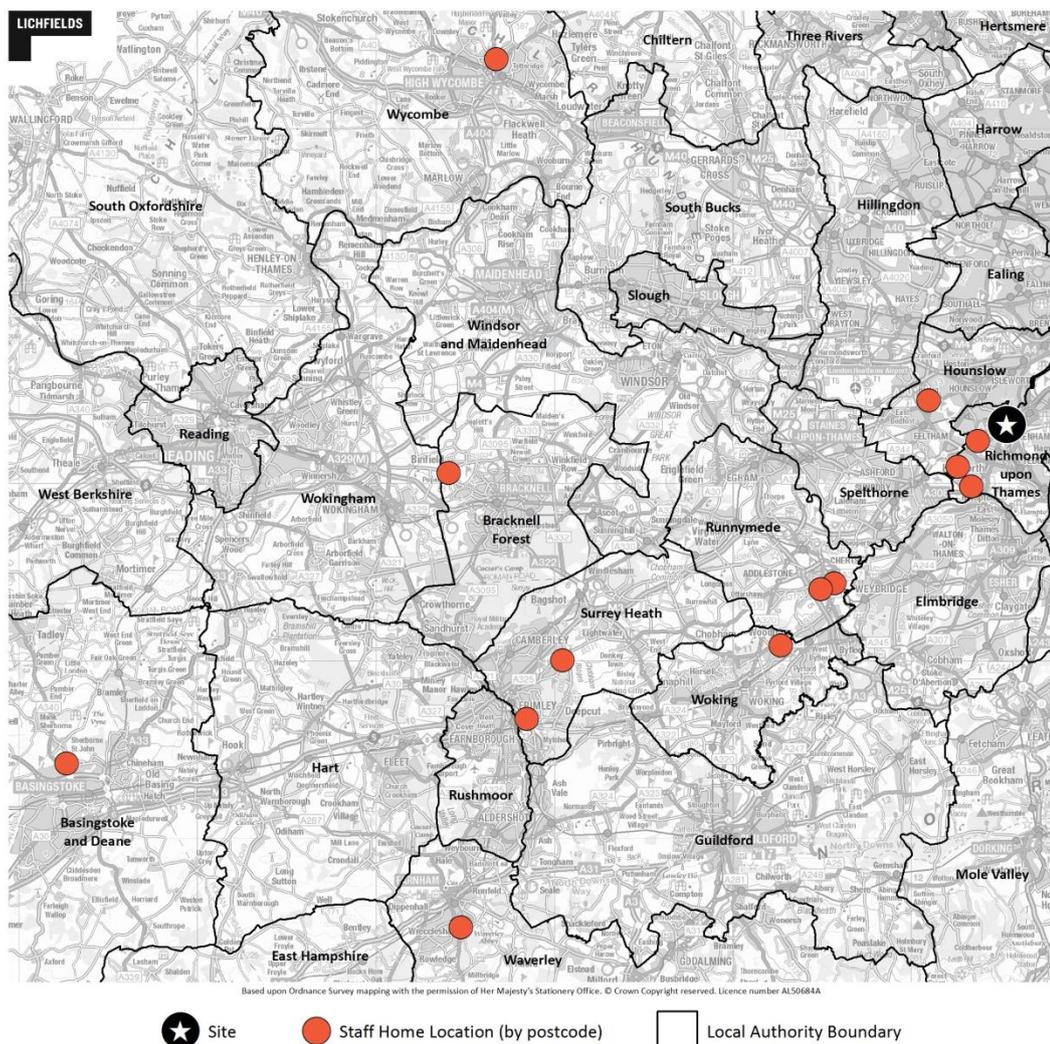
2.5 The site's north western extent also lies adjacent to 'Crane Mews', a recent regeneration scheme creating residential use with self-contained space for business use. All of the commercial spaces within Crane Mews are reported to be occupied, although six spaces which have consent for residential conversion are currently being marketed (for residential use)¹.

¹ <http://www.cranemews.com/> (accessed August 2017)

Existing Employment

- 2.6 Greggs is currently in the process of consolidating a number of bakery sites across Greater London and as such, the scale of on-site bakery related employment has been gradually reducing over recent months.
- 2.7 In total, Greggs indicate that the site currently accommodates 14 jobs across a range of roles, primarily including lower skilled retail support, property management and administrative occupations. Analysis of staff home postcode location data indicates that just 3 of these 14 jobs are taken up by residents of LB Richmond, including 1 resident of Twickenham and 2 residents of Hampton, as demonstrated in Figure 2.2 below. The scale of local impact in relocating these jobs elsewhere in London is therefore considered to be minimal.

Figure 2.2 Existing staff home location



Source: Greggs

- 2.8 The overall ambition of Greggs is to relocate the existing operations at Gould Road to a more accessible, purpose built location within the periphery of the M25 in order to improve operational efficiency and reduce delivery costs. It is expected that these jobs, along with the previous jobs accommodated on-site will/have been relocated elsewhere within the consolidated portfolio of Greggs sites in London.

Local Economic Profile

- 2.9 Data from the Office for National Statistics (ONS) indicates that the local economy of LB Richmond benefits from:
- A higher proportion of residents (15.1%) who are self-employed than the London (13.5%) and GB (10.6%) average;
 - A significantly higher proportion of residents in higher skilled occupations (including managers, directors and senior officials; professional occupations and associate professional and technical occupations) (76.5%) than the London (55.7%) and GB (45.5%) average;
 - A significantly lower proportion of residents employed in lower skilled occupations (sales and customer service, process plant and machine operatives and elementary occupations) (7.2%) compared to the London (20.1%) and GB (24.6%) average;
 - A higher proportion of residents with NVQ Level 4+ qualifications (71.6%) compared to the London (51.9%) and GB (38.2%) average; and
 - A higher proportion of micro businesses (with 0-9 employees) (92.9%) than the London (90.6%) and GB (89.2%) average.
- 2.10 However, despite these positive trends, the Borough also has:
- A lower proportion of jobs available within the Borough per working age resident (81 jobs for every 100 working age residents) than the London (98) and UK (83) average;
 - Significantly higher resident earnings (£785.10 per week) compared to workers in the Borough (£608.50 per week), suggesting a high proportion of residents commute out of the Borough for higher paid employment opportunities; and
 - Lower earnings of workers in the Borough (£608.5 per week) compared to the London average (£670.80), suggesting a limited availability of higher paid employment opportunities locally.
- 2.11 The latest available data on commuting patterns (from the 2011 Census) also demonstrates that 59% of the working population of LB Richmond currently commute out of the Borough for work, 49% of which work elsewhere in London. However, 35% (c.14,160) of the 40,640 residents who live and work within the Borough work mainly at, or from home. This suggests that there could be a significant market for small scale, affordable start-up business space within the local area.
- 2.12 Taken together, these factors suggest that the proposed development of start-up enterprise and SME office space would be well suited to the employment profile within LB Richmond and would provide opportunities to increase the business base within the local area. This, in turn, could support the creation of higher value employment and additional jobs that are more suitable for the local resident population, as well as supporting the retention of highly skilled workers and businesses within LB Richmond. By comparison, data provided by Greggs indicates that just 20% of the existing low skilled/low paid jobs on the bakery site are taken up by residents of LB Richmond.
- 2.13 In addition, the development of 96 new homes, including 45 affordable units accords with the Council's Adopted Core Strategy Policy 15 (CP15) and would support the Council's ambition of delivering 150-330 dwellings per annum, as set out within the Policy CP14. The mix of housing proposed, including 18(no.) 4 bed, 15(no.) 3 bed, 54(no.) 2 bed and 9(no.) 1 bed homes would also support a wide range of local housing choices and needs.

3.0 Construction Impacts

3.1 This section of the report considers the economic benefits that will arise during the construction phase of redevelopment of the Greggs Bakery site. The key benefits relate to new employment opportunities and additional economic output that will be generated by the redevelopment.

Capital Investment

3.2 Based upon estimated build costs for a development of this nature, it is anticipated that the proposed redevelopment will result in a total capital investment of **£29.1m**.² This represents a significant injection of private sector investment within the Twickenham area of LB Richmond over the short to medium term.

Employment

Direct Employment

3.3 The above build costs can be used as the basis upon which to estimate the level of construction industry employment to be supported by the scheme. ONS Annual Business Survey data (2016 edition) indicates that the average ratio of expenditure (i.e. on materials, goods and services) to jobs in the UK construction industry is £100,970.³

3.4 Applying this ratio to the estimated construction cost indicates that the scheme could be expected to support approximately 290 person-years of construction work over the duration of the 2 year build period. This is equivalent to creating just under **145 temporary construction jobs per year of construction**.

3.5 Given that national construction firms sometimes use their own permanent workforce on projects, but also employ contractors with a proportion of construction workers drawn locally, it is difficult to identify the likely source of workers to fill these construction jobs before contracts have been let. However, based on experience elsewhere it would be reasonable to expect a proportion of the construction jobs created by the scheme would be taken up by the local workforce.

Indirect and Induced Employment

3.6 In addition to direct employment opportunities, construction activity also involves purchases from a range of suppliers (e.g. concrete, glass, steel). In turn, these suppliers purchase from their suppliers further down the supply chain. The relationship between the initial direct spending and total economic impacts is referred to as the “multiplier effect” and demonstrates that an initial investment can have substantially larger economic benefits as this expenditure is transmitted through the economy.

3.7 As a result, it is anticipated that some businesses in the local and regional economy would benefit from trade linkages established during the construction of the scheme. Consequently, a number of indirect jobs would be supported by suppliers of construction materials and equipment.

3.8 In addition, businesses would also be expected to benefit to some extent from temporary increases in expenditure linked to the direct and indirect employment effects of the construction phase. This is likely to be driven by workers spending their wages in local

² This figure is based upon estimated construction costs provided by Colliers International.

³ Annual Business Survey, 2014; revised results published in June 2016 provide detailed statistics on construction sector expenditure.

shops, bars, restaurants and other facilities. This helps to support the creation of induced jobs.

- 3.9 Applying an appropriate national multiplier⁴ to the 145 temporary construction jobs derived above indicates that an additional **220 temporary indirect and induced jobs** could be supported across the UK economy per year of construction (in addition to the 145 direct jobs derived above).

Economic Output

- 3.10 Construction activity associated with the scheme – and increased levels of demand within the supply chain – is also likely to result in a temporary increase in economic output. Gross Value Added (GVA) is a measure of the difference between what is produced as output (goods and services) and the inputs (raw materials, semi-finished products etc.) used in the production of those outputs. It represents the additional value that is added through economic activity.
- 3.11 In total, it is estimated that the scheme could be expected to deliver an additional **£35.0m in GVA** per annum over the 2 year build period. This estimate has been derived having regard to:
- The level of direct employment to be supported during construction;
 - Average GVA per construction worker for the London region⁵; and
 - An appropriate GVA multiplier for the construction industry.⁶

⁴ A multiplier of 2.51 has been applied, drawing upon research undertaken by CEBR on behalf of the National Housing Federation (2013)

⁵ Source: Experian (2016).

⁶ A multiplier of 2.41 has been applied, drawing upon research undertaken by CEBR on behalf of the National Housing Federation (2013)

4.0 Operational Impacts

4.1 This section assesses the main economic benefits that could be supported by the redevelopment of the Greggs Bakery site once the scheme is complete and operational. As the site currently contains existing employment, clearly the scale of the benefits generated by the proposed development will need to be offset against this effect.

Employment

Direct Employment

4.2 Based upon average employment densities for office development, it is estimated that the creation of 2,765 sqm (GIA) of start-up enterprise and SME office space (equivalent to a Gross External Area (GEA) of 2,903 sqm) could be expected to generate just over **230 total jobs** in gross terms (or just under 210 gross FTE jobs) once completed and operational, as set out in Table 4.1 below.

Table 4.1 Employment Densities and Job Creation by Use

Proposed Use	Size (converted to GEA sqm)	Employment Density (Total Jobs)	Total Jobs	Employment Density (FTE)	FTE Jobs
Office space for start-up businesses	2,903 sqm	1 job per 12.5 sqm	232	1 job per 14 sqm	207

Source: HCA, (2015), Employment Densities Guide/ BRES/ Lichfields analysis

4.3 In order to estimate the ‘net additional effect’ of the above employment, it is also important to consider the displacement of existing on-site employment that is supported by the existing bakery operations. As detailed in Section 2.0, the site currently accommodates 14 total jobs (estimated to be equivalent to 13.5 FTE jobs⁷), which are expected to be relocated elsewhere in London, outside of LB Richmond.

4.4 As such, it is assumed that a maximum of 14 total/13.5 FTE existing on-site jobs could be lost to LB Richmond as a result of the proposals. This would reduce the overall scale of new job creation in the local area as a result of the proposals to just under **220 total/195 FTE net additional jobs**. In practice, however, it is recognised that the relocation of these jobs is part of a wider strategy that would occur even in absence of the proposed redevelopment. Consequently, the final net additional effect for LB Richmond of the development is likely to be higher.

Indirect Employment

4.5 Once completed, the start-up enterprise and SME office space will also support the creation of indirect jobs, as businesses and organisations located on the site will purchase goods, supplies and services from firms in the area of impact (and beyond). Wage spending by the employees of these on-site businesses and local firms in the supply chain will also support induced jobs in other local shops, services and businesses. These combined effects are known as the multiplier impacts of the development.

4.6 It is estimated that the 210 gross FTE jobs on site will support a further 60 ‘spin-off’ FTE jobs in local services and other firms across the main area of impact (of which 57 would be net additional⁸).

⁷ Based upon an analysis of ONS Business Register and Employment Survey data which indicates that the FT:PT ratio for B2 use class jobs is 91:9 (Lichfields analysis of 2016 data).

⁸ Based upon the creation of 195 FTE net additional direct jobs on-site.

4.7 At the **regional (London) level, a total of just over 90 ‘spin-off’ FTE jobs⁹** are expected to be supported, including the 60 to be captured locally (of which 86 would be net additional¹⁰).

Economic Output

4.8 Additional employment created by the scheme is likely to result in an increase in levels of demand within the supply chain and subsequently in economic output. Gross Value Added (GVA) represents the additional value that is added through economic activity.

4.9 It is estimated that the completed commercial development could be expected to deliver a total of **£26.3m in gross direct GVA per annum**, of which **£25.3m per annum would be net additional¹¹**.

4.10 These estimates have been derived with regard to:

- The level of direct employment to be supported by the development; and
- The average GVA per worker for the proposed development type (e.g. offices) in London¹²; and
- The average GVA currently supported on-site that could be displaced (e.g. light industrial/general manufacturing) in London.¹³

⁹ The latest English Partnerships guidance on calculating the additionality of development has been used to select a combined multiplier of 1.29 to reflect direct, indirect and induced employment effects at the local level. A multiplier of 1.44 has been assumed to reflect regional job effects.

¹⁰ Based upon the creation of 195 FTE net additional direct jobs on-site.

¹¹ Taking into account the displacement of existing on-site activity.

¹² Experian (2016), RPS June 2016

¹³ ibid

5.0 Resident Expenditure Effects

5.1 The analysis also has regard to the expenditure benefits that could be generated by residents of the new homes, taking into account the likely patterns of expenditure and the extent to which this displaces spend from elsewhere.

First Occupation Expenditure

5.2 Research suggests that the average homeowner spends approximately £5,500 to make their house 'feel like home' within a year and a half of moving into a property.¹⁴ This money is generally spent on furnishing and decorating a property. Applying this average level of one-off spending to the 96 new homes proposed at the application site, would suggest that the development could be expected to generate **almost £530,000 of first occupation expenditure.**

5.3 Whilst it is not possible to accurately quantify the proportion of this expenditure to be captured locally, it is considered likely that much of this spend will be retained within LB Richmond.

Ongoing Resident Expenditure

5.4 Based upon an analysis of the existing socio-economic composition of Twickenham's population, and having regard to the nature of the proposed housing product, it is estimated that residents of the open market housing proposed would broadly fall within the 'Urbanites' Output Area Classification. It has been assumed by Lichfields that those occupying affordable housing are likely to fall within the 'Constrained by Circumstances' socio-economic group.¹⁵

5.5 The ONS Family Spending Survey (2015 Edition) provides summary data on typical patterns of household expenditure by household socio-economic classification. Taking into account the average expenditure levels of the Urbanites and Constrained by Circumstances groups – and adjusting the figures to reflect regional expenditure differentials – it is estimated that the residents of the 96 new homes proposed could generate **total gross expenditure of £2.6m per annum.**

Net Additional Expenditure

5.6 It is recognised that not all residents will be new to the local area, as some will relocate from elsewhere in LB Richmond. National research¹⁶ provides benchmarks regarding the average distances moved between a head of household's present and previous home address. This can be used to estimate the proportion of a development's population that may be new to the locality.

5.7 Based upon the number of new residents likely to move into LB Richmond from beyond the local area – and taking into account the 'domino effect'¹⁷ – it is anticipated that total expenditure of approximately £1.75m per annum would be generated by residents that are new to the area.

5.8 In addition, only a proportion of the total expenditure by new residents will be retained within the local economy. It is estimated that approximately 55% of expenditure is likely to be retained within LB Richmond. This figure has been derived having regard to

¹⁴ Research carried out by OnePoll on behalf of Barratt Homes, August 2014

¹⁵ OAC classification groups consistent with those presented within the ONS Family Spending Survey (2015 Edition)

¹⁶ Scottish Household Survey – Tenure by Distance Moved (2013)

¹⁷ The 'domino effect' refers to the impact of new residents drawn into the local area to occupy those existing homes vacated by 'local' moves to a new development

convenience and capacity retail expenditure flow analysis contained within LB Richmond's 2014 Retail Study (i.e. the latest available).

- 5.9 Having regard to the above, it is estimated that **total net additional expenditure of just over £960,000 per annum** on average will be created by new residents – once all of the dwellings are completed and occupied – and retained within the LB Richmond local authority area.
- 5.10 In addition, it is expected that this additional resident expenditure could support the creation of approximately **7 FTE jobs in the local area**, including opportunities in retail, leisure, hospitality and other service-related businesses.

6.0 LPA Fiscal Impacts

6.1 This section considers the financial benefits delivered by the proposed development that would accrue to the local authority. These benefits should be considered within the context of the Government's austerity measures and the impact that such measures have had upon the financial position of LB Richmond. It is understood that the Council has experienced significant cuts and is facing further reductions in Government grant amounting to 66% over the next 4 years.¹⁸

6.2 The key fiscal benefits considered in the following paragraphs include:

- New Homes Bonus payments;
- Increased Council Tax revenue;
- Business Rate payments; and
- Planning Contributions.

New Homes Bonus

6.3 From 2018/19, changes to the New Homes Bonus mean that payments will match the increase in Council Tax income from new homes or homes brought back into use for a four year period. It is understood that local authorities will only receive New Homes Bonus payments on any housing delivered above a national baseline level of growth equivalent to 0.4% of the dwelling stock.

6.4 Having regard to the above, and using the latest CLG New Homes Bonus Calculator, it is estimated that – once complete – the provision of 96 new homes (including mix of 61(no.) 1 and 2 bed flats and 35(no.) 2, 3 and 4 bed homes) offers the potential to generate approximately **£740,000 in New Homes Bonus payments** (payable over a 4 year period) based upon estimated sales values for the proposed dwellings¹⁹, with an appropriate uplift applied to the affordable units. It is recognised, however, that payments will be profiled to reflect the build period of the development and are contingent upon LB Richmond delivering total housing growth in excess of the 0.4% threshold.

Council Tax

6.5 The proposed development of approximately 96 new homes in Gould Road, Twickenham would also result in an ongoing increase in Council Tax payments to LB Richmond Council. Drawing upon the above estimated sales values, and taking into account the levels of Council Tax levied by LB Richmond for the relevant Council Tax bands, it is estimated that the developments could generate just over **£180,000 per annum in additional Council Tax payments** – once all of the dwellings are completed and occupied.

Business Rate Revenue

6.6 Businesses and other non-domestic occupiers of property pay non-domestic rates (also known as business rates), contributing towards the cost of local authority services. The Business Rates Retention scheme currently allows the local retention of 50% of business rates directly by councils, allowing them to borrow against future rate income. By

¹⁸ http://www.richmond.gov.uk/council_tax_rise_to_protect_key_local_services

¹⁹ Provided by Colliers International

2019/20, it is anticipated that this will increase to 100%. As a result, business rate revenue is an increasingly important source of income for local authorities.

- 6.7 The commercial proposals at the Greggs Bakery site comprise of 2,765 sqm Gross Internal Area (GIA) of start-up enterprise and SME office space (equivalent to a Gross External Area of 2,903 sqm). Based upon an analysis of average business rates for office uses in the surrounding area, it is estimated that, once complete, the office space proposed at the redeveloped site would generate just over **£300,000 business rate revenue per annum**, £150,000 of which would be retained by LB Richmond, rising to £300,000 by 2019/20.
- 6.8 It should be noted, however, that any uplift in revenues will be offset in part by the loss of a proportion of business rates currently generated by the existing Bakery unit. The current business rates revenue generated by let businesses operating on-site has been estimated to amount to around £166,000 (£83,000 of which would currently be retained by LB Richmond) based on an analysis of Valuation Office Agency (VOA) property valuation data.
- 6.9 This reduces the net additional business rates revenue per annum to £67,000 when taking into account the lower value existing industrial uses (rising to £134,000 by 2019/20). Taken together with the above Council Tax revenues, this represents a **total annual increase in revenue to LB Richmond of £247,000 per annum (rising to £314,000 by 2019/20)**, in addition to one off payments of New Homes Bonus and S106 contributions as detailed below.

Planning Contributions

- 6.10 It is also anticipated that the redevelopment of the site would generate Section 106 payments in order to support the development or enhancement of community facilities and infrastructure.
- 6.11 Based upon site-specific information and a review of comparable schemes within the Borough, it is estimated that these could total **£510,000 in contributions to LB Richmond**. It should be noted that this figure is subject to change.

7.0 Wider Socio-Economic Impacts

7.1 This section considers some of the wider socio-economic benefits associated with the proposed redevelopment, including labour market flexibility, affordable housing delivery, the wider role of housing in supporting the local economy and contribution to economic objectives, including enhancing the area’s economic attractiveness.

Labour Market Flexibility

7.2 Housing supply can play a key role in the flexibility of the local labour market, which in itself is an important component of local economic competitiveness. This is because a shortage of housing, or a lack of affordability, can be a major barrier to people accessing work opportunities, resulting in long-distance commuting with adverse transport and environmental impacts. A geographical mismatch between labour supply and demand can impede economic productivity at the national level.

7.3 With this in mind, increased housing supply generated by the proposed development in Twickenham could allow for a better match between labour and employment within the area, thus helping to improve the overall competitiveness of the local economy. The role of new affordable housing is particularly important in this regard, helping to retain working age residents in the local labour market.

7.4 For affordable homes specifically, the Council’s adopted Core Strategy (2009) and Affordable Housing SPD (2014) state that schemes consisting of 10 units or more should provide 50% affordable units on-site. Initial discussions with LB Richmond about the scheme have not extended to the level of affordable housing to be provided. However, the scheme has been designed with a view to affordable housing being provided within Block C, providing 45 affordable homes and includes a mix of flats and houses with 1-4 beds to increase local housing choice.

7.5 The provision of start-up enterprise and SME office space on-site will also play an important role in supporting labour market flexibility and in retaining local entrepreneurial opportunities. As outlined in Section 2.0, LB Richmond has a high proportion of residents who currently work from home and a higher than average number of micro businesses, which would be particularly well suited to small scale office space. Providing such uses in close proximity to residential uses would therefore provide a key opportunity to retain growing businesses in LB Richmond, as well as the job opportunities and expenditure effects that flow from this type of development.

Wider Role of Housing in the Economy

7.6 New housing delivery has the potential to generate a range of improved economic outcomes, as summarised below.

Table 7.1 Economic Outcomes from New Housing Delivery

Timescale	Role	Impact of New Housing Delivery
Short (0-5 years)	Stimulus to growth	<ul style="list-style-type: none"> • Macroeconomic boost from new house building through new employment, output and the multiplier effect
Medium (5-10 years)	Enhancing productivity	<ul style="list-style-type: none"> • Labour market and spatial flexibility from housing choice • Impact on economic competitiveness (e.g. quality of place, access to services, improved affordability)
Long (10+ years)	Structural shifts	<ul style="list-style-type: none"> • Replacement of poor quality stock, impacting positively on health, income and life chances • Increased energy efficiency of new housing reduces carbon emissions and saves mitigation costs

Source: NLP based on HCA (2009) and Homes for Scotland (2015) research

Contribution to Economic Objectives

- 7.7 The potential socio-economic impacts of the residential-led redevelopment proposals also align with a broad range of policy objectives at the national and local level, summarised in Table 7.2.

Table 7.2. Key Policy Aims and Contribution of Proposed Development to Meeting Them

Policy/Strategy	Relevant Key Message(s)	Contribution of proposed development to objective(s)
<p>National</p> <p>Laying the Foundations: A Housing Strategy for England (Nov 2011)</p>	<p>Housing Strategy sets out a package of reforms to:</p> <ul style="list-style-type: none"> • Get the housing market moving again • Support choice and quality for tenants • Improve environmental standards and design quality 	<ul style="list-style-type: none"> • Helping to address LB Richmond's housing needs by building 96 new homes of a mix of sizes, including 45 affordable units • Improving local environmental quality in Twickenham through use of high quality design, build and preservation
<p>National Planning Policy Framework (Mar 2012)</p>	<p>Local planning authorities should:</p> <ul style="list-style-type: none"> • Do "everything they can" to support economic growth • Significantly boost the supply of housing 	<ul style="list-style-type: none"> • Attracting c.£29.1m private sector investment to the Borough • Creating c.210 FTE new jobs on-site and supporting start-up and SME businesses to develop and grow in the local area • Delivering 96 new homes
<p>Sub Regional</p> <p>The London Plan (2016)</p>	<ul style="list-style-type: none"> • Improving the stock of employment space to meet local needs, including those of small and medium sized enterprises (SMEs), start-ups and businesses requiring more affordable workspace including flexible, hybrid office/Industrial premises • Recognises the pressing need for more market and affordable homes in London in order to promote opportunity and provide a real choice for all Londoners • Sets a minimum 10-year target for 3,150 homes between 2015-25 (315 per annum) for Richmond Borough • Encourages proposals for large residential developments to include complementary non-residential uses 	<ul style="list-style-type: none"> • Provision of office space for start-up SME businesses, supporting small business growth and improving the existing stock of employment sites through the removal of a largely vacant and inaccessible Industrial unit • Delivers a mix of market and affordable housing provision across a range of sizes and tenures • Delivers 30% of one year's annual housing target • Providing a mixed use development, with housing and complementary on-site employment opportunities that are well suited to the local labour market
<p>Local</p> <p>LB Richmond Adopted Core Strategy (2008)</p>	<ul style="list-style-type: none"> • Expects 50% of all new units will be affordable housing • Highlights Twickenham is amongst the few outer London centres where there remains a demand for modern office floor-space • Twickenham and Richmond are identified as the most sustainable options for development, especially office and retail provision and increased densities of housing with their accessible locations and established range of services • Seeks to improve training and links to employment opportunities 	<ul style="list-style-type: none"> • Delivers 45 affordable units, contributing to affordable housing needs • Supports the delivery of new high quality office space for start-up businesses and SMEs in a highly accessible location • Provides opportunity to deliver c.210 FTE gross jobs on-site, supporting spin off jobs in the wider economy and GVA • Creates new employment opportunities through the construction phase and support £29.1m private sector investment in the local economy
<p>LB Richmond Local Economic Assessment (2010)</p>	<ul style="list-style-type: none"> • The local market needs to be able to provide high end quality offices for larger companies / inward investors but also flexible grow-on space for existing local businesses • It is recommended that the borough permits the redevelopment of existing industrial employment land for B1 use where appropriate 	<ul style="list-style-type: none"> • Provision of start-up and grow on office space for existing and emerging local businesses in Twickenham • Redevelops a largely vacant industrial unit into high quality homes and office space

8.0 Conclusions

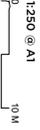
- 8.1 As demonstrated in the preceding Chapters, the proposed redevelopment of the Greggs Bakery site will generate a wide range of direct, indirect and catalytic economic effects, both quantifiable and non-quantifiable, including:
- 1 **Expanding local housing choice in Twickenham** through the provision of 96 new homes at a range of sizes and tenures, including 45 affordable units.
 - 2 **Providing additional employment opportunities for local residents.**
 - a The scheme is estimated to create just under 210 FTE gross jobs on-site, supporting 60 FTE indirect/induced jobs in the wider supply chain. This is estimated to include just under 195 net additional jobs on-site and 57 net additional supply chain jobs (once existing bakery jobs are taken into account).
 - b Through the construction phase, the development is also anticipated to create 290 person-years of temporary construction employment, equivalent to approximately 145 temporary jobs per year of construction at a range of skill levels and 220 temporary indirect/induced ‘spin-off’ jobs p.a. in local shops, services and supply chain firms.
 - c A further 7 FTE jobs will be supported through increased resident expenditure retained within the local area.
 - 3 **Providing a significant boost to both the local economy and the London Borough of Richmond’s GVA**, generating circa £26.3 million ongoing GVA per annum through the creation of new on-site jobs (£25.3m of which would be net additional) and £35.0 million GVA per year throughout the 2 year construction phase.
 - 4 **Providing a boost to Local Authority revenue.** Once complete, the proposed development could generate £180,000 in Council Tax revenues per year and £300,000 in Business rates revenue, supporting an uplift of £247,000 per annum compared to the existing uses (rising to £314,000 per annum in 2019/20). In addition, the redevelopment would generate just under £740,000 in New Homes Bonus payments and £510,000 in Section 106 Contributions.
- 8.2 The development will also benefit the local economy in a number of less quantifiable ways, including:
- a Supporting a significantly higher number of high value jobs on-site than currently supported by the existing Bakery operations, helping to support local economic growth and prosperity in LB Richmond;
 - b Generating £29.1m private sector investment in the local economy, regenerating an existing under used industrial site into a high quality fit-for-purpose mixed use development;
 - c Providing office space for start-up businesses, supporting local entrepreneurship, business growth and the retention of business opportunities in LB Richmond that are well suited to the skills and employment profile of local resident population; and
 - d Providing high-quality new homes to support the delivery of LB Richmond’s housing target.
- 8.3 These likely economic effects also align well with a wide range of national, sub regional and local policy objectives, in particular, increasing the supply of high quality, sustainable housing to meet local needs, enhanced economic prosperity through private sector investment and resident expenditure, and contributing towards a more attractive local realm.

Appendix 1: Proposed Site Plan



RIVER CRANE

A1



Site Boundary

Unit Schedule

1 Bed	9 Units
2 Bed	54 Units
3 Bed	15 Units
4 Bed	18 Units
Commercial	2757 sq m
No. of units	96 Units
Density	401 HR/HA

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DATE

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PROJECT

10A
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Proposed
 Site Plan

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