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Residential Development at Lee Lane, Royston: Socio- Economic Assessment

A Report by Regeneris
Consulting

Strategic Land Group

**Residential Development
at Lee Lane, Royston:
Socio-Economic
Assessment**

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The Scheme

- 1.1 Strategic Land Group are seeking planning permission for a 200 unit residential development at Lee Lane, Royston, in the local authority district of Barnsley. The scheme will deliver a mix of good quality family-orientated dwellings, with the majority 3 or 4 bedroom properties. The proposed development includes provision for a small retail unit.
- 1.2 This summary assessment has been prepared by Regeneris Consulting to summarise the socio-economic benefits of the scheme. The analysis assumes that the residents of the new development represent a net additional increase in the population base of Barnsley.

Socio-Economic Context

- 1.3 According to 2011 Census data, Royston had a resident population of 10,700¹. The age structure of the village was similar to the district, regional and national trends, with 63.9% of the population of working age (16-65), compared to 64.6% in Yorkshire and the Humber and 64.8% in England. Royston's proportion of people of retirement age was slightly higher, but generally consistent with these larger areas too (17.2% compared to 16.6 and 16.3% respectively).
- 1.4 Between 2001 and 2011 Royston has aged, while its working age population contracted. Its total population increased by 12.6% in this period, including a 25.8% rise in those aged over 65, a much greater proportional change than either Barnsley (11.7%), Yorkshire and the Humber (8.7%) or England (9.8%).
- 1.5 The most recent interim Subnational Population Projections suggest that these trends are expected to continue for Barnsley. As Table 1-1 shows, by 2021 the total population of Barnsley is set to grow by 13%, but the proportion of retired people is set to rise by more than four times this rate, at 51%.

Table 1-1: Population Groups by year, projections (2011-2021) for Barnsley Borough

	2011	2016	2021	% change 2011-2021
Total Population	231,870	240,230	248,660	7%
WAP	43,620	47,690	51,780	2%
65+ Population	149,450	150,190	151,750	19%

Source: ONS Interim Sub-national Population Projections, 2011-based

- 1.6 Earlier sub-national population projections (ONS, 2010-based) projected an increase in the over 65s of around 50% compared to a change in the working age population of 4%. This covered a period from 2010 to the early 2030s.
- 1.7 Although the SNPP data is not available at the local level, as Royston had a larger proportion of retired people than Barnsley in 2011, it is reasonable to assume that the changes taking place on the district-wide level would be mirrored in Royston.

¹ ONS, Census 2011

1.8 The implications of this ageing population for the local area include:

- Older households tend to be smaller and, in general, have lower levels of household expenditure than family households with children. On average according to the national household survey, households in which the head is over the age of 75 spend only 50% of average household expenditure for all households. This would imply fewer people using local services and facilities and spending money in the village, which is likely in turn to affect Royston's capacity to sustain the range of services it currently offers in the long term. If this trend is the same across Barnsley, it has implications for the wider area.
- An ageing population is also likely to put pressure on public and private health and social care services in the wider Barnsley area, since older people have a much higher than average propensity to demand services of this type.

Barnsley Policy Context

1.9 Several local policy documents stress the importance of new housing developments like the one proposed for Lee Lane.

These include the **Barnsley Core Strategy (adopted 2011)**:

- Section 1 of this document outlines the key challenges facing the Barnsley metropolitan area. One of these is in housing, where the strategy notes that whilst average prices rose by 157% between 2001 and 2007, there are areas of low quality housing and low demand in Barnsley. This points to both affordability problems in some locations, but also to a need to refresh the supply of homes in some localities.
- Strategic Objective 7 aims to address these issues by 'supporting housing market renewal and replacing housing for which there is low demand', and in Core Strategy Policy 9 Royston is identified specifically as an area for development, given its prior involvement in the Barnsley Green Corridor initiative (expired 2011).

The **Barnsley Metropolitan Borough Council Local Investment Plan (2010 to 2014)** further outlines the importance of updated housing policies and housing development:

- The first two of the key objectives laid out by this Plan directly link to housing development; 1) to create a balanced housing market and 2) to provide a variety of good quality housing.
- This document goes on to make clear the link between housing development and the overall economic prosperity of the metropolitan area, which is outlined in the 'housing vision' of Barnsley. As regeneration leads to economic growth it is vital for the area to ensure 'housing needs and aspirations are met', and the failures of the housing market are rebalanced by turning failing and deprived areas around.
- The LIP identifies Royston as a new principal town for the Barnsley borough, which means it has the potential to offer 'significant housing and employment opportunities'. Developments like the one on Lee Lane could thus provide a basis for growth moving forward, given the associated multipliers of attracting new,

particularly young, residents to an area.

- 1.10 The local policy context puts down a number of markers that the provision of new good quality, family-orientated housing therefore has a key role to play in the economic future of Barnsley Borough, as it brings with it increased locale expenditure and employment by bolstering the local labour market.

Impacts of Development

Construction Employment

- 1.11 The scheme is estimated to cost in the region of £24.1 million to build, inclusive of fees and contingencies. Based on the average turnover for a FTE construction job and assuming a 7 year build period, the proposed development would support **69 full time equivalent construction jobs** per annum during the construction phase.
- 1.12 These construction jobs will be a mixture of on-site positions, off-site but local jobs and wider supply chain employment. The assessment does not account for the temporary induced effects of construction spending as labour paid as a result of the development spends money locally.
- 1.13 In the borough of Barnsley there were **510 individuals** claiming Job Seekers Allowance in November 2013 who were registered as seeking employment in the construction industry and building trade. This amounts to 8.2% of the total population seeking Job Seekers Allowance. The proposed development therefore has the potential to respond to labour market availability during the construction phase and help to relieve unemployment in the local area.

Household Occupancy & Labour Market Benefits

- 1.14 The proposed development would generate a population of around **550 residents**.
- 1.15 The scheme will have a number of impacts on the labour market of both Royston and the wider Barnsley area. It will bring new working age residents to the area in higher skilled and higher level occupations as well as key workers. In both respects, the scheme would be expected to contribute to meeting the needs of local employers.
- 1.16 Of the estimated 550 residents of the proposed development, it is estimated that up to **390** could be of working age (c. 70%) with around 300 of these residents in employment. The estimated working age population is slightly higher than average for the area, but reflects the mix of homes and its potential appeal to working age households. The figure could be higher, with national evidence suggesting that up to 90% working age residents is typical of newly purchased owner occupied homes.
- 1.17 Based on locations with a similar dwelling profile, it is estimated that of the residents in employment around 120 residents would be expected to be employed in higher managerial and professional positions. The scheme will therefore contribute to Barnsley's recognised need to improve economic performance by attracting and retaining higher skilled people as it seeks to strengthen its base in higher value, knowledge intensive sectors of the economy.

Household Expenditure Impacts

- 1.18 This population would have the potential to generate a combined total annual household expenditure of £1.85 million in the district of Barnsley. Around £1.0 million of this would be spent locally in the town of Royston. This expenditure would support up to 15 jobs across Barnsley, and up to 8 in Royston itself.
- 1.19 The residents of the proposed development would help to contribute to viable town centres in Royston and Barnsley, supporting shops and services, which will benefit the whole community.

Fiscal Benefits

- 1.20 The Coalition Government has introduced a new mechanism to incentivise local authorities to increase their local housing supply. Councils will receive a New Homes Bonus payment based on the annual net increase in the number of dwellings on which council tax is paid from year to year. The payment they receive will be based on the national average rate for a band D dwelling and will include a bonus for affordable homes.
- 1.21 Based on a total of 200 new dwellings, Barnsley local authority will receive around **£1.73m** in New Homes Bonus payments in total over the six years following completion of the development. This is non-ringfenced funding which could be made available for the area, with the Government suggesting that a proportion of NHB receipts are shared with the Local Enterprise Partnership.

Household Moves Benefits

- 1.22 To date, there is little data on the economic impact of expenditure associated with moves in the housing market generated by the sale of new homes, the fit out of those homes and resulting moves elsewhere. However, it is clear that businesses in Barnsley and the surrounding area would benefit from some of this potential expenditure. Services and goods associated with household moves range from fees for estate agents, surveyors and conveyancing service providers to the suppliers and fitters of fixtures and fittings for new homes.
- 1.23 The average costs for a household move for existing homeowners in the UK stands at around **£9,000**. It is reasonable to anticipate that the local area could see significant expenditure associated with the inflow of new residents and moves elsewhere in the area.

Land Off Lee Lane, Royston

Socio-Economic Impact Assessment

CONSTRUCTION IMPACT

£24.1m



ESTIMATED INVESTMENT IN CONSTRUCTION

FTE CONSTRUCTION JOBS ON AVERAGE PER ANNUM SUPPORTED OVER 7 YEAR BUILD PERIOD



The proposed development would generate construction employment in Barnsley which had 510 Job Seekers Allowance claimants seeking work in construction trades in November 2013

HOUSEHOLD SPENDING



£1.0M IN ROYSTON

£1.85M BARNSELY

This will support up to 15 jobs in Barnsley



ANNUAL HOUSEHOLD EXPENDITURE SUPPORTING THE LOCAL ECONOMY

HOUSEHOLD EXPENDITURE WOULD SUPPORT 8 NEW JOBS IN THE LOCAL AREA



The development would support the continued viability of local retail and other businesses in Royston and the surrounding area

DEMAND FOR SERVICES

The development would help to sustain local services and facilities

26 JOBS



NEW HOMES BONUS

The development would generate funds for investment in infrastructure and services

£1.73m



SUPPORTED BY DEMAND FOR PUBLIC SERVICES IN YORKSHIRE

TO BARNSELY COUNCIL THROUGH NEW HOMES BONUS OVER A 6 YEAR PERIOD

LABOUR SUPPLY IMPACT



UPTO 300 ECONOMICALLY ACTIVE RESIDENTS IN THE NEW DEVELOPMENT INCLUDING UP TO 120 IN MANAGERIAL AND PROFESSIONAL OCCUPATIONS



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