

ROBERT HITCHINS LIMITED

LAND NORTH OF GLOUCESTER

SUMMARY SOCIO-ECONOMIC REPORT

AUGUST 2006

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1. Introduction

- 1.1 Turley Associates were instructed by Robert Hitchins Limited in July 2006 to undertake a thorough socio-economic assessment of the proposed development of up to 4,000 dwellings on land to the north of Gloucester. The purpose of the assessment was to consider the social and economic effects of the proposed development, in terms of its impact on the local area and Gloucester City as a whole. In particular, the assessment considers the likely effect of the proposed development on the planned regeneration of Gloucester city centre.
- 1.2 The purpose of this summary report is to provide a non-technical review of the assessment and to set out the broad conclusions that have been reached. The report briefly summarises the existing economic health of Gloucester and considers the likely effects of the proposed urban expansion on the socio-economic structure of the city.
- 1.3 The detailed assessment also makes a comparison between the likely socio-economic effects of proposed development to the north of Gloucester and that proposed to the south of the city. Specifically, the detailed assessment considers the regeneration and employment benefits for the city centre associated with these proposed developments. The conclusions of this assessment are summarised below.

Background to the Assessment

- 1.4 The Draft Regional Spatial Strategy has identified land to the north of Gloucester as capable of development to provide a 2,000 dwelling urban extension to Gloucester. Robert Hitchins Limited consider that the north of Gloucester has potential to accommodate a greater number of dwellings and wish to promote additional development through the RSS process. This report and the detailed assessment upon which it is based, has been prepared to support Robert Hitchins Limited's representations to the Draft RSS.

Summary of Methodology

- 1.5 There is no Government guidance or regulation setting out the preferred methodology for assessing socio-economic impacts associated with proposals for major development. In the absence of specific guidance, the effects of the proposed development have been considered primarily in relation to the socio-economic structure of Gloucester and the impact on regeneration of the city.
- 1.6 In particular, the detailed assessment has had regard to:
 - An assessment of the baseline economic conditions in the area;

- An assessment of the implications of the proposed development with regard to local service provision, including retail, education and medical facilities;
- An assessment of the implications of the proposed development with regard to the regeneration of Gloucester city centre;
- An assessment and comparison of the implications of the development not taking place on the site north of Gloucester but elsewhere; and
- Identification of mitigation measures to aid economic and social inclusion.

1.7 Using geographical parameters, the assessment considers the existing (or 'baseline') economic and social characteristics of the area, based on analysis of current indicators and published survey material. The economic effects of the proposed development itself are diverse; some will be direct, for example through job creation, while others will be indirect through increased use of existing local facilities.

Data Sources

1.8 The 'baseline' information has been derived from a number of sources, including the following:

- 2001 Census data;
- Gloucestershire Economic Strategy 2003-2014 (Gloucestershire First);
- The Economy of Gloucester 1993-2003 (Gloucestershire Labour Market Information Unit, 2006);
- Travel to Work and Urban Areas of the South-West Region (South West Observatory).

2. Baseline Conditions

Population

- 2.1 Although located immediately to the north of Gloucester, the assessment site is located within the Tewkesbury Borough Council administrative area, where the 2001 Census identified a resident population of 76,405 (49 per cent of which were male and 51 percent female). Within this, and at the more detailed local level, the resident population of the Innsworth with Down Hatherley ward (within which the assessment site is located) was 2,677 (49 per cent male and 51 per cent female). In 2001 there were 976 households in the ward, with an average household size of 2.7 persons.
- 2.2 The population of Tewkesbury Borough is broadly comparable within the national average for England and Wales (E & W). However, the 2001 Census does identify 32.1% of residents aged between twenty and forty four, which compares with the E&W average of 35.3%. Tewkesbury Borough also has a higher proportion of its population aged over 45 when compared with the E&W average. This indicates a population profile that is slightly more aged than the national average.
- 2.3 At the local (ward) level, the age structure more closely reflects the E&W average, with 36.9% of Innsworth with Down Hatherley ward residents aged between twenty and forty four, and 34.7% aged forty five and over.
- 2.4 Overall, the assessment findings indicate that the population of Tewkesbury Borough is above the national average for age, while the Innsworth with Down Hatherley ward is relatively stable with an average age broadly consistent with national indicators. In terms of structure, this indicates that the local population is sufficiently stable to support the economic performance in the area, and vice versa. This also serves to indicate that the population of assessment area is well placed to support further economic growth and development without giving rise to a disproportionate number of jobs or available workforce.
- 2.5 For the neighbouring areas of Gloucester city (where the principal effects of the proposed development are most likely to be felt), Census data at both the city-wide and ward level also indicates a relatively stable population structure. In the neighbouring Longlevens ward, there were 3,773 households at the time of the 2001 Census, with an average household size of 2.4 persons. This baseline population data provides useful information in order to assess the likely impacts of additional housing development.

Employment

- 2.6 In order to consider the relevant employment baseline data, the assessment has

concentrated on an analysis of the data for the Gloucester area. This is because the principal employment market that is likely to be influenced by development north of Gloucester is concentrated within the city. Although Tewkesbury Borough (within which the assessment site is located) will experience impact, the key influences will be drawn from the adjacent city area.

- 2.7 Economic data drawn from the South West Observatory Report, 'Travel to Work and Urban Areas of the South West Region', indicates that there is a workplace population of 58,835 within Gloucester. The study also demonstrates that there is a large element of in-commuting to the city (23,786), which leads to a net level of in-commuting of 6,310 persons.
- 2.8 The majority of this in-commuting derives from the surrounding Districts. There is a notable draw of commuters from the areas to the north and west of the city (specifically from Tewkesbury Borough and the Forest of Dean District).

Travel to Work Data

- 2.9 Travel to work information for the south west region provides useful information when considering the prevailing economic conditions of areas. For example, data regarding the self-containment of Gloucester (the degree to which residents live and work in the same area) indicates that it has a self-containment level (71%) that is low when compared with other Principal Urban Areas. This reflects the degree of competition from other employment centres, for example Bristol to the south.
- 2.10 Further information regarding Gloucester's 'sphere of influence' (the extent to which the city attracts workers from the surrounding area) indicates that residents to the south of the city are influenced by employment in locations such as Bristol and Swindon. The data indicates that areas to the north and west of the city contain a higher proportion of residents who are employed in Gloucester, when compared with areas to the south and east.

Social Characteristics

- 2.11 2001 Census data indicates that the Gloucester area retains a relatively stable social and economic base. The Census data indicates that 49.3% of housing is 'owner occupied'. The adjacent Longlevens ward and City of Gloucester as a whole, contains a higher proportion of owner-occupied dwellings.
- 2.12 In accordance with these indicators, health and the provision of care in the ward was generally good. For example, the proportion of residents indicating that their health was 'good' or 'fairly good' was 92.5% compared with the E&W average of 91%.

- 2.13 Taken together, the above indicators demonstrate that Gloucester (and the Innsworth with Down Hatherley ward in particular) has a relatively stable socio-economic base. Notwithstanding this, in order to ensure long term vibrancy, there is a need to attract more families and young professionals to the area to strengthen the social and economic base and to enable the area to continue to prosper. The provision of a large number of good quality homes will strengthen the economic base further, encourage investment and provide accommodation to reduce the need for in-commuting.
- 2.14 The assessment of baseline conditions indicates that land to the north of Gloucester is well placed to support further economic growth, over and above that currently identified within the draft RSS. The data also demonstrates that Gloucester currently experiences a high degree of in-commuting and has a relatively low level of self-containment.
- 2.15 The identification of sites for additional development in the area should therefore have regard to these existing characteristics and seek to locate development where it will help address these imbalances. Our assessment goes on to consider the appropriateness of sites within this context.

3. Potential Impacts

- 3.1 The development of up to 4,000 dwellings over the RSS period will have implications for the socio-economic structure of the Gloucester area. The impact that the development will have will be felt on the wider urban fabric of the area, including on existing facilities such as retail provision, schools and doctors' surgeries. Our detailed assessment considers the implications of this development on the Gloucester area and makes recommendations regarding potential mitigation measures.
- 3.2 The provision of this level of housing will have a positive impact on Gloucester's housing market. No assumptions have been made within our assessment with regard to the specific mix of house types, although the proposed scheme will include a wide mix of density types and sizes in both high and lower density context, which will increase the stock of quality housing in the area. This will include the provision of affordable housing and low cost market housing. This range of provision will correspond well with the existing residential stock in the area and will ensure that there will be no sudden or unsustainable changes to the population profile of the town. The social implications of this are considered further below. Together with the provision of appropriate services, this will ensure that levels of social inclusion remain high, which will in-turn benefit the consequent evolution of the town's employment market.

Population

- 3.3 Although it is not possible to accurately predict the number or age of the additional population created by the development, estimates can be made on the basis of existing information. The development envisages the provision of up to 4,000 dwellings, which, assuming an occupancy rate of 2.7 persons per dwelling (reflecting the 2001 Census data for Tewkesbury Borough), would result in an additional population of 10,800 persons. Although this represents a substantial increase in the context of the existing population and structure of the area, in the context of Gloucester as a whole, it represents a manageable increase. This increase should be easily absorbed and integrated into the existing socio-economic structure at the City level.
- 3.4 The planned regeneration of Gloucester city centre has led to the city becoming the focus for major investment and regeneration. For this to happen and for rates of in-commuting to be reduced and in-migration to be encouraged, housing development will be required. This will ensure that sufficient housing is available to meet the anticipated demand for accommodation that will result from the various urban regeneration proposals that are being promoted.
- 3.5 The promoted development to the north of the city will assist in satisfying this demand through the provision of a mix of dwellings types. Notwithstanding this, the proposed

mix of housing can be brought forward with a view to specifically retaining and attracting young persons/families to the area and is a location that is best placed to encourage residents to remain in Gloucester for their employment. This will help ensure that the resident workforce is able to keep pace with and support the employment growth and regeneration opportunities that will occur.

- 3.6 In the longer term, this should contribute towards the achievement of a balanced community profile by providing suitable accommodation for existing and new workers in Gloucester in a location that encourages a self-contained employment profile. This will help to reduce the need for unsustainable travel patterns in the form of in-commuting, particularly from Tewkesbury and the Forest of Dean.
- 3.7 In view of the above considerations, the projected population increase brought about by the proposed development will have a beneficial impact at City level.

Employment

- 3.8 The baseline conditions set out above highlight that the assessment area has an established employment base. At the same time, the area has seen growth in the provision of financial and professional services employment, and the area continues to exhibit comparatively low levels of self-containment and high degree of in-commuting.
- 3.9 With a view to achieving balanced communities, and reducing the need for workers to travel to work from outside the City, residential developments, such as that promoted, need to be located to draw maximum benefit from existing employment and travel patterns. In particular, it is important to tap into existing employment patterns and retain employment within the city if the full economic benefits of regeneration are to be felt.
- 3.10 In this context, development to the north of Gloucester will be well placed to contribute to the residential workforce, supporting the existing employment base. This will include diversifying and enhancing the skill base of the residential population, particularly by attracting and/or retaining within the local area professional workers, for example through the provision of a range of dwellings.
- 3.11 As set out above, the proposed development of up to 4,000 dwellings is likely to lead to an additional 10,800 residents in the area, many of whom will be new to the area. Assuming that the prevailing rate of economically active people per household is maintained (approximately 1.35 economically active people per household based on 2001 Census information for the local ward), it is estimated that there will be at least an additional 5,400 economically active people living in the area as a result of the proposed development (4,000 dwellings x 1.35).

- 3.12 This is considered to be a reasonably cautious estimate as the development is likely to be attractive to young professionals and families who tend to have a greater number of economically active persons per household. Nevertheless, this additional provision of economically active residents will represent an important contribution to the overall economic health of Gloucester.
- 3.13 It is clear that this increase in the number of economically active residents will generate demand for employment within the area, and will clearly assist in providing new employment opportunities. This, together with the development to which it will give rise, will contribute directly to delivering the regeneration objectives for the city. Development to the north of Gloucester is well placed to provide the demand for employment and to retain this demand within the city. Existing travel patterns demonstrate that residents to the north of the city are more likely to remain in Gloucester for their employment, when compared with residents to the south. This is a result of the influences of major employment locations to the south (e.g. Bristol).
- 3.14 In addition, the development will generate spin-off benefits across the northern side of the city as well as providing employees within the city centre. These benefits are considered further below.
- 3.15 In addition to direct employment generated during the construction phase, the promoted development will also lead to further jobs being indirectly created and retained locally. For example, indirect employment often relates to support services (e.g. childcare), together with less tangible benefits, such as supporting local retail facilities. This form of employment generation is difficult to quantify with reliability, since many opportunities may be created some way from the actual development site. It is clear, however, that the indirect employment generated by the development will represent a positive benefit to the wider Gloucester area.
- 3.16 In addition to the direct and indirect employment guarantee, it is anticipated that the scheme will generate further employment opportunities through positive multiplier effects. It is impossible to accurately predict the level of employment generated in this way and for the purposes of this assessment, this has not been quantified. It is clear, however, that this employment generation will represent a positive benefit.
- 3.17 Overall, it is considered that by boosting the resident workforce, the proposed development will help support and sustain the city and local area's strong employment base, being fully consistent with the economic objectives of national, strategic and local planning guidance. It is also clear that these benefits will be experienced early and are capable of contributing to the economy of Gloucester at an early stage of the RSS

process.

Local Area Expenditure

- 3.18 The promoted development to the north of the city has the potential to generate an increase in residential population in the order of 10,800. These residents will generate additional expenditure within the local area as well as contributing to the economic and employment structure of the city.
- 3.19 Per capita expenditure figures provided by MapInfo indicate that in 2003 annual expenditure on comparison (non-food) goods was £2,478 per person. For convenience (food) goods, the equivalent figure was £1,580. As the economy continues to develop, the expenditure per head figures are forecast to rise in the period to 2011.
- 3.20 Based on 2003 expenditure estimates and a simple arithmetic assessment, the promoted development of 4,000 dwellings on land to the north of Gloucester will generate an additional £26.8 million of comparison goods expenditure and £17.1 million of convenience goods expenditure annually. As set out above, the expenditure estimates are forecast to grow and our assessment therefore represents a very cautious estimate of the additional expenditure generated by the promoted development. Our assessment also identifies the additional benefits to the local economy of other expenditure (for example, leisure spending).
- 3.21 Based on current city centre turnover ratios, the level of expenditure likely to be derived solely from the promoted development would support the development of an additional 6,700 square metres of non-food retail floorspace and 1,700 square metres of food retail floorspace. Although a proportion of this floorspace will be required to be provided locally, given the historic importance of the city centre as a retail location and the regeneration proposals for the city centre, there is clearly significant benefit to be drawn. For reasons identified earlier, there will be far greater propensity for this expenditure to be captured and retained in Gloucester from a resident population in an urban extension to the north within close proximity to the city centre and with consequent good accessibility thereto, than would be the case with an urban extension to the south having good accessibility to the M5 motorway and thus to Bristol, Cheltenham and other competing destinations.

Social Characteristics

- 3.22 Many of the social impacts arising from developments of this nature are complex and difficult to predict. This arises from the large number of variables that can be applied, for example, the origin of residents of the proposed housing development.

- 3.23 The pertinent baseline conditions show that Gloucester and the surrounding area have a stable social and economic base, with robust levels of employment and home ownership in most areas. The proposed development will serve to reinforce these attributes, helping to provide a resident workforce for the expanding employment opportunities at the City level.
- 3.24 It is likely that the development of up to 4,000 new dwellings will result in a gentle broadening of the social structure of the area by encouraging new families to relocate. These residents may relocate as a direct result of the development or the provision of employment opportunities elsewhere within the city and are likely to include a greater proportion of professional/managerial staff. This has the potential to lead to an increase in the average number of economically active persons per household.
- 3.25 Whilst we do not consider this will fundamentally alter the existing social structure, it is likely to lead to an increase in the available expenditure in the area and a greater demand for good quality shopping and leisure facilities. This will help to stimulate and complement existing vitality and viability in Gloucester.

4. Implications of the Development Taking Place Elsewhere

- 4.1 The Draft RSS already provides for significant development on land north of Gloucester, and there is clearly a strategic benefit in this development taking place. Gloucester represents a Principal Urban Area where additional development is to be focused and land on the northern side of the city is ideally located to provide the maximum benefit in terms of sustainability, transport links, and contributions to the existing economic and social structure of the city.
- 4.2 The promoted major development north of Gloucester will make a significant contribution towards achieving the strategic regeneration objectives. The development site is geographically well located to assist in the reduction of the comparatively high levels of in-commuting that take place from Tewkesbury Borough and Forest of Dean District. The northern side of the city is also well located to provide the right set of circumstances that will see the social and economic benefits associated with the development retained within the city.
- 4.3 Our assessment of travel to work patterns and expenditure retention has indicated that sites to the north of the city are more likely to retain economic benefit locally and are best placed to accommodate this growth. Sites to the south and east are subject to travel and trade patterns that are strongly influenced by the draw of Bristol to the south and Cheltenham to the east. These draws are not so strongly felt in locations to the north and west of the city.
- 4.4 If sites to the north of the city are not the focus for future development, we consider that the regeneration objectives for the city centre and city as a whole are less likely to be achieved. We also consider that the economic benefits of development are likely to be less tangible in terms of their effects on the city of Gloucester. The planned growth in population is required to support and underpin the investment that is to be provided.
- 4.5 On the basis of our assessment, we therefore consider that the development of land to the north of Gloucester is the option that will secure the greatest beneficial improvements to the critical mass of Gloucester's economy and therefore support the wider regeneration objectives. The baseline characteristics of the area indicate that the north of Gloucester is capable of absorbing growth over and above that already identified. This development, and the benefits that will arise, is also capable of being secured within the early years of the RSS period.