

Kiwi Place Bulford Socio-Economic Benefits Assessment

Annington Property Limited

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The development at Kiwi Place, Bulford delivered 128 residential rental units, as well as green and amenity space. The project will significantly contribute to Wiltshire's housing requirements, stimulate economic growth and add to the local authority's revenue.



The development



128 New residential units

Other details:
Provision of new green and amenity space.

Construction benefits



£5.5m
Construction value
(total construction cost)



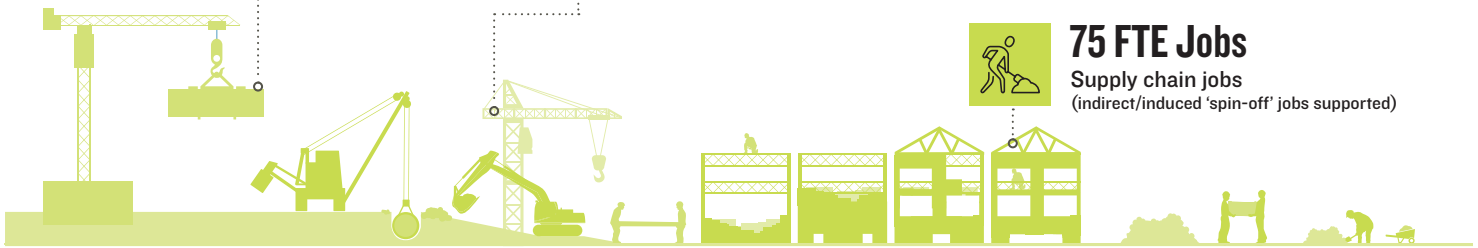
£15.1m GVA
Economic output
(additional GVA p.a.)



66 FTE Direct jobs
Construction jobs
(temporary jobs over the build period)



75 FTE Jobs
Supply chain jobs
(indirect/induced 'spin-off' jobs supported)



Operational and expenditure benefits



£704,000
First occupation expenditure
(spending to make a house 'feel like a home')



£1.1m
Resident expenditure
(within local shops and services p.a.)



18 FTE Supported jobs
(from increased expenditure in local area)



£263,000
New Homes Bonus payments
(over a 1 year period)



£282,000
Council Tax revenues
(p.a.)

Wider Economic and Social Value Benefits



Bringing key sites (Ministry of Defence housing) back into productive use.



Supporting a range of opportunities across different trades and skills within the house building industry.



Supporting first-time renters in the local area.



Delivering high-quality open green space.

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1.0 Introduction

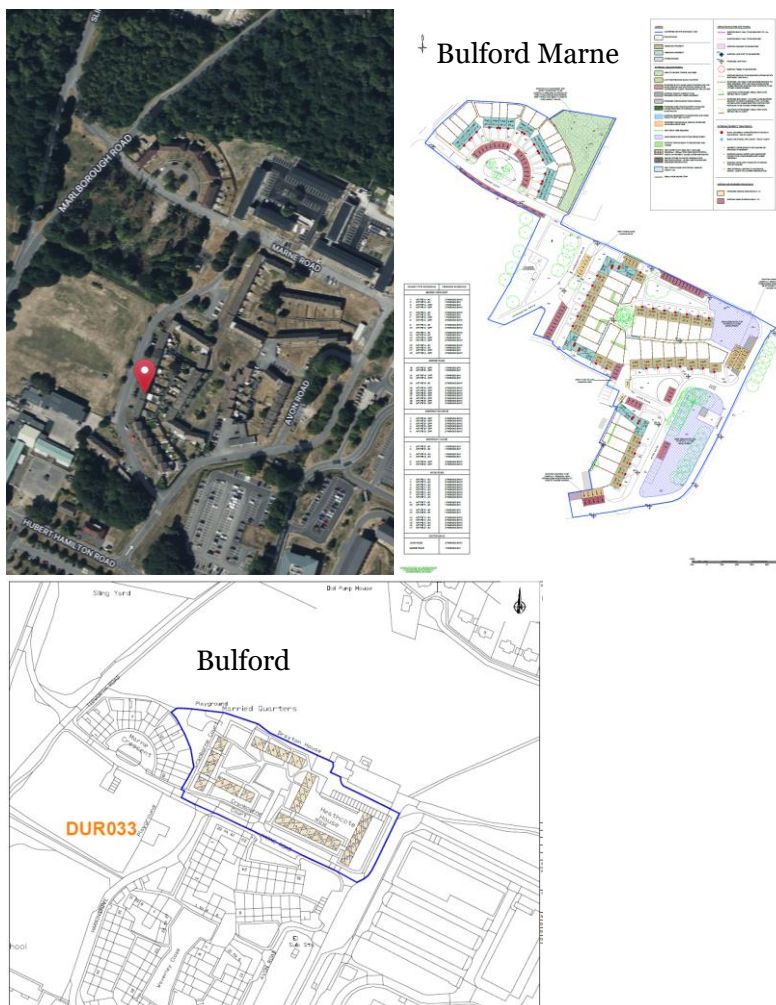
1.1 This report has been prepared by Lichfields on behalf of Annington Management Ltd ('Annington') to assess the socio-economic and regeneration benefits of the residential re-development at Kiwi Place, Bulford ('the development') located in Wiltshire.

The Development

1.2 The village of Bulford has been home to the Bulford military camp since 1897 and continues to be in use as a large British Army base. Kiwi Place, named in recognition of the historic Bulford Kiwi on nearby Beacon Hill, was formerly used as Ministry of Defence ('MOD') housing for service personnel at Bulford Barracks.

1.3 Annington has invested approximately £5.5 million refurbishing and transforming this previously poor quality, redundant housing stock to bring it back into productive residential use over a 15-month period. The development consists of 128 residential units, alongside provision of new open space as shown in Figure 1.1.

Figure 1.1 Site Context and Site Plan of Bulford Marne and Bulford



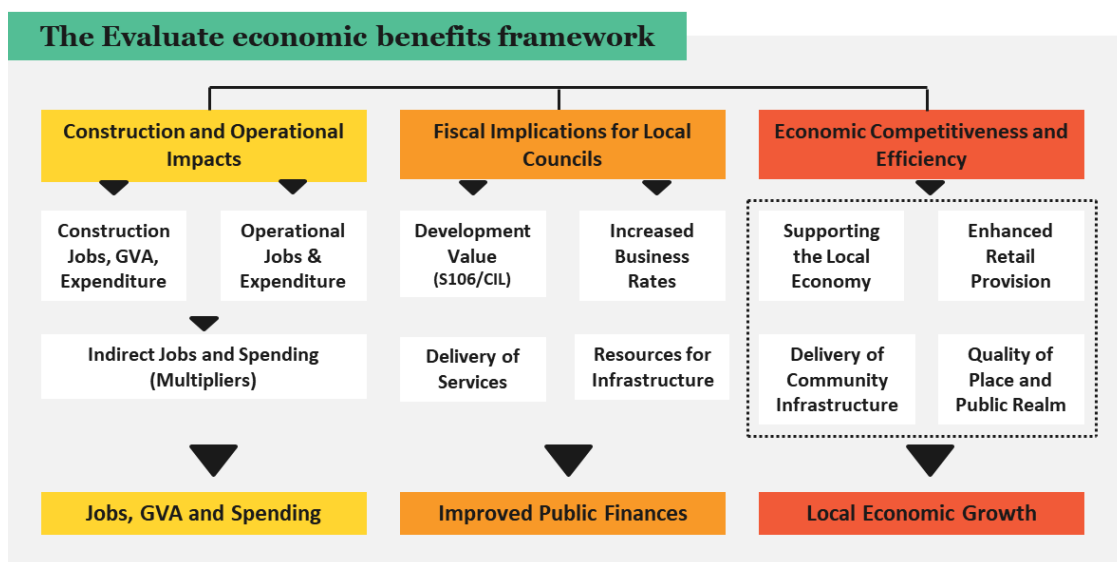
Source: Google Earth (2023), Annington (2023)

1.4 A total of 128 residential units were refurbished on two neighbouring sites: Bulford Marne and Bulford. Bulford Marne comprises 50 units, which include 12 two-bedroom flats, 18 two-bedroom houses, and 29 three-bedroom houses. In contrast, Bulford comprises of 69 units, all of which are three-bedroom flats. Both sites underwent thorough refurbishment, including complete redecoration, installation of new floor coverings, and implementation of energy-efficient LED lighting.

Study Framework

1.5 This report draws on the Evaluate methodology developed by Lichfields, which provides an analytical framework for assessing socio-economic impacts arising from new development. This framework, as it relates to the assessment of economic impacts of the Kiwi Place development is shown in Figure 1.2 below.

Figure 1.2 Evaluate Economic Benefits Framework



Source: Lichfields

1.6 The economic impact assessment focuses first on the key quantifiable impacts of the development during the construction phase and upon completion, before considering the wider qualitative effects of the role the new development has in the context of supporting economic growth more generally.

1.7 For a residential-led development, the scale and type of economic impacts are typically determined by:

- The scale of capital investment in the scheme, including any significant infrastructure requirements, which generates employment and economic output during construction;
- The number of residential units included in the development that could generate resident expenditure, thereby, supporting jobs in local shops and services; and
- The scale of financial benefits that would be generated, e.g. from council tax receipts.

1.8 Economic impacts are presented in ‘gross terms’ and do not account for whether an impact is net additional or would occur in the absence of Annington’s investment activities.

Report Structure

- 1.9 The remainder of this report is structured as follows:
- Section 2.0 assesses the economic impacts of the development during construction phase;
 - Section 3.0 assesses the operational impacts of the development including resident expenditure impacts and fiscal implications;
 - Section 4.0 assesses the wider impacts and social value benefits associated with the development; and
 - Section 5.0 draws together overall conclusions.

2.0 Construction Impacts

2.1 This section sets out the economic impacts arising from the construction phase of the development at Kiwi Place. The key impacts relate to new employment opportunities and additional economic output supported over the duration of the construction phase.

Direct Employment

2.2 The construction cost of the refurbishment development is estimated to have been in the region of £5.5 million over a build period of 66 weeks, equating to 15 months. The construction started in March 2022 with the full refurbishment of MoD units completed in June 2023. Information about on-site activity is not available, however in line with industry best practice¹, it is estimated that the investment supported in the region of **66 direct FTE jobs on-site** over the 15-month period construction period. As construction is made up of many discrete elements of work undertaken by specialists (e.g. bricklaying, carpentry, plumbing, electricians etc.), the number of workers on site is likely to have fluctuated during different periods of the construction phase.

Indirect and Induced Employment

2.3 Construction involves acquisitions from a number of suppliers, who in turn purchase from their suppliers through the supply chain. The relationship between the initial direct spending and total economic effects is known as the 'multiplier effect', which demonstrates that an initial investment can have much greater indirect effects as this spending is diffused through the economy.

2.4 In addition, local businesses would be expected to benefit to some extent from a temporary increase in expenditure from the direct and indirect employment effects of the construction phase at Bulford. Although only a proportion of these benefits would be felt in the local area, it is generally expected that the local economy would gain a sizeable temporary boost from the wage spending of workers in shops, bars and restaurants, and other services and facilities. Such effects are typically referred to as 'induced effects.'

2.5 Research undertaken on behalf of the National Housing Federation² indicates the construction industry has an indirect and induced employment multiplier of 2.21¹. Applying this multiplier to the 66 direct construction FTE jobs per annum indicates that an **additional 75 FTE jobs** are likely to have been supported across the wider regional economy. As such, it is estimated that construction and refurbishment activity on the Kiwi Place development is likely to have supported in the region of **141 construction FTE jobs** in construction activity.

¹ The Homes and Communities Agency (HCA) provides labour coefficients for estimating the number of direct construction jobs supported by a project. In this case, the coefficient for "new housing" is deemed appropriate. It assumes that 19.9 person-years of construction are supported for every £1 million spent on construction (2011 prices). The construction cost of £5.5 million is adjusted to £4.2 million in 2011 prices using the UK Government GDP Deflator. Applying the "new housing" coefficient to this deflated construction cost and dividing by the anticipated construction period suggests that the proposed development would support approximately 66 full-time equivalent (FTE) jobs during construction.

² Indirect and Induced employment has been calculated using an employment multiplier of 2.13 sourced from the National Housing Federation (2019); This implies that per direct job generated a further 1.13 induced jobs are supported in the supply chain across the wider South East.

Economic Output

- 2.6 The construction phase of the refurbishment development will also have contributed to local economic output, as measured by Gross Value Added ('GVA'). GVA is a measure of the difference between what is produced as output (goods and services) and the inputs (raw materials, semfinished products etc.) used in the production of those outputs. It represents the additional value that is added through economic activity.
- 2.7 Based on Experian data, the construction sector generates an average GVA per worker of £87,300³ per annum in the South West. Applying this to the direct employment impact of the scheme (as derived above), it is estimated that the direct construction activity would have generated £6.6 million of direct GVA and an additional £8.5 million of indirect and induced GVA during each year of construction⁴. This equates to around **£15.1 million direct, indirect and induced GVA** in total per annum. It should be noted not all of this will have been retained locally.

Supporting the Local Economy

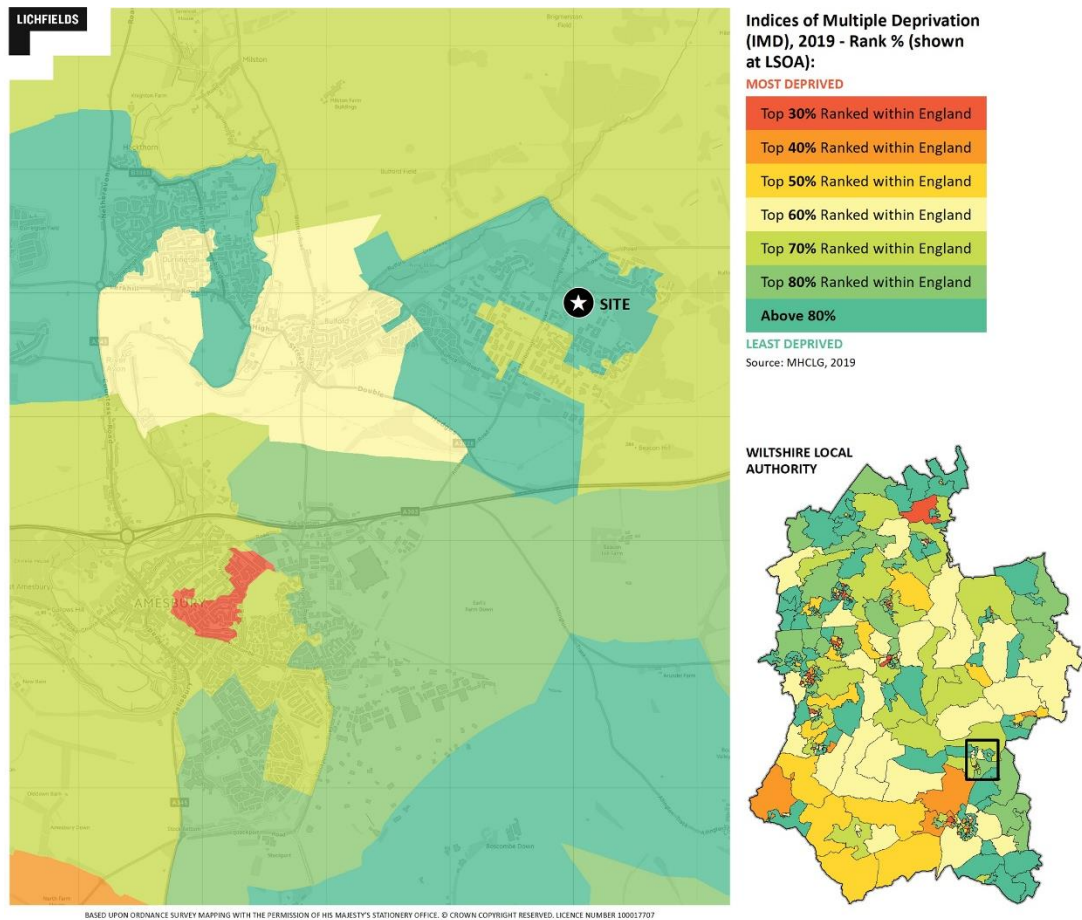
- 2.8 The combination of these construction jobs opportunities, economic output and wage spending would have had a beneficial impact upon the local area surrounding the development.
- 2.9 Figure 2.1 below shows that relative levels of deprivation within Wiltshire and the town of Bulford measured by the latest Indices of Multiple Deprivation ('IMD'), which draws together a series of datasets to rank areas across seven sub-domains of deprivation, ranging from access to health services to income levels⁵. These categories are combined to produce an overall deprivation rank for each local authority in England. The IMD 2019 identifies that out of all 317 local authorities in England, Wiltshire ranks within the 100 least deprived local authorities in England, which ranks it among the 30% least deprived authorities nationally.

³ Experian (2023), Gross Value Added per FTE Job

⁴ Indirect and Induced GVA calculated using a GVA multiplier of 2.28 from CEBR report for the National Housing Federation (2022)

⁵ Ministry of Housing, Communities and Local government (MHCLG), Indices of Multiple Deprivation (2019)

Figure 2.1 Indices of Multiple Deprivation (2019); Bulford and Wiltshire



Source: IMD (2019) / Lichfields analysis

- 2.10 Despite this overall rank, there is some variation across the 285 Lower-layer Super Output Areas ('LSOA') within the Unitary Authority. For instance, there are eight LSOAs ranked amongst the 30% most deprived nationally. The LSOA in which the site is located (Wiltshire 049A) is ranked as one of the least deprived, while parts of Amesbury to the south west of the site (Wiltshire 048B) are comparatively more challenged in terms of socio-economic deprivation.
- 2.11 The IMD data also shows that the LSOA containing the site is more deprived in some sub-domains of the IMD including barriers to education and skills and income deprivation. This suggests that access to skills and training may be an issue facing some local residents, whilst Annington's investment of c.£5.5 million to transform the local residential neighbourhood will have considerably improved the overall quality of place and environment for local residents.

3.0 Operational Impacts

3.1 This section assesses the resident expenditure and fiscal impacts generated by the development once complete and occupied.

‘First Occupation’ Expenditure

3.2 The scheme is presently available for rent only because of issues related to base separation, whereby currently, all utilities are managed by the MOD. Once all base separation tasks are finished, which is anticipated to be by the end of 2024, the units in this scheme will be made available for sale. When the scheme units are eventually sold, ‘first occupation’ expenditure would be generated by new homeowners in the scheme.

3.3 Research suggests that the average homeowner spends approximately £5,500 to make their house ‘feel like home’⁶. This money is normally spent on furnishing and decorating a property, generating a range of economic benefits for the local economy, including by supporting indirect and induced jobs within local businesses.

3.4 By applying this average level of one-off spending on household products and services to the 128 refurbished dwellings, it is estimated that the future impact of new homeowners at Bulford would collectively generate **£704,000 of first occupation expenditure**. This injection of resident spending within the local economy would help to sustain local businesses and support **4 additional FTE jobs** in the local area, thereby, increasing local employment opportunities.

Ongoing Resident Expenditure

3.5 For developments with residential units, one of the key economic impacts is the increase in local expenditure that is generated by new or refurbished households attracted to the area. The scale of this impact is determined by the expenditure patterns of residents, and the extent to which residents of the new housing move into the area from elsewhere.

3.6 Analysis of Output Area Classifications indicates that housing areas within the Bulford area surrounding the development site are largely dominated by households in the ‘multicultural metropolitans’ socio-economic classification group⁷. Residents of this socio-economic classification group tend to be residents of large urban conurbations in the transitional areas between urban centres and suburbia, they tend to live in terraced housing and predominately rent. This group also has a high ethnic mix and residents are likely to be below retirement age and have families with children who attend school or college. It is anticipated that the new households accommodated within the refurbished market housing would broadly fall within the same type of household group.

3.7 The ONS Family Spending Survey 2021 (2022 edition) provides data on household spending by socio-economic classification⁸. This indicates UK average spending levels of £532.70 per week for households in the ‘multicultural metropolitans’ group. Based on these

⁶ Research carried out by OnePoll surveying around 2,000 UK adults in August 2014 (<http://www.barratthomes.co.uk/the-buying-process/home-buying-advice/10-Year-Warranty-Terms-andConditions/>)

⁷ ONS, 2011 Area Classification for Outputs Areas

⁸ ONS, Family Spending Survey (2021)

assumptions, it is estimated that residents of the Bulford refurbishment development generate total gross expenditure of around **£3.1 million per annum**.

Net Additional Expenditure

- 3.8 It is recognised that not all residents of the refurbished development will be ‘new’ to the local area, as some would have moved from elsewhere within Wiltshire and further afield. National research provides standards on the average distance moved between a head of the household’s present and previous residential address, which can be used to estimate the share of residents of the scheme that may be new to the locality.
- 3.9 In addition, only a proportion of the gross expenditure by new residents of the refurbished housing will be retained within the local authority. Based on retail expenditure retention rates set out in the Wiltshire Retail and Town Centres Study⁹, it is estimated that 47% of comparison and convenience goods spending is retained locally. This takes account of existing shopping patterns in the local area, which show that a proportion of retail expenditure ‘leaks’ to other retail destinations outside of the local authority.
- 3.10 Taking these factors into account, it is estimated that total net additional spending generated by the new residents at Bulford equates to **£1.1 million per annum**. This ongoing, additional spending will support the vitality and viability of local firms and could encourage other businesses to move to the local market as well as supporting the functioning of local town centres. As this additional expenditure is likely to go towards a wider range of products and services than the first-occupation expenditure noted above, it is estimated that this supports a further **14 FTE jobs** in retail, leisure, hospitality, catering and other local service sectors.

New Homes Bonus

- 3.11 The New Homes Bonus was introduced in 2011 to provide an incentive for local authorities to encourage housing growth in their areas. It initially matched for a six-year period the increase in Council Tax income from new homes or homes brought back into use. Following consultation by the Government in 2017/18, changes were implemented to reduce the number of years the Bonus is paid to 5 years in 2017/18 and 4 years from 2018/19. This has subsequently reduced to a one-year payment. A baseline of 0.4% growth of housing stock was also introduced, below which the Bonus would not be paid.
- 3.12 Under the New Homes Bonus scheme, Wiltshire Council will have benefitted from additional funding provided by the Government for the delivery of the 128 new dwellings completed in June 2023. Using standard methods of calculation, as contained within the Department for Levelling Up, Housing and Communities (DLUHC) NHB calculator¹⁰, it is estimated that the 128 dwellings would have generated approximately **£263,000 of New Homes Bonus payment**.

⁹ Avison Young (2020), Wiltshire Retail and Town Centres Study 2020

¹⁰ DLUHC (2022), New Homes Bonus calculator 2023 to 2024

Council Tax Payments

- 3.13 The refurbishment development will have generated an increase in local Council Tax receipts through bringing redundant and vacant housing stock back into productive use. This will provide an ongoing, additional boost to the revenue base of Wiltshire Council.
- 3.14 Based upon the levels of Council Tax levied by the local authority in the 2023/24 financial year¹¹, it is estimated that the refurbishment development will generate **around £282,000 per annum** in additional Council Tax payments in perpetuity.

¹¹ Wiltshire Council, Council Tax Bands 2023/24

4.0 Wider Economic and Social Value Benefits

- 4.1 This section considers and assesses some of the more qualitative impacts and benefits supported by the redevelopment at Kiwi Place and wider outcomes associated with investing in new housing and bringing under occupied sites back into productive use.

Enhancing Place Competitiveness and Local Economic Development

- 4.2 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. Another indirect effect that housing can have upon the economy is through its longer-term impact on the perceived competitiveness of specific locations and the costs of mitigating the social and environmental problems associated with poor or insufficient housing.
- 4.3 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 competitive locations that provide unique productivity opportunities to the UK to remain competitive.
- 4.4 The Wiltshire Core Strategy¹² sets a housing target of 42,000 dwellings in the period of 2006 and 2026. The Council’s emerging Local Plan¹³ identifies a minimum requirement of 10,290 homes to be delivered between 2024 and 2031 and additional 18,370 homes between 2031 and 2038. It also highlights that pre-plan adoption a housing requirement of 8,080 homes are required between 2020 and 2024. The development at Bulford has delivered 128 new homes in 2023, and thereby contributed to meeting the local authority’s housing needs.

Demographic of rental tenants

- 4.5 All properties in this scheme are currently being released for rent due to the base separation issues whereby currently all utilities are the responsibility of the MOD. Once all base separation works are complete which is expected by the end of 2024, the units from this scheme will be put on the market for sale.
- 4.6 Bassets property agents¹⁴ conducted a survey among the rental tenants residing at the site. The findings of this survey indicate that 69% are full time/part time workers, 18% are linked to the Army or the MOD, 7% are either retired or students, and 6% include people who are currently receiving Universal Credit to help with living costs. Furthermore, it is estimated that around half (i.e. 50%) of all tenants are a couples, 23% are families with children, 15% are single tenants, 6% are flat sharing with friends and other 6% sharing with family (i.e. siblings/ other family relations). It is also noted that up to 10% of tenants living within the scheme are first-time renters.

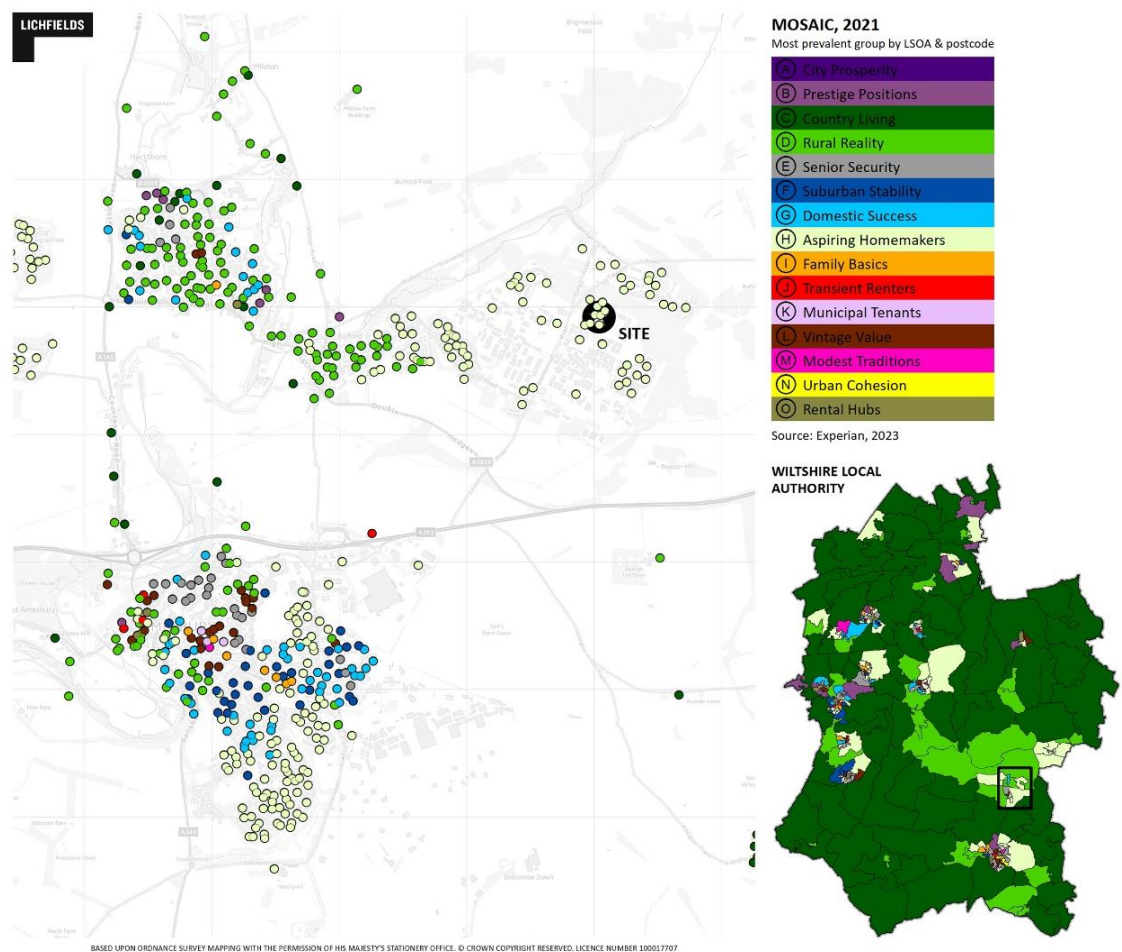
¹² Wiltshire Council (2015) Core Strategy

¹³ Wiltshire Council (2023), Wiltshire Local Plan (Reg 19) 2020-2038

¹⁴ Bassets (2024), Tenant Survey at Kiwi Place

4.7 Analysis of the demographic characteristics surrounding the site using Experian’s Mosaic profiling data (as shown in Figure 4.1) highlights the prevalence of the ‘Aspiring Homemakers’ and ‘Rural Reality’ demographic group in proximity to the site¹⁵. Members of the ‘Aspiring Homemakers’ group tend to be younger households who have, often, only recently set up home. They usually own their homes in private suburbs, which they have chosen to fit their budget, this is currently not the case at Kiwi Place but homes will be for sale once base separation issues have been dealt with. Members of the ‘Rural Reality’ group meanwhile tend to typically older households but also includes families with children who live in affordable properties in a village and countryside setting.

Figure 4.1 Demographic profile around the site



Source: Experian 2023 / Lichfields analysis

4.8 As shown above, the demographic profile of residents, provides some helpful insight on what the future tenants of the scheme could look like once the units in the scheme become available for sale after the base separation of utilities is concluded. Based on the tenant survey, it does highlight that the scheme has been taken up predominantly by couples and families, as well as first time renters which showcases the development’s positive impact on the area’s younger renters and families.

¹⁵ Experian, MOSAIC (2023)

Quality of Place

- 4.9 Open space provided within housing developments generates opportunities for local residents to undertake recreational activities, and contribute 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.
- 4.10 The Wiltshire Open Space Assessment Update (2020)¹⁶ states that within Bulford village there is a total existing provision of 10.27 ha of open space, of which 42% is park and recreation ground, 32% is accessible natural green space, 23% education green space and 1% is play space.
- 4.11 The refurbishment of Bulford Marne provides dedicated front and rear gardens for private homes, whilst flats are provided access to communal rear gardens. Existing green spaces, previously in a state of dilapidation, have also been redesigned in Bulford making a positive contribution towards open space provision within the town, particularly given the area's overall lack amenity green space.

Reusing Brownfield Land

- 4.12 Brownfield and previously developed land have a vital role to play in meeting the country's needs for new homes while protecting the countryside. This is particularly important in those areas of the country that face the challenge of a constrained supply of land for development. Annington's £5.5 million has repurposed a significant quantum of redundant MOD accommodation, and brought 128 homes back into use, meeting housing needs of civilians and local residents.

Supporting Labour Market Mobility

- 4.13 Housing can have a positive impact on the national and local 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 demand, 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 the shortage of housing) can inhibit labour market mobility (particularly for lower and intermediate level skills) and in turn stifle economic and productivity growth. Housing supply issues can also have a fundamental impact on the quality of life of individuals and households, including educational attainment and health.
- 4.14 Therefore, the provision of 128 refurbished housing units contributes to addressing housing shortages, thus supporting the local labour market. According to recent survey data, a substantial portion of tenants (69%) are either employed full-time or part-time, while others (18%) maintain ties to the local MoD, a significant employer in the area.

¹⁶ Wiltshire Council (2020), Wiltshire Open Space Assessment Update

5.0 Conclusions

- 5.1 The residential refurbishment project at Bulford represents a significant investment into creating sustainable economic growth and communities in the local area. The development has successfully brought 128 homes back into use, in the process generating a range of economic impacts that benefit Bulford and Wiltshire more widely.
- 5.2 Some of the more quantifiable economic impacts of the refurbishment development include:
- 1 Supporting approximately 66 direct FTE construction jobs during each year of construction at a range of skills levels;
 - 2 Supporting a further 75 jobs in services and other businesses from the wage spending of construction workers and supplier sourcing;
 - 3 Generating £6.6 million direct GVA and £8.5 million indirect and induced GVA per annum during the construction phase of the development;
 - 4 Helping to deliver a significant boost to the local economy by generating ‘first occupation expenditure’, once the units are made available for sale, of £704,000 on goods to make each dwelling ‘feel like a home’ supporting up to 4 FTE jobs locally;
 - 5 Generating £3.1 million of resident expenditure per year in shops and services, of which £1.1 million each year is estimated to be retained in Wiltshire, in turn supporting 14 FTE jobs; and
 - 6 Delivering £263,000 of New Homes Bonus payments over one year and £282,000 of Council Tax receipts per annum.
- 5.3 As well as these quantitative impacts, the development has also generated a range of less tangible benefits by helping to meet housing supply challenges in Bulford and Wiltshire more widely; contributing to the open space of the local area and making a significant contribution to the wider economy.