Roffey Homes Ltd
High Level Economic and Employment Benefits of Developments 2000-2028

1. Introduction

This is a high level estimate of the economic and employment benefits of Roffey Homes Ltd capital investment in the Sussex economy between 2000 and 2028.

It includes calculations for 24 housing-led developments, including 17 in Worthing; 2 in Littlehampton; 1 in Findon; 1 in Bognor Regis; 2 in Hove; and 1 in Lancing. The developments were completed in the following years:

Year	No. of Completed Developments	Year	No. of Completed Developments	Year	No. of Completed Developments
2000	2	2009	1	2018	1
2001	1	2011	1	2021	1
2002	2	2012	2	2022	1
2003	1	2014	1	2023	1
2004	2	2015	2	2028	1
2008	1	2017	2	2029	1

The two developments that are assumed to complete in 2028 and 2029 are Grafton Street Multi-Story Car Park and Union Place Gardens, both of which are in Worthing. Information provided by Roffey Homes Ltd suggests that construction on the Union Place Gardens site is due to start in 2025, with a three year build period. For Grafton Street Multi-Story Car Park, Roffey Homes Ltd are currently bidding to secure the site. It is, therefore, assumed that the construction is unlikely to commence before 2025 and that there will be a four year build period.

This paper shows three impact dimensions:

a) The estimated impacts of completed developments;
b) The estimated impacts of the two proposed and planned developments; and
c) The estimated impacts of all the developments combined.

The assumptions used in developing this assessment is provided at Annex A.

2. High Level Economic & Employment Impacts

2.1 Capital Investment

Developments	Capital Value (Current Prices)	Capital Value (2023 Prices)
Completed Developments	£219,000,000	£281,000,000
Proposed Developments	£143,000,000	£132,000,000
Total Developments	**£362,000,000**	**£413,000,000**

- The total value of the capital investment at current prices is £362 million. This includes £219 million of value associated with completed developments and £143 million associated with the proposed developments at Grafton Street Multi-Story Car Park and Union Place Gardens.

- The total value of the capital investments is around £413 million in 2023 prices. This includes £281 million of value associated with completed developments and a further £132 million associated with the proposed future developments at Grafton Street Multi-Story Car Park and Union Place Gardens.

2.2 Residential Units and Commercial Floorspace

Developments	New Homes	Affordable Homes	Commercial Floorspace (GIA) Sq.m	Hotel Bedrooms	Car Parking Spaces
Completed Developments	686	20	3,135	81	0
Proposed Developments	369	74	2,836	0	346
Total Developments	**1,055**	**94**	**5,971**	**81**	**346**

- 686 residential units, including 20 affordable homes, have been built and a further 369 units are planned, including a further 74 affordable homes.

- 3,135 sq.m (GIA) of commercial floorspace has been developed and a further 2,836 sq.m is planned. In addition, an 81 room budget hotel[1] has been developed and 346 car parking spaces are planned in the future developments.

2.3 Employment & Skills Training

Temporary Construction Jobs

Developments	Gross Temporary Construction Jobs	Net Temporary Construction Jobs
Completed Developments	1,701	561
Proposed Developments	553	183
Total Developments	**2,254**	**744**

- The construction phase of the completed developments has created 1,701 gross temporary construction jobs and 561 net temporary construction jobs. The planned development could provide an additional 553 gross temporary construction jobs and 183 net temporary construction jobs. The extent to which these benefit local people will depend on the arrangements that are in place to recruit locally.

[1] Note: The Beach House Hotel & Residencies includes the 81 room hotel. We have assumed that this accounts for the 5,115 sq.m of commercial floorspace

Gross Jobs

Developments	Gross Direct	Gross Resident Spend	Gross Total
Completed Developments	203	78	281
Proposed Developments	166	31	197
Total Developments	**369**	**109**	**478**

- The completed developments have created up to 281 gross jobs, including 203 direct jobs and 78 jobs that have resulted from additional resident spend in the local economy. The proposed developments could create a further 197 gross jobs, including 166 direct jobs and 31 as a result of additional resident spend. Combined the completed and proposed developments are estimated to have created (or will create) 478 gross jobs.

Net Jobs

Developments	Net Direct	Net Resident Spend	Net Total
Completed Developments	65	39	104
Proposed Developments	53	15	68
Total Developments	**118**	**54**	**172**

- The completed developments have created up to 104 net jobs, including 65 direct jobs and 39 jobs that have resulted from additional resident spend in the local economy. The proposed developments could create a further 68 net jobs, including 53 direct jobs and 15 as a result of additional resident spend. Combined the completed and proposed developments are estimated to have created (or will create) 172 net jobs.

Skills and Learning

Developments	Work placements	CEIAG Events	NVQ 2 Qualifications	SME Training Plans
Completed Developments	207	92	142	107
Proposed Developments	50	24	44	14
Total Developments	**257**	**116**	**186**	**121**

- The completed developments should have delivered 207 work placements, 92 Careers Education, Advice & Guidance (CEIAG) events, 142 NVQ qualified trainees, and 107 training plans for SMEs. The proposed developments could add a further 50 work placements, 24 CEIAG events, 44 NVW 2 qualified trainees, and 14 SME training plans.

3. Economic Impacts

3.1 Gross Annual Economic Benefits

Developments	Gross Annual Direct Benefits	Gross Annual Spending by Residents	Gross Annual Economic Benefits
Completed Developments	£8,570,000	£8,700,000	£17,270,000
Proposed Developments	£8,010,000	£3,470,000	£11,480,000
Total Developments	**£16,580,000**	**£12,170,000**	**£28,750,000**

- The completed developments could have delivered £17.3 million of gross annual economic benefit, including £8.6 million of direct benefit and £8.7 million of resident spending benefit. The proposed developments could add a further £11.5 million of gross annual economic benefit, including £8.0 million of gross annual direct benefit and £3.5 million of gross annual spending by residents in the local economy. Combined, the total gross annual benefit could be £28.8 million, including £16.6 million of annual direct benefit and £12.2 million of annual gross spending in the local economy by residents.

3.1 Net Annual Economic Benefits

Developments	Net Annual Direct Benefits	Net Annual Spending by Residents	Net Annual Economic Benefits
Completed Developments	£3,000,000	£4,350,000	£7,350,000
Proposed Developments	£2,560,000	£1,740,000	£4,300,000
Total Developments	**£5,560,000**	**£6,090,000**	**£11,650,000**

- The completed developments could have delivered £7.4 million of net annual economic benefit, including £3.0 million of direct benefit and £4.4 million of resident spending benefit. The proposed developments could add a further £4.3 million of net annual economic benefit, including £2.6 million of net annual direct benefit and £1.7 million of net annual spending by residents in the local economy. Combined, the total net annual benefit could be £11.7 million, including £5.6 million of annual direct benefit and £6.1 million of annual gross spending in the local economy by residents.

4. Fiscal Benefits

Developments	Annual Council Tax	Annual Business Rates	Annual Total	Section 106/CIL/Other
Completed Developments	£1,396,000	£98,000	£1,493,000	£8,483,000
Proposed Developments	£586,000	£92,000	£677,000	£1,363,000
Total Developments	**£1,982,000**	**£190,000**	**£2,172,000**	**£9,846,000**

- The completed developments could raise £1.49 million annually in fiscal benefits, including £1.4 million in Council Tax income and £98,000 in Business Rates income. This is not the amount that has been raised in the period 2000 to 2023, because developments were completed at different times. The estimate assumes the annual benefit for 2023, assuming full occupancy. Additional Section 106/CIL and other payments amount to £8.5 million at 2023 prices.

- The proposed developments could add a further £0.68 million of annual fiscal benefits, including £0.59 million in Council Tax revenue and £92,000 million in retained annual business rates. In addition, they could provide a further £1.36 million in one-off Section 106/CIL and other payments. Overall the annual fiscal benefits could be around £2.1 million and the one-off payments of £9.5 million, at 2023 prices.

5. Summary

The table below summaries the employment and economic impacts of Roffey Homes Ltd residential led fully completed developments (excluding those planned for Graft Street MSCP and Union Place Gardens).

Completed Developments Only	Gross
Investment (2023 prices)	£281 million
Homes	686 (including 20 affordable)
Commercial Floorspace - GIA - sq.m)	3,135 (including a 81 bed hotel)
Annual Economic Benefit (2023 prices)	£17,270,000
Annual Fiscal Benefit (2023 prices)	£1,493,000
Section 106/CIL/Other (2023 prices)	£8,483,000
Temporary Construction Jobs	1,701
Jobs	281

In summary, for those projects that completed to date, then Roffey Homes Ltd will have since 2000:

- Invested £281 million in construction
- Built 686 new homes of which 20 are affordable
- Delivered 3,135 sqm of new commercial floorspace including a 81 bedroom hotel
- Delivered an annual economic benefit of £17.3 million (in 2023 prices)
- Provided £1.49 in public sector fiscal benefits
- Provided £8.48 million in S106/CIL Other benefits (in 2023 prices)
- Created 2,701 temporary construction jobs
- Created 281 local jobs

The subsequent table below summaries the employment and economic impacts of Roffey Homes Ltd residential led developments (including those planned for Graft Street MSCP and Union Place Gardens).

All Developments	Gross
Investment (2023 prices)	£413 million
Homes	1,055 (including 94 affordable)
Commercial Floorspace - GIA - sq.m)	5,971 (including a 81 bed hotel)
Annual Economic Benefit (2023 prices)	£28,750,000
Annual Fiscal Benefit (2023 prices)	£2,172,000
Section 106/CIL/Other (2023 prices)	£9,846,000
Temporary Construction Jobs	2,254
Jobs	478

In summary, if all of the projects are fully completed then Roffey Homes Ltd will have since 2000:

- Invested £413 million in construction
- Built 1,055 new homes of which 94 are affordable
- Delivered 5,971 sqm of new commercial floorspace including a 81 bedroom hotel
- Delivered an annual economic benefits of £28.8 million (in 2023 prices)
- Provided £2.18 in public sector fiscal benefits
- Provided £9.85 million in S106/CIL Other benefits (in 2023 prices)
- Created 2,254 temporary construction jobs
- Created 478 local jobs

Annex A

Method and Approach

This is a high level assessment of the potential impacts of the development. It does not constitute an HM Treasury compliant assessment, which would include a wider range of variables, would consider disbenefit and be based on a richer range of information. This is particularly the case for developments that have yet to progress, which would include a significant allowance for Optimism Bias. Additionally, we have assumed 100% attribution over the period since the completion of each development, along with an assumed 100% occupancy. This is likely to be generous on both counts. As this is a high level, illustrative paper, the impacts should be interpreted in broad, rather than absolute terms.

We have uprated all data to 2023 prices, based on latest GDP deflator estimates from the Office for National Statistics[2]. As an example, this means that the £8,000,000 capital investment in Beach Crescent, Littlehampton, has a 2023 value of £13,734,943. The proposed £72,000,000 investment in Grafton Place is assumed to complete in 2028, so it has a 2023 value of £66,408,013.

Employment

Temporary construction jobs have been calculated by dividing the investment by output per job in the Construction sector (2023)[3]. This has then been divided by the length of the construction phase (4 years). The gross jobs have been multiplied by 33%[4] to estimate the net temporary construction jobs.

Direct jobs have been calculated by converting the commercial & leisure/retail floorspace into NIA based on a 0.85 ratio. The gross direct jobs have been calculated by dividing the attributed NIA by the relevant employment floorspace ratios[5]. Where the proportions of floorspace is not clear, a 50:50 split between commercial and leisure/retail has been assumed. In one case, (Beach House Hotel & Residences), there is an 81 room hotel. The Employment Densities Guide[6] guidance suggests that one job is created for every five budget hotel beds. We have assumed that there is an average of 1.5 beds per room and applied this estimate accordingly. For net jobs a gross to net ratio of 0.32 has been applied[7] to all gross direct employment impacts. This takes into account displacement, deadweight, leakage and local multipliers.

Resident Spend Jobs in the wider economy have been calculated by dividing the gross and net local resident spend by the turnover to create one job in the wholesale & retail; accommodation & food service; and arts, entertainment & recreation sectors[8], uprated to 2023 values.

Training and skills impacts have been estimated based on CITB guidance (2017)[9], with all developments assumed to be primarily residential led.

Direct GVA has been calculated in the following ways:

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[2] GDP deflators at market prices, and money GDP March 2024 (Budget 2024)
[3] Output per job, UK; Office for National Statistics, 2024
[4] Table 5.10; Additionality Guide: 4th Edition; Homes & Communities Agency (now Homes England); 2015
[5] Employment Densities Guide 3rd Edition; Homes & Communities Agency (now Homes England); 2015
[6] ibid
[7] Additionality Guide 4th Edition; Homes & Communities Agency (now Homes England); 2015
[8] Analysis showing the count, employment & turnover of VAT and/or PAYES based enterprises in the UK for SIC 2007 Broad Industry Group, 2018, uprated to 2023 prices
[9] Client Based Approach to Developing and Implementing an Employment & Skills Strategy on Construction Projects; CITB, 2017

- Commercial floorspace has been attributed to the following sectors: Information & Communications Technology - 17%; Professional, Scientific & Technical - 34%; Administration & Support Services - 49%[10];
- Where there is not clear evidence of a distinction between leisure and retail uses, leisure floorspace has been attributed to the following sectors: Wholesale & Retail – 66%; Accommodation & food Service – 34%[11]

Output per job[12] has been applied to the gross and net jobs for each sector

Resident Spend has been calculated from the 2022 Family Spending Survey. Average annual spend per household has been adjusted, based on the following occupancy assumptions: 1 bed: 1.5 persons; 2 bed: 2.0 persons; 3 bed: 2.5 persons; and 4 bed: 3.0 persons.

For the gross impacts, all residents are assumed to be new to Sussex; for the net impacts 50% of residents are assumed to be new to the local area. 46.7% of gross and net spending is assumed to be local[13] . As a general rule, as the spatial widens, the proportion of "new" residents is likely to reduce because a greater number of occupiers will be displaced from other parts of the reference area. Conversely, the amount spending by "new residents" that is retained locally is likely to be higher in a wider reference area. However, for illustrative purposes, we have used the above assumptions.

No calculations have been made to assess the additional spending generated by the car parking spaces or other uses and no disbenefits have been included that may have accrued during the construction phases.

Fiscal Benefits

Council Tax impacts are based on 2024/25 Council Tax bands with 1 bed assumed to be Band B; 2 bed: Band C; 3 Bed: Band D; and 4 Bed: Band E. Occupancy is assumed to be 100%. The number of Affordable Homes is assumed to be additional to the number of market units that have been developed. Some residents will be entitled to Council Tax reductions on the basis of low income and/or single adult occupancy. To account for this, Council Tax revenue has only been applied to market housing.

Business rates income has been calculated by applying the rateable values per square metre to the gross internal area for Worthing District[14], as this is where the majority of developments have been built. Office values have been used as a proxy for the commercial floorspace and retail values have been used for the leisure floorspace. The small business formula 49.9p has been applied to all values and 50% of this is assumed to be retained locally. Business rates for the car park and hotel have not been included.

Section 106/Community Infrastructure Levy (CIL) payments have been included as separate "one off" contributions to support local infrastructure.

Other Payments. For several developments additional one-off payments have been made as commuted sums in lieu of affordable. These have been added to the fiscal benefits.

[10] These reflect the share of jobs between these sectors in Worthing, based on the Business Register & Employment Survey , Office for National Statistics; 2022
[11] ibid
[12] Output per job, UK; Office for National Statistics, 2024
[13] Calculating cost per Job – Best Practice Note, Homes & Communities Agency (now Homes England); 2015
[14] Non Domestic Rating: Business Floorspace; Valuation Office Agency; 2023