



**The Hyde Group**  
Making a lasting difference

# Headline Economic & Social Impact Summary Report

Prepared by Marshall Regen



August 2015





# Introduction

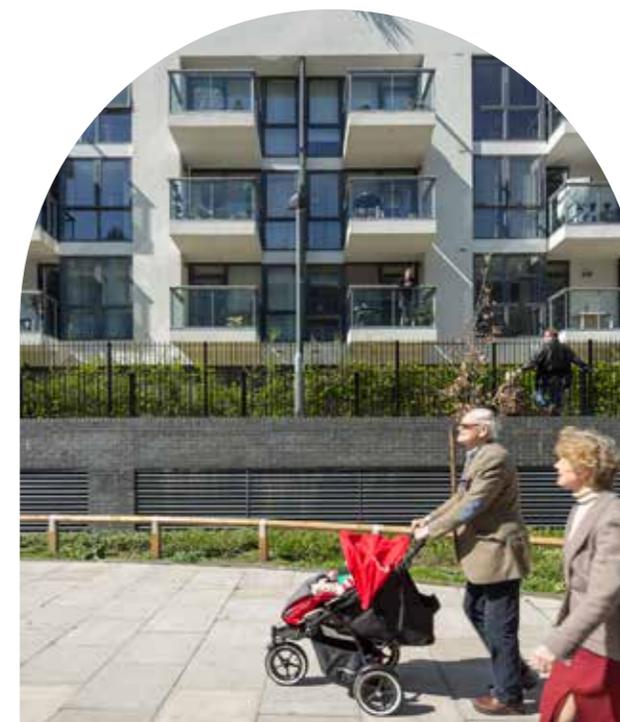
This summary report presents a headline assessment of the potential economic and social impacts of the Hyde Group's Development Programme 2015 to 2020 and how the various projects, many of which are mixed-use urban regeneration schemes focused on placemaking and creating successful new communities, can contribute to both the local and national economy.

Hyde's vision articulated by Chief Executive Officer Elaine Bailey in the Corporate Plan is

“ to continue combining our financial strength with sound commercial logic enabling us to re-invest in much needed homes for our residents ... [to] help people to lead the lives they aspire to. ”

Hyde has a long history of building new homes, growing from its roots in 1967 to an organisation which provides housing services for c 95,000 people. In 2014/15, Hyde built 1,100 new homes housing 4,500 people. 83% of those people benefitted from a discounted rent or sale price; many of Hyde's new customers would have moved from unsuitable or overcrowded accommodation to a new build home, enjoying all of the significant health and wellbeing benefits and savings associated with a positive home environment.

Hyde's agenda to explore increasing output of new build homes and to respond to the National Planning Policy Framework to increase opportunity for home ownership would appear to make the Group well aligned with Government priorities for the Housing Association sector: to identify efficiencies and to increase investment in output of new homes.



# Methodology

A study by Ernst & Young in 2012<sup>1</sup> found that house building has a significant national economic impact:

- Before the economic downturn in 2008, house building accounted for 335,000 jobs and 1.5% of Gross Domestic Product (GDP), some £22bn of annual economic impact when using 2011 GDP as a reference;
- For every additional job created in the construction industry a further 1.53 jobs are created in the wider economy. Therefore it was estimated that, before the crisis, house building supported approximately 850,000 jobs across the UK;
- House building is also a key source of funding for Central Government and Local Authorities. Stamp Duty Land Tax (SDLT) generates over £6bn a year and new Council Tax is estimated to generate £23bn;
- The provision of housing also promotes labour mobility and leads to better matching of workers with employment opportunities, thereby increasing the overall efficiency of the economy; and
- The number of new jobs created for every home built is estimated to be 4.5 in the wider national economy.
- This report has been developed using the methodology adopted by Ernst & Young for the Berkeley Homes group.
- The outputs of this report reflect similar findings from analysis by property specialists Savills and also from research conducted on behalf of the Greater London Authority and for the Scottish Government.



Many analysts agree that investment in building new housing ensures and promotes labour mobility where workers are matched with apprenticeship, training and job opportunities and assisting with the overall efficiency of the economy. Such occupations are heavily dependent on a buoyant house building economy; from architects to structural engineers and construction workers to plumbers and electricians.

This report has used the following evidence base for the purpose of calculating The Hyde Group's contribution to UK Plc.

- Gross Jobs created per home built calculated following Ernst & Young methodology adopted for Berkeley Homes - <http://www.berkeleygroup.co.uk/media/pdf/q/h/berkeley-reports-and-opinions-economic-sustainability-reports-economic-impact-assessment.pdf>;
- Construction Jobs calculated using data collected by the Office for National Statistics, 2010, Table F (Section 41) Construction Annual Business Survey – average annual output of construction (buildings) workers of £59,000;
- Average wage spend calculated using statistical data <http://www.tradingeconomics.com/united-kingdom/wages>;
- Assessment of spending likely to be generated as a result of the Proposed Development calculated by using an average national household expenditure figure of £240 per week from statistical data;



- New homes bonus calculated on 40% affordable homes provision following government guidance;
- Council tax revenues calculated based on national average tax band D -[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/335851/Council\\_Tax\\_Levels\\_set\\_by\\_Local\\_Authorities\\_\\_Revised\\_\\_August\\_2014.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/335851/Council_Tax_Levels_set_by_Local_Authorities__Revised__August_2014.pdf); and
- Training and apprenticeships calculated following Homes & Communities Agency guidance adopted by The Hyde Group

In responding to the changing economic position, the Corporate Plan illustrates the Group's approach to the following issues:

- UK housing supply and affordability issues, projected to continue for the life of the plan;
- Cost of living pressures likely to continue and will impact all customer groups;

- All sectors shifting towards digital service delivery; and
- Further reforms to the welfare system alongside reductions in local authority spending on some services.

As a result, the Hyde Group remains fully committed to building new homes and investigating ways to build even more homes over the next three years. The Group will continue to explore options to build homes for discounted rent, increasing shared ownership output, and building more homes for open market sale and private rent to meet demand in London and the South East.



# Vision and Priorities

The Hyde Group is a social business that reinvests its profits into building new homes to tackle the acute housing shortage in London and the South East of England, whilst providing high quality services to its residents. Hyde's vision "To make a lasting difference to people's lives" and a mission statement "To provide our customers with decent housing which is managed to a good standard; and build homes, places and communities where all have "the opportunity to prosper"

The Hyde Group has set three core priorities for the Corporate Plan period:

- Build more homes;
- Increase capacity; and
- Deliver quality services

Hyde has recognised the need to support the Government with their ambitions to build more homes for local communities and in supporting future economic growth.

In particular the Corporate Plan sets some key objectives including:

- Build new homes to help increase supply of all tenures and ease housing pressures;
- Develop more housing for sale and private rent in order to subsidise the development of affordable homes;
- Work collaboratively with partners to deliver new supply; and
- Explore suitable opportunities for growth through partnerships, mergers and acquisitions.

The Government's own growth agenda recognised that housing delivery is important because of the contribution it makes to economic growth and the role it plays in reducing unemployment, particularly for the young and unskilled workforce.



# National Policy Context

## The National Planning Policy Framework (NPPF)

The National Planning Policy Framework (NPPF)<sup>2</sup> became effective on 27th March 2012. It sets out the Government's economic, environmental and social planning policies for England. The guidance is clearly underpinned by a "presumption in favour of sustainable development", which has economic, social and environmental dimensions:

- The economic dimension means "contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure";

- The social dimension means "supporting strong, vibrant and healthy communities, by providing the supply of housing required to meet the needs of present and future generations; and by creating a high quality built environment, with accessible local services that reflect the community's needs and support its health, social and cultural well-being"; and
- The environmental dimension means "contributing to protecting and enhancing the natural, built and historic environment; and, as part of this, helping to improve biodiversity, use natural resources prudently, minimise waste and pollution, and mitigate and adapt to climate change including moving to a low carbon economy".

The NPPF commits the Government to "securing economic growth in order to create jobs and prosperity" through the planning system, with local authorities expected to have policies that build on existing economic strengths, but which are sufficiently flexible to respond to changing economic circumstances.

There is recognition of the importance of clusters and networks in driving creativity and knowledge exchange and of encouraging flexible working practices, including the integration of residential and commercial uses. Communications infrastructure, including the installation of fast broadband connections is also recognised as being central to supporting business growth and development.

Town centres should be competitive and provide a diverse retail offer and suitable sites should be provided to meet the scale and type of retail, leisure, commercial, office, tourism, cultural, community and residential development that is needed within them.

The NPPF goes on to state that housing supply needs to be boosted so that there is a wide choice of quality homes that widen opportunities for home ownership. Housing developments need to be in accessible locations and they should be designed to encourage sustainable, inclusive and mixed communities.



# The Development Programme 2015/20

The Hyde Group Development programme for 2015 to 2020 has a total potential £2.2 billion benefit (measuring both direct and indirect impacts) to UK Plc and includes:

- An aspiration to build 6,100 new homes;
- Increased opportunities for home ownership (including shared ownership) in support of government policy;
- Estimated investment in community infrastructure of £61 million comprising of delivery of new community facilities, schools and public open space which will directly benefit the group's residents;
- 700 apprenticeships created in construction and related trades equating to an estimated £9m annual investment in jobs for young people either not in education, employment or training;
- An estimated 1,300 full time equivalent construction jobs of which a target of 30% will be advertised through local labour schemes seeking to provide progression into employment; equating to an estimated annual investment of £5m into routes into employment for the unemployed;
- In addition the development programme will seek to secure progression into employment for 158 trainees (under 6 months); and to secure progression into employment for 102 trainees (over 6 months) at an estimated equivalent annual investment of £3.3m.
- Hyde will also provide subsidy of £275 million to provide discounted rented and home ownership options for people in housing need to tackle the housing shortage (calculated as the difference between the development value of affordable housing versus the capital value of the stock for market housing).

On an annual basis this equates to c £450m of Gross Value Added to the UK economy flowing from Hyde's investment into building much needed new homes.

As a comparator, Berkeley Homes contribution to UK Plc has been valued at £5.5 billion over 5 years or £1.1bn on an annual basis.

The Hyde Group is committed to supporting and working alongside local education providers to develop the next generation of a skilled and talented workforce.

The programme will provide over **5,400** education and training opportunities.



**2,361**  
site visits by university / school students



**1,889**  
students attending a school or college workshop



**40**  
research projects commissioned



**157**  
work experience placements for 14-16 year olds



**394**  
work experience placements for 16+ year olds



**472**  
existing apprenticeships



**220**  
new apprenticeship places

In addition, Hyde's main contract and sub contract construction workforce will also undertake or complete:



**1500+**

Health & Safety Training courses



**472**

vocational qualifications



**630**

construction skills certification scheme



To secure progression into employment for

**158**

trainees (under 6 months)

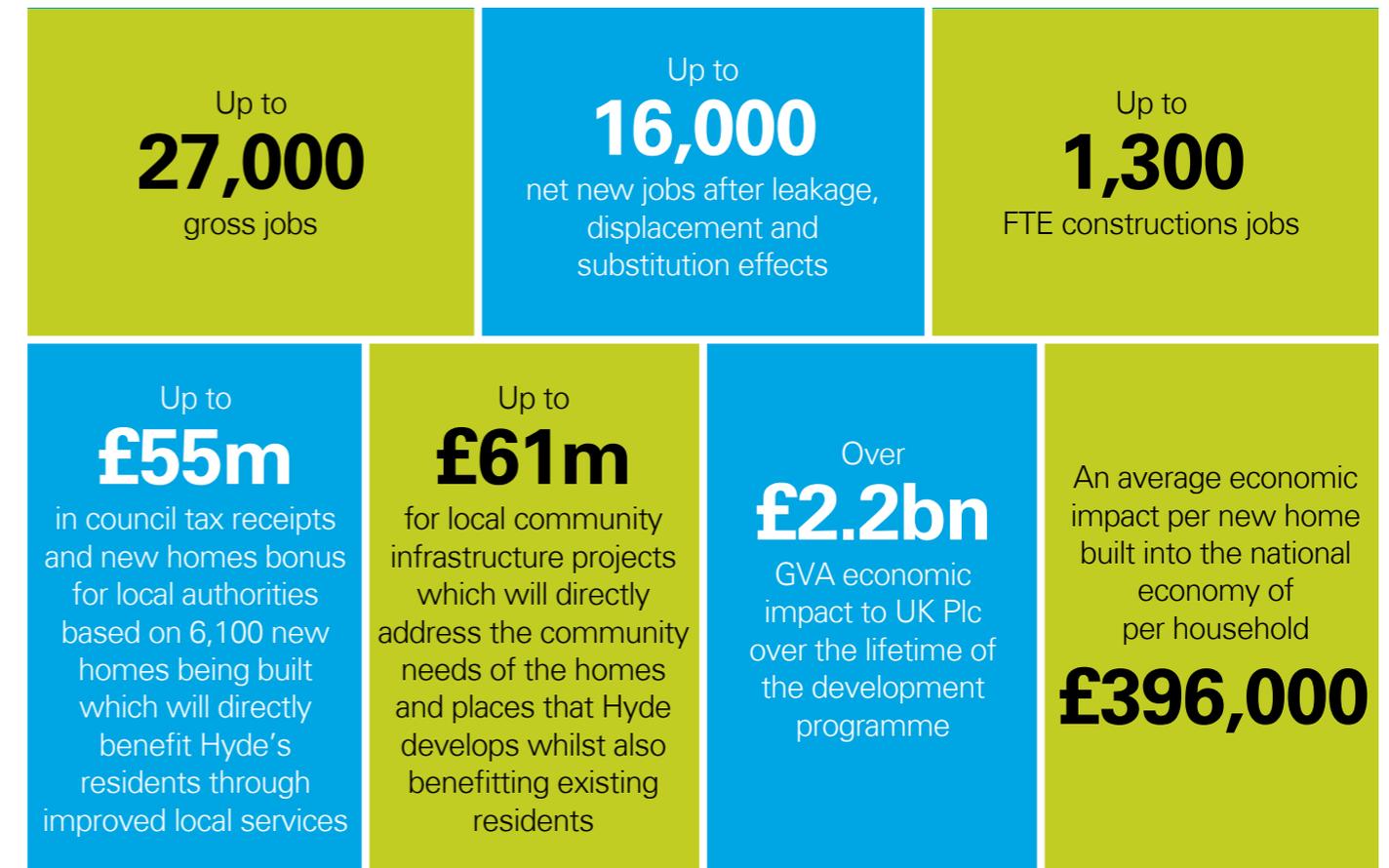
To secure progression into employment for

**102**

trainees (over 6 months)

# Headline National Economic Impact

The headline economic impact for the national economy over the Development Programme period is estimated to be:



# Conclusion

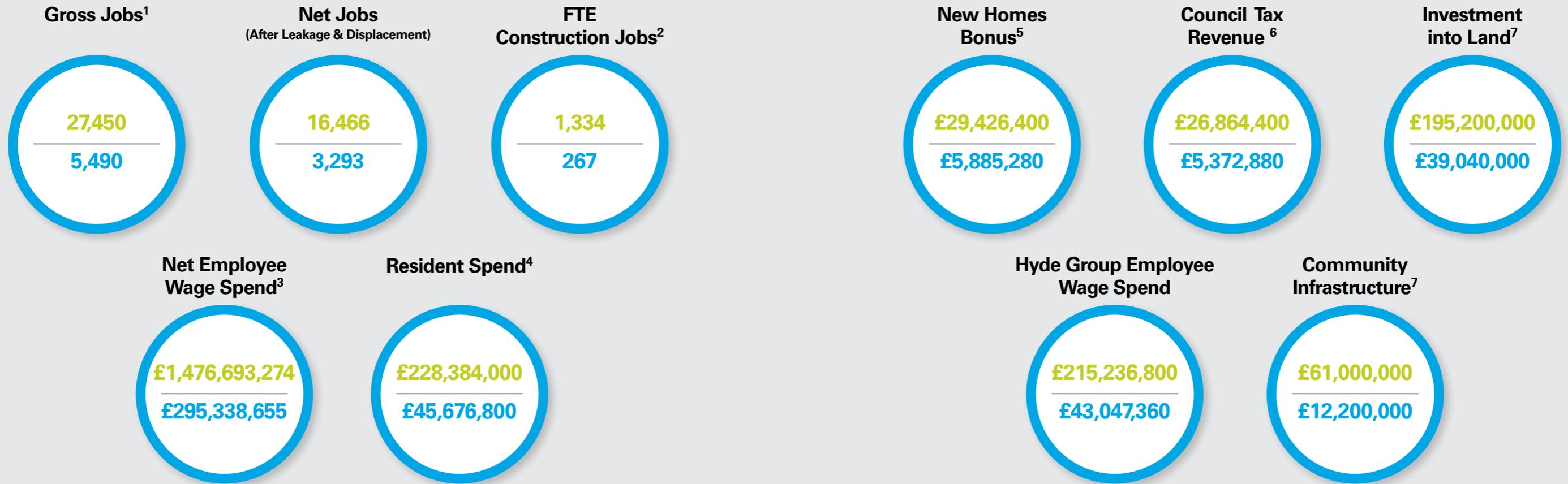
In summary, the Development Programme will not only add a significant £2.2 billion economic boost to the national and local economies but it will also provide local government with over £116 million of council tax and community infrastructure investment at a time when central government funding is being cut year on year and therefore helping to sustain vital local services for Hyde's residents and the communities where it works.

The Hyde Development programme will help local authorities sustain investment to deliver much needed community and neighbourhood services of our residents and stakeholders.

The Hyde Development Programme, via the Group's supply chain, will provide the equivalent of £17m investment into apprenticeships and routes into employment for young people not in employment, education or training working.



# Headline Economic Impact Summary



**KEY**  
**GVA to National Economy 2015 - 2020**  
 Average Annual Economic Impact

**TOTAL**  
**£2,232,850,124**  
**5 YEARS**

**TOTAL**  
**£446,570,025**  
**ANNUALLY**

# Calculation Notes

1. Gross Jobs created per home built - <http://www.berkeleygroup.co.uk/media/pdf/q/h/berkeley-reports-and-opinions-economic-sustainability-reports-economic-impact-assessment.pdf>
2. Construction Jobs - Office for National Statistics, 2010, Table F (Section 41) Construction Annual Business Survey – average annual output of construction (buildings) workers of £59,000
3. Average wage spend - <http://www.tradingeconomics.com/united-kingdom/wages>
4. Assessment of spending likely to be generated as a result of the Proposed Development by using an average national household expenditure figure of £240 per week
5. New homes bonus calculated on 40% affordable homes provision
6. Council tax revenues based on national average tax band D - [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/335851/Council\\_Tax\\_Levels\\_set\\_by\\_Local\\_Authorities\\_\\_Revised\\_\\_August\\_2014.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/335851/Council_Tax_Levels_set_by_Local_Authorities__Revised__August_2014.pdf)
7. Figures supplied by Hyde

Note - Impact Calculations for notes 3,4,5 and 6 are based on half of the 6-year annual figures, as not all of the new homes will be built from year 1.





Olly Dall

# Case Study

## SuperB Ticks all the Right Boxes for First Time Buyer

With the number of first time buyers joining the property ladder rising by more than a fifth in 2014 but the average age for owning your first home still at a staggering high of 36, the UK property market remains a scary prospect for first time buyers. One first time buyer who is bucking the trend is 23 year old Olly Dall. Olly has recently moved into Hyde New Homes' renowned regeneration project SuperB in Brighton.

Olly was keen to get out of rented accommodation and onto the property ladder. He comments:

“ I had been renting with friends for a number of years. I was getting to the stage where I was sick of sharing and wanted to have my own space and was keen to get onto the property ladder instead of continuing to give rent to landlords. ”

Olly had previously worked as an estate agent in Brighton so was very aware of regeneration projects happening in the area and had taken an active interest in the redevelopment of New England Square and SuperB.

Olly loves living in Brighton and at SuperB.

“ There is so much to do in the city and it has such a chilled out vibe but is so close to the capital. I am so pleased with my apartment which being new build means it has a clean, fresh and modern feel. I love colour and vintage and it has given me a blank canvas to put my own stamp on it. The apartment is really light and airy and the room sizes are great. ”



# Case Study

## Shared Ownership Allowed Me to Stop Renting

Although renting a property is a popular option for many people in the UK due to high property prices, many people still aspire to home ownership. The recent census revealed a 5% drop in home ownership in the UK – the first fall in over a century.

Christine Williams, 41, and her daughter Alaiyah, 11, were renting privately but aspired to own their home. Thanks to Hyde New Homes' shared ownership scheme, the family have moved into a three bedroom home development in Plumstead, SE18. Christine purchased a 45% share of her £320,000 three bedroom property through Shared Ownership.

“Shared Ownership has given me a fantastic opportunity to get on the property ladder and own a home of my own. Without it I don't think I could ever have done it. We have recently moved into our home and are so happy and settled. It is so spacious, the neighbours are lovely and there is a great feel to the development.”

She concludes: “We couldn't be happier.”

Christine comments,

“We had been renting for a number of years in the Plumstead area but when my partner and I split up a year ago I decided to move back in with my mum until we were able to work out what to do. After renting for many years it felt like dead money; I was really keen to own something and invest in our future.”



Christine Williams

# Author Profile

**Scott Marshall**  
**Managing Director, marshall regen ltd**

A successful professional with over 27 years direct experience in delivering central and local governments' multi-million pound economic regeneration and agenda.



Scott was previously a Director and core member of the corporate senior management team for a 4-star Excellent Unitary Authority. He now runs marshall regen ltd which specialises in supporting the private and public sectors.

Scott advises government departments, local authorities, private sector developers, housing associations, the education, business and cultural sectors.

As a Director at Brighton & Hove City Council, Scott successfully managed a revenue budget of over £100 million for council services and led a team of internal senior officers during a commissioned £200 million ten-year strategic housing partnership.

Scott has a successful economic regeneration track record including persuading a global financial service provider to headquarter in Brighton, delivering 2,000 local jobs, generating £50 million of direct economic benefit to the city.

Whilst at Brighton & Hove, he was also the lead Director for the design and delivery of twelve major regeneration projects alongside RSLs, business and community organisations which secured over £1 billion of private sector investment, creating thousands of new job opportunities and providing almost 2,000 new homes for the city.

Clients in the public sector include Plymouth City Council, Brighton & Hove City Council, West Sussex County Council, East Sussex County Council, Kent County Council, Central Sussex College, Chichester District Council, City College Brighton & Hove and in the private sector the Cathedral Group, Protodale, the Wilky Group, Square Bay Ltd, Birch Restoration, Zise Ltd, Brighton & Hove Albion Football Club, the Coast to Capital Local Enterprise Partnership and Coastal West Sussex Partnership.

## Projects completed include:

- West Sussex County Council Economic Strategy
- Chichester District Council Economic Development Strategy
- Coastal West Sussex Partnership Economic and Inward Investment Narrative
- Coast to Capital Local Enterprise Partnership Foreign Direct Investment Prospectus
- East Sussex County Council's Skills Strategy
- Key Performance Indicators for the Coast to Capital LEP
- City Deal Growth Funding bid for the Greater Brighton Economic Board (securing over £180 million from Government)
- Socio-Economic Impact Report for City College £80m regeneration scheme in Brighton
- Socio-Economic Impact Report for Brighton & Hove Albion Football Club new £30m training ground in Adur
- Socio-Economic Impact Report for Cathedral Group's £100m regeneration scheme in Brighton
- Socio-Economic Impact Report for Hove Square c£100m regeneration scheme in Hove
- Socio-Economic Impact Report for a 740 new homes project in Godmanchester, Cambridgeshire
- Hotel Impact report for Albion Sports & Leisure Ltd
- High level economic impact report for 500 new homes for Hyde Housing



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Making a lasting difference

# Want to know more?



**The Hyde Group**

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