



Economic Statement

Dorset Innovation Park – Local Development Order

Purbeck District Council

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1. Executive summary

- 1.1.1 This Economic Statement has been prepared by Stride Treglown to support the submission of the Dorset Innovation Park Local Development Order [LDO].
- 1.1.2 For the purposes of this assessment, Stride Treglown have collated information from various data sources in order to estimate the overall potential Economic benefits that could result from the delivery of a phased development in accordance with the permitted uses and parameters as set within the draft LDO.
- 1.1.3 Benefits of this project have been divided into short duration benefits (construction related activities) and long duration (Site operational) benefits. They are presented as the outcome of the completed development at today's prices. These benefits are summarised below:

Short duration benefits (those generated by a programme of phased construction activities to deliver the development plots over the life of the Local Development Order:



Creation of 110
FTE jobs per
annum (average)



Annual salaries of £3.5m
per annum over the Life of
the LDO (Average)



A construction
value of £144.1m

Longer duration benefits (those generated by the occupation of completed development plots for a range of employment purposes) in line with the objectives of the Local Development Order and occupational policy of the Innovation Park as agreed by the Enterprise Zone Partnership include:



c1,540 FTE jobs
across the LDO
Area



Annual salaries
totalling £52.8m per
annum
(across the LDO area)



Indirect spending of £4.8m
per annum

Note: The above headline figures relate **only** to the Local Development Area. The LDO area extends to approximately 80% of the Dorset Innovation Park Enterprise Zone and therefore long term benefits secured within the wider area are excluded within this assessment.

2. Introduction

2.1. Project Overview

- 2.1.1 The purpose of this LDO is to enable a mix of advanced engineering, defence, marine, energy, cyber security and other uses which fall within Use Class B of the Town and Country Planning (Use Classes) Order 2015 to come forward across the site to create a vibrant, successful and sustainable Innovation Park.
- 2.1.2 The LDO is intended to be in place for up to 25 years. This reflects the duration of the Enterprise Zone which was designated in April 2017 and which covers an area larger than the LDO boundary. The LDO will give greater confidence to funders and occupiers to invest in the site and bring forward employment opportunities and generate new jobs.
- 2.1.3 The delivery of development proposals in line with the parameters of the LDO will make a significant positive contribution to the economic performance of the local and wider sub-regional area. With specific regard to Purbeck District Council, development will make a positive contribution to Local Plan targets for the delivery of employment land.

2.2. Local Development Order Parameters

- 2.2.1 The LDO aims to make provision for a mix of employment uses across the Dorset Innovation Park. Within the Planning Use Class Order, employment uses fall within the B Use Class Category. This is with the exception of a proposed social/collaboration building. This building is referred to, herein, as “Other” and has, for the purposes of this document, been considered to fall under D1 Use (Training Centre).
- 2.2.2 The LDO proposes a breakdown of uses as set out below:

Proposed uses	Offices (B1a)	Research & Development of products and processes (B1b)	Light Industrial (B1c)	General Industrial (B2)	Storage and Distribution (B8)	Other (Ancillary / uses including incubator spaces (B1a), training (D1) and café uses (A3 and A4 uses))
Estimated floorarea (m²)	7,175	37,250	8,810	10,990	7,465	3,520

- 2.2.3 The above table includes existing buildings within the LDO boundary. These include, but are not limited to; the Atlas cluster, QinetiQ (Brownsea House), Chesil House, Chapman and The Quadrant.
- 2.2.4 The floor area of buildings within the LDO boundary area at the time of the creation of the Enterprise Zone has been estimated as circa 17,865m².
- 2.2.5 The net new floor area already generated within the LDO boundary since the creation of the Enterprise Zone is calculated as c4,050m².
- 2.2.6 The above tables highlight a total end state development scenario of circa 75,210m² of employment and supporting ancillary floor area across the LDO study area. The Illustrative Masterplan highlights that of this total, the net additional employment floor area to be created will be in the order of 52,355m².

2.2.7 The estimated floor area for each building accords with the fundamental principles of development as set out within the Dorset Innovation Park Design Guide and draws upon the illustrative Masterplan appended to the Statement of Reasons.

3. Planning (Economic and Employment Land) Policy Context

3.1. Purbeck District Council Employment Land Supply

3.1.1 The currently adopted plan is the Purbeck Local Plan Part 1. This was adopted in November 2012 and covers the plan period 2006 – 2027. The Core Strategy, under Policy ELS, identifies a requirement to provide 11.5 ha of employment land over the plan period to 2027 for B1, B2 and B8 use classes.

3.1.2 It further noted that a supply of 35.15ha of employment land is identified (April 2011), which provided a choice of location and provide flexibility. The Dorset Innovation Park, known at the time of the drafting of the Local Plan as “Dorset Green Technology Park”, is expected to support 20ha of the supply. This includes a higher figure than the identified local need (estimated at around 5ha), in order to accommodate inward investment driven by market need (as recommended by the Workspace Strategy).

Site	Settlement	Spatial Area	Total Site Extent (ha)	% of Total Provision	Estimated Remaining Availability (ha)
Westminster Rd	Wareham	Central	5	3.46%	0
Sandford Lane	Wareham	Central	9	6.22%	0
John's Road	Wareham	Central	0.3	0.21%	0
Factory Road	Upton	North East	3.9	2.70%	0
Prospect Business Park	Swanage	South East	1.2	0.83%	1.2
Victoria Avenue	Swanage	South East	2.4	1.66%	0
Holton Heath Industrial Estate	N/A	Central	35	24.19%	8
Admiralty Park	N/A	Central	12	8.29%	4
Romany Works	N/A	Central	1.6	1.11%	1
Wareham Road	Lytchett Matravers	North East	0.6	0.41%	0
Dorset Green Technology Park	N/A	South West	72	49.76%	20
Milk Depot	Corfe Castle	South East	0.4	0.28%	0.25
North Street	Bere Regis	North West	0.8	0.55%	0.7
Axian Centre	Rural	North East	0.5	0.35%	0
Total Provision			144.7 ha	100%	35.15 ha

Figure 1 - Current Employment Land Supply

Source: Purbeck Local Plan Part 1: Planning Purbeck's Future

3.1.3 Dorset Innovation Park is considered to be the second largest employment allocation in the county and a priority investment opportunity to meet strategic economic objectives. These objectives are supported by the County Council, Purbeck District Council and Local Enterprise Partnership.

3.1.4 See Appendix A for further economic context data relating to employment trends and characteristics of the local, regional and UK areas.

4. Significance Criteria

- 4.1.1 The scale of significance is used to assess the likely significant effects and likely residual effects of the development against the relevant baseline conditions. The assessment process aims to be objective and quantifies the likely effects as far as possible. However, some effects can only be evaluated on a qualitative basis:
- Beneficial classifications of significance indicate advantageous or beneficial effect to an economic resource or receptor;
 - Negligible classifications of significance indicate imperceptible effects to a socio-economic resource or receptor; and
 - Adverse classifications of significance indicate disadvantageous or adverse effects to a socioeconomic resource or receptor, which may be minor, moderate, or substantial in effect.
- 4.1.2 Beneficial and adverse effects are also assessed in terms of the likely level of effect:
- Minor: effects are slight, very short or highly localised and of low significance in relation to a socio-economic resource or receptor;
 - Moderate: effects have moderately significant outcomes in terms of extent, duration or magnitude; and
 - Substantial: effects are considerable in terms of extent, duration or magnitude and have effects of more than local significance.
- 4.1.3 Temporary, short to medium-term effects are considered to be those associated with the construction works. Long-term effects are those associated with the completed and operational Development. Long-term effects have been considered with regard to the following spatial scales:
- Local: Effects within the immediate area of the site (Wool and surrounding);
 - District: Effects upon receptors in the wider administrative boundary of Purbeck Council
 - Regional: Effects across Bournemouth, Poole and Dorset.
- ### 4.2. Assumptions and Limitations
- 4.2.1 As noted earlier, there are no industry standard significance criteria relating to the assessment of socio-economic effects. The assessment of effects is carried out against a benchmark of current socio-economic baseline conditions prevailing around the Site. As with any data set, baseline data will change over time. The most recent published data sources have been used in this assessment.
- 4.2.2 The assessment of likely significant employment effects arising from the completed and operational LDO development is based upon employment associated with the level of commercial floor area applied for. It is acknowledged that indirect employment would be generated as a result of development. However, the level of indirect employment would vary and is not possible to accurately quantify. Indirect employment would include jobs associated with estate management and security.
- 4.2.3 As part of the LDO process, a review will be undertaken up to, but not exceeding, 5 years from the adoption of the Order. This review enables the Council to retain, revise or revoke the order, reflecting the situation and market at that time. This review period enables a re-focussing on the mix of appropriate uses and therefore a change in the likely profile of jobs generated thereafter. This statement assumes the initial profile of uses are retained during the life of the LDO.

5. Short duration (Construction Activity) economic effects

5.1. Construction Value

5.1.1 The estimated impact in relation to the potential construction of the project, has been undertaken in accordance with the Calculating Cost per Job: Best Practice Note (2015, 3rd Edition).

5.1.2 The table below uses a set of average costs which have been sourced from Linesight (See Appendix B). For the purposes of estimating the average construction cost we have drawn upon the floor area and land use mix as set out within the illustrative Masterplan appended to the Statement of Reasons. The final ratio of differing uses for the LDO cannot yet be confirmed. The following costs have been used:

- Commercial Offices (B1a/B1b/B1c including other)
 - Shell and core new build office (8> storeys)/Cat A fit out = £1,800+500/m²
- Industrial
 - Up to 10m High Warehouse (Basic) (B8 - Storage/distribution) = £600/m²
 - Up to 10m High Warehouse (High Standard) (B2 - Industrial) = £800/m²

5.1.3 In relation to the Industrial and commercial office costs, a mid-range value will be used, so as not to inflate the estimated construction value.

5.1.4 Whilst the collaborative space is considered to fall within a D1 use, it has been decided to use the figures associated with B1a use, as the building is likely to be similar in construction and potentially ancillary to a B1a use.

Proposed uses	Offices (B1a)	R & D (B1b)	Light Industrial (B1c)	Industrial (B2)	Distribution (B8)	Other (B1a)
Estimated Floorarea (m²)	7,175	37,250	8,810	10,990	7,465	3,520
Cost per m²	£2,300	£2,300	£2,300	£800	£600	£2,300
Total	£16.5m	£85.7m	£20.2m	£8.8m	£4.8m	£8.1m

5.1.5 On the basis of the above calculations the potential construction cost totals £144.1m. This provides a basic estimate for the likely construction cost, at current prices.

5.1.6 The Enterprise Zone is expected to expire after 25 years after its confirmation (2016), approximately in 2041. With an estimated construction date starting following the approval of the LDO (2019) this means a potential construction period that will span 22 years. By dividing the total construction cost over the construction period this provides the average annual construction cost (£6.6m per annum).

5.1.7 The construction value of this project is considered to provide a moderate short-term benefit at a district level.

5.2. Construction FTE Jobs

5.2.1 The following table (HCA - Calculating Cost Per Job: Best Practice Note, 2015, 3rd Edition) represents the number of workers required over one year to deliver £1m of construction investment, in a particular sector:

Productivity	New housing	Infra-structure ¹⁶	Public non housing ¹⁷	Private Industrial ¹⁸	Private Commercial ¹⁹	Housing Repair & Maint.	Non Hsg Repair & Maint.
Direct Jobs	19.9	13.9	10.7	10.0	16.6	30.8	29.7

Note: Construction Skills labour coefficients updated.

5.2.2 For the purposes of estimating the number of jobs being created we have used the figures related to “Private Commercial” developments.

5.2.3 The average construction cost per annum over the life of the LDO is estimated to be c£6.6m. This generates an estimate of the total number of construction FTE jobs at c110 per annum.

5.3. Construction Employee Salaries

5.3.1 The average annual salary for a worker in the construction industry, calculated by multiplying the weekly average salary (section 8.3.1) by 52, equates to £31,982. By multiplying this figure by the total estimated FTE construction jobs per annum (110) suggests an increase in annual salaries of £3.5m, or, a total increase of £77m over the life of the LDO, at today’s prices.

5.3.2 This additional increase in annual salaries is considered a short-duration benefit of moderate significance at the local level and of minor benefit at the District level.

6. Long-duration (Operational phase) economic effects

6.1. Introduction

6.1.1 The proposed development will generate economic benefits to the local economy through jobs generated and use by occupiers who will utilise local suppliers and services. This is known as the Multiplier Effect. It is caused by employees and companies spending in the local economy e.g. through the supply of materials being obtained locally and through a proportion of wages being spent in local shops.

6.2. Full Time Employment Net Jobs

6.2.1 Stride Treglown have applied the floor space to employment densities, as set out by industry accepted benchmarks to the scenarios presented below. The employment density ratio is taken from the Homes & Communities Agency’s *Employment Density Guide: 3rd Edition* (November, 2015) (See Appendix C). This provides a range of figures that illustrates the average floor space per employee (Employment Density Ratio [EDR], for each particular use.

6.2.2 For the purposes of this statement we have used the following parameters;

- B1a uses are likely to fall under a number of possible end uses. To accommodate this a wide range has been selected (10-50). The median value of this is therefore 30, which gives a reasonable average EDR that reflects a variety of potential end uses.

- B1b uses are considered to have a range of 40-60m². However, it is expected that the B1b uses would be of a high density. For this reason we have selected the lower value to accurately reflect the proposed use (40).
- B1c and B2 uses have a set density, 47m² and 36m² respectively.
- B8 storage is split into 3 separate types. It is not considered appropriate to include a national distribution centre as this is not likely. Therefore the median value of both regional distribution centres (77) and final mile distribution centres (70), has been used. This gives an average of 73.5m².
- D1 uses are not included within the density matrix, however, it is considered that any collaboration building (other), would likely be ancillary to any of the uses proposed. For this reason a median value has been taken from the highest and lowest values (30-70). This produced an EDR value of 50.
- To ensure a robustness to the job generation estimates, we have used empirical evidence drawn from R&D and Innovation Buildings designed and/or delivered by Stride Treglown and which have become operational over the last 3 years. We have applied a series of calculations reflective of these buildings to generate Gross Internal and Net Internal Floor Area measurements as appropriate for their use type and as applied in the calculation of estimated FTE jobs generated as stated in the Homes & Communities Agency's *Employment Density Guide: 3rd Edition* (November, 2015).

Proposed uses (All Buildings)	Offices (B1a)	R & D (B1b)	Light Industrial (B1c)	Industrial (B2)	Distribution (B8)	Other (B1a / A3 /A4 / D1)
Floor Area (m²)	7,175	37,250	8,810	10,990	7,465	3,520
Reduction to fit EDR area	-20%	-20%	-20%	-5%	N/A	-20%
Relevant area (m²)	5,740 (NIA)	29,800 (NIA)	7,048 (NIA)	10,441 (GIA)	7,465 (GEA)	2,816 (NIA)
EDR (m²/ per FTE)	30 (NIA)	40 (NIA)	47 (NIA)	36 (GIA)	73.5 (GEA)	50 (NIA)
Potential FTE	191	745	150	290	107	56

6.2.3 The above breakdown supports the view that the proposed mix of uses underpinning the LDO and as agreed by the Enterprise Zone Management Board will accommodate approximately 1,540 FTE jobs. This assumes full delivery of the illustrative Masterplan scenario appended to the Statement of Reasons.

6.2.4 It is important to note that this estimated figure does not include the following plots:

- All land outside the LDO boundary but within the wider Enterprise Boundary. This includes land to the west of the Juno plot. When applying a similar mix of B1 and B2 uses as proposed within the LDO area, we consider that the job generation potential for this area could be in the order of 250 (subject to employment mix and densities).
- TradeBe. This occupied site sits outside the LDO boundary. Latest staff figures indicate that 59 people are employed within the organisation based at the site.

6.2.5 The table below presents the total proposal employment floor area by type for the period from April 2017 to the anticipated conclusion of the Local Development Order. This table therefore excludes the floor areas of the Atlas cluster, Chapman House and Brownsea House. The table below assumes the demolition of Chesil House (4,456m² of Offices) and redevelopment as part of the Nero Plot for General Industrial uses (of 4,180m²) during the LDO period.

Proposed uses (Net new floor area)	Offices (B1a)	R & D (B1b)	Light Industrial (B1c)	Industrial (B2)	Distribution (B8)	Other (B1a)
Floor Area (m²)	4,650	21,820	8,810	10,990	7,465	3,520
Reduction to fit EDR area	-20%	-20%	-20%	-5%	N/A	-20%
Relevant area (m²)	3,720 (NIA)	17,488 (NIA)	7,048 (NIA)	10,441 (GIA)	7,465 (GEA)	2,816 (NIA)
EDR (m²/ per FTE)	30 (NIA)	40 (NIA)	47 (NIA)	36 (GIA)	73.5 (GEA)	50 (NIA)
Potential FTE	124	437	150	290	107	56

6.2.6 The above breakdown supports the view that the proposed net additional floor area (from a base date of April 2017) and as shown on the Illustrative masterplan and underpinned by the employment mix agreed Enterprise Zone Management Board is estimated to accommodate approximately 1,164 FTE jobs. This figure excludes the total number of FTE employees attributed to Atlas, Chapman House and Brownsea House.

6.2.7 The estimated “end state LDO” full time equivalent job generation figure is lower than previous published Homes and Communities Agency published figures for the whole of the Enterprise Zone (c2,000 FTE jobs) for the following reasons:

- a) A reassessment of the likely office demand (high employment density) versus light industrial, general industrial and storage and distribution uses (these tending to generate lower employment densities per m² of floor area). An example of this approach is Chesil House (See para 6.2.5 above).
- b) That approximately 20% of the Enterprise Zone falls outside the Local Development Order boundary and is subject to ongoing decommissioning activities. This area offers the potential for additional development and long term job generation.
- c) The importance of, and opportunities created by a concept masterplan layout and which, in conjunction with Natural England requirements, uses the unique environmental (botanical) setting to shape a place making strategy focussed upon a central Heathland Park has informed development plot boundaries and a distribution of floor area across the LDO site. This has generated a reduction in floor area compared to previous masterplan proposals. One potential development scenario highlighting the distribution of buildings and floor area is shown on the Illustrative Masterplan appended to this Statement of Reasons.

6.2.8 The delivery of the LDO proposals (as indicated in the Illustrative Masterplan) would therefore make a contribution towards the employment targets set out for the wider Dorset area and contribute towards the policy objectives for this area set out in regional and local level planning policy. This additional number of FTE jobs is considered a long-term benefit of moderate significance at a district level.

6.3. Employee Salaries

6.3.1 The figures stated in paragraph 8.3.1 (weekly salary) have been converted into their appropriate class use, in order to provide a more visible understanding of the potential salaries that can be generated as a result of the LDO’s future employment figures. We have conservatively applied the lowest average annual salary figure to the “Other” (ancillary and supporting) uses.

Proposed uses	Offices (B1a)	R & D (B1b)	Light Industrial (B1c)	Industrial (B2)	Distribution (B8)	Other (B1a / A3 / A4 / D1)
Potential FTE	191	745	150	290	107	56
Average Annual Salary	£21,788	£36,348	£43,004	£36,868	£30,004	£21,788
Total	£4.2m	£27m	£6.5m	£10.7m	£3.2m	£1.2m

6.3.2 In a scenario where the Illustrative Masterplan proposals are developed out in full, the resultant development would be expected to generate in the order of £52.8m per annum FTE salaries.

6.3.3 This increase in total annual salaries is to be considered a long-term benefit of moderate significance at a district level.

6.4. Indirect Spending

6.4.1 In addition to the direct effect of additional employment on site there are likely to be indirect spending effects as a result of the Development. In this respect, employees working on site would generate additional spending.

6.4.2 An estimate of the spending generated as a result of the completed and operational Development has been calculated using an average national employee expenditure figure of £12.87 per day (UK Working Day Spend Report, Visa Europe) (See Appendix D) on food and drink by employees. To reflect the date of its original publication, inflationary pressures indicate that this sum would have risen to £14.03 per day.

6.4.3 Assuming 221 working days in any one year (allowing for annual leave), and an average spend of £14.03 per day this generates a total indirect spending of £3,100 per employee, per annum. If this is multiplied by the total FTE net jobs per annum (1,539) this would result in an estimated annual total of indirect spending of £4.8m.

6.4.4 This indirect spending is to be considered a long-term benefit of moderate significance at the local level and minor significance at the District level.

7. Enterprise Zone Benefits

7.1. Dorset Innovation Park Enterprise Zone

7.1.1 The intention is that the Enterprise Zone will become a catalyst for enhanced economic growth through the creation of highly skilled jobs, the unblocking of employment land, and the encouragement of investment into the area.

7.1.2 Enterprise Zone status conveys specific benefits to the site and businesses who relocate there or expand on the site. In particular it enables the retention of business rates generated on the site in new buildings to be retained for a 25 year period and reinvested in the infrastructure of the site.

7.2. Business Rate Discounts

7.2.1 The business case submitted with the bid for Enterprise Zone status assessed that additional business rate income generated over the 25 year period would amount to about £22m, with a projected land value uplift of £9.25m. Subject to state aid rules, new or expanding businesses are able to retain £275,000 of business rates over a 5 year period, where development is completed before 31 March 2022 which, it is estimated, could amount to up to £4.1m of business rate discounts provided to existing or new on site businesses.

7.3. Implementation Plan

7.3.1 The Enterprise Zone Management Board comprised of representatives of partner organisations and on site businesses have agreed an Implementation Plan the aim being to accelerate implementation and growth of the Dorset Innovation Park Enterprise Zone and subsequently increase the size of the pooled retained business rates over the life cycle of the Zone.

7.3.2 To achieve this, partner organisations have agreed to borrow against projected retained business rates to achieve the expedited delivery sought. £2.5 m has already been invested in the site by partners through the development of workspace units at the Quadrant site. A further £3.3m is to be invested, or is being, invested over the next two to three years to undertake priority actions including:

- redevelopment of the gatehouse;
- landscape enhancements;
- new cycle ways and footpaths;
- refurbishment of on-site buildings;
- appointment of an EZ manager;
- developing expedited planning procedures; and
- marketing of the site.

7.3.3 Separately, with LEP funding support, ultrafast broadband is being delivered across the site.

7.3.4 Subsequent investment is planned in future years includes an innovation hub, public transport improvements, installation of on-site footpaths and enhanced security fencing.

8. Conclusion

8.1.1 Local planning policy, both adopted and emerging, indicates that Dorset Innovation Park is the primary site for employment land within the Purbeck. The proposed LDO will unlock investment into the area that will result in significant economic benefits, in terms of job creation and local expenditure. The potential economic benefits are summarised below:

Short Duration effects (Construction activities)

- Creation of 110 FTE jobs per annum.
- Additional total annual salaries of £3.5m per annum;
- Construction value of £144.1m

Long duration effects (Operational phase, when fully developed)

- Creation of c1,540 FTE jobs (across the LDO area in its “end state”
- Creation of c1,165 FTE jobs between April 2017 and the “end state” of the LDO (thereby excluding all existing job estimates associated in the Atlas, Brownsea, TradeBe and Chapman buildings)
- Approximately 52,355m² of net new employment floor area, suitable for a range of activities
- Annual salaries of £52.8m per annum;
- Indirect spending of £4.8m per annum

Enterprise Zone Benefits

- Additional business rate income of £22m;
- Land value uplift of £9.25m;
- Business rate retentions of £275,000 (over 5 years);
- Business rate discounts potentially totalling £4.1m;
- Existing investment in workspace units totalling £2.5m; and
- Future investment of £3.3m (over the next 3 years).

8.1.2 On this basis the economic benefits outlined above are a significant material consideration in respect of the acceptability of the proposed development. The proposals comply with both local and national policy by promoting diverse, economic development which will boost the local economy and lead to local job creation.

8.1.3 It is important to note that the area the subject of this Economic Statement is limited to the Local Development Order boundary. The LDO area extends to approximately 80% of the Dorset Innovation Park Enterprise Zone and therefore long term benefits secured within the wider area are excluded within this assessment.

Appendix A – Economic Context

8.2. Source Data

8.2.1 In identifying economic baseline information data has been draw from a series of sources. These include:

- Office for National Statistics;
- Business Register and Employment Survey [BRES] data;
- Dorset LEP Workspace Strategy (2016);
- NOMIS (official labour market statistics); and
- Employment Density Guide (2015) (3rd Edition) – HCA and others.

8.3. United Kingdom

8.3.1 The Office for National Statistics conducted a weekly wages and salary survey (not seasonally adjusted), which was published in June 2018 (Ref: EARN03 Average Weekly Earnings). It noted the following average weekly salaries for the following industries (UK):

- £709.00 (Manufacturing - Engineering and Allied Industries);
- £419.00 (Administrative & Support Service Activities);
- £614.00 (Construction);
- £577.00 (Transport & Storage); and
- £699.00 (Professional, Scientific & Technical Activities).

8.3.2 The above mentioned employment sectors have been selected as those that most closely represent the sector of jobs likely to be created as a result of the LDO development.

8.4. South West Region

Demand for Industrial Uses (Regional)

8.4.1 The Dorset Local Enterprise Area contains both the Eastern and Western Dorset Housing Market Areas [HMA]. The Workspace Strategy (2016) forms part of the evidence base that helps provide updated employment land projections and business sector forecasts take account of changes in the economic context.

8.4.2 The Workspace Strategy has identified the different demands for employment uses within the Eastern and Western HMA's. The Eastern HMA shows that 70% of the demand in its area is for industrial uses, including B1c, B2 and B8 use classes. The remaining 30% of demand is for B1a office uses. In comparison to Western Dorset shows a 78% demand for industrial uses, including B1c, B2 and B8 use classes and a 22% of demand for office.

8.4.3 Overall, approximately 80% of all future demand in the Dorset LEP area is in Eastern Dorset, where Dorset Innovation Park is located. This would suggest that a large demand of employment land can be facilitated by the Innovation Park.

Economic Activity and Unemployment (Regional)

8.4.4 The Business Register Employment Survey shows that the south west region experienced an increase in employees, during 2015 and 2016 (See Figure 2), of approximately 1.9%.

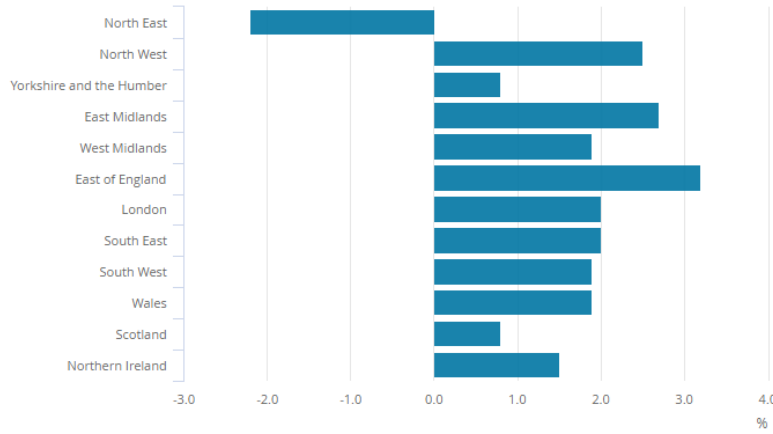


Figure 2 - Percentage Change in Employees by Region, 2015 - 2016, UK

Source: BRES

8.4.5 This is a significant improvement in comparison to previous figures, which illustrated a relatively low 0.5% increase during the period 2014 and 2015 (See Figure 3).

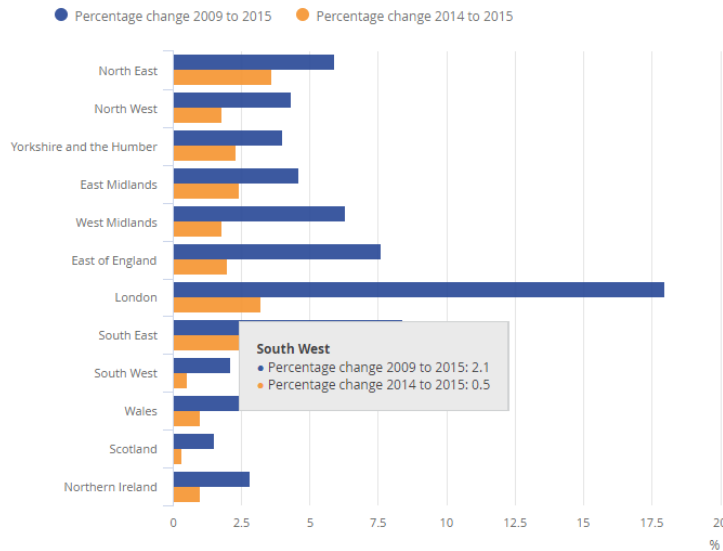


Figure 3 - Percentage Change in Employees by Region (2009-2015 & 2014-2015)

Source: BRES

8.4.6 Importantly the growth in employees within the south west during 2015 and 2016 almost accounts for the total increase between the periods of 2009 and 2015. This would suggest a sharp increase in the number of employees in recent years within the region and over a short period of time.

8.4.7 The employment rate estimates (See Figure 4) for those aged 16 to 64 years, for December 2017 to February 2018, compared with September to November 2017, showed an increase (0.7%) in employment levels and a reduction in unemployment (-0.3%).

UK regions

	Employment rate ¹ (%) aged 16 to 64 to November years	Change on September 2017	Unemployment rate ² (%) aged 16 years and over	Change on September to November 2017	Inactivity rate ³ (%) aged 16 to 64 years	Change on September 2017
UK	75.4	0.1	4.2	-0.1	21.2	0.0
Great Britain	75.6	0.0	4.2	0.0	21.0	0.0
England	75.8	0.0	4.2	-0.1	20.8	0.0
North East	73.4	1.2	4.8	-0.4	22.8	-0.9
North West	73.6	-0.6	4.1	0.1	23.1	0.5
Yorkshire and The Humber	73.8	0.8	5.2	0.2	22.1	-1.0
East Midlands	75.2	0.2	4.1	0.0	21.4	-0.3
West Midlands	73.0	0.5	5.0	-0.5	23.0	-0.2
East	78.0	-0.6	3.7	0.0	18.9	0.6
London	75.1	0.8	4.8	-0.4	21.0	-0.5
South East	78.6	-1.5	3.4	0.4	18.5	1.2
South West	79.2	0.7	3.4	-0.3	17.9	-0.5
Wales	73.0	0.3	4.6	-0.3	23.4	-0.2
Scotland	75.0	-0.1	4.2	0.1	21.7	0.0
Northern Ireland	69.5	0.5	3.5	-0.3	27.9	-0.3

Figure 4 - Summary of latest employment rates for regions of the UK, Dec 2017 - Feb 2018

Source: Office of National Statistics

8.4.8 In February 2018 the South West showed:

- a 79.2% Employment rate; and
- a 3.4% Unemployment rate.

8.4.9 The statistics illustrated in Figure 4, illustrates that there is a steady increase in employment as well as a steady decrease in unemployment. These are positive figures for the south west and at a time when the LDO is being progressed to enable further, significant, employment opportunities to be accommodated.

8.5. Purbeck District

Labour Supply

8.5.1 Purbeck exhibits a higher than average employment figure in comparison to the rest of Great Britain. Of the total economically active (22,900) population, 83.4% are currently employed, compared to the national average of 74.9% (2017 data).

8.5.2 A number of those that are economically active in Purbeck, are, however, currently unemployed. This represents 2.2% of Purbeck's population. This is a much lower figure than the national average (4.4%) of the population.

Labour Supply				
Employment and unemployment (Jan 2017-Dec 2017)				
	Purbeck (Numbers)	Purbeck (%)	South West (%)	Great Britain (%)
All People				
Economically Active†	22,900	85.3	81.4	78.4
In Employment†	22,400	83.4	78.6	74.9
Employees†	19,000	71.0	66.0	64.0
Self Employed†	3,400	12.4	12.3	10.6
Unemployed (Model-Based)§	500	2.4	3.3	4.4
Males				
Economically Active†	12,600	96.3	85.6	83.4
In Employment†	12,600	96.3	82.7	79.6
Employees†	10,400	80.3	66.8	65.2
Self Employed†	#	#	15.6	14.1
Unemployed§	!	!	3.2	4.5
Females				
Economically Active†	10,300	74.4	77.3	73.4
In Employment†	9,800	70.7	74.6	70.3
Employees†	8,700	61.8	65.3	62.7
Self Employed†	#	#	9.0	7.2
Unemployed§	!	!	3.3	4.2

Source: ONS annual population survey
Sample size too small for reliable estimate
! Estimate is not available since sample size is disclosive
† numbers are for those aged 16 and over; % are for those aged 16-64

Figure 5 - Labour Supply of Purbeck (2017)

Source: NOMIS

Weekly Salary

8.5.3 The UK's average weekly salary (See Figure 6) for its population (2017) equated to £552.70. The South West in comparison exhibited an average weekly salary of £527.00. Purbeck exhibited a lower average weekly salary of £506.10.

Earnings by place of residence (2017)			
	Purbeck (Pounds)	South West (Pounds)	Great Britain (Pounds)
Gross Weekly Pay			
Full-Time Workers	506.1	527.0	552.7
Male Full-Time Workers	542.1	574.9	594.2
Female Full-Time Workers	#	459.6	494.4
Hourly Pay - Excluding Overtime			
Full-Time Workers	12.54	13.29	14.00
Male Full-Time Workers	12.99	13.99	14.56
Female Full-Time Workers	#	12.15	13.18

Source: ONS annual survey of hours and earnings - resident analysis
Sample size too small for reliable estimate
Notes: Median earnings in pounds for employees living in the area.

Figure 6 - Earnings by place of residence (2017)

8.5.4

Appendix B – Employment Density Matrix

Homes & Communities Agency

Employment Density Guide 2015

4. Employment density matrix

Use Class	Sub-Category	Sub-Sector	Density (sqm)	Notes
B1a Offices	General Office	Corporate	13	NIA
		Professional Services	12	NIA
		Public Sector	12	NIA
		TMT	11	NIA
		Finance & Insurance	10	NIA
	Call Centres		8	NIA
B1b	R&D Space		40-60	NIA lower densities will be achieved in units with higher provision of shared or communal spaces
B1c	Light Industrial		47	NIA
B2	Industrial & Manufacturing		36	GIA
B8	Storage & Distribution	National Distribution Centre	95	GEA
		Regional Distribution Centre	77	GEA
		'Final Mile' Distribution Centre	70	GEA
Mixed B Class	Small Business Workspace	Incubator	30-60	B1a, B1b – the density will relate to balance between spaces, as the share of B1a increases so too will employment densities.
		Maker Spaces	15-40	B1c, B2, B8 - Difference between 'planned space' density and utilisation due to membership model
		Studio	20-40	B1c, B8
		Co-Working	10-15	B1a - Difference between 'planned space' density and utilisation due to membership model
		Managed Workspace	12-47	B1a, b, c
B8 / Sui Generis	Data Centres	Wholesale	200-950	
		Wholesale Dark Site	440-1,400	
		Co-location Facility	180-540	
A1	Retail	High Street	15-20	NIA
		Foodstore	15-20	NIA
		Retail Warehouse	90	NIA
A2	Finance & Professional Services		16	NIA
A3	Restaurants & Cafes		15-20	NIA
C1	Hotels	Limited Service / Budget	1 per 5 beds	FTE per bed
		Mid-scale	1 per 3 beds	FTE per bed
		Upscale	1 per 2 beds	FTE per bed
		Luxury	1 per 1 bed	FTE per bed
D2	Fitness Centres	Budget	100	GIA
		Mid Market	65	GIA – both types tend to generate between 40-50 jobs per gym
		Family		
	Cinema		200	GIA
	Visitor & Cultural Attractions		30-300	The diversity of the cultural attraction sector means a very wide range exists
Amusement & Entertainment Centres		70	Potential range of 20-100sqm	

November 2015

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Appendix C – Average Construction Costs 2018

Commercial Offices	Grade	Number of Storeys	Unit	Cost Range	
	Premium	20 <	sq.m.	£2,700	£2,900
Shell and core new build office facilities including common area finishes with lifts, provision for air conditioning, and sprinklers. Excludes Developer's CAT A fit-out (see below).	A	20 <	sq.m.	£2,400	£2,800
	Medium	20 >	sq.m.	£2,000	£2,500
Shell and core new build office facilities and common finishes with lifts, provision for air conditioning, and sprinklers. Excludes Developer's CAT A fit-out (see below).	Medium	8 >	sq.m.	£1,600	£2,000
Developer's CAT A fit-out including raised floors, carpets, ceilings, fan coil units with ducts and grilles, lighting and power distribution.	BCO Standard Specification	n/a	sq.m.	£400	£600
Category B fit-out from institutional Category A specification; standard corporate accommodation; open plan - 15 per cent offices.	A	-	sq.m.	£700	£1,600
Category B fit-out from institutional Category A specification; standard corporate accommodation; banking / legal - 50 per cent offices / cellular	A	-	sq.m.	£1,100	£2,700
Category A refurbishment costs (Minor scope); Light alteration works, soft strip demolition; new reception, WC's, CAT A fit-out including raised floors, carpets, ceilings, VRF with ducts and grilles, lighting and power distribution.	A	-	sq.m.	£600	£900
Category A refurbishment costs (Medium scope); Alteration works, soft strip demolition; new reception, WC's, CAT A fit-out including raised floors, carpets, ceilings, VRF / four pipe fan coil units with ducts and grilles, lighting and power distribution.	A	-	sq.m.	£900	£2,700
Category A refurbishment costs (Major scope); Heavy alteration works, soft strip demolition; new reception, facade works, structural alterations, WC's, CAT A fit-out including raised floors, carpets, ceilings, four pipe fan coil units with ducts and grilles, lighting and power distribution.	A	-	sq.m.	£1,700	£2,600
Retail	Level of finish	Number of storeys	Unit	Cost range	
Regional shopping complex – high standard including major stores, specialty shops and enclosed malls	Medium - High	Multi	sq.m.	£1,400	£1,700
Retail Park; shell excluding fit-out	Medium - High	Single	sq.m.	£1,000	£1,400
Fit-out of small food store < 4,500 sq ft	Medium - High	Single	sq.m.	£2,700	£2,900
Fit-out of large store with food and general merchandise < 50,000 sq ft	Medium - High	Single	sq.m.	£2,000	£2,700
Fit-out of large full-range department store > 50,000 to < 100,000 sq ft	Medium - High	Multi	sq.m.	£1,900	£3,000
Residential (Excludes site abnormal costs)	Level of finish	Number of storeys	Unit	Cost range	
Single private residence up to 150 sq.m. – medium standard, double brick, natural ventilation.	Medium	2	sq.m.	£1,000	£1,700
Single private residence up to 250 sq.m. – high standard, double brick, air conditioning, high grade kitchen / bathroom	High	2	sq.m.	£2,000	£4,800
Three storey apartments – medium standard	Medium	3	sq.m.	£1,800	£2,400
Three storey apartments – high standard, air conditioning	High	3	sq.m.	£2,300	£2,600
Multi storey apartments – medium standard	Medium	20 <	sq.m.	£2,400	£3,000
Multi storey apartments – high standard	High	20 <	sq.m.	£2,500	£4,200

Dorset Innovation Park – Local Development Order
Economic Statement

Industrial	Standard	Number of storeys	Unit	Cost range	
Up to 10m high warehouse – basic standard, metal clad walls, no sprinklers (up to 5,000 sq.m.)	Basic	2	sq.m.	£500	£700
Up to 10m high warehouse – basic standard, metal clad walls, no sprinklers (over 5,000 sq.m.)	Basic	2	sq.m.	£500	£600
Up to 10m high warehouse – medium standard, precast walls, no sprinklers (up to 5,000 sq.m.)	Medium	2	sq.m.	£500	£700
Up to 10m high warehouse – medium standard, precast walls, no sprinklers (over 5,000 sq.m.)	Medium	2	sq.m.	£500	£600
Up to 10m warehouse – high standard, precast walls, sprinklers (up to 5,000 sq.m.)	High	2	sq.m.	£700	£900
Up to 10m high warehouse – high standard, precast walls, sprinklers (over 5,000 sq.m.)	High	2	sq.m.	£500	£700
Truck hardstand, 175 RC slab, drainage, linemarking	-	-	sq.m.	£200	£300

Hotels (New build excluding FF&E)	Star rating	Number of storeys	Unit	Cost range	
Medium standard, minimal F+B / dining facilities, no air conditioning	2 Star	Multi	per key	£30,000	£40,000
3 star hotel, restaurant, public areas, comfort cooling, no conferencing	3 Star	Multi	per key	£45,000	£55,000
4 star hotel, restaurant, public areas, air conditioning, conferencing	4 Star	Multi	per key	£135,000	£165,000
5 star hotel, multiple restaurants, public areas, air conditioning, banqueting, wellness	5 Star	Multi	per key	£380,000	£520,000
Super luxury 6 star hotel, multiple, public areas, air conditioning, banqueting, wellness	6 Star	Multi	per key	£600,000	£750,000

Data centre (Excludes shell construction, incoming power & fibre upgrades, comms equipment and cooling solution). Based on traditional construction and not pre-fabricated modular systems.	Tier rating	Number of storeys	Unit	Cost range	
Fit-out of existing shell, fully built (day 1 & 2), technical load between 1,000 - 1,500 kW/m ²	Tier 2	2	KW	£6,600	£8,900
Fit-out of existing shell, fully built (day 1 & 2), technical load between 1,500 - 2,000 kW/m ²	Tier 3	2	KW	£9,000	£12,100
Tier Level 4 - Fit-out of existing shell, fully built (day 1 & 2), technical load between 1,500 - 2,000 kW/m ²	Tier 4	2	KW	£13,200	£160,800

Notes:

1. All costs exclude VAT and professional fees.
2. Costs based on January 2018 prices.
3. Average costs as shown should not be used for insurance valuation purpose.
4. The costs are representative of typical specifications for each type of building and do not account for any site abnormal costs.

Source: Linesight

Approximate Regional Variance

Region	Factor	Region	Factor
East Anglia	0.95	Wales	0.93
North West	0.92	South East	0.97
Scotland	0.90	West Midlands	0.96
Northern Ireland	0.89	East Midlands	0.96
Yorks & Humber	0.93	South West	0.94
North East	0.88	Greater London	1.00

Appendix D - Working Day Spend Report (2014)

17 million UK workers* frustrated by cash payments



UK Working Day Spend Report finds workers are frustrated with having to use cash for everyday purchases it's hard to get hold of and all too easy to spend

LONDON, 23 June 2014 – 17 million UK workers are frustrated by the inconvenience of cash payments according to the Working Day Spend Report, released today by Visa Europe. With 23% being regularly caught out by not having enough cash on them to make a particular payment and 30% having to ask a taxi to deviate from its journey in order to stop at a cash machine, workers regularly find paying with cash a nuisance.

Although cash usage has dropped overall in the last five years and cards are widely accepted, Brits still rely on cash for smaller payments. That's despite nearly half (46%) admitting they are quick to spend the cash they have in their wallet, leading to two thirds (66%) withdrawing cash at least once a week. The report also reviewed what UK workers spend their money on, how much they spend and what payment methods they use. Brits spend an average of £10.59 on small and regular purchases throughout the day, the equivalent of £2,541.60 every year. One third of respondents admitted that they do not budget for this everyday expenditure.

"I think a lot of people still use cash for certain purchases out of habit, even though they find it annoying," says Sandra Alzetta, Executive Director at Visa Europe. "Paying with a contactless card is faster and safer than fiddling around with coins and carrying a wad of cash, and it makes it much easier to manage your money. Every transaction appears on your statement, so you can stop asking yourself where that last twenty pounds went – the answer's right there."

The research also found that the way workers spend varies across the UK. London workers use cash the least with just over half (55%) using it to buy lunch, showing that faster payment methods are being embraced more quickly in the capital. In contrast 81% of Glasgow workers use cash to buy lunch, leading to over half (55%) often getting frustrated by having to wait to pay in store. Manchester workers struggled worst with cash machines with 40% noting it was a challenge to find a cash machine nearby and nearly a third (32%) finding having to queue for a cash machine a frustration.

"There's no need for people to be frustrated by cash," adds Alzetta. "You can already make contactless payments at more than 300,000 places in the UK – not just in retailers but also on London buses and taxis. That means workers don't have to worry about being caught out without cash any longer."

The average UK worker currently

- Spends £3.69 on lunch, £2.09 on hot drinks and £7.09 on food and drink for later that evening, using a variety of payment methods
- Uses cash to pay for hot drinks on the go but prefers a debit card for buying food and drink for later in the evening
- Withdraws cash at least once a week
- Carries less than £25 in their wallet at one time
- Spends 25 minutes waiting to pay for goods or services every week

Why switch to contactless?

- Using a contactless card is the fast and convenient way to pay for everyday purchases that are under £20
- 1 in 4 people in the UK already have a contactless card
- There are now over 300,000 terminals accepting contactless payments in the UK
- You can pay with contactless cards in retailers including Boots, Tesco, McDonalds, Costa Coffee, Waitrose and Greggs
- Workers can also pay for their commute with taxis and London buses all accepting contactless and TfL plans to roll out contactless across the rest of their transport network later this year
- More than £700 million was spent on contactless cards in the 12 months to February 2014 in the UK
- Over 100 million contactless purchases were made in the 12 months to February 2014 in the UK

Note to editors:

Results are based on an online survey carried out by research agency Loudhouse. 2155 UK commuters (aged 18 or over) who work full or part time and travel to work at least once a week were surveyed during April 2014.

*Statistic based on 30.19 million UK workers as stated by ONS data – Labour Market Statistics March 2014.

Visa contactless payments are very secure and certainly much more secure than carrying cash. Visa contactless cards use the same secure technology as Chip and PIN and have a maximum purchase amount of £20 per transaction. From time to time, cardholders are asked to enter their PIN to verify they are the genuine cardholder. Importantly, cardholders benefit from Visa's promise that if a Visa card is lost or stolen, they are protected against fraud loss – providing they take reasonable precautions to protect their card and let their bank know as soon as they realise it's gone.

For more information, visit www.visaeurope.com

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