

15 Socio-economics

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15 Socio-Economics

15.1 Introduction

This chapter presents an evaluation of the social, economic and community impacts resulting from the proposed development, as outlined in Chapter 3: Scheme Description, of this report.

This chapter provides an assessment of the:

- Potential changes to population and households
- Potential impacts on employment and the demand for jobs
- Potential impact on demand for community facilities and services
- Potential impacts on deprivation
- The extent to which the proposed development is expected to deliver local and regional economic development policy

15.1.1 Context

Hayle is located in the St Ives Bay on the Hayle Estuary within the Borough of Penwith, West Cornwall. St Ives is located 5 miles to the west and Penzance and Camborne are within 10 miles. Truro is sited approx 25 miles to the east.

In the Victorian era Hayle was a very important port, playing a key role in Cornwall's Industrial Revolution. The remains of the town's industrial heritage have produced a town rich in historic artifacts. Since the decline of tin and copper mining in the early 20th century however, Hayle's prosperity has declined and it now suffers serious economic and social deprivation with a low wage economy that is reliant on tourism and still over represented in both agriculture and fishing.

The town is, however, currently the focus of several major regeneration initiatives including a phased programmed of regeneration at Harvey's Foundry (new employment space and refurbishment of the main Foundry offices) and Hayle Townscape (a combined Townscape Heritage Initiatives (THI) and Heritage Economic Regeneration Scheme (HERS) scheme, with workspace and affordable housing at Foundry Farm, public realm works and grants to owners of historic buildings). The Market and Coastal Towns Initiative (MCTI) is also involved in the town and has identified an ambition to produce a brand for Hayle based on the core theme of 'water'.

15.2 Legislation and planning policy guidance

The following strategies and policy are relevant to the proposed development. The planning policy section (Chapter 4) provides further identification of relevant policies and the relationship of the proposed development with such policy.

Those objectives of the **Regional Economic Strategy 2006-2015** which are relevant to the scheme are:

- Strategic Objective 1: Successful and competitive businesses – The RES highlights the need to promote enterprise in disadvantaged and rural areas
- Strategic Objective 2: Strong and inclusive communities – there is a need to tackle the causes of deprivation and exclusion and to focus on opportunities for new sustainable growth through urban and rural renaissance

Just Connect– the Integrated Regional Strategy produced by the South West Regional Assembly – identifies five headline aims for the South West Region, including the following relevant to the proposed development:

- To harness the benefits of population growth and manage the implications of population change – in particular by providing sufficient housing (including affordable) to meet identified future needs, and by ensuring that the long term effects of population growth and change are anticipated in the planning of the full range of public services
- To enhance our economic prosperity and quality of employment opportunity – in particular by ensuring that housing development and the needs of the economy are planned for together, and by reducing differences in economic performance within the region
- To address deprivation and disadvantage to reduce significant intra-regional inequalities – in particular by supporting those parts of the region that are in need

The **Regional Spatial Strategy for the South West 2006-2026** highlights the need to stimulate the economic potential of settlements, whilst also seeking to achieve a high quality lifestyle for all members of the community. This is not only critical for their future success, but also the success of the regional economy in terms of reducing disparities. The RSS is informed by 'The Cornwall Towns Study' which analyses the growth potential of 18 towns in the County. Hayle is forecast on regional trends to grow by 646 jobs (+26%) between 2006 and 2026. This is higher than the Cornwall towns forecast growth rate of 22%. The report identifies the regeneration proposals for the harbour and town centre as being crucial to the economic future of the town.

The emerging round of EU Structural Funding will be delivered in Cornwall through the '**Convergence Programme**'. The priorities/challenges for this include:

- The need for high quality business accommodation – the evidence base document highlights the fact that there remains unmet demand for high quality business accommodation of a range of types and sizes. Market conditions are such that in the vast majority of locations, however, development will not come forward without an element of pump priming from the public sector
- The predicted growth of the population of Cornwall over the next decade is highlighted as a challenge. It is anticipated that over 50,000 new houses will need to be built (a significant proportion of which will need to be affordable)

At present, draft priorities for Cornwall and the Isle of Scilly through the **European Social Fund Convergence 2007-2013** programme include:

- Tackling Barriers to Employment - Objective: increase employment and reduce unemployment and inactivity. Tackle barriers to work faced by disadvantaged groups. Reduce the number of young people NEETs (14-19 year olds but not exclusively)

Improving the skills of the local workforce - Objective: to help all people in Cornwall achieve the highest levels of skills and qualifications they can in order to enable them to find jobs and improve their chances of career progression. The draft **European Regional Development Fund Convergence programme** identifies four priority axes for activity. These include:

1. Innovation and research and development:

Aim: to enable Cornwall and Isles of Scilly to compete more effectively as a centre for creativity, innovation and research and development

Strategic Objectives:

- Increase the intellectual capital through investments in knowledge infrastructure and research capacity in higher education; supporting business investment in research and development; and supporting HE/business collaboration
- Improving the productivity of companies through increasing the rate of innovation and economic benefits from exploiting knowledge including product and process improvements
- Increasing the number of high value added and innovative new start businesses

2. Enterprise and Innovation

Aim: to restructure the economy to one with a higher proportion of higher value added business, underpinned by more productive enterprises

Strategic Objectives:

- Increase the proportion of businesses and employment in high value added business activities
- Increase the quality of new starts through developing the enterprise culture and supporting high growth and high value added new starts
- Increase the productivity of business through provision of high quality support services in key areas e.g. internationalisation, ICT take up and use and investment support
- Increase the scale of investment and re-investment by the private sector
- Develop critical business infrastructure, capitalising on existing assets where possible, which contribute to the knowledge based economy

3. Learning and skills

This priority does not have specific aims and objectives as for the other 3 axes. It aims to develop the learning and skills infrastructure needed to develop high level skills and the development of human capital. It is also expected that this priority will provide the infrastructure needed to support activities in the other priority axes of the European Regional Development Fund Convergence programme. It does not appear to have any output, result or impact targets in its own right.

4. Economic Infrastructure and Place Based Regeneration

The general principle is for sustainable development in towns and locations, balancing employment growth across towns.

Strategic Objectives:

- Increase the connectivity of Cornwall and the Isles of Scilly regionally, nationally and internationally
- Ensure the digital and ICT infrastructure supports business competitiveness and the further development of a knowledge society
- Increase the capacity of key towns and locations to accommodate new investment critical to the development of a knowledge based economy

The need to 'establish a viable scheme for the redevelopment of Hayle Harbour' is identified as a key target in the **Penwith Community Strategy**. The following aims and targets of the Penwith Integrated Area Plan are also judged to be relevant to the proposed development:

- 'To facilitate and create sustainable quality employment opportunities that strengthen and broaden the local economy'

- 'To encourage, develop and aid the sustainability and vitality of the small towns and villages in the area, by strengthening the links between them, and improving their roles as local centres of economic and social activity'

Hayle Market and Coastal Towns Initiative, with support from Penwith District Council and South West Regional Development Agency, has identified key economic issues including: the need for redevelopment of the harbour; a shortage of good quality jobs; and the need for infrastructure to encourage existing companies to expand, new companies to be formed and companies to relocate to the area. In particular there is a need to increase the supply of suitable sites and premises, workforce skills and training, support for business and the promotion of the area as a place to do business. The Market and Coastal Towns Initiative process has identified an ambition to produce a brand for Hayle, based on the core theme of 'water'.

The **Hayle Area Plan** has been prepared through the MCTI initiative and sets out the Vision for Hayle as:

'By 2025 Hayle will be a distinctive area, celebrating, protecting and promoting its natural and heritage assets; a friendly area, embracing new residents, businesses and visitors in the warmth of its welcome & traditions; a skilled area, providing skills and quality employment for local people and growth opportunities for local businesses; and a sustainable area, making sure that all new initiatives are planned and developed for the benefit of the community. We have created an effective environment for regeneration through branding, which we regard as key to the economic regeneration of Hayle.'

The plan highlights the fact that 'the poor condition of the harbour and the lack of development there means that the area is not making the contribution that it should to Hayle by creating new jobs, attracting more tourists and visitors, improving the environment and preserving wildlife'.

Other important issues raised within the Plan are:

- There is a shortage of good quality, well-paid jobs for local people and the infrastructure encouraging formation/expansion of businesses is inadequate. This includes sites and premises, skills, training and promotion of the area
- Lack of distinctiveness for the town as a whole
- Lack of leisure and community facilities
- Affordable housing

Penwith Local Plan (adopted 2004) identifies Hayle and St Ives for their 'local roles', recognising that Hayle's shopping facilities throughout the town are predominantly of a lower order and meet the needs of local residents. St Ives is seen as having an important centre in its own right yet still a secondary centre to Penzance.

The Local Plan identifies a target of 1,400 (70 per annum) affordable homes for the period 1991-2011. At present build rates Penwith needs to complete 125 affordable dwellings per year for the remaining years of the plan.

The **Penwith Community Strategy** (Penwith Vision 2025) sets out an overall vision for the district, and notes in an early objectives section relating to “A prosperous area with job opportunities for all” that this vision may be achieved, for example, at Hayle:

“The £175 million redevelopment scheme for Hayle Harbour is second only, and indeed complementary, to Camborne Pool Redruth in terms of a regeneration opportunity in the western part of the County. It provides a strategic opportunity to contribute to housing and employment needs within West Cornwall without compromising the high environmental quality of the area. The proposals utilise previously developed land in the town centre, approximately 25% of the housing will be affordable, and educational opportunities will be related to developing skills and growth sectors. Together with the inclusion of the Wave Hub project, the scheme allows for the creation of one of the first truly sustainable communities within the region. The developer has already invested over £10 million in acquiring the site. To achieve this Vision, further significant investment in the infrastructure is necessary to support the proposals as part of the regeneration of Hayle as a whole.”

Penwith Vision 2025 also comments in relation to “Linking the Vision with the Regional Spatial Strategy and the Penwith Local Development Framework” that:

“The Regional Spatial Strategy identifies Penzance as one of the key Cornish towns for regeneration. The other main towns of Hayle, Helston, St Ives, Wadebridge, Launceston and Bude also play a key role as local centres for shopping, employment and community facilities and as leisure and tourist destinations, along with a range of smaller towns and villages meeting more local needs. In particular Hayle has the development opportunities that its harbour affords and the potential for the wave hub (wave energy scheme). These examples may see these towns take on a more strategic role for their size. Of particular significance is the regeneration needs and potential of Hayle Harbour. The scale of regeneration needed to restore the harbour and its surroundings are regionally significant in view of:

- *Its potential to uplift the vitality of the town for the benefit of its residents and visitors and overall economy of the area*
- *The sensitivity of its environment*
- *The close relationship and links with Camborne Pool and Redruth*
- *The draft Regional Spatial Strategy proposes a total of 4,800 new dwellings between now and 2026”*

Penwith DC has progressed its **Local Development Framework** and the “**Core Strategy, Issues and Options**” report has been published for consultation with responses to be sought through 2007.

The Core Strategy Issues and Options report identifies that the **Area Action Plans** will set out the future roles of settlements and identifies the main areas of change within the District. An Area Action Plan is proposed for Hayle.

In respect of housing the Strategy notes that Penwith should deliver 240 dwellings per annum from 2006 to 2026, equating to 4800 dwellings over 20 years. The Core Strategy will ultimately contain policies which distribute housing to specific settlements across the district. Whilst the RSS notes that housing should be developed at densities between 30 and 50 per ha, it is noted that PPS3: Housing uses 30 dwellings per ha as a national indicative minimum standard.

With regards to employment, the Penwith Core Strategy notes that policy on employment is likely to:

- Prevent the loss of existing employment land
- Provide an appropriate future supply of employment land in the district to meet the requirements of industrial demand and the projected increase in job growth

15.3 Methodology and assessment criteria

The socio economic and community impacts of the proposed development have been assessed using the following processes:

- Understanding of current policy and planning context, future growth forecasts and capacity issues.
- Assessment of baseline socio-economic conditions in Hayle and comparison areas.
- Discussions with key stakeholders
- Prediction of the socio-economic impact of the proposed development, including impacts on population, housing, employment (both direct and indirect), health, education, policing and community facilities
- The assessment of the proposed development is based on land use, floor areas and dwelling numbers as provided by LDA Design

The proposed development seeks to develop Hayle as a self sufficient community with mutually supportive businesses and services. It is intended that Hayle will grow as a sustainable centre for innovation and industry with exceptional levels of ICT connectivity and onsite renewable energy infrastructure. Building upon natural and cultural assets it is intended that the town's tourism appeal together with its importance for high quality jobs will enable it to develop a significant food and drink and retail economy which is sustained by year round visitors and the indigenous resident and business communities.

15.3.1 Data Sources

Data for Hayle has been drawn from a variety of sources and is presented at one of a number of geographical levels depending on the availability of data. Sources are identified either in the body text, as footnotes or as sources where data has been tabled.

15.4 Baseline conditions

A socio-economic profile of Hayle is found in Technical Annex 15A; the main points are summarised below. Where appropriate, information for Hayle is compared with that for Penwith, Cornwall & the Isles of Scilly, the South West and England and Wales. Data for Hayle is calculated by summing ward data from Hayle North and Hayle South. An adjacent ward, Gwinear, Gwithian & Hayle East is not included as it covers a relatively large rural area.

15.4.1 Population & households

15.4.1.1 Population, Age Structure and Household Size

Hayle's population of 7,465 (Census 2001) has an older age profile than England & Wales and the South West region, reflecting the popularity of the area as a retirement destination and suggesting a strong demand for services such as health and social care. In comparison to the South West region there are slightly lower levels of working age population as a whole, however, in comparison with Penwith, there are relatively high levels of working age population (20-44) underlying the need for good quality employment opportunities in the area.

15.4.1.2 Housing

There are 3,334 dwellings in Hayle of which the majority (89%) are houses or bungalows. Only 10% of dwellings are flats, almost 4% lower than rates across Penwith. Holiday/second homes account for 1.7% of dwellings within the town which is less than a quarter of the level for Penwith and approximately a third of the level for Cornwall. However, it is still over double that for England and Wales as a whole. The adjacent, more rural, ward Gwinear, Gwithian and Hayle East has significantly higher second home ownership levels (4.8%).

Owner occupied rates are similar to those in other comparison areas. In Hayle they are 71.5%, Cornwall 72.4% and England & Wales 69%. The proportion of dwellings rented from the Council is however much lower in Hayle. Only 1.1% of properties are rented from the Council, compared to 6.3% in Cornwall and 13.2% in England & Wales. This is in line with the district policy; in Penwith District Council rented property accounts for less than 1% of dwellings. As a consequence the proportion of other social rented dwellings is high within Hayle and Penwith (14% and 12.6% respectively). This contrasts with rates between 5 and 6% in Cornwall and nationally.

Whilst the proportion of owner occupied households in Hayle is comparable with the proportion nationally, the standard of housing is comparatively lower with 20.4% not having central heating (compared to 8.5% nationally).

House prices in Hayle have increased by 95% since 2001 (Land Registry, Oct – Dec 2001 & Oct – Dec 2006, www.landreg.gov.uk), from an average of £102,128 to £199,207 in 2006. Whilst a lower increase than in Penwith and Cornwall (111% and 96% increase respectively) it is still significantly higher than the increase across the South West (75%).

The average house price in Hayle (Land Registry, Oct – Dec 2001 & Oct – Dec 2006, www.landreg.gov.uk), is 92% of the South West average and 88% of the Cornish average. In nearby Carbis Bay and St Ives, average house prices are £283,536 and £288,040 respectively (both 25% above the Cornish average and 30% above the regional average).

With an average Penwith annual salary of less than £18,000, housing affordability is clearly a key issue within the district and whilst Hayle is clearly more affordable than surrounding settlements, the average house (at nearly £200,000) still remains unaffordable for many local residents.

This issue is emphasized in the study by the Joseph Rowntree Foundation, (Affordability and the Intermediate Housing Market, Joseph Rowntree). This determined housing affordability by using house price to income ratios. In a national study Penwith had the third highest house price to income ratio in the country (after Kensington & Chelsea and Westminster). Retaining / increasing affordability within the local housing market clearly remains a key issue within the town.

15.4.1.3 Deprivation

There are areas of deprivation geographically scattered throughout Hayle. Moderate deprivation (i.e. within the worst performing 25% of Super Output Areas nationally) is identified within 3 of the 5 Super Output Areas within Hayle.

15.4.2 Employment

15.4.2.1 The Economy

There are 2,682 jobs within Hayle (NOMIS, ABI 2005, www.nomis.co.uk). Employment in the town is dominated by two key sectors – public administration, health & education (39% of jobs) and distribution, hotels and restaurants (which includes retail employment) (28.5% of jobs). The proportion of employees within the public administration sector reflects the larger size of organizations within this sector. Whilst there are only 38 businesses within the public admin sector (an average of 22 employees per business) in the distribution, hotels and restaurants sector there are 97 businesses (on average less than 6 employees per business).

There is a relative lack of larger businesses within Hayle town; of the 267 businesses, 81% have up to ten employees and only seven (less than 3%) have 50 or more employees. The largest sector is distribution, hotels and restaurants (36.5% of businesses) followed by 11.3% in construction and nearly 16% in banking & finance. Whilst banking and finance are relatively important within Hayle, they are under-represented in comparison to the district, county and region.

Recent tourism research in Hayle (Cornwall County Council, Cornwall Towns Study, 2005) found that while 22% of Hayle's employment is directly supported by tourist spend and almost three quarters of businesses deal directly with tourists, very few Hayle businesses rely on tourists for over 75% of their turnover. The study identified that there is significant scope to develop the tourism sector and to enable local residents and

¹ Statistical unit of geography used by Office of National Statistics. This represents an approximate population of 1,500 people.

businesses to benefit more fully from it. However, it also identified barriers such as the potential creation of only low-paid jobs and the lack of space or premises for business expansion.

Hayle is a significant fishing centre with 27 vessels registered in the port. In addition to the fishing fleet there are some associated businesses and vessels for divers and pleasure trips. In 2004 it was estimated that Hayle's fishing related employment accounted for 47 jobs.

Self-employment within Hayle is lower than in both the district and county (16.2% as compared to 23% in Penwith and 19.5% in Cornwall). There are 517 self-employed people within Hayle.

Economic activity rates in Hayle are slightly higher than those for Penwith (61% as compared to 60%). They are lower than those for Cornwall (63.1%), the South West (67.5%) and England and Wales (66.5%).

A relatively high level of part-time working is also an issue as it often indicates a high number of jobs with lower than average pay. Sectors such as hotels and catering and retail often have higher levels of part time working. Rates are lower than for the district (28.4% compared to 31.6%) but are still higher than for Cornwall and the South West.

Earnings data is currently available only at district level. This indicates average weekly pay of £345.10 in Penwith (NOMIS, ASHE residence based 2006, www.nomisweb.co.uk) in comparison to £364.10 in Cornwall (6% higher), £423.50 in the South West (22% higher) and £451.60 in England and Wales (31% higher).

In 2003 earnings data was available for Hayle (NOMIS, NCS 2003, www.nomisweb.co.uk). This indicated that average earnings were 25% less than the Cornish average. Clearly it is not possible to determine whether this trend has continued (i.e. if 2006 earnings in Hayle are considerably lower than even 2006 Penwith earnings), however, even if a more favourable scenario has been reached (that Hayle is now on par with district earnings and only 6% lower than the Cornish average.) it is clear that there is a need for quality, well-paid jobs within the local area.

There is a low skilled population within Hayle. 35.1% of people have no qualifications, compared to 28.1% in Cornwall and 29.1% in England and Wales. The proportion of people with the highest level qualifications (4/5-degree level) is significantly lower than comparison areas (10.5% in contrast to 15.8% in Cornwall and 19.8% in England and Wales). Notably, Penwith has relatively high levels of highly qualified residents (16.1%) though clearly a low proportion choose to live in Hayle. This may present issues in terms of providing an appropriately skilled local workforce for the new employment within Hayle Harbour. Attracting more highly skilled people to the new residential provision would alleviate this problem to some degree though clearly upskilling of the existing workforce should be seen as an important issue.

Hayle has a low proportion of residents working in higher level professional occupations (AB) (12.4% as compared to 16.7% in Cornwall and 22% in England & Wales). It has high levels of residents working in semi skilled/unskilled positions (D) (20.4% compared to 17% in Cornwall and 17.2% nationally) and high levels are also claiming state benefit, unemployed or employed within the lowest grade positions (E) (20.4% against 17% in Cornwall and 16% in England and Wales). This has obvious implications in terms of the earning capacity of residents and their ability to afford housing.

There were 140 people claiming unemployment benefit in Hayle in January 2007. This is nearly 20% more than the figure at the same time in 2006. During the winter Hayle and Penwith have higher claimant rates than Cornwall, the South West and England and Wales. In summer months, the claimant rate drops to below the national rate, illustrating the seasonal nature of unemployment in Cornwall (i.e. significantly higher in winter than summer). This is linked to the importance of the seasonal tourism industry and also to seasonal agricultural employment.

The unemployment rate in Penwith has been higher than the Cornwall and regional averages for some time, as is the proportion of working age people claiming income support. However, increasing worklessness³ is a concern as relatively high numbers of the adult population are not working.

Travel to work patterns in Hayle are relatively similar to that of Cornwall. 38.9% of people travel less than 5km to work (38.9% in Cornwall), contrasting to 40.9% in Penwith and 40% in England and Wales.

Hayle is located within Penwith Travel To Work Area, along with Penzance and St Ives. Penwith and the Isles of Scilly TTWA have 12.5% of the County's employment (26,800) and 11.2% of its GVA (£645.6m). The disparity between employment and GVA indicates relatively low levels of productivity in the area and could reflect the dominance of tourism industries (which are traditionally low value). GVA per person in employment is also low for the TTWA at £24,090 (compared with £26,875 for Cornwall). To generate higher GVA, the development of higher value tourism and diversification into other sectors will be required (Cornwall County Council 2005,

² Professional occupations are defined as AB Higher and intermediate managerial / administrative / professional, C1 Supervisory, clerical, junior managerial/administrative/professional, C2 Skilled manual workers, D Semi-skilled and unskilled manual workers and E On state benefit, unemployed, lowest grade workers

³ Worklessness is defined for example in a Department of Work and Pensions study, as detachment from the formal labour market in particular areas, and among particular groups. Workless individuals include individuals who are unemployed and claiming unemployment benefits, individuals who are economically inactive and eligible for inactive benefits (who may or may not be claiming them), and individuals who are working exclusively in the informal economy (who may or may not be also claiming benefits).

Cornwall Towns Study). At a regional level Penwith TTWA represented 1% of the South West's employment in 2005 and 0.9% of GVA

Hayle's role within Penwith TTWA is clear when reviewing the differences in the sectoral distribution across Hayle with those in the TTWA. Hayle has a concentration of activity in printing, plastics, metals, wholesale & health but leaves retail, hotels & restaurants, retail estate, other business services, recreational activities and public administration to the other settlements within the TTWA, mainly Penzance.

15.4.3 Community services & facilities

15.4.3.1 Retail

Hayle has two main areas of retail provision – the Foundry Square area, leading to Penpol Terrace; and Copperhouse, Market Square and Fore Street. Together they contain 81 retail units with approximately 8,180sqm floorspace. The centres comprise a range of mostly small independent local retailers. The only regional or multiple names are Spar, Pioneer Co-op, Warrens Bakery and Alliance Pharmacy. In addition there is a Lidl store on the eastern outskirts of Copperhouse and further to the west is the recently developed West Cornwall Shopping Centre which includes Next, Boots and Marks and Spencer which includes a proportion of food shopping. The retail impact study (2007), contained in Technical Annex 15B, shows that total annual convenience spend in Hayle is estimated at £12.0m (substantially in the Co-op store, with Lidl and the other stores together comprising approximately 15% each of the total); and a total annual comparison spend estimated at £4.6m.

15.4.3.2 Education facilities

Hayle is served by the following schools:

| Primary Schools | Age | Locality |
|-----------------------------------|-------|----------|
| Bodriggy Primary School, TR27 4DR | 3-11 | Hayle |
| Penpol School, TR27 4AH | 4-11 | Hayle |
| St Piran's School, TR27 4HY | 3-13 | Hayle |
| Secondary Schools | | |
| Hayle Community School, TR27 4DN | 11-18 | Hayle |

Table 15– 1: School provision in Hayle

Source: DFES Register of Educational Establishments

There are approximately eighteen other primary schools, plus Camborne Science and Community College, within about five miles of Hayle.

Penwith College provides further education provision to the Hayle area, from its main site in Penzance and from outreach activities in Hayle, accommodated in the Community Centre at Carew House. The courses run in Hayle have typically been adult computing courses.

15.4.3.3 Health

Hayle is served by two GP surgeries: Dr Higgs and Partners at Bodriggy Health Centre and Connor Downs Surgery. The former employs seven doctors and the latter, two. There are also a number of dispensing pharmacies: Moss Pharmacy, 1-2 Penpol Terrace, Alliance Pharmacy and Moss Pharmacy, 44-46 Fore Street.

St Michael's Hospital in Hayle has 69 beds and provides some surgical departments, outpatient centre, neurological rehabilitation centre and family planning clinics. There are no accident and emergency or minor injuries departments. Whilst threatened with closure in 2006, this is no longer an issue and the hospital is to become a centre of excellence for breast surgery.

There are two dental surgeries in Hayle, each employing two dentists. Neither are taking on new patients nor offering urgent dental care.

The health of Hayle residents is better than for Penwith; 10.7% consider themselves in 'not good health' compared to 11.3% in Penwith. Rates for Cornwall and England and Wales are however lower (9.9% and 9% respectively).

15.4.3.4 Crime

Devon & Cornwall Constabulary currently provides approximately one police officer per 485 people, which is slightly fewer officers than in other parts of the country – for example in Essex there are 400 people per officer and in Hampshire 450 people per officer.

Penwith has been the best performing district in terms of all-crime reduction over the last 12 months (a 1.9% reduction since the last audit) but the rate of improvement has plateaued and there are early signs of deterioration (Cornwall & the Isles of Scilly Community Safety Rolling Audit, Sept 2006) In common with the rest of Cornwall, crime is very seasonal with a county average of 15% higher crime levels during the summer months; in Penwith this seasonal bias is even more pronounced.

42% of all crime in Penwith takes place in Penzance however the wards within Penwith which have shown the highest increases in crime rates include Hayle North and Hayle South (7.3% and 4.6% increases respectively). Youth crime is a key issue.

⁴ The 2002 OFSTED Report indicates that ICT is one of the College's particular strengths

15.4.3.5 Other facilities

Hayle Library is located at Commercial Road. It provides the usual range of services expected from the County Library Service.

Connexions Information and Advice Centre gives information and advice for Young People aged 13-19. The service is focused around careers and learning but Connexions also provides advice on a wide range of other issues faced by young people. According to the Connexions website their outlet at Pool Industrial Estate, approximately 7 miles away, is the nearest provision for Hayle.

Jobcentreplus has an outlet at 52 Fore Street, Hayle.

15.4.4 Summary of baseline conditions

- Hayle has a population of 7,465 people. In common with the rest of Cornwall there are fewer young adults and higher levels of older adults than the national average
- There are 3,334 dwellings in Hayle. A lower proportion of these dwellings are flats and second/holiday homes than for comparison areas. Within the town few dwellings are available to rent from the Council, however the proportion of 'other social rented property' is high (most likely as a consequence of low numbers of Council houses)
- Hayle demonstrates a need for regeneration – it is in the 10% most deprived areas in Cornwall and three of the Super Output Areas within the town are within the 25% most deprived wards in England
- House prices in Hayle are lower than for Penwith and surrounding towns but still high in comparison with national levels. Given the relatively low average earnings, affordability of housing is a key issue
- There are 267 businesses in Hayle, employing 2,165 people. In addition there are 517 self employed people, giving a total of 2,682 people working in Hayle. Most of the businesses in Hayle are small (10 employees or less), although there are seven businesses with over 50 employees
- Approximately, 37% of the businesses in Hayle are in the distribution, hotels and restaurant sector. Although public administration, education and health make up 14% of the businesses/organisations, they account for 39% of the employed workforce
- Self-employment rates within the town are lower than in both the district and county
- Economic activity rates (at 61%) are slightly higher than for Penwith but lower than county or regional averages
- Penwith earnings are lower than the Cornish average and historically Hayle earnings have been lower than Penwith averages

- Skills levels within the town are low. 35.1% have no qualifications and there are high levels of people working in semi-skilled/unskilled positions or employed within the lowest grade positions
- There are 140 people claiming unemployment benefit in Hayle. This rate is seasonally high and during the winter it is almost double that of the region
- Within Penwith TTWA there are relatively low levels of productivity (GVA per head) which could reflect the dominance of tourism industries (traditionally low value) within the area

15.5 Assessment of potential impacts

The key socio-economic impacts likely to result from the proposed development are set out below.

15.5.1 Potential impact on population and households

15.5.1.1 Population projections

A recent study (Cornwall County Council, 2005, The Cornwall Towns Study 2005) shows that Cornwall's population is growing rapidly and this growth is entirely due to in-migration (currently a net total of 5,000 people migrate into the county each year). Recently in-migration has changed and is now made up largely of economically active and younger people. In-migration is one of the principal components of demand for new housing, alongside new household formation either through young people leaving the parental home or the separation of existing households.

National population projections (ONS, Population Projections 2003, www.statistics.gov.uk) indicate an average growth for Cornwall as a whole of 4,400 persons a year in the period 2006 – 2026, evenly spread through the period. This gives a total increase in population of 88,000 by 2026 – an overall increase of 17% on current figures.

If Hayle's population of 7,465 increased by the same average rate as the county as a whole, this would suggest an additional population of 1,269 people over 20 years, or 63 per year.

Hayle is not currently recognised as one of the main centres for growth in the Regional Spatial Strategy which, therefore, indicates that it is not identified for growth at a higher rate than average. However, as a town identified in District strategies as a key location for growth it will be expected to accommodate a significant proportion of the West Cornwall/Penwith growth in housing numbers. The Cornwall Structure Plan names Hayle as one of the 'other Main Towns' where 'the level of development ... will be assessed against their 'ability to consolidate their roles and functions and to support balanced growth through jobs, services and transport infrastructure.' In addition, forthcoming Local Development Framework documents note that Hayle will be one of the targeted locations for future development in future years.

15.5.1.2 Proposed development population

The proposed 1,039 new dwellings in the Hayle Harbour comprise 668 flats and 371 houses (64%/36% split). Of these 175 affordable units are proposed (17% of units).

Assuming the average Penwith household size of 2.21 (ONS, Census 2001, www.statistics.gov.uk), the overall population growth as a result of the development would be 2,296 people. Comparing this to the population predictions above it is evident that the development is capable of meeting a significant part of the identified need for new housing in West Cornwall and accommodating forecast population growth, resulting in a significant increase in the size of Hayle's population. This growth would exceed that anticipated through standard population increase by 81%.

The phasing plan for the proposed development indicates a 10 year build period. This allows for an average build rate of approximately 104 dwellings per annum and therefore an increase of 230 people pa assuming average household size as per above. This is compared to the increase of 63 people pa predicted through the trend forecast population increase for Hayle.

15.5.1.3 Age structure

If new residents within the proposed development are of a similar age structure to the existing Hayle population, it is possible to extrapolate current figures to show the approximate number of additional people in each age range. The results of these calculations are shown in the following table.

| | Current Population | % in each age group | Additional Hayle Harbour residents (extrapolation of current population) |
|--------------------------------|---------------------------|----------------------------|---|
| Pre school (0-4) | 439 | 5.9% | 135 |
| School Age (5-15) | 930 | 12.5% | 286 |
| Economically Active Age(16-74) | 5,320 | 71.3% | 1,636 |
| (Of which economically active) | (3,197) | (42.8%) | (983) |
| Older (75 and over) | 776 | 10.4% | 239 |
| Total | 7,465 | 100.0% | 2,296 |

Table 15- 2: Age Structure of additional population resulting from the proposed development

Source: Census 2001/Roger Tym & Partners

These age-related figures for the additional population in Hayle are useful in assessing their likely impact on the demand for jobs and local services such as health, education and community facilities.

The age structure of the additional population (as a result of proposed development) suggests an additional 1,636 people of economically active age of which 983 are likely to be available to work (assuming current levels). Over a 10 year phasing plan this equates to 98 new economically active residents per annum.

Overall there will be a significant increase in the population of Hayle as a result of the development. This will have a major beneficial impact upon the town in terms of increased vitality, demand for services and structure of the local community. The population will be strengthened by an increase in the economically active population which in turn has the capacity to strengthen the local economy.

Clearly the scale of population increase will need to be addressed in terms of demand for public services and facilities to ensure that the increase is managed in line with provision of new facilities/infrastructure.

15.5.2 Potential impact from new Housing in the Proposed Development

The proposed development will provide 1,039 dwellings. There is a 10 year phasing plan which indicates an average rate of development of almost 104 dwellings annually.

The Penwith Core Strategy (LDF) identifies that 240 dwellings per annum should be delivered across the District from 2006 to 2026, equating to 4800 dwellings over 20 years. The proposed development is, therefore, capable of delivering 22% of the new housing required in Penwith between 2006 and 2026. The Core Strategy will ultimately contain policies which distribute housing to specific settlements across the district, but it is noted that the Penwith Vision 2025 (Community Strategy) and other documents identify Hayle as a centre for growth and regeneration with the ability to contribute to achieving strategic priorities.

Whilst the RSS notes that housing should be developed at densities between 30 and 50 per ha, the Core Strategy Issues and Options report notes that PPS3: Housing uses 30 dwellings per ha as a national indicative minimum standard.

Current District policy set the target that 1,400 (70 per annum) affordable homes are to be developed for the period 1991-2011. Given present build rates Penwith needs to complete 125 affordable dwellings per year for the remaining years of the plan period. For individual applications Supplementary Planning Guidance identifies that 30% of new homes should be affordable in developments of 15 dwellings or more.

The proposed development identifies provision for 175 (17%) affordable dwellings, a figure which has been agreed during extensive consultation with Penwith DC on the basis of the appropriate location of affordable housing to meet need in the district and mechanisms for its delivery and management. The proposed provision of affordable housing, available as either social rented or equity share / owner occupied, will contribute towards easing the current shortage of lower cost homes available to rent or purchase in Hayle. The provision of new homes for both owner occupation and housing association ownership will improve the

overall quality of Hayle's housing stock as modern dwellings in this category tend to remain in better condition than privately rented stock. The provision of this total quantum of new housing will contribute to stability of house prices and availability of housing to meet needs across the range of tenures, particularly in the light of continuing increases in population and household numbers.

15.5.2.1 Deprivation

As described in the Baseline Conditions section of this chapter, Hayle suffers from small areas of deprivation scattered throughout the town. The proposed development will have positive effects on this deprivation in the following areas:

- Deprivation relating to barriers to housing and services. The new housing in the development will offer a variety of dwelling type, size and tenure and will include a proportion of affordable homes which will be mixed with private housing and will be built to the same quality. The proposed development also includes community facilities and provision for services such as health and sport / leisure as well as open space for informal recreation and play
- Deprivation relating to income and employment. This is likely to be reduced as the development will offer a significant number of good quality jobs in sectors such as Business Services, Education & Health, and Miscellaneous Services, Distribution (especially retail), Hotels & Catering. It will be important for education and training providers to work with the Learning & Skills Council and other agencies to ensure that the local workforce is up-skilled to take advantage of these new job opportunities and to maximise earning potential

15.5.2.2 Spend

A significant proportion of new residents is likely to have gross disposable incomes higher than that of the existing Hayle population and it is likely, therefore, that there will be a considerable increase in spend within the local and surrounding areas which will help to support businesses and jobs in the area.

It is assumed for this assessment that average weekly household expenditure by residents of the proposed development will be more in line with the South West average (£433.30) per week as opposed to the Hayle average. On this basis it can be estimated that the total weekly household expenditure of those living in the proposed development will be £450,199. When leakage assumptions are factored into this calculation it can be estimated that the total weekly spend in the Hayle area as a result of the residential development will be £146,360. Over a whole year, therefore, the total household expenditure (for all new dwellings in the development) is estimated to equate to £7,610,708 (see following table)

| Household expenditure | SW average weekly expenditure (£/ household) | Hayle total weekly expenditure (£) | Leakage Factor | Local weekly expenditure by new households (after leakage) (£) |
|---------------------------------------|--|------------------------------------|----------------|--|
| Housing (net)*, fuel & power | 40.70 | 42,287 | 10% | 4,229 |
| Food and non-alcoholic drinks | 44.90 | 46,651 | 37% | 17,261 |
| Alcoholic drinks, tobacco & narcotics | 10.90 | 11,325 | 37% | 4,190 |
| Clothing and footwear | 20.90 | 21,715 | 8% | 1,737 |
| Household goods & services | 29.60 | 30,754 | 8% | 2,460 |
| Health | 5.30 | 5,507 | 50% | 2,753 |
| Transport | 65.90 | 68,470 | 10% | 6,847 |
| Restaurants, hotels | 34.00 | 35,326 | 50% | 17,663 |
| Education | 6.80 | 7,065 | 50% | 3,533 |
| Recreation and culture | 61.10 | 63,483 | 50% | 31,741 |
| Communication | 11.70 | 12,156 | 10% | 1,216 |
| Miscellaneous goods & services | 34.70 | 36,053 | 50% | 18,027 |
| Other expenditure | 66.80 | 69,405 | 50% | 34,703 |
| Total | 433.30 | 450,199 | | 146,360 |

Table 15– 3 Household expenditure of new households within Hayle

* Excluding mortgage interest payments, council tax and Northern Ireland rates.

In addition to the estimate of direct spending, it is important to calculate the additional impact, through the expenditure multiplier, in the local economy. The multiplier is a measure of further economic activity, i.e. the additional spend generated in local shops, services, and paid workers further along the supply chain. Multipliers for UK cities and towns typically range between 1.19 and 1.40. For the purpose of this exercise a

relatively conservative multiplier of 1.3 is used. Therefore, for every £1 spent locally there is an additional 30 pence injected into the local economy from further rounds of spending.

When a multiplier of 1.3 is applied to the total additional weekly household spend that will be spent locally as a result of the development it gives a total figure of £190,268 per week. Over a whole year this will equate to £9,893,936.

Based upon the broad assumption that a £50,000 spend in the local economy per annum supports one job, it can be estimated that the additional spend in the local area as a result of the residential development will be enough to support 198 additional jobs. These jobs will be found in a range of sectors, including retail and services – and in some cases these additional jobs will be accommodated in the floorspace appraised within the proposed development. To avoid double counting, these jobs are not included in the jobs total estimated for the conclusions to this section. However, it should be noted that there will be wider economic benefits from the new spend; and that the estimates used here for employment and business growth are significantly supported by the new spend which will be generated by the new residents.

The new housing will have a significant beneficial impact upon Hayle, providing high quality modern housing and offering a variety of tenures and dwelling types. The development will provide just over a fifth of the housing requirement for the district to 2026 and provide approximately 2.5 years requirement of affordable dwellings. This will benefit the district and County in terms of meeting new housing requirements in an area with relatively few opportunities for brownfield housing development.

15.5.3 Potential impacts on employment and demand for jobs

This sub section looks at the estimated number and variety of jobs that the employment space in the proposed development could produce, and compares these estimates with forecasts for employment growth in the Penwith area.

15.5.3.1 Potential employment in the Hayle Harbour

The proposed development makes provision for the following areas:

- 13,198sqm of retail floorspace (142,063sqft)
- 3,515sqm of leisure floorspace (37,835sqft)
- 12,505sqm of business space (134,604sqft)
- 5,575sqm of industrial floorspace (60,009sqft)
- 2,090sqm of education/community floorspace (22,497sqft)

⁵ This assumes that all housing has been sold and is occupied all year round

15.5.3.2 Retail employment

The proposed development includes 13,198sqm of retail floorspace including food and drink elements. The proposed development identifies that 11,555sqm will be retail (A1) and 1,643sqm will be food and drink (A3).

As noted above, the retail impact study in Technical Annex 15B shows that total annual convenience spend in Hayle is estimated at £12.0m and a total annual comparison spend estimated at £4.6m. The study estimates that growth in spending in the study area (Penwith district and north and western parts of Kerrier district) could amount to £94.3m between 2007 and 2012. This increase in trade, in addition to meeting the turnover requirement of existing commitments, increase in floorspace efficiency and the impact of “special forms of trading” (including internet shopping), would be sufficient to support the new retail floorspace in the proposed development with limited impact on other centres. All other centres would still see a growth in total expenditure over the 2007 total, though diversion of trade due to increased market share in Hayle would result in a reduction in the levels of growth which would otherwise be forecast.

The growth in retail provision in the proposed development, including a range of comparison goods shops, restaurants, bars and cafes, would add significantly to the attractiveness of Hayle as a shopping destination and would be likely to attract trade from residents and tourist visitors based in West Cornwall and further afield; mostly within a one-hour drive time. This trade would support the retail and other businesses in the proposed development, supporting the employment levels estimated in this appraisal.

Retailing will be a significant part of the new employment created by the proposed development. Using English Partnerships employment calculations (ARUP and EP, 2001, Employment Densities: a Full Guide), the following assumptions can be made.

⁶ Spend associated with comparison goods. These are defined as durable goods such as clothing, household goods, furniture, DIY and electrical goods

⁷ Durable goods such as clothing, household goods, furniture, DIY and electrical goods.

| Element of Development Use/Type | Employment Density (sqm/sqft) (gross internal floorspace per workspace) | Potential Out-Turn Economic Impact (Jobs) |
|--|--|--|
| 11,555sqm (124,377sqft) retail | 20/215 | 577 |
| 1,643sqm (17,685sqft) food & drink | 13/140 | 126 |
| Total | | 703 |

Table 15– 4 Employment assumptions

15.5.3.3 Industrial/commercial

The proposed development comprises 12,505sqm (134,604sqft) of business space and 5,575sqm (60,009sqft) of industrial floorspace. The business space includes provision for a Business Centre, creative industries workspace and the Wave Hub building. The industrial floorspace includes provision for a fishermen's support building and industrial units.

The Business Centre is intended to provide an important focus for business and skills development as part of the regeneration of Hayle, and will provide accommodation for further education, other skills providers and business support agencies to work with local businesses. Detailed delivery mechanisms and programmes will need to be prepared to maximise benefits.

The integration of shore-side facilities and business premises for Wave Hub will enable the proposed development to contribute significantly to strategic objectives for the development of renewable energy programmes in the South West and to the establishment of a cluster within a key industrial sector. The Wave Hub proposals have been developed by SWRDA with the full co-operation of ING Ltd, and have been appraised fully within SWRDA procedures. Progress with the concept has included the selection of preferred industrial partners, and the detailed development proposals for Wave Hub will be developed to meet their needs. The proposals appraised here presents a current estimate of the floorspace requirement and potential employment impacts, based on standard best practice appraisal methods.

In addition to the main elements of economic development and employment creation, the proposed development includes a range of industrial and commercial floorspace which will be available to the open market. The direct impact of this is assessed on the basis of best practice assumptions. Some specialist facilities will be provided, in relation to the marina and harbour area, to support business and employment serving those markets.

Assumptions regarding potential employment requirements can again be made using English Partnerships calculations:

| Element of Development Use/Type | Employment Density (sqm/sqft) (gross internal floorspace per workspace) | Potential Out- Turn Economic Impact (Jobs) |
|---|---|--|
| 3,895sqm (42,895sqft) Business Centre | 20/215 | 199 ⁸ |
| 1,165sqm (12,588sqft) small business units | 32/340 | 36 |
| 6,455sqm (69,480sqft) of general business space | 19/205 | 340 |
| 5,575sqm (60,009sqft) of industrial space | 34/365 | 163 ⁹ |
| Total | | 738 |

Table 15– 5 Employment assumptions

15.5.3.4 Leisure and related uses

The proposed development indicates 3,515sqm (37,835sqm) of leisure floorspace and related uses. This includes the provision of a marina, which was considered in various configurations. A study for ING Ltd (RGA report for ING **no other details**) indicated that the employment which might result from the marina could be around 8.5 Full Time Equivalent jobs, and annual turnover might exceed £1m. As the management and operation of the marina will need to be integrated with the overall responsibility for management and operation of the harbour as a whole, it is difficult to provide an exact estimate of the employment requirements, so for the purposes of this appraisal an estimate is based on this figure combined with an overall estimate from employment densities.

The employment impact of the proposed development in leisure and related use is broken down as follows.

(English Partnerships employment densities are available only for some leisure uses)

⁸ Densities within units may be high but common areas reduce the overall density

⁹ There may be significant variances with the nature and sector of occupier and degree of automation.

| Element of Development Use/Type | Employment Density (sqm/sqft) (gross internal floorspace per workspace) | Potential Out-Turn Economic Impact (Jobs) |
|--|--|---|
| 435sqm (4,662sqft) Feature Café and Restaurant | 13/140 | 33 |
| 65sqm (700sqft) Interpretation kiosk | 36/390 | 2 |
| 220sqm (2,368sqft) gym | 55/600 | 4 |
| 2,430sqm (4,306sqft) hotel -60 bed, high quality | 0.8/bedroom | 48 |
| 400sqm (4,306sqft) harbour office, toilets etc | 19/205 | 21 |
| 835sqm (8,998sqft) Sailing Club | 55/600 | 15 |
| Total | | 123 |

Table 15– 6 Employment impact of the proposed development in leisure and related use

It should be noted that a major aspect of the regeneration of Hayle Harbour will be the improved environment, opportunities for informal leisure and shopping, and the related facilities which will tend to attract visits from the resident population of Cornwall and tourists staying across the county. The direct impacts of these visits will be evident in terms of the business turnover and employment created, and these are assessed in this section. More broadly, however, the improved reputation and profile for Hayle are likely to contribute to further investment and economic growth, particularly in leisure but also in other industrial sectors.

15.5.3.5 Construction jobs

The proposed development will clearly require significant construction activity over a considerable period.

Using estimates supplied to ING Ltd by Elliott Thomas, the labour requirement for the proposed development is as follows:

| | | Years | Working | Const | Estimated | Aver | Estimated |
|---------|--|-------|---------|------------|-----------|--------|-----------|
| | | | Weeks | Value | manweeks | Men/wk | lab peak |
| Phase 1 | | 3 | 144 | 67,000,000 | 33500 | 235 | 470 |
| Phase 2 | | 2 | 96 | 21,000,000 | 10500 | 110 | 220 |
| Phase 3 | | 2 | 96 | 15,000,000 | 7500 | 80 | 160 |
| Phase 4 | | 2 | 96 | 22,000,000 | 11000 | 115 | 230 |

Table 15– 7 Labour requirements

This indicates that the average labour requirement across the 10 year construction programme is 145 people, with a peak of 470 during Phase 1.

To express these phases of employment as full-time equivalent permanent years of employment, in order to aid comparisons with other employment impacts, it is assumed (using best practice guidance) that 10 “man-years” of construction employment are equivalent to one permanent job. So for this development the total of 62,500 “man-weeks” during the 10 year construction is equivalent to 1,302 “man-years”, which equates to 130 FTE permanent jobs created by the construction phase of the proposed development.

The proposed development would have a significant beneficial impact upon the level of employment within the town, increasing the number of jobs by over 50%. As well as increasing the actual number of jobs, the new jobs are likely to comprise some within higher value sectors therefore increasing the ability of the local population to access quality employment opportunities with potential for higher earnings thereby addressing a number of key local issues.

In addition to jobs within the proposed development, the new scheme will increase demand for a range of new facilities which in turn will have employment requirements of their own. These will also add to the employment opportunities available within Hayle. Demand for these facilities and their employment requirements are outlined below.

15.5.3.6 Community use

The new population of over 2,296 people will create demand, or need, for a range of enhanced or new facilities, some of which will be met by a range of commercial and public facilities provided within the proposed development. Community facilities included in the proposed development include health provision, a crèche and a Tourist Information kiosk.

The provision of these new or extended facilities will generate some new jobs in the area. Best practice guidance from English Partnerships does not (as in above cases) provide guidance on average employment calculations in respect of community uses, so other methodologies have been applied.

15.5.3.7 Health and social care facilities.

As the population of Hayle increases, so will the need for additional primary care facilities. Discussions with Central Cornwall Primary Care Trust (PCT) for previous Economic Impact Assessments suggest that a new GP is needed for approximately every 1500 additional population, plus additional support staff including practice nursing, community nursing and administration / clerical functions. For a new build, that would equate to approximately 150 sq m of space. The total new population of 2,296 suggests that 1.5 FTE additional GPs plus support staff will be needed as local health provision to meet the needs of population in the proposed development.

15.5.3.8 Educational use

Planning for schools provision needs to include consideration of current school roles, future population change in schools catchment areas and other factors, and actual requirements within the Hayle town area cannot be confirmed with certainty at this stage in the process. However, it is clear that the proposed development will lead to some increase in the population of school age and, therefore, demand for additional provision in the area. Cornwall Local Education Authority (LEA) has recently used the standard calculation of one school child per 4.5 dwellings i.e. one child of primary school age and one child of secondary school age per 9 dwellings.

The proposed development comprises 1,039 dwellings of which 668 are flats and 371 houses. Cornwall LEA's assumptions can reasonably be used in respect of the houses but it is likely that the number of children within the flats will be lower. It is therefore reasonable to assume a lower child ratio per flat; 1 school child per 9 flat dwellings.

Increased demand for education facilities as a result of the housing development in Hayle Harbour is therefore estimated as 78 primary and 78 secondary school places, a total of 156 pupils. Over a 10 year build period this equates to an increase of approximately 16 children per year.

Dfes standards (School Workforce in England, Department for Education & Skills, 2006 data, www.dfes.gov.uk) indicate a pupil: teacher ratio of 22:1 in primary schools and 16.6:1 in secondary schools. In addition there is a pupil: adult ratio of 12.8 in primary schools and 11.7:1 in secondary schools. Overall this will create 20.4 additional jobs within schools.

15.5.3.9 Community open space

Open space and play areas for the proposed new housing will need to be developed in accordance with the Local Plan / National Playing Fields Association standards (1.4ha/1,000 population). Applying the potential population of the 1,039 units (calculated as 2,296 people) will generate an open space requirement in the order

of 3.2ha. Given the location and opportunities for recreation provided within the proposed scheme, this is broadly in line with that provided by the development (2.7ha).

15.5.3.10 Policing, crime & safety

Assuming that Devon & Cornwall Constabulary's current ratio of police officers per head of population remains consistent (1 per 485 population), there will be a need for five additional police officers in total.

The following table summarises the potential employment requirements as a result of demand for community facilities.

| Facilities Requirements | Number/Size of Requirement | Potential Out-Turn Economic Impact (FTE jobs) |
|----------------------------------|----------------------------|---|
| Local Health provision | | 5 total |
| School places (secondary school) | 76 places | 4.6 teaching jobs 6.5 other jobs |
| School places (primary school) | 76 places | 3.4 teaching jobs 5.9 other jobs |
| Open Space | 3.09ha | N/A |
| Policing | 5 officers | 5 jobs |
| Total | | 30.4 |

Table 15– 8 Potential employment requirements

In addition, jobs will be created in other facilities provided as part of the proposed development, The following table identifies potential employment densities in respect of these uses:

| Element of Development Use/Type | Employment Density (sqm/sqft) (gross internal floorspace per workspace) | Potential Out- Turn Economic Impact (Jobs) |
|---|---|--|
| 90sqm (969sqft) Tourist Information Pavilion | 36/390 | 2.5 |
| 1,250sqm (13,455sqft) of educational/business use | 32/340 | 39 |
| Total | | 41.5 |

Table 15– 9 Potential employment densities

* Based on assumptions that crèche could accommodate 25 children. Staff ratios 1:3 for under 3's and 1:4 for pre-school. Assumptions also meet US standard for a minimum of 2.8sqm per child.

15.5.4 Overall potential job generation

The overall job creation potential of the proposed development is clearly significant. Our calculations have indicated that 1,766 jobs could be created as a result of the range of employment uses outlined in the proposed development. The following table summarises the earlier job creation calculations.

Potential job creation at Hayle Harbour

| Proposed Use | Estimated Employment |
|-----------------------|----------------------|
| Retail | 703 |
| Industrial/Commercial | 738 |
| Leisure | 123 |
| Community | 30.4 |
| Other Uses | 41.5 |
| Construction | 130 |
| Total | 1,766 |

Table 15– 10 Job creation calculations

^{7.1} RTP using English Partnerships, Cornwall County Council and National Playing Fields Standards.

15.5.5 Summary of socio-economic impacts

The proposed development is clearly, in community and economic terms, a significant development at both a local and district scale. The proposed number of dwellings is almost a third of the number of Hayle's existing dwellings and provides a significant proportion of Penwith's future housing targets. Current policy requires the development of 240 dwellings per annum across the district therefore this proposed development accounts for over 5 years supply for the whole of Penwith.

In employment terms, the total of 1636 (the total excluding construction) jobs is 2.57 times the total jobs growth projected for Hayle using regional trends. This assessment estimates that 1,636 adults of working age will be residents of the new housing, and a total of 983 economically active residents will be accommodated. This overall comparison suggests that the proposed development will contribute to providing new employment for existing residents of Penwith and may contribute to reducing existing net outflows of residents to work in other areas. In essence, there will be more jobs provided by the new development than can be taken up by the new development population.

The gross figures do however need to be considered carefully to assess the "additionality" which can be achieved:

15.5.6 Additionality of the economic Impacts

When assessing the economic impact of a project, account must be taken of the 'additionality' of the benefits, by considering in turn the leakage, displacement, substitution and multiplier effects within the target group and the target area. Additionality is defined as,

"the extent to which something happens as a result of an intervention that would not have occurred in the absence of the intervention." (English Partnerships Additionality Guide, September 2004)

These calculations have been carried out below, using guidance from the above guide.

As the scale of development is significant it is appropriate to use Penwith District as the target area given the potential economic impact of the project.

The first calculation is the **reference case** (or **deadweight**) which is the outputs (i.e. new jobs) that would have occurred whether or not the proposed development takes place.

There is no clear alternative use for the Hayle Harbour site. Historically a number of initiative/projects have been proposed for Hayle Harbour but none of these have progressed indicating an inability/unlikelihood for development of the site. The local economy cannot be described as dynamic and at present a very limited number of low value employment opportunities are based on site. Whilst the site is designated as brownfield and, therefore, potentially capable of accommodating new development, these factors make this an unlikely scenario.

We have therefore assumed that if the Hayle Harbour project does not occur, then no additional new jobs will be created on the site.

Leakage – This is the proportion of the outputs (new jobs) that are likely to benefit those outside the proposed development's target area, i.e. outside Penwith and the Camborne Pool Redruth regeneration area. The level of leakage of new jobs will depend, for example, on the ability of local residents to access or to compete for these jobs depending, for example, on their skills.

At this stage we have assumed that a realistic assessment of leakage of employment to residents of other areas (indeed a conservative estimate) is equivalent to the English Partnerships Additionality Guide 'low' rate of 10% (whereas the leakage of employment may in reality be lower than this). A high proportion of the employment benefits, and thus local expenditure impacts resulting from new incomes, will be retained within the Penwith and CPR area (including providing local employment to people who currently leave Penwith every day to work elsewhere in the county).

Displacement – This is the proportion of project outputs/outcomes which should be discounted because the project results in reduced outputs elsewhere in the target area. For example, where the businesses developed in Hayle Harbour take market share from local firms in Penwith with the result that established local firms downsize and reduce the number of jobs they offer, or where local businesses move into Hayle Harbour and the space they vacate elsewhere in the town is no longer used for employment purposes.

This factor is assessed at the English Partnerships Additionality Guide 'low' rate of 25% as it is likely that the new jobs will be largely in new industries and enterprises which complement the current businesses and will not compete for market share. Again this is considered to be a conservative estimate in relation to displacement, which is in reality likely to be lower than 20%.

Substitution – This is where a firm substitutes one activity for a similar one (such as recruiting a jobless person while another employee loses a job) to take advantage of public sector assistance. This can be thought of as 'within firm' displacement. While there may be public sector assistance for some elements of employment growth at Hayle, it is either specific to the regeneration of the harbour (and therefore not contributing to substitution within the target area) or it is general to the Cornwall county area (and again will not contribute to substitution). There is therefore considered to be no potential substitution within the proposed development.

Economic multiplier effects – Further economic activity associated with additional local income and local supplier purchases, i.e. the knock-on effects within the local economy. Two types of multiplier can be identified (English Partnerships, September 2004, Additionality Guide):

- The supply linkage multiplier (or indirect multiplier) due to purchases made as a result of the project and further purchases associated with linked firms along the supply chain

- An income multiplier (or induced multiplier) associated with local expenditure as a result of those who derive incomes from the direct and indirect impacts of the project

The English Partnerships Additionality Guide advises appraisers to use a combined or composite multiplier to take account of both indirect and induced economic impacts. The Guide suggests that the majority of projects will have average linkages at a neighbourhood level and that a composite multiplier of 1.1 is suitable. This is the figure applied here.

15.5.6.1 Summary of additionality

Net impact of additionality is calculated using the following equation:

$[Gross\ impact \times (1-leakage) \times (1-displacement) \times (1-substitution) \times Multiplier] - Deadweight$

For the proposed development this equates to:

$[1,766\ gross\ jobs \times .0.9 \times .75 \times 1.1] - 0 = 1,311\ net\ jobs$

15.5.6.2 Forecasts of additional jobs vs forecast future employment growth in Penwith

It is possible to compare Offpat Guidance (see above jobs per year) against economic growth prospects for Penwith modelled by Cambridge Econometrics. These forecasts are based on past growth trends and future forecasts of employment growth and have been modelled by Cambridge Econometrics for the Penwith (Travel To Work Area). The TTWA currently contains 26,800 jobs of which 2,682 jobs are currently located within the town of Hayle. The model considers past trends using historical data for employment growth since 1981 for the Penwith TTWA. This shows that between 1981 and 2005, Penwith TTWA under-performed compared to Cornwall and the region. Penwith TTWA experienced dramatic changes to its economy with most sectors recording high gains or losses in employment. Manufacturing, banking, communications and public administration have all reduced employment significantly. Education had the main increase in employment along with retail, other business services and health. Actual employment within the TTWA declined by 8.8%.

Cambridge Econometrics modelled two regional growth scenarios for the future; Scenario 1 forecasts a growth in employment of 14% and Scenario 2 of 18% over the next 20 years. The two scenarios are not fundamentally different in terms of the way they rank growing sectors versus declining sectors. The Cambridge model lists Other Business Services, Miscellaneous Services, Education and Health and Distribution as the fastest growing sectors for the next 20 years. The first three have all achieved much higher growth rate in the last 20 years than those forecast for the future.

Scenario 2 relies on accelerated growth in the additional sectors of Construction, Hotels & Catering, Communications, Air Transport, Banking & Finance, Computing Services, Professional Services, Education, Health and Miscellaneous Services to achieve the higher forecast. Applying these scenarios to the Penwith TTWA shows the forecast employment growth shown in Table 15.11.

| Sector | 2026 Employment Index (2006 Index = 100) | |
|--|---|--------------------|
| | Scenario 1 | Scenario 2 |
| Agriculture etc | 88 | 88 |
| Food, Drink & Tob | 67 | 67 |
| Wood & Paper | 100 | 100 |
| Printing & Publishing | 150 | 150 |
| Basic Metals | 100 | 100 |
| Metal Goods | 100 | 100 |
| Mech. Engineering | 100 | 100 |
| Elec. Eng. & Instrum | 0 | 0 |
| Manuf. nes | 100 | 100 |
| Construction | 108 | 108 |
| Distribution | 100 | 100 |
| Retailing | 134 | 137 |
| Hotels & Catering | 115 | 117 |
| Land Transport | 100 | 100 |
| Communications | 100 | 100 |
| Banking & Finance | 100 | 100 |
| Computing Services | 200 | 200 |
| Prof Services | 133 | 147 |
| Other Business Services | 138 | 138 |
| Public Administration & Defence | 92 | 92 |
| Education | 140 | 150 |
| Health & Social Work | 132 | 139 |
| Miscellaneous Services | 120 | 127 |
| Total Employment | 117 | 122 |
| Additional employment forecast (where current jobs in Penwith TTWA = 100) | 18% +4,700 jobs | 22% +5,800 jobs |

Table 15– 11 Forecast employment growth Penwith TTWA 2006– 2026

Source: Cambridge Econometrics

The model forecasts that the current 26,800 jobs in Penwith TTWA will increase by between 4,700 (+18%) and 5,800 (+22%) jobs over the period 2006-2026, i.e. between 235 and 290 new jobs per year. This is much faster than the regional forecast and may represent a considerable challenge for the area considering past

performance. Growth is expected to be led by retail services however computer services, education, health and other business services will also contribute.

The job numbers from the CE model are likely to be conservative in their estimate as the model does not take into account any proposed development activity and therefore does not suggest any fundamental changes in the contribution of a TTWA to the regional total employment. Should the proposed development go ahead it could be expected that there would be an increase Hayle's proportion of employment and GVA in the South West, and that the overall job numbers for Penwith will be higher than forecast as Hayle contributes to the economic regeneration of the district.

The following table compares the estimates of the number of additional economically active people expected to live in Hayle Harbour with the various job forecasts set out above.

| Estimates | Overall figures |
|--|-----------------|
| Economically Active People in Hayle Harbour | 983 |
| Forecast additional jobs in Hayle | 1,311 |
| Cambridge Econometrics Scenario 1 for Penwith TTWA (235pa) | 4,700 |
| Cambridge Econometrics Scenario 2 for Penwith TTWA (290pa) | 5,800 |

Table 15– 12 Hayle Harbour forecasts - economically active people & jobs

Summary

The scale of change as a result of the proposed development is considerable. As such the level of change in respect of all impacts (i.e. housing, population, floorspace and jobs) is, in all cases, major. The table below provide an overall summary of the benefits.

| Impact | Scale of Impact | Assessment of Impact |
|-----------------------|------------------------------|----------------------|
| Additional Population | 2,296 people | Beneficial |
| Additional Households | 1,039 new dwellings | Beneficial |
| New floorspace | 13,198 sum retail | Beneficial |
| | 3,515sqm leisure | Beneficial |
| | 12,505sqm business | Beneficial |
| | 5,575sqm industrial | Beneficial |
| | 2,090sqm education/community | Beneficial |
| Additional Jobs | 1,311 jobs* | Beneficial |
| Increased local spend | Up to £9,893,936 annually | Beneficial |

Table 15– 13 Overall operational impacts summary

*including construction

Specific construction impacts are as follows:

| Impact | Scale of Impact | Assessment of Impact |
|-----------------|---|----------------------|
| Additional Jobs | Average labour requirements of 145 people per annum over each year of construction activity with a peak of 470 per annum in the initial phase of development. | Beneficial |

Table 15– 14 Construction impacts

15.6 Mitigation

Overall the developments noted within the proposed development should provide benefits to the population across a range of measures including provision of an upgraded environment, cultural facilities and potential for some restructuring of the economy through provision of sites and premises (and targeting of key sectors). It is important that a clear degree of flexibility is built into the proposed development to ensure that the development can fulfil its function to assist in the regeneration of Hayle and the development of Penwith. This flexibility will ensure that, as the development progresses, maximum opportunity is taken to enhance the positive socio-economic impacts of the development of Hayle Harbour, and to mitigate any negative impacts.

There are additional benefits to the population and businesses beyond the scope of this assessment which can be ensured through various enhancement/mitigation measures. These include:

Physical development

- Large construction projects typically draw on services and labour from a large geographical area. Maximising opportunities for local companies to be involved within this process should be prioritised as far as is possible
- Whilst large scale construction projects can be outside the reach of smaller locally based companies, splitting construction contracts does increase the pool of local businesses which are capable of benefiting from the expenditure
- Timing of construction projects can have an impact on local benefits. If a number of significant projects are undertaken simultaneously it will increase the chance that the resources required are more than local capacity. Development programme phasing may address this issue

Skills development

- Businesses within growth and key sectors will be attracted to Hayle Harbour employment sites. In order to benefit from this restructuring of the local economy, it will be necessary to ensure the availability of suitably skilled staff
- Part of this process will be working with providers to ensure that skills availability is developed in tandem with needs. Meeting these needs will include skills development activity prior to development project completion
- Other elements of this skills development will include retraining individuals with skills in declining sectors
- Local education providers, in particular Combined Universities Cornwall, produce a large number of skilled people each year. Many of these people will move to other parts of the country following their education but by building opportunities to retain some of these within the local economy, these skills can be used to add value to the local economy

Access to employment opportunities

- Deprived local communities are not always in a position to take advantage of the opportunities offered by large scale regenerations schemes (RTP, 2006, Gloucester Integration Strategy). As such it is important to ensure that Hayle and Penwith residents are able to take up quality employment within new businesses at Hayle Harbour
- Potential barriers to employment include:
 - Poor health – long term sickness
 - High levels of seasonal unemployment
 - A low wage economy which impacts upon working feasibility for parents with young children
- Raising awareness of new employment opportunities amongst deprived and excluded communities can illustrate the opportunities available. Initiatives through agencies such as Job Centre Plus and schemes such as ILM's (Intermediate Labour Market Schemes) can be used to bring jobless people back into the labour market

Sector development

- There is an opportunity to foster the development of growth sectors through premises, skills and inward investment marketing. There is also an opportunity for some form of cluster development around the renewable energy sector

Enterprise

- Hayle has relatively low levels of self employment (in comparison with Penwith). Small business growth is nationally recognised as being important both for the local and national economy and there is a case for more targeted business advice and support in areas where start-ups are promoted

Community

- Community and voluntary organisations have a role in delivering a wide range of services. This includes mental and physical health, disability services, the environment and leisure & tourism. It will be important to consider community and voluntary organisations in the detailed planning of schemes

Health

- There are some health issues in the Hayle population which have a social and economic cost. Addressing these issues should be done by both assessing requirements for additional facilities to meet need and the use of activity programmes e.g. exercise referrals to potentially resolve some health issues

Other mitigation measures

- Close liaison with partners in the development to ensure any changes in the external environment which may impact on socio-economic needs in Hayle and/or the wider district are recognised and their likely impact understood. For example, potential inward investment needs and changes in the pattern of in-migration
- Monitoring of the socio-economic impacts (such as the number and quality of jobs created, reduction in housing need, and reduction in out-commuting,) to ensure impacts are positive and to feed back into future development phases
- Proposals within the Heads of Terms of the Section 106 agreements will ensure provision/completion of particular aspects e.g. provision of a site for a GP surgery

15.7 Residual impacts

The proposed development is not identified as creating adverse socio-economic impacts which are not addressed directly through provision within the proposals or where positive benefits cannot be enhanced through the measures identified above. There are not anticipated to be residual adverse impacts.

15.8 Monitoring

Several aspects of the proposed development should be monitored in order to identify any issues of concern or need for response. Key aspects are:

- Construction employment : monitoring of contracts and local employment content to ensure use of local trades people
- Affordable housing : regular review of construction programme and delivery mechanisms to ensure availability of affordable housing to meet local needs
- Employment development : monitoring of construction programme and sales/letting arrangements to ensure provision of industrial/commercial premises as per the masterplan and use/occupation to meet economic aspirations for the development
- Regular review of phased provision of community facilities, with relevant authorities, to ensure that provision within the proposed development and the town are properly planned to meet overall needs

15.9 Conclusions

In summary, the key socio-economic changes to Hayle as a result of the proposed development are:

- An additional 1,039 dwellings comprising 668 flats and 371 houses. 175 affordable dwellings will be provided
- An increase in population of 2,296 people. Of these, 983 are likely to be economically active adults
- Development of the following floorspace is proposed:
 - 13,198 sqm of retail floorspace (142,063sqft).
 - 3,515 sqm of leisure floorspace (37,835sqft)
 - 12,505 sqm of business space (134,604sqft)
 - 5,575 sqm of industrial floorspace (60,009sqft) and
 - 2,090 sqm of education/community floorspace (22,497sqft)

All the changes will clearly have a significant impact upon the town. An increase in the population of the town will enable the community to support a greater number of facilities' and services so benefiting both existing

and new residents. The size of the housing stock will also increase, adding to the range of housing options within the town and increasing the opportunities for affordable housing provision.

A considerable proportion of new employment space is also proposed within the scheme providing significant benefits to an area with relatively limited employment opportunities. The proposal indicates that the employment site uses have the capacity to provide full time, year round employment which is an important benefit in an area where the tourism sector is a key employer.

- An additional 1,311 jobs¹⁰ (this is a net figure after additionality effects are taken into consideration). The fact that there are likely to be more jobs created than there are new residents to fill them should enable the local area to become more sustainable by reducing the daily net out-flow of workers to other employment centres (particularly Truro). This will be achieved not only by the number of extra jobs created but also by the higher quality of those jobs which should attract many of the people who currently live in the town but cannot find suitable jobs there. In addition, the extra jobs offer the opportunity for learning and skills agencies to improve the economic activity rate of local residents by encouraging those of working age into employment

- The residential development alone will result in an additional £9,893,936 spend in the local area per annum¹¹

(This will help support 198 jobs - but note that these jobs are largely included in the above estimates of new additional jobs (being located in retail and other sectors within the proposed development and also projected through “multiplier” effects, as noted in the section on “additionality”)

- The creation of a new marina and the impoundment of Penpol Creek as well as fishing fleet and fish processing facilities will not only help attract visitor spend (through visiting vessels) but will also assist the local fishing sector to diversify and add value
- Development of the ‘Wave Hub’ project to catalyse the development of the renewable energy sector in Cornwall
- A range of community services and facilities on site and support for existing or enhanced facilities elsewhere in the town

¹⁰ Some job creation elements still to be added – Winter Gardens, Energy Centre & crèche primarily.

¹¹ Including multiplier effects

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