

Appendix 8: Economic Impact Analysis

Proof of Evidence – Need

September 2022

Economic Impact Analysis Briefing Note

1. This briefing note has been compiled by Turley Economics to outline the estimated economic impact that the operation of Premier Banqueting has previously had on the local economy of London Borough of Harrow and London and how the construction and operation of the Proposed Development could bring further economic benefits to the area.
2. The analysis draws on the following information:
 - A survey of Premier Banqueting’s suppliers carried out in August 2022 (see Appendix 5)
 - A survey of guests attending events at Premier Banqueting between 25/03/2022 and 02/04/2022 and information from Visit Britain on average spend (see Guest Spend briefing note in Appendix 7)
 - Case studies of couples who hosted an event at Premier Banqueting, compiled in August 2022 (see Appendix 3)
 - Information provided by the Appellant in relation to permanent staff.
 - Information provided by the Appellant on Premier Banqueting’s procurement spend.

Supply Chain Relationships

3. Premier Banqueting has 25 suppliers, including 8 located in the London Borough of Harrow and a further 10 elsewhere in London. See Map 10 in Appendix 1 of Proof of Evidence.
4. Premier Banqueting conducted a survey of its suppliers¹ for events held at the venue. The sample included 10 suppliers of the total 25 suppliers that Premier Banqueting use (this equates to 40% of the total suppliers). The 10 suppliers which responded to the survey provided a range of services to Premier Banqueting including décor, entertainment, food and beverages, security and photography.
5. The majority (7) of the suppliers surveyed are based in the borough of Harrow, with two being located in the wider area of London and one in India.

¹ Turley (2022) Premier Banqueting- Supplier Survey

6. Table 1 shows the types of businesses that are suppliers to Premier Banqueting. For data protection reasons, the supplier's names are not disclosed and are referred to as businesses A-J.
7. Across the suppliers that responded to the survey, a total of approximately 320 people are employed. This is shown in Table 1.
8. The businesses had a strong relationship with Premier Banqueting during its operation:
 - Half of the suppliers provided services to Premier Banqueting for, on average, 150+ occasions per annum.
 - Business E is a security business employing 100 people and supplied Premier Banqueting for an average of 200 events per year.
 - Businesses C, D and F were involved with Premier Banqueting for 200+ events per year.
9. As a result of the level of interdependence between Premier Banqueting and its supply chain, the survey identified that the closure of Premier Banqueting would have a substantial impact on these businesses:
 - Eight out of ten stated that the closure of Premier Banqueting had a considerable impact on their business, defined as the "loss of business and negative implications on the ability of business to continue to operate in the same way".
 - In total these businesses employ c. 215 people (approximately 68% of employees work for companies that are considerably impacted), of whom c. 195 employees are in businesses based in the borough.
 - Two businesses stated that they no longer operate in Harrow as a result of the closure of Premier Banqueting. In total these businesses employ 25 people, of whom 5 employees are in businesses based in the borough.
 - Only one business stated that there was a limited impact on their business. This business employs 5 people and is based in the borough.
10. The dependence of local businesses on Premier Banqueting was further underlined by the additional comments that some suppliers made when responding to the survey. These included the following:
 - "We are facing closure due to loss of Premier"
 - "We need a wedding venue in Harrow to survive".
 - Two businesses no longer have wedding venues they supply in Harrow as a result of Premier Banqueting closing
 - Two different businesses specifically commented that they would like Premier Banqueting to reopen and would seek to become suppliers for the new venue.

Table 1: Business Information

Business	Located in Harrow?	Business Type	Number of employees within the business	How many events would you be involved in at Premier Banqueting in Harrow per year?	What impact has the closure of Premier Banqueting had on your business?
A ²	No	Décor	100	N/A	No longer operate in Harrow
B	No	Entertainment	20-30	150	Considerable impact and no longer operate in Harrow
C	Yes	Indian sweets	5	200	Considerable Impact
D	Yes	Food	6	250	Considerable Impact
E	Yes	Security	100	200	Considerable Impact
F	No	Beverage/ Alcohol	20	200	Considerable Impact
G	Yes	Wedding decorations/ Statues	25	50	Considerable Impact
H	Yes	Photobooths	5	30	Limited Impact
I	Yes	Photographer	3	30-40	Considerable Impact
J	Yes	DJ/ entertainment	30	20	Considerable Impact

Source: Supplier Survey

11. Overall, prior to the closure of Premier Banqueting in Harrow, the venue used a range of suppliers which were predominately local to Harrow. Therefore, the re-opening of Premier Banqueting in Harrow is likely to be of direct economic benefit to the local economy through the use of local suppliers. This in turn supports local employment.
12. Table 2 shows the proportion of the supplier's business relating to the Harrow market and the value of events at Premier Banqueting to the suppliers. Approximately 63% of the business that suppliers are involved in occurs in Harrow. Businesses C and I solely operate in Harrow, whereas the lowest percentage is for Business H (equating to 20%). This is reflected in the closure of Premier Banqueting only have a 'Limited Impact' on Business H.
13. Four of the ten suppliers surveyed provided a clear indication of the value of events to the business per event or per year. Others are estimated based on figures provided. The findings are shown in Table 2 and range from £10,000 a year to £750,000 a year.

² Company A is based in India

Table 2: Proportion of the supplier’s business relating to the Harrow market and the value of events to the business

Business	Proportion relating to Harrow market	Information provided for the value of events	Value of events to the business per annum
A ³	-	£100,000 per year	£100,000
B	50%	£5,000	£750,000*
C	100%	£300 each event	£60,000
D	75%	£100,000 per year	£100,000
E	60-70%	£500 per event	£100,000
F	50%	£2,000	£400,000*
G	75%	£15,000-£20,000	£15,000-20,000*
H	20%	£1,000	£30,000*
I	100%	£5,000	£150,000-£200,000 *
J	30-40%	£10,000	£10,000*

*Not directly provided but estimated given the number of events per year, the service provided and the value given by the business

Source: Supplier Survey

14. The Appellant provided procurement spend data for Premier Banqueting⁴. On average, between 2017-2019, Premier Banqueting spent c. £1,250,000 per year on procurement. Over this period, the amount that Premier Banqueting spent on procurement increased by c. £104,000 which equates to c. 8%. The largest components that are procured are food and drinks which have an average total cost of c. £365,800 per annum (29% of annual costs).

Operational Phase Impacts

15. The following provides a summary of the proposed development’s economic impacts during its operational lifetime.

Employment Impacts

16. For jobs supported at the proposed development, it is assumed that the same staffing arrangements will be used as previously at Premier Banqueting.
17. Premier Banqueting employed 18 staff on a full time, permanent basis. The number of full time permanent staff is broken down into the following roles:

³ Data for Business A has been excluded from the first column as the survey indicated 100% of its business is based in Harrow. The business is based in India and so this answer did not appear to be correct.

⁴ Premier Banqueting (2022) Premier Procurement Spend

Table 3: Full-time Permanent Staff

Role	Number of permanent staff
Management Team	3
Receptionists	2
Floor Staff	5
Kitchen	8
Total	18

Source: Provided by Appellant

18. Of the total 18 permanent staff, 12 lived in the London Borough of Harrow. All were of South Asian ethnic background.
19. The operation of the proposed development will have indirect / induced effects through supply chain spending, procurement and employee spend. Therefore, the direct effect is amplified, resulting in a multiplier effect⁵.
20. This will include the jobs supported through supply chain firms. The Supplier Surveys suggested that c. 200 people are employed within the businesses within Harrow that supplied Premier Banqueting. Across London, c. 220 people are employed by businesses that supplied Premier Banqueting.
21. These figures present a minimum position given it is based only on those suppliers who responded to the survey. The suppliers' survey represented 40% of Premier Banqueting's suppliers. If the number of employees were scaled up to estimate the number of jobs across the 25 suppliers, then there would be an estimated 500 employees employed by businesses in the supply chain in Harrow and 550 in London.
22. As discussed in the supplier survey section, the closure of Premier Banqueting has had a considerable impact on the majority of businesses that supplied Premier Banqueting. The majority of these suppliers are located in London Borough of Harrow and the re-opening of Premier Banqueting in the borough is likely to support these suppliers again, in turn supporting local jobs.

Guest Spend⁶

23. The proposed development will generate expenditure in the local economy. This additional expenditure has the potential to create additional jobs in the local economy of London Borough of Harrow.
24. The Guest Spend Briefing Note (see Appendix 7) reported that the Guest Spend Survey⁷ found that 82% of respondents did not stay overnight and 18% did stay overnight. Therefore, we can assume that 82% of respondents were day visitors who can be classed as attending a 'special event of a personal nature such as a wedding, graduation, christening, etc' (these visitors spend

⁵ HCA (2014) Additionality Guide, 4th Ed.

⁶ See main body of Appendix 7: Guest Spend briefing note.

⁷ Turley (2022) Brockley Hill Guest Spend Survey Response Calculations

£17.11 on average) and 18% are tourists that visit friends and family for an overnight stay (these visitors spend £14.98 on average). Applying this weighting to the average spend for both these categories, then the blended average spend per trip is £16.73.

25. Overall, by applying a blended spend per trip to the average number of guests attending an event at Premier Banqueting (298 guests), the level of expenditure by visitors to Premier Banqueting in the wider economy is estimated to be £5,060 per event or £1,200,000 into the local economy of the London Borough of Harrow per year. This in turn is estimated to support 3 FTE jobs in the Harrow economy.

Generation of Business Rates⁸

26. Business rate payments will be made to Harrow Council based on the floorspace of the proposed development. This will subsequently go towards funding services within the local authority, and so constitute an important source of public revenue.
27. Analysis of the Premier Banqueting venue prior to closure suggests that the business rates of the site could be estimated to be c. £62,000. When applying the same rateable value per sqm to the new Proposed Development⁹, then the estimated business rates that will be generated would be c. £66,000. This would represent a £4,000 uplift from the previous operation. Therefore, over a ten-year period, the proposed development is expected to generate circa £660,000 in business rates which will contribute to the funding of services within the local authority.

Summary

28. In summary, the benefits associated with approval and delivery of the proposed development on the application site will positively contribute to the local and regional economy. The proposed development will generate positive impacts and will provide an important source of local economic and social benefit for communities.
29. A range of local benefits will be generated including the creation of jobs within Premier Banqueting as well as expenditure within the local economy of Harrow, including on supply chain businesses which rely on Premier Banqueting and in turn support employees. Business rate revenues will help to ensure that the local services provided by Harrow London Borough Council will be enhanced.
30. The following quantified economic impacts are estimated:

Operational Phase

- 18 direct jobs supported
- 8 businesses in the supply chain in Harrow supported, employing over 200 staff

⁸ Analysis of the previous venue for Premier Banqueting relies on the Valuation Office Agency Business Rates data from the UK Government Tax Service. The rateable value (RV) per sqm for the Canning Road property is then applied to the sqm of the proposed development to estimate the business rates that will be generated for Harrow Council.

⁹ Tax Service (2022) Business Rates Valuation. 1, Canning Road, Harrow, Middx, HA3 7TS.
(www.tax.service.gov.uk/business-rates-find/valuations/8714115000?valuationId=18107249000)

- £5,060 guest spend in Harrow per event (scaled up to £1.2million per year based on average number of events)
- £66,000 in business rates a year or £660,000 over a ten year period.

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