Land use and socio-economic effects

One of a series of background topic papers prepared by db symmetry in support of a public consultation on proposals for a strategic rail freight interchange in Blaby district, to the north-east of Hinckley in Leicestershire.

INTRODUCTION

1. In 2019 db symmetry will apply to the government for a Development Consent Order (DCO) for a proposed strategic rail freight interchange on a site in Blaby District, to the east of Hinckley in Leicestershire. The project is known as the Hinckley National Rail Freight Interchange (HNRFI).

2. A DCO is a special form of planning permission for large infrastructure projects. It can include a range of additional powers required to implement the proposals, such as powers to acquire land, undertake works to streets, trees and hedgerows and divert utility services.

3. The HNRFI project requires an environmental impact assessment (EIA). This is a process that aims to improve the environmental design of a development proposal and provide decision makers with information about its environmental effects. The findings of the environmental studies are written up and presented in a report called an environmental statement (ES). The ES describes the development proposals in detail and explains how the site was chosen and how the project design evolved in the light of environmental studies and consultations with the local community and other interested parties. The ES will be submitted with the DCO application.

4. This topic paper explains the land use and socio-economic impacts of the HNRFI project. It begins by reviewing the research into the strategic logistics sector by the Local Enterprise Partnership. The topic paper then sets the baseline conditions, such as current agricultural businesses, employment in the logistics sector and where employees are likely to live. It then estimates the likely land use and socio-economic effects of the HNRFI project, based on information currently available.

5. This paper should be read in conjunction with db symmetry topic papers on Policy and Need, which explains the national need for strategic rail freight interchange facilities and the planning policy context.

6. The principal author of this topic paper is Gareth Edgley, Associate Director at Savills. Inputs regarding existing agricultural businesses have been provided by Ben Connelley, Principal Landscape Architect at the Environmental Dimension Partnership Limited, and Laura Thomas, Soil and Land Consultant of Land Research Associates Limited.

LAW, POLICY AND GUIDANCE

7. There is no legislation or planning policy providing guidance on the approach to assessing the social and economic impact of new development, including the impact on existing land uses.

8. Central Government guidance, such as the Additionality Guide (Homes and Communities Agency now Homes England; HCA 2014) and the Employment Density Guide (HCA, 2015) frame the economic impact assessment. The process is explained more fully in the relevant sections.

9. Plans and research from the Leicester and Leicestershire Enterprise Partnership (LLEP) are relevant considerations here, particularly in setting out how the proposals fit with plans and priorities for economic development and investment.

10. The research into strategic distribution developments has been undertaken at the Leicester and Leicestershire level, either directly by the Enterprise Partnership or by the coordinated direction of the local authorities. Local planning policy does not attempt to identify the future locations of strategic distribution developments due to the uncertainties involved.

11. The terms logistics, distribution, warehousing, and B8 (the relevant planning use class) are often used interchangeably to describe the same process in the different research reports. Here the focus is on the physical manifestation of the process – the buildings and land required to perform the logistics or distribution function. The preferred approach in this report is to use the term 'logistics' for the sector or activities, and 'distribution centre' for the premises.

12. In summary:

- The Strategic Economic Plan for Leicester and Leicestershire (SEP; 2014) identifies that the lack of suitable land for 'our most land intensive priority sectors (logistics and manufacturing)' is a major risk to the economy.
- The SEP states that the A5 Corridor close to the HNRFI and within the South West Growth Area is identified as playing a 'pivotal role' in supporting ambitions for the logistics sector.
- The Leicester and Leicestershire Strategic Distribution Sector Study (SDSS; 2014) forecasts that a minimum of 115 ha of new land for strategic distribution development at rail-served sites will need to be delivered by 2036. At 40% plot ratios

this equates to a minimum of 460,000 sqm. One further strategic rail freight interchange (SRFI) will need to be brought forward within Leicestershire up to 2036 to meet this need. These conclusions remain after being reviewed in 2017 by the same authors.

- The SDSS identifies four key areas of opportunity for a new SRFI with the HNRFI located within the Key Area of Opportunity A: Leicester to Hinckley Corridor.
- The forecast for a new SRFI accounts for future rail-served schemes being developed or planned at the time, including the East Midlands Distribution Centre (120,000 sqm) and the East Midlands Gateway (557,000 sqm) in Leicestershire. Since then there have been no further proposals for SRFIs in Leicestershire, other than the HNRFI project, which accounts for approximately 650,000 sqm (GEA)[1].

National Planning Policy Framework

13. The 2018 NPPF supports plan-making to create the conditions for economic growth and inward investment, with specific reference to planning for storage and distribution operations.

14. Paragraph 80 states that:

'Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development.'

15. Paragraph 82 states that:

'Planning policies and decisions should recognise and address the specific locational requirements of different sectors. This includes making provision for clusters or networks of knowledge and data-driven, creative or high technology industries; and for storage and distribution operations at a variety of scales and in suitably accessible locations.'

Leicester and Leicestershire Enterprise Partnership

Strategic Economic Plan 2014 to 2020 (2014)

16. The SEP identifies the following relevant issues as major risks to the Leicester and Leicestershire economy:

- Lack of suitable employment land for 'our most land intensive priority sectors (logistics and manufacturing)'

[1] Note that the HNRFI would provide up to 850,000 sqm of GIA floorspace (+200,000 sqm mezzanine space) but 650,000 sqm of GEA floorspace.

- Inadequate transport infrastructure causing congestion and resulting in increased business costs.

17. **Figure 1** shows the growth areas identified in the SEP for prioritised investment.

Figure 1: Site location and defined economic growth areas in Leicestershire

Source: Leicester and Leicestershire Strategic Economic Plan 2014 to 2020 (2014), p6

18. The SEP identifies a higher than average concentration of employment and competitive advantage in the logistics sector, where the action is to focus on continued business development and support.

19. The East Midlands Gateway Strategic Rail Freight Interchange is identified as one of four 'transformational priorities'.

20. The A5 Corridor within the South West Growth Area is identified as playing a 'pivotal role' in supporting ambitions for the logistics sector by servicing sites within the LLEP area. The SEP acknowledges that freight connectivity will be substantially enhanced by the upgrade of the Nuneaton-Felixstowe freight railway line which will significantly increase freight capacity through accommodating longer trains up to 750m and larger shipping containers. This route passes through the Growth Area and would serve the HNRFI.

21. Strategic housing developments at New Lubbesthorpe, Earl Shilton and Barwell are reported to deliver nearly 9,000 new homes to the South West Growth Area.

Logistics and Distribution Sector Growth Action Plan (2015)

22. The Action Plan sets out the locational advantages of Leicestershire for logistics operators and the value logistics operations add to the economy. Key actions for the LLEP to work on are raising awareness of the value of the logistics sector to the Leicester and Leicestershire economy, improving links with the education sector and ensuring long-term labour supply through improved workforce planning.

Leicester and Leicestershire Enterprise Partnership and Authorities

Leicester and Leicestershire Strategic Distribution Sector Study (2014)

23. The SDSS (MDS Transmodal and Savills, 2014) provides the LLEP and authorities with intelligence about the strategic distribution sector and long-term forecasts for new space.

24. The SDSS sets out three main reasons why the 'Golden Triangle' became the preferred location for large scale national distribution centres:

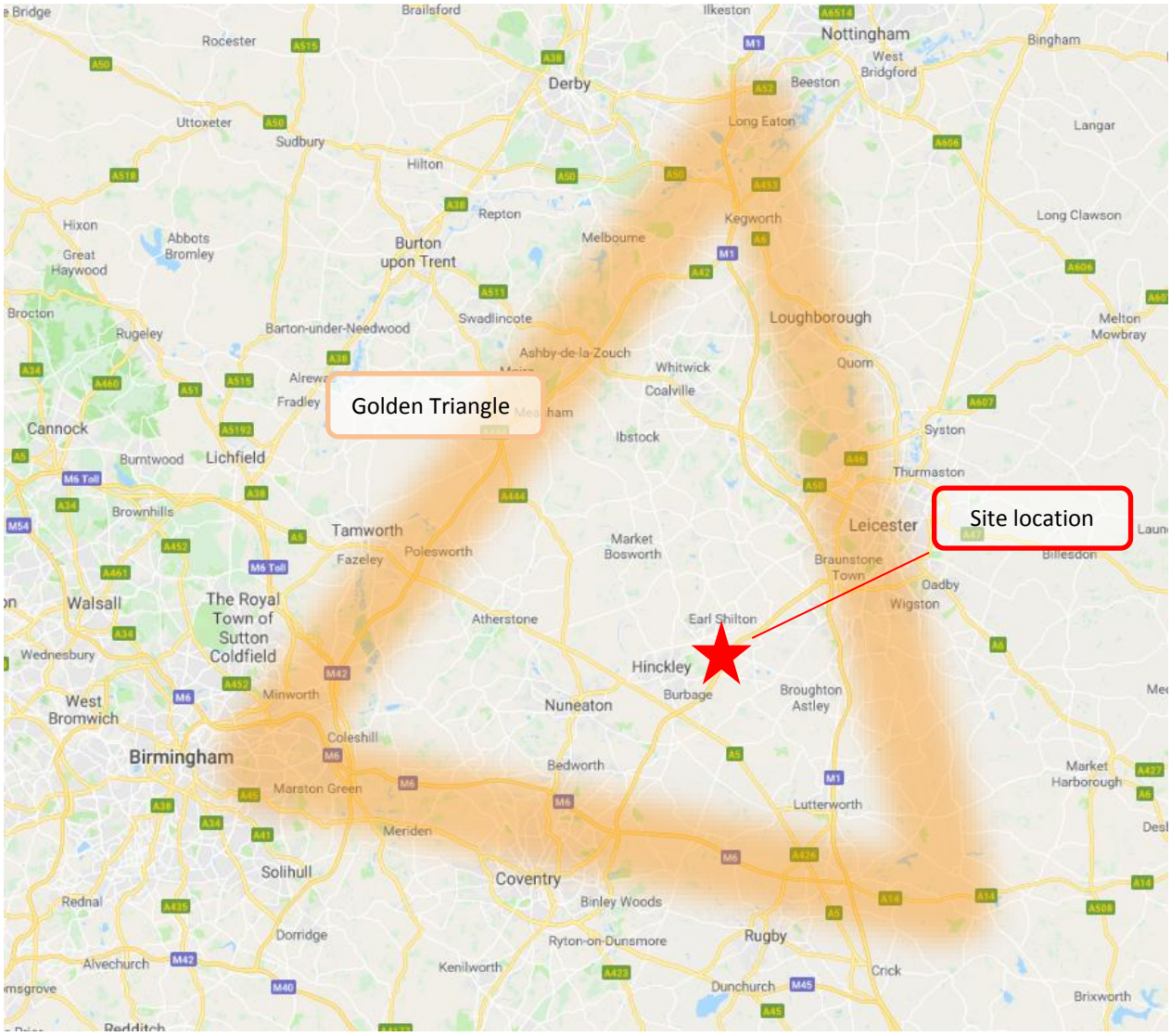
- *'It was broadly central to the major domestic production sites, the deep-sea and Channel ports (for imported cargo) and RDCs* [Regional Distribution Centres] *in other regions (the next stage in the supply chain).*

- *The release of large competitive sites by local authorities for B8 use during the 1980s which were close to junctions on the M1/M6. This, combined with the above reason, meant that most inbound or outbound cargo movements could be undertaken within 4.5 hours drive time, this being half a HGV driver's daily driving limit. Consequently, a HGV could round-trip within a driver's shift (enabling a HGV to undertake at least two round-trips over a 24 hour period); and*

- *Historically, relatively low road haulage costs (in turn driven by low fuel costs) and competitive labour rates'* (p.8).

25. **Figure 2** shows the site location in the context of the 'Golden Triangle'.

Figure 2: Site location in the Golden Triangle for logistics hubs



Source: Google maps

26. In 2014 the East Midlands region recorded around 8% of the population of England & Wales, but 20% of the warehouse capacity. In Leicestershire there is around 2.2 million sqm of warehouse floorspace across 89 units, with a mean average size of 25,277 sqm per unit.

27. Approximately 12% of those in work in the LLEP area are employed in the transport and storage sector, compared to an England average of 9% (2012). This figure increases to 27% in Harborough, which is close to Magna Park (700,000 sqm of distribution space[2]), the largest distribution park in the LLEP area.

[2] http://lutterworth.magnapark.co.uk/about-site/

28. The SDSS forecasts future demand for warehouse space by accounting for replacement of warehousing stock that is coming to the end of its life (approximately 30 years) and new growth. In terms of the replacement stock, the SSDS notes that while many 30-year old buildings do not become physically obsolete, they can become functionally obsolete, e.g. they are unable to accommodate modern automated stock handling equipment or transport equipment such as double-deck trailers.

29. In addition, it is noted that occupiers can gain economies of scale by merging operations based at multiple sites to one new large warehouse. The ability to operate fewer but larger distribution centres has been facilitated by advances in modern ICT inventory management systems which have permitted much larger warehouses to be operated more efficiently than was previously the case. The view of the authors is that a high replacement scenario should be preferred for these reasons.

30. The high replacement scenario (73% of existing stock; 1,643,000 sqm) and new growth build (244,000 sqm) projects a requirement for 1,886,000 sqm of new distribution space to 2036 in the LLEP area.

31. The SDSS identifies a key challenge is to address the emerging competition from sites to the north and east of the Golden Triangle and distribution centres at ports by continuing to develop new commercially attractive strategic sites. A significant proportion of which will need to be directly rail-served in addition to the usual requirements for high quality connections to the strategic highway network.

32. The SDSS concludes that 58% of the forecast gross new build requirement is likely to be at rail-served sites. Therefore, on the basis of the high replacement scenario, 1,093,900 sqm of new build floorspace would be at rail-served sites to 2036.

33. The SDSS then accounts for rail-served schemes being developed or planned. This includes the East Midlands Distribution Centre (120,000 sqm) and the East Midlands Gateway (557,000 sqm) in Leicestershire[3].

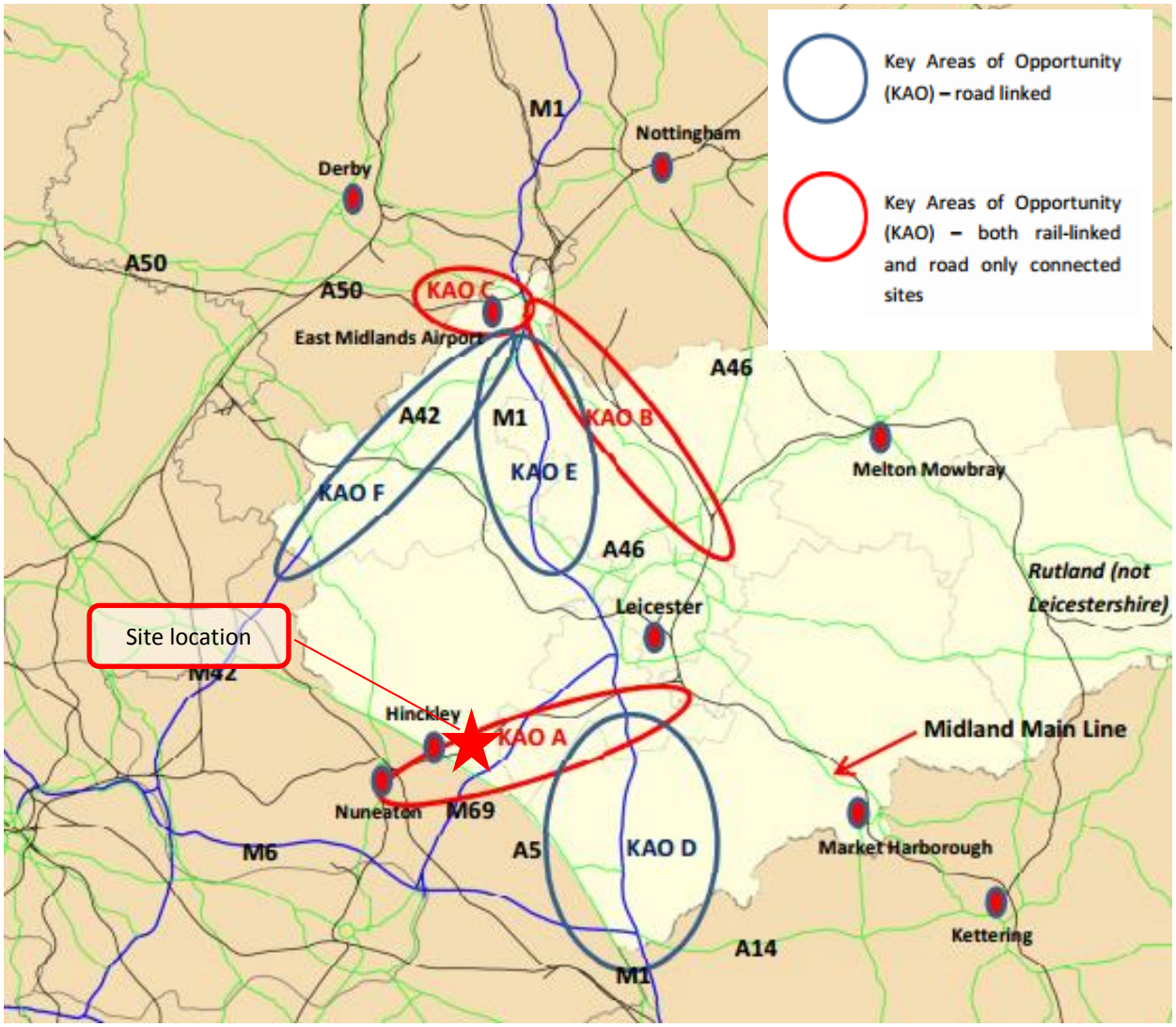
34. The preferred high replacement scenario suggests that, once these potential sites are accounted for, around 115 ha of new land at rail-served sites will need to be brought forward by 2036. At 40% plot ratios this equates to 460,000 sqm. This suggests one further SRFI will need to be brought forward within Leicestershire up to 2036 (and towards the end of the planning period considered).

35. The report identifies key areas of opportunity for a new SRFI, see **Figure 3**, with the HNRFI located within the Key Area of Opportunity A: Leicester to Hinckley Corridor. See the site selection and alternatives topic paper for further information on alternative options.

[3] The East Midlands Gateway received planning consent in Jan 2016. The East Midlands Distribution Centre is an allocated site in planning policy with further phases to be developed at the time of the report.

36. Since the report (2014) there have been no further proposals for SRFIs in Leicestershire other than the HNRFI project, which plans to provide up to 650,000 sqm (GEA).

Figure 3: Location of the HNRFI in relation to defined key areas of opportunity for a SRFI



Source: Leicester and Leicestershire Strategic Distribution Sector Study (2014; MDS Transmodal and Savills, 2014), p45

Leicester and Leicestershire Strategic Distribution Sector Study Refresh (2016)

37. The SDSS was updated in 2016 to address issues raised during Harborough District Council's Local Plan consultation process. There were no changes made to the forecasts for land required for a new SRFI.

Wider Market Developments: Implications for Leicester and Leicestershire (2017)

38. MDS Transmodal and GL Hearn were commissioned to provide further advice on the

logistics and distribution sector required to support the LLEP's Strategic Growth Plan to 2050. The report provides updated warehouse floorspace figures based on 2017 VOA data and presents the concept of a 'Wider Golden Triangle' which GL Hearn consider the prime location for strategic distribution developments in the UK. This extends the 'Prime Golden Triangle' by 15-30 miles in all directions.

39. The report re-visits the key areas of opportunity for new SRFIs (**Figure 3**) and considers the conclusions of the 2014 SDSS remain valid. Overall, the analysis provides further support to the conclusions in the 2014 SDSS, namely that Leicestershire retains a competitive advantage in the strategic logistics sector and the key to maintaining that advantage is the continued development of new commercially attractive strategic sites within the Key Areas of Opportunity identified.

40. The 2017 update reiterates that the demand forecast figures should be viewed as minimum requirements so that a geographical spread of commercially attractive sites is always available. In practical terms, the report states that the quantum of land allocated to strategic distribution should always exceed the expected demand in order to maintain a competitive market - multiple strategic sites with vacant plots at different geographic locations should always be available.

BASELINE CONDITIONS

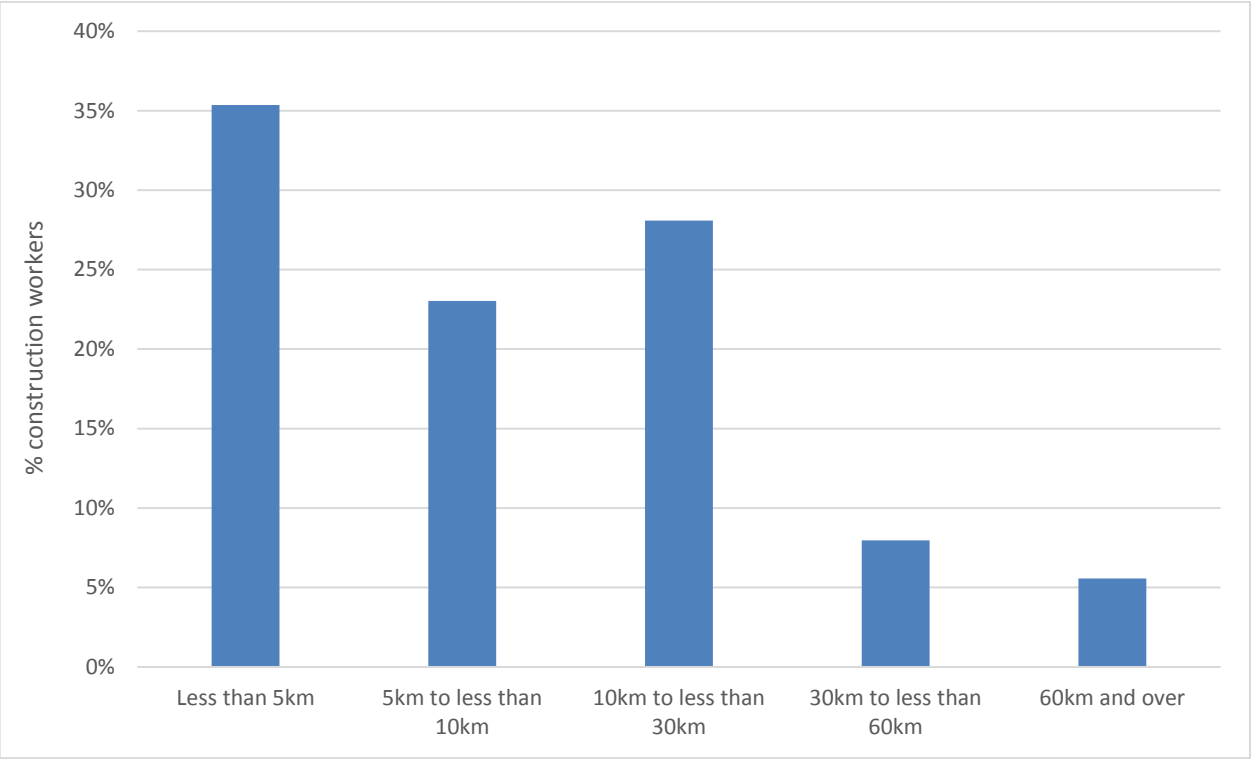
41. This section sets out the relevant impact areas for the anticipated land use and socio-economic effects of the proposed development. It then establishes the baseline conditions within these impact areas.

Employment during construction

Impact Area

42. **Figure 4** shows that the large majority of those employed in the construction sector in Leicestershire (86%) travelled less than 30km to their place of work at the time of the 2011 Census.

Figure 4: Average distance travelled to work for those employed in the construction sector in Leicestershire, 2011



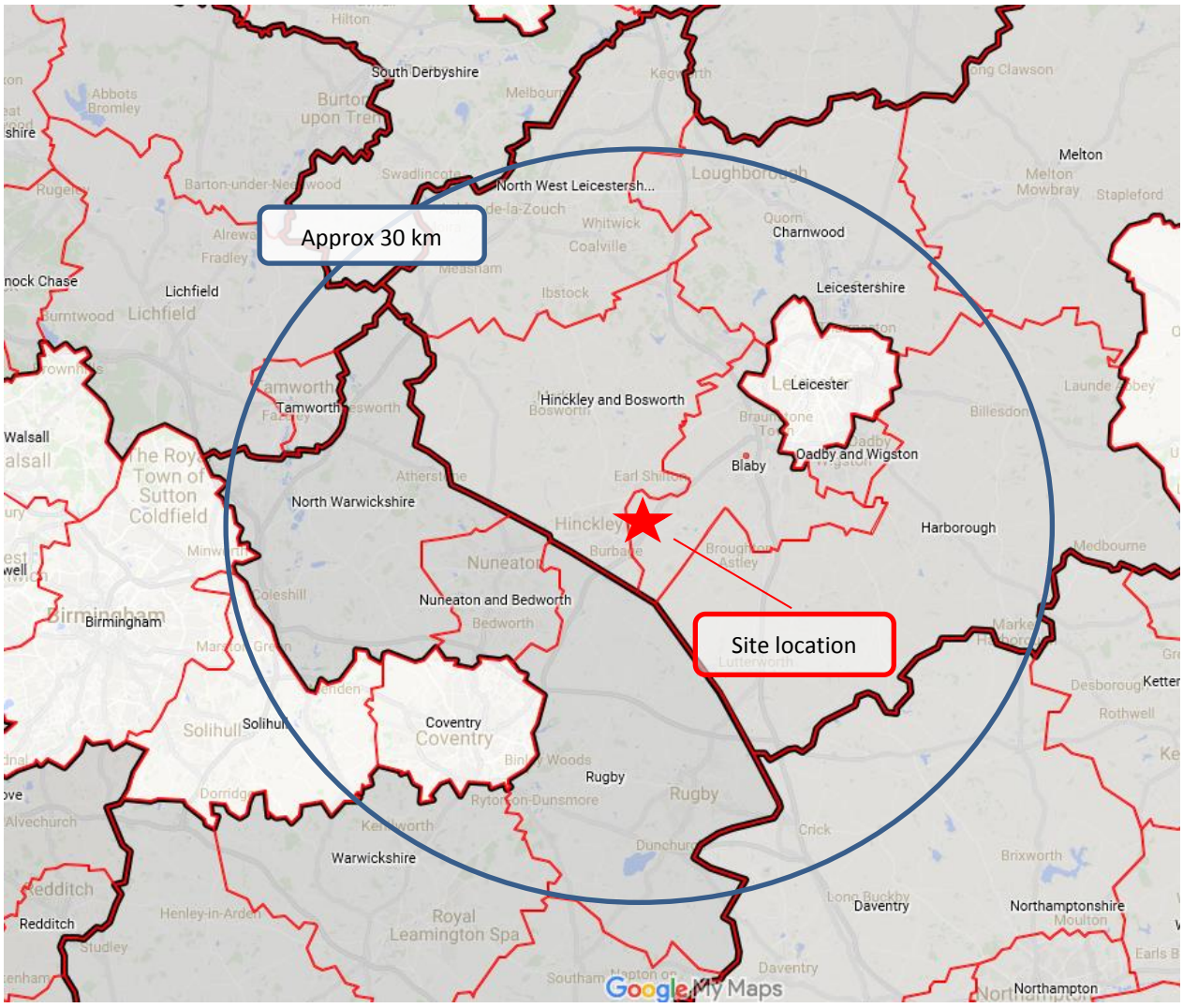
Source: Census 2011

43. **Figure 5** overlays 30km on the local authority boundaries. It shows that the following local authorities would be the likely residential locations for the majority of construction workers at the HNRFI project:

- Blaby
- Hinckley and Bosworth
- North West Leicestershire
- Tamworth
- North Warwickshire
- Nuneaton and Bedworth
- Coventry
- Rugby
- Harborough

- Oadby and Wigston
- Leicester
- Charnwood

Figure 5: A 30km radius from the HNRFI site in relation to local authority boundaries



Source: Google maps

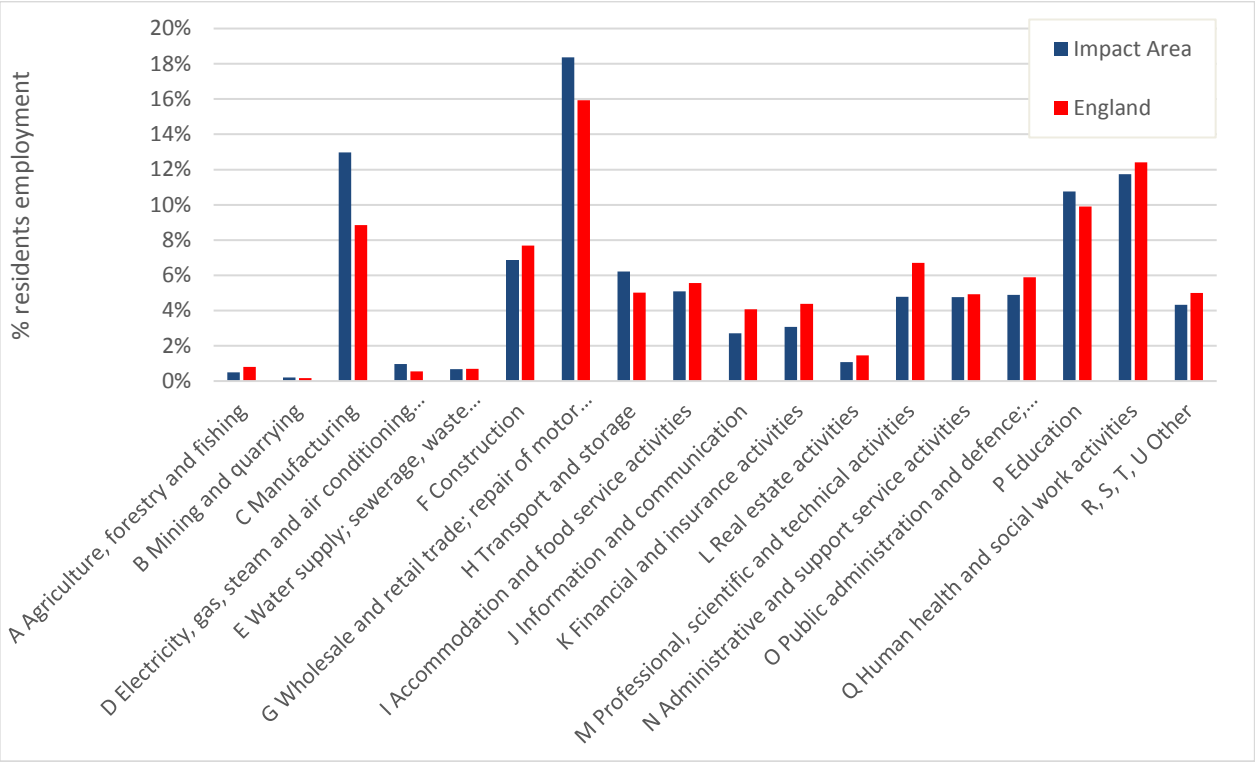
44. These local authorities form the area of impact that would benefit from employment opportunities during the construction of the HNRFI project.

Baseline conditions

Construction employment

45. **Figure 6** shows the profile of residents' employment in the impact area compared to England (2011)[4]. It shows a higher proportion of workers employed in the manufacturing, wholesale and retail trade, and transportation and storage sectors compared to the national average. There is a slightly lower proportion of those employed in the construction sector.

Figure 6: Employment by sector for residents of the Impact Area and England, 2011 (%)

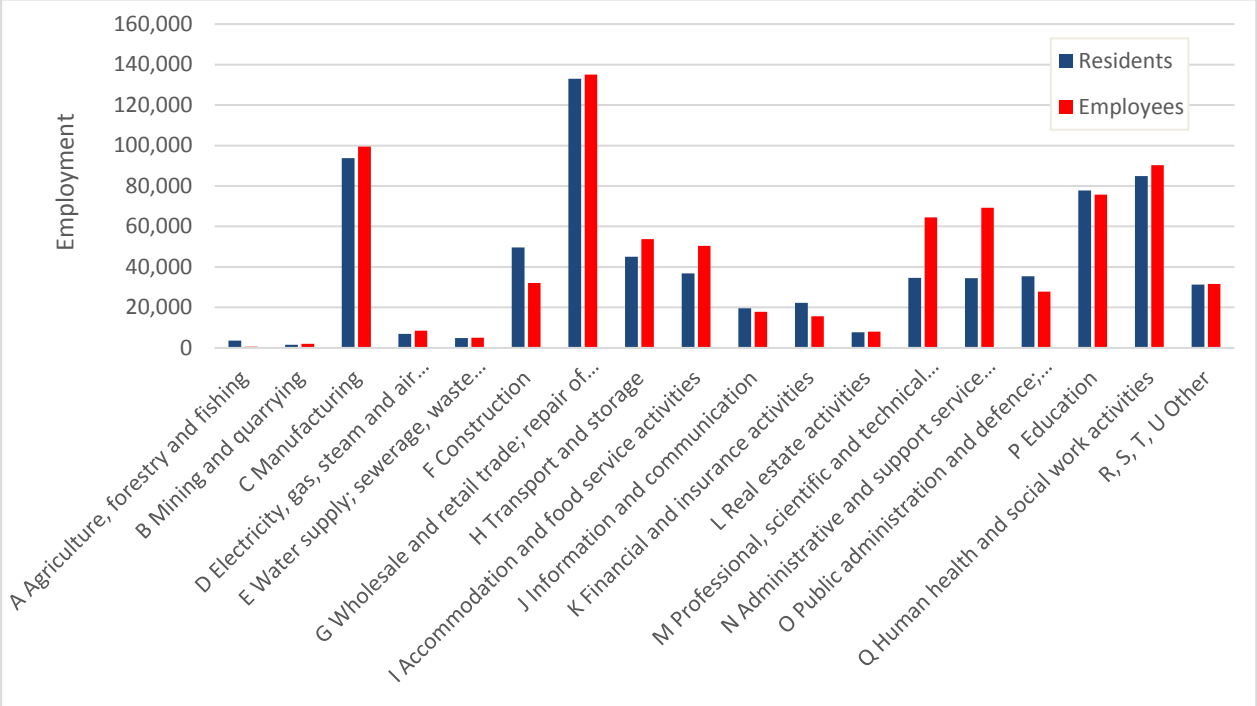


Source: Census, 2011

46. **Figure 7** compares the number of jobs by sector for residents in the impact area with employees. Data on employees is sourced from the Business Register and Employment Survey (2016) so an adjustment is made to the 2011 Census data to update it to 2016 based on increases in economic activity since 2011 (an average of 0.7% p.a.; Labour Force Survey). A limitation of this approach is that it does not account for differences in employment growth/decline within the different sectors 2011-2016.

[4] More up-to-date information on the sectoral profile of the labour force, based on their place of residence, is not available at local authority level.

Figure 7: Estimated employment for residents and employees based in Impact Area, 2016 (no.)



Source: Census, 2011 updated with Labour Force Survey, 2016; Business Register and Employment Survey; 2016

47. **Figure 7** shows that there are estimated to be more jobs in the impact area than residents in employment (+8%). The workforce appears to import workers in the professional, scientific and technical activities sector and administrative and support sector, and export jobs in the construction sector. There is estimated to be 50,000 residents employed in the construction sector in 2016.

Unemployment

48. Unemployment[5] was on average 4.4% in the impact area in 2017 (Labour Force Survey, 2018)[6]. This is consistent with the England average of 4.4% in the same year. A degree of unemployment is expected to enable the job market to function, enabling workers to search or transition between roles. A 'frictional level' of unemployment is typically assumed to be around 3%.

49. Analysis of those registered for Jobseekers Allowance helps understand if unemployed

[5] All people aged 16+ without a job who were available to start work in the two weeks following their interview and who had either looked for work in the four weeks prior to interview or were waiting to start a job they had already obtained.

[6] The unemployment rate is the unemployment count as a percentage of the economically active population aged 16+.

residents are likely to benefit from the construction employment opportunities. Of those registering for Jobseekers Allowance in 2017 across the impact area, 1.5% (on average) were seeking skilled trade occupations (130 persons), which accounts for the majority of construction roles. The significant majority were those looking for roles in sales and customer service occupations (63.1%) and then elementary occupations (13.4%).

50. The low levels of unemployed residents seeking roles in the construction sector indicates that this occupation is in demand in the impact area.

Other research

East Midlands Industry Insights 2018 (Construction Industrial Training Board)

51. The East Midlands Industry Insights reports that construction output is forecast to increase at an average of 0.5% p.a. 2018-2022, which does not compare favourably to the average of 1.3% p.a. at the UK level. Output in the commercial and industrial sectors is forecasted to decline by -3% and -1% p.a. over the same period. Given this weakness, employment across the East Midlands is forecasted to fall by -0.2% per year.

West Midlands Industry Insights 2017 (Construction Industrial Training Board)

52. The forecast is quite different for the West Midlands, with average annual output forecasted at 1.8% per annum, 2018-2022, and positive employment growth over the same period (ibid).

Employment during operation

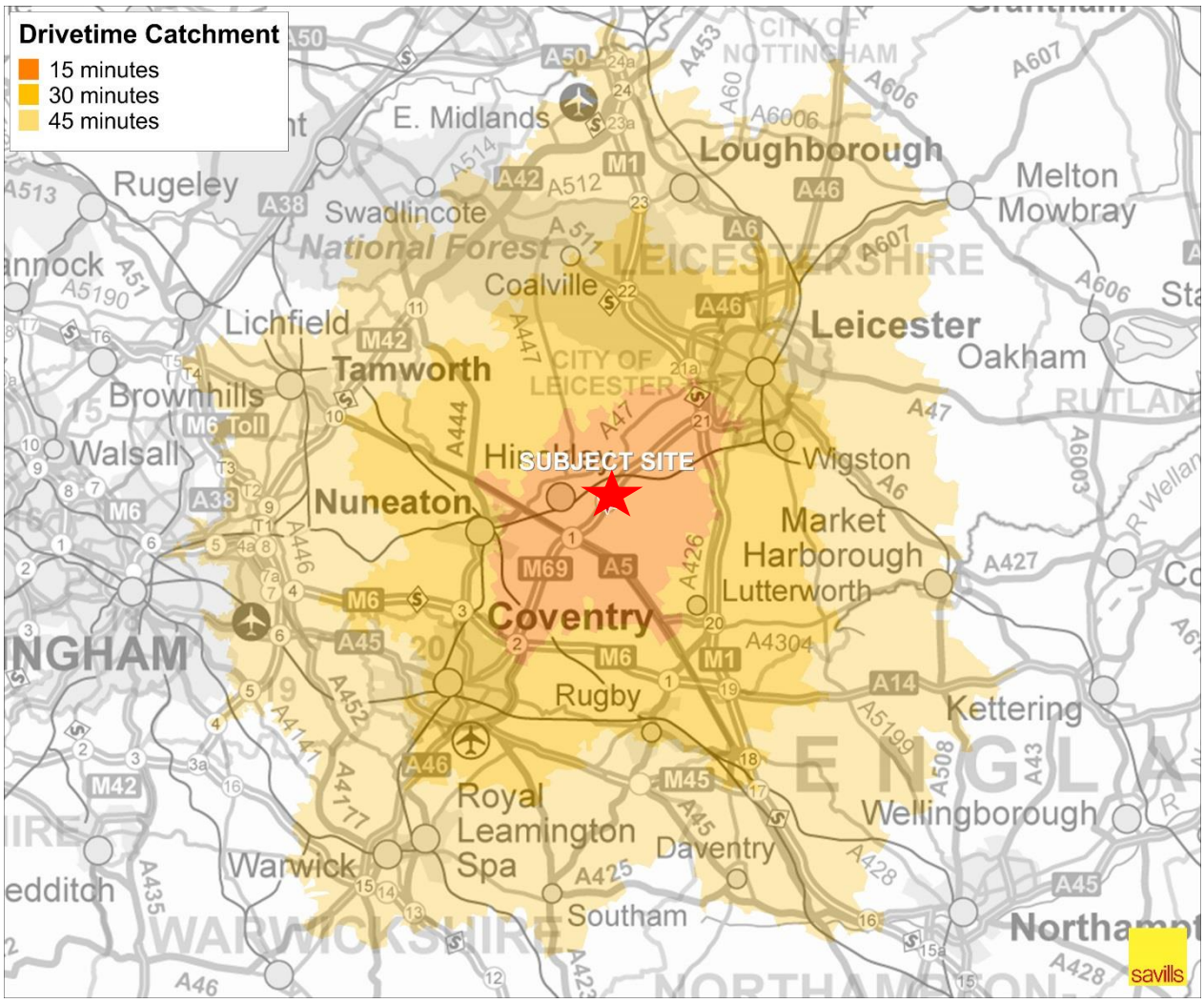
Impact area

53. Data of those that work in the logistics sector are less readily available from the Census, due to the categorisation of employment sectors. Construction has its own category, but there is no equivalent category for those working in the logistics sector. The most relevant categories are 'distribution, hotels and restaurants' and 'transport and communication'. 91% of workers in these two categories commuted less than 30 km to their place of work in the LLEP area in 2011; a slightly higher proportion than those in the construction sector.

54. In the ES data will be available from the transport modelling that forecasts the likely location of workers, based on the commuting patterns of similar developments such as Magna Park and Daventry International Rail Freight Terminal. At the time of writing (July 2018) this data is not yet available.

55. A different dataset to check is the Department for Transport statistics which records the average journey time to work in the East Midlands by car in 2016 was 24 mins (Table TSGB0111). This duration has been relatively constant since 2002. **Figure 8** shows driving isochrones from the site.

Figure 8: Drive time isochrones from the HNRFI site



Source: Savills

56. **Figure 8** shows that a 30 minute drive time is similar to a 30 km radius around the site (**Figure 5**), extending to Coventry, Tamworth and Leicester. The circular shape of the isochrone is consistent with the high levels of road accessibility in all directions you would expect for the location, given its attractiveness for logistics operations.

57. At this stage it seems reasonable to use the same grouping of local authorities to estimate employment benefits during operation as for construction. This will be refined on production of outputs from the transport modelling in the main assessment.

Baseline conditions

Employment in the logistics sector

58. **Figure 6** shows a higher proportion of residents employed in the wholesale and retail trade, and transportation and storage sectors compared the national average. This reflects the higher proportion of opportunities in these sectors, in what is the prime location for national logistics operations, consistent with the findings of the SDSS.

59. To develop a more refined picture of residents employed in the logistics sector in the impact area, a more detailed analysis of the standard industrial classifications is required. A breakdown of detailed classifications is set out in the London Industrial Land Demand research (CAG for the GLA, 2017, see Appendix 1). This is relatively consistent with previous research on the subject, e.g. The Demand and Supply of Land for Logistics in London (URS for the GLA, 2007) and is primarily based on employment within category G – wholesale and retail trade and category H – transport and storage sections.

60. Analysis of the detailed classifications shows that the following are usually employed in the logistics sector in the impact area:

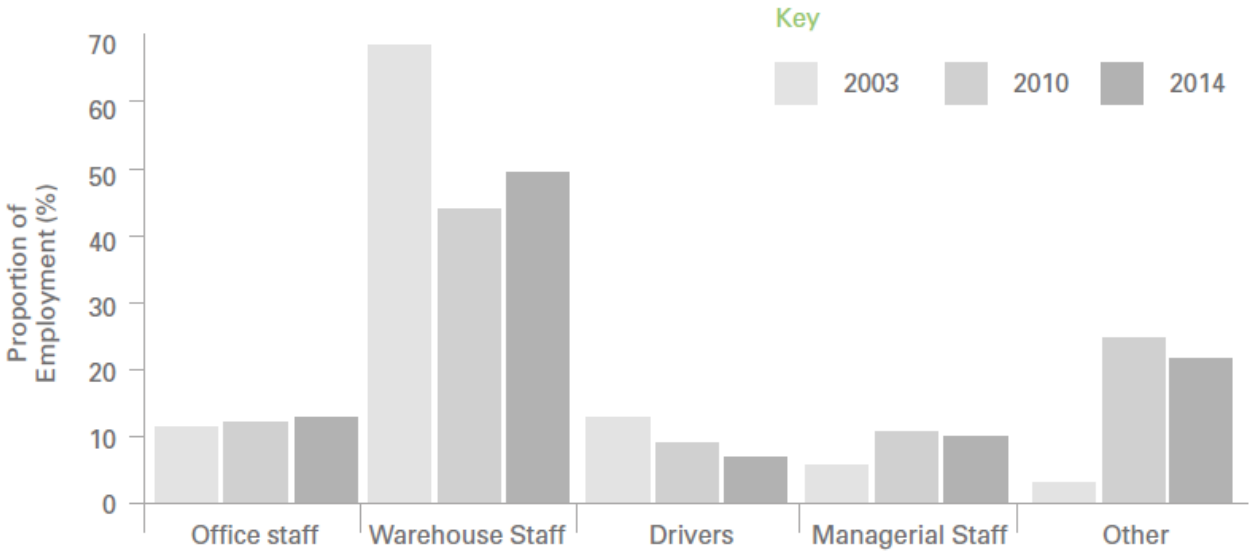
- 29.7% of those employed in the wholesale and retail trade
- 56.2% of those employed in the transport and storage sector
- 3.9% of those employed in administrative and support service activities

61. Applying these proportions results in an estimate of 66,200 residents employed in logistics activities in the impact area in 2016.

Occupations in the logistics sector

62. Research by Prologis has been used to inform Government guidance on employment densities in the logistics sector. The Prologis Technical Insight research of May 2015 reports the proportion of employment in Prologis distribution centres that are employed across different roles. **Figure 9** is an excerpt of that analysis.

Figure 9: Changing nature of employment within the logistics sector 2003-2014 (excerpt)



Source: Prologis Technical Insight report of May 2015, p.3

63. Consistent trends over the 12 years in **Figure 9** are for consistent proportions of office and managerial staff and lower proportion of drivers, as a percentage of the overall workforce. The variances for warehouse staff may be a result of using Cranfield University research for the 2003 data and Prologis surveys thereafter.

64. **Figure 9** shows that approximately 50% of roles in distribution centres can be classified as warehouse staff, 10% as drivers, and 20% as office and managerial staff, with 20% recorded as 'other'.

Unemployed

65. In 2017 there was an average of 36,000 residents unemployed in the impact area (Labour Force Survey 2018)[5], or 11,500 above a frictional unemployment rate of 3%.

66. Of those registering for Jobseekers Allowance:

- a negligible percentage were seeking HGV roles.
- 7.2% were seeking goods handling roles typical of warehouse staff[7]. Applying this percentage to the total unemployed results in an estimate of 2,500 residents seeking goods handling roles.

[7] Of the approximate 9,000 individuals registered for Jobseekers Allowance in 2017. This number is lower than the total unemployed as many job seekers do not or can not claim JSA.

- 4.1% were seeking roles associated with office positions in distribution centres; the significant majority registered as seeking roles as 'general office assistances/clerks'. Applying this percentage to the total unemployed results in an estimate of 1,400 residents seeking general office roles.

- none were registered as seeking roles as transport and logistics managers or storage and warehouse managers.

- (the significant majority were those looking for roles in sales and customer service occupations; 63.1%).

67. Research shows that the absence of JSA recipients registering as seeking roles as managers or HGV drivers is likely to reflect the low levels of unemployment in these roles.

Other research

Logistics and Distribution Sector Growth Action Plan (LLEP, 2015)

68. The LLEP Business Survey 2015[8] found that just under 40% of logistics companies had undertaken recruitment activity in the past 12 months, with 18% reporting difficulties in filling vacancies. These issues are concentrated on two job roles – vehicle drivers accounting for 73% of all hard to fill vacancies and warehouse operatives a further 15%. This is consistent with the unemployed data, with negligible numbers seeking HGV roles.

69. Logistics and Distribution Sector Growth Action Plan (LLEP, 2015) cites research from the Road Haulage Association (2015) which reports a national shortage of drivers. The main issue is reported to be the narrow demographic associated with HGV/LGV drivers; 99.5% are male and 50% are aged 45 years and older.

70. In relation to general warehouse employment, the location of key logistics sites at motorway junctions remote from urban areas is reported to create access problems for workers on relatively low wages. The lack of public transport, particularly with shift patterns that can be at unsociable hours, is identified as an issue.

Housing and Economic Demand Needs Assessment (LLEP, 2017)

71. Forecasts for employment growth are published at the LEP level. The impact area falls relatively evenly across both part of the Leicester and Leicestershire LEP area and part of the Coventry and Warwickshire LEP area.

72. The LLEP HEDNA forecasts that employment will increase in the 'transportation and storage' sector by 21.9%, 2011-2036 (+6,800 jobs across the LLEP area). Employment in the 'wholesale' sector is forecasted to decrease by -2.3% over the same period (-600 jobs

[8] As reported in the Logistics & Distribution Sector Growth Action Plan, 2015

across the LLEP area). The Employment Land Use Study for Coventry and Warwickshire LEP (2015) forecasts there to be an additional 8,000 jobs in the logistics sector, 2011-2031 (+27.9% growth).

GVA during operation

Impact Area

73. Gross value added (GVA) is the measure of the value of goods and services produced in an area, industry or sector of an economy. For the current proposals, GVA will be reported at LLEP level.

Baseline conditions

74. The GVA of the current agricultural land uses is estimated to be £240,000 per annum, based on the average productivity of agricultural land in the UK[9].

75. The ONS groups sectors when reporting GVA by LEP (2017). For the logistics sector the relevant grouping are the categories 'wholesale and retail trade; transportation and storage; and accommodation and food services'. This grouping has a GVA for the LLEP economy of £4.7 billion in 2015. GVA in this grouping has grown by an average of 3.3% per annum since 2009, slightly lower than the average across all sectors of 3.7% per annum. The grouping is the largest contributor to the LLEP's economy at 20.5% of the total (£22.9 billion).

Demand for housing

Impact Area

76. The HEDNA considers Leicester and Leicestershire to be the relevant housing market area (HMA) for Blaby District Council. Trends and plans at the sub-regional level are disaggregated down to local authority level. While the HNRFI project is located towards the edge of the HMA, and its effects are likely to be felt in the adjacent Coventry and Warwickshire HMA as well, the economic and population projections in the HEDNA account for the dynamics between adjacent HMAs.

Baseline conditions

77. The key consideration is to what degree plans for new housing across the HMA have accounted for the development of new strategic distribution hubs and their associated labour force.

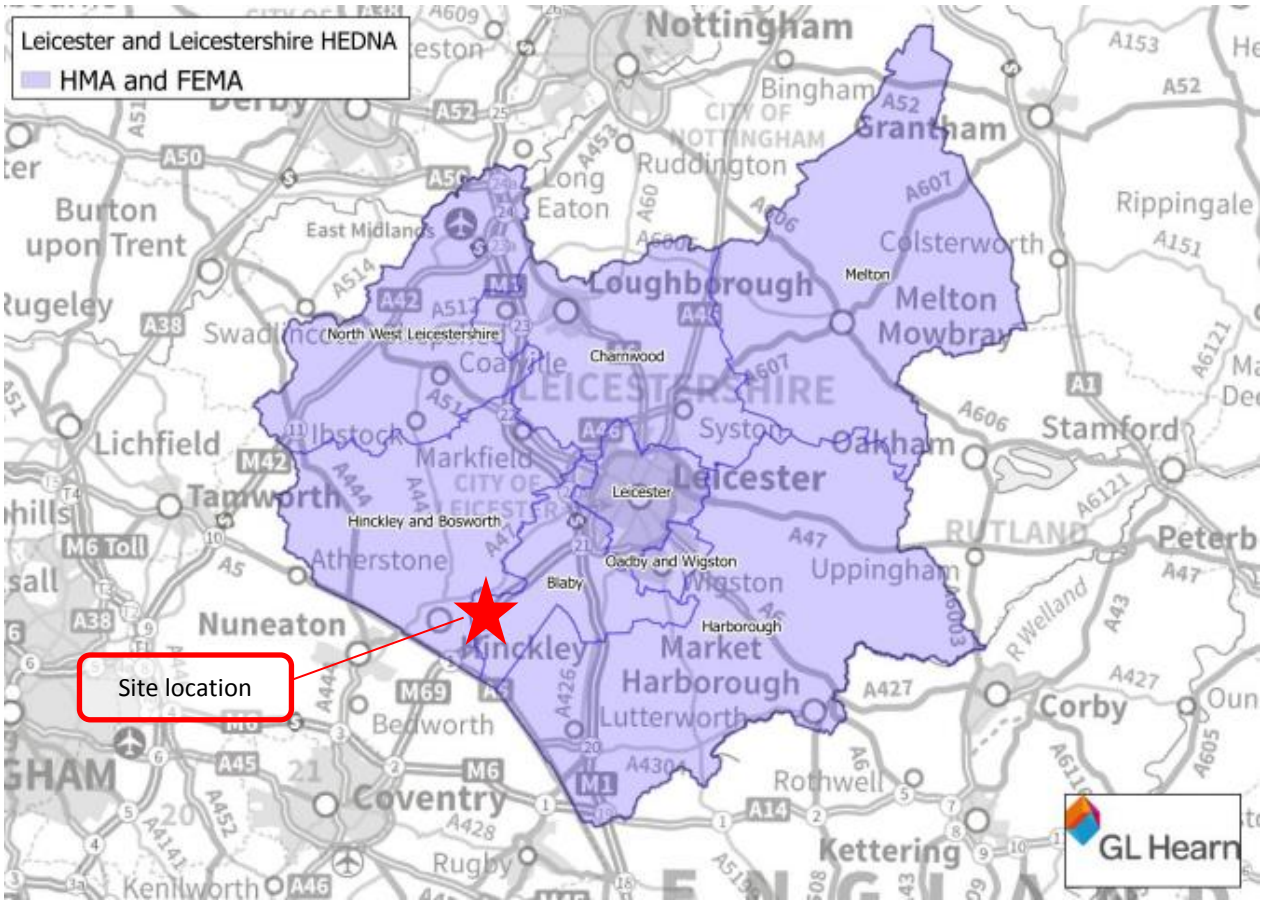
[9] Department for Environment, Food and Rural Affairs: Total Income from Farming in the United Kingdom First Estimate for 2017 (May, 2018) and DEFRA: Farming Statistics Final Land Use, Livestock Populations and Agricultural Workforce At 1 June 2017 - England (Oct, 2017).

Research

Housing and Economic Development Needs Assessment (2017)

78. The HEDNA provides an integrated assessment of future housing needs, the scale of future economic growth and the quantity of land and floorspace required for B-class employment development across Leicester and Leicestershire[10]. The report defines Leicester and Leicestershire as the relevant HMA and Functional Economic Market Area (FEMA). **Figure 10** is reproduced from the report with the site's location.

Figure 10: Location of the HNRFI in the Leicester and Leicestershire Housing Market Area and Functional Economic Market Area



Source: Housing and Economic Development Needs Assessment (GL Hearn, 2017), p6

[10] Blaby District Council; Charnwood Borough Council; Harborough District Council; Hinckley & Bosworth Borough Council; Leicester City Council; Leicester and Leicestershire Local Enterprise Partnership; Leicestershire County Council; Melton Borough Council; North West Leicestershire District Council; and Oadby and Wigston Borough Council.

79. The HEDNA recognises that the economic geography can vary, in particular for the logistics and logistics sector, which forms part of a wider Midlands market area, with a particular concentration of activity with the 'Golden Triangle' formed broadly by the M42, M1 and M6 motorways. This location is central for the country and attractive to national distribution centres. **Figure 2** shows the site's location in the context of the Golden Triangle.

80. The HEDNA acknowledges this relationship between the Leicester and Leicestershire HMA, FEMA and the draw to the south-west, towards the northern parts of Warwickshire within the Golden Triangle.

81. The HEDNA provides an assessment of housing need across the HMA, and disaggregates this to each local authority. Blaby District Council (BDC) has a housing need of 361 additional dwellings per annum 2011-2036. The need for the HMA is 4,716 additional dwellings per annum over the same period. Projections of housing need are based on:

- last 10 years' migration trends;
- market signals and affordable housing needs;
- adjustments to support economic growth projections.

82. The evidence indicates that sufficient workforce growth can be expected to support the economy in both the Baseline and Planned Growth Scenarios at the HMA level, and therefore no upward adjustment to support economic growth is warranted.

83. The Planned Growth Scenario builds in planned and committed investments by developers and companies into the Baseline Scenario. Only those developments which have planning permission, have funding in place and have a reasonable likelihood of delivery and occupation are included.

84. In BDC further development at Castle-Acres (expansion of retail), Optimus Point (new distribution site), and Lubbesthorpe (new 21 ha employment site) was accounted for. These were considered to increase logistics and wholesale employment but also impact on retail growth, food manufacturing and office occupying sectors.

85. Due to the timing of the research, the HNRFI was not accounted for in the Planned Growth Scenario.

86. The HEDNA reports strong market demand for additional logistics and distribution floorspace, and acknowledges that forecasting the amount and location of 'strategic' distribution development (units over 9,300 sqm) is challenging, given the sub-regional nature of the market. The HEDNA reviews the demand projections in the 2014 Leicester & Leicestershire Strategic Distribution Sector Study (SDSS) and considers these reasonable.

87. The smallest distribution unit at the HNRFI would be considered 'strategic' under the SDSS

as it is likely to be larger than 9,300 sqm. Housing need related to strategic distribution development is distributed on the basis of the forecasts for warehouse and logistics employment. The forecast has been cross-checked with the 2014 Leicester & Leicestershire Strategic Distribution Sector Study floorspace projections for consistency.

88. That study projects a need for an additional 244,000 sqm of floorspace for strategic distribution development and estimates this would create an additional 3,050 direct jobs. (The study also identifies a need for 1,643,000 sqm of new build strategic distribution premises but these would replace existing premises). There is projected to be an additional 6,800 jobs across the FEMA in the transport and storage sector 2011-2036 (Table 22). Therefore the balance of this job growth would likely be in smaller distribution units (under 9,300 sqm).

89. The HEDNA acknowledges that once policy decisions have been made regarding the location of future strategic distribution development, it may be necessary to 'iterate' the conclusions on housing need to ensure alignment between homes and jobs. This is likely to be required; the HEDNA forecasts an increase of +100 jobs in BDC 2011-2036 (Table 20). This is the lowest employment growth of any of the Councils in the LLEP area. The proportion of jobs growth for BDC would likely need to be increased, with a re-allocation from other Councils (although the +100 jobs for BDC is a net forecast and may account for growth in the logistics sector offsetting decline in other sectors).

90. It is expected that re-iteration would be taken forward through joint working between the local authorities through the Duty to Cooperate.

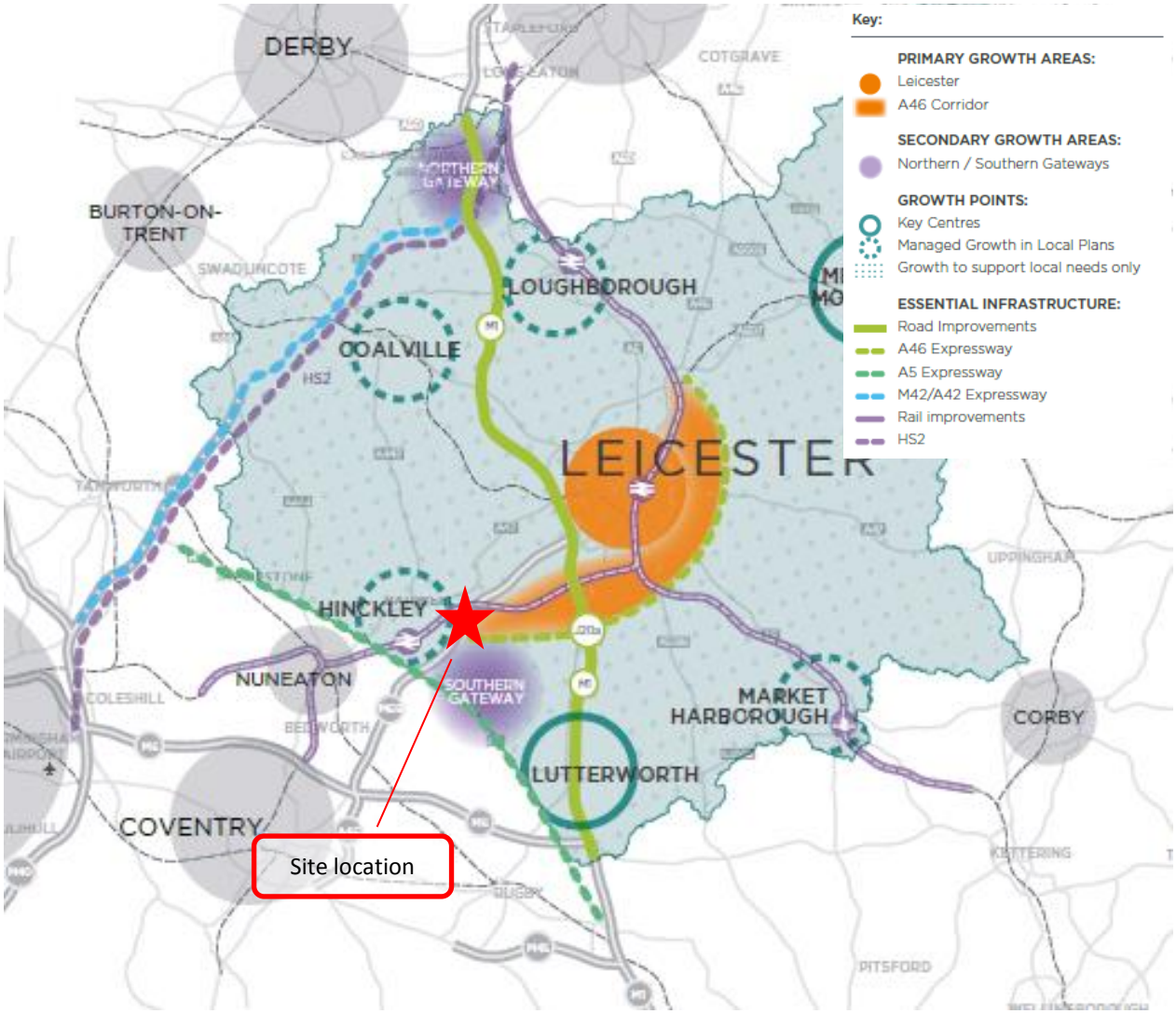
Leicester and Leicestershire 2050: Our Vision for Growth: Consultation Draft (2017)

91. The draft Vision has been informed by the HEDNA (2017). It was released for public consultation in the first half of 2018 and is expected to be finalised by the end of 2018.

92. The draft Vision considers one of the strengths of the region to be its location and connectivity. Relevant weaknesses are listed as congestion on the roads and railways, poor economic productivity per head of population, low pay structure and high levels of commuting.

93. The draft Vision identifies a key issue as pressure from development on small and medium sized sites, and proposes to focus development on more strategic locations. The primary growth areas are identified as Leicester and the A46 Corridor, see **Figure 11**.

Figure 11: HNRFI location in relation to the Leicester and Leicestershire Strategy Plan (Draft Vision)



Source: Leicester and Leicestershire 2050: Our Vision for Growth: Consultation Draft (2017), p14

94. The draft Vision reports that the A46 expressway, close to the HNRFI, is expected to be built by the early 2030s. This would directly enable the growth of the A46 corridor. The draft Vision proposes that Local Plans should begin to direct new housing growth to this location around then.

95. The Southern Gateway is also close to the HNRFI. The draft Vision identifies it as a location that could capitalise on proximity to employment opportunities, such as 'the MIRA Technology Park and nationally significant logistics and distribution centres' (p15).

96. The notional capacity of the A46 Growth Corridor and Southern Gateway is reported to be 40,000 new dwellings.

Summary

97. In summary:

- The HEDNA forecasts an additional 6,800 jobs in the transport and storage sector, 2011-2036, with 3,050 additional jobs at strategic distribution development sites. (This does not account for the relocation of jobs from older distribution premises to new developments.)

- The assessment of housing need accounts for this labour market growth, but the allocation of housing need between local authorities may need to be revised once the locations of strategic distribution developments are confirmed.

- The draft Vision reports that the A46 expressway is expected to be built by the early 2030s. This would directly enable the growth of the A46 Corridor and Southern Gateway with approximately 40,000 new homes close to the HNRFI.

Impacts on social infrastructure

Impact area

98. Social infrastructure affected by the HNRFI project is likely to be located close to workers' place of residence; where children attend school and residents access primary health care services. In this case the Leicester and Leicestershire HMA is the relevant geography.

Baseline conditions

99. In some cases a local planning authority may have a Community Infrastructure Levy (CIL) that contributes to the expansion of local social infrastructure capacity. In these instances baseline conditions would likely be investigated as part of the planning for the list of infrastructure the levies would fund (the Regulation 123 List).

100. In the case of development in local planning authorities without a CIL in place it is good practice to utilise any spare capacity at existing social infrastructure, such as GP surgeries or schools, before new facilities are constructed. In these instances planning applications associated with more strategic housing developments would investigate for any spare capacity in existing social infrastructure. Where new development would generate a requirement for new social infrastructure this may be funded through CIL, Section 106 contributions[11] or secured on-site.

[11] Of the Town and County Planning Act, 1990

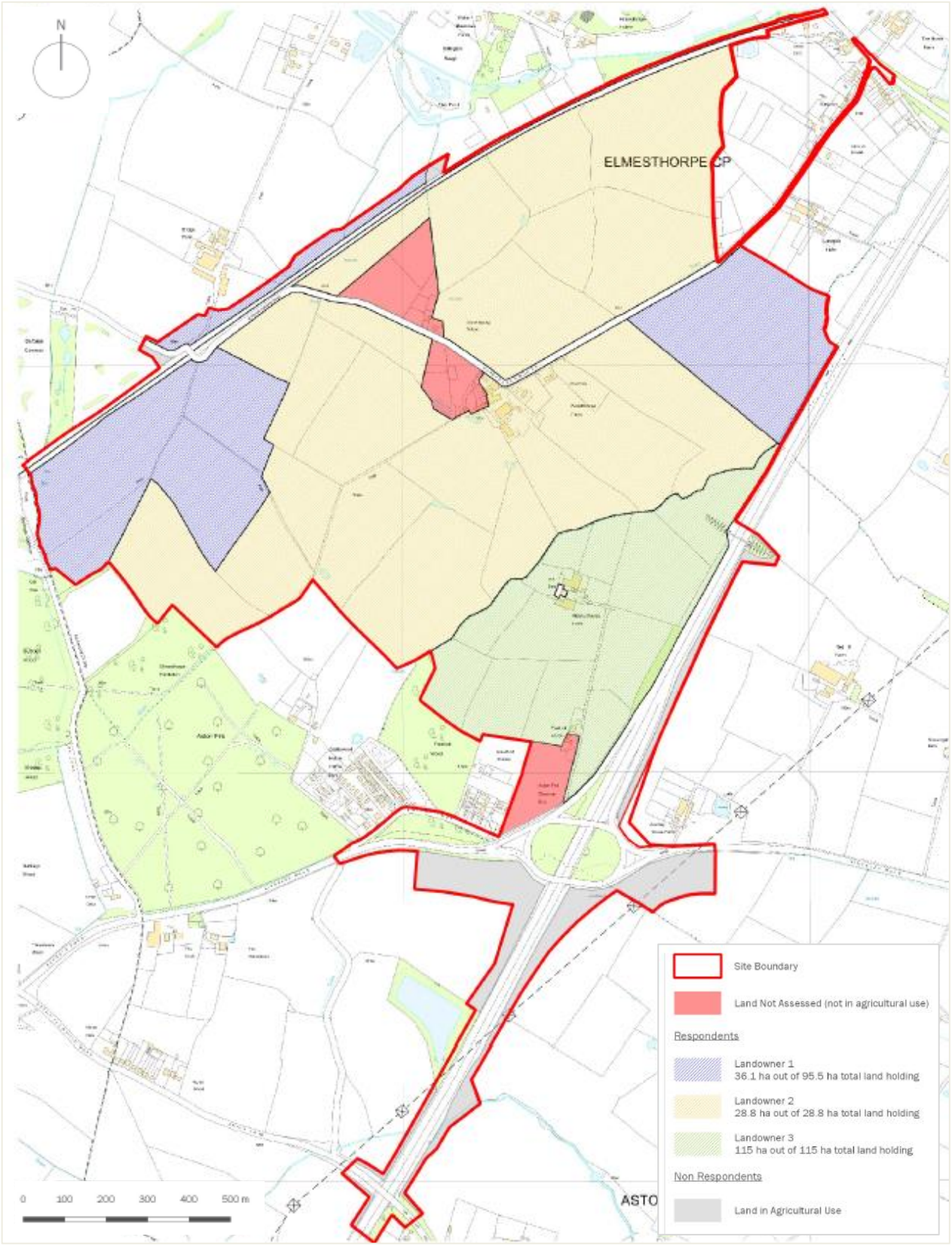
Impacts on existing businesses

Impact Area

101. The land use aspect of this assessment considers the impact of the HNRFI on existing businesses – those with landholdings in the project boundary. The impact area comprises the whole of the Application Site (land within the Draft DCO Boundary).

102. **Figure 12** shows the different agricultural land uses and the proportion of land affected by the proposed development. The site is predominantly landowner farmed with three landowners operating the majority (97%) of the agricultural land within the site. The balance of land (3%) comprises grazing land, a boarding kennels, a private residential property and an area in equestrian use.

Figure 12 Agricultural land uses and landowners within the Application Site



Source: LRA, EDP, 2018

103. The impacts of lighting, noise and vibration and air quality on existing businesses in proximity to the Site are considered in the relevant assessments.

Baseline conditions

104. Baseline information was collected via questionnaires and telephone interview with land agents and/or agricultural users. Responses were received from the three main landowners and one smaller landowner; these operate 97% of the agricultural land within the Application Site. The survey found that agricultural land within the Site is landowner operated with no tenancy agreements in place on any of the land.

105. Landowner 1 has a total farm holding of 95.5 ha, of which 36.1 ha is affected by the Proposed Development. The land is in arable use and the farm business employs three people.

106. Landowner 2 has 28.8 ha of land affected by the Proposed Development. The land is used to support livestock and one person is employed by the business.

107. Landowner 3 has a total land holding of 115 ha, all of which lies within the Application Site. The farm is mixed, with land used for beef production, pigs and arable. A farm shop is also run from within the site. One person is employed by the agricultural business.

108. A boarding kennels operates within the Site.

Impacts from severance

109. The potential for severance of local communities from construction and operational traffic will be assessed in the Transport and Traffic chapter of the EIA. If any significant adverse effects cannot be mitigated by design measures this chapter will assess the social and economic effects. It is premature to predict the potential location of severance at this stage.

OUR APPROACH TO ASSESSMENT

Approach

110. The stages of the methodology include:

- Impact assessment – consider the scale, magnitude, and duration, frequency and permanence of the potential impacts during both the demolition/construction and operational phases of the HNRFI project.
- In the employment assessment this will conclude on the net additionality of the HNRFI project, after taking into account displacement, leakage, multipliers and deadweight.
- Consider mitigation measures, cumulative impacts, and residual impacts.

- Summarise final impact assessment.

111. For the impact on existing agricultural businesses the following steps are taken:

- Impact assessment – consider the magnitude of the potential impacts on businesses operating on the land and their sensitivity to permanent loss of access to land within the application area.
- Consider mitigation measures, cumulative impacts, and residual impacts.
- Summarise final impact assessment.

Temporal scope

112. The temporal scope for the assessment has considered the length of the construction phase, and will be used to consider temporary and permanent impacts of the development. The temporal scope includes:

- Short term – 0-5 years, immediate impacts
- Medium term – 5-10 years, generally identified as temporary impacts during the construction phase
- Long term – 10+ years, potentially permanent impacts during operational phase of the development.

113. The potential frequency of the impact or effect will also be considered.

Significance criteria

114. The assessment of impact significance would be undertaken based on the general methodology presented here and expert judgment. The assessment would aim to be objective and to quantify impacts, where possible. Where quantification is not possible, qualitative assessments will be made and justified.

115. In terms of the describing the duration of impact, short to medium-term impacts will be considered to be those associated with the site preparation and construction phase and long-term impacts will be those associated with the completed development.

116. Impacts will be defined as either:

- Beneficial – an advantageous impact on the impact area
- Negligible – imperceptible impacts on the impact area

- Adverse – detrimental impacts on the impact area

Magnitude

117. The scale of impact is determined with reference to best practice guidance and relevant contextual factors. For example, employment generation of 100 new jobs could be considered a major beneficial impact in a settlement of 1,000 residents, but it would be a less significant impact in a larger settlement of 100,000 residents. Impacts that are moderate or major in scale are considered to be significant in EIA terms.

118. In considering the magnitude of the effect on farm businesses it is necessary to consider what proportion of the land utilised by the business will be taken by the Proposed Development, whether the farm will remain a viable business after development is complete and how much restructuring might be necessary as a result of the proposed development. Where land is farmed by the owners of the land and the sale is voluntary (as opposed to a compulsory purchase order), the effect is considered beneficial, and no further assessment is made.

119. For the impact on agricultural businesses the framework in **Table 1** will be used to assess the magnitude on each business:

Table 1: Assessment framework for impacts on agricultural businesses

Magnitude of effect	Agricultural businesses
Major	Full-time farm business rendered unworkable and unviable. The farmer will have to seek alternative means of income.
Moderate	Reduction in net farm income requiring such that substantial restructuring is required.
Small	Reduction in net farm income such that only minor restructuring is necessary.
Negligible	Minimal effects, such as changed field accesses, not necessitating farm restructuring

120. Impacts on other existing businesses from adverse environmental effects will be assessed according to the methodology in those environmental assessments.

121. Impact significance will be assigned to residual impacts, post mitigation.

Assumptions

122. By the nature of the methodology, estimates of change in the socio-economic elements such as economic and employment impacts are subject to uncertainty. The estimates in this chapter will be based on good practice, but there will likely be a degree of uncertainty around estimates. We estimate that actual impacts are likely to be in a range of +/- 20%

of figures given to account for this uncertainty, as is standard practice with our estimates.

Scoping

123. A report setting out the proposed scope of the EIA, including the socio-economic assessment, was submitted in March 2018. A Scoping Opinion response was provided by the Secretary of State in April 2018.

124. Where our response is 'noted and agreed' we do not repeat the comment here. Where we consider a fuller response is required this is set out below:

- **Scoping Opinion:** Paragraph 6.16 of the Scoping Report states that community severance will be assessed in the transport and traffic chapter of the ES, and if significant adverse effects cannot be mitigated by design these will be assessed in the socio-economic chapter. However it is not explained in either chapter how the impacts on this matter will be assessed. The Applicant should ensure that the methodology and approach to the assessment in the ES is clearly established.

- ***Response:*** *If community severance proves to be a significant residual adverse effect (post-design mitigation measures) we would set out an approach and methodology in the ES clearly demonstrating how we will undertake an assessment.*

- **Scoping Opinion:** The Scoping Report proposes to assess the impacts from increased worker population on the demand for housing within commuting distance of the HNRFI. The ES should also assess impacts to other community facilities (healthcare providers, schools, etc).

- ***Response:*** *It is considered that community facilities would not be directly impacted by the rail freight development but rather by any subsequent housing development. The impact on those community facilities will be assessed as part of the planning process for those residential developments, and appropriate mitigation will be secured through the Section 106 process or through Community Infrastructure Levy contributions.*

- **Scoping Opinion:** A wider assessment of agricultural businesses than only those affected by the land within the proposal boundary should be undertaken, including effects on livery stabling. Impact on livery stables and agricultural businesses needs to be assessed, including lighting.

- ***Response:*** *The assessment of agricultural businesses will include those with property outside of the project boundary if the business concerned also has property within the project boundary. The assessment will cross-reference adverse environmental effects (lighting, air quality, noise) on non-agricultural businesses such as livery stables where they are identified as potentially sensitive receptors in those assessments.*

- **Scoping Opinion**: The Council will wish to be satisfied that there is the demand for this

additional development project and that it would not divert employment and business opportunities away from the two sites within the Borough (Hams Hall and Birch Coppice).

- ***Response:*** *The socio-economic assessment will include consideration of the extent to which the HNRFI aligns with identified need for new SRFIs. This would account for existing rail freight interchanges such as Hams Hall and Birch Coppice.*

- **Scoping Opinion:** The zone of influence (ZoI) for socio-economic effects should to extend into the adjoining W. Midlands region (e.g. Warwickshire, Coventry, Bucks etc.) and potentially beyond. A list of existing / approved development is provided.

- ***Response:*** *The principal impact area will be derived from transport modelling of where the workers will likely reside.*

THE LIKELY MAIN EFFECTS OF THE PROPOSALS

Employment during construction

125. The construction of the HNRFI project would help support construction firms operating in the region and provide jobs in the construction industry. The HNRFI project will lead to the creation of new direct jobs on-site and indirect jobs – through supply chain benefits and new expenditure introduced to the local economy.

On-site employment

126. To estimate the number of jobs required for the construction of the HNRFI the average output per construction worker for the East Midlands is applied to the estimated value of the construction works. The following steps are then involved:

- Average turnover per construction employee in East Midlands (2017) = £147,191.

- Estimate of number of worker years required for the construction programme based on the value of the construction project = 2,850.

- Estimated length of construction programme = 11 years (this would be dependent on market conditions).

- Therefore 2,850 workers years divided by 11 construction years would result in an average of 220 full-time equivalent (FTE) workers on-site per annum.

127. The indicative construction programme assumes the development would have a 11 year build period commencing in 2022 and being completed by 2033. The creation of 2,850 person-years of construction work would be equivalent to an average of **260 FTE**

construction job opportunities created on-site, per annum, for 11 years. Given that construction is made up of many discrete elements of work undertaken by specialists (e.g. bricklaying, carpentry, plumbing, electrics, etc) many more construction workers may be employed on the site for shorter periods at any given point.

128. Due to the nature of the construction industry and different stages involved with the construction of the HNRFI project, not all trades would be required on the site permanently and some would be on site for less time than others. The construction process would include the range of occupational levels including unskilled or labouring jobs to more senior positions, as well as across a range of professional disciplines.

129. The baseline research showed that there are more residents employed in the sector than there are jobs in the sector; indicating the impact area is a net exporter of construction workers. The HNRFI will play a small role in ensuring a closer match between job opportunities and local labour.

Off-site employment

130. In addition, business in the local, and regional economy, would benefit from the trade linkages that would be established to construct the development, meaning that further indirect jobs would be supported locally in suppliers of construction materials and equipment. Local businesses would generally also benefit to some extent from temporary increases in expenditure as a result of the direct and indirect employment effects of the construction phase, for example, as construction workers spend their wages in local shops, accommodation and other facilities (induced effects).

131. At a national level, multiplier employment effects are estimated to be *2.06 of the on-site employment effects (UK input-output analytic tables, 2018).

132. Employment in the construction sector in the impact area was still lower than its 2009 peak by 2015, suggesting there remains sufficient latent capacity to meet higher output without creating wage or other inflationary effects. There is also a significant labour market (48,000 jobs) to accommodate an extra 220 on-site positions (0.5%). Therefore adverse effects on alternative projects (displacement) are therefore likely to be low.

133. The Additionality Guide (Homes and Communities Agency, 2014) suggests applying a 'ready reckoner' for low displacement effects of 25% of positive effects. In this context we consider the ready reckoner to be high, and apply a 10% discount to account for potential adverse effects on other construction projects in the impact area based on the relative small number of on-site positions compared to the overall size of the labour market and that there are more residents employed in the sector than there are jobs.

134. Accounting for the positive multiplier effects and discounting for potential adverse displacement effects results in an estimate of an **additional 220 FTE jobs created off-site per annum over the 11 year construction period**. The majority of these would be in businesses linked to the construction sector, but some would be local businesses such as

cafés and accommodation that would benefit from the new expenditure associated with the on-site workers.

Additionality

135. **Table 2** summarises the estimates of additional employment from the construction of the HNRFI. The concept of 'leakage'[12] is not considered relevant here as it is a nationally significant infrastructure project and effects are assessed at the national level.

Table 2: Additionality of construction employment

Effect	Employment (average FTE per annum) for 13 years
1. On-site	+260
2. Displacement (10%)	-30
3. Multiplier (*2.06)	+250
4. Off-site employment (2+3)	+220
Additional (1+4)	+480

Note calculations are rounded to the nearest 10

Employment during operation

On-site employment

136. Current levels of employment on-site associated with the agricultural businesses are considered to be negligible in the context of the HNRFI. The expectation is that these uses would continue into the future in the absence of the HNRFI. This concept is called the reference case or 'deadweight'. This does not detract from the potential adverse impact the proposals could have on those businesses, covered here separately.

137. It is challenging to estimate the employment potential of the HNRFI once it is occupied in 5-15 years with a degree of confidence, due to the increasing levels of automation and technological change. The Leicester and Leicestershire Strategic Distribution Sector Study (2014) reports that many existing warehouses are becoming functionally obsolete due to three main reasons, two of them driven by technological change:

- Modern automated picking, handling and packaging systems required for the growth in e-commerce cannot be 'retro-fitted' into older buildings.
- Economies of scale can now be gained by operating fewer but larger distribution centres, facilitated by advances in modern ICT inventory management and handling systems
- Increasing desire for some occupiers to re-locate their existing operations to rail-

[12] The proportion of outputs that benefit those outside the target area. Commonly the target area will be a local authority to better understand the economic impact of planning applications to that area.

served sites in order to achieve the financial benefits associated with rail freight.

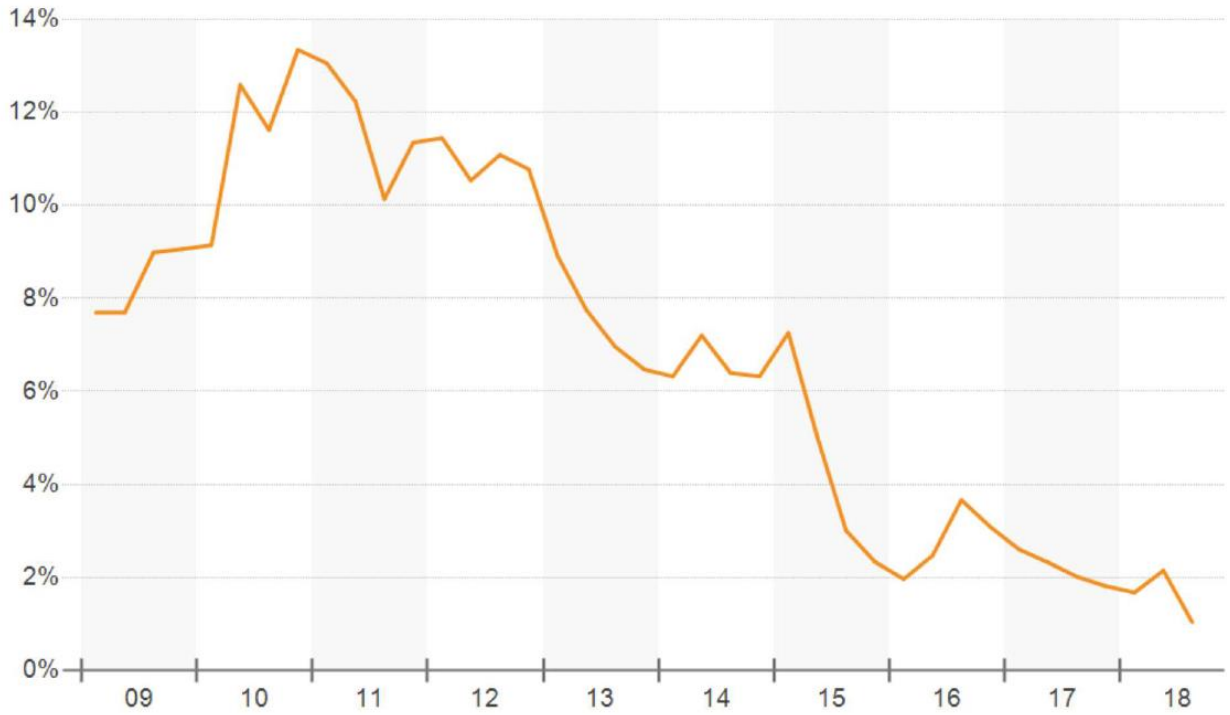
138. In part, the need for the HNRFI is driven by these changes. But they also indicate the impact of technology on the way logistics operations are organised, with implications for the scale and type of employment required. With increased incorporation of technology, workers will need to be more skilled than has historically been required.

139. Based on research produced by Prologis surveying their own logistics operations, the HCA advises applying 95 sqm (GEA) per worker for national distribution centres (NDCs) and 77 sqm (GEA) per worker for regional distribution centres (RDCs; Employment Density Guide, 2015).

140. The HNRFI is likely to accommodate a mix of NDCs and RDCs; we use the different employment densities associated with each to produce a range of employment estimates. At 650,000 sqm GEA[13] for the HNRFI this equates to 6,800 – 8,400 jobs on-site.

141. The employment densities do not account for vacancy. **Figure 13** shows the vacancy levels in warehouse and distribution units within the Golden Triangle over the last 10 years.

Figure 13: Vacancy levels in distribution units in the Golden Triangle, 2009-2018



Source: CoStar, accessed July 2018

[13] Note that the HNRFI would provide up to 850,000 sqm of GIA floorspace (+200,000 sqm mezzanine space) but 650,000 sqm of GEA floorspace. The employment density are to GEA so the 650,000 sqm measure is used here.

142. **Figure 13** shows vacancy rates have consistently dropped since the peak in 2010 and are now low at around 2%. A degree of vacancy is necessary for the market to function efficiently; as businesses relocate to more appropriate premises. More normal levels for the vacancy would be around 5% in Savills' experience. This is around the average of the last 10 years and is applied here.

143. Therefore, accounting for vacancy levels at 5%, employment on-site is estimated to be 6,500 – 8,000 workers once fully occupied.

144. The baseline reported potential labour market constraints in the recruitment of drivers and managerial staff.

Off-site employment

145. The Leicester and Leicestershire Strategic Distribution Sector Study (SDSS; 2014) reports a need for a new SRFI in Leicestershire up to 2036. The HNRFI meets this need, but most of the requirement is driven by re-housing logistics activities located in sub-optimal buildings and locations.

146. In the high replacement scenario proposed in the SDSS, 73% of the 1,886,000 sqm of new distribution space required to 2036 should replace existing stock (1,643,000 sqm) and the balance would be growth build (244,000 sqm).

147. Therefore, it follows that approximately 73% of the occupiers at the HNRFI could be relocated from existing, functionally sub-optimal distribution premises in the LLEP area. This effect is displacement; the proportion of intervention outputs accounted for by reduced outputs elsewhere.

148. While displacement is discounted from the additionality of employment effects, its impact in this instance is positive – it is helping the LLEP area maintain its competitive advantage in the logistics sector by allocating activities where they are more optimally located. The relocation of logistics companies to the HNRFI will help ensure the long-term sustainability of those businesses and the jobs they support.

149. At a national level, multiplier employment effects are estimated to be *2.03 of the on-site employment effects (for the warehousing and support services for transportation sector, UK input-output analytic tables, 2018).

Additionality

150. **Table 3** summarises the estimates of additional employment once the HNRFI would be occupied. Again, the concept of 'leakage' is not considered relevant for a nationally significant project.

Table 3: Additionality of operational employment

Effect	Employment (FTE)	
	Lower density	Higher density
1. On-site (inc 5% vacancy)	+6,500	+8,000
2. Displacement (73%)	-4,750	-5,850
3. Multiplier (*2.03)	+1,810	+2,220
4. Off-site (2+3)	-2,940	-3,620
Additional (1+4)	+3,560	+4,380

Note calculations are rounded to the nearest 10

151. **Table 3** shows that the HNRFI would generate 3,560 – 4,380 additional FTE jobs for the national economy. However, it would also safeguard 4,750 – 5,850 jobs in the LLEP area by relocating logistics activities to a more sustainable location and built environment.

152. Of the additional jobs, 1,750 – 2,150 would be new on-site jobs for the residents of the impact area. A proportion of the off-site multiplier effects are also likely to benefit the impact area. The baseline estimates that there were 66,200 residents employed in the logistics sector in 2016 in the impact area. The LLEP HEDNA forecasts that employment will increase in the 'transportation and storage' sector by 6,800 jobs 2011-2036. The additional jobs estimated here would be a component of these forecasts.

153. The HNRFI would help provide employment opportunities for unemployed residents – the baseline reports that 2,500 unemployed residents in the impact area were seeking goods handling roles and 1,400 were seeking general office roles.

GVA during operation

154. GVA to the LLEP economy associated with the 1,750 – 2,150 additional jobs on-site is estimated by applying an annual GVA of £43,173 (2015)[14] per FTE employee (transport and storage sector in the East Midlands). This would represent a contribution of some £75.6 - £92.8 million per annum to the LLEP economy. This is likely to be a conservative estimate as a proportion of the off-site multiplier effects would also benefit the LLEP area.In addition to this the HNRFI would also safeguard the contribution of £205.1 – £252.6 million per annum by re-allocating existing logistics jobs to a more optimal location.

Demand for housing

155. The HEDNA was produced relatively recently (2017). It is anticipated that by the time of occupation of the first distribution unit at the HNRFI, its findings would be incorporated into planning policy across the LLEP area.

[14] Greater London Authority: Productivity Trends: GVA per workforce job estimates for London and the UK, 1997 - 2015

156. The HEDNA forecasts an additional 6,800 jobs in the transport and storage sector, 2011-2036, with 3,050 additional jobs at strategic distribution development sites. The optimal location for strategic distribution development is identified as a new SRFI in the SDSS; the HNRFI meets this need. The HNRFI accounts for the majority of the additional strategic logistics jobs (1,750 – 2,150 new on-site jobs).

157. The assessment of housing need accounts for this labour market growth, but the allocation of housing need between local authorities may need to be revised upon confirmation of the HNRFI.

158. Under current assumptions the HEDNA forecasts an increase of +100 jobs in BDC 2011-2036 (Table 20), the lowest employment growth of any of the Councils in the LLEP area. The proportion of jobs growth for BDC would likely need to be increased, with a re-allocation from other Councils (although the +100 jobs for BDC is a net forecast and may account for growth in the logistics sector offsetting decline in other sectors).

159. Implications for housing growth would be taken forward through joint working between the local authorities through the Duty to Cooperate.

160. The draft Vision reports that the A46 expressway is expected to be built by the early 2030s. This is likely to follow construction of the HNRFI. The new infrastructure would directly enable the growth of the A46 Corridor and Southern Gateway with approximately 40,000 new homes close to the HNRFI.

Impacts on social infrastructure

161. Impacts on social infrastructure such as health and education facilities would be considered by planning applications for residential development, principally in the impact area.

Impacts on existing businesses

162. Farming operations and agricultural businesses within the site would permanently cease and the landowners would gain financially from the sale of the land. This is a beneficial impact of the proposed development.

163. The boarding kennels business would permanently cease operation.

164. The phased development of the site will allow temporary use of the land as construction progresses.

Impacts from severance

165. At this stage is not possible to predict any issues of severance from construction or operational traffic.

PROPOSED APPROACH TO MITIGATION

166. At this preliminary project stage, no adverse land use and socio-economic effects are anticipated that could require mitigation. However, this will be kept under review.

NEXT STEPS

167. Next steps for the land use and socio-economic impact assessment include:

- reviewing and responding to feedback and/or suggestions received during the public consultation process for this Topic Paper.
- coordinating with the transport modelling work to refine the assumptions about the impact area; where the majority of the operational workforce is likely to live. Update economic assessment if required.
- liaising with the air quality, noise and vibration and lighting assessments to understand if there are any adverse impacts on existing businesses.
- liaising with the traffic and transport assessment to understand if there is likely to be any residual adverse impacts of community severance from construction or operational traffic.
- Producing a preliminary assessment for further public consultation as part of the Preliminary Environmental Impact Report. This would include an assessment of the significance of land use and socio-economic effects, potential mitigation measures and residual effects (post-mitigation).
- revising the assessment, taking on board any feedback and/or suggestions received during the consultation process.
- producing the final assessment to become a chapter of the Environmental Statement.

Savills ◆ October 2018