



**GL Hearn**

Part of Capita Real Estate

# Magna Park Employment Growth Sensitivity Study

**Harborough District Council**

Final Report

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## Quality Standards Control

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This document must only be treated as a draft unless it has been signed by the Originators and approved by a Business or Associate Director.

DATE

August 2017

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APPROVED



A handwritten signature in black ink, appearing to read 'Nick Ireland', is written above a horizontal line. The signature is cursive and stylized.

### Limitations

This document has been prepared for the stated objective and should not be used for any other purpose without the prior written authority of GL Hearn; we accept no responsibility or liability for the consequences of this document being used for a purpose other than for which it was commissioned.

## 1 INTRODUCTION

- 1.1 Harborough District Council (“HDC”) has commissioned GL Hearn to assess the potential impacts on housing need of different scenarios for strategic B8 (logistics/ warehouse) development, this being defined as over 9,000 sq.m floorspace, around Magna Park, Lutterworth. The Study is intended to inform the development of the emerging Harborough Local Plan.
- 1.2 Three potential scenarios for development of strategic B8 floorspace have been defined by HDC, namely:
- Scenario A: Low Growth, 100,000 sq.m additional B8 floorspace
  - Scenario B: Medium Growth: 400,000 sq.m
  - Scenario C: High Growth: 700,000 sq.m
- 1.3 In broad terms, Scenario A would align with delivery of the consented DHL Supply Chain warehouse (Application ref. 15/00919). Scenarios B and C would see delivery of additional B8 warehousing development over and beyond this.
- 1.4 The Study is intended to inform decisions regarding future strategic distribution development at and around Magna Park in Lutterworth in the context of the preparation of the Local Plan.
- 1.5 The Study builds on housing needs analysis and modelling work undertaken in the Leicester & Leicestershire Housing & Economic Development Needs Assessment (“the HEDNA”), which was published in January 2017. This assesses housing need within the Leicester and Leicestershire Housing Market Area comprising the local authorities of Blaby, Charnwood, Hinckley and Bosworth, Leicester, Melton, North West Leicestershire and Oadby and Wigston. It has been prepared by a consistency consultancy team comprising GL Hearn, Justin Gardner Consulting (“JGC”) and Oxford Economics (“OE”). It also draws on work undertaken by GL Hearn and Justin Gardner in assessing housing need in the Coventry and Warwickshire Housing Market Area (“HMA”)<sup>1</sup> and the Leicester & Leicestershire Strategic Distribution Sector Study Update, prepared by MDS Transmodal.<sup>2</sup>
- 1.6 Essentially this Study considers the scale of jobs growth which can be expected to be supported at Magna Park by each of the three growth scenarios above. It considers multiplier effects associated with the investment, and displacement arising from the potential delivery of new strategic B8 development at Magna Park, taking account of the MDS Transmodal evidence. It provides updated scenarios for economic growth for the authorities within the Leicester & Leicestershire HMA on this

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<sup>1</sup> Updated Assessment of Housing Need: Coventry-Warwickshire HMA, GL Hearn (Sept 2015)

<sup>2</sup> This comprises various reports, as set out at [http://www.harborough.gov.uk/directory\\_record/726/leicester\\_and\\_leicestershire\\_strategic\\_distribution\\_sector\\_study\\_-\\_november\\_2014](http://www.harborough.gov.uk/directory_record/726/leicester_and_leicestershire_strategic_distribution_sector_study_-_november_2014)

basis. As identified within the HEDNA Report, decisions on future locations for strategic B8 floorspace affect the *distribution* of employment growth within Leicester and Leicestershire.<sup>3</sup>

- 1.7 It then goes on to consider where the workforce to support additional jobs at Magna Park and in Harborough will be drawn from, based on existing commuting patterns. Two further sensitivities relating to commuting patterns are undertaken. The analysis then compares how changes in local jobs growth and commuting from other Leicestershire authorities compare, to assess in effect whether stronger workforce growth would be required than modelled in the HEDNA. Where this is the case, it models the indicate scale of additional housing provision over the period to 2031 which would be required to support this, based on the commuting assumptions in the relevant scenario. Within Leicestershire, the HENDA anticipated that strategic distribution development could influence the spatial distribution of housing need within the HMA rather than justify higher housing provision relative to the OAN defined therein. The findings of this Study reaffirm this.
- 1.8 For selected local authorities in the Coventry and Warwickshire HMA<sup>4</sup>, the Study seeks to estimate what level of additional workers might be drawn to work at Magna Park, whether this could be accommodated given the inter-relationships between labour demand and supply in those areas or whether additional housing provision might need to be planned for. In doing so, it draws on the existing evidence base on housing need in the Coventry/Warwickshire HMA on housing need<sup>5</sup>, with modelling undertaken in a consistent way to this. Consideration is also given to the potential impacts on housing need in Daventry.
- 1.9 Figure 1 below in summarises, in broad terms, the approach.

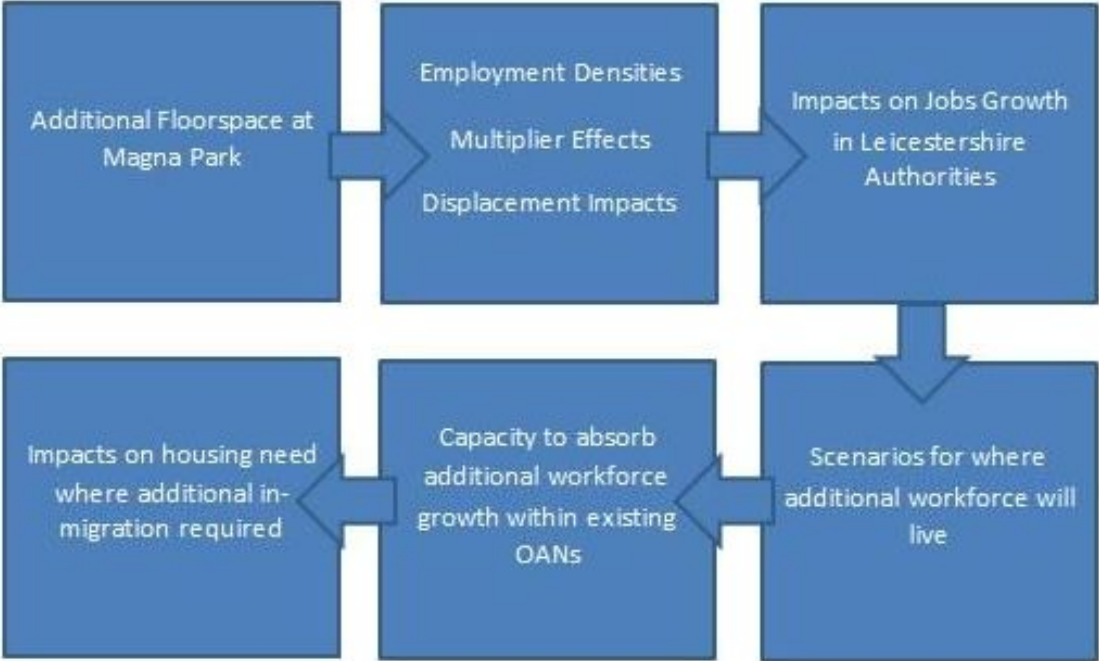
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<sup>3</sup> See HEDNA Final Report Paragraphs 12.73-12.74

<sup>4</sup> Coventry, Nuneaton and Bedworth and North Warwickshire. These are outside of the Leicester and Leicestershire HMA as is Daventry.

<sup>5</sup> Updated Assessment of Housing Need: Coventry-Warwickshire HMA, GL Hearn (Sept 2015)

**Figure 1: Overview of Approach**



- 1.10 The Study is intended to support duty to cooperate discussions. To do so, its approach has been to build on and integrate with the existing evidence base on housing need in areas from which Magna Park might draw workforce. Harborough District Council has shared the draft report with other authorities and duty to cooperate partners. Their comments have informed its finalisation.
- 1.11 For the avoidance of doubt in relation to housing need in the Leicester and Leicestershire HMA, the report builds on and provides sensitivity testing of the HEDNA findings relating to scenarios for growth around Magna Park. It should not be construed as defining alternative OAN figures.

## 2 SCENARIOS FOR EMPLOYMENT GROWTH

### HEDNA Economic Scenarios

- 2.1 The Leicester and Leicestershire HEDNA Report included detailed work to interrogate future economic growth potential in Leicester and Leicestershire. GL Hearn and Oxford Economics have interrogated the area's economic structure and past performance, assessed "baseline" econometric forecasts from Oxford Economics Local Authority District Forecasting Model and overlaid local economic drivers and planned investment on this to derive a "Planned Growth" Scenario.
- 2.2 The forecasts prepared in the HEDNA were demand-based. Whilst consideration was been given to existing land allocations and development projects, the forecasts did not prejudge future policy decisions regarding employment land supply.
- 2.3 The HEDNA Report was clear that future policy decisions could be expected in reality influence the future spatial distribution of employment growth between authorities within the HMA (and thus the distribution of housing need). It identified future decisions regarding the location of strategic warehouse/ distribution development as a potential influence on the spatial distribution of employment growth.
- 2.4 In the baseline scenario the Leicester & Leicestershire economy was expected to grow by 2.3% per annum (GVA growth pa), consistent with growth achieved over the previous economic cycle (1993-2010). This is stronger than the growth which Oxford Economics forecasts expected either across the East Midlands (2.0% pa) or nationally (2.2% pa).
- 2.5 The Planned Growth Scenario took account of planned investment and pipeline development projects. In Leicester it anticipates enhanced performance in manufacturing (including textiles and food), finance, education and tourism. In Leicestershire it anticipates delivery of major development schemes including the MIRA Technology Park, East Midlands Gateway Strategic Rail Freight Interchange and a number of other major distribution schemes in both North West Leicestershire and Blaby. It also takes account of potential for growth in scientific and pharmaceutical activities at Loughborough and committed investment associated with the Loughborough and Leicester Enterprise Zone. The Planned Growth Scenario saw accelerated growth in GVA of 2.5% pa across the HMA, significantly out-performing regional and national benchmarks. Hinckley and Bosworth, North West Leicestershire, Harborough and Blaby all out-perform this, achieving 2.7 – 2.9% pa GVA growth.
- 2.6 For Harborough however there was a relative similarity between the expected scale of jobs growth in the Baseline Scenario and the Planned Growth Scenario. The Growth Scenario modelled additional jobs in health and social work to reflect the opening of a new hospital in the District, and

supply-chain benefits of growth elsewhere in Leicestershire; but did not take specific account of growth of strategic distribution activity around Magna Park beyond that consented when it was prepared.

- 2.7 The scale of employment (total jobs) envisaged in Harborough District in the HEDNA is shown in Table 1 below.

**Table 1: HEDNA Scenarios for Employment Growth, 2011-31**

Total Employment	Baseline	Planned Growth	Difference
Leicester	11,700	20,400	8,700
Blaby	14,500	15,100	700
Charnwood	13,200	17,700	4,400
Harborough	9,200	9,500	300
Hinckley & Bosworth	8,000	10,800	2,800
Melton	1,200	2,200	1,000
NWL	10,900	16,700	5,800
Oadby & Wigston	-500	-400	100
<b>HMA</b>	<b>68,200</b>	<b>91,900</b>	<b>23,700</b>

### Scenarios for Job Creation from Magna Park Expansion

- 2.8 HDC is considering, through the development of its local plan, scenarios for different scales of expansion at Magna Park. For the purposes of this Study, three scenarios have been defined:

- Scenario A: Low Growth, 100,000 sq.m additional strategic B8 floorspace
- Scenario B: Medium Growth: 400,000 sq.m
- Scenario C: High Growth: 700,000 sq.m

- 2.9 In broad terms, Scenario A would align with delivery of the consented DHL Supply Chain warehouse (Application 15/00919). Scenarios B and C represent additional B8 warehousing development over and beyond this.

### Employment Density

- 2.10 It is first necessary to consider at the number of jobs which will be directly supported by potential new development (on the assumption that these scales of development would be built out). To do so we have sought to consider the employment density (sq.m per Full-Time Equivalent (FTE) job).

- 2.11 The HCA Employment Densities Guide (3<sup>rd</sup> Edition) indicates an average/ typical employment density of 95 sq.m per FTE job for National Distribution Centres (NDCs) and 77 sq.m for Regional Distribution Centres (RDCs). Prologis' 2014 Customer Employment Survey pointed to an average employment density of 72 sq.m per job. Information in recent planning applications has implied an employment density in existing units at Magna Park of 82 sq.m per FTE job. It is clear that for large



distribution warehouses, densities can vary from occupier-to-occupier and therefore at this stage we are effectively looking for a sensible average.

2.12 For the purposes of this Study, an average density of 80 sq.m per FTE job has been applied, as this is consistent with that in the MDS Transmodal evidence which provides the demand evidence for large scale distribution space in Leicester and Leicestershire.

**Direct Jobs Supported**

2.13 Applying the employment density assumption to the floorspace growth scenarios, the scale of direct jobs which the different scenarios will support is as follows:

**Table 2: Direct Jobs Supported by new development at Magna Park**

	Scenario A	Scenario B	Scenario C
<b>Floorspace (sqm GEA)</b>	100000	400000	700000
<b>Employment density (sq.m per FTE job)</b>	80	80	80
<b>FTE jobs supported</b>	<b>1250</b>	<b>5000</b>	<b>8750</b>
<b>Total jobs supported</b>	<b>1316</b>	<b>5263</b>	<b>9211</b>

2.14 In converting FTE to total jobs, we have assumed a ratio of 0.95, based on BRES data for the warehousing sector. Total jobs describe the actual number of jobs supported, whether full or part-time.

**Phasing of Jobs Growth**

2.15 In Scenario A the additional jobs are expected to arise in 2018. In Scenario B, additional jobs (over and above those in Scenario A) are expected to be phased between 2020-26. Scenario C sees a slightly elongated delivery to 2027. These assumptions have been inputted into the Oxford Economics modelling. In reality, phasing assumptions will have a very minor impact on outputs on the scale of housing need in different areas to 2031.

**Displacement**

2.16 Displacement relates to the proportion of proposed development benefits accounted for by a reduction in benefits elsewhere. In the context of the development which is envisaged, displacement is expected to arise either as result of existing businesses moving from an existing warehousing unit to a new unit at Magna Park; or as a result of the presence of good quality distribution land/ space at Magna Park attracting occupiers who might otherwise have gone to a site elsewhere. Invariably the larger the area considered, the higher the level of displacement.

2.17 Displacement may be lower in a growing market, with the strategic B8 sector in the sub-region is, but higher where there are a high number of competitors or competitor locations, of which there are a number. Distribution occupiers within Leicestershire or the Golden Triangle tend to be relatively footloose.

2.18 Whilst often displacement is gauged using “ready reckoners” in HCA Additionality Guide, in this instance we have sector-specific information from which to make more informed assumptions in the Leicester & Leicestershire Strategic Distribution Sector Study. This sets out forecasts for the strategic B8 sector over the period to 2031. Table 3 summarises these and shows that of the minimum 361 ha need identified, 87% was a result of ‘replacement demand’ and 13% related to ‘growth build.’ This is at a Leicester & Leicestershire level but provides a quantified basis specific to this economic sector for calculating displacement across the Leicester and Leicestershire area.

2.19 The MDS analysis suggests that of the floorspace need identified to 2031, 87% could be expected to be occupied by existing companies moving within Leicestershire from older warehouses to newer stock, as older stock becomes outdated. It is a reasonable assumption that this replacement demand will not result in the creation of additional jobs in net terms. This is arguably a cautious assumption as economies of scale and increased efficiencies could result in reduced job numbers.

**Table 3: SDSS Forecasts of Floorspace and Land Needs to 2031**

Need to 2031	2011-31	% Need
Replacement Build ('000 sq.m)	1260	87%
Growth Build ('000 sq.m)	185	13%
<b>Total</b>	1445	
<b>Plot Ratio</b>	0.4	
<b>Ha</b>	361	

2.20 Taking account of existing identified supply across Leicestershire, delivery of Scenario A would essentially meet the minimum non rail-served need identified by MDS Transmodal (152 ha to 2031). On this basis higher provision on non-rail served floorspace, as envisaged in Scenarios B and C, could potentially result in a higher proportion of ‘growth build’ floorspace, as we have modelled in Table 4 below. We have taken this into account in estimating displacement at the Leicester & Leicestershire HMA level.

**Table 4: Assumed Proportions of Replacement and Growth Build Strategic Distribution Floorspace in Leicestershire, 2011-31**

2011-31	MDS Base Assumptions & Scenario A	Scenario B	Scenario C
Replacement Build ('000 sq.m)	1260	1260	1260
% Replacement	87%	72%	62%
Growth Build ('000 sq.m)	185	485	785
% Growth	13%	28%	38%

2.21 In quantifying displacement across Leicester and Leicestershire, this analysis has informed our assumptions. To avoid spurious accuracy, we have rounded the figures slightly downwards.

2.22 Within Harborough more specifically, it is reasonable to assume a higher level of displacement given that the geographical area being considered is smaller. GL Hearn has reviewed the age of

floorspace at Magna Park based on HDC completions data. This shows that 51% of floorspace at Magna Park was completed pre-2001 and 13% pre 1991. The Strategic Distribution Sector Study estimated that large warehousing typically has a 30 year lifespan. However whilst warehouse stock may be replaced, Magna Park is a well located site with large plots, which would remain suitable in GL Hearn’s opinion for further strategic B8 development. On this basis displacement would be relatively low. Figure 5 summarises the displacement assumptions.

**Table 5: Displacement Assumptions**

Scenario	Displacement - Harborough	Displacement – Leicester & Leicestershire
A	25%	85%
B	15%	70%
C	10%	60%

- 2.23 The lower displacement assumptions for Scenarios B and C relate to a higher expected proportion of “growth build” floorspace in these scenarios.
- 2.24 The distribution of displacement impact within the other Leicester and Leicestershire authorities has been estimated based on the shares of warehouse and distribution employment shown in the ONS Business Register and Employment Survey (“BRES”).

**Multiplier Effects and Leakage**

- 2.25 Multiplier effects relate to further economic activity generated as a result of the investment at Magna Park. This might include jobs created in the supply chain, and the impacts of local spending on service sectors locally. Multiplier effects have been considered through the re-run of the Oxford Economics econometrics modelling.
- 2.26 Leakage relates to the proportion of employment opportunities which are accessed by people living outside of a ‘study area,’ however this is defined. In this Study, this issue is considered separately looking at commuting and housing market impacts in later sections.

**Results – Employment Growth**

- 2.27 Table 6 shows the results of the scenarios for employment growth for Harborough and other authorities within the HMA. As the HEDNA set out, decisions on allocations of land for strategic warehouse/ distribution development could be expected to influence the spatial distribution of employment growth within the HMA. Thus the modelling shows a redistribution of employment growth - higher employment growth in Harborough District, but this being partially offset by reduced employment growth in other areas (essentially on the assumption that Harborough captures a greater share of demand for warehouse/ distribution floorspace within the HMA). This is not to imply that other areas do not see economic growth – all parts of the Leicester and Leicestershire area see employment growing over the 2015-31 period. It is simply showing a slightly different spatial

distribution of growth in employment than was modelled in the HEDNA based on the scenarios for growth at Magna Park.

**Table 6: Scenarios for Employment Growth – HMA Authorities, 2011-31**

'000s	2011	2015	2031		
			Scenario A	Scenario B	Scenario C
<b>Leicester UA</b>	172.0	183.8	192.1	191.6	191.1
<b>Leicestershire</b>	313.4	339.3	385.4	387.6	390.6
<b>Blaby</b>	54.7	61.1	69.6	69.2	68.9
<b>Charnwood</b>	68.2	77.8	85.8	85.7	85.7
<b>Harborough</b>	43.4	46.5	54.0	58.1	62.6
<b>Hinckley and Bosworth</b>	46.2	50.2	56.9	56.4	56.0
<b>Melton</b>	23.9	24.2	26.0	25.9	25.9
<b>North West Leicestershire</b>	55.5	59.2	71.9	71.2	70.6
<b>Oadby and Wigston</b>	21.5	20.3	21.1	21.1	21.1
<b>East Midlands</b>	2196.8	2299.1	2483.4	2485.5	2488.6

2.28 Table 7 shows the scale of employment growth which is expected to arise in each of the Leicester and Leicestershire authorities over the 2015-31 period. 2015 was the base year used in relating employment growth and housing need within the HEDNA modelling.

**Table 7: Employment Growth ('000s) compared to HEDNA Planned Growth – HMA Authorities, 2015-31**

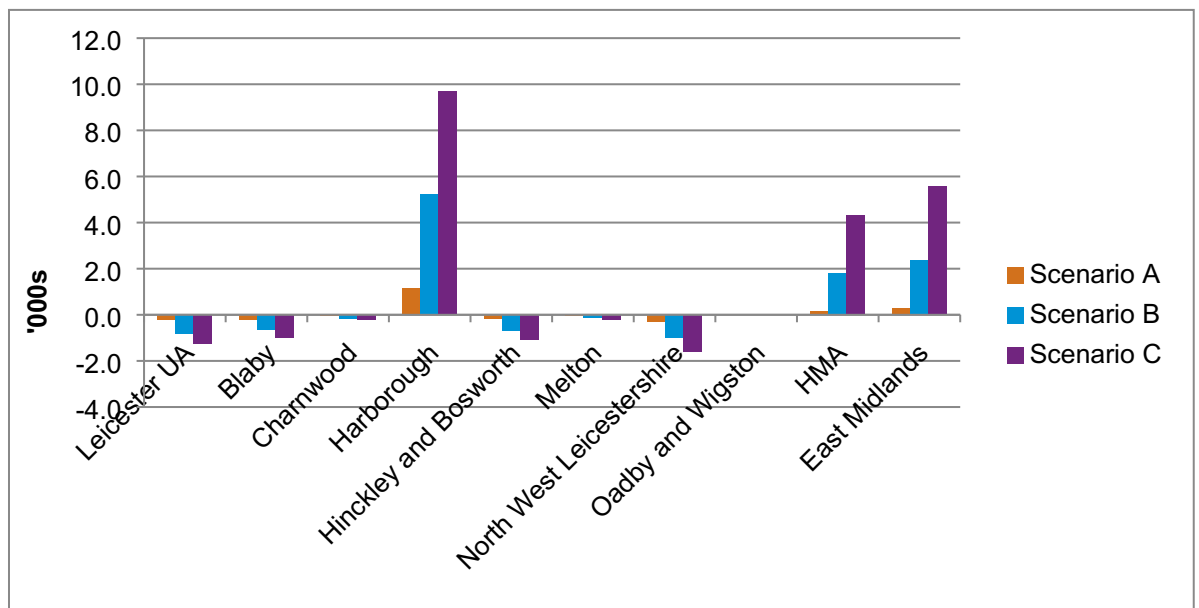
2015-31	HEDNA Planned Growth	Scenario A	Scenario B	Scenario C
<b>Leicester UA</b>	8.5	8.3	7.7	7.3
<b>Leicestershire</b>	45.8	46.2	48.4	51.4
<b>Blaby</b>	8.7	8.5	8.1	7.7
<b>Charnwood</b>	8.1	8.0	7.9	7.9
<b>Harborough</b>	6.4	7.6	11.6	16.1
<b>Hinckley and Bosworth</b>	6.9	6.7	6.2	5.8
<b>Melton</b>	1.9	1.9	1.8	1.7
<b>North West Leicestershire</b>	13.0	12.7	12.0	11.4
<b>Oadby and Wigston</b>	0.8	0.8	0.8	0.8
<b>East Midlands</b>	183.9	184.2	186.3	189.5

2.29 Figure 2 presents this information in terms of the scale of employment growth between 2015-31. At an HMA level, additional jobs growth is of 200 jobs in Scenario A, 1,800 jobs in Scenario B and 4,300 jobs in Scenario C. These figures are all relative to the HEDNA Planned Growth Scenario.

2.30 Harborough District evidently sees significant additional job creation, over and above that in the HEDNA Planned Growth Scenario: in the highest scenario (Scenario C) jobs growth which is 9,700 jobs greater. The difference between the HEDNA Planned Growth Scenario and Scenario A is 1,200 jobs; and between the HEDNA Planned Growth Scenario and Scenario B being 5,200 jobs for Harborough District. However as a greater share of growth in distribution jobs within the Leicester and Leicestershire economy is expected in Harborough District, some other local

authorities see slightly lower growth jobs growth than in the HEDNA Planned Growth Scenario. The relative impacts as modelled are influenced by the current proportions of warehouse/ distribution jobs. With the exception of Scenario C for Blaby, the scale of employment growth in each of the further scenarios modelled remains above that in the HEDNA Baseline (trend-based) forecasts. In all scenarios, all local authorities across Leicestershire see growth in jobs.

**Figure 2: Change in Employment Growth, 2015-31, relative to HEDNA Planned Growth Scenario**



2.31 The actual figures on changes in growth in total employment (2015-31) relative to the HEDNA Planned Growth Scenario are shown in Table 8 below.

**Table 8: Change in Employment Growth ('000s) relative to HEDNA Planned Growth Scenario**

'000s	Scenario A	Scenario B	Scenario C
Leicester UA	-0.2	-0.8	-1.3
Blaby	-0.2	-0.6	-1.0
Charnwood	0.0	-0.1	-0.2
Harborough	1.2	5.2	9.7
Hinckley and Bosworth	-0.2	-0.7	-1.1
Melton	0.0	-0.1	-0.2
North West Leicestershire	-0.3	-1.0	-1.6
Oadby and Wigston	0.0	0.0	0.0
HMA	0.2	1.8	4.3
East Midlands	0.3	2.4	5.6

2.32 In order to consider housing market impacts, it is however necessary to take account of 'double jobbing' recognising that some people may hold down more than one job. The HEDNA assumed

5.6% double jobbing in Harborough. Using this ratio, Table 9 calculates the expected number of additional people who would be required to support the additional job creation in Harborough District between 2015-31.

**Table 9: Growth in people working in Harborough District, 2015-31**

	<b>Scenario A</b>	<b>Scenario B</b>	<b>Scenario C</b>
<b>Additional Jobs in Harborough over HEDNA Planned Growth</b>	1150	5223	9689
<b>HEDNA Double Jobbing Assumption<sup>6</sup></b>	5.6%	5.6%	5.6%
<b>Additional Workplace-based People (Harborough District, 2015-31)</b>	<b>1086</b>	<b>4931</b>	<b>9146</b>

### 3 WHERE WILL THE WORKFORCE TRAVEL FROM?

- 3.1 The next stage of the analysis considers where the workforce will be drawn from, essentially considering where additional workers at Magna Park will live. This is invariably a complex issue and will be informed by the accessibility and transport links, the availability of new housing (for people moving to the area to access jobs) as well as broader demographic dynamics.
- 3.2 The HEDNA modelling, on a policy-off basis, considered that existing commuting patterns as shown by 2011 Census data would hold true. It took account of the relative performance economically of different areas.
- 3.3 Magna Park's location is an important consideration. It is close to both the M1 and A5, and close the district boundary. It is nearer to Rugby and Hinckley than it is to Market Harborough. These real world factors influence cross-boundary commuting to jobs at Magna Park.
- 3.4 GL Hearn has used 2011 Census data to consider existing commuting patterns to Magna Park.<sup>7</sup> We have cross-referenced this with commuting data drawn from a confidential occupier's survey undertaken by Magna Park Limited in 2013, however this is based on a sample, does not provide comprehensive data nor relate at a fine granularity to local authority boundaries (it uses postcodes). Nonetheless, the survey data confirms that the Census-based proportions are reasonable. We have considered the principal flows where 1% or more of Magna Park's workforce is drawn from.

<sup>6</sup> The HEDNA double-jobbing assumptions are more cautious than those in the OE model, but we regard them as more reliable. OE estimate double-jobbing based on relating jobs to workplace-based employment in 2011, derived from the Census.

<sup>7</sup> Based on commuting to the Middle Layer Super Output Area which includes Magna Park

3.5 Recognising however that commuting patterns might change in the future, we have undertaken sensitivity testing considering what the impact would be on housing need in different areas if the proportion of the additional workers at Magna Park who were living in Harborough District were to increase. We have therefore considered three commuting scenarios:

- Scenario 1: Census-based commuting assumptions (18.9%, as shown in Table 9 above);
- Scenario 2: Proportion living in Harborough increases to 25%; and
- Scenario 3: Proportion living in Harborough increases to 35%.

3.6 We have applied the base scenario (Scenario 1) and the higher sensitivity (Scenario 3) for the proportion of the workforce living in Harborough to all three scenarios for the scale of strategic B8 development at Magna Park (Scenarios A, B and C). Scenario 2 is applied solely to Scenario C to provide a more fine grained sensitivity analysis in respect of commuting in this scenario where a higher level of strategic B8 floorspace is envisaged.

3.7 In Scenarios 2 and 3 we have adjusted the proportions drawn from other districts on a pro rata basis. The assumptions on the proportions of the workforce drawn from different areas are shown in Table 10 below.

**Table 10: Commuting assumptions**

LA District	Scenario 1 (2011 Census)	Scenario 2 (25% Harborough)	Scenario 3 (35% Harborough)
Harborough	18.9%	25%	35%
Leicester	17.4%	16.0%	13.9%
Hinckley and Bosworth	12.3%	11.4%	9.8%
Blaby	9.8%	9.1%	7.9%
Oadby and Wigston	2.8%	2.6%	2.3%
Charnwood	2.3%	2.1%	1.8%
North West Leicestershire	1.2%	1.1%	1.0%
Melton	0.3%	0.3%	0.2%
Nuneaton and Bedworth	8.9%	8.3%	7.2%
Coventry	7.3%	6.8%	5.9%
Rugby	8.4%	7.8%	6.8%
North Warwickshire	1.5%	1.4%	1.2%
Daventry	1.8%	1.7%	1.5%
Elsewhere	7.0%	6.4%	5.6%
Outside of Harborough	81.1%	75%	65%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

3.8 Applying these figures to the growth in people<sup>9</sup> in work arising from Magna Park expansion, as shown in the bottom row of Table 8 above, Table 11 shows where the workforce is expected to be drawn from in each of the above scenarios.

**Table 11: Where the workforce will travel from**

LA District	Scenario A1	Scenario A3	Scenario B1	Scenario B3	Scenario C1	Scenario C2	Scenario C3
Harborough	205	380	931	1726	1727	2287	3201
Leicester	188	151	856	686	1587	1467	1272
Hinckley and Bosworth	133	107	605	485	1123	1038	900
Blaby	107	85	484	388	899	831	720
Oadby and Wigston	30	24	138	111	257	238	206
Charnwood	25	20	114	91	211	195	169
North West Leicestershire	13	11	60	48	111	102	89
Melton	3	3	14	12	27	25	21
Nuneaton and Bedworth	97	78	441	354	818	757	656
Coventry	79	64	361	289	669	619	536
Rugby	91	73	415	333	771	713	618
North Warwickshire	17	13	76	61	141	131	113
Daventry	20	16	91	73	168	155	135
Elsewhere	76	61	343	275	637	589	510
Outside of Harborough	881	706	4000	3205	7420	6860	5945
<b>Total</b>	<b>1086</b>	<b>1086</b>	<b>4931</b>	<b>4931</b>	<b>9146</b>	<b>9146</b>	<b>9146</b>

#### 4 IMPACTS ON HOUSING NEED IN LEICESTER & LEICESTERSHIRE HMA

4.1 The modelling of housing need (OAN) in the HEDNA calculated the demographic need based on a projection of 10 year migration trends. Headship rates from the 2014-based Household Projections were used in relating population to households, and an allowance made for vacant/second homes in converting households to dwellings. This was then adjusted upwards to improve affordability, taking account of evidence of market signals and affordable need with a percentage adjustment applied to the demographic need. This formed the basis of drawing conclusions in OAN at the HMA level and for most authorities (Melton and NW Leicestershire being the exception). In Melton and NW Leicestershire, the economic-led need was higher than the demographic need and thus formed the basis of drawing conclusions on OAN when considering these authorities specifically; the



HEDNA however noting that this additional workforce growth could be supported by agreeing an alternative distribution of housing provision across the HMA through the Duty to Cooperate.

**Table 12: Basis of OAN Conclusions in Leicestershire HEDNA**

dpa 2011-31	Demographic Need (10 Year Migration Trends)	Affordability Adjustment (%)	Affordability Adjustment	Economic-led Need	OAN
Leicester	1538	10%	154	1099	1692
Blaby	308	20%	62	334	370
Charnwood	982	5%	49	812	1031
Harborough	463	15%	69	456	532
Hinckley & Bosworth	428	10%	43	467	471
Melton	140	15%	21	186	186
NW Leicestershire	386	10%	39	481	481
Oadby & Wigston	123	20%	25	129	148
HMA	4368	11%	461	3963	4829*

- 4.2 As a core principle it is reasonable to expect that upward adjustments within an OAN calculation would imply either additional in-migration to an authority, and/ or additional household formation. Within the HEDNA the upward adjustments for affordability modelled provide the potential for both of these; however for the purposes of considering the workforce which the OAN will support, it is necessary to consider indicatively what the balance between these two is – as additional migration will support additional workers; whereas additional household formation (with a consistent population) will not.
- 4.3 To consider these issues, we have therefore included an adjustment to household formation amongst younger households within the Magna Park Scenario modelling, adjusting household formation for those aged 25-34 to return household formation rates to 2001 levels by 2031. To achieve this would require housing affordability to improve. This is indicative, for the purposes of considering what potential additional workforce could be supported by the affordability adjustments included in the HEDNA.
- 4.4 In considering the implications of growth in employment at / around Magna Park on housing need in Leicester and Leicestershire, GL Hearn has then considered two issues:
- ▢ The level of people who might live in an authority and travel to Magna Park to work; and
  - ▢ If and to what degree this is offset by reductions in employment opportunities available locally.
- 4.5 These calculations for individual Leicestershire authorities are shown in Table 14 below. We have adjusted migration in the HEDNA Planned Growth Scenario modelling to take account of these changes in workforce, in a consistent way to the HEDNA modelling.

4.6 Overall the modelling works by adjusting migration to support a given growth in workforce. Household formation rates are then applied to the resultant population projection, and an allowance made for vacant and second homes to provide outputs on overall housing need.

### Findings at HMA Level

4.7 At an HMA level, the modelling indicates that the following scale of (economic-led) housing need, expressed over the 2011-31 period. Within the scenario references, A, B and C relate to the scale of additional strategic B8 floorspace at Magna Park; whilst 1, 2 and 3 relate to the different commuting scenarios, as shown in Tables 9 and 10. Scenario 2 is applied to the higher level of strategic B8 floorspace development in Scenario C (700,000 sq.m) only. GL Hearn consider that the A1/A3 and B1/B3 scenarios provides an appropriate set of parameters for housing need for the 100,000 sq.m and 400,000 sq.m strategic B8 development scenarios at Magna Park.

4.8 Whilst the additional job creation over the HENDA conclusions raises the economic-led need for housing relative to that set out in the HEDNA Planned Growth Scenario, it does not overall have an upward impact on the OAN (the overall need for housing across the HMA). This is because the OAN at the HMA level was driven by the demographic projections and include upward adjustments from this to support affordability. **The HEDNA OAN at the HMA level of 4829 dpa 2011-31 is sufficient to accommodate the additional workforce growth arising at Magna Park in all scenarios.**

**Table 13: Housing Needs Scenarios at HMA Level, dpa 2011-31**

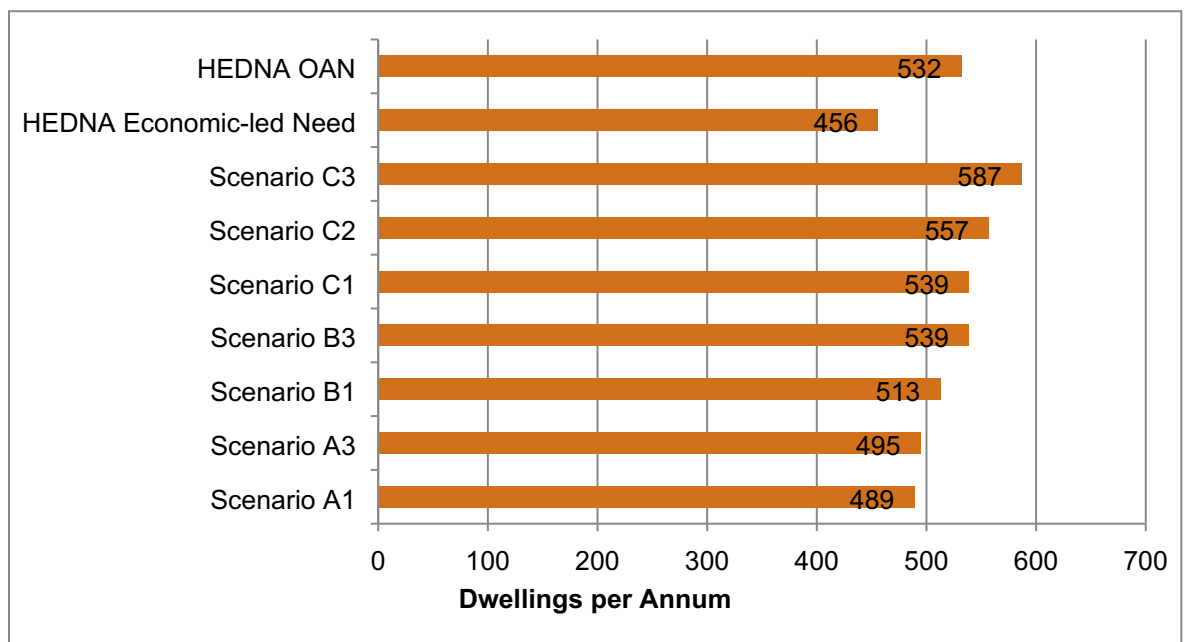
Dwellings pa, Leicestershire HMA	
Scenario A1	4193
Scenario A3	4196
Scenario B1	4195
Scenario B3	4206
Scenario C1	4222
Scenario C2	4230
Scenario C3	4243
<b>HEDNA Economic-led Need</b>	<b>3963</b>
<b>HEDNA OAN</b>	<b>4829</b>

### Harborough District

4.9 The growth of Magna Park will result in additional job creation in Harborough District over and above the HEDNA Planned Growth Scenario. To consider the impact of this, using the Planned Growth Scenario modelling in the HEDNA as a base, we have adjusted upwards the workforce growth by the numbers shown in Table 11.

4.10 The HEDNA identified an OAN of 532 dpa. Scenario A can be accommodated within this (as Figure 2 shows), as can Scenario B1 where existing commuting patterns are assumed. Scenarios B3 (400,000 sq.m floorspace with 35% commuting self-containment) and C1 (700,000 sq.m with existing commuting patterns) would require 539 dpa. For Scenario C, if commuting self-containment increased to 25% the need would be for 557 dpa (Scenario C2), with 587 dpa at 35% self-containment (Scenario C3).

**Figure 3: Housing Need Scenarios for Harborough District, dpa 2011-31**



### Other Leicestershire Authorities

4.11 For other Leicestershire authorities and Leicester City, against a context whereby in most authorities (and indeed across the HMA as a whole) it is the demographic need driving the OAN, we have sought to consider whether the increase in commuting to Harborough/ Magna Park (derived from Table 11) is offset by the reduction in workplace-based jobs in the authority concerned (derived from Table 8).<sup>8</sup> Where it is, there is no upside to the housing need shown in the HEDNA. The results of this analysis are shown in Table 14 below.

4.12 The analysis shows that relative to the HEDNA Planned Growth Scenario, there would be an upward impact on labour demand in:

- ▢ Oadby and Wigston in all scenarios;
- ▢ Leicester in Scenarios B and C; and
- ▢ Hinckley and Bosworth in Scenario C, taking the Census-based commuting proportions only.

<sup>8</sup> The precise calculation uses unrounded data.

- 4.13 However given that in all of these cases, the OAN is “demographic-led” (in that the ‘demographic-led need’ was higher than the ‘economic-led need’), the question which arises is whether the additional workforce growth needed has an upwards impact on the district-level OAN identified in the HEDNA.
- 4.14 It is only necessary to consider those scenarios in which there is a potential upward impact on the scale of economic-led need arising. We have therefore focused on these. Table 15 shows the level of need in Leicester and Oadby and Wigston.

**Table 14: Comparing Changes in Workplace-based Employment and where Magna Park’s additional workforce is expected to come from**

	Scenario A1	Scenario A3	Scenario B1	Scenario B3	Scenario C1	Scenario C2	Scenario C3
<b>Leicester</b>	-39	-77	42	-128	321	202	6
<b>Blaby</b>	-112	-134	-158	-254	-77	-145	-256
<b>Charnwood</b>	-18	-23	-35	-58	-15	-31	-57
<b>Hinckley and Bosworth</b>	-53	-80	-70	-191	58	-27	-165
<b>Melton</b>	-36	-37	-127	-129	-194	-196	-199
<b>North West Leicestershire</b>	-265	-268	-949	-961	-1477	-1485	-1499
<b>Oadby and Wigston</b>	27	21	127	100	242	222	191

- 4.15 In Leicester, the scale of housing need in all scenarios remains below that shown in the HEDNA.
- 4.16 However slightly higher need for housing is shown in Oadby and Wigston relative to the HEDNA findings (2011-31) in Scenario C (provision of 700,000 sq.m strategic B8 floorspace at Magna Park). The upward impact, arising from an assumption that a proportion of the additional jobs at Magna Park are taken by Oadby and Wigston residents, is modest suggesting a need for an additional 3 – 4 dwellings per annum in Oadby and Wigston. This reflects in part the modest workforce growth supported by the HEDNA OAN of 148 dpa in the Borough.
- 4.17 In reality however both of these authorities (Oadby and Wigston and Leicester) have a constrained land supply – and this may require alternative locations to be found to accommodate the additional workforce. This requires some thought, on the basis that land supply constraints in these areas could require the additional workforce growth assumed to be accommodated here, to be accommodated in other areas (in Leicester’s case influenced by what scale of under-provision there is against the OAN). It is however entirely reasonable that this would be captured within conversations between HMA authorities regarding growth to the Leicester PUA overall.

**Table 15: Economic-led Housing Need Scenarios for Other Leicestershire Authorities, dpa 2011-31**

	Leicester	Oadby & Wigston
<b>Scenario A1</b>	1,188	146
<b>Scenario A3</b>	1,187	145
<b>Scenario B1</b>	1,191	148
<b>Scenario B3</b>	1,185	148
<b>Scenario C1</b>	1,201	152
<b>Scenario C2</b>	1,197	151
<b>Scenario C3</b>	1,190	150
<b>HEDNA Economic-led Need</b>	1099	129
<b>OAN</b>	1692	148

4.18 In Hinckley and Bosworth, it is only in the Scenario C1 in which there is an upside to the OAN identified in the HEDNA. This scenario would require provision of 493 dpa.

4.19 In Blaby and Charnwood, the HEDNA OAN was derived based on demographic trends with uplifts to improve affordability. The conclusions of this report essentially do not impact on housing need in these authorities.

4.20 Melton and North West Leicestershire are at a greater distance from Magna Park, and the commuting analysis in Table 11 indicates that Magna Park would draw on workforce from these areas to a very modest degree. The modelling assumed some displacement impacts affecting these areas, particularly North West Leicestershire given its higher level of distribution jobs/ floorspace. However it needs to be borne in mind that the focus of this report has been to consider housing needs arising from growth at Magna Park. North West Leicestershire is expected to see further distribution floorspace development, including at East Midlands Gateway. In Melton there are a number of local economic drivers which have been considered separately in our *Towards a Housing Requirement for Melton Borough* reports. The modelling assumption of a reduction in jobs growth herein within these districts, whilst possible, should therefore be treated with a degree of caution and this report should not necessarily be relied on in drawing conclusions on employment growth in these areas. Its focus has been on Magna Park and Harborough District.

### Coventry and Warwickshire

4.21 Within the Coventry/Warwickshire HMA, the HMA authorities have prepared joint evidence on housing need as set out in the *Updated Assessment of Housing Need* report in 2015 which we produced. Table 16 below shows the OAN derived from this, and its distribution.

**Table 16: OAN for authorities in Coventry/ Warwickshire HMA**

dpa 2011-31	Demographic Need (2012-based SNPP)	Economic-led Need	Improving Affordability	OAN (dpa 2011-31)
<b>Coventry</b>	2099	1350	21	2120
<b>North Warwickshire</b>	163	210	27	237
<b>Nuneaton &amp; Bedworth</b>	423	496	6	502
<b>Rugby</b>	464	425	16	480
<b>Stratford-OA</b>	449	650	9	659
<b>Warwick</b>	600	600	0	600
<b>Coventry/Warwickshire HMA</b>	4197	3731	75	4272

4.22 The job growth assumptions used in deriving this OAN are shown in Table 17 below. These relate to the 2014-31 period. We have pro-rated these to estimate jobs growth for the timeframe used in the Leicestershire HEDNA and herein, namely 2015-31.

**Table 17: Jobs Growth Assumed in Coventry/ Warwickshire Authorities, 2014-31**

<b>Jobs Growth Assumed 2014-31 (Inputs to Econ-led Need)</b>	
<b>Coventry</b>	16700
<b>North Warwickshire</b>	3000
<b>Nuneaton &amp; Bedworth</b>	4800
<b>Rugby</b>	4800
<b>Stratford-OA</b>	9000
<b>Warwick</b>	9900
<b>Coventry/Warwickshire HMA</b>	48200

4.23 However the authorities in this HMA have agreed through the Duty to Cooperate an alternative distribution of housing provision, taking account of unmet need in Coventry. This is shown in Figure 18 below. This redistribution meets the housing needs across the HMA, but influences where workforce growth can be expected. The calculation of this re-distribution is shown below. To our knowledge this is agreed by all authorities besides Nuneaton & Bedworth BC which has been undertaking further work on land supply and its plan proposes provision of 13,374 dwellings (2011-31). This gives a total planned provision for 87,474.<sup>9</sup>

4.24 To consider labour supply growth, we have modelled a dwelling-led scenario first of all which takes into account the revised distribution agreed, as shown in Table 17 below; and then taken into account completions 2011-15. We have then modelled the residual housing requirement moving forwards and derived the expected growth in labour supply 2015-31 from this. Adjustments to economic-led migration are then made to this to examine whether additional workforce growth would be supported.

<sup>9</sup> Assuming the rate of development in Warwick is maintained from the end of its plan period in 2029 to 2031

**Table 18: Distribution of Housing Provision – Coventry & Warwickshire HMA**

<b>Dpa</b>	<b>Demographic Need 2011-31</b>	<b>Redistribution to Align with Economic Growth</b>	<b>Further redistribution from Coventry</b>	<b>Need from Birmingham HMA</b>	<b>Housing Requirement 2011-31</b>
<b>Coventry</b>	42400	-3800	-14000	0	24600
<b>North Warwickshire</b>	3800	320	540	620	5280
<b>Nuneaton &amp; Bedworth</b>	8580	1460	4020	0	14060
<b>Rugby</b>	9600	0	2800	0	12400
<b>Stratford-OA</b>	9160	2020	0	2000	13180
<b>Warwick</b>	12000	0	6640	0	18640
<b>Coventry/ Warwickshire HMA</b>	85540	0	0	2620	88160

- 4.25 As the Magna Park impacts are focused on the northern part of the HMA together with Coventry, our analysis has focused on these areas.
- 4.26 The results are shown in Table 19. The Magna Park scenarios all show a level of housing need in Coventry which is below its OAN, but above planned housing provision (taking account of land supply constraints). Similar to the situation with Leicester, the scale of jobs growth envisaged in Coventry will not feasibly be able to be accommodated (and therefore commuters would have to come from somewhere else). Besides Coventry, the Magna Park growth would have no upside to the scale of housing need which is planned for.
- 4.27 Critically however looking at Coventry and the northern Warwickshire authorities as a whole, the scale of labour force growth which could result from Magna Park expansion in all scenarios could be accommodated within planned housing provision. No additional housing is required.

**Table 19: Implications of Magna Park Expansion on Housing Need in Coventry and Northern Warwickshire, dpa 2011-31**

	Coventry	North Warwickshire	Nuneaton & Bedworth	Rugby	Total
<b>Scenario A1</b>	1372	237	506	444	2558
<b>Scenario A3</b>	1371	237	505	443	2556
<b>Scenario B1</b>	1383	239	519	455	2596
<b>Scenario B3</b>	1380	239	515	452	2587
<b>Scenario C1</b>	1395	242	533	468	2638
<b>Scenario C2</b>	1393	241	531	466	2631
<b>Scenario C3</b>	1390	241	527	463	2620
<b>Planned Provision</b>	1230	264	669	620	2783

## Daventry

- 4.28 Daventry's housing needs evidence base originates from the Joint Core Strategy Evidence Base, including the July 2012 Housing Technical Paper which defines an OAN across West Northants of 41,790 dwellings 2011-29, and a total housing requirement 2001-29 of 58,130 dwellings taking account of completions. Policy S3 in the Joint Core Strategy requires provision of 12,730 dwellings in Daventry 2011-29 (including 5,750 dwellings as part of the Northampton-related Development Area).
- 4.29 Jobs targets and evidence relates to West Northamptonshire as a whole, with a minimum requirement of 28,500 jobs (2008-29) derive from the Employment Technical Paper 2<sup>nd</sup> Update (Dec 2013). The evidence base does not point to potential latent labour market capacity within this sub-region.
- 4.30 On this basis, for modelling purposes we have assumed that additional commuting from Daventry to Magna Park would require modest additional housing provision in Daventry District. We have developed a demographic model to estimate the scale of impact. As Table 11 showed, on the basis of the commuting assumptions set out, 16-20 additional people might commute to jobs at Magna Park in Scenario A; 73 – 91 persons in Scenario B; and 138 – 168 persons in Scenario C. We have developed a demographic model for the Borough to estimate the housing need impacts of this.
- 4.31 Based on 2014-based Household Projections as a starting point and consistent assumptions to those considered above, we have derived a dwelling-led scenario for growth in Daventry aligned to the JCS requirement. The dwelling-led projection is based on delivery of 12,730 dwellings over the 2011-29 plan period, with this rate of development (707 dpa) expected to continue from 2029-31. We have then adjusted migration to support the additional workforce implied by additional commuters to Magna Park.



- 4.32 On this basis we can quantify the housing need which would potentially arise from growth associated with Magna Park. In Scenario A, this would equate to c. 1 dwelling pa; rising to 3 dpa in Scenario B and up to 6 dpa in Scenario C, considered over the 2011-31 period.
- 4.33 It is notable that Daventry’s Housing Implementation Strategy (Dec 2016) identifies estimated completions that exceed the housing requirement by around 100 dwellings.

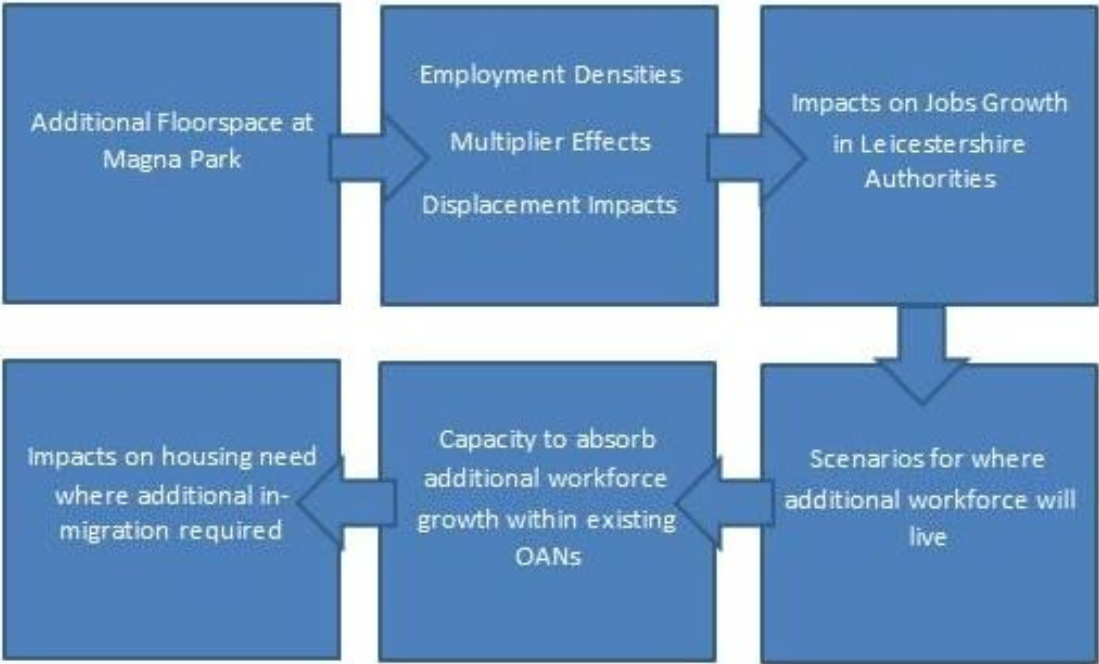
**5 SUMMARY AND CONCLUSIONS**

5.1 This report has considered the implications for housing need of three scenarios for the development of strategic B8 floorspace around Magna Park. These are as follows:

- Scenario A: Low Growth, 100,000 sq.m additional strategic B8 floorspace
- Scenario B: Medium Growth: 400,000 sq.m
- Scenario C: High Growth: 700,000 sq.m

5.2 The chart below provides an overview of the work undertaken within the Study. This has built on existing evidence bases regarding housing need in the Leicester & Leicestershire and Coventry & Warwickshire HMAs.

**Figure 4: Overview of Approach**



5.3 The economic impact of the three scenarios on total employment is shown below. Figures for additional jobs are relative to the HEDNA Planned Growth Scenario.

**Table 20: Additional Jobs relative to HEDNA Planned Growth Scenario**

2015-31	Direct Jobs Supported	Additional Net Jobs in Harborough	Additional Net Jobs across Leicester & Leicestershire
<b>Scenario A</b>	1300	1200	200
<b>Scenario B</b>	5300	5200	800
<b>Scenario C</b>	9200	9700	4300

- 5.4 The Study has next sought to consider where the additional workforce might come from. This is invariably a complex issue, influenced by accessibility, transport links, demographics and housing provision. The Study starting point has been to consider existing commuting patterns to Magna Park. The Census data shows 65% of Magna Park's workforce being drawn from within the Leicestershire HMA; 26% from Coventry and the northern part of Warwickshire; 2% from Daventry; and 7% from other areas. Two further sensitivities have then been run, showing the proportion of the workforce living in Harborough District rising from the baseline of 19%, based on the 2011 Census, to 25% and 35%; with commensurate reductions in other areas.
- 5.5 For the Leicester and Leicestershire HMA as a whole, the HEDNA showed a demographic-led need which was higher than that based on the Planned Growth Scenario. It was the demographic-based need, with uplifts to improve affordability, which drove conclusions on the Objectively-Assessed Need for housing. The implications of this are that there is potential additional jobs growth through latent capacity within the labour force, without additional economic-led migration to the HMA. The analysis undertaken in this Study supports this, and shows that the HEDNA OAN of 4829 dpa (2011-31) across Leicester and Leicestershire is sufficient to accommodate the additional workforce growth arising from Magna Park in all scenarios. No additional housing across the HMA as a whole is required to accommodate the growth of Magna Park.
- 5.6 Within the Leicester & Leicestershire HMA, the issue which therefore arises is how the scenarios for strategic distribution development around Magna Park could influence the distribution of housing need/ provision. The Study has sought to consider where the additional potential Magna Park workers might live for each of the three growth scenarios for strategic distribution floorspace; and to compare this with the reduced jobs available locally (relative to the HEDNA Planned Growth Scenario) arising from displacement impacts.
- 5.7 For Harborough District, the HEDNA defined an OAN of 532 dpa (2011-31). The sensitivity testing undertaken in this report suggests that this would support sufficient workforce growth over the plan period to 2031 to support Scenario A (100,000 sq.m strategic B8 growth) and Scenario B1 (400,000 sq.m strategic B8 based on existing commuting patterns). For Scenarios B3 and C1, it identifies that 539 dpa would be required. In Scenario C (700,000 sq.m floorspace), with 25% or 35% of the workforce be drawn from within the Borough, the housing need rises to 557 dpa (Scenario C2, 25%

commuting containment) and 587 dpa (Scenario C3, 35% commuting containment), through a redistribution of growth within Leicestershire.

- 5.8 On the basis of the commuting patterns set out, the modelling indicates that in Scenario C (provision of 700,000 sq.m floorspace) that the scale of housing need in Oadby and Wigston could increase from the OAN in the HEDNA of 148 dpa to between 150-152 dpa (an increase of up to 4 dpa, 3%). The need shown is 150 dpa in Scenario C3; 151 dpa in Scenario C2; and 152 dpa in Scenario C1 (2011-31).
- 5.9 For Hinckley and Bosworth, the modelling indicates that the in Scenario C1 (700,000 sq.m floorspace with existing commuting patterns), the housing need could increase from the 471 dpa shown in the HEDNA to 473 dpa (an increase of 2 dpa, less than 1%). The analysis shows an upside to the Hinckley and Bosworth HEDNA OAN of 471 dpa for Scenario C1 only, and again this is of a modest scale of 2 dpa.
- 5.10 In other scenarios modelled, and other Leicestershire authorities, the impact on the economic-led need is downwards. In Melton and North West Leicestershire the modelling suggests all things being equal that displacement impacts could “in theory” result in a downward impact to the HEDNA OAN, which for these two areas is ‘economic-led’ – in effect arising as Harborough captures a greater share of demand for strategic distribution floorspace. However consideration of local evidence regarding economic growth potential, such as the Melton Towards a Housing Requirement Report, may support alternative conclusions based on more local in-depth analysis. Both of these authorities are however at an advanced stage of the preparation of local plans and in GL Hearn’s opinion the analysis herein suggests that there is therefore some flexibility within the proposed housing provision in emerging plans to accommodate economic growth. In our view there are no substantive implications of this report for planning in these areas and insufficient evidence to justify lower housing provision than is being planned for in these authorities.
- 5.11 In other Leicestershire authorities and Leicester City, the HEDNA OAN was derived from demographic trends (with adjustments to improve affordability), and the analysis herein has no impact on the housing need in these areas.
- 5.12 GL Hearn is aware that there are potential land supply constraints in Leicester and Oadby and Wigston which could impact on the potential of these authorities to meet the OAN identified in the HEDNA in full. A shortfall in housing provision in these areas would however be redistributed to other authorities within the HMA through the Duty to Cooperate ensuring no unmet need. This redistribution would affect workforce growth in different areas, and therefore any upward adjustment to housing provision in Harborough would both support workforce growth therein and contribute to meeting unmet need from other areas.

- 5.13 Within Coventry and Warwickshire, the analysis undertaken has considered both the latest OAN evidence, as prepared by GL Hearn in 2015; together with redistribution of housing provision agreed through the MOU. The analysis suggests that available labour supply could limit the level of workforce drawn from Coventry (to the tune of between 142 dpa in Scenario A1 to 165 dpa in Scenario A3, see Table 19) however based on the redistribution agreed, this capacity would be available from other northern Warwickshire authorities in which the analysis suggested potential surplus labour supply which outweighs the shortfall in Coventry. Considering Coventry, North Warwickshire, Nuneaton and Bedworth and Rugby collectively, the highest scenarios for economic-led need was for 2,638 dpa which fell notably below planned provision of 2,783 dpa (2011-31). We conclude therefore that growth of Magna Park would not lead to further economic-led migration to Coventry/Warwickshire HMA authorities over and above that currently being planned for.
- 5.14 Finally in respect of Daventry, the evidence considered herein suggests that employment growth could in theory result in additional economic-driven migration. Our analysis shows an upward impact of up to 6 dwellings per annum. However it is notable that the Council's current housing trajectory shows an over-provision against the current housing requirement of around 100 dwellings to 2029.
- 5.15 Table 21 below summarises the results in terms of upward impacts on housing need relative to conclusions on OAN.

**Table 21: Scenarios in which Magna Park growth could result in additional housing need, 2011-31**

	Scenario	Impact dpa	Impact - Total Dwellings 2011-31
<b>Daventry</b>	Scenario A1/ A3	1	20
	Scenario B1/ B3	3	60
	Scenario C1/C2	6	120
	Scenario C2/ C3	5	100
<b>Oadby and Wigston</b>	Scenario C1	4	80
	Scenario C2	3	60
	Scenario C3	2	40
<b>Harborough</b>	Scenario B3 and C1	7	140
	Scenario C2	25	500
	Scenario C3	55	1100
<b>Hinckley &amp; Bosworth</b>	Scenario C1	2	40

- 5.16 The combined 'upside' to current assessed need figures is principally in Scenario C. Across the four authorities shown above, the combined additional housing provision needed amounts to 380 dwellings (2011-31) in Scenario C on the basis of existing commuting patterns; rising to 680

dwellings and 1240 dwellings respectively in Scenarios C2 and C3 as a result of the assumed proportion of the workforce expected to be resident in Harborough District.

- 5.17 Given the complexity of influences on housing need and sensitivity of the modelling outputs to various factors, GL Hearn considers that impacts which are less than 120 dwellings over the plan period to 2031 are well within the error margins of any modelling work on housing need, and are of a sufficiently small scale to be considered inconsequential. This thus applies to the results for Oadby, and Wigston, Hinckley and Bosworth and Daventry. This is particularly the case given the available labour supply which has been identified in the latest evidence base across both Coventry and northern Warwickshire and Leicester & Leicestershire; and the close inter-relationships between Daventry and these areas.
- 5.18 For Harborough, Scenario A and Scenario B1 has no consequential impacts on the housing provision which should be planned for. For Scenario B3 or C1, the housing requirement would be 10,780 dwellings (2011-31). For Scenario C2 this would rise to 11,140 dwellings. For Scenario C3 it would rise to 11,740 dwellings. It may be sensible for the Council to include some modest flexibility over and above this.
- 5.19 Impacts of the analysis herein are not immediate. New development at Magna Park needs to be consented, constructed and occupied; and as we have set out in Scenario B and C development is likely to be phased over the period to 2026/2027.
- 5.20 The housing requirement in the Harborough Local Plan should include any additional housing needed to support growth at Magna Park in aligning the housing and economic strategy therein (per NPPF Para 158). This is the figure against which the five year land supply would be measured.