MAGNA PARK Extension

HYBRID PLANNING APPLICATION:

15/01531/OUT

Update to Environmental Statement Chapter 5 – Socio-economic Effects

Volume 2: Update to ES Chapter 5

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Magna Park Extension: Hybrid Application

ES Chapter 5 Socio-Economics

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5.1 Introduction

5.1.1 This chapter considers the likely significant effects of employment generated by the proposed development, described within submitted ES Chapter 2 (October 2015 and addenda) at Magna Park, Lutterworth (MPL) in the jurisdiction of Harborough District Council (HDC). It should be read alongside the submitted (October 2015) Economic Case for Magna Park.

5.1.2 This chapter is an update of the submitted (October 2015) ES Chapter 5. The update takes into account: i) the further information generated by the detailed work on the outline business plans, governance arrangements and delivery of the application's non-B8 uses; ii) the further information set out in the 2016 update of the 2014 Leicester and Leicestershire Strategic Distribution Sector Study; and iii) the potential for cumulative socio-economic effects following HDC's resolution to grant planning permission (subject to completion of S106 Agreement) at Land south of Lutterworth Road, Lutterworth for B1 Employment use and 70 Allotments (HDC Ref: 16/01288/OUT).

5.1.3 Also, since the submission of the ES, planning permission has been granted for the DHL scheme (15/00919/FUL) – the 100,844 sq m warehouse building on Parcel G within the Hybrid planning application together with its associated landscape, public realm and infrastructure works. This update of the ES Chapter 5 deals with the Hybrid application as a whole, including the DHL planning permission, as it is that application that HDC is obliged to determine. We make references, however, to the socio-economic effects of the 'rest of the Hybrid, excluding DHL, as appropriate. As the ES submitted for that application shows, the DHL scheme will create an estimated 1,230 FTE logistics and warehousing jobs – accounting for 23% of the 5,342 logistics warehousing jobs that would be created by the Hybrid scheme as a whole.

5.1.4 The chapter sets out:

- the relevant socio-economic policies and strategies;
- the methodology adopted for the assessment;
- a summary of the baseline for the assessment, including the demand context for warehousing and logistics;
- the impact of the development on employment:
  - during the construction phase;
  - during operation;
- the skills and related cluster and other economic benefits of the Logistics Institute of Technology
- the cumulative impact of the project when considered alongside nearby projects; and
- finally, the residual impacts and their significance are summarised.

5.1.5 This assessment does not deal with the social benefits associated with the substantial contribution of the application proposals to the publicly accessible open space. Those are dealt with in Chapter 9 of the ES, and more informally in the July 2017 Implementation Plan for the non-B8 uses and in the October 2015 Design and Access and Planning Statements.

5.2 Policy and Guidance

5.2.1 Planning policies that relate to the proposed development are contained in Chapter 3 of the ES (Planning and Policy Context).

5.2.2 MPL lies within the logistics sector's "Golden Triangle", the area broadly described by the M1/M6/ M69 motorways (and from which the vast share of the UK market can be served via a round trip by an HGV driver working to EU drive time regulations). The Golden Triangle is covered by four Local Enterprise Partnerships (LEPs) – The Leicester and Leicestershire LEP (LLEP), South East Midlands LEP (SEMLEP), Northamptonshire Enterprise Partnership (NEP) and the Coventry and Warwickshire LEP (CWLEP).

5.2.3 All four LEPs place logistics at the core of the growth strategies set out in their Strategic Economic Plans (SEPs).

5.2.4 The planning, housing and economic development policies that relate specifically to socio-economics are outlined below.

NPPF

5.2.5 National planning policy in England is contained within the National Planning Policy Framework (NPPF) which was published in March 2012. The specific policies of the NPPF that relate to socio-economic issues are set out below.

5.2.6 **Paragraph 6** confirms that '*the purpose of the planning system is to contribute to the achievement of sustainable development'*. **Paragraph 7** defines sustainable development as three-dimensional, requiring the planning system to perform a number of roles in order to balance the economic, social and environmental development goals for growth. These include contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation, and supporting strong, vibrant and healthy communities.

5.2.7 **Paragraph 8** confirms that to achieve sustainable development, economic, social and environmental gains should be sought jointly and simultaneously through the planning system. Sustainable development involves seeking improvements in quality of life, including making it easier for jobs to be created and improving the conditions in which people live, work, travel and take leisure (**Paragraph 9)**.

5.2.8 **Paragraph 17** sets out the core principle that planning should proactively drive and support sustainable economic development and respond positively to wider opportunities for growth. **Paragraph 19** states that "planning should operate to encourage and not act as an impediment to sustainable growth. Therefore significant weight should be placed on the need to support economic growth through the planning system".

5.2.9 **Paragraph 20** of the NPPF states that in order to help achieve economic growth, local planning authorities should plan proactively to meet the development needs of business and support an economy fit for the 21st century. **Paragraph 21** sets out that in drawing up Local Plans local planning authorities should, amongst other things, support existing business sectors, taking account of whether they are expanding or contracting.

5.2.10 **Paragraph 35** states that plans should protect and exploit opportunities for the use of sustainable transport modes for the movement of goods or people and, therefore, that developments should be located and designed where practical to accommodate the efficient delivery of goods and supplies.

5.2.11 Local planning authorities should set out strategic priorities for the area, as outlined in **Paragraph 156** of the NPPF, whereby strategic policies need to include the delivery of jobs,

infrastructure and provision of relevant development. **Paragraph 160** requires local planning authorities to have a clear understanding of business needs within the economic markets operating in and across their area and maintain a robust evidence base accordingly.

National Planning Practice Guidance (NPPG)

5.2.12 In March 2014, the Government announced the launch of the National Planning Practice Guidance (NPPG) website. The NPPG is intended to be read alongside the NPPF and we set out below the guidance that is most relevant to the consideration of socio-economic issues.

5.2.13 Part ID2a of the NPPG provides more detailed guidance on assessing economic development needs. It advises (at ID 2a-032-20140306) that such assessments should take account of the recent pattern of employment land supply, market intelligence and signals, and the locational and premises requirements of particular types of business. In forecasting future trends the PPG states that emerging sectors that are well suited to the area being covered by the analysis should be encouraged where possible (ID 2a-032-20140306).

National Network Policy Statement, December 2015 (NPS)

5.2.14 The NPS sets out Government's policies on the delivery and development of nationally significant infrastructure projects (NSIPs). While the application proposals are not promoted under that legislation, the NPS policy provisions nonetheless are a material consideration under the 1990 Act.

5.2.15 The NPS makes clear that national policy strongly supports the development of further land for road based freight in order to support market demand. The following illustrate:

"2.1 The national road and rail networks that connect our cities, regions and international gateways play a significant part in supporting economic growth, as well as existing economic activity and productivity and in facilitating passenger, business and leisure journeys across the country. Well-connected and high-performing networks with sufficient capacity are vital to meet the country's long-term needs and support a prosperous economy."

Table 2.1 (re modal shift as an option for helping meeting the need for strategic highway capacity) "If freight carried by rail was to increase by 50% (in terms of tonne kilometres) this would only be equivalent to a reduction of around 7% in goods carried by road."

"2.45 The logistics industry provides warehousing and distribution networks for UK manufacturers, importers and retailers - currently this is predominantly a road based industry."

"4.13 … the road and rail networks provide access for people, business and goods between places and so the location of development will usually be determined by economic activity and population and the location of existing transport networks."

HDC Core Strategy (2011)

5.2.16 **Policy CS7** 'Enabling Employment and Business Development' states that economic and employment development will be enabled in support of the sub-regional economic growth of Leicester and Leicestershire. Part h) of the policy seeks to protect the "'unique role" of the existing Magna Park development as a strategic distribution centre of national significance and an exemplar of environmental performance. Part h) also states that no further phase of development or large scale expansion of the site, beyond the existing development footprint, will be supported.

HDC Local Plan (2001) - Saved Policies

5.2.17 The saved policies of the Local Plan include several policies that seek to control development at the site of the existing Magna Park. We note that Policy EM/13 seeks to safeguard Magna Park's role as a large-scale distribution centre by resisting planning applications for new units of less than 9,300 sq. m or the creation of new floorspace for Class B1 or B2 use.

HDC "Open for Business" Action Plan (2014)

5.2.18 In January 2014, HDC agreed to approve its "Open for Business" Action Plan which sets out the Council's proposed strategy for the promotion of economic prosperity. The strategy seeks to set out a clear vision to meet the district's economic needs, and will help to inform the council's District Growth Plan which will feed into a wider economic plan submitted to the Government by the LLEP.

5.2.19 One of the Action Plan's priorities is to encourage a vibrant and sustainable business community with a focus on prosperity and employment opportunities. A key component of this is to leverage the business benefits of the activities at MPL across Harborough District, as part of a "Centre of Excellence" approach. This entails key business representatives regularly engaging with HDC and the Leicester and Leicestershire LEP (LLEP) to share knowledge and expertise. The strategy for leveraging the opportunities provided by MPL (Intervention Strategy 6) includes the following actions:

- Develop a better understanding of employment, travel to work and traffic issues relating to MPL.
- Research the role of MPL within the context of Leicestershire's strategic distribution sector.
- Encourage and enable engagement by IDI Gazeley (MPL operators) with the local community through parish councils and community events.
- Ensure any appropriate expansion proposals are processed effectively but also creatively to reach a solution determined locally with clear local benefits and returns.
- Support MPL businesses to reduce costs and deliver sustainable growth at the Park.
- Manage relationships with the MPL business "community" in its widest sense to ensure they become a more integral part of HDC economy.
- Explore linkages to increase supply chain opportunities for local firms.
- The development of a Centre of Excellence for training in logistics and distribution to help ensure local residents can obtain higher value employment opportunities in the sector.

Housing and Economic Development Needs Assessment (HEDNA)

5.2.20 The Leicester and Leicestershire Housing and Economic Development Needs Assessment (HEDNA) was published in January 2017. It aims to provide 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.

5.2.21 The report notes that, *"Harborough has experienced the second largest absolute employment growth within Leicestershire, but by far the highest relative growth over the period 1991 to 2015."*[1]

5.2.22 Employment growth for Harborough is projected to increase by 10,500 over the period 2011-36[2]. That represents an increase of 21.3% over the period. In the 'Planned Growth' scenario employment is projected to increase by just an additional 300 jobs, to 10,800 over the period 2011-36.

5.2.23 For the Leicester and Leicestershire functional economic market area as a whole the assessed economic-led housing need under the planned growth scenario is lower than the housing need under the demographic projections. As the report notes, *"This level of need is some way below the demographic need. There is therefore no need to uplift the overall housing need at a HMA level on this basis."* The demographically assessed housing demand is also higher than what is required to meet economic-led housing demand for Harborough.

LEP Strategic Economic Plans (SEPs)

LLEP SEP (2014-2020)

5.2.24 The Leicester and Leicestershire Local Enterprise Partnership (LLEP) SEP sets out the area's economic strategy and priorities. It aims to create 45,000 new jobs, lever £2.5 billion of private investment and increase Gross Value Added by £4 billion by investing in infrastructure, business support and employment and skills initiatives.

5.2.25 The LLEP SEP focuses on prioritising investment in the area's economic assets – which include MPL (as the "largest distribution park in Europe") – in order to "increase their national and global competitive advantages." In the context of the proposed development, the SEP and skills need assessment noted the following:

- the logistics sector is more important to the local area's economic performance relative to the national picture. Logistics accounts for 12% of employment across the LLEP area compared to the national average of 9%;
- "robust evidence" demonstrates demand for 130 ha of warehousing land to support the logistics sector; and
- almost a quarter of employers report shortages of skills in key sectors which could constrain the economic growth in the area.

5.2.26 Logistics and Distribution is one of eight priority sectors identified by the LLEP which in May 2015 published its Logistics & Distribution Sector Growth Action Plan.

Logistics & Distribution Sector Growth Action Plan (2015)

5.2.27 This notes how "Leicestershire is a desirable location for Logistics Operators" and that "The LLEP area forms the eastern side of the logistics 'Golden Triangle' – formed by the M1, M42 and M6 motorways – from where 95% of the UK population can be accessed within 4 hours truck drive. This gives the LLEP area a unique logistical advantage over other LEP areas providing access to 22 million consumers within a 3-hour journey and supports Leicestershire being a considerable net contributor to the Logistics and Distribution sector."

[1] Para 3.24

[2] Table 17 of HEDNA shows growth for Harborough of 9,200 over the period 2011-36 and Table 18 shows growth of 10,500 for the period 2011-31 but we believe these figures have been presented the wrong way around and are presented correctly in Tables 19 and 20.

5.2.28 It sets out the importance of logistics to the economy and jobs of the area and outlines trends, prospects and drivers of change that will affect the sector locally.

5.2.29 It concludes with a 'Logistics and Distribution Sector Growth Action Plan' containing 25 detailed Actions.

CWLEP SEP (2015-2020)

5.2.30 The Coventry and Warwickshire Local Enterprise Partnership (CWLEP) SEP sets out the local ambitions for economic growth; proposals for realising these ambitions; the "offers and asks" of the Growth Deal with Government; and the initial calculation of Local Growth Fund investment that required to 2020/21.

5.2.31 The SEP has four key objectives: to drive economic growth; to help remove barriers to economic growth; to help create high value jobs; and to co-ordinate local government co-operation and support.

5.2.32 To achieve the key objectives CWLEP's focus is on inward investment and growing existing businesses. The CWLEP will concentrate on five "core enablers":

- Strategic infrastructure – transport networks, having suitable sites for business and simplifying planning.
- Further education, higher education and skills – creating a workforce with the right skills for business.
- Inward investment – providing compelling reasons and making it easy for companies to move into the region.
- Funding, including access to finance – securing and distributing a fair share of available funding for Coventry and Warwickshire.
- Low carbon challenge – addressing opportunities to put a high efficiency, low impact 'wrapper' around all other activities.

5.2.33 Enhancing productivity and economic performance in the logistics sector is also identified as a priority in the CWLEP area. The SEP recognises the sector as an opportunity for future growth given the area's connectivity, its labour supply and the location of employment sites.

SEMLEP SEP (2015 – 2020)

5.2.34 South East Midlands Local Enterprise Partnership (SEMLEP) aims to accommodate an increased population of 151,400 and provide 111,200 new jobs by 2020.

5.2.35 SEMLEP has eight strategic objectives to address structural weaknesses in the South East Midlands as outlined in Table 5.1. The proposed logistics development would contribute to each of these objectives which are designed to improve business productivity, market penetration, workforce skills and infrastructure investment.

Table 5.1 SEMLEP Strategic Objectives

Theme	Objective
Business Productivity	1: Stimulating enterprise and enhancing the competitiveness of SMEs.
	2: Strengthen and exploiting innovation and knowledge assets
Markets	3: Supporting new and existing businesses to export their goods and services
	4: Attracting domestic and international investment
Skills	5: Developing a skilled and adaptable workforce
	6: Addressing barriers to the labour market for disadvantaged groups
Infrastructure	7: Delivering infrastructure to accelerate sustainable growth in jobs and investment in town centres
	8: Securing long term and ongoing funding to deliver the infrastructure plan

Source: SEMLEP

5.2.36 The logistics sector is identified as one of four key sectors with the capability, the major assets (excellent transport connectivity), and the greatest potential to grow rapidly.

5.2.37 The SEMLEP SEP sets out the need to encourage greater collaboration between universities in the area and local businesses to address the skills gaps within the existing workforce and improve business performance and jobs growth in the logistics sector. Meeting the future demands for the sector also rests on the provision of public and private training and greater linkages with local employers.

5.2.38 In August 2016 SEMLEP merged with the Northamptonshire Local Enterprise Partnership,

Midlands Engine for Growth

5.2.39 The Midlands Engine for Growth prospectus was launched in 2016. The prospectus aims to set out how 300,000 jobs and £34billion worth of growth could be achieved in the next 15 years.

5.2.40 The Prospectus focuses on five key themes:

- Promotion
- Midlands Connect /Transport
- Research and innovation
- Finance for Business
- Skills

5.2.41 The prospectus specifically focusses on projects that will help to improve the productivity of the Midlands region.

5.3 Assessment Method

5.3.1 The assessment follows UK Government guidelines and best practice. The methodology used to estimate impacts follows guidance set out in the HM Treasury's Green Book[3] and English Partnerships' Additionality Guide as well as taking account of the Department for Business Innovation and Skills research on additionality.[4]

5.3.2 The summary socio-economic impacts set out in this chapter are supported by a previous, more substantive, report setting out the Economic Case for Magna Park.

Spatial scope of the assessment

5.3.3 The socio-economic study area adopted for the assessment reflects the geography of the impacts:

- Harborough District Council (HDC), the local authority area within which the development site falls. The majority of economic impacts (i.e. construction employment impacts and the spending of the additional residents) and some of the social impacts;
- the county of Leicestershire which is the principal area within which HDC expects to fulfil its "duty to cooperate" for its plan-making purposes and is the area covered by the Leicester and Leicestershire Local Enterprise Partnership (LLEP); and
- it also refers to the area known as the Golden Triangle, which is covered by two further Local Enterprise Partnerships (LEPs) - South East Midlands LEP (SEMLEP) and the Coventry and Warwickshire LEP (CWLEP).

Baseline Data Collection

5.3.4 Baseline conditions have been established from a variety of information sources, including historical data, published statistics and studies that identify and interpret a wide range of socio-economic indicators. The socio-economic indicators have been grouped into a number of subject areas that address a broad range of outcomes. Taken together, these subject areas provide a robust indication of the needs of the area.

5.3.5 It was informed by a confidential survey of MPL occupiers for Gazeley in August 2013, which was undertaken by PBA. This included information on the postcode districts of a sample of 1,847 out of c. 9,300 employees at MPL

5.3.6 The socio-economic baseline has been prepared using a desk-top approach. Data has been obtained from a variety of sources including: the 2011 Census; the National Online Manpower Information Service (NOMIS); the Office for National Statistics (ONS); the Department for Communities and Local Government (DCLG); the Business Register and Employer Survey (BRES); and the Land Registry.

5.3.7 The analysis that follows is limited by the availability of up to date information at the time of writing. Certain aspects of the analysis may be subject to change at the time of construction and operation of the scheme, e.g., arising due to the availability of more recently published statistical data sources. It is unlikely, however, that such information would be so material as to require changes in the judgments on significance reached here.

[3] https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-governent

[4] https://www.homesandcommunities.co.uk/news/hca-publish-public-sector-economic-appraisal-guide

Assessment

5.3.8 A detailed assessment of likely significant effects on the local and national economy during construction and operation has been undertaken, covering:

- direct economic impacts: jobs and Gross Value Added (GVA) that are wholly or largely related to the proposed development[5];
- indirect economic impacts (positive and negative): jobs and GVA generated in the study area in the chain of suppliers of goods and services to the direct activities;
- wider economic, social and community (catalytic) impacts (positive and negative): employment and income generated in the economy, and impacts on social and community infrastructures relating to the wider role of the proposed project.

5.3.9 Local economic impacts are considered at two geographical levels. A local area which for the purpose of this assessment is considered to equate to the administrative area of Harborough District Council and a wider labour market area covering the County of Leicestershire.

Data and Assumptions

5.3.10 Best practice principles outlined in HM Treasury Green Book Appraisal Guidance have been applied to assess the employment impact of the proposed development.[6] A standard economic impact model, consistent with appraisal Guidance, has been used to measure net additional employment and Gross Value Added (GVA).[7]

5.3.11 A number of parameters are used to describe the effect of the project and the base case (also known as deadweight) so they can be compared on a like for like basis. In the English Partnerships Additionality Guide, those relevant to the project are defined as:

- leakage - the proportion of employment opportunities accessed by people living outside the study area;
- displacement – the proportion of proposed development benefit accounted for by a reduction in benefit elsewhere;
- substitution - when a firm substitutes one activity for another to take advantage of public sector assistances; and
- multipliers – to estimate further economic activity associated with additional income and supplier purchases.

5.3.12 Tables 5.2 and 5.3 show the data and assumptions used to estimate additional employment for construction and operational phases of the proposed development.

[5] GVA is a measure in economics of the value of goods and services produced in an area

[6] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220541/green_book_complete.pdf

[7] The economic impact model allows the guidance to be applied to the quantitative elements of the employment impact assessment

Table 5.2 Data and Assumptions to Estimate Additional Construction Employment

	Study Area Value	Comments
Leakage	82% for HDC 42% for Leicestershire	The study area has an above average proportion of construction workers however the flexible transient nature of the construction workforce means a high proportion of these jobs are likely to be taken up by people who live outside the study area. We assume as a base case that the employment profile by area of residence will follow that of existing employment at Magna Park. Leakage may be reduced through mitigation measures such as targeted recruitment and training.
Displacement	25%	Displacement is assumed to be low as the proposed development is unlikely to take employment from other developments in the study area or prevent other developments progressing.
Multiplier	1.3	Construction Multipliers from Additionality Guide Fourth Edition (2014)[8]. As it relates to a local district area it is set mid-way between a neighbourhood and a regional multiplier.

Table 5.3 Data and Assumptions to Estimate Additional Operational Employment

Type	Study Area Value	Comments
Leakage	82% for HDC 42% for Leicestershire	We assume as a base case that the employment profile by area of residence will follow that of existing employment at Magna Park. Leakage may be reduced through mitigation measures such as targeted recruitment and training.
Displacement	25%	Displacement is assumed to be “low” in the study area. This is the ready-reckoner for low displacement based on English Partnership guidance.
Multiplier	1.3	Composite multiplier effect for all types of intervention (office, retail, recreation, warehousing) in the study area.

[8] Additionality Guide Fourth Edition 2014 – Homes and Communities Agency

Mitigation and Enhancement Measures

5.3.13 Mitigation and enhancement measures have been identified as appropriate to any mitigate potentially significant effects and enhance potential beneficial effects.

Residual Effects

5.3.14 Residual effects (i.e. effects following any proposed mitigation) on the local and wider socio-economic context have been considered.

Cumulative Effects

5.3.15 An assessment of likely cumulative effects is provided stating the likely cumulative impacts of the proposed project with the other major local developments identified in Chapter 4.

Significance of Impact

5.3.16 The assessment uses the generic Significance Criteria identified in methodology Chapter 4 of the submitted ES. Socio-economic impacts can be both adverse and positive. The significance of each effect has been determined based on the criteria, as shown in Table 5.4 below. The magnitude of effect and receptor significance was determined using relevant guidance and professional judgement.

Table 5.4 Significance Criteria – Socio-economic Impacts

Significance Level	Criteria
Severe	Given the nature of the proposed development severe socio-economic effects are not anticipated.
Major	The development is of regional significance. E.g. for major beneficial effects: a substantial number of jobs (over 1% of total jobs in the district) created or lost as a result of the proposed development; the economic profile is significantly altered via the attraction or loss of growth sectors to achieve long-term and lasting economic prosperity; and the local skills base is radically diversified and substantial new social and community facilities are introduced or required.
Moderate	The development is of local significance e.g. for moderate beneficial effects, some jobs are created or lost as a result of the development; some growth sectors are attracted or lost in the area to part diversify the economic base; some new skills are introduced or lost to the area; and some new social and community facilities are introduced or required.
Minor	The development is of limited geographical significance e.g. for minor beneficial effects: a minor number of jobs are created or lost as a result of the development; new investment is attracted or lost but this is not in key growth sectors and as such has little influence on long-term and lasting economic prosperity; and very limited new social and community facilities are introduced or required.
Not Significant	The development is insignificant in economic terms. No new jobs are created/lost; no new investment or business growth occurs; and no new social and community facilities are introduced or required.

5.4 Baseline Conditions

Existing Conditions

Economic Baseline

5.4.1 The socio-economic profile of the study area is described in more detail in the earlier Economic Case report. The most recent nomis labour market profile is contained as an Appendix to this report[9]. Table 5.5 summarises the baseline economic conditions in HDC, using the latest available data at time of preparation of this report and compares it to the wider area.

Table 5.5 Economic Baseline

Indicator	Study Area
Population and Demography	Resident population of 89,300 in 2015. There was an increase in population of 12% between 2001-2011. Relatively older population– some 55% of the population are aged 45 or over compared to 45% in Leicestershire as a whole. Approximately 54,200 people of working age (i.e. 16-64), 60.7% of the population
Economic Activity	Economic activity rates are slightly above average – 78.8% of HDC's working age (16-64) population are either in employment or looking or unemployed but seeking work (compared to an East Midlands average of 78.1% and the UK average of 77.8%) HDC has a wide labour market catchment area – only 40% of the workplace population is resident in the district. High levels of in-commuting – 60% of HDC's workplace population are from outside of the district (largely from other parts of Leicestershire and the Golden Triangle e.g. Rugby) Harborough has a jobs density ratio of 0.79 slightly above the East Midlands ratio of 0.78 but below the Great Britain ratio of 0.83. The density figures represent the ratio of total jobs to population aged 16-64.
Employment Sectors	Total Employment in 2015 was 43,000. Of these 38,000 were employee jobs. Employment fell slightly following the recession but has grown in the last two years. Logistics, distribution and transport related employment accounts for around a quarter of all jobs in Harborough District, making it the single most important sector in the District. Employment in the sector increased in the years immediately following the recession helping to offset losses in employment in other sectors. Administrative and support services with 3,500 jobs is the next largest sector. The manufacturing, professional services and education sectors each had 3,000.

[9] Nomis is a government supported labour market information service. Labour market profiles are available for all UK local authority districts based on the latest published data sources

Indicator	Study Area
Occupational Structure	High to mid value local occupational profile (source: Census 2011) Managerial, professional and technical sectors make up 34% of employment in the district – in line with the national average.
Unemployment	Model based unemployment is 2.4%, significantly lower than the East Midlands average of 4.3%. Claimant count unemployment is just 0.5%, again significantly below the East Midlands average of 1.6%
Deprivation	Low levels of deprivation According to the Index of Multiple Deprivation (IMD) most of HDC ranks within the top 20% least deprived output areas nationally.
Education and Skills	Achievement rates in line with the national average An estimated 42.4% of 16-64 year olds hold qualifications at NVQ Level. 4 or above. This is well above the regional average of 31.3% and also above the national average of 38.2%. (The local estimates for Harborough are subject to quite wide fluctuations)

Labour Force and Travel to Work

5.4.2 At the time of the 2011 Census there was a small excess of resident workers in employment in Harborough (44,413)10 over the number of people who worked in Harborough (42,180)11. But Harborough is a very open labour market with large proportions of the workforce both commuting out of Harborough and commuting in to Harborough. Excluding those who work mainly at or from home or those with no fixed workplace in 2011 there were 34,533 Harborough residents who worked at workplaces in the UK. Only 13,159 (38.1%) of those worked in Harborough.

5.4.3 There are sixteen districts that approximate a 45-minute travel to work catchment for Magna Park. There are 1.39m working age people (16-64) within these catchment districts of whom 1.07m are economically active. There are just over 50,000 people who are currently unemployed with a further 69,000 who are currently economically inactive but would like a job[12]. In other words, there is surplus unused labour of approximately 120,000 resident within a reasonable travel distance of Magna Park.

Health Conditions

5.4.4 Overall, health conditions are generally better in the Study Area compared to the wider region and nationally. According to the census some 85% of HDC residents reported that they are either in “very good” or “good” health. This exceeds the average for Leicestershire, other parts of the Golden Triangle which average around 82%.

MPL

5.4.5 Logistics and distribution facilities have been developed at Magna Park Lutterworth (MPL) since 1987 and now provide approximately 771,500 sq m of logistics floorspace contained

[10] Census 2011 Table DC6112EW

[11] Census 2011 Table WP606EW

[12] Annual Population Survey (APS) – March 2015

within 30 separate distribution units (plus one 8,185 sq m office HQ). MPL was the pioneer of the dedicated logistics park concept and remains the single largest such park in Europe. It is distinguished additionally by the nature of its occupiers – all blue chip companies at the top end of the UK's corporate sector – and by the concentration of NDCs.

5.4.6 Businesses at Magna Park receive and distribute goods from across the UK and abroad. Some businesses are purely providing the logistics for their own operations while others are undertaking logistics for third party organisations.

5.4.7 Based principally on ONS super output level data (but also the findings of a confidential survey of occupiers in the summer of 2013), total employment at MPL is estimated at 9,300, implying an employment density of 82 sq m per full time equivalent (FTE) worker.

5.4.8 The 9,300 jobs accounted for about 24% of all jobs located in Harborough District, but MPL is also an important concentration of jobs on a sub-regional scale.

5.4.9 The confidential occupiers' survey also compiled data on the residence of MPL employees – with home post code data provided for about 20% of the 9,300 employees. The findings show that about 20% of the employees live in a post code that covers a HDC ward. The largest share, 26%, are resident in a Leicester post code with 7.7% in a Nuneaton and Bedworth post code; 7.5% in a Coventry post code; and 6.7% in Hinckley and Bosworth post code; and 2.5% in a Rugby post code.

5.4.10 Gross Value Added (GVA) is a measure in economics of the value of goods and services produced in an area. Assuming GVA per head that is equivalent to the average for the logistics sector, MPL's 9,300 workers generate an estimated £381.3m GVA per annum.

5.4.11 Based on the post-code data provided in the PBA survey of MPL occupiers in 2013, (for about 20% of the 9,300 employees), some 18% live in the postcode areas of LE7, LE8, LE9, LE16 and LE17, which are all postcodes that fall wholly or partly within the district of Harborough. 58% of employees live in LE postcode areas generally.

5.4.12 As would be expected of MPL's occupier profile (each has a strong corporate commitment to social responsibility, which includes training and other aspects of employee wellbeing), the survey found that MPL's businesses invest heavily in workforce training, both on-the-job and in partnership with further and higher education institutions.

5.4.13 Vacancy rates at Magna Park have been consistently low over the long run period. Co-star lists the MPL 5yr average vacancy rate as just 2.6% while Savills latest Big Shed Briefing has current 100,000 SF + Vacancy rate at 6.2% nationally for Industrial/Distribution Buildings, even after "strong levels of take-up and lack of supply coming forward."

Future Baseline

5.4.14 In the absence of the proposed development we would not anticipate any significant change to the economic baseline conditions set out above. Hence change as a result of the proposed development is considered against this baseline. We have made standard assumptions about displacement in considering change will impact on the local district of Harborough.

5.4.15 In the longer term, it is difficult to predict how economic, social and environmental changes will affect the study areas. In the context of the proposed development this section considers implications for the study area arising from demographic trends and the future requirements of the logistics industry.

Population Growth and Labour Supply

5.4.16 The HEDNA report sets out the 2014-based Population and Household Projections from ONS/CLG. These forecast population growth for the Housing Market Area (HMA) of 191,600 or 19.5% over the period 2011-36. For Harborough projected growth over this period is 17,000 or 19.9%. In both cases this is a faster rate of growth than projected nationally.

5.4.17 On average it reported that the activity rate for the functional economic market area was 75.5% and the employment rate was 71.6% in 2015.Both these are slightly below the average for England as a whole.

5.4.18 Labour force projections as such are not set out in the HEDNA report.

5.4.19 In 2015 IDI Gazeley commissioned labour force projections for the Magna Park catchment area from an expert demographer. The full projection report is contained in the Appendix of the 2015-submitted ES Chapter 5. By way of sensitivity test two projections were developed to assess the projected growth in the labour force for the period 2018-31.

- On the projection using the ten-year migration trend the labour force is projected to grow by 94,400 over the period 2018-31 from 1.184m to 1.278m an increase of 8.0%.
- Using the alternative SHMA projections the growth is 102,400 from 1.192m to 1.294m, an increase of 8.6%.

Labour Demand

5.4.20 The logistics sector is undergoing a lot of change driven by technological advances, consumer demand and environmental factors. As the sector continues to expand, having the right skills and training in place to up-skill existing staff, as well as recruiting highly skilled staff, becomes increasingly important.

5.4.21 Access to workers is a vital element of the operation of any business. It is not only important that there is a large labour market within the businesses' catchment area; it is also important that the workers are suited and qualified for the jobs on offer at an appropriate cost to the firm.

5.4.22 According to Working Futures, career prospects in the logistics sector remain high, with some 588,000 vacancies needing to be filled, largely as a result of "replacement demand", between 2014 and 2020. Replacement demand arises due to the fact a number of employers need to replace workers who leave due to retirement, career moves, mortality and other reasons.

5.4.23 In addition to replacement demand and the increasing need for professional and managerial workers, evidence from two of the three LEPs' Skills Needs Assessments found that there is a shortage of logistics planning workers with the necessary technical, practical and IT skills.

5.5 Logistics Demand

Overview of Demand

5.5.1 At the national level the demand for warehouse floorspace is a function of the demand for goods, and logistics demand continues to be strong nationally. The latest Gerard Eve Prime Logistics report[13] notes that, "*The strong level of take-up over the last few quarters, combined with activity on secondhand stock in Q1, has further taken its toll on the overall availability of logistics space in the UK."*

5.5.2 But demand for warehouse floorspace also has a strong spatial dimension. Location is vital to successful distribution warehouses as it is sensitive to the source and destination of goods, i.e. access to markets. Accessibility is the most important consideration when choosing a location primarily in terms of:

- Being close to motorway junctions
- Proximity to a large labour pool.
- Responding to the needs of a demanding and sophisticated client base
- Providing users with reliability and flexibility with their product.

The Golden Triangle is the Optimal Location

5.5.3 The "Golden Triangle" provides the optimal location for single National Distribution Centres (NDCs) given its proximity to the transport network, customers, ports, and labour supply.

5.5.4 The location benefits from ease of access to major road networks, M1, M40, M45 M6, A5, A14 (A1-M1 Link), A43 and A45; five international airports within one hour's drive; efficient and fast passenger and freight rail links (Daventry International Freight Terminal (DIRFT) and Birch Coppice); major ports of Felixstowe, Harwich, Dover, Folkestone and Southampton within 3 hours drive.

5.5.5 In addition over 80% of the UK's population are within 4 hours' drive time. The Golden Triangle is a location which has attracted logistics sector employers due to the ease of motorway access, which allows 45.8 million people to be reached within a 4.5 hour drive – the maximum EU permitted uninterrupted HGV drive time.

5.5.6 Lutterworth lies at the heart of this Golden Triangle.

5.5.7 The importance of the logistics sector to the economy of Leicestershire was recognised in the commissioning of the Leicester and Leicestershire Strategic Distribution Study.

Leicester and Leicestershire Strategic Distribution Study

Method

5.5.8 The Strategic Distribution Study (SDS) was undertaken by MDS Transmodal (MDS) and Savills on behalf of the Leicester & Leicestershire Housing Planning & Infrastructure Group in 2014 and was published by HDC in early 2015 (and updated in 2016 – see paragraphs 5.5.29-5.5.45 here). The study objectives were to provide a better understanding of the logistics sector and to objectively determine future need. It is that latter element of the study we are particularly concerned with here: the study's projections of the future need in the county and the East Midlands region for large scale warehousing space (>9,000 sq m) and the

[13] Prime Logistics 2017 Q1 – Gerard Eve

division of that need into warehousing floorspace on rail-served and warehousing floorspace on road-connected only sites.

5.5.9 The forecasting method used in the SDS is relatively straightforward conceptually in that it has two components. It seeks to forecast total new warehouse demand, which the report appears to define as gross completions of new stock, by:

- calculating what is required to replace existing obsolete stock ("replacement demand"); and
- adding what is required to accommodate forecast growth in net additional freight traffic ("growth demand").

5.5.10 We summarise briefly the approach to each of these two components.

Replacement Demand

5.5.11 The forecasts in the report are for large warehouses, which are defined as those over 9,000 sq m. MDS calculate the existing stock of large warehouses (> 9,000 sq m) from VOA data using a database that MDS have compiled from individual records.

5.5.12 The SDS assumes that the existing stock of large scale warehouse floorspace is replaced over a 30-year lifecycle. The authors consider 30 years the time over which the stock becomes obsolescent. They therefore assume that 22/30 (73%) of the stock will need replacing over the period 2014-36 and thus the implicit assumption is that the age profile of the existing stock is evenly distributed.

5.5.13 The replacement demand is implicitly calculated for both rail served and non-rail served sites. Whilst for non-rail served sites this process is probably picking up consolidation of activity into new and larger units, the process of replacement demand at rail served sites would seem to imply a process of in-situ redevelopment.

5.5.14 To produce a forecast for Leicestershire the replacement demand is calculated holding constant the county's share of the East Midlands stock of large scale warehouse floorspace at its current level (27.9%). We look further at the spatial distribution of demand later in this chapter.

Growth Demand

5.5.15 The growth component comes from the MDS freight model whereby they calculate growth in the number of freight tonnes lifted of a specified group of commodities that are likely to go to national distribution centres. The forecasts are prepared for both road freight and rail freight. It is assumed that 45% of road freight to the East Midlands goes to a large warehouse (in line with current rates) and that 100% of rail freight has a large warehouse destination.

5.5.16 The key assumptions for the growth element of the projection in terms of land demand are the conversion from tonnes of freight to floorspace (with the land requirement derived as second step following the projection of the floorspace requirement). MDS assume:

- 0.8 tonnes per pallet;
- 1.5 pallets per sq m of floorspace;
- 18 stock turns per annum;
- 85% floor space utilisation;

5.5.17 Estimates of Land required are then derived from the floorspace projections by application of a 40% plot ratio.

5.5.18 The assumptions to derive floorspace demand imply a significant increase in the efficiency with which logistics occupiers use warehouse space since the date of the 2006 SDS study, also produced by MDS Transmodal, when the assumptions were:

- 0.6 tonnes of goods per 1 pallet
- 1 pallet per square metre of floorspace
- 12 stock turns per annum (i.e. mean dwell time of 4 weeks)

5.5.19 The amount of cargo in storage at any one time will occupy 85% of the floor space available (over-flow allowance to handle additional cargo in peak times)

5.5.20 Efficiency gains of this scale will result in quite substantial reductions in forecast growth in warehouse floorspace, other things being equal.

Comparison with Past Change

5.5.21 For the East Midlands over the period 2014-36 the SDS calculated a gross requirement for new development of large warehouses of 7,286,000 sq m consisting of 5,881,000 sq m of replacement demand and 1,405,000 sq m of 'growth build'. The projection implies that gross new completions of large warehouses will grow at an average of 331,000 sq m p.a.

5.5.22 Over the period 1998-2008 the stock of warehouse floorspace in the East Midlands increased by 4,923,000 sq m an average of 492,000 sq m p.a. This figure is not directly comparable to the one produced in the SDS. 492,000 is net change in all stock. The SDS figure is for gross new completions and only for warehouses of greater than 9,000 sq m. Nevertheless it helps to place it in context. Whilst not unreasonable, the SDS forecast might appear a bit on the low side compared to historic change, if we think that most of the growth in stock is in larger units. It is, however, a higher figure than the 2006 study, despite the efficiency gains factored in compared to the earlier forecast.

5.5.23 The 2006 study calculated gross new build from Savills completions data of warehouses larger than 10,000 sq m and estimated an average of 244,000 sq m p.a. for the East Midlands. (In 2006 the MDS growth component of 1,044,000 sq m over twenty years was deducted from this total with the residual being replacement demand).

5.5.24 The table below compares the forecasts for the East Midlands from the two studies. The annual forecast rate of growth for both the Replacement and Growth components of the forecast are higher in the 2014 study than they were in the 2006 study. Despite a deep recession between the two studies and an overall economic outlook that is less optimistic, the prospects for the logistics industry in the East Midlands appear to be strengthening.

Table 5.6 Forecast Floorspace Growth from the 2006 and 2014 SDS studies

East Midlands	2006 2007-26	2014 2014-36	2006 avg p.a.	2014 avg p.a.
Replacement	3,844,000	5,881,000	192,200	267,318
Growth	1,044,000	1,405,000	52,200	63,864
Total	4,888,000	7,286,000	244,400	331,182

Source: Leicester and Leicestershire Strategic Distribution Study, 2006 and 2014

Rail Served v Non Rail Served

5.5.25 The SDS report also splits demand in to two types: demand for rail-served sites and demand for non-rail served sites.

5.5.26 The share of gross new demand accounted for by rail-served sites is assumed to increase very substantially from its current levels. The SDS assumes that 58% of demand in the future will be for rail-served sites. 58% is the proportion of East Midlands stock of large warehouses (i.e. of those greater than 9,000 sq m) currently in units of greater than 25,000 sq m. Although the SDS argues that there will be an increasing demand for rail-served demand, it is not clear why this particular ratio should then be used as the figure for forecasting rail-served demand.

5.5.27 This provides a projection for both rail served and for non-rail served warehouse floorspace and land as summarised in the table below.

5.5.28 The corresponding land requirement is then derived on the basis of an assumed 40% plot ratio for the floorspace (e.g., a 25,000 sq m floorspace requirement would yield a land need of 6.25 ha. (40% is a standard assumption as a plot ratio but should be applied only to the developable land for warehousing.)

Table 5.7 Gross New Warehouse Floorspace Demand 2001-36

000 sq m of gross floorspace	2031	2036
Leicestershire		
Total	1,445	1,886
Rail Served @ existing share	94	123
Rail Served @ 58%	838	1,094
East Midlands		
Total	5,570	7,286
Rail Served @ existing share	362	474
Rail Served @ 58%	3,231	4,226

Source: SDS

Scope A: Clarifications on conclusions and recommendations

5.5.29 In September 2016 MDS published a further report for Harborough DC which attempted to clarify some points of issue raised with regards to the SDS study. These included: clarification on what is meant by 'extension of an existing strategic distribution site; clarification on the land use demand forecasts; and clarification on what is considered to be a rail-served or rail-connected strategic distribution site.

5.5.30 With regard to the land demand forecast the MDS clarification was as follows:

"Taking the above analysis and conclusions together, when preparing Local Plans and policies the demand forecast figures should be viewed as minimum requirements going forward in order that a geographical spread of commercially attractive sites is always available. In practical terms, the quantum of land allocated to strategic distribution should always exceed expected demand in order to maintain a competitive market; multiple strategic sites with vacant plots at different geographic locations should always be available. The demand figures should not be viewed as 'targets' or maximum levels of provision which should not be exceeded."

Scope B: Update and re-fresh of outputs and conclusions

5.5.31 A second report MDS published in September 2016 consisted of an update and refresh of the outputs and conclusions of the 2014 SDS report. On the high demand forecasts the updated MDS forecast showed a shortfall in demand, compared to known pipeline, for rail served sites of 115 ha by 2036 and a shortfall of 95 ha for non rail served sites.

Wider Market Developments: Implications for Leicester and Leicestershire

5.5.32 A report, 'Wider Market Developments: Implications for Leicester and Leicestershire' was published in January 2017. The purpose of this further report was *"to provide further advice on the logistics and distribution sector required to support the Strategic Growth Plan (SPG) to 2050."*

5.5.33 It concluded that, *"This data analysis therefore confirms the conclusions reached in the Leicester and Leicestershire SDS, namely that the East Midlands region has a distinct competitive advantage in this sector, in that it has attracted a quantum of warehouse floor space significantly above that which its population and wider economy would suggest."*

5.5.34 The report highlighted the national role of the logistics sector in Leicestershire, *"The above analysis would suggest that around 65-70% of the region's floor space is playing a national rather than regional role."* It reported that 29% of the East Midlands large scale warehouse floorspace and 28% of its units are located in Leicestershire.

5.5.35 The report further emphasises the unique geographical advantages the area has for the logistics sector. *"It would appear to further support the conclusions contained in the Leicester and Leicestershire SDS, namely that the wider golden triangle has a distinct competitive advantage in this sector, in that it has attracted a quantum of warehouse floor space significantly above that which its population and wider economy would suggest."*

5.5.36 The report summarised the locational features sought by the strategic logistics sector as follows:

"Commercially attractive strategic logistics sites are considered to be ones which meet the following criteria:

- *Good connections with the strategic highway network;*
- *Appropriately located relative to the markets to be served;*
- *For rail-served sites, is served by a railway line offering a generous loading gauge (minimum W9), available freight capacity and connects to key origins/destinations directly without the requirement to use long circuitous routes;*
- *For rail-served sites; is sufficiently large and flexible in its configuration so that it can accommodate an intermodal terminal and internal reception sidings;*
- *Is sufficiently large and flexible in its configuration so that it can accommodate the size of distribution centre warehouse units now required by the market;*
- *Is accessible to labour, including the ability to be served by sustainable transport, and located close to areas of employment need; and*
- *Is located away from incompatible land-uses."*

5.5.37 The report emphasised why Leicestershire is such a good location for the strategic distribution sector.

"As set out in previous Sections (Sections 2 and 3 in particular) the Golden Triangle is the optimum distribution location across the country. This is linked to its geographic centrality through which it can reach 90% of the British consumer base.

The area also benefits from excellent transport links with both North-South and East-West motorways, the Midland Main Line and West Coast Main Line transecting the area."

5.5.38 The report also highlighted how the logistics sector benefitted from operating as a cluster.

"Logistics companies benefit more by locating near each other rather than operating on isolated locations. In particular clusters of logistics or distribution centres benefit from:

- *Encouraging co-operation that can consequently reduce supply chain costs;*
- *Allows exchange of knowledge, technology and services;*
- *Encouraging innovation derived from the synergies among the cluster's occupiers;*
- *Maintain and retain good conditions in the local infrastructure; and*
- *Provides access to specialised workforce."*

5.5.39 The report shows how nationally the demand for warehousing has been increasing with annual take-up for the period 2011-16 averaging twice that for the longer run period 2000-16. Take-up has been highest in the East Midlands region.

5.5.40 The strength of the market is also reflected in the fact that refreshing of the stock is happening rapidly in the East Midlands, with 62% of the East Midlands stock having been built post-2000.

5.5.41 Available supply is currently calculated at 3.6 years of annual take-up for the East Midlands (the same as the national figure). Amongst the larger properties of greater than 100,000 sq m supply is even tighter averaging just 2.1 years annual take-up for the East Midlands compared to 6.9 nationally. It is similarly tight for large scale warehouses in both the wider (2.4 years) and smaller Golden Triangle (2.3 years).

5.5.42 The report states that:

"The analysis undertaken points to:

- *Increasing take-up of larger warehousing units nationally. In particular 2014 saw a peak of more than 5 million square metres transacted, and annual average take-up between 2011-16 equated around to 4 million square metres per annum. The data highlights strong and growing demand for warehouse/distribution space in recent years;*
- *The highest level of freehold take-up since 2000 has been recorded in East Midlands, with a total of 6.3 million square metres of transacted space, followed by the North West (5.4 million square metres) and the West Midlands (4.9 million square metres);*
- *One quarter of the recorded transacted floor space nationally took place within the wider golden triangle, highlighting that this is the prime market for strategic distribution demand nationally. There have been 351 transactions accommodating 8.5 million square metres since 2000 in the wider golden triangle;*
- *Around 60% of the transacted stock in wider golden triangle and small golden triangle was built post-2000;*
- *The highest average space per transaction across Britain since 2000 is recorded in East Midlands, pointing to the region seeing some of the largest deals; and*
- *Build-to-Suit is an important component of supply within the regional market."*

5.5.43 In summarising the results from the Part A and Part B reports MDS noted that:

"To reiterate the clarification presented in the Scope A report (Section 3), these demand forecast figures should be viewed as minimum requirements going forward in order that a geographical spread of commercially attractive sites is always available. In practical terms, 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. The demand figures should therefore not be viewed as 'targets' or maximum levels of provision which should not be exceeded."[14]

5.5.44 MDS also noted that there is no margin factored in to their forecasts.

[14] Page 34

5.5.45 The report further noted that in order to continue to take advantage of the comparative advantage that Leicestershire holds by virtue of its geography that land for employment would need to be made available.

"In order for Leicestershire to consolidate its position within the distribution market there is however still a requirement for local authorities to support the industry in terms of land availability and also be flexible[15] to their need and reduce bureaucracy,"

[15] Original text read 'flexibility'. Amended for readability.

5.6 Construction Effects and Mitigation

5.6.1 Receptors of socio-economic impacts during the construction phase encompass a range of resident and business groups: working age residents who may be hired to work on site, local businesses which may become part of the supply chain, local businesses in which construction employees will spend some of their wages, current occupiers of the site which may have to be temporarily moved or closed as a result of construction activity. Some of these groups will benefit in terms of jobs created or safeguarded and new skills acquired. Some may also suffer in terms of disruption to their business.

Potential Impacts/Issues

Direct Employment

5.6.2 The construction costs of the proposed development can be used as a basis for estimating the level of construction employment to be generated by the scheme. Dividing the total construction costs by the average turnover per worker in the construction sector provides an estimate of the gross direct construction employment.

5.6.3 Data from the Office for National Statistics indicates that the average turnover per worker in the construction sector in the East Midlands is £145,124. [16]

5.6.4 Based upon data from the Building Costs Information Service (BCIS) and industry estimates the total construction costs associated with the proposed development are projected to be £237 million over the construction period.

5.6.5 The construction phase could therefore result in gross direct construction employment of some 1,634 jobs over the duration of the build period.

5.6.6 The net impact on the number of jobs filled by residents of the study area may be less than expected, if jobs are filled by people previously employed elsewhere within the region (displacement), or jobs are created outside the region (leakage). Due to the high mobility of construction workers, we would expect a high leakage of construction jobs to other areas. But based on existing patterns of employment at Magna Park we already have a very high level of Leakage at 82% for Harborough and 42% for Leicestershire so would not recommend raising this further.

5.6.7 We summarise in Table 5.9 the employment impact of construction jobs, which yields 287 net additional local jobs in HDC when multiplier effects are taken into account and 924 net additional local jobs in Leicestershire.

Table 5.8 Additionality of construction employment

	Harborough	Leicestershire
Gross construction jobs	1,634	1,634
Local jobs after 82%/42% leakage	294	948
Local jobs after 25% displacement	221	711
Local Multiplier effects	1.3	1.3
Net additional local jobs Harborough	287	924

[16] The 2011 Annual Business Survey (ABS) Regional Results indicate that the total turnover of the construction industry in the East Midlands was £19,882 million. According to the 2011 Census Data for the East Midlands there were some 137,000 residents aged 16 to 74 in employment in the construction industry. This results in a turnover per worker of £145,124.

GVA

5.6.8 GVA per head in the construction industry in England is £42,798.[17] The proposed development with therefore result in an additional workplace GVA of £69.9 million[18] over the build period.

Significance of Predicted Effects

5.6.9 Based on the significance criteria in Table 5.4, compared against the baseline:

- the construction employment generated at the site is a moderate beneficial effect as it contributes to a 0.7% increase in employment in for Harborough residents

Proposed Mitigation

Reducing Leakage

5.6.10 As already noted, the positive impact of job creation on HDC will be reduced by the number of jobs taken by in-commuters. This is particularly the case with construction jobs, where it has been assumed that there will be a high level of leakage at 82% based on current employment patterns.

5.6.11 In order to reduce leakage, measures such as job brokerage and guaranteed interview training should be introduced by the Council's partners such as the Department of Work and Pensions (DWP) and Jobcentre Plus, working with incoming employers, in order to increase local take-up of new job opportunities at the site.

5.6.12 IDI Gazeley has undertaken to prepare a Construction Job and Business Employment Strategy (an obligation that forms part of the S106 for the planning permission for the DHL scheme 15/00919/FUL – which lies wholly within and forms part of this Hybrid application). The purpose for of this Strategy, which is also promoted in the proposed S106 undertakings for this application (Draft Heads of Terms, Planning Statement, paragraph 10.9), is to identify and promote within the Local Area employment, training and business opportunities for Local Residents and Local Businesses in relation to the demolition, construction and fitting out of the Development.

5.6.13 The Draft Heads of Terms state that:

Where job applicants meet the essential requirements of any particular advertised role, encourage the contractor(s) or sub-contractor(s) to consider all applications from Local Residents to ensure local people are given the first opportunity to secure employment from the Development by way of operation of the Exclusivity Period.

To notify the Council of anticipated and actual employment, training or apprenticeship vacancies arising from the Development.

To use reasonable endeavours to ensure that at least 20% of the workforce employed in the construction of the Development are Local Residents

[17] Calculations using ONS Regional GVA and Workforce Jobs Series for 2015

[18] Based on 2015 prices. We would expect GVA to rise over time in real terms so actual outturn will be higher

5.7 Operational Effects and Mitigation

5.7.1 During the operation phase, the receptors of socio-economic impacts will again be people and businesses: local and district residents who may be trained and hired to work in the new businesses, local businesses which may become part of the supply chain, local businesses in which employees and residents will spend money. These groups will benefit in terms of jobs created or safeguarded and new skills acquired.

5.7.2 We assess the employment impact from each component of the development proposal separately.

Warehouse and Distribution

5.7.3 The total proposed additional warehouse floorspace is 419,800 sq m. At an average employment density ratio of 80 sq m per worker this would generate an additional 5,248 jobs on site at MPL.

5.7.4 If we assume existing leakage rates of 82% for Harborough and 42% for Leicestershire then the number of jobs going to people from Harborough would be 945 and for Leicestershire 3,044. If we make a standard assumption about Displacement of 25%[19] then the net additional jobs to residents of Harborough is 708 and for Leicestershire 2,283.

5.7.5 Adding a standard multiplier of 1.3[20] to account for additional jobs created as a result of indirect supply chain effects and induced expenditure effects than the total number of net additional jobs to residents of Harborough is 921 and for Leicestershire 2,967.

5.7.6 At an average GVA per head of £50,000 this would generate net additional workplace GVA of £262m per annum.

Innovation Centre – Jobs Impact

5.7.7 The total proposed floorspace for the Innovation Centre is 2,325 sq m. At an average employment density ratio of 16 sq m per worker this would generate an additional 145 jobs on site at MPL.

5.7.8 If we make a standard assumption about Leakage of 50% for Harborough and 25% for Leicestershire then the number of jobs going to people from Harborough and Leicestershire would be 73 and 109 respectively. We assume that displacement will be very low and apply a rate of 10%. The net additional jobs to residents of Harborough and Leicestershire would be 65 and 98 respectively.

5.7.9 Adding a standard multiplier of 1.3 to account for additional jobs created as a result of indirect supply chain effects and induced expenditure effects than the total number of net additional jobs to residents of Harborough and Leicestershire would be 85 and 128 respectively.

5.7.10 At an average GVA per head of £40,000 this would generate net additional workplace GVA of £5.8m per annum.

Holovis

5.7.11 The total proposed floorspace for Holovis is 7,000 sq m. At an average employment density ratio of 16 sq m per worker this would generate 438 jobs on site at MPL.

[19] Additionality Guide 2014 Low level of Displacement

[20] Additionality Guide 2014 Average multiplier set mid-way between Neighbourhood and Regional multipliers to reflect sub-region

5.7.12 If we assume that 50% of this is net additional this would 219 net additional jobs. These are estimates based on the capacity of the building. The actual operational figures may differ from this depending on how the building is used

5.7.13 We assume Magna Park leakage rates of 82% for Harborough and 42% for Leicestershire. We apply the low displacement at 10% and a standard multiplier of 1.3. The total number of net additional jobs for residents of Harborough would be 46 and for Leicestershire 148.

5.7.14 At an average GVA per head of £50,000 this would generate net additional workplace GVA of £10.9m per annum.

Logistics Institute of Technology – Jobs Impact

5.7.15 We expand on the wider labour market impacts of the Logistics Institute of Technology below. Here we summarise the direct employment impact of the scheme.

5.7.16 The total proposed floorspace for the Logistics Institute of Technology Innovation Centre is 3,300 sq m. At an average employment density ratio of 40 sq m per worker this would generate an additional 83 jobs on site at MPL.

5.7.17 If we assume existing leakage rates of 82% for Harborough and 42% for Leicestershire then the number of jobs going to people from Harborough would be 15 and for Leicestershire 48. We assume that displacement will be very low and apply a rate of 10%. The net additional jobs to residents of Harborough 13 and for Leicestershire 43.

5.7.18 Adding a standard multiplier of 1.3 to account for additional jobs created as a result of indirect supply chain effects and induced expenditure effects than the total number of net additional jobs for residents of Harborough would be 17 and for Leicestershire 56.

5.7.19 At an average GVA per head of £50,000 this would generate net additional workplace GVA of £4.1m per annum.

Rail Freight Shuttle Terminal

5.7.20 The Railfreight Shuttle Terminal is likely to generate around 12 jobs, consisting of approximately 6 shuttle drivers, 4 terminal staff and 2 traffic clerks.

5.7.21 With assumptions about existing patterns of employment as above then 2 of these would go to Harborough residents' and 7 to Leicestershire residents.

Driver Training Centre

5.7.22 The proposed Driver Training Centre will generate additional jobs in providing the training as well as being a source of labour market and training benefits (see below.

5.7.23 There will also be a small number of jobs associated with the Gatehouse and the fuelling station. Taking these together with the Driver Training Centre will in total generate approximately 20 additional jobs.

5.7.24 Applying the same assumptions as above then 4 of these would go to Harborough residents' and 11 to Leicestershire residents.

Country Park

5.7.25 Although the main value of the Country Park (with the adjoining Meadow) lies in its social and environmental effects, the works to create and maintain this asset will create approximately 6 additional jobs. We would expect an additional 1-2 posts would be necessary solely for the

maintenance of the Magna Park extension. Whilst for the country Park we assume be an office based team of 2 (Curator/Community/Educational liaison and an Administrative role, plus a full-time maintenance team of 3 (Warden and 2 maintenance roles).

5.7.26 We have applied the same assumptions for leakage as for the other categories of jobs, though our expectation would be that leakage would actually be much lower and these jobs more likely to be taken by residents of the local district.

5.7.27 At an average GVA per head of £32,000 these 6 additional jobs would generate net additional workplace GVA of £192,000 per annum.

Overall Economic Impact

5.7.28 The overall economic impact from the combined elements is summarised in the Table below.

Table 5.9 Summary Economic Impacts

Workplace	Jobs	GVA £m
Logistics & Warehousing	5,248	£262.4
Innovation Centre	145	£5.8
Holovis	219	£10.9
Logistics Institute of Technology	83	£4.1
Railfreight Shuttle + DTC + Country Park etc	38	£1.5
Total Operational	**5,732**	**£284.7**
Construction	1,634	£69.9
Total Operational and Construction	**7,366**	**£354.7**

Harborough after Additionality and Multipliers	**Jobs**	**GVA £m**
Logistics & Warehousing	921	£46.0
Innovation Centre	85	£3.4
Holovis	46	£2.3
Logistics Institute of Technology	17	£0.9
Railfreight Shuttle + DTC + Country Park etc	7	£0.3
Total Operational	**1,076**	**£52.9**
Construction	287	£12.3
Total Operational and Construction	**1,363**	**£65.2**

Leicestershire after Additionality and Multipliers	**Jobs**	**GVA £m**
Logistics & Warehousing	2,967	£148.4
Innovation Centre	128	£5.1
Holovis	148	£7.4
Logistics Institute of Technology	56	£2.8
Railfreight Shuttle + DTC + Country Park etc	29	£1.1
Total Operational	**3,329**	**£164.8**
Construction	924	£39.5
Total Operational and Construction	**4,253**	**£204.3**

5.7.29 The operational impacts are annual effects on completion of the development. The construction impacts are total impact for the build period.

5.8 Wider Economic Impacts

5.8.1 Whilst the expansion of Magna Park Lutterworth brings significant economic benefits in its own right that are quantified above, there are a series of wider economic benefits that are difficult to quantify but are clear to define and have a real positive impact on both the local and UK economy.

5.8.2 These benefits are likely to occur through the impact it has on enabling more efficient use of the UK's distribution network. Enabling logistics clusters to develop at efficient hub locations minimises costs for customers and also in terms of environmental and infrastructure costs.

5.8.3 Critically the spillover benefits of a logistics cluster are much easier to co-ordinate and more likely to be realised where a Park is in single ownership or management.

5.8.4 These wider benefits are set out in 'The Economic Case for Magna Park' and are summarised below.

Economic Efficiency of Logistics Cluster

5.8.5 There is an increasing tendency towards larger warehousing units and larger clusters of activity. The benefits of industrial clusters are well evidenced in economic literature from neo-classical economist Alfred Marshall's work on the positive externalities of co-location through to the more recent work of Porter about industrial clusters creating higher productivity and more innovation.

5.8.6 Clusters develop both vertical relationships between suppliers and horizontal relationships between companies that compete with each other yet benefit from shared infrastructure and agglomeration gains.

5.8.7 The logistics industry has particular features of its operation that makes it well placed to secure the economic benefits of clustering. Examples of major logistics clusters can be found all over the world that have developed as a result of the economic efficiency gains they create.

5.8.8 One feature of this is pure geography. There are a limited number of optimal locations with supporting infrastructure from which logistics operators can most efficiently fulfil demand.

5.8.9 But there are also particular operational advantages for logistics from cluster activity. Moving between large centres of freight activity rather than highly dispersed centres lowers transportation costs and almost certainly creates greater reliability as well. In any competitive cluster environment these cost savings get passed on to the logistics operator's customers and hence lower costs across the economy as a whole.

Security of Jobs

5.8.10 From an economic development perspective one of the advantages of the logistics sector is the relative security of jobs it provides. As the nature of the business is getting goods to local markets these are not jobs that can be out-sourced to lower cost overseas locations, as has happened with much of the manufacturing sectors and some parts of the financial and business services sectors.

5.8.11 Indeed, logistics has been promoted in economic development terms as a source of replacement jobs for those lost in manufacturing industries. Employment growth in the East Midlands in the logistics sector has run well ahead of the all industry average. The logistics sector is a good source for providing jobs across a range of occupational and skills levels.

5.8.12 Because the logistics sector serves many different industries it is also less vulnerable to economic shocks or life-cycle declines in any single industry. It is therefore a relatively stable

form of employment and in recent years it has been growing steadily as a sector in all developed economies.

The Jobs Ladder

5.8.13 Not only does the logistics sector create a range of job opportunities and relatively stable job prospects, it also provides for social mobility. The sector tends to value operational experience and hence has a greater propensity to offer internal promotion opportunities than is the case in many other sectors. An Accenture report from 2006 notes that, “54 per cent of UPS’s current full-time drivers were once part-time employees; 68 per cent of its full-time management employees rose from non-management positions; and 78 per cent of its vice presidents started in non-management positions”.

5.8.14 In logistics clusters with larger numbers of jobs this ladder of opportunity is greater.

Value Added

5.8.15 Logistics clusters tend to encourage value-added activities such as product differentiation or repair and servicing. Long and complex manufacturing supply chains mean that firms often have to respond quickly to changing fashions and consumer tastes to stay relevant to the market. The closer and later this can be done to point of delivery to market, the greater the competitive edge for the selling firm. Logistics clusters provide the ideal base to perform such value-added functions.

5.8.16 An example of this at Magna Park is the Disney NDC which distributes across Europe and also fulfils all European internet orders. A recent addition to the functions within the unit is personalised embroidery of clothing which is undertaken within the warehouse prior to distribution. Employment within the facility is also subject to very high increases during the Christmas retail period as well as following the launch of major new film releases as the associated merchandise attracts high levels of demand.

Opportunities for SMEs

5.8.17 Logistics clusters create opportunities for new SMEs both within the logistics sector and also from firms serving the logistics sector.

5.8.18 At Magna Park for example there is a staff recruitment firm based in Lutterworth acting as part of the supply chain infrastructure.

Shared Resources

5.8.19 Logistics clusters provide opportunities for shared resources. An estimated 25 per cent of all freight vehicles in Europe run empty and over 50% run with only partial loads. The potential for shared loads to reduce the number of vehicle movements could significantly reduce the carbon footprint of the logistics sector. Such collaborations are facilitated by major logistics parks where operators are moving goods from the same origin to the same destination.

Shared Infrastructure

5.8.20 Movement of goods requires the infrastructure to support it and as a country grows wealthier the volume of goods grows and the demands on that infrastructure become greater. Logistics hubs centralise the flows of goods and enable the supporting infrastructure to be provided more efficiently.

5.8.21 The common infrastructure shared by occupiers at Magna Park includes the network of tree-lined boulevards which are kept free of parking and have footpaths that employees use for running during work breaks, the shared services farm (bio-discs and reed beds), a common

sprinkler system and a very significant level of landscape development, including the 1 million plus tree Magna Wood that provides a recreational resource for employees as well as a rich ecological habitat and a visual screen. The proposed extension develops the shared infrastructure concept still further – and opens it to the community. The Logistics Institute of Technology campus facilities will be shared with employees and the wider community and the new Bittesby Country Park will also be available to employees. The shared services farm approach will also be replicated. The application proposals also provide for a common HGV park for Magna Park's occupiers with a compressed natural gas (CNG) fuelling and vehicle wash, an HGV Training Centre and a dedicated railfreight shuttle terminal that will provide on-demand shuttle services to DIRFT and Rugby using electric or CNG-powered traction units.

5.8.22 The high quality of the shared infrastructure offered by Magna Park and the attractiveness of this high quality environment to occupiers is a feature of the Park being managed consistently by a single estate management team.

5.8.23 The Railfreight Shuttle and the Terminal will help current and future Magna Park occupiers to grow in a sustainable way. The lower carbon footprint generated by use of the Shuttle and associated rail movements could also enable occupiers to win orders they might not otherwise get by enabling them to demonstrate a green supply chain to their customers. From a UK plc perspective, use of the Shuttle and associated rail movements would reduce the number of HGV's on Britain's motorways and thereby help to reduce congestion and the cost of delays thus generated.

Competition

5.8.24 Finally competition is an important component of clusters. Competition is identified by HM Treasury as one of the five drivers of productivity. The close location of competing logistics operators on the same park ensures competition drives good prices for customers and drives innovation and efficiency in operators.

Innovation Centre – Wider Economic Impact

5.8.25 The Magna Park Innovation Centre (MPIC) will also generate wider economic benefits for the local area beyond the narrowly quantified impact set out earlier. The economic value of innovation centres is noted in a recent report assessing the potential for an Innovation Centre by Oxford Innovations/SQW. This notes that:

"Innovation Centres provide an environment for small recently formed businesses, most typically operating in professional services, computing or IT, which includes flexible dedicated business space, in a mix of office and general workshop/workspace, sometimes also with laboratories. The centres aim for financial sustainability, and seek to deliver real benefits, both to the businesses working in the centres and to the wider economy."

5.8.26 A recent study[21] which sought to quantify the scale of these benefits over time found an annual average compound growth in employees of 38% for businesses in innovation centres – and that these firms continued to grow, for the most part in the local area, after they moved on from the centre.

- Thirty percent of businesses included in the study recognised that without the centre, they would be growing more slowly; 40% that they had achieved higher profitability through being in an innovation centre. Overall, it was estimated that at least 10% of a company's growth could be attributed to support from a centre.
- New and young businesses are vulnerable: even those succeeding in the first year or two face financial and other pressures as they grow. The on-site facilities (including excellent telephony and broadband), business support, and provision for peer learning and

[21] 'Business Survival and Growth within Oxford Innovation's Centres: Research findings 2003 to 2013'

networking in shared spaces, combine to reduce the risks of failure and over-trading. When the cohorts of businesses founded in a particular year and based in Oxford Innovation ICs were compared with survival rates for the annual cohort across England, the overall rates varied substantially from year to year, but the survival rates within ICs were consistently and significantly higher.

- The wider benefits recognised by firms in innovation centres include: increased credibility for their business (57%); increased links and networking (49%); support and advice enabling quicker solutions to be found to business problems (25%).
- Two businesses in five said that without their innovation centre, the business would not have survived a critical period."

5.8.27 So, the MPIC will contribute more to the local economy than just the economic output of the firms it accommodates. It will contribute to local, regional and national policy objectives through:

- the leverage of the value of Magna Park to meet needs of the local economy as sought by HDC's Open for Business Prospectus;
- improved rates of enterprise growth for the district, helping to redress the lag in particular in Harborough's performance, in line with LLEP's SEP and HDC's own policies;
- the value added to the agglomeration economies generated for businesses and the wider local economy by the Magna Park logistics cluster;
- more opportunities for local residents to start and grow businesses locally and to work locally in high value firms serving a dynamic industry with substantial growth potential; and
- the commercial exploitation of applied research by the university in collaboration with the industry to the benefit both of the logistics sector's long-term competitiveness and its sustainability in environmental terms.

Labour Market

5.8.28 The effect on the labour market can be examined by reviewing the likely occupational profile of the employment at the site in the operation phase. The National Skills Survey provides a breakdown of jobs in the logistics sectors by occupation as set out in Table 5.8.

5.8.29 To provide an assessment of the labour market impact we have considered the total direct employment of the Logistics and Warehousing employment which is by far the largest component of the operational phase, with 5,248 jobs before leakage, displacement or multiplier effects.

5.8.30 The last column in Table 5.8 arrives at the occupation breakdown of these 5,248 jobs based on the National Skills Survey percentages. This results in:

- Some 1,469 jobs in high value occupational groups (i.e. Managers; Professional Occupation; and Associate Professional Occupations)
- An estimated 840 jobs in mid-level occupational groups (i.e. Administrative and Secretarial and Skilled Occupations);
- Approximately 472 jobs in lower level service and sales occupations; and
- Some 2,466 process plant and elementary occupations.

Table 5.10 Occupation Breakdown of Operational Employment

	Percentage of jobs*	Approximate no. of jobs
Managers and Senior Officials	18%	945
Professional Occupations	2%	105
Associate Prof & Tech Occupations	8%	420
Administrative and Secretarial Occupations	13%	682
Skilled Trades Occupations	3%	157
Personal Service Occupations	3%	157
Sales and Customer Services Occupations	6%	315
Process, Plant and Machine Operatives	22%	1,154
Elementary Occupations	25%	1,312
Total	**100%**	**5,248**

*Source: National Skills Survey

5.8.31 The labour market impacts can be assessed by considering the occupation profile of job opportunities created at the operational stage (as estimated in Table 5.11) against the sought occupations of Job Seekers Allowance (JSA) claimants within the labour market catchment of MPL as shown in Table 5.12. We have used JSA claimants resident within local authority districts within an approximated 45-minute catchment area of Magna Park.

Table 5.11 Occupations sought by JSA claimants vs. Operational Employment at the site

	No. of JSA claimants May 2017	Approximate no. of jobs
Managers and Senior Officials	820	945
Professional Occupations	75	105
Associate Prof & Tech Occupations	105	420
Administrative and Secretarial Occupations	690	682
Skilled Trades Occupations	195	157
Personal Service Occupations	185	157
Sales and Customer Services Occupations	7,835	315
Process, Plant and Machine Operatives	230	1,154
Elementary Occupations	1,780	1,312
Unknown	675	
Total	**12,590**	**5,248**

*Source: NOMIS

5.8.32 Table 5.12 shows that current number of claiming unemployed in the labour market catchment area is more than twice the number of jobs that will be created. It also illustrates that across most occupational categories there is an existing pool of workers who are currently unemployed that are seeking occupations which correspond to those arising at the operational stage at every skill level. The actual pool of labour is of course much larger than just the claimant unemployed resource of people.

5.8.33 As noted earlier the labour force for this catchment area is projected to increase by between 94,000-102,000 over the period 2018-31.

5.8.34 It is also important to consider training opportunities in the context of the variety of employment opportunities at the proposed development. These vary in duration and can appeal to the diverse range of skills of the baseline population. For instance:

- construction related qualifications gained before starting to work in the construction (e.g. apprenticeships);
- construction-related qualifications and skills gained while working in construction (formal training, and also more informal supervisory/managerial skills or knowledge acquired); and
- similarly, within logistics sectors at the site (and opportunities for collaborative approaches for instance between education providers and the retailers operating on the site).

Logistics Institute of Technology – Labour Market and Training Impact

5.8.35 The proposed Logistics Institute of Technology (LIT) is a further and higher education, training and applied research institute whose purpose is to provide the logistics industry with the skills and supply chain innovations needed to propel the sector's growth, increase its productivity and reduce its environmental footprint.

5.8.36 LIT is led by a partnership between North Warwickshire and South Leicestershire College, Aston University's engineering and logistics faculty, Holovis and IDI Gazeley. LIT is to operate from buildings of up to 4,700 sq m on a campus within the extended Magna Park's central Hub.

The Need for LIT's Services

5.8.37 LIT responds to three kinds of needs:

- the need for the skills, education, training and professional qualifications the sector requires to respond to the pressures for upskilling in response to global challenges;
- the poor image of the industry which acts as a barrier to the recruitment of the talent the sector needs and ultimately also to its productive and sustainable growth; and
- the escalating need for technical and service innovations to improve the efficiency of the supply chain and reduce its costs, including its environmental costs.

The Vision

5.8.38 Education and training will be at the heart of LIT's work to ensure that the logistics sector is provided with high calibre staff at all levels. The focus of this work will be on: a) developing young people for careers in the sector; and b) redeveloping existing staff to meet the many challenges that need to be faced now and into the future.

5.8.39 While knowledge and skills development will be central, this advanced learning activity will be integrated with, and supported by, applied research as well as other company outreach and support activity.

5.8.40 In line with the integrative nature of contemporary logistics and supply chain management (SCM) thinking, a key feature of the Institute is that these three activities will be undertaken in an integrated manner:

- The ***Research*** dimension provides the underpinning knowledge and expertise that informs both *Advanced Learning* and *Company Outreach and Support*.

- The ***Advanced Learning*** feeds learner knowledge and experience back into the *Research* process, thereby creating continuous iteration between these activities.
- *The* ***Company Outreach and Support*** activity will help to ensure that: (i) the research agenda addresses these imperatives; and, (ii) the knowledge created through research is appropriately exploited.

LIT's Objectives

5.8.41 LIT has a two-fold mission:

- to deliver the skills and applied research the sector needs to grow, innovate and prosper; and
- to open the industry's opportunities for skills, jobs and rewarding careers to all the area's communities.

5.8.42 LIT's overarching objective is to provide south Leicestershire with an industry-led, accessible, FE-HE institute to deliver the education, training, qualifications, business support and applied research the logistics sector needs to grow sustainably and competitively in the LLEP area.

5.8.43 LIT's operational objectives are:

- To provide the skills escalator that will attract, progress and retain the talent the sector needs, at all ages and entry points.
- To develop the next generation of sustainable, innovative supply chain business processes through applied research.
- To provide effective outreach support to logistics businesses and their customers.
- To transfer LIT's research output into commercial applications in new and existing businesses.
- To make LIT and its campus an exemplar of environmental sustainability, place-specific design and dual use with the community.
- To support improvements in the sector's transport and communications infrastructure.

5.8.44 LIT's objectives build on the logistics sector's strengths and target its opportunities and threats; take advantage of the unique opportunity presented commercially by the extension of Magna Park; seize the opportunity of LIT's location at the heart of Magna Park and co-location with the Innovation Centre; and make full use of the partners' expertise and shared ambitions to respond to the needs of LIT's student and employer markets.

LIT – the Project

5.8.45 LIT will provide c 3,700 sq m of classrooms, laboratories, demonstration and assembly space on a campus which includes a 1.05 ha playing field / pitches for dual use with the community. LIT will be located with the extended Magna Park's new Hub alongside the proposed Magna Park Innovation Centre.

5.8.46 LIT's research activities and industry collaboration provide a key rationale (commercial capture of LIT's research output) for the 2,300 sq m co-located Innovation Centre.

The roles of the founding partners

5.8.47 The founding partners and their roles are as follows:

- **IDI Gazeley**: Global logistics developer and developer and manager of Magna Park will provide strategic leadership.
- **Aston University**: Highly ranked specialist logistics education and applied research faculty will be responsible for the research function of LIT and for part time work-based

degrees, postgraduate qualifications, and the work-based full and part-time progression routes at the high skills and postgraduate levels.

- **NW and SLC**: Innovative FE College that works closely with employers to deliver a range of relevant and current qualifications will provide operational leadership to the education and revenue funding of the project.

The offer

5.8.48 The centre will work to enable talent to be recruited, developed and retained as the sector expands and becomes more technologically and professionally driven. The following list identifies various categories of individuals that the centre will work with, each of which has been highlighted in LLEP's 'People Action Plan'.

5.8.49 The programmes and qualifications that LIT will provide will be discussed and agreed with the employers. The following is an indication of the likely level and type of qualifications to meet the needs of the various groups identified in LLEP's 'People Action Plan':

- Existing workforce upskilling - a range of NVQ levels from 2-4 offering specific targeted programmes as agreed with employers as well as formal qualifications such as HND and Advanced Apprenticeships.
- Existing workforce - Career progression – part work-based HNC, foundation degrees, bachelor degrees, master degrees, bespoke training and professional short programmes.
- Local school and college students – From pre-employment training, through employability skills and introduction to the Logistics Industry as well as pre-apprenticeship training and a range of NVQ at Level 2-3.
- School and college leavers – Apprenticeships, Traineeships or work-based foundation and degree programmes.
- University students on placements – liaison with the employers and the University can open up a potential for graduate recruitment. Pre- employment training and bespoke professional programmes could be offered to ensure they understand the career potential and global travel associated with the Logistics industry.
- Graduate employees – pre –employment training, logistics centre orientation programmes and a range of professional short course, work-based Masters programmes in technical and managerial disciplines
- Supervisors and Managers -Professional work-based Masters Programmes, Work-based PhDs along with bespoke and professional short courses.

5.8.50 The seamless progression from Level 1 – 7, i.e., from school to postgraduate university education that can be achieved for an individual through this partnership and its wider community engagement, is illustrated in the logistics curriculum set out below.

Indicative Curriculum

5.8.51 A typical logistics curriculum would offer:

- Pre-employment training (1-2 weeks)
- Pre-apprenticeship training /Traineeships (2-6 weeks)
- NVQs (4-12 months)
- Apprenticeships at Advanced, Higher and Degree levels (14-24 months)
- Driver training and licences acquisition (in collaboration with the proposed Magna Park Driver Training Centre for Magna Park's businesses)
- Bespoke Training
- Master Classes

5.8.52 The size of LIT is based on a full-time student equivalent of 400 per annum – with training, education and work placements/experience for c 1,000 annually (when fully operational), indicatively distributed as:

- Part-time Foundation Degrees/HNCs: 80
- Part-time Masters modules: 125
- Adult skills: 20
- Part-time PhDs: 9
- NVQs all levels: 200
- Apprenticeships all levels: 100
- Employability skills/pre-employment training: 250
- Professional programmes: 600
- Professional qualifications with the Chartered Institute of Logistics and Technology: 200
- Placements/work experience: 100
- Taster days: 1,000

5.8.53 LIT expects additionally to deliver annually:

- Business support outreach programmes annually: c 20 days of programmes with c 35 firms; and 25 bespoke schemes
- Applied research initiatives with business annually: c 3
- R&D transfer to existing / new businesses: c 2 projects annually
- Community liaison days / events annually: 6

Impact

5.8.54 The Logistics Institute of Technology will thus have a significant impact in enhancing the skills and training opportunities of local workers. This will be of benefit to residents of the local area who will be able to raise their skills and qualifications and hence enhance their career opportunities. It will also benefit businesses of the local area who will be benefit from the productivity improvements the enhanced skill level will generate.

Magna Park Innovation Centre – Labour Market Impact

5.8.55 Whilst the wider economic impacts of the MPIC are set out above there is also a labour market dimension as the centre will develop skills and innovative growth will lead to a range of higher skilled job opportunities for local residents.

Driver Training Centre – Labour Market Impact

5.8.56 The proposed Driver Training Centre will comprise a 0.47 ha tarmac surface on which driver training will be provided in a safe, purpose-built environment. The intention is that training will be provided by an experienced operator who would provide training and assessment in rigid, artic and trailer-towing skills. This responds to the nationwide problem that operators have reported in the numbers of qualified HGV drivers. Especially given that a number of the drivers will be approaching retirement age in the coming years, hence creating a need for replacement demand.

5.8.57 Offering training and facilities of this quality on-site at Magna Park will alleviate the driver shortage by mitigating a number of key barriers that potential employees face, getting into or remaining in the sector.

5.8.58 Based on discussions with prospective operators, the delivery of CPC training and certification in Category C and C+E HGVs for approximately 500 drivers per annum.

5.9 Significance of Predicted Effects

Employment

5.9.1 Based on the significance criteria in Table 5.4 the net additional jobs, excluding construction impacts, represent a 13.3% increase on current employment levels in the district. The net additional jobs for Harborough residents after additionality impacts represent 2.5% of current jobs in Harborough and thus are a major beneficial impact.

Social Impacts

5.9.2 The social impacts related to housing and social infrastructure requirements are considered to be not significant compared against the baseline given that:

- the potential labour resource identified in Table 5.9, indicates a significant proportion of the jobs proposed development would be taken by people that are already resident within the study area, either people changing jobs or unemployed workers; and
- a substantial number of additional new homes are to be delivered in the local area. For instance, in HDC, 3,005 new homes are planned over the next 12 years, and 500 of these are in Lutterworth.

5.9.3 There are also beneficial impacts to health and well-being of residents in the area following the take-up of local jobs and training opportunities. Given the relatively low levels of deprivation in the study area this impact is considered to be minor beneficial.

Labour Market Impacts

5.9.4 The proposed development provides employment opportunities for a wide group of receptors ranging from unemployed people seeking careers in logistics industry at all occupation levels; the existing workforce who may be looking to up-skill and secure higher value logistics jobs; and young people in HDC and the wider area, in particular high academic achievers, who wish to remain HDC when they enter the labour market, and highly skilled logistics employment.

5.9.5 This will result in a significant beneficial impact to the labour force and employers in the area, particularly as there is a need to retain logistics workforce driven by rising skills requirements and replacement demand in the sector.

5.9.6 We have no means to measure the magnitude of this impact, but there is potential to have a long term beneficial effect on the labour supply. In view of the significance criteria in Table 5.4, and the overall employment generated by the development, the long-term labour market impact is considered to be major beneficial.

Proposed Mitigation

5.9.7 Gazeley have already engaged with HDC over the proposed Construction Job and Business Employment Strategy, which now forms an obligation within the Section 106 agreement to the DHL planning permission (15/00919/FUL). Its aim is to encourage the recruitment of local residents and apprentices and increase the supplier opportunities for local businesses. The same Construction Job and Business Employment Strategy is expected to form part of the S106 agreement for this Hybrid application.

5.9.8 The introduction of the Logistics Institute of Technology will significantly enhance the labour market and training benefits of the scheme for local residents.

5.10 Residual Effects

5.10.1 The proposed development will have direct, indirect and induced employment effects in HDC as well as wider economic benefits to the surrounding area. The residual impacts and their significance are set out below.

Construction

5.10.2 The proposals have a moderate beneficial effect in terms of amount of development envisaged and the duration of construction. This would result in some temporary construction jobs in the area.

5.10.3 An estimated 1,634 gross construction jobs are created over the construction period, although these would be varying by intensities and types of employment. The baseline estimate is that 287 jobs are likely to go to Harborough residents after allowing for displacement, leakage, and multiplier effects and that 924 will go to residents of Leicestershire. After implementation of mitigation measures the share of local jobs will rise although any figure attached to this increase would be speculative at this stage so we treat the local numbers as a minimum.

Operational

5.10.4 Following completion of all construction activities, a new permanent workforce would be created as a result of the commercial activities at the Site. The impact of this would be felt not just on the site itself but also in the surrounding area as employment would be created both directly and indirectly, as a result of multiplier effects.

5.10.5 An estimated 5,248 gross operational jobs will be created in logistics industries and 5,732 additional jobs on site in total. These jobs will cover all occupational and skills levels. After allowing for leakage, displacement and multiplier effects 1,076 of these jobs are likely to go to Harborough residents and 3,329 to residents of Leicestershire. After implementation of mitigation measures the share of local jobs will rise although any figure attached to this increase would be speculative at this stage so we treat the local numbers as a minimum.

5.11 Cumulative Effects

5.11.1 The EIA Regulations require assessment of the cumulative effects of the proposed development and other major local developments that are in cross proximity to the site. The table below sets out the sites we have assessed and the development quantum associated with each development.

Table 5.12 Cumulative Impact Schemes

Location	B1a	B1c/B2	B8	A	C1	D	Dwellings
Plot 2110, Magna Park			16,723				
Land at Coventry Road							250
Land south of Lutterworth Rd	9,467						
Land north Lutterworth Rd	11,348						
Land north of Bil Crane Way							170
Land north of Bil Crane Way							147
Land East of Leicester Road							84
DIRFT			731,000				
Rugby Radio Station			106,000	15,500	3,500	6,000	6,200
Rugby Gateway			144,000				1,300
Land Bounded Ashby Canal		17,577	47,381				509
Leaders Farm Coventry Rd							130
Cawston Extension Site							
Land off Dunton Road							24
Site at land south of Hallbrook Primary School Sutton Lodge Farm							111
Floorspace sqm/dwellings	**20,815**	**17,577**	**1,045,104**	**15,500**	**3,500**	**6,000**	**8,925**
sq m per worker	12	40	80	18	40	60	
Jobs	**1,735**	**439**	**13,064**	**861**	**88**	**100**	

5.11.2 In total if developed and occupied these developments would contain around 20,8000 jobs. Not all these jobs would be in Harborough District and hence comparable calculations of 'local' jobs to those set out above are not possible. But the developments would be competing in the same broad labour market.

5.11.3 In addition there are around 9,000 dwellings. Using a broad rule of thumb of one worker per dwelling these would account for the equivalent of around 43% of the labour force of the employment developments.

5.11.4 In addition we have provided a further sensitivity test for land adjacent to Glebe Farm where there is a proposal for 278,709 sq m of B8 space which if developed and occupied would accommodate 3,484 jobs on the basis of an employment density ratio of 80 sq m per worker.

5.11.5 Cumulatively if all developments went ahead and were occupied there would be an additional 22,018 jobs in the sub-regional economy or 25,502 if land adjacent to Glebe Farm, were included. This should be seen in the context of a projected labour force growth of between 94,000-102,000 over the period 2018-31 in the broad catchment area.

5.12 Summary

5.12.1 This chapter describes the anticipated socio-economic impacts of the proposed development. It is set against a background of support in national and local planning documents as well, as Strategic Economic Plans of the three Local Enterprise Partnerships (LEPs) that cover the surrounding area.

5.12.2 A baseline study of the local economy identified that HDC functions within the Golden Triangle, with a large proportion of in-commuting from neighbouring districts to take up logistics career opportunities in MPL. The HDC population is ageing, with a relatively high proportion of the population entering the age of retirement, generating replacement demand for labour by employers.

5.12.3 Logistics is a major sector that is vital to the economic health and employment prospects of the Harborough economy, Given the Golden Triangle's optimality as a location for logistics the firms; the current and projected growth of the logistics sector and the rising skills levels of careers in logistics, there is significant demand for employers for warehousing space and labour at each skill level.

5.12.4 The proposed development responds to the area's demographic and employment challenges in enabling an expansion of logistics activities in MPL resulting in operational efficiencies for occupiers; creating employment opportunities at each skill level to attract a diversely skilled and economically active population to HDC –particularly highly qualified and younger age cohorts to satisfy replacement labour demand and result in sustainable growth in the sector.

5.12.5 The job creation with that of the operational employment of the proposed development amounts to 5,732 with a further 1,634 construction jobs. 1,076 of the operational jobs and 287 of the construction jobs are likely to go to Harborough residents, with 3,329 operational and 924 construction jobs to residents of Leicestershire.

5.12.6 The employment opportunities are created at each skill level result in beneficial impacts to the local labour market.

5.12.7 The employment opportunities will include temporary jobs, apprenticeships and training opportunities at the construction phase and a new permanent workforce at the operational phase. The variety of occupations matches those sought by the resident labour market.

5.12.8 These occupations created also include highly valued managerial and professional level employment in logistics sectors, enabling HDC attract a highly skilled workforce to the area. In the long-term this will help encourage HDC's resident population of highly qualified young people to remain in the district and take-up such opportunities rather than commuting. This will be beneficial to the local economy, for instance, through a higher proportion of spending of workers at MPL retained in HDC.

5.12.9 Beyond the immediate jobs impacts the Logistics Institute of Technology and the Magna Park Innovation Centre will contribute to raising the profile and productivity of economic activity in Harborough. Between them they will bring improvements in workforce skills and stimulate innovation and growth in the local economy.

5.12.10 Table 5.14 summarises the significance of the potential impacts of the proposed development and mitigation against adverse effects.

Table 5.13 Significance of socio-economic impacts

Phase	Description of Impact	Nature	Significance of impact	Mitigation
Construction	Direct employment generated at the site	St.R	Moderate Beneficial	
	Indirect employment generated at the site	St.R	Moderate Beneficial	
	Training opportunities for construction operatives	St. R	Moderate Beneficial	
Operation	Direct employment in logistics industries	Mt. R	Major Beneficial	
	Indirect employment in the in the MPL supply chain	Mt. R	Major Beneficial	
	Additional housing and social infrastructure requirements as a result of increased employment at the site	Mt. R	Not significant	
	Logistics Institute of Technology	Mt. R	Major Beneficial	
Long Term	Labour market impacts opportunities at each skill level; a new permanent workforce created; lower levels of out-commuting.	Lt R	Major Beneficial	
	Increased health and well-being as result of take-up of employment opportunities.	Lt R	Minor Beneficial	

St= Short term; Mt= Medium-term; Lt= Long-term; R= Reversible

5.13 References

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Abbreviations

ASHE	Annual Survey of Households and Earnings
ABI	Annual Business Enquiry
BIS	Department for Business, Innovation and Skills
BRES	Business Register and Employment Survey
CWLEP	Coventry and Warwickshire Local Enterprise Partnership
FTE	Full-time Equivalent
GVA	Gross Value Added
HCA	Home & Communities Agency
HDC	Harborough District Council
HGV	Heavy Goods Vehicles
LEP	Local Enterprise Partnership
LLEP	Leicester & Leicestershire Local Enterprise Partnership
MPL	Magna Park, Lutterworth
LDF	Local Development Framework
NPPF	National Planning Policy Framework
NPPG	National Planning Practice Guidance
ONS	Office for National Statistics
SEMLEP	South East Midlands Local Enterprise Partnership
SEP	Strategic Economic Plan

List of Technical Appendices in ES Volume 3

About IDI Gazeley

IDI Gazeley is one of the world's leading investors and developers of logistics warehouses and distribution parks with 60 million square feet of premier assets under management and additional prime land sites to develop another 45 million square feet of distribution facilities near major markets and transport routes in North America, Europe and China.

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Magna Park Extension: Hybrid Application

Environmental Statement Chapter 5: Socio-economics

Projections

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I have an M.A. in Demography from the University of California, Berkeley and I am a Fellow of the Royal Statistical Society (RSS). I was President of the British Society for Population Studies (BSPS) in 2005-07 and have also been Chair of the Local Authorities Research and Intelligence Association (LARIA).

I was employed as Demographic Consultant at the Greater London Authority until retiring in 2011. At GLA I prepared demographic projections for the various incarnations of the *London Plan* between 2000 and 2011. I was also demographic adviser to SEERA (2007-1) and I have prepared demographic projections and analysis under contract for several local authorities while at both London Research Centre (1987-2000) and the GLA.

I led the local government side of the CLIP (Central and Local Government Information Partnership) Census Advisory Group for both the 2001 and 2011 Censuses. In 2011-12 I was one of four external experts invited to assist ONS with quality assurance of the results of the 2011 Census and in 2013 I was part of the small team that, at the request of the Royal Statistical Society, wrote a methodological assessment of the ONS *Beyond 2011* project. I also advised ONS on future requirements for small area data in relation to the same project.

I was a member of the CLIP Population Sub-group, which discusses methodology for population and household estimates and projections with ONS and CLG. I have also been a member of the ONS Expert Panel advising on assumptions for National Population Projections and the CLG Steering Group on Household Projections, focussing on the 2010 redevelopment of the modelling process as well as the 2008 and Interim 2011 projections. I have also advised on the development of the PopGroup demographic projections software that is used by many local authorities and planning consultancies.

I currently work as a demographic consultant on projects for a number of clients.

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This note relates to the whole area of the sixteen local authorities that best approximate to the 45 minute travel time zone of Magna Park distribution centre near Lutterworth in Harborough district. Travel times were based on both public and private transport. The local authorities are:

- Blaby
- Charnwood
- Coventry
- Daventry
- Harborough
- Hinckley & Bosworth
- Kettering
- Leicester UA
- North Warwickshire
- North West Leicestershire
- Northampton
- Nuneaton & Bedworth
- Oadby & Wigston
- Rugby
- Tamworth
- Warwick

Initially the results of the Office for National Statistics (ONS) and Department for Communities and Local Government (CLG) 2012 based population and household projections[1] were compared with two commissioned projections that are based on the 2013 mid-year estimate using recent migration trends (2013-13 and 2008-13). Further projections converted the recommendations of the SHMAs relating tom each authority. Each of the population projections were converted to the resident labour force using consistent sets of local economic activity rates.

1. ONS 2012-based Sub National Population Projections (SNPP)

The ONS 2012-based sub national population projections (SNPP) were the first to take full advantage of the results of the 2011 Census. The bases for migration used in the 2012-based projections were the estimated annual average flows that each authority had with each other authority in the rest of England in the previous five years and with Overseas in the previous six years. Cross-border flows within the UK were also based on the previous five years but treated separately in the modelling. These migration data were consistent with the annual components of change in the updated series of mid-year estimates between 2006 and 2012. The population bases for converting the flows within England into age/gender out-migration probabilities and origin-to-destination distributions were the relevant revised mid-year population estimates for the origin authorities.

In terms of age-specific fertility and survival rates ONS compares local average rates for the five years before the base to the rates for England. These age-specific (and gender-specific in the case of survival) ratios are then used in the projection to locally adjust the assumed

[1] All data in this report drawn from the ONS and CLG population and household estimates and projections are © Crown Copyright.

England fertility and survival rates for years up to 2036-37. This aspect of the ONS projection methodology is standard, non-controversial and widely copied in local models.
The great advantage that the ONS SNPP has over locally produced projections for a single area is that the SNPP model is multi-area. It projects all English authorities together with migration outflows from each authority (prepared by age/gender specific probabilities) distributed (by age/gender) to destination authorities. Therefore the modelling of internal migration in England is a zero-sum calculation and is dynamic, using the annually changing population size and age/gender structure of the origin authorities to generate the flows between authorities.

All initial local results, in terms of population size by single years of age (0 to 90+) and gender, births by age of mother, deaths by age and gender and international and cross-border migration flows by age and gender must sum to the figures used in the 2012-based National Population Projection (NPP) for England. A controlling process ensures consistency.

There is one key aspect of the ONS analyses of annual local (and national) population change between 2001 and 2011 that is not considered in the ONS SNPP. This is unattributable population change (UPC) that 'corrects' for any accumulated errors in either the 2001 or 2011 population estimates or the official ONS estimates of UK and international migration flows. For many authorities, several in this study, this is an important part of the population change between 2001 and 2011. It is assumed in most cases to be linked to the problems ONS had in properly estimating the international inflow to the UK and also to the internal distribution of those immigrants between local authorities. While UPC for England is positive across the decade in many local authorities it is a high negative value.

2. CLG 2012 Household Projections

The CLG 2012 household projections convert the ONS 2012 SNPP to households each year to 2037. The process first splits the SNPP populations (by five-year age groups and gender) by relationship status, that is persons living in a couple, formerly in a couple (ie widowed, divorced, separated) and single. Each of these groups is then divided between persons resident in communal establishments and persons resident in households. The final step calculates households by applying household representative rates(HRRs) to the household population aged 15+ by gender/age/relationship. This is the Stage 1 process that calculates total households. The Stage 2 process allocates the Stage 1 totals to 17 different household types using household headship rates (HHRs). Stage 2 has not yet been published by CLG.

CLG uses the latest – but still 2006-based - ONS national projection of the population by marital status to forecast the proportion of each age/gender group by relationship status in each local authority. This process is guided by the actual marital status of people as recorded in the 2011 Census.

In projecting the HRRs CLG was able to utilise more 2011 Census data than were available for the Interim 2011 projections, but still could not include the essential data that enables the calculation of the HRRs for 2011[2]. The 2011 HRRs are essential to feed into the projection model that uses Census HRRs back to 1971. To overcome the lack of full data the 2011 HRRs were estimated from the HRRs for 2011 used in the CLG 2008 household projections together with 2011 data for England using the Labour Force Survey (LFS) and the 2011 Census totals of households in each authority. The required HRRs are specific to gender, age (5 years) and relationship status. The LFS data are only specific to gender and age. Therefore, while the 2011 HRRs are the best that could be used at the time, they are still not perfect and, by necessity, contain a large element of change at the national level rather than specific local data. CLG 2012 uses fuller, but not complete, data on the size of the communal

[2] At the British Population Studies Society meeting on 18 May 2015 it was stated by CLG that it will not now be doing more work on the 2011 Census data to finalise the Stage 1 household representative rates due to the different definitions used in the 2011 Census.

establishment population and its gender/age distribution. Therefore the size and structure of the household population was better estimated than in the Interim CLG 2011 projections.

While still not definitive, the 2011 HRRs used in the CLG 2012 projections are more complete than their predecessors in the Interim 2011 projections and have been projected according to the same rules and methods. The projection goes to 2037, rather than to 2021 in the Interim 2011 projections, and so focuses attention on a single, traditionally produced, projection of future rates rather than opening up the possibility of a range of assumptions such as have been made in the past few years for local plans by authorities and planning consultants. Such projections beyond 2021 have been prepared based on 'trend', 'index', 'static', 'catch-up', 'partial catch-up' and 'blend' methods based on linking the CLG 2008 and Interim 2011 HRRs to forecast HRRs beyond 2021. Finally, the projections are constrained by the results at regional and national levels.

While there may be disagreement with the resulting numbers of projected households at local level this may invariably be put down to the (perceived) failings of the ONS SNPP. However, CLG publishes unrounded results for modelling purposes that enable its HRRs to be used with alternative district level population scenarios. Locally this is the real value of the CLG projections. The CLG 2012 projection of HRRs, despite not being definitive, should be taken as the baseline for any forecasting of future levels of households.

3. 2003-13 Trends Projection

This projection is based on the ONS mid-2013 population estimate and uses fertility and mortality assumptions consistent with the ONS 2012 SNPP. The main difference with the SNPP is that it bases migration on average change over the ten year period 2003 to 2013 and incorporates the UPC between 2003 and 2011 as part of the overall migration change. This means that the resulting level of migration and the projected population will differ from the SNPP. The age structure may also differ. By taking a period that incorporates years before the recession this projection tends, in most local authorities, to show a higher result. The projection is converted to households using exactly the same assumptions and household representative rates as does the CLG 2012 projection.

4. 2008-13 Trends Projection

This projection is based on the ONS mid-2013 population estimate and uses fertility and mortality assumptions consistent with the ONS 2012 SNPP. The main difference with the SNPP is that it bases migration on average change over the five year period 2008 to 2013 and incorporates the UPC between 2008 and 2011 as part of the overall migration change. The projection is converted to households using exactly the same assumptions and household representative rates as does the CLG 2012 projection.

5. Projections based on SHMAs

The projections were prepared using the same models as used for the 2003-13 and 2008-13 Trends projections with the addition of a base population using the ONS mid-2014 estimates that were published on 25th June. The five SHMAs (see Table 1) that cover the 16 local authorities are mainly focussed on 2011-31. However two – West Northamptonshire and South Staffordshire - have shorter durations. Most offer a range of housing need, but the two relating to Northamptonshire have a single figure. The projections converted the SHMA recommendations for additional dwellings in each district to an average annual increase between 2011 and 2031. Table 2 indicates the original recommendations on a per annum basis and how these are translated to a full 20 year period to 2031.

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Table 1: SHMAs

	SHMA	Date	Consultant
Blaby	Leicester & Leicestershire	Jun-14	GL Hearn
Charnwood	Leicester & Leicestershire	Jun-14	GL Hearn
Coventry	Coventry & Warwickshire	Nov-13	GL Hearn
Daventry	West Northamptonshire	Oct-13	Cambridge Centre
Harborough	Leicester & Leicestershire	Jun-14	GL Hearn
Hinckley & Bosworth	Leicester & Leicestershire	Jun-14	GL Hearn
Kettering	North Northamptonshire	Aug-12	Housing Vision
Leicester UA	Leicester & Leicestershire	Jun-14	GL Hearn
North Warwickshire	Coventry & Warwickshire	Nov-13	GL Hearn
North West Leicestershire	Leicester & Leicestershire	Jun-14	GL Hearn
Northampton	West Northamptonshire	Oct-13	Cambridge Centre
Nuneaton & Bedworth	Coventry & Warwickshire	Nov-13	GL Hearn
Oadby & Wigston	Leicester & Leicestershire	Jun-14	GL Hearn
Rugby	Coventry & Warwickshire	Nov-13	GL Hearn
Tamworth	Southern Staffordshire	May-12	Nathaniel Lichfield
Warwick	Coventry & Warwickshire	Nov-13	GL Hearn

Table 2: SHMA Recommendations

		SHMA Dwellings per annum			Dwellings 2011-31	
	Period	Low	High	Notes	Low	High
Blaby	2011-31	360	420		7,200	8,400
Charnwood	2011-31	810	820		16,200	16,400
Coventry	2011-31	1,040	1,180		20,800	23,600
Daventry	2011-29	389	389	Exc. NRDA*; No Range	7,778	7,778
Harborough	2011-31	415	475		8,300	9,500
Hinckley & Bosworth	2011-31	375	450		7,500	9,000
Kettering	2011-31	739	739	No Range	14,773	14,773
Leicester UA	2011-31	1,250	1,350		25,000	27,000
North Warwickshire	2011-31	150	175		3,000	3,500
North West Leicestershire	2011-31	285	350		5,700	7,000
Northampton	2011-29	1,583	1,583	Inc. NRDA; No Range	31,667	31,667
Nuneaton & Bedworth	2011-31	430	495		8,600	9,900
Oadby & Wigston	2011-31	80	100		1,600	2,000
Rugby	2011-31	575	660		11,500	13,200
Tamworth	2011-28	240	265		4,800	5,300
Warwick	2011-31	660	720		13,200	14,400
		9,381	10,171		187,617	203,417

* Northampton Related Development Area that includes parts of Daventry and South Northamptonshire

The projections assume that between 2011 and 2014 the increase in households is determined by applying the household representative rates and other assumptiopns of the CLG 2012 household projections to the ONS mid-2014 population estimates by age and gender. The number of households is translated into dwellimgs/homes by assuming that the net vacancy rate (including second homes) as shown by the 2011 Census holds constant.

The net increase in dwellings is then subtracted from the SHMA High or Low total for 2011-31. The difference is split evenly over the remaining 17 years to 2031 and is the assumed average net build rate for 2014-31.

6. Resident Labour Force

All projections have been converted to resident labour force aged 16 to 74. This conversion is based on economic activity rates drawn from the 2011 Census. The rates are projected to 2031 using (a) the ONS projection of national labour force to 2020 (*Labour Market Trends*, January 2006) and (b) the Kent County Council Technical Paper: *Activity Rate Projections to 2036*, published in October 2011. The Kent paper extended the ONS work and incorporated the planned changes in the state retirement age. ONS no longer has responsibility for preparing national labour force projections. The role has passed to the Office for Budget Responsibility.

7. Local Authority Results

Blaby

Table 3: Projections Summary: 2018 and 2031: thousands (except change per annum)

		ONS/CLG 2012	2003-13 Trends	2008-13 Trends	SHMA Low	SHMA High		SHMA Average
Population	**2018**	97.5	96.5	96.9	99.6	100.2		99.9
	2031	103.7	100.8	102.0	112.4	115.4		113.9
	Change	6.2	4.3	5.1	12.9	15.2		14.0
Households	**2018**	40.7	39.8	40.0	41.0	41.3		41.2
	2031	43.9	41.2	41.7	45.8	47.0		46.4
	Change	3.2	1.4	1.7	4.8	5.7		5.2
	Change pa	244	106	132	367	436		402
Labour	**2018**	60.2	59.6	59.7	61.5	61.9		61.7
Force	**2031**	61.2	59.6	59.9	66.5	68.3		67.4
	Change	1.0	0.0	0.2	5.0	6.3		5.7

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Charnwood

Table 4: Projections Summary: 2018 and 2031: thousands (except change per annum)

		ONS/CLG 2012	2003-13 Trends	2008-13 Trends	SHMA Low	SHMA High		SHMA Average
Population	2018	179.7	178.3	180.3	178.8	179.0		178.9
	2031	198.7	200.3	206.3	194.3	194.8		194.6
	Change	19.1	22.0	26.0	15.5	15.8		15.7
Households	2018	72.3	72.5	73.1	72.5	72.6		72.5
	2031	82.3	84.4	86.6	82.0	82.2		82.1
	Change	9.9	11.9	13.5	9.5	9.6		9.5
	Change pa	764	917	1,041	728	739		734
Labour	2018	89.7	90.4	91.0	90.8	90.9		90.9
Force	2031	94.2	99.0	101.1	96.6	96.8		96.7
	Change	4.5	8.6	10.1	5.7	5.9		5.8

Coventry

Table 5: Projections Summary: 2018 and 2031: thousands (except change per annum)

		ONS/CLG 2012	2003-13 Trends	2008-13 Trends	SHMA Low	SHMA High		SHMA Average
Population	2018	349.8	346.8	356.3	341.8	343.6		342.7
	2031	398.7	397.8	436.5	359.4	366.6		363.0
	Change	48.9	51.0	80.2	17.6	23.0		20.3
Households	2018	142.1	140.7	144.0	139.2	139.8		139.5
	2031	166.0	162.8	178.8	148.4	151.1		149.8
	Change	23.9	22.1	34.8	9.2	11.3		10.3
	Change pa	1,838	1,699	2,674	711	869		790
Labour	2018	171.5	171.3	176.1	169.0	170.0		169.5
Force	2031	192.5	195.2	216.0	175.7	179.5		177.6
	Change	21.0	23.8	39.8	6.7	9.6		8.1

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Daventry[3]

Table 6: Projections Summary: 2018 and 2031: thousands (except change per annum)

		ONS/CLG 2012	2003-13 Trends	2008-13 Trends	SHMA
Population	2018	80.8	79.7	79.6	81.9
	2031	86.5	81.9	80.9	91.6
	Change	5.8	2.2	1.2	9.7
Households	2018	33.7	33.2	33.2	34.1
	2031	37.4	35.3	35.0	39.3
	Change	3.6	2.1	1.9	5.2
	Change pa	280	160	145	402
Labour	2018	41.3	41.2	40.9	42.4
Force	2031	40.7	38.9	37.7	43.4
	Change	-0.5	-2.3	-3.2	1.0

Harborough

Table 7: Projections Summary: 2018 and 2031: thousands (except change per annum)

		ONS/CLG 2012	2003-13 Trends	2008-13 Trends	SHMA Low	SHMA High		SHMA Average
Population	2018	90.2	90.7	91.2	90.9	91.6		91.2
	2031	98.0	99.8	101.9	100.3	103.2		101.8
	Change	7.8	9.1	10.7	9.4	11.6		10.5
Households	2018	37.9	37.8	38.0	37.9	38.2		38.0
	2031	42.7	43.1	43.9	43.1	44.3		43.7
	Change	4.8	5.3	5.8	5.2	6.1		5.7
	Change pa	368	408	447	401	469		435
Labour	2018	46.6	47.6	47.8	47.6	48.0		47.8
Force	2031	46.7	49.4	50.0	49.4	50.9		50.2
	Change	0.0	1.8	2.2	1.8	2.9		2.4

[3] No range

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Hinckley & Bosworth

Table 8: Projections Summary: 2018 and 2031: thousands (except change per annum)

		ONS/CLG 2012	2003-13 Trends	2008-13 Trends	SHMA Low	SHMA High		SHMA Average
Population	**2018**	110.1	109.2	109.1	110.8	111.6		111.2
	2031	118.1	115.6	114.7	120.4	123.8		122.1
	Change	8.0	6.3	5.5	9.5	12.2		10.9
Households	**2018**	48.0	47.2	47.1	48.1	48.4		48.3
	2031	52.6	50.0	49.5	52.8	54.2		53.5
	Change	4.5	2.8	2.4	4.7	5.8		5.2
	Change pa	349	219	186	360	445		402
Labour	**2018**	56.8	56.8	56.4	57.6	58.0		57.8
Force	**2031**	57.0	56.6	55.3	59.2	60.9		60.0
	Change	0.2	-0.1	-1.1	1.6	2.9		2.2

Kettering[4]

Table 9: Projections Summary: 2018 and 2031: thousands (except change per annum)

		ONS/CLG 2012	2003-13 Trends	2008-13 Trends	SHMA
Population	**2018**	100.3	101.5	100.2	103.7
	2031	110.4	117.7	111.2	125.9
	Change	10.1	16.2	11.0	22.2
Households	**2018**	43.1	43.3	42.8	44.3
	2031	48.7	50.6	48.1	54.0
	Change	5.6	7.3	5.3	9.7
	Change pa	434	561	410	747
Labour	**2018**	51.9	53.1	52.0	54.1
Force	**2031**	54.6	59.8	55.5	63.8
	Change	2.7	6.7	3.5	9.6

[4] No range

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Leicester

Table 10: Projections Summary: 2018 and 2031: thousands (except change per annum)

		ONS/CLG 2012	2003-13 Trends	2008-13 Trends	SHMA Low	SHMA High		SHMA Average
Population	2018	343.9	357.6	351.7	347.5	348.7		348.1
	2031	367.7	425.4	399.2	378.7	383.5		381.1
	Change	23.8	67.8	47.5	31.2	34.8		33.0
Households	2018	130.7	135.1	133.1	131.2	131.7		131.5
	2031	146.0	166.6	156.6	147.2	149.1		148.1
	Change	15.3	31.5	23.6	15.9	17.4		16.7
	Change pa	1,175	2,425	1,813	1,224	1,338		1,281
Labour	2018	162.2	170.4	166.1	164.4	165.1		164.7
Force	2031	169.2	202.3	185.8	177.6	180.1		178.8
	Change	7.0	31.9	19.7	13.1	15.0		14.1

North Warwickshire

Table 11: Projections Summary: 2018 and 2031: thousands (except change per annum)

		ONS/CLG 2012	2003-13 Trends	2008-13 Trends	SHMA Low	SHMA High		SHMA Average
Population	2018	63.3	62.0	62.1	63.5	63.8		63.7
	2031	66.3	61.0	60.9	66.7	67.9		67.3
	Change	3.0	-1.0	-1.2	3.2	4.1		3.7
Households	2018	26.9	26.2	26.2	26.9	27.0		26.9
	2031	29.1	26.2	26.3	28.7	29.2		29.0
	Change	2.2	0.1	0.1	1.9	2.2		2.0
	Change pa	167	7	8	143	171		157
Labour	2018	32.7	32.1	32.0	32.8	33.0		32.9
Force	2031	32.0	29.2	28.9	31.9	32.5		32.2
	Change	-0.8	-2.8	-3.1	-0.9	-0.5		-0.7

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North West Leicestershire

Table 12: Projections Summary: 2018 and 2031: thousands (except change per annum)

		ONS/CLG 2012	2003-13 Trends	2008-13 Trends	SHMA Low	SHMA High		SHMA Average
Population	**2018**	96.6	97.8	97.1	98.2	98.9		98.5
	2031	102.3	106.3	103.2	105.6	108.8		107.2
	Change	5.7	8.5	6.1	7.5	9.9		8.7
Households	**2018**	40.9	41.0	40.8	41.2	41.5		41.4
	2031	44.3	44.8	43.9	44.7	46.0		45.4
	Change	3.4	3.8	3.1	3.5	4.5		4.0
	Change pa	262	293	238	270	344		307
Labour Force	**2018**	49.2	50.3	49.7	50.6	51.0		50.8
	2031	49.0	52.3	49.8	52.1	53.7		52.9
	Change	-0.3	2.0	0.0	1.5	2.7		2.1

Northampton[5]

Table 13: Projections Summary: 2018 and 2031: thousands (except change per annum)

		ONS/CLG 2012	2003-13 Trends	2008-13 Trends	SHMA
Population	**2018**	228.9	228.3	227.5	233.8
	2031	253.9	259.3	254.3	278.7
	Change	25.1	31.0	26.8	44.9
Households	**2018**	96.8	96.1	95.7	98.7
	2031	110.9	110.7	108.9	119.5
	Change	14.1	14.6	13.2	20.8
	Change pa	1,084	1,125	1,016	1,597
Labour Force	**2018**	121.5	121.9	120.7	124.9
	2031	130.2	136.9	132.6	147.7
	Change	8.7	15.0	12.0	22.8

[5] No range

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Nuneaton & Bedworth

Table 14: Projections Summary: 2018 and 2031: thousands (except change per annum)

		ONS/CLG 2012	2003-13 Trends	2008-13 Trends	SHMA Low	SHMA High		SHMA Average
Population	**2018**	129.9	128.6	127.9	129.3	130.0		129.7
	2031	139.0	134.4	130.8	140.2	143.1		141.7
	Change	9.2	5.8	2.9	10.9	13.1		12.0
Households	**2018**	55.8	54.8	54.7	55.3	55.6		55.5
	2031	61.5	58.0	57.1	61.2	62.4		61.8
	Change	5.6	3.2	2.4	5.8	6.8		6.3
	Change pa	433	247	185	447	522		484
Labour Force	**2018**	65.5	65.3	64.5	65.5	65.8		65.7
	2031	66.5	65.5	62.3	68.3	69.7		69.0
	Change	1.0	0.2	-2.2	2.8	3.9		3.3

Oadby & Wigston

Table 18: Projections Summary: 2018 and 2031: thousands (except change per annum)

		ONS/CLG 2012	2003-13 Trends	2008-13 Trends	SHMA Low	SHMA High		SHMA Average
Population	**2018**	55.8	56.2	56.1	56.7	57.0		56.9
	2031	58.0	57.4	56.1	59.8	61.0		60.4
	Change	2.2	1.2	0.0	3.1	3.9		3.5
Households	**2018**	21.5	21.4	21.5	21.8	21.9		21.8
	2031	22.5	21.7	21.9	22.8	23.2		23.0
	Change	1.0	0.2	0.3	1.0	1.3		1.2
	Change pa	78	19	27	80	103		92
Labour Force	**2018**	32.0	32.9	32.5	33.2	33.4		33.3
	2031	31.1	31.7	30.6	33.0	33.7		33.3
	Change	-1.0	-1.2	-1.9	-0.2	0.3		0.0

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Rugby

Table 16: Projections Summary: 2018 and 2031: thousands (except change per annum)

		ONS/CLG 2012	2003-13 Trends	2008-13 Trends	SHMA Low	SHMA High		SHMA Average
Population	**2018**	105.9	108.2	106.5	108.0	109.0		108.5
	2031	116.2	127.2	118.9	125.2	129.4		127.3
	Change	10.3	19.0	12.4	17.2	20.4		18.8
Households	**2018**	45.1	45.5	44.8	45.4	45.8		45.6
	2031	51.1	53.8	50.4	53.2	54.9		54.0
	Change	5.9	8.3	5.6	7.8	9.1		8.4
	Change pa	457	641	428	599	696		648
Labour Force	**2018**	58.9	61.3	59.6	60.8	61.4		61.1
	2031	61.0	69.8	63.2	68.5	70.8		69.7
	Change	2.1	8.5	3.7	7.7	9.5		8.6

Tamworth

Table 17: Projections Summary: 2018 and 2031: thousands (except change per annum)

		ONS/CLG 2012	2003-13 Trends	2008-13 Trends	SHMA Low	SHMA High		SHMA Average
Population	**2018**	79.1	78.0	78.0	78.8	79.0		78.9
	2031	82.5	78.6	78.3	84.9	86.0		85.4
	Change	3.4	0.6	0.3	6.1	7.0		6.5
Households	**2018**	33.3	32.7	32.7	33.1	33.2		33.2
	2031	35.8	33.5	33.5	36.3	36.8		36.6
	Change	2.5	0.9	0.8	3.2	3.6		3.4
	Change pa	192	66	60	249	278		263
Labour Force	**2018**	45.3	44.9	44.6	45.2	45.4		45.3
	2031	44.2	42.6	41.9	45.8	46.3		46.1
	Change	-1.1	-2.2	-2.7	0.5	1.0		0.7

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Warwick

Table 18: Projections Summary: 2018 and 2031: thousands (except change per annum)

		ONS/CLG 2012	2003-13 Trends	2008-13 Trends	SHMA Low	SHMA High		SHMA Average
Population	**2018**	143.0	142.0	139.0	144.5	145.3		144.9
	2031	154.7	151.6	139.8	162.4	165.4		163.9
	Change	11.8	9.6	0.8	17.9	20.1		19.0
Households	**2018**	62.5	61.1	60.3	62.3	62.6		62.4
	2031	70.2	66.8	62.6	71.5	72.6		72.1
	Change	7.7	5.7	2.3	9.2	10.1		9.6
	Change pa	592	439	178	707	776		741
Labour	**2018**	84.3	84.2	81.6	85.9	86.5		86.2
Force	**2031**	87.2	87.2	78.1	94.1	96.0		95.0
	Change	2.9	3.0	-3.6	8.1	9.5		8.8

8. Magna Park 45 min Travel Zone Results

Table 19: Projections Summary: 2018 and 2031: thousands (except change per annum)

		ONS/CLG 2012	2003-13 Trends	2008-13 Trends	SHMA Low	SHMA High		SHMA Average
Population	**2018**	2,254.4	2,261.4	2,259.5	2,267.9	2,277.2		2,272.6
	2031	2,454.7	2,515.0	2,495.0	2,506.7	2,545.1		2,525.9
	Change	200.3	253.7	235.5	238.7	267.9		253.3
Households	**2018**	931.4	928.4	928.0	933.1	936.7		934.9
	2031	1,044.8	1,049.7	1,044.8	1,050.5	1,065.8		1,058.2
	Change	113.3	121.3	116.9	117.4	129.1		123.3
	Change pa	8,716	9,332	8,989	9,034	9,932		9,483
Labour	**2018**	1,169.7	1,183.2	1,175.3	1,186.5	1,191.7		1,189.1
Force	**2031**	1,217.2	1,276.0	1,248.7	1,273.4	1,294.0		1,283.7
	Change	47.5	92.9	73.5	87.0	102.4		94.7

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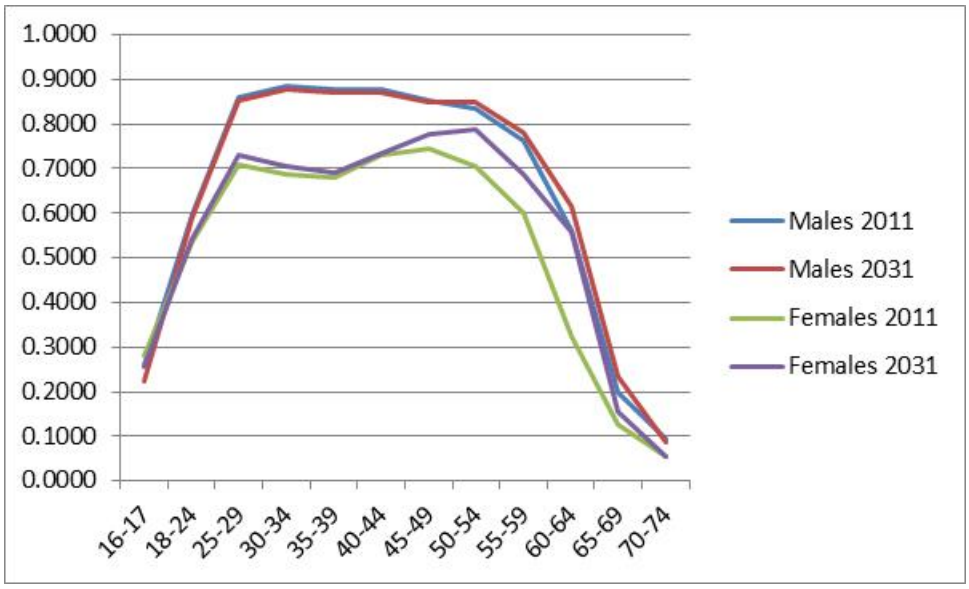
9. Discussion

From the local authority tables it is clear that the SHMA recommendations produce the highest population, household and labour force results with the ten-year migration trends based on 2003-13 being the next highest. Overall by far the lowest projections were the ONS/CLG 2012-based.

It should be expected that projecting 2003-13 trends produces higher results than the 2008-13 trends and the ONS 2012 projection as more pre-recession years are included in the base data. The SHMAs consider projected demographic change and economic requirements as well as any housing backlog so may be expected to produce the highest results in most authorities.

In general economic activity rates for males in the main working ages are expected to decline slightly by 2031. The exceptions are seen in males over the age of 50. On the other hand female activity rates are expected to increase at all ages apart from the very lowest (16-17). Figure 1 shows rates for Leicester as an example. The increases at higher ages are, in part, an expected response to the gradual raising of the State Retirement Age for women to match men by 2018 and the subsequent rises to 66 and 67 for both genders. This projection does not directly account for all 16 and 17 year old expected to be in some form of education or training from 2016.

Figure 1: Leicester: Economic Activity Rates; 2011 and 2031



Looking just at the 2003-13 trends projection, four authorities dominate the number of economically active residents: Coventry, Leicester, Northampton and Charnwood. By 2031 these four are projected to hold 640 thousand of the 1.276 million economically active residents, just over 50 per cent, and to have accounted for 85 thousand of the 93 thousand growth since 2018. The SHMAs tend to distribute more of the future change away from these four centres. In the High SHMA projection they account for 604 thousand of the 1.294 million economically active residents at 2031 and just 52 thousand out of the 102 thousand increase since 2018.

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10. Labour Force by Age

The following tables show the projected labour force in each authority by broad age groups using the 2003-13 trends and High SHMA projections.

Table 20: 2003-13 Trends Labour Force Projection by Age: 2018 and 2031: thousands

	2018				2031			
	16-17	18-24	25-74	Total	16-17	18-24	25-74	Total
Blaby	0.8	5.4	53.5	59.6	0.8	5.5	53.3	59.6
Charnwood	1.0	12.6	77.3	91.0	1.2	13.6	86.3	101.1
Coventry	1.9	25.1	144.3	171.3	2.5	27.5	165.2	195.2
Daventry	0.7	4.1	36.4	41.2	0.6	3.8	34.5	38.9
Harborough	0.8	4.5	42.4	47.6	0.7	4.5	44.2	49.4
Hinkley & Bosworth	0.8	5.8	50.1	56.8	1.0	6.1	49.5	56.6
Kettering	0.9	5.8	46.4	53.1	1.1	7.1	51.7	59.8
Leicester	2.0	26.7	141.7	170.4	2.6	31.1	168.5	202.3
North Warwickshire	0.5	3.5	28.1	32.1	0.5	3.3	25.4	29.2
North West Leicestershire	0.8	5.4	44.2	50.3	0.8	5.6	45.9	52.3
Northampton	1.7	15.7	104.5	121.9	2.2	19.4	115.3	136.9
Nuneaton & Bedworth	1.0	7.9	56.4	65.3	1.2	8.2	56.1	65.5
Oadby & Wigston	0.8	6.0	26.0	32.9	1.0	6.1	24.6	31.7
Rugby	1.6	7.3	52.4	61.3	2.0	8.8	59.0	69.8
Tamworth	1.2	6.1	37.7	44.9	1.2	6.1	35.4	42.6
Warwick	1.7	13.1	69.4	84.2	2.0	14.9	70.2	87.2
Magna Park - 45 minutes	**18.2**	**154.9**	**1,010.7**	**1,183.7**	**21.6**	**171.5**	**1,085.1**	**1,278.1**

Table 21: High SHMA Labour Force Projection by Age: 2018 and 2031: thousands

	2018				2031			
	16-17	18-24	25-74	Total	16-17	18-24	25-74	Total
Blaby	0.8	5.7	55.5	61.9	0.9	6.3	61.1	68.3
Charnwood	1.0	12.9	77.1	90.9	1.0	13.6	82.2	96.8
Coventry	1.9	24.6	143.4	170.0	2.4	26.5	150.7	179.5
Daventry	0.7	4.3	37.3	42.4	0.7	4.3	38.4	43.4
Harborough	0.8	4.7	42.5	48.0	0.7	4.8	45.4	50.9
Hinkley & Bosworth	0.9	6.0	51.1	58.0	1.0	6.6	53.3	60.9
Kettering	0.9	6.1	47.1	54.1	1.1	7.8	54.9	63.8
Leicester	2.0	25.5	137.6	165.1	2.4	30.7	146.9	180.1
North Warwickshire	0.5	3.6	28.8	33.0	0.5	3.7	28.3	32.5
North West Leicestershire	0.8	5.5	44.7	51.0	0.8	5.7	47.2	53.7
Northampton	1.8	16.2	106.9	124.9	2.3	21.6	123.8	147.7
Nuneaton & Bedworth	1.0	8.0	56.8	65.8	1.2	8.7	59.8	69.7
Oadby & Wigston	0.8	6.3	26.2	33.4	1.0	6.7	26.0	33.7
Rugby	1.6	7.3	52.4	61.4	2.1	9.3	59.5	70.8
Tamworth	1.2	6.2	38.0	45.4	1.3	6.7	38.4	46.3
Warwick	1.8	13.6	71.1	86.5	2.1	17.0	76.9	96.0
Magna Park - 45 minutes	**18.3**	**156.7**	**1,016.7**	**1,191.7**	**21.5**	**179.9**	**1,092.7**	**1,294.0**

In the SHMA projection only North Warwickshire is projected to have a decline between 2018 and 2031 compared to five authorities using 2003-13 trends. Although numbers are small the greatest proportional growth is seen in the 16-17 year olds. Next highest growth is in the 18-24s. These increases reflect the annual increases in the number of births seen throughout England since 2000.

Considering the 2003-13 trends seven authorities are projected to have declines in the resident labour force at ages 25-74, despite rising economic activity rates. These authorities: Blaby, Daventry, Hinckley & Bosworth, North Warwickshire, Nuneaton & Bedworth, Oadby & Wigston and Tamworth show more rapid aging profiles of their populations. In the SHMA projection only North Warwickshire and Oadby & Wigston exhibit declining labour force at these ages.

11. Demographic Models Used in the Projections

Inputs

Population

Base Population (gender and single years 0 to 90+): ONS 2013 or 2014 mid-year estimate.
Other Populations: ONS MYE 2001-2012.
Births: latest mid-year to mid-year consistent with MYE change analysis.
Age-specific Fertility Rates and Total Fertility Rate Assumption: as ONS 2012 national and subnational projections.
Deaths: latest mid-year to mid-year consistent with MYE change analysis.
Survival/Mortality Assumptions: as ONS 2012 national and subnational projections.
Migration: Age/gender probabilities linked to annual average migration changes over a recent minimum five-year period between 2001 and 2013 (eg 2003-13 or 2008-13) using data from ONS MYE and ONS MYE change analyses.

Households

Household Representative Rates: Stage 1 rates from CLG 2012 projection for years 2011 to 2037. The model uses the CLG Stage 1 rates that are specific to 5-year age groups (15-19 … 85+), gender and relationship status.
Communal Population: as CLG 2012 assumptions.
Relationship Status (in a couple, formerly in a couple, single): as CLG 2012 assumptions.

Labour Force

Economic Activity Rates: 2011 Census by age groups and gender.
National Trends in EA Rates by age/gender: ONS national projection to 2020 (*Labour Market Trends* January 2006) with extension to 2031 using analysis by Kent County Council (*Technical Paper: Activity Rate Projections to 2036*, published October 2011).

Processes

Population

1. Survive base populations (single years of age and gender) by one year.
2. Calculate and add net migration by single years of age and gender for the survivors. This gives the population of persons aged 1+ at the end of first projection year.
3. Calculate births by single years of age of mother (15 .. 49) using the average female population at each age group throughout the projection year.
4. Split total births by gender using most recent 5-year average.

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5 Survive births by gender to the end of projection year.
6 Calculate and add net migration of those surviving infants by gender born in the projection year. This gives the population of 0 year old boys and girls at the end of the first projection year.
7 Repeat cycle until the final projection year.

Households

1 Separate total population (by gender and five-year age groups) into the three relationship statuses by following CLG assumptions of the proportions in each status.
2 Calculate communal establishment population by gender, age and relationship status by following CLG assumptions (constant numbers by gender, relationship status and age groups to 74 by and then constant proportions).
3 Calculate private household population by gender, age and relationship status by difference between total population and communal population.
4 Apply CLG Stage 1 household representative rates to the private household population by age, gender and relationship status. This gives total households.
5 Apply 2011 Census net vacancy rates, or other agreed rates, to convert households to homes.
6 *The SHMA projections were built up from an annual input level of new dwellings by a process of iteration. The number of additional dwellings was converted to the number of additional households by allowing for net vacancy. A migration led population projection is converted to households. A revised population total is estimated by comparison of the projected households with the required households each year using the projected average household size. The population projection is then run to the revised total by adjusting the migration. The revised population projection is converted back to households and the iteration continues until a static situation is reached.*

Labour Force

1 Accumulate the 2011 Census data on economic activity (EA) by age to the required age groups (16-17, 18-24, 25-29, … 70-74) by gender and calculate the EA rates using the 2011 census resident population as base.
2 Project the EA rates according to the changes by age group and gender in the ONS and KCC projections. Ensure rates do not exceed 100% or fall below 0%.
3 Accumulate the population projection to the required age groups by gender.
4 Apply the projected EA rates to the projected population.

Outputs

Population by single years of age (0-90+) and gender for all projection years to 2037.
Annual births, total fertility rates, deaths and net migration to 2036-37.
Total population, private household population and communal establishment population by age (0-4 … 85+), gender and relationship status every year 2011 to 2037.

Households by age (15-19 … 85+), gender and relationship status of household representative every year 2011 to 2037.
Households are converted to **homes** every year 2011 to 2037.

Economically active resident population by gender and age groups (16-17, 18-24, 25-29, … 70-74) every year 2011 to 2031.

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12. Conclusions

Analysis of new local authority level projections based on demographic trends and the latest SHMA recommendations show that overall the ONS 2012 projections produce the lowest results in terms of total population, households and resident labour force change between 2018 and 2031.

The highest results are those based on the conversion of the SHMA dwelling recommendations between 2011 and 2031. Where the SHMA indicated a range the high alternative has been used. The SHMAs account for demographic change, the local labour market and backlog in housing provision so are expected to generally be higher than projections based on recent trends in migration.

Two alternative migration trends were analysed: 2003-13 and 2008-13[6]. The former, longer, period incorporated migration changes that took place prior to the recession and in most authorities produced a higher result.

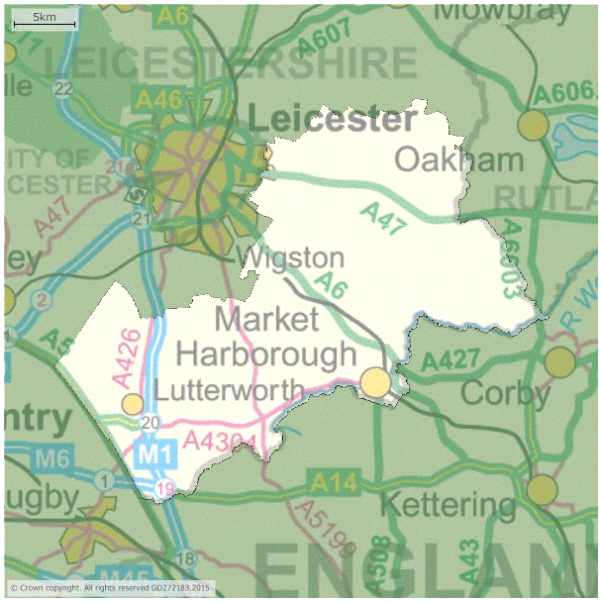
Overall between 2018 and 2031 the resident labour force within the Magna Park 45 minute travel time zone is projected to rise by between 48 thousand (ONS) and 102 thousand (SHMA High) with demographic trends varying between 74 thousand (2008-13) and 93 thousand (2003-13). Most of these increases are seen in the population aged 25-74 but the greatest proportional growth is at lower ages as a consequence of the annual increases in the number of births in England since 2000.

The main difference between using the SHMA and demographic trends projections is that the SHMA recommendations tend to distribute the growth in the projected population more evenly with less concentration in the main cities in the zone: Coventry, Leicester and Northampton as well as the large authority of Charnwood.

[6] These projections were prepared before the ONS 2014 mid-year estimate was published.

Labour Market Profile - Harborough

The profile brings together data from several sources. Details about these and related terminology are given in the definitions section.



Resident Population

Total population (2014)

	Harborough (Numbers)	East Midlands (Numbers)	Great Britain (Numbers)
All People	88,000	4,637,400	62,756,300
Males	43,600	2,288,100	30,890,900
Females	44,400	2,349,400	31,865,400

Source: ONS mid-year population estimates

Population aged 16-64 (2014)

	Harborough (Numbers)	Harborough (%)	East Midlands (%)	Great Britain (%)
All People Aged 16-64	53,600	60.9	63.0	63.5
Males Aged 16-64	26,800	61.5	63.7	64.3
Females Aged 16-64	26,800	60.4	62.4	62.8

Source: ONS mid-year population estimates
Notes: % is a proportion of total population

Labour Supply

Employment and unemployment (Apr 2014-Mar 2015)

	Harborough (Numbers)	Harborough (%)	East Midlands (%)	Great Britain (%)
All People				
Economically Active†	45,500	78.5	77.6	77.4
In Employment†	44,700	77.0	73.4	72.7
Employees†	38,500	68.5	64.0	62.2
Self Employed†	5,600	8.0	9.0	10.1
Unemployed (Model-Based)§	1,200	2.6	5.3	6.0
Males				
Economically Active†	25,500	86.8	83.1	83.0
In Employment†	25,000	84.9	78.5	77.8
Employees†	19,800	70.8	65.8	63.7
Self Employed†	5,000	14.1	12.3	13.7
Unemployed§	!	!	5.4	6.1
Females				
Economically Active†	19,900	70.7	72.1	72.0
In Employment†	19,600	69.6	68.3	67.7
Employees†	18,700	66.4	62.2	60.8
Self Employed†	!	!	5.7	6.5
Unemployed§	!	!	5.2	5.8

Source: ONS annual population survey

! Estimate is not available since sample size is disclosive

† - numbers are for those aged 16 and over, % are for those aged 16-64

§ - numbers and % are for those aged 16 and over. % is a proportion of economically active

Economic inactivity (Apr 2014-Mar 2015)

	Harborough (Level)	Harborough (%)	East Midlands (%)	Great Britain (%)
All People				
Total	11,500	21.5	22.4	22.6
Student	#	#	25.3	26.5
Looking After Family/Home	#	#	23.2	25.4
Temporary Sick	!	!	1.9	2.2
Long-Term Sick	#	#	23.0	21.6
Discouraged	!	!	#	0.5
Retired	3,500	30.8	16.4	14.3
Other	#	#	10.0	9.5
Wants A Job	#	#	23.3	24.5
Does Not Want A Job	9,000	78.3	76.7	75.5

Source: ONS annual population survey

Sample size too small for reliable estimate

! Estimate is not available since sample size is disclosive

Notes: numbers are for those aged 16-64.

% is a proportion of those economically inactive, except total, which is a proportion of those aged 16-64

Employment by occupation (Apr 2014-Mar 2015)

	Harborough (Numbers)	Harborough (%)	East Midlands (%)	Great Britain (%)
Soc 2010 Major Group 1-3	24,600	55.6	40.5	44.3
1 Managers, Directors And Senior Officials	8,000	17.9	10.1	10.3
2 Professional Occupations	8,200	18.4	17.6	19.7
3 Associate Professional & Technical	8,500	18.9	12.6	14.1
Soc 2010 Major Group 4-5	6,900	15.6	22.0	21.4
4 Administrative & Secretarial	#	#	10.6	10.6
5 Skilled Trades Occupations	3,800	8.4	11.3	10.7
Soc 2010 Major Group 6-7	5,500	12.4	16.9	17.1
6 Caring, Leisure And Other Service Occupations	#	#	9.3	9.2
7 Sales And Customer Service Occs	3,800	8.6	7.6	7.8
Soc 2010 Major Group 8-9	7,300	16.5	20.7	17.2
8 Process Plant & Machine Operatives	#	#	7.9	6.3
9 Elementary Occupations	4,100	9.3	12.6	10.9

Source: ONS annual population survey

Sample size too small for reliable estimate

Notes: Numbers and % are for those of 16+
% is a proportion of all persons in employment

Qualifications (Jan 2014-Dec 2014)

	Harborough (Level)	Harborough (%)	East Midlands (%)	Great Britain (%)
Individual Levels				
NVQ4 And Above	20,400	39.4	30.9	36.0
NVQ3 And Above	33,100	64.0	53.3	56.7
NVQ2 And Above	41,100	79.4	71.4	73.3
NVQ1 And Above	47,000	90.9	84.7	85.0
Other Qualifications	#	#	6.0	6.2
No Qualifications	#	#	9.3	8.8

Source: ONS annual population survey

Sample size too small for reliable estimate

Notes: For an explanation of the qualification levels see the definitions section.
Numbers and % are for those of aged 16-64
% is a proportion of resident population of area aged 16-64

Earnings by residence (2014)

	Harborough (Pounds)	East Midlands (Pounds)	Great Britain (Pounds)
Gross Weekly Pay			
Full-Time Workers	552.5	483.4	520.8
Male Full-Time Workers	608.2	526.5	561.5
Female Full-Time Workers	425.9	420.2	463.0
Hourly Pay- Excluding Overtime			
Full-Time Workers	14.02	12.00	13.15

Male Full-Time Workers	15.56	12.57	13.70
Female Full-Time Workers	11.67	11.15	12.34

Source: ONS annual survey of hours and earnings - resident analysis

Note: Median earnings in pounds for employees living in the area.

Out-Of-Work Benefits

The Jobseeker's Allowance (JSA) is payable to people under pensionable age who are available for, and actively seeking, work of at least 40 hours a week.

Total JSA claimants (August 2015)

	Harborough (Numbers)	Harborough (%)	East Midlands (%)	Great Britain (%)
All People	238	0.4	1.6	1.7
Males	134	0.5	2.0	2.1
Females	104	0.4	1.2	1.2

Source: ONS Jobseeker's Allowance with rates and proportions

Note: % is a proportion of resident population of area aged 16-64 and gender

JSA claimants by age duration (August 2015)

	Harborough (Level)	Harborough (%)	East Midlands (%)	Great Britain (%)
Aged 16 To 64				
Total	240	0.4	1.6	1.7
Up To 6 Months	170	0.3	0.9	0.9
Over 6 And Up To 12 Months	25	0.0	0.3	0.3
Over 12 Months	45	0.1	0.4	0.5
Aged 18 To 24				
Total	40	0.7	2.4	2.4
Up To 6 Months	35	0.6	1.7	1.6
Over 6 And Up To 12 Months	0	0.0	0.4	0.4
Over 12 Months	0	0.0	0.3	0.3
Aged 25 To 49				
Total	130	0.5	1.7	1.8
Up To 6 Months	90	0.3	1.0	1.0
Over 6 And Up To 12 Months	15	0.1	0.3	0.3
Over 12 Months	25	0.1	0.5	0.5
Aged 50 To 64				
Total	70	0.4	1.2	1.3
Up To 6 Months	45	0.2	0.6	0.6
Over 6 And Up To 12 Months	10	0.0	0.2	0.2
Over 12 Months	20	0.1	0.4	0.5

Source: ONS Jobseeker's Allowance by age and duration with proportions

Note: % is number of persons claiming JSA as a proportion of resident population of the same age

Working-age client group - main benefit claimants (February 2015)

	Harborough (Numbers)	Harborough (%)	East Midlands (%)	Great Britain (%)
Total Claimants	3,230	6.0	12.0	12.5
By Statistical Group				
Job Seekers	300	0.6	1.9	2.0
ESA And Incapacity Benefits	1,640	3.1	5.9	6.3
Lone Parents	250	0.5	1.1	1.1
Carers	420	0.8	1.6	1.5
Others On Income Related Benefits	80	0.1	0.3	0.3
Disabled	390	0.7	1.1	1.1
Bereaved	140	0.3	0.2	0.2
Main Out-Of-Work Benefits†	2,270	4.2	9.2	9.7

Source: DWP benefit claimants - working age client group

† Main out-of-work benefits includes the groups: job seekers, ESA and incapacity benefits, lone parents and others on income related benefits. See the Definitions and Explanations below for details
Note: % is a proportion of resident population of area aged 16-64

Labour Demand

Jobs density (2013)

	Harborough (Jobs)	Harborough (Density)	East Midlands (Density)	Great Britain (Density)
Jobs Density	42,000	0.78	0.76	0.80

Source: ONS jobs density

Notes: The density figures represent the ratio of total jobs to population aged 16-64.
Total jobs includes employees, self-employed, government-supported trainees and HM Forces

Employee jobs (2014)

	Harborough (Employee Jobs)	Harborough (%)	East Midlands (%)	Great Britain (%)
Total Employee Jobs	36,700	-	-	-
Full-Time	25,700	70.1	68.7	68.3
Part-Time	11,000	29.9	31.3	31.7
Employee Jobs By Industry				
Primary Services (A-B: Agriculture And Mining)	100	0.4	0.3	0.4
Energy And Water (D-E)	300	0.9	1.3	1.1
Manufacturing (C)	2,500	6.9	12.9	8.5
Construction (F)	1,500	4.1	4.4	4.5
Services (G-S)	32,200	87.8	81.1	85.6
Wholesale And Retail, Including Motor Trades (G)	7,000	19.0	17.1	15.9
Transport Storage (H)	6,500	17.6	5.1	4.5
Accomodation And Food Services(I)	2,700	7.3	5.8	7.1
Information And Communication (J)	1,000	2.7	2.4	4.1
Financial And Other Business Services(K-N)	7,400	20.2	19.7	22.2
Public Admin, Education And Health (O-Q)	6,100	16.7	26.8	27.4

Other Services (R-S)	1,600	4.2	4.2	4.4

Source: ONS business register and employment survey

- Data unavailable

Notes: % is a proportion of total employee jobs
Employee jobs excludes self-employed, government-supported trainees and HM Forces
Data excludes farm-based aggriculture

Earnings by workplace (2014)

	Harborough (Pounds)	East Midlands (Pounds)	Great Britain (Pounds)
Gross Weekly Pay			
Full-Time Workers	498.0	477.2	520.2
Male Full-Time Workers	509.9	519.2	560.6
Female Full-Time Workers	475.5	412.4	462.5
Hourly Pay - Excluding Overtime			
Full-Time Workers	12.32	11.78	13.14
Male Full-Time Workers	12.14	12.34	13.68
Female Full-Time Workers	12.45	10.90	12.33

Source: ONS annual survey of hours and earnings - workplace analysis

Note: Median earnings in pounds for employees working in the area.

Jobcentre plus vacancies

The Jobcentre Plus vacancies table has been removed as the series is no longer being updated and there are no suitable alternative sources available. Historic vacancy datasets remain available through the wizard and advanced query functions.

Businesses

UK Business Counts (2014)

	Harborough (Numbers)	Harborough (%)	East Midlands (Numbers)	East Midlands (%)
Enterprises				
Micro (0 To 9)	4,210	90.3	133,055	87.7
Small (10 To 49)	370	7.9	15,445	10.2
Medium (50 To 249)	70	1.5	2,665	1.8
Large (250+)	10	0.2	605	0.4
Total	4,660	-	151,770	-
Local Units				
Micro (0 To 9)	4,460	86.9	148,605	82.1
Small (10 To 49)	550	10.7	26,150	14.4
Medium (50 To 249)	110	2.1	5,585	3.1
Large (250+)	15	0.3	775	0.4
Total	5,135	-	181,115	-

Source: Inter Departmental Business Register (ONS)

Note: % is as a proportion of total (enterprises or local units)

Definitions And Explanations

Resident Population

The estimated population of an area includes all those usually resident in the area, whatever their nationality. HM Forces stationed outside the United Kingdom are excluded but foreign forces stationed here are included. Students are taken to be resident at their term-time address.

Labour Supply

Labour supply consists of people who are employed, as well as those people defined as unemployed or economically inactive, who can be considered to be potential labour supply. Information in this section relates to the characteristics of people living in an area.

Most labour supply data comes from the Annual Population Survey (APS). The APS is the largest regular household survey in the United Kingdom. It includes data from the Labour Force Survey (LFS), plus further sample boosts in England, Wales and Scotland. The survey includes data from a sample of around 256,000 people aged 16 and over.

As APS estimates are based on samples, they are subject to sampling variability. This means that if another sample for the same period were drawn, a different estimate might be produced. In general, the larger the number of people in a sample, the smaller the variation between estimates. Estimates for smaller areas such as local authorities are therefore less reliable than those for larger areas such as regions. When the sample size is too small to produce reliable estimates, the estimates are replaced with a #.

Economically Active

Economically Active

People who are either in employment or unemployed.

Economic Activity Rate

People, who are economically active, expressed as a percentage of all people.

In Employment

People who did some paid work in the reference week (whether as an employee or self employed); those who had a job that they were temporarily away from (eg, on holiday); those on government-supported training and employment programmes; and those doing unpaid family work.

Employment Rate

The number of people in employment expressed as a percentage of all people aged 16-64.

Employees And Self Employed

The division between employees and self employed is based on survey respondents' own assessment of their employment status. The percentage show the number in each category as a percentage of all people aged 16-64. The sum of employees and self employed will not equal the in employment figure due to the inclusion of those on government-supported training and employment programmes, and those doing unpaid family work in the latter.

Unemployed

Refers to people 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.

Model-Based Unemployed

As unemployed form a small percentage of the population, the APS unemployed estimates within local authorities are based on very small samples so for many areas would be unreliable. To overcome this ONS has developed a statistical model that provides better estimates of total unemployed for unitary authorities and local authority districts (unemployment estimates for counties are direct survey estimates). Model-based estimates are not produced for male or female unemployed.

The model-based estimate improves on the APS estimate by *borrowing strength* from the measure of those claiming Jobseeker's Allowance to produce an estimate that is more precise (i.e. has a smaller confidence interval). The amount of people claiming Jobseeker's Allowance is not itself a

measure of unemployment but is strongly correlated with unemployment, and, as it is an administrative count, is known without sampling error. The gain in precision is greatest for areas with smaller sample sizes.

Unemployment Rate

Unemployed as a percentage of the economically active population.

Economically Inactive

Economically Inactive

People who are neither in employment nor unemployed. This group includes, for example, all those who were looking after a home or retired.

Wanting A Job

People not in employment who want a job but are not classed as unemployed because they have either not sought work in the last four weeks or are not available to start work.

Not Wanting A Job

People who are neither in employment nor unemployed and who do not want a job.

Occupation

Occupations are classified according to the Standard Occupation Classification 2000. Descriptions of the job titles included in each code are available in the SOC manuals.

Qualifications

Qualifications data are only be available from the APS for calendar year periods, for example, Jan to Dec 2005. The variables show the total number of people who are qualified at a particular level and above, so data in this table are not additive. Separate figures for each NVQ level are available in the full Annual Population Survey data set (wizard/advanced query).

The trade apprenticeships are split 50/50 between NVQ level 2 and 3. This follows ONS policy for presenting qualifications data in publications. Separate counts for trade apprenticeships can be obtained from the full APS data set (wizard/advanced query).

No Qualifications

No formal qualifications held.

Other Qualifications

includes foreign qualifications and some professional qualifications.

NVQ 1 Equivalent

e.g. fewer than 5 GCSEs at grades A-C, foundation GNVQ, NVQ 1, intermediate 1 national qualification (Scotland) or equivalent.

NVQ 2 Equivalent

e.g. 5 or more GCSEs at grades A-C, intermediate GNVQ, NVQ 2, intermediate 2 national qualification (Scotland) or equivalent.

NVQ 3 Equivalent

e.g. 2 or more A levels, advanced GNVQ, NVQ 3, 2 or more higher or advanced higher national qualifications (Scotland) or equivalent.

NVQ 4 Equivalent And Above

e.g. HND, Degree and Higher Degree level qualifications or equivalent.

Earnings By Residence

The figures show the median earnings in pounds for employees living in the area who are on adults rates of pay and whose pay was not affected by absence. Figures for earnings come from the Annual Survey of Hours and Earnings (ASHE). The ASHE is based on a 1 per cent sample of employees, information on whose earnings and hours is obtained from employers. The survey does not cover self-employed. Information relates to a pay period in April.

The earnings information collected relates to gross pay before tax, national insurance or other deductions, and excludes payments in kind. It is restricted to earnings relating to the survey pay period and so excludes payments of arrears from another period made during the survey period; any payments due as a result of a pay settlement but not yet paid at the time of the survey will also be excluded.

Out-Of-Work Benefits

Jobseeker's Allowance

This is the number of people claiming Jobseeker's Allowance (JSA) and National Insurance credits at Jobcentre Plus local offices. People claiming JSA must declare that they are out of work, capable of, available for and actively seeking work during the week in which the claim is made.

The percentage figures express the number of claimants resident in an area as a percentage of the population aged 16-64 resident in that area.

The total JSA claimants is mostly derived from the Jobcentre Plus computer records. For various reasons, e.g. a claimant's National Insurance number is not known, a few claims have to be dealt with manually. These clerical claims, which amount to less than 1 per cent of the total, are counted separately and not analysed in as much detail as the computerised claims. The count of total JSA claimants includes clerical claims, but only the computerised claims are analysed by age and duration.

Introduction Of Universal Credit

Tables for Jobseeker's Allowance do not include claimants of Universal Credit who are claiming benefits principally for the reason of being unemployed.

A list of Jobcentres where Universal Credit is available can be found on the GOV.UK website.

New tables including claimants of Universal Credit will be introduced as soon as possible.

DWP Working-Age Client Group

The number of working-age people who are claiming one or more main DWP benefits. The main benefits are: bereavement benefit, carer's allowance, disability living allowance, ESA and incapacity benefit, severe disablement allowance, income support, jobseeker's allowance, and widow's benefit. The age at which women reach State Pension age is gradually increasing from 60 to 65 between April 2010 and April 2020. Throughout this period, only women below State Pension age are counted as working age benefit claimants."

The total count is broken down by statistical groups. These categorise each person according to the main reason why they are claiming benefit. Each client is classified to a single group.

Benefits are arranged hierarchically and claimants are assigned to a group according to the top most benefit they receive. Thus a person who is a lone parent and receives Incapacity Benefit would be classified as incapacity benefits. Consequently, the group lone parent will not contain all lone parents as some will be included in the incapacity benefits group and Job seekers groups.

Main out-of-work benefits consists of the groups: job seekers, ESA and incapacity benefits, lone parents and others on income related benefits.

These groups have been chosen to best represent a count of all those benefit recipients who cannot be in full-time employment as part of their condition of entitlement. Those claiming solely Bereavement Benefits or Disability Living Allowance (DLA) are not included as these are not out-of-work or income based benefits. DLA is paid to those needing help with personal care. These people can, and some will, be in full-time employment. If DLA claimants are also in receipt of JSA, IS, ESA or Incapacity Benefits in addition to DLA they will be counted under the relevant statistical group. In addition, we exclude those claiming solely carer's benefits or claiming carer's benefits alongside income support, as DWP does not pursue active labour market policies for this group. Carers benefits are paid to those with full time caring responsibilities. The group entitled to Carer's benefits alongside Income Support (IS) includes around 86,000 claimants and has been stable over time.

This Nomis series is different to that published in the Office for National Statistics (ONS) Labour Market Statistics Bulletin (table 25) and on the DWP website at http://tabulation-tool.dwp.gov.uk/100pc/wa/tabtool_wa.html (against the link entitled "One-Click" Key Out-of-Work Benefits). This Nomis series uses DWP Jobseeker's Allowance numbers, whilst the other two series use the ONS Jobseeker's Allowance figures, using different methods and reference periods.

Labour Demand

Labour demand includes jobs available within the area.

Jobs Density

The level of jobs per resident aged 16-64. For example, a job density of 1.0 would mean that there is one job for every resident aged 16-64.

The total number of jobs is a workplace-based measure and comprises employee jobs, self-employed,

government-supported trainees and HM Forces. The number of residents aged 16-64 figures used to calculate jobs densities are based on the relevant mid-year population estimates.

Employee Jobs

The number of jobs held by employees. Employee jobs excludes self-employed, government-supported trainees and HM Forces, so this count will be smaller than the total jobs figure shown in the Jobs density table. The information comes from the Business Register and Employment Survey (BRES) - an employer survey conducted in September of each year. The BRES records a job at the location of an employee's workplace (rather than at the location of the business's main office).

Full-Time And Part-Time:

In the BRES, part-time employees are those working for 30 or fewer hours per week.

Note

All figures exclude farm-based agriculture

Earnings By Workplace

The figures show the median earnings in pounds for employees working in the area who are on adults rates of pay and whose pay was not affected by absence. Figures for earnings come from the Annual Survey of Hours and Earnings (ASHE). The ASHE is based on a 1 per cent sample of employees, information on whose earnings and hours is obtained from employers. The survey does not cover self-employed. In 2004 information related to the pay period which included 21 April.

The earnings information collected relates to gross pay before tax, national insurance or other deductions, and excludes payments in kind. It is restricted to earnings relating to the survey pay period and so excludes payments of arrears from another period made during the survey period; any payments due as a result of a pay settlement but not yet paid at the time of the survey will also be excluded.

UK Business Counts

The data contained in the table are compiled from an extract taken from the Inter-Departmental Business Register (IDBR) recording the position of units as at March of the reference year. The IDBR contains information on VAT traders and PAYE employers in a statistical register which provides the basis for the Office for National Statistics to conduct surveys of businesses.

The table presents analysis of businesses at both Enterprise and Local Unit level. An Enterprise is the smallest combination of legal units (generally based on VAT and/or PAYE records) which has a certain degree of autonomy within an Enterprise Group. An individual site (for example a factory or shop) in an enterprise is called a local unit.

The employment information on the IDBR is drawn mainly from the Business Register Employment Survey (BRES). Because this is based on a sample of enterprises, estimates from previous returns and from other ONS surveys have also been used. For the smallest units, either PAYE jobs or employment imputed from VAT turnover is used.

Estimates in the table are rounded to prevent disclosure.

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