



**EAST MIDLANDS GATEWAY**  
STRATEGIC RAIL FREIGHT INTERCHANGE



CHAPTER 4

**SOCIO-ECONOMIC ASPECTS**

**Document No 5.2**

The East Midlands Gateway Rail Freight  
Interchange and Highway Order 201X

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ENVIRONMENTAL STATEMENT  
JULY 2014

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**EAST MIDLANDS GATEWAY**  
STRATEGIC RAIL FREIGHT INTERCHANGE



## 4.0 SOCIO-ECONOMIC ASPECTS

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**EAST MIDLANDS GATEWAY**  
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## 4.1 INTRODUCTION

4.1.1 This chapter provides an assessment of the likely socio-economic aspects of the proposed development described within ES chapter 2. It follows the 2012 Scoping Report and the Scoping Opinion issued by the Secretary of State. The assessment provides the current context with a focus on existing labour market conditions and makes comparisons with the likely employment requirements as development of the EMG SRFI progresses to the stage when the entire scheme is in operation. Where this has implications for resourcing staff or particular skills, mitigation measures are outlined that could be implemented alongside the proposed development. The net additional employment and economic effects likely to be generated as an indirect effect are also estimated. Alongside this the potential effects on commuting, housing requirement and well-being are outlined. Consideration is also given to the contribution to the economy that would be derived from the SRFI.

4.1.2 The chapter comprises the following sections:

- **Policy Context:** an overview of the strategic policy and initiatives relevant to the application site;
- **Scope and Method of Assessment:** an overview of the approach adopted;
- **Baseline Conditions:** an assessment of the prevailing socio-economic condition in the study area in terms of: demographic profile, economic activity, unemployment, deprivation, skills and occupational structure.
- **Assessment:** a statement of impacts in relation to the proposed development arising during both construction and operation including employment impacts, economic activity;
- **Mitigation/enhancement measures:** to address potential negative impacts of the proposed development or to enhance the potential benefits;
- **Residual Effects:** an outline of the residual effects of the proposed development once additional measures have been implemented;
- **Cumulative effects:** effects with other planned developments in operation;
- **Conclusion:** an overall indication of the socio-economic effects of the development.

## 4.2 POLICY CONTEXT

### National Planning Policy Framework

4.2.1 The National Planning Policy Framework (NPPF) seeks to support sustainable development and economic growth. Specifically, paragraph 18 states that: *“the government is committed to securing economic growth in order to create jobs and prosperity, building on the country’s inherent strengths and to meeting the twin challenges of global competition and of a low carbon future”*. Paragraph 19 states that: *“The Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth... Therefore significant weight should be placed on the need to support economic growth through the planning system.”*

4.2.2 Furthermore, paragraph 31 makes specific reference to the provision of viable infrastructure necessary to support sustainable development, including large scale facilities such as rail freight interchanges.

### Draft National Policy Statement for National Networks

4.2.3 The Government’s draft National Policy Statement for National Networks recognises that SRFIs can provide considerable benefits for the local economy. Paragraph 2.47 states that: *‘...because many of the on-site functions of major distribution operations are relatively labour intensive this can create many new job opportunities and contribute to the enhancement of people’s skills and use of technology, with wider longer term benefits to the economy. The availability of a suitable workforce will therefore be an important consideration (also see ES section 3.2).*

### North West Leicestershire Local Plan

4.2.4 The North West Leicestershire Local Plan was adopted by North West Leicestershire District Council (NWLDC) in August 2002. Alterations were made in 2004-5 and in 2006 the policies remaining relevant at that time were saved by the Secretary of State, none of which are applicable to this part of the assessment.

4.2.5 North West Leicestershire District Council then prepared a draft Core Strategy (CS) and submitted it for examination by an Inspector in 2013. The draft CS identified the application site as uniquely placed at the centre of the Three Cities area, providing the opportunity for the transfer of freight traffic generated by East Midlands Airport from road to rail at a suitable location (Policy CS6). Additionally, Policy CS6 states that an SFRI should be linked to local centres and ‘Priority Neighbourhoods’ (the most deprived areas).

4.2.6 Draft Policy CS11 concerns the requirements for education and training in connection with new development, with the expectation that measures will be included with major new developments to raise skills and enable local people to compete for the jobs generated.

4.2.7 In the draft CS, locations for new housing development were identified by Policy CS15, Distribution of Housing These included Coalville, Castle Donington and Kegworth. In total, the allocations planned for the provision of at least 9,700 new homes in the period to 2031. However, the Inspector regarded this number as too low and consequently the draft CS was withdrawn by NWLDC to enable updated housing-need evidence to be prepared and strategic housing site to be identified. North West Leicestershire District Council is now preparing a new Local Plan with a view to adoption in 2016.

### 4.3 STRATEGIES/STUDIES

4.3.1 Core Strategy policies are informed by an evidence base that comprise a broad range of documents. Two of the evidence base documents relevant to the SRFI proposal are outlined below. These remain a key part of the evidence base for the emerging revised version of the North West Leicestershire Core Strategy.

#### **East Midlands Regional Freight Strategy (2005)**

4.3.2 The vision of the East Midlands Regional Freight Strategy was “to create a framework within the East Midlands Regional Spatial Strategy which helps industry and society to develop more efficient and sustainable use of distribution by 2021”. Whilst the strategy recognises the importance played by the road freight, it examines and promotes measures which encourage a modal shift towards other, more sustainable modes of transport.

4.3.3 Within this, rail is seen as a key opportunity to reduce the reliance on road transport, with the strategy identifying the potential for up to 30 new freight trains per day by 2015. It makes reference to the ‘State of Freight in the East Midlands’ report which identified a number of significant constraints that would need to be removed, including the;

*“scarcity of inter-modal freight terminals providing general access to the network, and of dedicated rail connections to specific traffic generators / consumers. This is arguably the most important constraint on growth, also addressed by specific objectives within the Regional Economic Strategy”.*

4.3.4 It recognises that the south part of the region is well served by the strategic rail network, through facilities at Daventry and Corby, whilst there is a lack of inter-modal terminals around the Three Cities Sub-area. To address this imbalance Paragraph 5.4 of the action plan sought to ‘address the need for new sub-regional inter-modal terminals... particularly within the Three Cities Sub-area, assessing initially the potential sites identified by the State of Freight Report, and taking forward findings’.

#### **Strategic Distribution Site Assessment Study for the Three Cities Sub-Area of the East Midlands (2010)**

4.3.5 This report looked at potential sites for a SRFI across the three cities sub-area, concentrating on sites between 60 to 400 hectares in size and with good access to the national road and rail network. A three phase assessment was undertaken on 36 potential sites, which led to three sites being identified which were considered the most suitable location for the proposed development. One of these sites is located to the north of East Midlands Airport, west of the M1.

## 4.4 LOCAL ENTERPRISE PARTNERSHIPS

4.4.1 In 2010 the government invited businesses and councils to come together to form local enterprise partnerships (LEPs) to replace the Regional Development Agencies. Designed to reflect natural economic areas, they play a central role in deciding local economic priorities with the objective of driving economic growth and creating local jobs.

4.4.2 The proposed development is in the area covered by the Leicester and Leicestershire Enterprise Partnership, although within its north western extent. To the north, the area of influence defined for the assessment is covered by the local enterprise partnership for Derby, Derbyshire, Nottingham and Nottinghamshire.

### **Leicester and Leicestershire Enterprise Partnership**

4.4.3 The Leicester and Leicestershire Enterprise Partnership (LLEP) vision is 'to create a vibrant, attractive and distinctive place with highly skilled people making Leicester and Leicestershire the destination of choice for successful businesses'. LLEP's Strategic Economic Growth Plan (2014-2020) sets out a framework to achieve this, with priority focussed on five growth areas. The East Midlands Enterprise Gateway (GA2) is one of these and includes the Strategic Rail Freight Interchange as one of four Transformational Priorities (TP2).

4.4.4 The LLEP highlights the importance of the distribution and logistics sector to local employment and to the LLEP economy overall. Although this is already a strong sector with a high concentration of employment in North West Leicestershire, it has the potential to help accelerate balanced economic growth and consequently the development of the logistics sector is a key priority for the LLEP area.

### **Derby, Derbyshire, Nottingham, Nottinghamshire LEP (D2N2)**

4.4.5 The principal sectors important to the D2N2 economy are manufacturing, with sub-sectors including transport equipment (Derby), food & drink (north Nottinghamshire and Derbyshire) and metals (which is more dispersed across the D2N2 area). Services are more important in Nottingham and Nottinghamshire, with Business Services representing the largest sector in Nottingham City. The tourism offer is quite different across the D2N2 area. The Peak District and heritage assets are important to the tourism sector in Derbyshire.

4.4.6 D2N2 has established high level strategic priorities to increase the capacity and capabilities in four areas: business skills; innovation; finance, and infrastructure. The strengths within the D2N2 area mean that it is less focussed on the distribution and logistics sector than the LLEP, the key areas of economic focus for D2N2 are:

- Advanced transport manufacturing;
- Medical/Bioscience;
- Food and Drink Manufacturing;
- Construction;
- Visitor Economy;
- Low Carbon - Goods/services.

#### 4.5 EAST MIDLANDS AIRPORT

- 4.5.1 East Midlands Airport (EMA) has a catchment of 10.6 million people living within ninety minutes' drive. In 2010 there were approximately 7,000 people working at or near the airport site, with around a third of the jobs related to cargo operations. The EMA Masterplan Monitoring and Implementation Report for 2010 forecast a twofold rise in jobs to around 14,000 by 2016. Recruitment for these is focussed on the major conurbations and key towns in the region to relieve local labour market pressures and to assist regeneration.

## 4.6 METHODOLOGY

4.6.1 Baseline information on the conditions of the area has been collated from a variety of sources referenced in the text, including:

- The Office for National Statistics official labour market statistics at a Local Authority level via NOMIS;
- National Census (2011) and other ONS-produced information<sup>1</sup>;
- Indices of Multiple Deprivation;
- North West Leicestershire District Council;
- LLEP;
- D2N2.

### **Spatial scope of the assessment**

4.6.2 The study area for this assessment is shown as the area shaded grey on Figure 4.1. It has been derived from the area of influence (AOI) prepared to inform the transport assessment, which can be seen as the red line on Figure 4.1. The AOI represents the principal area within which the majority of potential employees are likely to be resident. It has been used to identify the local authority areas within which the AOI is set. Whilst the study area extends beyond the AOI, it is considered to be the most appropriate approach to sourcing the data necessary to undertake the assessment.

4.6.3 The local authorities included by the study area are listed below - all are in the East Midlands area apart from East Staffordshire District which is in the West Midlands:

- Amber Valley District
- Ashfield District
- Blaby District
- Bolsover District
- Broxtowe District
- Charnwood District
- Derby, City of
- East Staffordshire District
- Erewash District
- Hinckley and Bosworth District
- Leicester, City of
- Melton District
- North West Leicestershire District
- Nottingham, City of
- Rushcliffe District
- South Derbyshire District.

<sup>1</sup> <http://www.ons.gov.uk/ons/datasets-and-tables/index.html>

**Additionality**

- 4.6.4 Additionality is a process of assessing the effect of regeneration projects that has been developed by English Partnerships (EP) and advocated by both HM Treasury<sup>2</sup> and the Office of the Deputy Prime Minister (ODPM)<sup>3</sup>. EP's additionality guide<sup>4</sup> sets out a methodology for assessing a variety of potential impacts through a common framework.
- 4.6.5 In simple terms, the methodology compares the impact of the project to the impact of the base case (i.e. the impact of the uses already occurring on the SFRI site). The difference is the net additional effect of the project, or the effect that can be attributed to the project that would not have occurred in any case.
- 4.6.6 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 EP guide, those relevant to the project are defined as:
- Leakage: "the proportion of outputs that benefit those outside of the projects target area". For example, the number of jobs that are filled by people outside the study area.
  - Displacement: "the proportion of the projects outputs/outcomes accounted for by reduced outputs/outcomes elsewhere in the target area". For example, the amount of a new business' income is likely to be generated from competition with similar businesses in the study area.
  - Economic Multiplier Effects: "further economic activity (jobs, expenditure, income) associated with additional local income and local supplier purchases".
- 4.6.7 The additionality methodology is not used in isolation. Relevant research and experience of other projects is used to validate inputs into the assessment and its results.

**Gross value added (GVA)**

- 4.6.8 GVA is a measure of the contribution to the economy of a business or industry. It is used as a headline indicator to monitor economic performance at regional and national level (GVA per head of population). It can also be estimated at the project level to provide an indication of the workplace income (wages and profits) generated in the process of producing goods and services.

**Defining significance**

- 4.6.9 Quantitative assessment has been made wherever possible, such as the number of jobs likely to be created by the application proposals. However, due to the complexity of socio-economic issues and the numerous interactions that can occur with neighbouring and more distant communities, it is not possible to predict the precise nature or scale of each impact. Qualitative assessment has therefore also been used where necessary and significance criteria have been defined to present a consistent identification of effects applied during the assessment. These criteria are shown in Table 4.1.

<sup>2</sup> HM Treasury. 2003 as amended. Appraisal and Evaluation in Central Government (also known as the "Green Book").

<sup>3</sup> ODPM. 2004. Assessing the Impacts of Spatial Interventions: Regeneration, Renewal and Regional Development - 'The 3Rs guidance'.

<sup>4</sup> English Partnerships. 2008. Additionality Guide 3rd Edition.

**Table 4.1: Scale of Receptor**

Level	Example
Regional	Effects that have the potential to impact at the regional scale: defined for this assessment as the 16 authorities forming the study area (Figure 4.1).
Sub-regional	Effects at the scale of the area of North West Leicestershire District Council.
Local	Social and economic effects principally at the local ward scale: Castle Donington and Kegworth & Whatton.

4.6.10 The magnitude of impacts are assessed as ‘major’, ‘moderate’, ‘minor’ and ‘negligible’, and based upon this qualitative judgement, the significance of the effect has been assessed as a combination of the scale of the receptor and the magnitude of the impact. This is summarised in Table 4.2.

**Table 4.2: Significance of Effect**

		Magnitude of impact			
		Major	Moderate	Minor	Negligible
Receptor scale	Regional	Major	Moderate/major	Moderate	Negligible
	Sub-regional	Moderate/major	Moderate	Moderate/minor	Negligible
	Local	Moderate	Moderate/minor	Minor	Negligible

4.6.11 The methodology for assessing economic impacts has involved the following key stages:

- An analysis of the current state of the local economy including key sectors, unemployment and general trends in employment provision; and
- An assessment of the provision for employment uses and the indirect effects it may have on the economy (as well as effects during construction).

4.6.12 The methodology for assessing social impacts has involved the following key stages:

- Collation of data relating to the existing population profile; and
- Consideration and assessment of the likely effects of the proposal based on available evidence.

**Assumptions and Limitations**

- 4.6.13 Chapter 2 of the ES sets out the full details of the proposed development schedule and phasing which has been used in undertaking the assessment:
- 4.6.14 In the context of the socio-economic analysis it is important to note the assumptions that have been made:
- The first phase of development of around 186,000m<sup>2</sup> warehousing and distribution units open 2016/2017;
  - a build out rate of around 70,000m<sup>2</sup> to 93,000m<sup>2</sup> per year;
  - B8 units are likely to operate on a 24-hour basis, seven days a week. The main shifts likely to be 06:00-14:00hrs, 14:00-22:00hrs and 22:00-06:00hrs, although some occupiers may operate a 12 hour shift from 07:00-19:00hrs and 19:00-07:00hrs;
  - the rail terminal is likely to operate on a 24-hour basis from Monday to Friday, and until Saturday lunchtime, but could increase to 6 or 7 day operation in the future.

## 4.7 BASELINE CONDITIONS

### Site context

4.7.1 Located to the north of the East Midland Airport and west of the M1 motorway, the SFRI site is central to the Three Cities sub-area of Nottingham-Derby-Leicester. At the local level, the proposed development scheme is within two Wards: Castle Donington and Kegworth & Whatton. These lie within the administrative area of North West Leicestershire District Council.

4.7.2 The majority of the SRFI site is in agricultural production with arable crops and there is therefore a low level of employment directly related to the site. Information on the farming operation is presented in ES chapter 14.

### Economy

4.7.3 LLEP recognises that the area is situated in a strategic location, with 95% of the English population within four hours travel time by road. This, combined with the presence of the East Midlands Airport, the second largest freight handling airport in the UK, has contributed to the strong transport and logistics sector in the area. As a sector, it supports 11.6% of local employment, above the national average of 8.9%<sup>5</sup>.

### Population

4.7.4 The overall resident population of the 16 local authority districts that comprise the study area is some 2.25 million people, within which the population of working-age people is about 1.5 million. Population estimates at the Ward, District and the study area level are shown below.

**Table 4.3: Population estimates**

	Castle Donington	Kegworth & Whatton Wards	North West Leicestershire DC	Study area (Figure 4.1)
Population (2011 Census) <sup>6</sup>	7,254	4,725	93,468	2,251,771
Population of working age (16-64) <sup>7</sup>	4,675	3,089	59,559	1,476,882

4.7.5 Data from Nomis indicates that the age profile for the North West Leicestershire district has a similar profile to the national and regional level, although there are proportionately fewer residents in age groups 20-29, and a greater proportion in the 45-74 groups.

<sup>5</sup> LLEP Economic Growth Plan 2012 – 2020, <http://www.llep.org.uk/growthplan>

<sup>6</sup> 2011 Census - Usual Resident Population, 2011 (KS101EW)

<sup>7</sup> 2011 Census - Age Structure, 2011 (KS102EW)

### Employment

- 4.7.6 Employment activity is an important indicator of the general economic characteristics of an area. In 2013, 77.3% of the study area population was 'economically active, closely reflecting the situation in both the East Midlands and at a National level. The percentage of residents in employment in Castle Donington and Kegworth and Whatton wards closely reflects that of North West Leicestershire overall, with some 82% in employment and 4% unemployed.
- 4.7.7 Across the study area the median average gross weekly income for those in full time employment varies between the different local authorities, from £423 to £626, with the majority of the average weekly incomes below £500 a week. Whilst these figures appear to reflect the regional averages, these are below the national average of £507. For those in part-time employment the average weekly incomes varies from £126 to £167, which is generally inline with the regional and national averages.

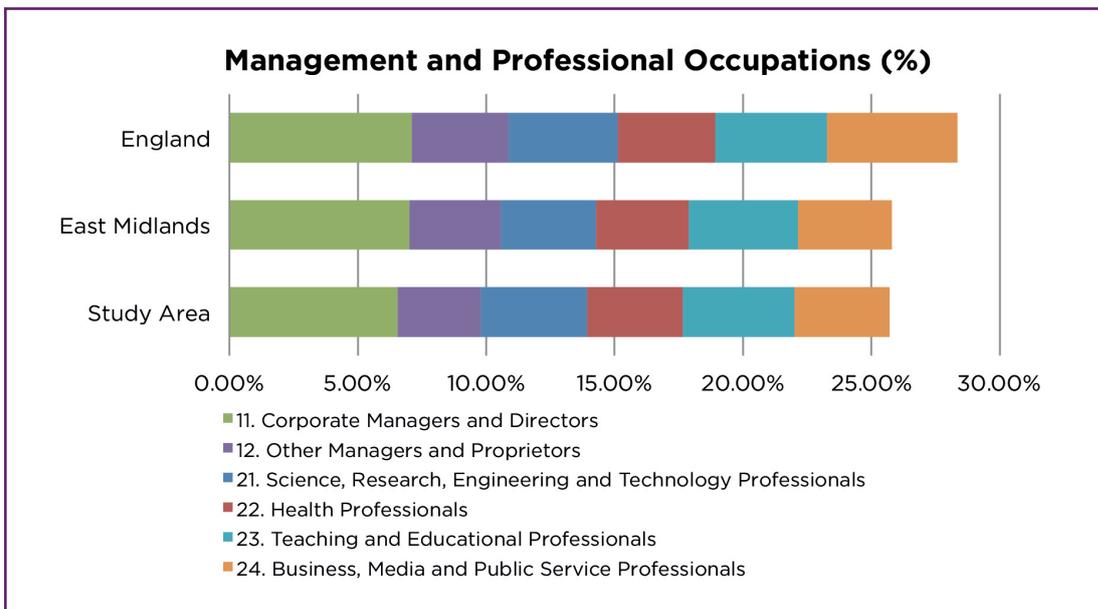
**Table 4.4: Gross average weekly income across the study area<sup>8</sup>**

Local Authority	Full time employment	Part time employment
Amber Valley	£506.2	£133.2
Ashfield	£445.0	£156.4
Blaby	£460.7	£163.7
Bolsover	£423.3	No data available
Broxtowe	£438.3	£154.3
Charnwood	£479.3	£126.4
Derby	£626.0	£165.7
Erewash	£439.8	£135.7
Hinckley and Bosworth	£495.7	£147.6
Leicester	£479.1	£152.2
Melton	£424.3	£145.1
North West Leicestershire	£481.5	£150.0
Nottingham	£428.5	£146.2
Rushcliffe	£470.6	£160.4
South Derbyshire	£500.0	£167.3
East Staffordshire	£499.9	£156.8

<sup>8</sup> ONS annual survey of hours and earnings – 2012.

**Management and Professional Occupations**

- 4.7.8 Figure 4.2 indicates that the study area has proportionally lower level of people in senior occupations, compared with the national average. However, these rates are broadly similar to those of the regional averages. In particular there appear to be considerably less people within business, media and public services.
- 4.7.9 Within the study area there appears to be some variations within these fields, with Melton, Rushcliffe and South Derbyshire having an above national average number of individuals in managerial roles and Broxtowe and Rushcliffe having higher rates for professionals.
- 4.7.10 The project will generate managerial and professional positions within minor groups 116 and 213, as defined by the Standard Occupational Classification (SOC) (2010). Within the study area the 2011 Census indicates some 5,973 individuals employed as managers and directors within transport and logistics sector (SOC minor group 116). Furthermore, the study area has a total of 18,284 individuals employed as information technology and telecommunications professionals (SOC minor group 213).



**Figure 4.2 Management and professional occupations (%)<sup>9</sup>**

<sup>9</sup> 2011 Census - Occupation (Minor Groups), (QS606EW)

### Associate and Administrative Occupations

- 4.7.11 Figure 4.3 highlights that, similar to the regional averages, there are fewer individuals employed in associate and administrative occupations. This reflects the lack of lower levels of professionals in culture, media and sports occupations.
- 4.7.12 Within the study area there appears to be some variations within these fields, with Ashfield, Bolsover and Leicester having significantly below average number of individuals in associate professional and technical occupations, with Melton and Nottingham having significantly lower rates in administrative and secretarial roles.
- 4.7.13 Upon completion, the project will lead to job creation within the associate and administrative occupations, namely SOC minor group 311 – Science, Engineering and Production Technicians, and 413 – Administrative Occupations, Records. Within the study area there is a work force of some 11,007 individuals engaged in science, engineering and production activities (SOC minor group 311), with a further 15,275 individuals employed in administrative roles (SOC minor group 413).

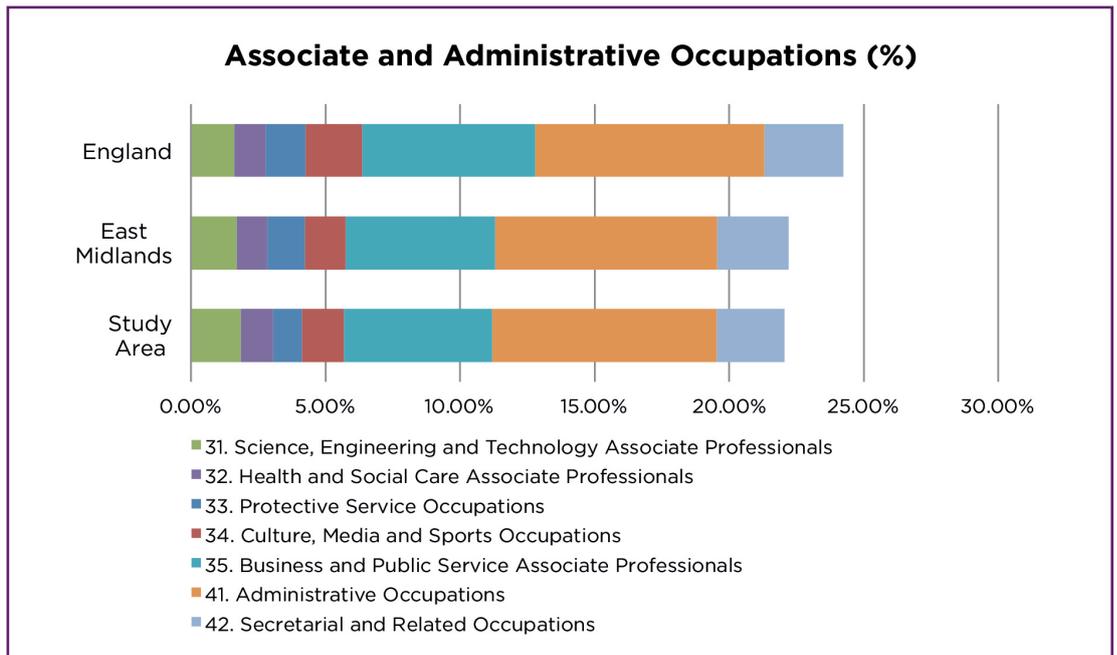


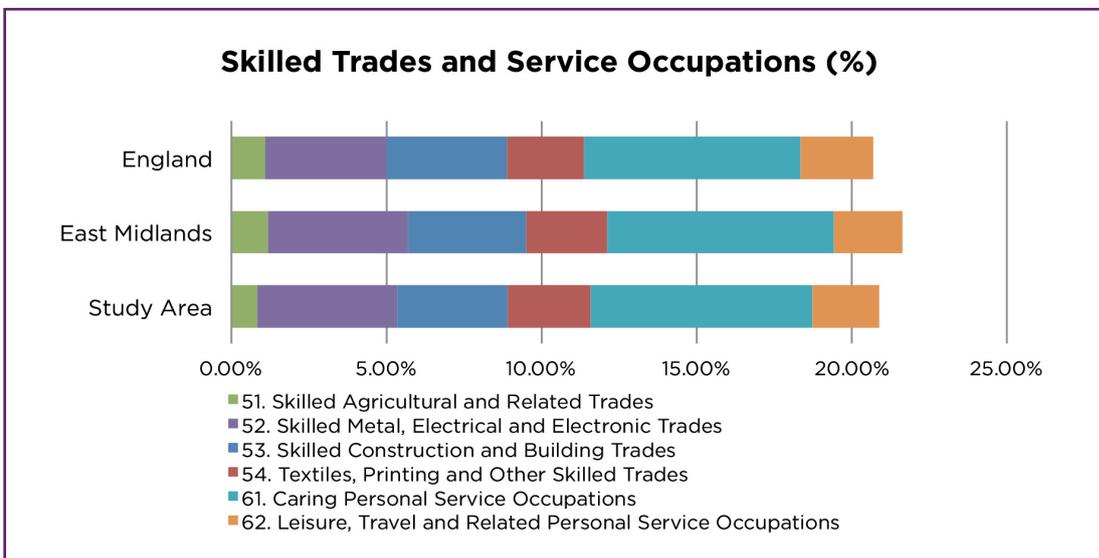
Figure 4.3 Associate and administrative occupations (%)<sup>10</sup>

<sup>10</sup> 2011 Census - Occupation (Minor Groups), (QS606EW)

**Skilled Trades and Service Occupations**

4.7.14 Figure 4.4 shows that there are a similar proportion of people employed within the skilled trades and service occupations within the study area. Within the study area there appears to be some variations within these fields, with Amber Valley, Ashfield, Blaby, Bolsover, Charnwood, Erewash, Hinckley and Bosworth, Melton, and North West Leicester having an above national average number of individuals in skilled trades. It appears that Ashfield and Blaby have particularly high numbers of skilled construction and building personal.

4.7.15 Post construction, it is not anticipated that there will be any significant number of full time direct employment opportunities on site within these fields.



**Figure 4.4 Skilled trades and service occupations (%)<sup>11</sup>**

<sup>11</sup> 2011 Census - Occupation (Minor Groups), (QS606EW)

### Customer Service, Operatives and Elementary Occupations

- 4.7.16 Figure 4.5 demonstrates that the study area has proportionally higher number of individuals who are employed in the less skilled elements of the workforce, when compared to the national average. Many of the local authorities have an above average reliance on the lower skilled occupations. This is a particularly important area of employment for residents in Ashfield, Bolsover, Derby, Leicester, Nottingham and East Staffordshire.
- 4.7.17 Overall there are noticeably more people engaged in process, plant and machine occupations, as well as more elementary administration and service employees within the study area.
- 4.7.18 Once the development becomes operational, there will be a requirement for personnel within the following fields; 71 – sales, 72 – customer services, 821 – road transport drivers, 822 – mobile machine drivers and operatives, and 926 – elementary storage occupations. Within the work force in the study area the 2011 Census indicates some 73,074 individuals employed in sales (SOC 71), with 18,243 people in customer service occupations (SOC 72). Within the transport sector, the study area has 34,697 people working as road transport drivers (SOC minor group 812), with a further 6,132 employed as mobile machine drivers and operatives. Furthermore, the study area supports 26,582 jobs within elementary storage occupations.

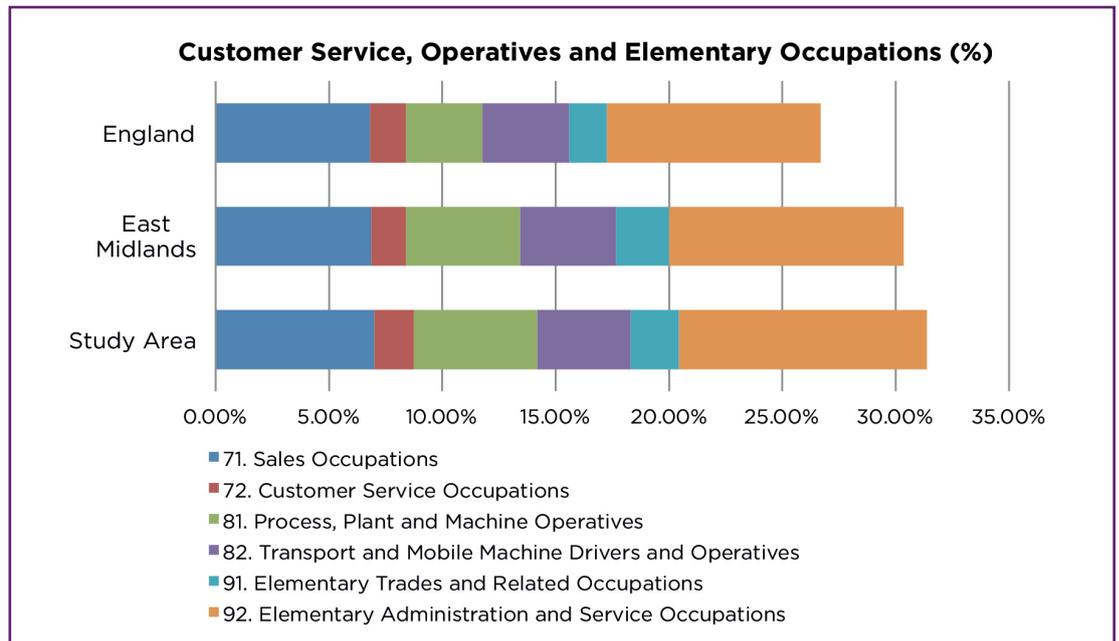
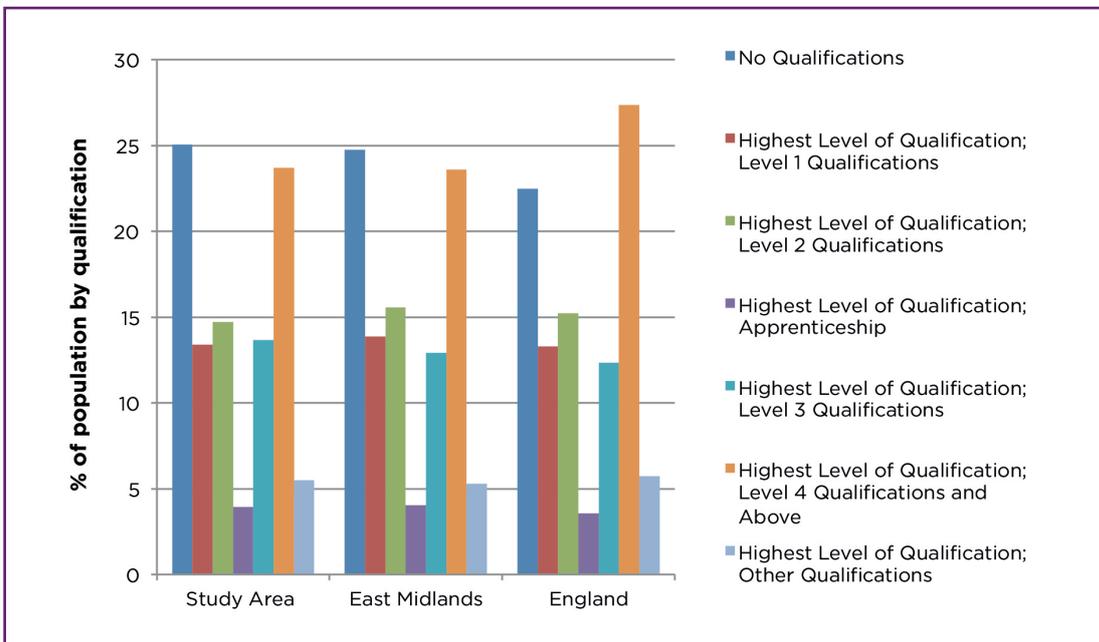


Figure 4.5 Customer service, operatives and elementary occupations (%)<sup>12</sup>

<sup>12</sup> 2011 Census - Occupation (Minor Groups), (QS606EW)

**Qualifications and skills**

- 4.7.19 Figure 4.6 identifies that the qualifications of residents within the study area broadly replicates that of the East Midlands. However, in comparison with the average across England, there are fewer individuals within the study area with higher level qualifications, such as University degrees, and a higher number of people with no qualifications.
- 4.7.20 It appears that within the wider study area that the number of individuals with no qualifications varies markedly between each authority. Significantly, that there are a number of areas which have substantially higher percentages than both the national average (22%) and the rest of the study area (25%). These include the following local authorities; Amber Valley (27%), Ashfield (31%), Bolsover (33%) and Leicester (29%).
- 4.7.21 Furthermore, there are slightly higher levels of people who have achieved a maximum of Level 1 qualifications, with the authorities of Ashfield, Blaby, Bolsover and Erewash.
- 4.7.22 Overall there is a higher proportion of individuals with a lower level of qualifications within the administrative boundaries of Amber Valley (41%), Ashfield (48%), Bolsover (48%), Erewash (41%) and Leicester (42%). Given these higher levels, combined with the long-term nature of the proposed development, there is the potential for the project to provide skilled training in local colleges, providing a longer term benefit to the area.



**Figure 4.6 Qualifications<sup>13</sup>**

<sup>13</sup> 2011 Census - Qualifications and Students, 2011 (KS501EW)

### Health

4.7.23 Figures 4.7 and 4.8 below indicate that in terms of health the study area reflects the wider region and national averages, with the majority being in good health, and with relatively low levels of long-term illness. This demonstrates that there is a generally a healthy population within the study area with 94% of the population being in very good, good or fair health. Furthermore, it appears that 81% of the population do not have their day to day activities limited by a long term illness.

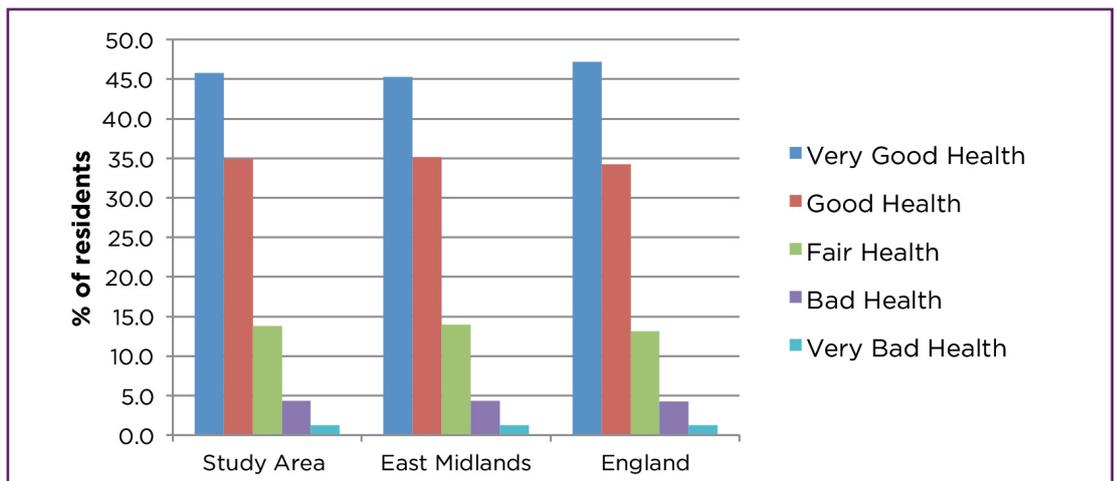


Figure 4.7 General health<sup>14</sup>

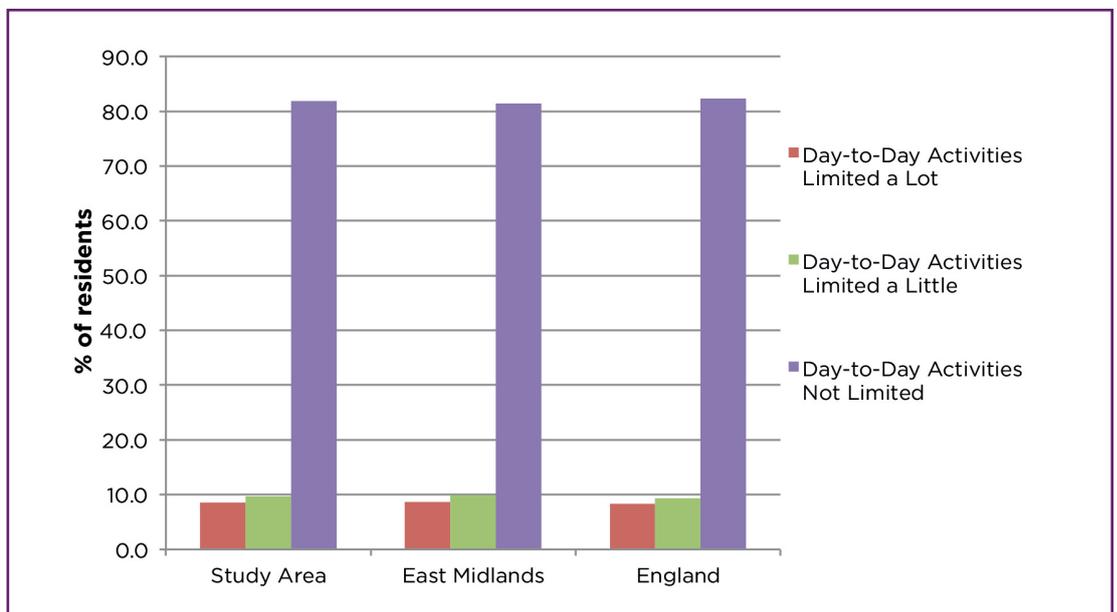


Figure 4.8 Limiting long-term illness<sup>15</sup>

<sup>14</sup> 2011 Census - General Health, 2011 (QS302EW)

<sup>15</sup> 2011 Census - Long-Term Health Problem or Disability, 2011 (QS303EW)

### Unemployment and deprivation

- 4.7.24 An indication of the characteristics of the area is provided by Jobseeker's Allowance (JSA) data. JSA is payable to individuals under pensionable age who are available for, and actively seeking, work. Table 4.5 indicates that JSA claimant rates are relatively low within both the two wards immediately surrounding the SRFI site and within North West Leicestershire, all of which are below that of the national average (3.2%).
- 4.7.25 The wider study area itself closely reflects the national average, with some 3.3% of the population of working age claiming JSA in September 2013. This represents approximately 49,000 individuals on out of work benefits. Further analysis highlights that within the study area there are pockets with higher unemployment rates, above that of the national average. These are identified further below.

**Table 4.5: JSA claimant rates**

	Castle Donington Ward	Kegworth & Whatton Ward	North West Leicestershire DC	Study area (Figure 4.1)
Population (16-64)	4,675	3,089	59,559	1,476,882
Economically active <sup>16</sup>	3,981	2,408	48,999	1,134,227
JSA (Sept 2013) <sup>17</sup>	1.4%	1.3%	2.3%	3.3%

- 4.7.26 The English Indices of Deprivation 2010, published by the Department for Communities and Local Government, is a comprehensive measure of deprivation that brings together 37 different indicators under the following 'domains': Income; Employment; Health and Disability; Education, Skills and Training; Barriers to Housing and Services; Living Environment; and Crime.
- 4.7.27 Data gathered for each of these can be represented as an overall 'Index of Multiple Deprivation' (IMD), which is created through a weighted combination of the domains to produce a score. The scores for local authority areas can then be ranked, with 1 being the most deprived and 326 being the least deprived.
- 4.7.28 In terms of the IMD overall, North West Leicestershire is placed within the 40% least deprived areas in England (Table 4.6). Furthermore, for employment and income deprivation, North West Leicestershire is ranked 219th and 246th respectively.

<sup>16</sup> 2011 Census - Economic Activity, 2011 (KS601EW)

<sup>17</sup> Nomis - % is a proportion of resident population of area aged 16-64

- 4.7.29 Of the local authorities in the study area, Ashfield, Bolsover, Derby, Leicester and Nottingham have an IMD score lower than that for the East Midlands average as a region. Unsurprisingly, the three cities of Derby, Leicester and Nottingham have the highest population densities within the study area, and higher rate of unemployment. These areas therefore represent a pool of potential workforce and people that training and education could focus upon.
- 4.7.30 A further detailed examination of the Indices of Deprivation highlights that the AOI features a number of Lower Layer Super Output Areas (LSOAs)<sup>18</sup> within the lowest quartile for employment deprivation. Within the study area there are 749 LSOAs, of which 158 are within the lowest quartile nationally for employment deprivation, representing 21% of the AOI.
- 4.7.31 These LSOAs are shown on Figure 4.9, clustered around the major settlements of Nottingham, Derby, Loughborough, as well as the smaller settlements of Burton upon Trent, Swadlincote, Coalville, Alfreton, Ilkeston and Long Eaton.
- 4.7.32 Within these pockets of employment deprivation there were 9,273 individual claimants on job seekers allowance in October 2013.

**Table 4.6: Indices of Deprivation<sup>19</sup>**

Local Authority	Rank of Average Rank	Rank of Income	Rank of Employment
Amber Valley	159	155	141
Ashfield	54	129	112
Blaby	293	291	277
Bolsover	43	178	149
Broxtowe	219	203	180
Charnwood	234	151	150
Derby	108	50	52
Erewash	150	163	151
Hinckley and Bosworth	251	250	228
Leicester	22	11	14
Melton	249	321	323
North West Leicestershire	194	246	219
Nottingham	17	17	13
Rushcliffe	318	283	265
South Derbyshire	221	256	224
East Staffordshire	160	170	177

 Lower quartile  
 Upper quartile

<sup>18</sup> Lower Super Output Areas (LSOAs) are a sub-ward geography averaging approximately 1,500 people.

<sup>19</sup> Indices of Deprivation 2010: Local Authority Summaries (DCLG is updating the indices of deprivation and is anticipating that the data will be published in 2015).

**Housing**

- 4.7.33 Within the immediate area surrounding the SRFI site, North West Leicestershire District Council made provision for at least 9,700 new dwellings over the period to 2031 in the draft Core Strategy (now withdrawn). The CS indicated that the majority of these dwellings (4,950) would be located within a strategic development site to the south east of Coalville, strengthening the towns role as the main social and economic centre for the district.
- 4.7.34 It is anticipated that most of the remaining provision will be in situated in the settlements of Ashby de la Zouch, Castle Donington, Ibstock, Kegworth and Measham. In relation to the Castle Donington area, the council note there is an imbalance between the supply of jobs and housing provision, which results in in-commuting to the area. The LPA has stated its intention to provide at least 1,300 dwellings within this area, providing an opportunity for more workers to live closer to where they work to help redress some of this existing imbalance which will only increase without significant provision of new housing.
- 4.7.35 Within the district it is anticipated that housing development will be distributed as follows<sup>20</sup>:
- Coalville Urban Area at least 4,950 dwellings;
  - Ashby de la Zouch at least 1,400 dwellings;
  - Castle Donington at least 1,300 dwellings;
  - Ibstock at least 550 dwellings;
  - Kegworth at least 450 dwellings;
  - Measham at least 550 dwellings;
  - Sustainable Villages at least 500 dwellings.
- 4.7.36 In November 2013 the Core Strategy was withdrawn. The Council has commissioned a new study with other Leicestershire Councils to re-examine the need for new housing. Future housing demand is forecast with consideration to likely employment growth amongst other things, in particular, the withdrawn Core Strategy Policy CS6 identified the application site for SRFI development.
- 4.7.37 Whilst South Derbyshire District Council is at an early stage of its local plan production, the Council has an aspiration to provide at least 13,454 new dwellings by 2028<sup>21</sup>. It has identified a number of “preferred” housing sites, some of which fall within the AOI of the proposal. An area identified for the development of around 6,800 dwellings is located to the south of Derby. In addition, the Council is also recommending approximately 1,200 dwellings near Swadlincote, with the western extent of the AOI.

<sup>20</sup> North West Leicestershire Core Strategy 2012 - Policy CS15: Distribution of housing

<sup>21</sup> [http://www.south-derbys.gov.uk/Images/South%20Derbyshire%20Draft%20Local%20Plan%20Chapters%201%20to%209\\_tcm21-232454.pdf](http://www.south-derbys.gov.uk/Images/South%20Derbyshire%20Draft%20Local%20Plan%20Chapters%201%20to%209_tcm21-232454.pdf)

- 4.7.38 Derby City Council makes provision for a further 12,500 dwellings to be delivered to 2028<sup>22</sup>. The adjacent authority of Amber Valley is proposing a minimum housing target of 9,400 dwellings to 2028 in their pre-submission Core Strategy<sup>23</sup>. It is recognised that a proportion of these dwellings will fall outside of the AOI. The adjoining council to the east, Erewash, makes a further provision for 6,250 dwellings between 2011 to 2028<sup>24</sup>.
- 4.7.39 To the north and north east, the local authorities of Broxtowe and Nottingham have combined, along with Gedling District Council, to form the “Greater Nottingham Aligned Core Strategies”. This sets out housing figures of 6,150 dwellings for Broxtowe and 17,150 for Nottingham City Council, to be delivered between 2011 – 2028<sup>25</sup>.
- 4.7.40 To the south, in Charnwood District, the Council is planning for further residential development along the M1 corridor<sup>26</sup>. This includes provision for 3,000 dwellings to the west of Loughborough and 500 homes in Shepshed by 2028.
- 4.7.41 Rushcliffe Borough Council, on the eastern periphery of the AOI, makes provision for the development of 13,150 new dwellings over the plan period to 2028<sup>27</sup>. The draft Core Strategy would direct 7,650 new homes in or adjacent to the built up area of Nottingham, including 3,000 on land to the south of Clifton.

<sup>22</sup> <http://www.derby.gov.uk/media/derbycitycouncil/contentassets/documents/policiesandguidance/planning/Full%20doc%20complete%20compressed.pdf>

<sup>23</sup> <http://opengov.ambervalley.gov.uk/docarc/docviewer.aspx?docGuid=d01e0f81e09b4db3aedf2b7c41d893bd>

<sup>24</sup> [http://www.erewash.gov.uk/media/files/Environment-and-Planning/Planning%20Policy/Core\\_Strategy\\_-\\_Submission\\_Version/CD01\\_-\\_Submission\\_Version\\_-\\_Erewash\\_Core\\_Strategy.pdf](http://www.erewash.gov.uk/media/files/Environment-and-Planning/Planning%20Policy/Core_Strategy_-_Submission_Version/CD01_-_Submission_Version_-_Erewash_Core_Strategy.pdf)

<sup>25</sup> <http://www.nottinghamcity.gov.uk/CHttpHandler.ashx?id=36322&p=0>

<sup>26</sup> [http://localplan.charnwood.gov.uk/user\\_uploads/files/2013%20Charnwood%20Local%20Plan%20Core%20Strategy%20RFS.pdf](http://localplan.charnwood.gov.uk/user_uploads/files/2013%20Charnwood%20Local%20Plan%20Core%20Strategy%20RFS.pdf)

<sup>27</sup> <http://www.rushcliffe.gov.uk/media/rushcliffe/media/documents/pdf/planningandbuilding/localplan/Further%20proposals%20for%20housing%20development%20leaflet.pdf>

## 4.8 ASSESSMENT DURING THE CONSTRUCTION PERIOD

- 4.8.1 The construction phase of development would require a range of professional and associated skills ranging from managerial roles to manual labour, with designers and engineers to construction workers and machine operatives.
- 4.8.2 With regard to the number of jobs supported over the construction phase, numbers employed will vary according to the nature of work being carried out during each phase of the construction. The calculations applied therefore provide an overall estimation of the predicted number of FTEs supported in the construction sector by the project. Whilst the construction employment is considered temporary (relative to operational employment), the construction would take place over a number of years as described in Chapter 2.
- 4.8.3 An estimate of construction employment has been made based on the total capital expenditure (construction cost) for the built development and infrastructure. The total construction cost for the proposed development is projected to be at least £300 million<sup>28</sup>. An average 30% of total cost is typically accounted for by labour costs, which equates to £90 million. Dividing this figure by the gross average cost of construction labour in the East Midlands<sup>29</sup> indicates that the proposal would generate a total of 3,443 person-years of construction employment.
- 4.8.4 As the development would be constructed over a 5 year period, an average of 688 job opportunities would be supported per year. Applying the convention that 10 temporary construction jobs are equivalent to one full-time equivalent job (FTE), up to 68 FTE jobs would be supported overall during each year of construction. In reality many more employees will be involved during the construction period as a multitude of different skilled and semi-skilled occupations will be required either onsite or offsite.
- 4.8.5 Within the study area, there are some 37,000 skilled construction workers, including 1,863 in the district of North West Leicestershire<sup>30</sup>. The proposed development will support the industry in which these people work, and given the skills resource identified it is considered that leakage will be negligible and construction employment is likely to be retained within the study area. Movement of people within companies or within a sector, is a possibility, however, it is likely that any displacement that does occur will be readily adjusted within the study area, with the result being an overall net increase in employment activity. As such, displacement is considered to be 'low' (10%) as defined in the English Partnerships Additionality Guide<sup>31</sup>.

<sup>28</sup> This is an estimate by Roxhill of capital expenditure for the SFRI and highway infrastructure works.

<sup>29</sup> In 2012 the mean gross annual wages of Skilled Construction and Building trades employees in East Midlands was £23,761 (less than 2011) - source: Annual Survey of Hours and Earnings, 2012 provisional results Table 15.7a [row 2283]. 10% has been added to this figure to cover overheads.

<sup>30</sup> Occupation (Minor Groups), 2011 (QS606EW)

<sup>31</sup> English Partnerships Additionality Guide 3rd Edition (2008)

4.8.6 As well as providing direct income for employees, there will be a wider beneficial effect as a result of increased expenditure on locally sourced materials, utilisation of local support services and facilities (such as plant hire) and increased spending. Applying an employment multiplier of 1.2 to the FTE construction employment (ref. EP Additionality Guide) indicates that an additional 13 FTE jobs would be supported indirectly (Table 4.7). Given the current use of the application site there is no construction employment applicable to the baseline situation.

**Table 4.7: Construction employment additionality**

	1. EMG SFRI	2. Existing baseline
A. Employment (FTE)	68	0
B. Leakage	0%	0
C. Gross direct effect (A-B)	68	0
D. Displacement	10%	0
E. Net direct effect (C-D)	62	0
F. Multiplier	1.2	0
G. Total net effect (E+F)	74	0
H. Total additional FTE (1-2)	74	

4.8.7 It is considered that the construction phase of the proposed development would have a beneficial effect on employment levels within the sub-regional area, and as the effect would be temporary, the significance is considered to be minor beneficial in nature.

## 4.9 ASSESSMENT OF THE COMPLETED SCHEME

### Direct Employment

- 4.9.1 To predict the level of potential employment generated from the proposed development, the Prologis Technical Note on employment generation from distribution warehouse has been used<sup>32</sup>. Prologis collected empirical data in 2010 from the occupiers of 28 B8 units with a total GFA of 5.65 million square feet. This research found that B8 unit occupiers typically accommodate 1 employee per 77m<sup>2</sup> (based on total employment i.e. accounting for multiple shifts). This corresponds well with the 2010 Home and Communities Agency employment density guide that advises large scale, high bay warehousing B8 employment uses typically accommodate 1 full time equivalent employee per 80m<sup>2</sup> floor space.
- 4.9.2 Applying a 1:77m<sup>2</sup> ratio to 560,000m<sup>2</sup> of B8 uses (floor space rounded up for calculation) indicates that the EMG SRFI warehousing would have the capacity to provide for some 7,272 new jobs - the eventual number could be higher or lower. The Prologis research found that 88% of employees were employed on a full time basis, with the remaining 12% working part time. Therefore, it can be considered that the proposed warehouse development has the potential to create up to 6,400 full time jobs and 872 part time employees.
- 4.9.3 It is possible to estimate the approximate number of jobs created by job type. The Prologis research shows that the majority of staff (43%) are warehouse operatives, drivers account around 11% of staff, 21% are admin staff or managerial staff working in the ancillary offices, with 25% represented in other categories comprising IT, customer service, sales and engineering functions. So the proposed development could create around 3,120 warehouse jobs. The rest of the jobs can be sub divided into four categories; with up to 759 people employed as drivers, 897 administration and support jobs, 644 managerial posts created and 1,852 other posts in IT, Customer service, sales and engineering support.
- 4.9.4 A further 45 staff would be required in the rail terminal, assuming that there would be an average of 15 staff for each of three shifts operating over a 24-hour period.
- 4.9.5 The job types and the split of full time and part time positions are shown in Table 4.8. Using the assumption that 2 part-time positions are equivalent to 1 FTE, it can be seen that the completed project in operation would directly support 6,881 FTE jobs (6,445 + (872 / 2)).

<sup>32</sup> Technical Note - Do Distribution Warehouses Deliver Jobs? Prologis, September 2011

**Table 4.8: Projected direct employment by job type**

Job type	Percentage of job types	Approximate number of jobs	Full-time	Part-time
Warehouse staff	42.91	3,120	2,746	374
Drivers	10.43	759	668	91
Admin Staff	12.34	897	789	108
Managerial Staff	8.86	644	567	77
IT, engineering, sales, customer services	25.46	1,852	1,630	222
Rail terminal staff	n/a	45	45	0
	<b>Total</b>	<b>7,317</b>	<b>6,445</b>	<b>872</b>

- 4.9.6 The number of positions to be filled would progressively increase overall in line with the phased completion of the distribution warehousing. Assuming the first phase is of 186,000m<sup>2</sup>, there would be approximately 2,294 jobs created at the initial stage, with the remainder becoming available over the subsequent years.
- 4.9.7 The Gross Value Added (GVA) to the economy associated with 6,881 FTE employees has been estimated applying an annual GVA of £38,847 per FTE employee (Transport and Storage sector in the East Midlands 2010). This would represent a contribution of some £267.3 million annually.
- 4.9.8 Economic circumstances could vary the rate at which companies take up available space. Nonetheless, the proposal will ultimately yield a beneficial effect for employment opportunities, providing a high-quality, well connected distribution centre in a strategic location. In summary the direct economic effects of the scheme are considered to be major beneficial at the regional level and therefore of major significance.

#### **Additionality**

##### **Leakage of Employment**

- 4.9.9 As outlined in the methodology section, the study area for the assessment has been derived from the area of AOI defined for the transport assessment. It can therefore be considered that a significant majority of future employees will be located within this study area, with the majority of benefits remaining within this area. As such, the only leakage of employment is likely to occur if the labour forces are insufficient. This is unlikely given the level of unemployment in the study area. On this basis, leakage has been set at 'low' (10%) as defined in the EP Guide (ref.17). For the estimation of GVA as part of additionality there is assumed to be no leakage because the calculation is work-based and it does not matter from where the employee commutes.

**Displacement**

- 4.9.10 There is a strong possibility that the development will lead to the movement of people between different companies and sectors. However, any displacement that may arise as a result of the development is likely to be readily adjusted with the result being a net increase in employment activity and a reduction in overall unemployment within the study area. As such, displacement has been set at 'low' (25%).

**Multiplier Effects**

- 4.9.11 An injection of investment into the economy will act as a stimulus and providing confidence to others to invest in the area. Research by BIS (October 2009) suggests that a multiplier of 1.44 is appropriate given the nature and scale of development proposed.

**Additionality Calculation**

- 4.9.12 Table 4.9 sets out the additionality calculations. It is assumed there is no baseline employment as existing employment on the SRFI site is negligible. The calculations are based on 6,881 FTEs and £267.3m GVA (paragraph 4.9.7).

**Table 4.9: Employment additionality**

Stage	Employment - FTE		GVA	
	1 Project	2 Baseline	1 Project	2 Baseline
A. Direct Employment	6,881	0	£267.3m	0
B. Leakage	10%	0	0%	0
C. Gross Direct Effect (A-B)	6,193	0	£267.3m	0
D. Displacement	25%	0	25%	0
E. Net Local Direct Effect (C-D)	4,645	0	£200.5m	0
F. Multiplier	1.44	0	1.44	0
G. Total Net Local Effect (E+F)	6,688	0	£288.7m	0
H. Total Net Additional Effect (1-2)	6,688		£288.7m	

- 4.9.13 The total net additional employment to the study area as a result of the project is estimated to be a minimum of 6,688 FTE jobs, with a further 688 benefiting those beyond the study area (i.e. the 10% lost from the study area through leakage). In work-based GVA terms (i.e. with no leakage) the study area is estimated to benefit from an increase in output of £288.7m.
- 4.9.14 This is considered to be an effect of major magnitude at the regional level, and consequently a major positive significance.

**Labour market**

- 4.9.15 The effect in the labour market can be examined by reviewing the job types created by the proposal in the context of the overall workforce in the study area, as well as giving consideration to the potential skills resource available within those that are unemployed.
- 4.9.16 Table 4.10 shows the profile of occupation types and the number that would be required for the SFRI as a percentage increase in the existing workforce within the study area. It can be seen that warehouse staff represent the most notable increase in lower skilled job types, followed by skilled jobs at the managerial level within the transport and logistics sector.

**Table 4.10: EMG SFRI jobs compared to study area workforce<sup>33</sup>**

Job type	Approximate number of jobs at EMG SFRI	Workforce within the study area*	EMG SFRI as a % increase in total workforce
Warehouse staff	3,120	26,582	12
Drivers	759	34,697	2
Admin Staff	897	15,275	6
Managerial Staff	644	5,973	11
IT	296	18,284	2
Customer services	519	18,243	3
Sales	741	73,074	1
Engineering	296	11,007	3
Rail terminal staff	45	6132	1

- 4.9.17 Table 4.11 illustrates that in the study area there is a potential resource of unemployed people that are seeking occupations which correspond with those that would be available at the SFRI.

**Table 4.11: SFRI occupations and corresponding jobs sought by JSA claimants<sup>34</sup>**

Job type	Approximate number of jobs at EMG SFRI	Number of JSA claimants seeking this occupation type
Warehouse staff	3,120	5,150
Drivers	759	1,155
Admin Staff	897	2,925
Managerial Staff	644	165
IT	296	120
Customer services	519	125
Sales	741	13,085
Engineering	296	135
Rail terminal staff	45	395

<sup>33</sup> ONS. Occupation (Minor Groups), 2011 (QS606EW)

<sup>34</sup> Sourced from Nomis 28 November 2013

- 4.9.18 Lower skilled jobs represent at least 70% of the overall positions that would be created. This could represent an opportunity for unemployed people to find work and who could be targeted for employment at EMG SFRI. There were 9,273 individual claimants on job seekers allowance in October 2013 within pockets of employment deprivation in the area of influence (Figure 4.9). Most of the areas identified on Figure 4.9 are from where the SRFI site is presently accessible by public transport within a total journey time of 1 hour (see Public Transport Strategy Figure PT9).
- 4.9.19 In order to support the potential workforce in accessing the employment to be created by the proposed development, there may be increased demand on local education and training providers to deliver relevant qualifications and skills development. Whilst this may also be provided in-house by future occupiers, there will likely be a key role for established providers.
- 4.9.20 It can be considered that a significant proportion of the job opportunities directly created by the EMG SFRI could be met from within those out of work seeking employment in the job skill categories required, in particular if training is provided (see mitigation section). As the job vacancies will arise progressively over a period of years the market could respond accordingly to avoid undue distortion in the labour market.

#### **Housing**

- 4.9.21 Given the potential labour resource outlined in the section above it is expected that a significant proportion of the jobs at EMG SFRI would be taken by people that are already resident within the study area, either people changing jobs or unemployed workers. The number of JSA claimants shown in Table 4.11 seeking work within the job types likely to be generated supports this. These factors would contribute towards limiting additional demand for accommodation within commuting distance of the scheme. However, with potentially 7,000-plus job vacancies arising at the SFRI over the development period (Table 4.8), an increase in the demand for housing within commuting distance of the proposal is likely, notwithstanding such demand would arise steadily as companies commence operating from the SFRI.
- 4.9.22 To understand how demand from employees of the SFRI might be met, the planned provision of new housing in the area around the proposed EMG SFRI has been identified using the emerging Local Plan/Core Strategy documents of the relevant local authorities (4.7.33 - 41). The local authorities work together to establish the appropriate levels of growth and location for new housing, employment land and infrastructure provision to meet future needs. Whilst it is recognised that not all these housing developments will be located within the AOI, from inspection of the emerging local plans, it is likely that by 2028 a minimum of 81,000 new dwellings will be created within the wider area, including some 9,700 within North West Leicestershire.

4.9.23 The housing development targets in North West Leicestershire have been projected taking into account the delivery of additional employment land such as that at the application site. If a robust assumption is made that 20% of employees at the SFRI seek to move into the area, this equates to 1,462 properties, or about 20% of the additional housing that would be developed in the AOI. It is considered that the planned level of future housing would be adequate to meet any additional demand from the proposal which is part of the planned growth in the area. Taking into account the future increase in housing supply, impact on housing demand is considered to be negligible.

#### Commuting

4.9.24 SRFI trip distribution information has been prepared within the Transport Assessment which indicates the number of trips that will be generated by the proposals and the areas from where these trips will originate. The table below summarises where people who would work at EMG SFRI are likely to travel from, showing the estimated percentage of trips from each area.

**Table 4.12: Percentage of SFRI trips by area**

Area	% of trips
Leicester and surrounding area	35%
Derby and surrounding area	23%
Nottingham and surrounding area	26%
Other areas	16%

4.9.25 This provides a useful indication of distribution, suggesting that, based on current trip patterns, most people will arrive from the local vicinity of North West Leicestershire, Loughborough, Leicester City and Coalville, with fewer (but still significant contributions) from Derby, Nottingham and surrounding areas,

#### Health and well-being

4.9.26 A review of the health of Britain's working age population was prepared for the Secretary of State for Health and the Secretary of State for Work and Pensions in 2008<sup>35</sup>. It reported that around 175 million working days were lost to illness in 2006, representing a significant cost, not only economically, but also in terms of social exclusion. It also found that evidence suggests work can be good for health. Importantly, health and well-being is not just a medical issue, the nature and characteristics of the jobs that employees do are vitally important in terms of job satisfaction, reward, and control.

4.9.27 As there is a generally a healthy population within the study area (Figures 4.7, 4.8) it is considered that the proposed development could have an indirect minor beneficial effect on the health and wellbeing of those taking up the new jobs. The wider economic effect from the proposal has the potential to help reduce deprivation in the area of influence (4.9.13).

<sup>35</sup> Crown Copyright. Working for a Healthier Tomorrow. 2008. Dame Carol Black.

## 4.10 MITIGATION MEASURES

### Scheme Construction

4.10.1 Whilst the effect on employment within the sub-regional area is considered to be beneficial and therefore specific mitigation measures are not necessary, there are enhancement measures that could be used to increase the positive aspects and potential supply chain benefits to local businesses, such as:

- use of labour agreements to maximise the proportion of local construction workers;
- a recruitment/training programme for construction workers with a focus on the Jobcentres in locations where employment deprivation has been identified (Figure 4.9);
- provision of skills training in conjunction with the 'Work Programme' initiative<sup>36</sup>;
- local procurement of products and services.

4.10.2 Every effort will be taken in ensuring that local businesses can be offered the opportunity of participating in its construction, to retain the economic benefit locally and in the sub-region to support job opportunities. This will be subject for further consideration as the means of procurement are considered and developed.

4.10.3 As the construction period will last several years, this presents the opportunity to establish training or apprenticeships for the types of trades that will be required. This could take place in conjunction with the local college/training centres. If necessary, specific courses could be established and programmed so that those taking part are ready for site-work when the input from their trade is required. Stephenson College has two campus sites within Nottingham and Coalville that could potentially be used to provide skills training. The requirements will be defined as the project progresses – see below.

### EMG SFRI in Operation

#### Employment, Labour Market and Workforce Skills

4.10.4 The proposed development may provide opportunities for training/education providers through an increased demand for extra places on relevant courses/training programmes in order to respond to skills shortages. Figure 4.5 indicates that the study area has proportionally higher number of individuals who are employed in the less skilled elements of the workforce, when compared to the national average.

4.10.5 A report by the LLEP in 2011<sup>37</sup> found that although training and learning in the logistics sector has historically been low, this is changing, with over half of companies (51%) providing discretionary training. It also found that within the sector, there has been a low of take-up of publicly funded courses, in some instances because companies were not aware of what was available or because of the bureaucracy linked to accessing such training. Whilst the research found that the logistics sector favours training which is undertaken at local or specialist training providers, only 16% used Further Education colleges, which is significantly lower than the 28% across all sectors.

<sup>36</sup> Department for Work and Pensions

<sup>37</sup> The Freight Logistics and Wholesaling Industry (Sector Skills Council - Skills for Logistics, LLEP.

- 4.10.6 The provision of additional skills training will need to be coordinated between training providers and the future occupiers of the proposed development as in-house training programmes will influence the residual demand for 'upskilling'. Information on the number and type of jobs that will be available is key to encouraging uptake of sector-based vocational courses.
- 4.10.7 An Employment & Skills Group is being set up to coordinate the extent and type of 'external' workforce training provision required and how it will be delivered. The key members of the Group are Roxhill, Stephenson College, NW Leicestershire DC, and the LLEP. Input will be invited from a range of stakeholders as the Group becomes established including: East Midlands Airport, DHL, Princes Trust, and Job Centre Plus.
- 4.10.8 The Skills Plan framework will target training at school/college pupils via appropriate courses. Stephenson College already runs a Studio School where pupils can complete their GCSEs with a vocational focus. From September 2014, pupils will be able to join the main college and take GCSEs there. Given the projected completion year for the scheme, there is adequate time to train 14-16 year olds ready for employment at the appropriate time.
- 4.10.9 Sector-based Work Academies are already run by Stephenson College. These are designed specifically for employers that have vacancies requiring specific skills - unemployed people take part in a 2-4 week focused training academy and are guaranteed a job interview upon completion. Job Centre Plus source potential candidates.
- 4.10.10 Further detail of training programmes will be developed with input from potential occupiers. This will establish whether there is any basis for a financial contribution towards new/enhanced training provision. With coordination of the training provision as described above, it is considered the potential barriers to training identified above can be avoided.

#### **Housing**

- 4.10.11 Taking into account the future increase in housing supply, impact on housing demand is considered to be negligible and no mitigation is necessary.

#### **Commuting**

- 4.10.12 The implementation of a significant employment centre such as the SFRI will alter the commuting patterns in the AOI. This is explained in detail along with the mitigation measures proposed in Chapter 13. A key part of the transport mitigation is the public transport strategy. Due to the SRFI site being located next to East Midlands Airport, a number of bus services currently pass the location of the proposed access to the SFRI. The public transport strategy for the SFRI proposes to introduce route diversions and extensions to these services, as well as to increase the frequency of them.

4.10.13 A key outcome of the enhancement of the public transport network is to increase the number of people with bus access to the proposals. An indication of the numbers is shown in Table 4.13 below and the geographic distribution of these by Public Transport Strategy Figures PT13 and PT14. Importantly, these enhanced routes provide transport links between some of the areas of highest population density and the proposal. Furthermore, the enhanced services would connect to areas where employment deprivation has been identified (Figure 4.9).

**Table 4.13: Accessibility: population with access to bus services**

		Travel time			
		15 minutes	30 minutes	45 minutes	60 minutes
Population with access to bus service	Proposed	4,171	38,714	201,165	591,080
	Current	1,994	17,458	83,808	255,557
	Increase	2,177	21,256	117,357	335,523

EMG SRFI Public Transport Strategy Figure PT12

4.10.14 As a result of increasing the availability of bus access to the EMG SFRI, there would be a corresponding enhancement to the accessibility of East Midlands Airport. This could be utilised by work force of the airport and business park occupiers, as well as travellers using the airport. It could also be viewed as increasing the population from which potential workers could be drawn as it could attract those that do not wish to, or are not able to, access the airport site using private transport.

**Health and wellbeing**

4.10.15 The effect of the proposal on health and well being is considered to be minor beneficial and no specific enhancement measure are proposed. However, the highways works would improve road safety when compared to the baseline situation for road users and those using the associated cycle paths on the network. Making cycle use a safer more attractive option for trips to and from work has the potential to maintain and improve health. Cycle to work opportunities could be promoted through Workplace Travel Plans.

4.10.16 Areas within the SFRI will be available for outdoor walk/exercise will be created as new publically accessible open areas within the landscape and open space shown on the proposed development parameters plan, along with the altered public rights of way.

## 4.11 RESIDUAL EFFECTS

### Construction period

- 4.11.1 It is considered that with the additional enhancement measures the proposed development would have a beneficial effect on employment levels within the sub-regional area, and as the effect would be temporary, the significance remains minor beneficial.
- 4.11.2 In terms of the skills upgrading that could be achieved during the construction process, those individuals that develop skills will be in a better position to continue in employment after construction of the scheme is complete. This is to their advantage and also of potential benefit to the general economy in the longer term.

### Operation upon completion

#### Employment

- 4.11.3 The completed development in operation could directly support around 7,317 full time and part-time jobs. Taking into account the potential effects of displacement and leakage of jobs, the total net additional employment to the study area as a result of the project is estimated to be a minimum of 6,688 FTE jobs, with a further 688 benefiting those beyond the study area (i.e. the 10% lost from the study area through leakage). Skills and qualification levels amongst the workforce would be improved through in-house and external training provision, which will result a minor beneficial residual effect. The Gross Value Added (with no leakage) to the study area is estimated to be in the order of £288.7 million.
- 4.11.4 This is considered to be a major beneficial effect at the regional level and therefore of major significance.

#### Housing

- 4.11.5 It is considered that the planned level of future housing would be adequate to meet any additional demand from the proposal which is part of the planned growth in the area. Taking into account the future increase in housing supply, impact on housing demand is considered to be negligible.

#### Commuting

- 4.11.6 The implementation of a significant employment centre will alter the commuting patterns in the AOI. The public transport strategy for the EMG SFRI proposes to introduce route diversions and extensions to bus services, as well as to increase the frequency of them (ES appendix 13.23). Importantly, these would provide transport links between the areas of highest population density and the proposals. As a result of increasing the availability of bus access to the EMG SFRI, there would be a corresponding enhancement to the accessibility of East Midlands Airport. This is considered to be a minor beneficial effect at the sub-regional level and therefore of moderate/minor significance.

**Health and wellbeing**

- 4.11.7 As there is a generally a healthy population within the study area it is considered that the proposed development could have an indirect minor beneficial effect on the health and wellbeing of those taking up the new jobs. Alongside this, the wider economic effect from the proposal has the potential to help reduce deprivation in the area of influence.

## 4.12 CUMULATIVE EFFECTS

- 4.12.1 Given the location of the proposed SFRI near the East Midlands Airport, it is considered that there is potential for cumulative effects in respect of employment and the associated effect on commuting patterns. East Midlands Airport has prepared a plan to guide the future expansion of its operation through to the year 2030. There are currently nearly 7,000 people working on or near the Airport site. The EMA plan suggests that this number could double by 2016, although this is not set as a target for employment growth<sup>38</sup>.
- 4.12.2 Whilst the job types and the proportion of each as part of the overall number of 7,000 likely to be required by the EMA are not known, to enable consideration of the likely effects it has been assumed that they mirror those of the proposed SFRI (also c.7,000), apart from the rail terminal staff, so together an increase of 14,000 jobs.
- 4.12.3 Reference to the occupation types and approximate number of positions likely to become available, as shown in Table 4.10, indicates that in relation to the current workforce, there would be a particular increase in demand for warehouse staff and those in management positions. It is assumed that the job opportunities at both sites will increase in phases as companies commence operations. Table 4.11 gives an indication of the current situation for those seeking jobs of the type corresponding to those that will be required and may represent a potential source of employees, acknowledging that this is will change over time. Whilst a significant number of job seekers could potentially fill positions as warehouse staff, it appears that there would be a need to direct recruitment and training for this occupation. Meeting the demand for skilled staff in managerial roles, IT and engineering, as well as drivers will also need to be a particular focus of the Skills and Training Programme for the EMG 'Growth Point'. As the additional workforce training provision will be coordinated with the requirements of EMA, it is considered that any cumulative effect would be negligible.
- 4.12.4 In respect of any potential cumulative effects on commuting, it is considered that increasing the availability of bus access to EMG SFRI as set out in the public transport strategy (Appendix 13.23) would bring a corresponding enhancement to the accessibility of EMA. The cumulative effect of additional bus-use by people accessing EMA would be to bring additional fare revenue to the service operators.

<sup>38</sup> East Midlands Airport (April 2011) Master Plan - Monitoring and Implementation Report 2010.

### 4.13 CONCLUSION

- 4.13.1 The overall socio-economic effects of the proposed development are assessed to be positive at the sub-regional to regional level and would be enhanced with the implementation of the additional measures outlined.