

From: David Green [REDACTED]
Sent: 11 April 2022 18:31
To: Manston Airport <ManstonAirport@planninginspectorate.gov.uk>
Subject: Request to pass information to the SoS re the Manston DCO decision

Please could you pass the attached information from the Office of National Statistics, to the decision maker.

CLlr-David Green
[REDACTED]
[REDACTED]

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DPC:76616c646f72



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The rise of the UK warehouse and the “golden logistics triangle”

The growth in online shopping has contributed to an increase in the number of warehouses and other logistics premises in the UK, with the so-called “golden logistics triangle” of the Midlands having expanded.

11 April 2022

The number of business premises used for transport, logistics and warehousing in the UK has almost doubled in the last decade, new analysis shows.

As well as the Midlands, home to the "golden logistics triangle", these premises are now most concentrated in parts of the East of England and Yorkshire and The Humber that were not previously associated with the industry.

re originated in the late 1980s and covered an area around Magna Park in Lutterworth. It was so untry.

within a four-hour drive of 90% of the British population. The area covers 289 square miles in the l.

available in [Measuring the data](#)

[ness/activitysizeandlocation/articles/theriseoftheukwarehouseandthegoldenlogisticstriangle/2022-O_bUMxOF2r5kizFMbLzT0R6ZBYBE#data](#)).

The rise of transport and storage has accelerated in the last two years, following EU exit and the onset of the coronavirus (COVID-19) pandemic.

[Online shopping as a percentage of retail sales](#)

(<https://www.ons.gov.uk/businessindustryandtrade/retailindustry/timeseries/j4mc/drsi>), [new](#)

[orders for the building of warehouses](#)

(<https://www.ons.gov.uk/businessindustryandtrade/constructionindustry/datasets/newordersintheconstructionindustry>), and [job adverts in transport, logistics and warehousing](#)

(<https://www.ons.gov.uk/economy/economicoutputandproductivity/output/bulletins/economicactivityandsocialchangeintheukrealtimeindicators/7april2022#business-and-workforce>) have all

increased substantially compared with before the coronavirus pandemic. This could partly reflect

changes initiated by coronavirus restrictions or [supply chain adjustments made after EU exit](#)

(<https://www.ons.gov.uk/businessindustryandtrade/internationaltrade/articles/earlyinsightsintotheimpactsofthecoronaviruspandemicandeuexitonbusinesssupplychainsintheuk/february2021tofebruary2022>).

In 2021, the number of UK business premises classified as transport and storage was 88% higher than in 2011 and 21% higher than in 2019.

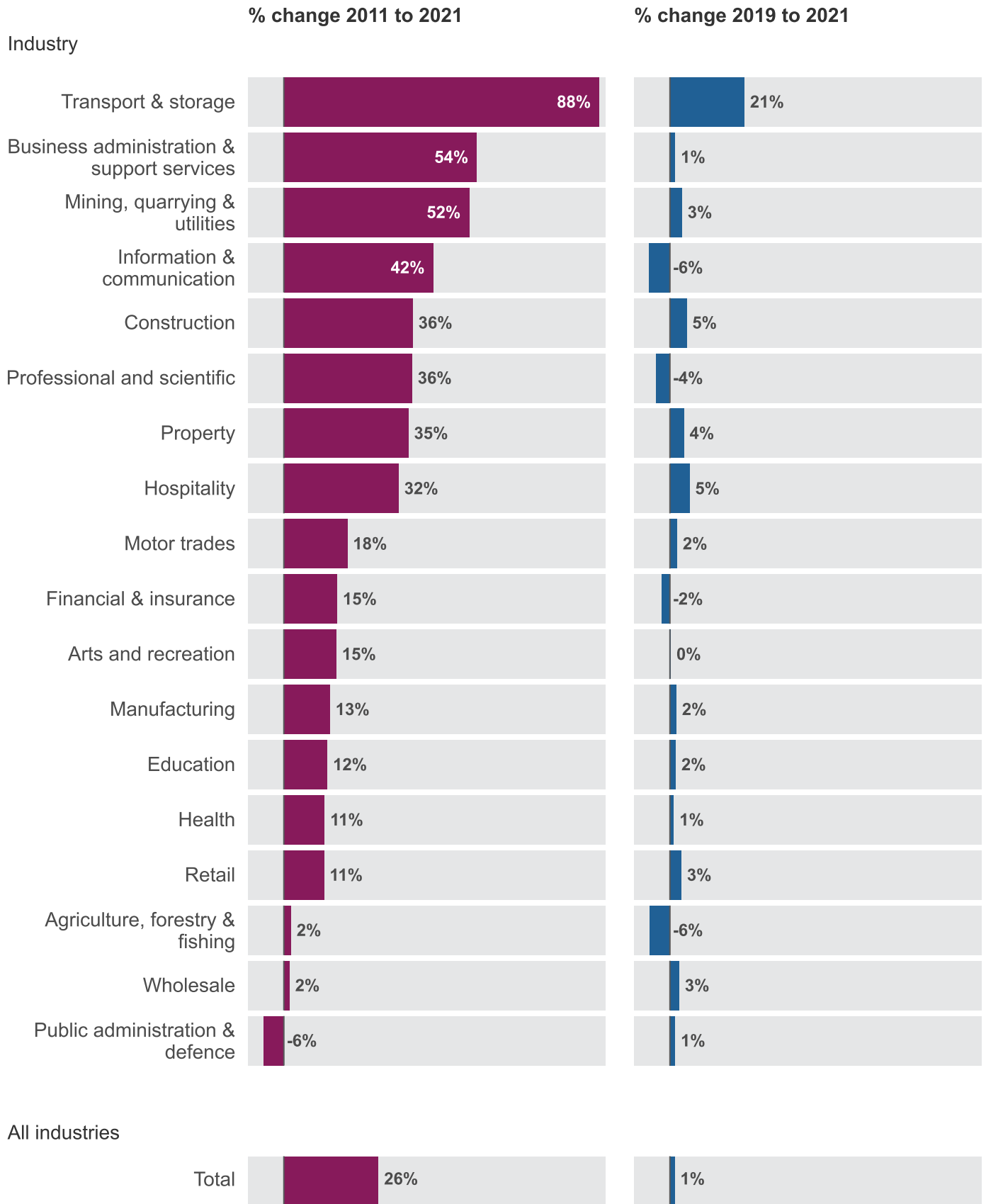
The rise since 2019 is especially notable given the overall trend – the number of business units across all industries increased by just 1% over the same period.

Business premises refer to local units on the Inter-Departmental Business Register (IDBR), which are individual sites that belong to an enterprise. Only a small minority of businesses operate more than one site (1.5% in transport and storage and 2.1% across all industries).

Transport and storage consists of passenger transport, haulage, warehousing, and postal and courier activities.

Transport and storage is the fastest growing broad industry group, both in recent years and over the longer term

Percentage change in number of business premises by industry, UK, 2011 to 2021 and 2019 to 2021



Source: Office for National Statistics — Inter-Departmental Business Register

[Embed code](#)

[Data for change in number of UK business premises by industry \(XLSX, 26KB\)](#)

https://www.ons.gov.uk/visualisations/dvc1902/fig1_splitbar/datadownload.xlsx

Distribution services have driven growth of transport and storage

Transport and storage remains a relatively small industry across the UK, accounting for 5% of business premises (155,000 out of 3.2 million).

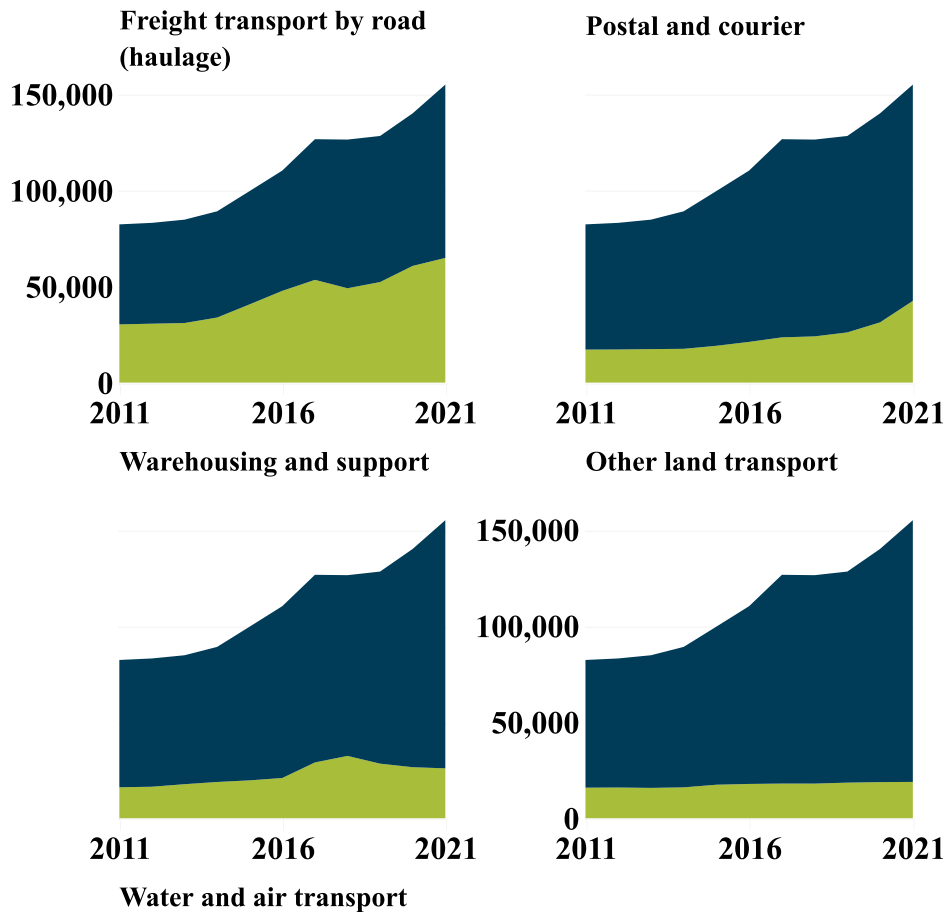
However, it is now the largest industry in parts of the Midlands, the East of England and Yorkshire and The Humber, in terms of share of business units.

Growth of transport and storage in the last decade has been led by hauliers and couriers. The number of business premises classified as “freight transport by road” and “postal and courier activities” increased by 114% and 147%, respectively, between 2011 and 2021. Together, they now account for 69% of all transport and storage business units, up from 58% in 2011.

Couriers and hauliers account for most of the growth in transport and storage since 2011

Number of business premises used for transport and storage, by sub-industry, UK, 2011 to 2021

■ Sub-industry ■ Total industry



[Embed code](#)

[Data for number of UK business premises used for transport and storage, by sub-industry. \(XLSX, 26KB\) \(https://www.ons.gov.uk/visualisations/dvc1902/fig2__area/datadownload.xlsx\)](#)

Notes:

1. Business counts before 2015 included those registered for Pay As You Earn (PAYE) that could be matched to a Value Added Tax (VAT) business. Since 2015, counts include all PAYE businesses regardless of whether they are registered for VAT.

The shift to online retail has increased demand for warehousing

The impact of the coronavirus pandemic has led to people buying online a lot more than they used to.

Online shopping as a percentage of all retail sales peaked at nearly 38% in January 2021, having stood at 8% at the start of 2011 and 19% in February 2020. It has since fallen back but remains around 28% in the latest period (February 2022).

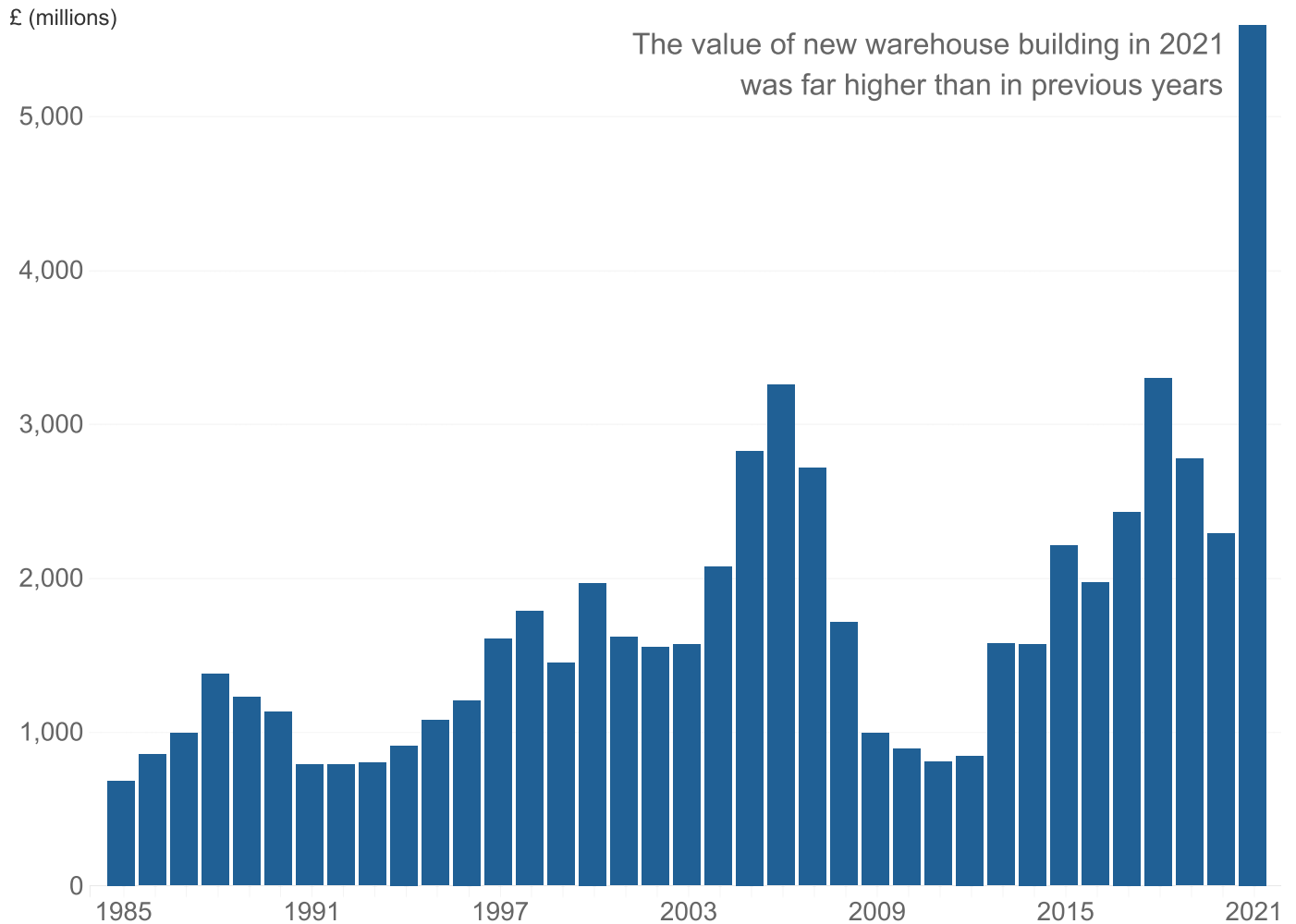
This has contributed to a sharp rise in new warehouse construction projects.

New orders for the building of warehouses were worth £5.6 billion in 2021; this is more than in any year since 1985.

The East Midlands accounted for one-fifth (20%) of the spending in 2021, according to the Office for National Statistics (ONS) new orders data supplier Barbour ABI. The other main locations for warehouse spending were Yorkshire and The Humber (16%), the East of England (13%), and the West Midlands (13%).

2021 was a record year for new warehouse projects

Value of warehouse new orders for construction, non-seasonally adjusted, Great Britain, 1985 to 2021



Source: Office for National Statistics and Barbour ABI — Construction Output and Employment

Embed code

[Data for value of warehouse new orders for construction in Great Britain \(XLSX, 25KB\)](#)

https://www.ons.gov.uk/visualisations/dvc1902/fig3_simplebar/datadownload.xlsx

Notes:

1. The value of new warehouse spending is in current prices. It does not account for price changes.

The rate of growth in new businesses has been faster than the rate of job creation in transport and storage

While the number of business premises has almost doubled in the last 10 years, employment in transport and storage was only 20% higher in December 2021 compared with the same month in 2011.

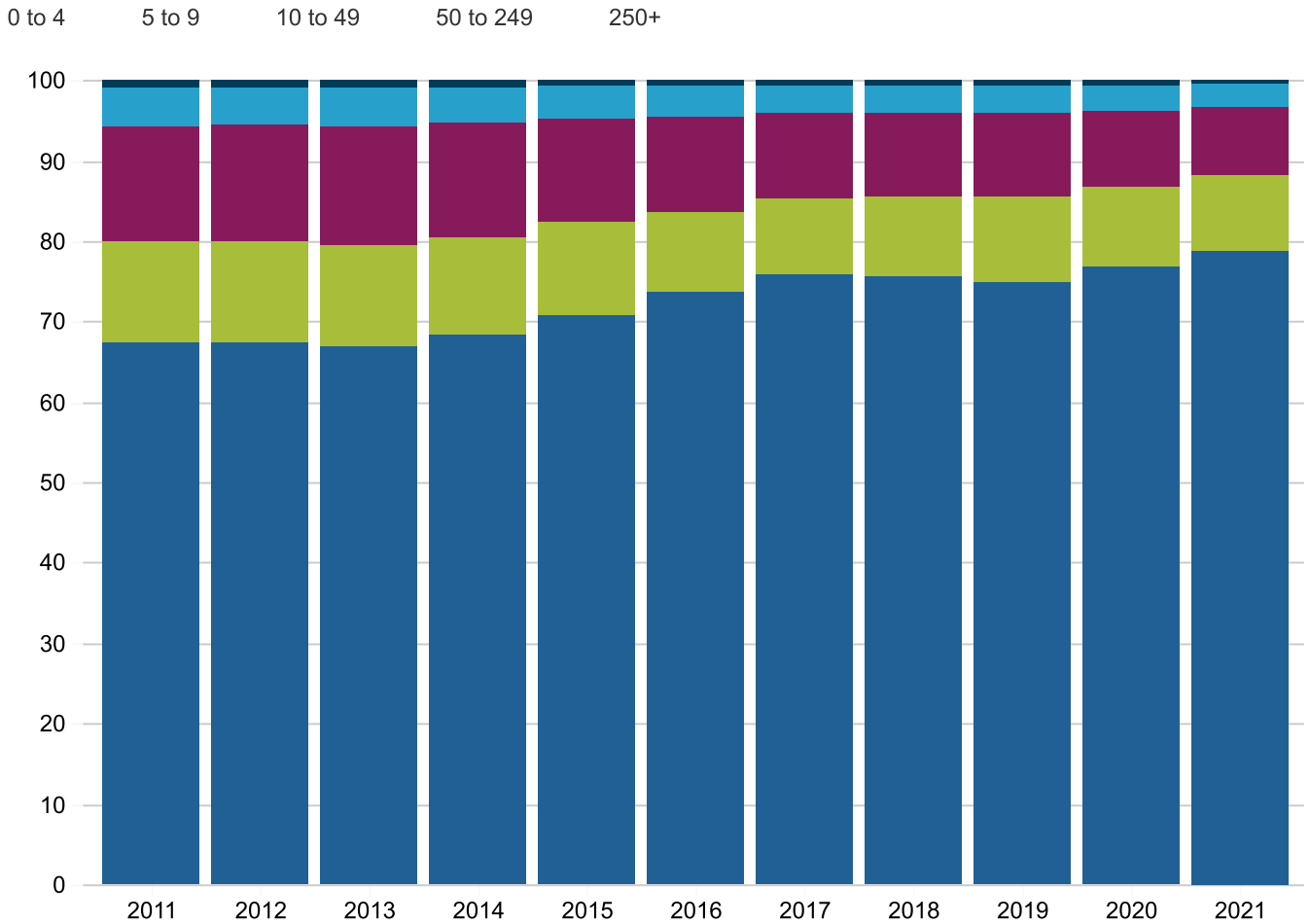
This is according to our [workforce jobs by industry dataset](https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/workforcejobsbyindustryjobs02) (<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/workforcejobsbyindustryjobs02>), which includes employee and self-employment jobs.

The difference in growth rates could reflect an increased number of small businesses, recent worker shortages, or the [potential automation of some occupations](https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/whichoccupationsareathighestriskofbeingautomated/2019-03-25) (<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/whichoccupationsareathighestriskofbeingautomated/2019-03-25>).

The percentage of transport and storage premises with fewer than five employees increased from 67% in 2011 to 79% in 2021.

Small businesses increasingly dominate the transport and storage industry

Share of transport and storage business units by number of employees, UK, 2011 to 2021



Source: Office for National Statistics — Inter-Departmental Business Register

Embed code

Data for share of UK transport and storage business units by number of employees (XLSX, 24KB) (https://www.ons.gov.uk/visualisations/dvc1902/fig4_stack/datadownload.xlsx)

Meanwhile, there was a fall in the number of people employed as heavy goods vehicle (HGV) drivers in the UK up to mid-2021 (<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/fallinhgvdriverslargestamongmiddleagedworkers/2021-10-19>), which accelerated during the coronavirus pandemic.

Transport and storage workers are lower paid than average, and they work longer hours

Hourly earnings in transport and storage were below the national average in 2021 (£14.76 compared with £15.65).

However, only 7% of transport and storage workers were considered low paid (earning below £9.40 per hour), compared with an all-industry rate of 14%.

Full-time staff in the transport and storage industry, such as couriers, HGV drivers and warehouse workers, worked nearly 42 hours in a typical week. The average across all industries is nearly 39 hours.

Transport and storage workers were more likely than those in any other industry to do overtime (32%), with those working overtime recording nearly eight additional hours per week on average.

Regional differences in pay were greater for transport and storage than on average across all industries.

Transport and storage workers in the highest paid region (London) earned £20.12 per hour on average in 2021, compared with £12.76 in the lowest paid (the North East).

Across all industries, average hourly earnings were £20.39 in London, compared with £13.95 in the lowest paid region (the East Midlands).

London has the highest percentage of employment in air transport (the highest paid of the transport and storage sub-industries) of any English region.

Transport and storage is growing fastest in parts of the Midlands, the East of England and Yorkshire and The Humber

Transport and storage business premises are increasingly concentrated in the middle of the country, in an area we have estimated as the "golden logistics triangle" and further afield.

In 2021, there were 11 local authority districts in the UK where transport and storage was the dominant industry. These included Rugby in Warwickshire, South Holland in Lincolnshire, Peterborough, and Doncaster.

By comparison, in 2011, transport and storage was not the main industry in any part of the UK.

Rugby had the highest percentage of business units used for transport and storage in the UK in 2021 (17%). Newport (10%), North Lanarkshire (8%) and Antrim and Newtownabbey (8%) were the highest ranking areas in Wales, Scotland and Northern Ireland, respectively.

In terms of scale, West Northamptonshire had the highest number of business premises occupied by transport and storage (3,200), followed by Leeds (3,100), North Northamptonshire (2,700) and Birmingham (2,500).

The share of transport and storage businesses has increased sharply across the Midlands and the East of England

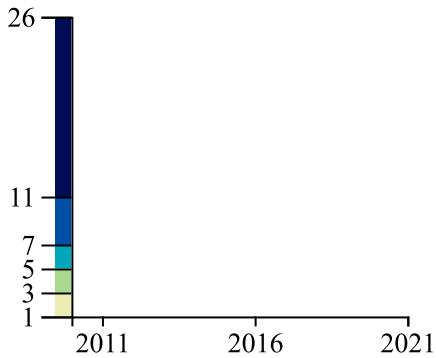
Percentage of business units used by the transport and storage industry, UK local authorities, 2011 to 2021

Select an area

2021

Pink shaded areas mark the "golden logistics triangle"

Transport local units as % of total business units



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Source: Office for National Statistics — Inter-Departmental Business Register

[Embed code](#)

[Data for percentage of business units used by the transport and storage industry in UK local authorities \(XLSX, 83KB\)](#)

https://www.ons.gov.uk/visualisations/dvc1902/fig5_map/datadownload.xlsx

The emergence of the Midlands, the East of England and Yorkshire and The Humber as logistics hubs reflects growth in the number of UK hauliers and couriers since 2011.

The West Midlands recorded a 15% increase in HGV traffic between 2011 and 2019; this was the largest rise of any English region. North Warwickshire, located in the region, had the highest carbon dioxide (CO₂) emissions per head from transport in 2019.

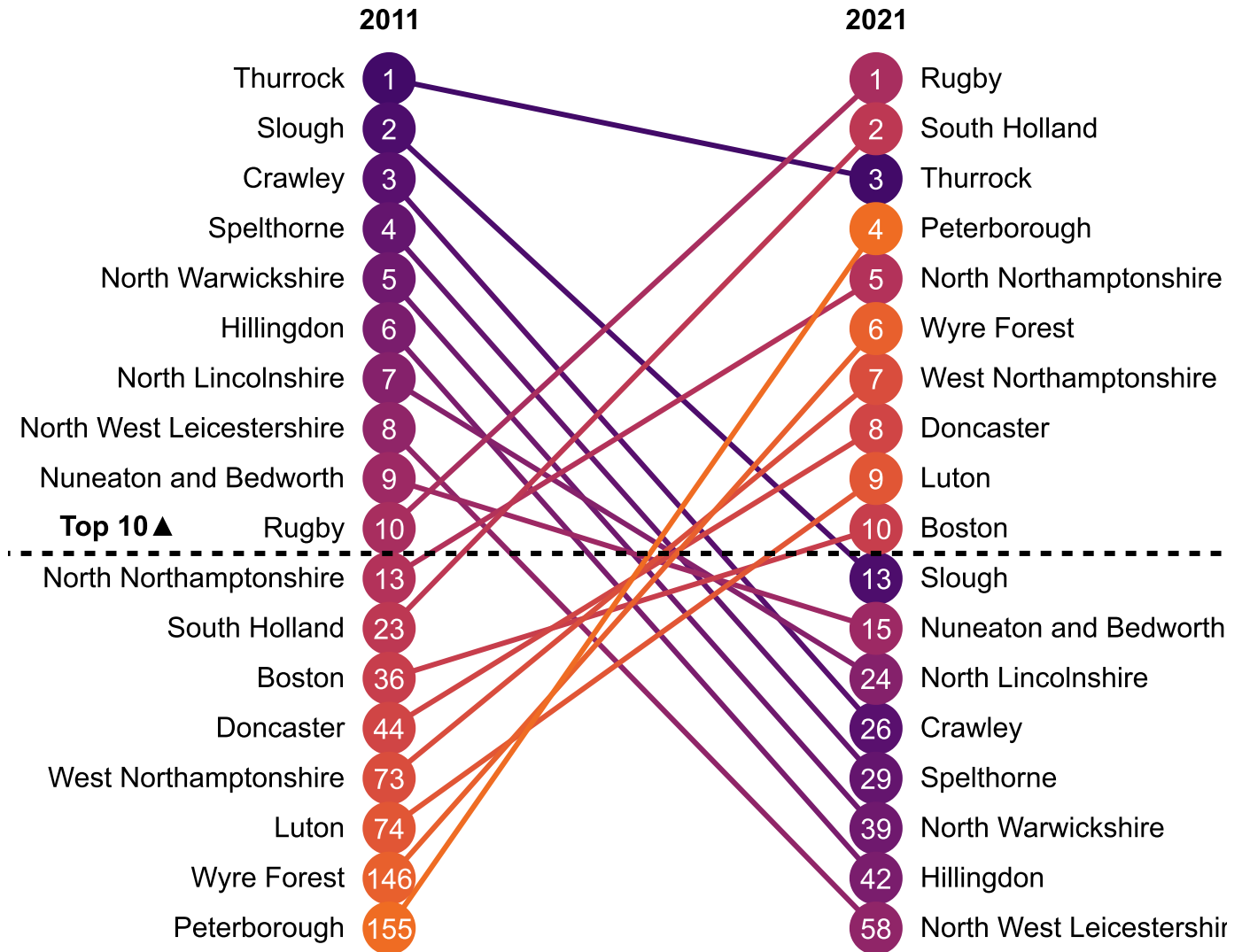
Meanwhile, areas associated with ports and airports have seen much slower growth in the number of business premises used for transport and storage.

In 2021, Luton was the only area with a recognised airport to rank in the top 10 places for share of business units in transport and storage. Slough, Hillingdon, Spelthorne and Crawley, located near Heathrow and Gatwick airports, have all slipped out of the top 10 since 2011.

Places close to ports have seen mixed trends. Thurrock (Tilbury port), North East Lincolnshire (Immingham), Newport, and to a lesser extent, East Suffolk (Felixstowe), all saw transport and storage grow faster than other industries between 2011 and 2021. However, the share of business premises occupied by transport and storage stayed flat or fell in Dover, and Redcar and Cleveland.

Places with ports or close to airports no longer dominate the top 10 areas for business units used for transport and storage

Ranking of local authorities by percentage of business units used for transport and storage, UK, 2011 and 2021



Source: Office for National Statistics — Inter-Departmental Business Register

[Embed code](#)

[Data for ranking of local authorities by percentage of business units used for transport and storage in 2011 and 2021 \(XLSX, 46KB\)](#)

https://www.ons.gov.uk/visualisations/dvc1902/fig6_topten/datadownload.xlsx

Notes:

1. The Isles of Scilly are excluded because of a small number of business premises.

Employment in transport and storage remains most concentrated near airports

Places close to airports are still the most likely to employ transport and storage workers, despite business premises being most concentrated in the middle of the country.

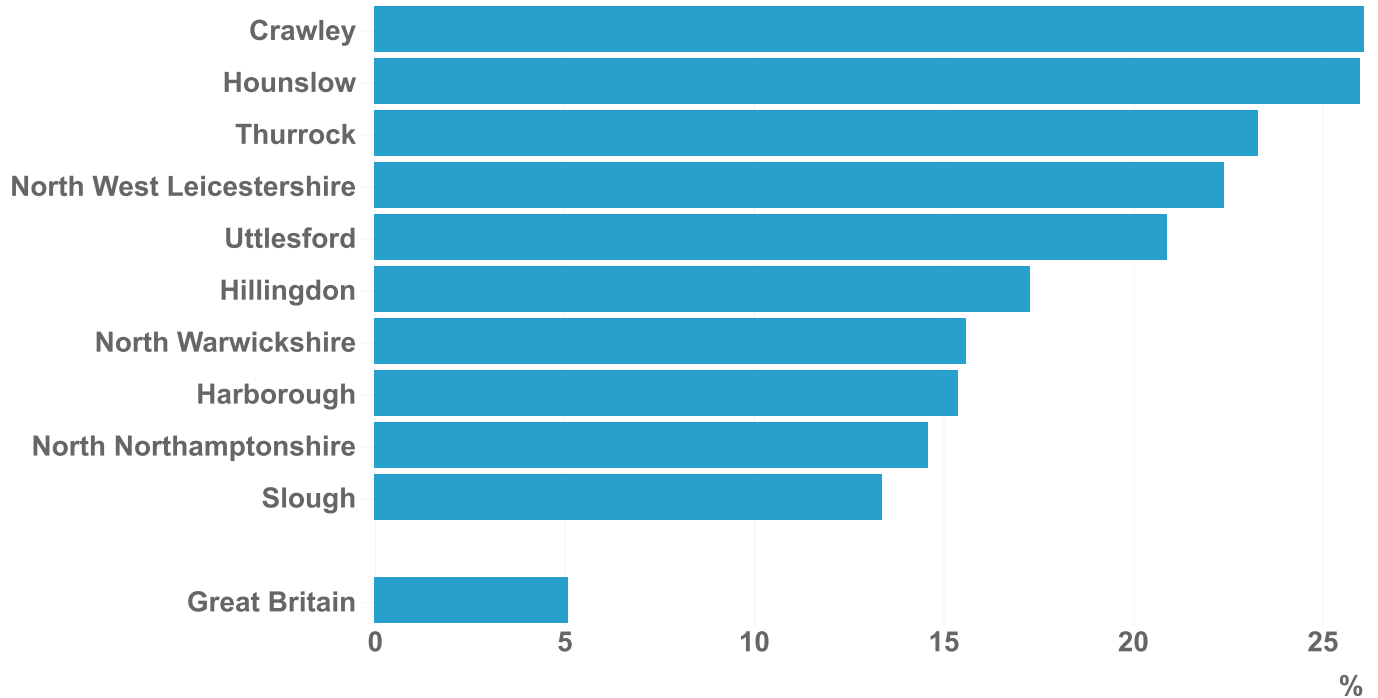
More than one in four (26%) people employed in Crawley (Gatwick) and Hounslow (Heathrow) were in the transport and storage industry in 2020, compared with an average of 1 in 20 (5%) across Great Britain.

Hounslow had a total of 40,000 people employed in transport and storage; this was the most of any local authority.

Meanwhile, Thurrock saw the fastest rise in transport and storage employment relative to other industries, with the industry employing 23% of workers in the area in 2020; this was up from 14% in 2015.

Crawley and Hounslow have the highest shares of employment in transport and storage

Top 10 local authorities for the percentage of employment in transport and storage in 2020, compared with the average in Great Britain



Source: Office for National Statistics — Business Register and Employment Survey

[Embed code](#)

[Data for top 10 local authorities for the percentage of employment in transport and storage \(XLSX, 38KB\)](#)

https://www.ons.gov.uk/visualisations/dvc1902/fig7_employeeeshare/datadownload.xlsx

In Rugby, the place with the highest percentage of business premises used for transport and storage, the share of people employed in the industry fell slightly between 2015 and 2020 (from 13% to 12%).

Similar trends were observed in Birmingham, Sandwell, Walsall and Warwick.

Our [article provides further detail on the industry structure of towns in Great Britain](#)

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/understandingtownsindustryanalysis/2021-12-13>.

Measuring the data

Calculating the “golden logistics triangle”

Great Britain was divided into one kilometre grid squares and Census 2011 population figures were assigned to each square.

Travel times were calculated using the Open Source Routing Machine (OSRM). This calculates times according to the travel network, not “as the crow flies”.

Using the OSRM package in R (a statistical programming language), four-hour drive time polygons were created from the centroids of each 1km grid square. The square was considered part of the “golden logistics triangle” if its polygon covered 90% or more of the British population.

This method used publicly available data and tools to estimate population and travel time. It has several limitations:

- the travel time calculation does not account for traffic conditions or time of day, so it is not necessarily representative of real-world journey times
- we used the "car" drive-time mode on OSRM, which may not represent the speed of slow-moving vehicles such as HGVs
- additional travel time on private land that hosts a warehouse, for example, may not be accounted for; the mapping detail depends on [volunteers adding features onto OpenStreetMap \(https://osmuk.org/getting-started/using-openstreetmap-map-data/\)](https://osmuk.org/getting-started/using-openstreetmap-map-data/)
- the analysis excludes 1km squares that are uninhabited; this could mean that some warehousing areas are excluded
- population changes between 2011 and 2022 have not been accounted for and the impact of these on the analysis is unknown.

The [full method and code are available on GitHub \(https://github.com/ONSvisual/golden_triangle\)](https://github.com/ONSvisual/golden_triangle).

Business premises

Most of the analysis in this article refers to numbers of business premises, which are counts of local business units taken from the Inter-Departmental Business Register (IDBR). Local units are individual sites that belong to an enterprise.

At an enterprise level, companies are classified according to their main activity. Local units (with employees) are classified according to the main activity at that site. For example, a warehouse owned by a retail enterprise should be classified as transport and storage, because warehousing is the main activity at that particular local unit.

The IDBR is available to query on [Nomis](#)

(https://www.nomisweb.co.uk/home/release_group.asp?g=20), a data explorer tool.

New warehouse building

New orders for the construction of warehouses are published as part of [our bulletin on construction output in Great Britain](#)

(<https://www.ons.gov.uk/businessindustryandtrade/constructionindustry/bulletins/constructionoutputingreatbritain/february2022>).

The regional and local authority breakdowns are based on data for individual projects and provided by the new orders data supplier Barbour ABI.

Earnings and working hours

Data on earnings and working hours are taken from the Annual Survey of Hours and Earnings (ASHE).

The [2021 ASHE release](#)

(<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/annualsurveyofhoursandearnings/2021/relateddata>) contains breakdowns by industry and occupation.

Employment

The Business Register of Employment Survey (BRES) is the official source of employment statistics by detailed geography and industry.

Our [latest BRES release](#)

(<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/businessregisterandemploymentsurveybresprovisionalresults/provisionalresults2020>), covers 2020 and can be queried on [Nomis](https://www.nomisweb.co.uk/datasets/newbres6pub) (<https://www.nomisweb.co.uk/datasets/newbres6pub>).

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(https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/articles/theriseoftheukwarehouseandthegoldenlogisticstriangle/2022-04-11?fbclid=IwAR0JAHi53zx7ISdISYJRbZc_hFOlymaO_bUMxOF2r5kizFMbLzT0R6ZBYBE#top).

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Statistical bulletin | Released on 4 October 2021

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