Tritax Symmetry (Hinckley) Limited

HINCKLEY NATIONAL RAIL FREIGHT INTERCHANGE

The Hinckley National Rail Freight Interchange Development Consent Order

Project reference TR050007

Environmental Statement
Volume 1: Main Statement

Chapter 7: Land Use and Socio-Economic Effects

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Planning Act 2008

The Infrastructure Planning (Applications: Prescribed Forms and Procedure) Regulations 2009 Regulation 5(2)(a)

The Infrastructure Planning (Environmental Impact Assessment) Regulations 2017 Regulation 14

This document forms a part of the Environmental Statement for the Hinckley National Rail Freight Interchange project.

Tritax Symmetry (Hinckley) Limited (TSH) has applied to the Secretary of State for Transport for a Development Consent Order (DCO) for the Hinckley National Rail Freight Interchange (HNRFI).

To help inform the determination of the DCO application, TSH has undertaken an environmental impact assessment (EIA) of its proposals. EIA is a process that aims to improve the environmental design of a development proposal, and to provide the decision maker with sufficient information about the environmental effects of the project to make a decision.

The findings of an EIA are described in a written report known as an Environmental Statement (ES). An ES provides environmental information about the scheme, including a description of the development, its predicted environmental effects and the measures proposed to ameliorate any adverse effects.

Further details about the proposed Hinckley National Rail Freight Interchange are available on the project website:

http://www.hinckleynrfi.co.uk/

The DCO application and documents relating to the examination of the proposed development can be viewed on the Planning Inspectorate's National Infrastructure Planning website:

https://infrastructure.planninginspectorate.gov.uk/projects/east-midlands/hinckley-national-rail-freight-interchange/

Chapter 7 ◆ Land use and socio-economic effects

INTRODUCTION

7.1. This chapter of the Environmental Statement (ES) presents an assessment of the likely significant effects of the HNRFI with respect to land use and socio-economics. The chapter sets out the methodology and data sources used for this assessment, and reviews the legislation, policy and relevant guidance to set out how the proposals fit with plans and priorities for economic development. The comprehensive programme of consultation is summarised to detail how the Applicant sought to engage with the affected community and stakeholders. A baseline assessment is then presented to understand the local context with regards to the size of the labour market, the construction labour market, logistics sector employment, housing needs and levels of local deprivation. The level of employment and the likely residential locations for the majority of the labour force is an important consideration given the employment generating use of the Proposed Development.

7.2. The likely socio-economic effects that are anticipated to arise from the construction (temporary) and operational (permanent) phases of the Proposed Development are then presented. This includes an estimate of the number of direct and indirect construction jobs, and an estimation of the operational phase jobs once the construction has been completed. The Gross Value Added (GVA) and business rates benefit, the impact on the demand for housing, and the impact on the logistics sector and land use and accessibility are also considered. A section on proposed mitigation provides a description of any additional enhancement and mitigation measures that are proposed to minimise the potential adverse effects identified by the assessment. This is followed by an assessment of the residual environment effects, and an assessment of cumulative effects. A conclusion is then presented to summarise the assessment of the likely significant effects of the HNRFI with respect to land use and socio-economics. Effects that are moderate or major are considered to be significant in EIA terms, and therefore effects that are negligible and minor are not considered to be significant.

7.3. The construction of the Proposed Development is anticipated to be moderate beneficial over the short term. The baseline research showed that there are more residents employed in the construction sector than there are jobs in the sector, indicating that the study area is a net exporter of construction workers. The HNRFI will play a small role in ensuring a closer match between job opportunities and local labour.

7.4. The effect of the operational jobs from the Proposed Development is predicted to be moderate beneficial over the long-term. The Study Area performs considerably worse in youth unemployment in 16-24 year olds which the Proposed Development could help to address.

7.5. In terms of the impact of the HNRFI on housing, as the construction study area shows a net export of jobs, the construction jobs are likely to be met by local workers, resulting in

a neutral effect. With regards to operational employment and housing, the Housing Market Area (HMA) may not be able to fully respond to the need arising from the HNRFI workers, therefore resulting in a minor adverse effect in the medium to long term.

7.6. According to the HNRFI Logistics Demand and Supply Assessment (document reference 16.2), over a 20-year plan period, the demand for ~~100,000~~9,290+ sq.~~ft~~ m properties across the Property Market Area (PMA) is 2,061 ha for all industrial and logistics (I&L) uses[1], and 1,772 ha for B8 uses (86% of total demand) within units above ~~100,000~~9,290 sq.~~ft~~m. This indicates that large B8 unit demand is roughly 150% (2.5 times) higher than the current supply of 709 ha, indicating that the PMA market is severely supply-constrained and therefore needs more quality strategic sites to help meet the strong demand. Therefore the delivery of the HNRFI would result in a major beneficial effect over the long term.

7.7. The impact of the Proposed Development on the affected private property and houses is a minor adverse effect over the long term. The impact of the Proposed Development on the affected community land and assets is minor adverse over the long term. The impact of the Proposed Development on the affected businesses is a minor adverse effect over the long term. The impact of the Proposed Development on the development land is neutral over the long term. The impact of the Proposed Development on the walkers, cyclists and horse-riders would be minor adverse over the long-term. The impact of the Proposed Development on the agricultural land holdings is major adverse over the long term.

7.8. The adverse land use and socio-economic effects anticipated for the existing agricultural land holdings will be mitigated by the financial gain of the owners from the sale of the land, which could be reinvested in replacement holdings if available. This results in a neutral effect over the long term.

7.9. The construction of the cumulative sites would help to support construction firms operating in the region, and provide jobs in the construction industry. It is likely that the cumulative effect with the Proposed Development will remain moderate beneficial in the short and medium term. The cumulative effects of operational jobs from the cumulative schemes is predicted to be moderate beneficial over the long term. The impact of additional homes from the cumulative sites is likely to have a positive impact on addressing the additional housing demand, with a neutral effect over the long term. The cumulative schemes are estimated to provide circa 16% of identified logistics space requirements. The resulting effect of the Proposed Development with the cumulative scheme is major beneficial over the long term.

[1] When we refer to the industrial and logistics (I&L) sector we mean Light Industrial (formerly B1c use class now part of Class E), General Industry (B2 use class), and Storage and Distribution (B8 use class). Effectively the primary use classes that require shed-type units (including ancillary offices) and associated yard spaces. These use classes typically cover the diverse range of industrial, manufacturing and logistics companies that operate within England.

METHODOLOGY AND DATA SOURCES

EIA Scoping Opinion

7.10. As explained in Chapters 1 and 6 of this ES, a revised EIA Scoping Opinion was provided by the Secretary of State in December 2020. Aspects of the scoping opinion relevant to the assessment of land use and socio-economic effects are summarised in **Table 7.1** below, together with the Applicant's responses.

Table 7.1: Advice in the 2020 Scoping Opinion relevant to the assessment of socio-economic effects, and the Applicant's response

PINS ID	Ref.	Comments	Response
4.1.2	6.17 & 6.30	The Scoping Report states that the assessment will be consistent with the Treasury Green Book Guidance. Additional 'best practice guidance' is referred to in paragraphs 6.26 and 6.30 but it is not clear what guidance is being relied on here. All guidance followed should be clearly referenced in the ES. Chapter 5 paragraph 5.6 states that the assessment will take into account the Design Manual for Roads and Bridges (DMRB), however this is not referenced specifically in this aspect chapter. The ES should consider DMRB LA 112 Population and Human Health Revision 1, which provides guidance on the likely effects of projects on land-use and accessibility including agricultural land holdings.	The Design Manual for Roads and Bridges LA 112 Population and Human Health Revision 1 is considered in Appendix 7.1 Health and Equality Briefing Note (document reference 6.2.7.1).
4.1.3	6.10	The report does not list (or seek to scope out) the potential for effects relating to private property, community land and assets or development land and businesses. The ES should consider the direct and indirect impacts (e.g. increased demand for or reduced/altered access to community facilities) of the Proposed Development on these matters if significant effects are likely to occur.	This assessment considers potential effects to private property, community land and assets or development land and businesses. The subsection *Private property and housing* in the *Potential Socio-Economic Effects* section of this chapter considers effects to private property (para 7.258).

PINS ID	Ref.	Comments	Response
4.1.4	6.12	The Scoping Report applies an employment density of 77 m^2 per worker to estimate a potential 8,000 workers on site. The proposed development has the potential to accommodate a mix of regional and national distribution centre functions. The calculation of employment impacts (and related trip generation) should acknowledge the range of job densities for these functions (i.e. 77-95 m^2 per worker). Consideration of occupations/skills levels of employment created would also be beneficial.	The assessment now acknowledges the range of employment densities and reports the results accordingly. An estimate of the skill levels of employment generated is included in the ES. The range of densities is considered in the *Employment during Operation* subsection of the *Potential Socio-Economic Effects* section of this chapter.
4.1.4	6.13	The Scoping consultation responses suggest there is currently SRFI overcapacity regionally. The ES should clearly establish the assumptions and growth scenarios that constitute the basis for the economic impact assessment.	The assessment sets out the assumptions and growth scenarios used to undertake the economic impact assessment. As outlined in the Warehousing and Logistics in Leicester and Leicestershire: Managing growth and change (amended 2022) in Chapter 5: *Policy and need* of this chapter, there is a forecast need of 2,570,000sqm of warehouse floorspace by 2041 (para 7.67).
4.1.6	6.14 &6.16	The Scoping Report does not describe how the impacts on the demand for housing will be assessed. If significant effects on socio-economic receptors are likely to occur then an assessment of these needs to be included in the ES and the Applicant should ensure that the methodology and approach to the assessment in the ES is clearly established. Any assessment must differentiate between construction and operational phases as the nature of accommodation demand will differ. Demand for temporary	Demand for housing as a result of the Proposed Development during construction and operational phases has been assessed, based on a clearly stated methodology. This is considered in the *Demand for housing* subsection of the *Potential Socio-Economic Effects* section.

PINS ID	Ref.	Comments	Response
		accommodation by the construction and operational work force (including lorry parks) should be identified and an assessment made regarding the impact on local accommodation supply and affordability.	
4.1.7	6.18 &6.20	The Scoping Report does not specify whether the ES will assess the impacts on landholdings from direct land take only, or other impacts such as changes to access, drainage or amenity. Elmesthorpe Parish Council highlights the potential for the alterations to the rights of way to affect equine businesses. The ES should clearly establish the extent of the potential impacts and its geographic scope should be defined so as to account for these.	The impacts on landholdings from direct land take only, or other impacts such as changes to amenity have been considered. This is considered in the Agricultural Land Holdings subsection of the *Potential Socio-Economic Effects* section.
4.1.8	6.19	The aspect includes the assessment of several matters for which different study areas will be appropriate, as acknowledged by the range of study areas presented in the Scoping Report. The ES should clarify and justify what the study area is for each matter assessed. The choice of study area should have regard to the Leicester and Leicestershire Functional Economic Market Area (FEMA) / Housing Market Area (HEDNA, 2017), adjoining FEMA and Census based commuting data. Drawing on case examples from other local distribution centres could supplement the use of transport and census data to define the zone of influence.	The assessment clarifies and justifies the study area used for each matter assessed. The Leicester and Leicestershire Functional Economic Market Area has been considered alongside the employee trip modelling undertaken for the Proposed Development to determine the study area at the operational stage. The section of the Methodology and Data Sources outlines a relevant study area for each impact considered.
4.13.3	Table 18.1	The Scoping Report defines the zone of influence (ZOI) for this matter as extending to commuting distance of the Proposed Development. This is narrower than	The assessment is based on a regional scope unless otherwise stated.

PINS ID	Ref.	Comments	Response
		the study areas suggested to assess some matters falling within this aspect of the Proposed Development alone (see Scoping Report Chapter 6, paragraph 6.13). A regional geographic scope would be more appropriate.	The Study Area subsection of the Methodology and Data Sources section considers the relevant study areas for each receptor.

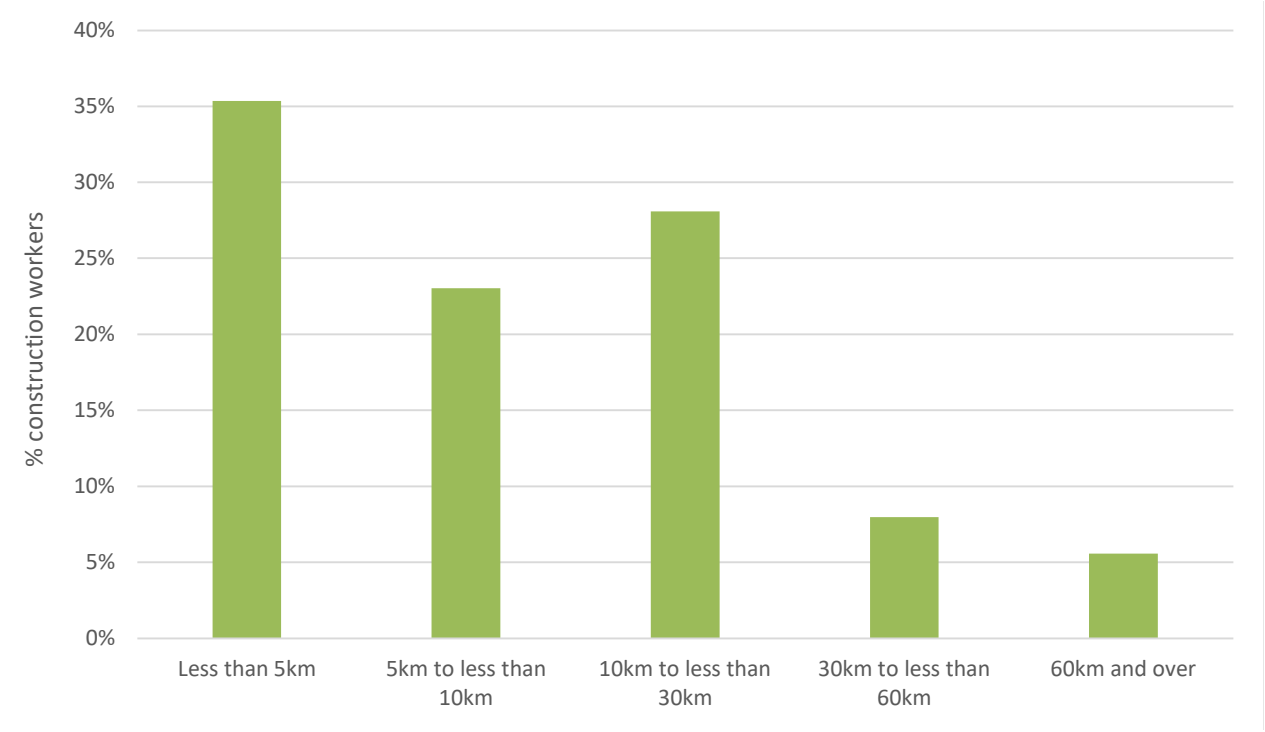
Study Area

7.11. This section sets out the study areas used to assess the likely land use and socio-economic effects.

Construction Employment

7.12. **Figure 7.1** below shows that the large majority of those employed in the construction sector in Leicestershire (86%) travelled less than 30km to their place of work at the time of the 2011 Census. The study area used for construction employment therefore covers the local authorities within a 30km radius from the Main Order Limits. Labour market and travel to work data from Census 2021 will be published in the last quarter of 2022. Hence 2011 data is the latest available as of October 2022.

Figure 7.1: Average distance travelled to work for those employed in the construction sector in Leicestershire, 2011

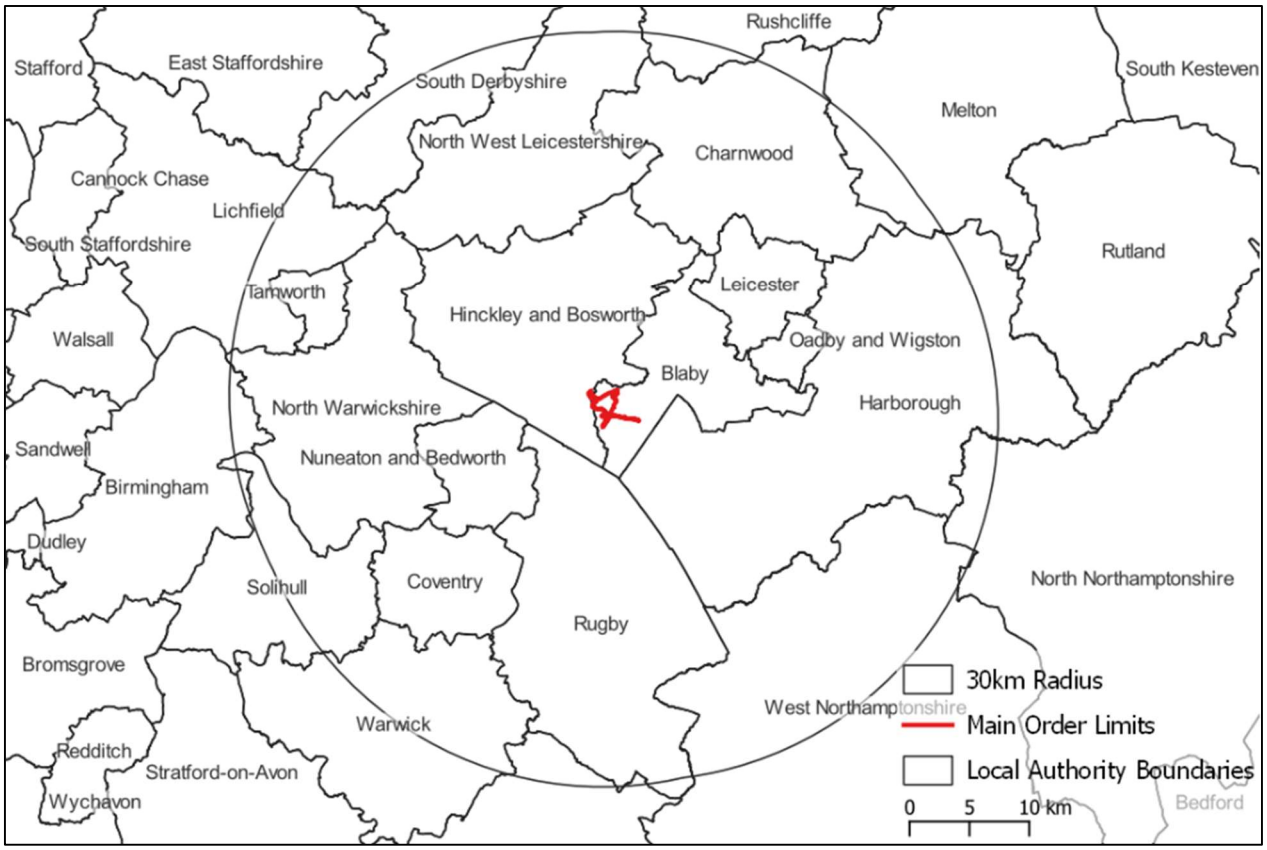


Source: Census 2011

7.13. **Figure 7.2** overlays a 30km radius from the Main Order Limits onto the local authority boundaries. The Main HNRFI Site is presented in **Figure 2.1** in **Chapter 2. Figure 7.2** shows that the following local authorities would be the likely residential locations for the majority of construction workers at the HNRFI project:

- Blaby District
- Charnwood Borough
- Coventry City
- Harborough District
- Hinckley and Bosworth Borough
- Leicester City
- North Warwickshire Borough
- North-West Leicestershire District
- Nuneaton and Bedworth Borough
- Oadby and Wigston Borough
- Rugby Borough
- Tamworth Borough

Figure 7.2: A 30km radius from the Main Order Limits in relation to local authority boundaries



Source: ONS, Savills 2022

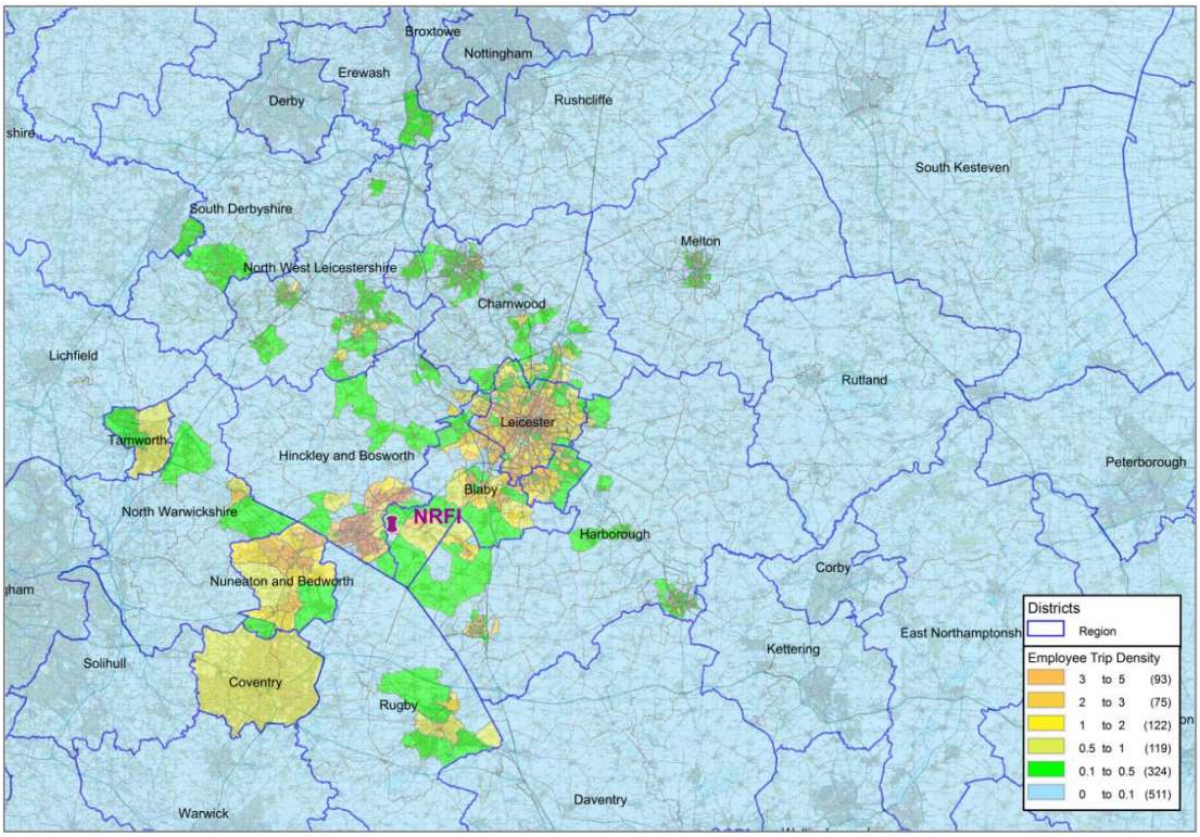
7.14. These local authorities form the main area of impact that would benefit from employment opportunities during the construction of the HNRFI project.

Operational Employment

7.15. AECOM developed the HNRFI employee trips model in 2018, which shows the likely location of HNRFI workers. Further information and details on the model are provided in **Appendix 4** (document reference 6.2.8.1.4).

7.16. Figure 7.3 below shows the predicted densities of employee trips to the HNRFI in 2036. A higher resolution version of **Figure 7.3** is provided in **Appendix 4** (document reference 6.2.8.1.4). The local authorities including zones within a minimum employment trip density of 0.1 (proportion of trips to HNRFI) are used to define the study area for operational employment, to show all the areas where the HNRFI employees are likely to come from.

Figure 7.3: Modelled HNRFI Employee Trips to HNRFI in 2036 AM Peak



Source: Hinckley National Rail Freight Interchange Strategic Modelling: Development Trip Distribution, December 2018

7.17. The study area used for operational employment comprises the following local authorities based on the modelled HNRFI Employee Trips described below:

- Blaby District
- Charnwood Borough
- Coventry City
- East Staffordshire Borough
- Erewash Borough
- Harborough District
- Hinckley and Bosworth Borough
- Leicester City
- Melton Borough

- North Warwickshire Borough
- North-West Leicestershire District
- Nuneaton and Bedworth Borough
- Oadby and Wigston Borough
- Rugby Borough
- South Derbyshire
- Tamworth Borough

GVA During Operation

7.18. Gross value added (GVA) is the measure of the value of goods and services produced in an area, industry or sector of an economy. For the current proposals, GVA is reported at the LLEP level by using the ONS GVA for LLEPs dataset.

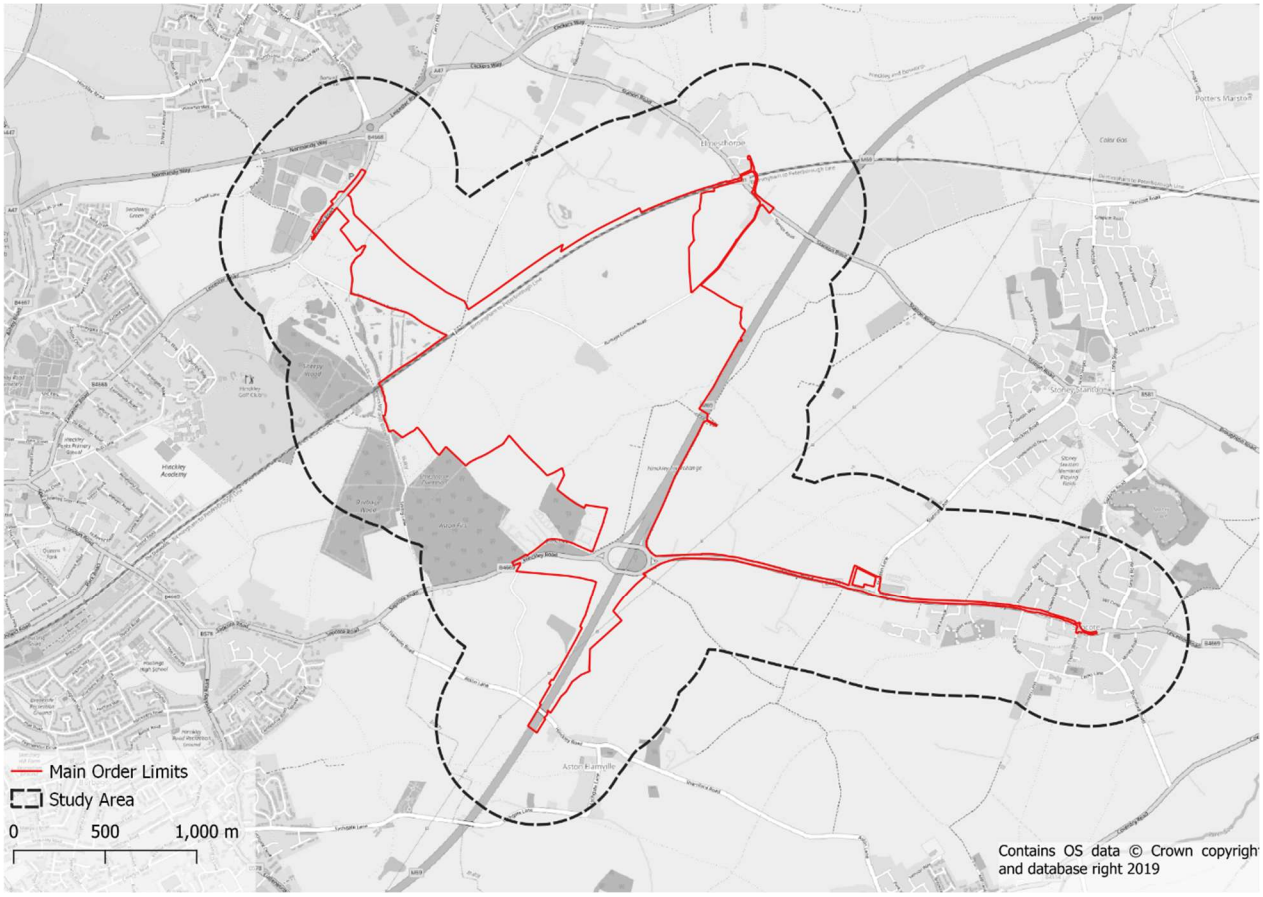
Demand for Housing

7.19. The Housing and Economic Development Needs Assessment (HEDNA) (2017) considers Leicester and Leicestershire to be the relevant housing market area (HMA) for Blaby District Council and Hinckley and Bosworth Borough Council. Trends and plans at the sub-regional level are disaggregated down to local authority level. While the HNRFI project is located towards the edge of the HMA, and its effects are likely to be felt in the adjacent Coventry and Warwickshire HMA as well, the economic and population projections in the HEDNA account for the dynamics between adjacent HMAs.

Land-use and Accessibility

7.20. The land use aspect of this Chapter considers the effect of the HNRFI on existing businesses with landholdings in the Main HNRFI Site. The study area for the land-use and accessibility effects comprises the whole of the Main Order Limits, plus a 500m radius as recommended by the Design Manual for Roads and Bridges (DMRB), LA 112 Population and Human Health. **Figure 7.4** below shows this study area in relation to the Main Order Limits.

Figure 7.4: Main Order Limits and study area for land-use and accessibility impacts



Source: Savills (2022)

Data Sources

7.21. Baseline information on the socio-economic conditions of the area was collated from a variety of sources, including the following:

- 2011 Census (ONS), including travel to work data;
- Business Register and Employment Survey (BRES) (ONS) (2020);
- Indices of Multiple Deprivation (IMD) (2019) (DCLG);
- CITB Construction Skills Network Forecasts (2022);
- Annual Population Survey (2022);
- Warehousing and Logistics in Leicester and Leicestershire: Managing growth and change (amended 2022);
- Labour Force Survey (2022);
- Jobseekers' Allowance (2022);

- Annual Survey of Hours and Earnings (2021);
- ONS GVA for Local Enterprise Partnerships (2017);
- Public Health England (2022);
- Housing and Economic Demand Needs Assessment, Leicester and Leicestershire Enterprise Partnership (2017); and
- ONS Labour Productivity Measures (2022).

Approach

7.22. This chapter's methodology includes:

- Effect assessment – considering the scale, magnitude, and duration, frequency and permanence of the potential effects during both the construction and operational phases of the HNRFI project.
- Consideration of mitigation measures, residual effects and cumulative effects in the study area.
- Summary.

7.23. The above steps relate to the assessment of logistics sector employment and housing demand effects associated with it. The employment assessment will conclude on the net additionality of the HNRFI project, after taking into account the effects of displacement, leakage, and the multiplier effect.

7.24. For the land-use and accessibility effects on local private property and housing, community land and assets, development land and businesses, and agricultural landholdings the following steps are taken:

- Effect assessment – considering the magnitude of the potential effects on businesses operating on the land and their sensitivity to temporary loss of access to land within the study area.
- Consideration of mitigation measures, residual effects and cumulative effects.
- Summary.

Design Manual for Roads and Bridges, LA 112 Population and Human Health, Revision 1

7.25. The DMRB, published by Highways England (now National Highways), sets out the requirements for assessing and reporting the environmental effects on population and health from construction, operation and maintenance of highways projects.

7.26. Its scope covers population and human health effects as follows:

- Land-use and accessibility including;
  - private property and housing;
  - community land and assets;
  - development land and businesses;
  - agricultural land holdings;
  - walkers, cyclists and horse-rides (WCH).
- Human health including;
  - health profiles of affected communities;
  - health determinants (e.g. noise or air pollution);
  - likely health outcomes.

7.27. The nature and scale of effects on land use and accessibility are categorised as beneficial, neutral, or adverse.

7.28. Paragraph 3.6 (p10) of the DMRB LA 112 Population and Human Health states that the recommended study area should be based on the construction footprint/project boundary plus a 500m area surrounding the project boundary. If the likely effects are identified without the 500m boundary, then the study area should be extended accordingly. This area is defined in **Figure 7.4.**

7.29. The baseline includes data on:

- private property and housing:
  - the location and number of properties at risk of demolition, or from which land will be required/access affected by a project;
  - the location of residential development land and the number of units that will be affected by a project.
- community land and assets:
  - the location of community land (e.g. common land, village greens, open green space, allotments, sports pitches etc.) and amount of land which will be required/access affected by a project;
  - the location of community assets (e.g. village halls, healthcare facilities, education facilities, religious facilities etc.) and number of assets from which land will be required/access affected by a project;
  - the level of existing accessibility restrictions/severance to community land and

assets within the study area;

- the frequency of use of community land and assets within the study area.

- development land and businesses:
  - the location and number of businesses (and associated jobs) at risk or from which land will be required/access affected by a project;
  - the location of land allocated for development by local authorities and the number of future jobs that will be affected by a project;
  - land not allocated by local authorities which is subject to planning application(s) supporting future jobs;
  - the level of existing accessibility restrictions/severance to development land and businesses within the study area.

- agricultural land holdings:
  - the type, location and number of agricultural holdings at risk of demolition or from which land will be required/access affected by a project;
  - the level of existing severance/accessibility restrictions to agricultural land holdings within the study area;
  - the frequency of use of the agricultural holdings/assets within the study area.

- Walkers, Cyclists and Horse riders (WCH):
  - the type, location and extent of WCH provision (e.g. public rights of way) within the study area;
  - the frequency of use of the WCH provision within the study area

7.30. The significance of any effect is derived by combining the sensitivity of receptors with the magnitude of change arising from a project.

Temporal Scope

7.31. The temporal scope for the assessment includes the construction phase and covers temporary and permanent effects of the development over time. It includes:

- Short term – Temporary effects related to a specific construction event of no more than a year's duration – such as the construction of an individual building or a specific element of infrastructure such as a section of road.

- Medium term – Temporary effects of longer duration, such as those arising over an extended period of construction ranging from one year to the full construction period, envisaged to be ten years.

- Long term – Permanent effects arising from the operation of the HNRFI or from the

permanent presence or removal of physical features.

Significance Criteria

7.32. The assessment of significance is based on the methodology presented in this Chapter and expert judgment. The assessment quantifies effects where possible. Where quantification is not possible and qualitative assessments are made, these are justified.

Receptor Sensitivity

7.33. To arrive at a judgement on the significance of the effect, the assessment considers the sensitivity of different receptors. The assessment of the receptors' sensitivity is based on the baseline research section below. The receptors for the 500m study area are based on the sensitivity criteria in the DMRB LA 112 Population and Health as outlined in the Legislation, Policy and Guidance included in **Table 7.2** below.

Table 7.2: Criteria for Receptor Sensitivity

Receptor value (sensitivity)	**Description**
Very High	Private property and housing: 1) existing private property or land allocated for housing located in a local authority area where the number of households are expected to increase by >25% by 2041 (ONS data); and/or 2) existing housing and land allocated for housing (e.g. strategic housing sites) covering >5hectare and / or >150 houses. Community land and assets where there is a combination of the following: 1) complete severance between communities and their land/assets, with little/no accessibility provision; 2) alternatives are only available outside the local planning authority area; 3) the level of use is very frequent (daily); and 4) the land and assets are used by the majority (>=50%) of the community. Development land and businesses: 1) existing employment sites (excluding agriculture) and land allocated for employment (e.g. strategic employment sites) covering >5ha. Agricultural land holdings: 1) areas of land in which the enterprise is wholly reliant on the spatial

Receptor value (sensitivity)	Description
	relationship of land to key agricultural infrastructure; and 2) access between land and key agricultural infrastructure is required on a frequent basis (daily). Walkers, Cyclists and Horse-Riders (WCH): 1) national trails and routes likely to be used for both commuting and recreation that record frequent (daily) use. Such routes connect communities with employment land uses and other services with a direct and convenient WCH route. Little / no potential for substitution. 2) routes regularly used by vulnerable travellers such as the elderly, school children and people with disabilities, who could be disproportionately affected by small changes in the baseline due to potentially different needs. 3) rights of way for WCH crossing roads at grade with >16,000 vehicles per day.
High	Private property and housing: 1) private property or land allocated for housing located in a local planning authority area where the number of households are expected to increase by 16-25% by 2041 (ONS data); and/or 2) existing housing and land allocated for housing (e.g. strategic housing sites) covering >1-5hectare and / or >30-150 houses. Community land and assets where there is a combination of the following: 1) there is substantial severance between community and assets, with limited accessibility provision; 2) alternative facilities are only available in the wider local planning authority area; 3) the level of use is frequent (weekly); and 4) the land and assets are used by the majority (>=50%) of the community. Development land and businesses: 1) existing employment sites (excluding agriculture) and land allocated for employment (e.g. strategic employment sites) covering >1 - 5ha. Agricultural land holdings: 1) areas of land in which the enterprise is dependent on the spatial relationship of land to key agricultural infrastructure; and

Receptor value (sensitivity)	Description
	2) access between land and key agricultural infrastructure is required on a frequent basis (weekly). WCH: 1) regional trails and routes (e.g. promoted circular walks) likely to be used for recreation and to a lesser extent commuting, that record frequent (daily) use. Limited potential for substitution; and/or 2) rights of way for WCH crossing roads at grade with >8,000 - 16,00 0 vehicles per day
Medium	Private property and housing: 1) houses or land allocated for housing located in a local authority area where the number of households are expected to increase by >6-15% by 2041 (ONS data); and/or 2) existing housing and land allocated for housing (e.g. strategic housing sites) covering <1 hectares and / or <30 houses. Community land and assets where there is a combination of the following: 1) there is severance between communities and their land/assets but with existing accessibility provision; 2) limited alternative facilities are available at a local level within adjacent communities; 3) the level of use is reasonably frequent (monthly); and 4) the land and assets are used by the majority (>=50%) of the community. Development land and businesses: 1) existing employment sites (excluding agriculture) and land allocated for employment (e.g. strategic employment sites) covering <1ha. Agricultural land holdings: 1) areas of land in which the enterprises are partially dependent on the spatial relationship of land to key agricultural infrastructure; and 2) access between land and key agricultural infrastructure is required on a reasonably frequent basis (monthly). WCH: 1) public rights of way and other routes close to communities which are

Receptor value (sensitivity)	Description
	used for recreational purposes (e.g. dog walking), but for which alternative routes can be taken. These routes are likely to link to a wider network of routes to provide options for longer, recreational journeys, and /or 2) rights of way for WCH crossing roads at grade with >4000-8000 vehicles per day.
Low	Private property and housing: 1) proposed development on unallocated sites providing housing with planning permission/in the planning process. Community land and assets where there is a combination of the following: 1) limited existing severance between community and assets, with existing full Disability Discrimination Act (DDA) DDA 1995 [Ref 2.N] compliant accessibility provision; 2) alternative facilities are available at a local level within the wider community; 3) the level of use is infrequent (monthly or less frequent); and 4) the land and assets are used by the minority (>=50%) of the community. Development land and businesses: 1) proposed development on unallocated sites providing employment with planning permission/in the planning process. Agricultural land holdings: 1) areas of land which the enterprise is not dependent on the spatial relationship of land to key agricultural infrastructure; and 2) access between land and key agricultural infrastructure is required on an infrequent basis (monthly or less frequent). WCH: 1) routes which have fallen into disuse through past severance or which are scarcely used because they do not currently offer a meaningful route for either utility or recreational purposes, and/or 2) rights of way for WCH crossing roads at grade with
Negligible	Private property and housing: N/A. Community land and assets where there is a combination of the following:

Receptor value (sensitivity)	Description
	1) no or limited severance or accessibility issues; 2) alternative facilities are available within the same community; 3) the level of use is very infrequent (a few occasions yearly); and 4) the land and assets are used by the minority (>=50%) of the community. Development land and businesses: N/A. Agricultural land holdings: 1) areas of land which are infrequently used on a non-commercial basis. WCH: N/A.

7.34. **Table 7.3** identifies the receptors and their sensitivity based on the study areas.

Table 7.3: Receptor Sensitivity

Receptor	Receptor Sensitivity	Commentary
Private property and housing in the study area affected.	High	Within the study area of the Main HNRFI Site and a further 500m, there are approximately 1,891 residential properties.
Community land and assets in the study area that could be affected.	Medium	The community assets in the study area that would be affected include Burbage Common and Woods. Although, access will still be provided.
Development land in the study area that could be affected.	Low	The Main HNRFI Site is not an existing or allocated employment site.
Businesses in the study area that could be affected	Medium	There is an existing dog kennels business which will be affected and it is less than 1 hectare in size. There is also a farm shop within the Main HNRFI Site. In the surrounding study area, the baseline identifies 120 business premises. This includes the equestrian businesses adjacent to the Site off Burbage Common Road (Langton Farm Livery and Wentworth Stables).
Agricultural land holdings in the study area that are affected.	High	In the Main HNRFI Site, there are three agricultural holdings that will be brought under the control of the Applicant and will not subsequently be used for agriculture.

Receptor	Receptor Sensitivity	Commentary
Walkers, cyclists and horse-riders in the immediate area that are affected.	Medium	Public rights of way and other routes which are used for recreational purposes are closed to communities, but other alternative routes are available, which are longer but provide a link to the wider network.
Residents in the study area that could work on the construction project.	High	The baseline shows that the Study Area has a higher proportion of JSA[2] claimants in construction and building and woodworking trades (49%) than England (35%).
Residents in the study area that could benefit from the employment opportunities associated with the Proposed Development.	Low	The baseline research shows that the unemployment rate in the study area is slightly lower than the England average.
Logistics business that could benefit from the Proposed Development.	High	The baseline identifies a need to plan for an additional 2,570,000 sq.m of floorspace for warehouses, to accommodate increasing demand by 2041 in Leicester and Leicestershire Enterprise Partnership (LLEP) area. This includes a need for 1,106,000 sq.m of rail served warehouse space. Based on Savills' demand methodology stated in the Hinckley Rail Freight Interchange Logistics Demand and Supply Assessment (2022), over a 20-year plan period, the estimated demand for ~~100,000~~9,290+ sq.~~ft~~ m properties across the HNRFI's PMA is 2,061 ha for all the I&L uses, and 1,772 ha for B8 uses (86% of total demand), within units above ~~100,000~~9,290 sq.~~ft~~m. This level of demand is 150% (2.5 times) higher than current supply of 709 ha.
Demand for housing within the relevant Housing Market Area due to increased employment.	High	Housing affordability has been worsening, and average delivery between 2011-2017 has been lower than required.

Magnitude

7.35. The magnitude of an impact is described as Negligible, Low, Medium and High. Impacts are either positive or negative. The scale of the impact is determined with reference to planning policy, best practice guidance and relevant contextual factors. For example, an

[2] Job Seekers Allowance (JSA)

employment generation of 100 new jobs could be considered as having a higher impact magnitude in a settlement of 1,000 residents and lower impact magnitude in a larger settlement of 100,000 residents. This assessment aims to be objective and to quantify impacts, where possible. Where quantification has not been possible, qualitative assessments have been made and justified.

7.36. The magnitude of impacts for the receptors in the immediate area (private property and housing, community land and assets, development land and businesses, agricultural land holdings, and walkers, cyclists and horse-riders) is determined with reference to the DMRB LA 112 *Population and Health guidance* as outlined in the Approach section of the chapter. **Table 7.4** below outlines the criteria for the magnitude of impacts.

Table 7.4: Criteria for the magnitude of the impact

Magnitude of impact	**Description**
High	Private property and housing, community land and assets, development land and businesses and agricultural land holdings: 1) loss of resource and/or quality and integrity of resource; severe damage to key characteristics, features or elements. e.g. direct acquisition and demolition of buildings and direct development of land to accommodate highway assets; and/or 2) introduction (adverse) or removal (beneficial) of complete severance with no/full accessibility provision. WCH (Walkers, Cyclists and Horse-riders): >500m increase (adverse) / decrease (beneficial) in WCH journey length
Medium	Private property and housing, community land and assets, development land and businesses and agricultural land holdings: 1) partial loss of/damage to key characteristics, features or elements, e.g. partial removal or substantial amendment to access or acquisition of land compromising viability of property, businesses, community assets or agricultural holdings; and/or 2) introduction (adverse) or removal (beneficial) of severe severance with limited / moderate accessibility provision. WCH: >250m - 500m increase (adverse) or decrease (beneficial) in WCH journey length.
Low	Private property and housing, community land and assets, development land and businesses and agricultural land holdings: 1) a discernible change in attributes, quality or vulnerability; minor loss of, or

Magnitude of impact	Description
	alteration to, one (maybe more) key characteristics, features or elements, e.g., amendment to access or acquisition of land resulting in changes to operating conditions that do not compromise overall viability of property, businesses, community assets or agricultural holdings; and/or 2) introduction (adverse) or removal (beneficial) of severance with adequate accessibility provision. WCH: >50m - 250m increase (adverse) or decrease (beneficial) in WCH journey length.
Negligible	Private property and housing, community land and assets, development land and businesses and agricultural land holdings: 1) very minor loss or detrimental alteration to one or more characteristics, features or elements. e.g. acquisition of non-operational land or buildings not directly affecting the viability of property, businesses, community assets or agricultural holdings; and/or 2) very minor introduction (adverse) or removal (beneficial) of severance with ample accessibility provision. WCH: <50m increase (adverse) or decrease (beneficial) in WCH journey length.
No change	No loss or alteration of characteristics, features, elements or accessibility; no observable impact in either direction.

7.37. The relative significance of an effect is largely a product of the identified receptor sensitivity and the magnitude and duration of the impact. **Table 7.5** shows how the receptors' sensitivity and the impacts' magnitude are used to estimate the significance of the effect.

Table 7.5: Matrix of significance

		Receptor Sensitivity		
		Low	**Medium**	**High**
Impact Magnitude	Negligible	Neutral	Neutral	Neutral
	Low	Minor	Minor/Moderate	Minor/Moderate
	Medium	Minor/Moderate	Moderate	Moderate/Major
	High	Moderate	Moderate/Major	Major

The shaded cells represent the resulting degrees of significance.

7.38. Effects that are moderate or major are considered to be significant in EIA terms.

Cumulative Effects

7.39. Committed developments located in the Zone of Influence that are relevant to HNRFI are identified and assessed as per the above criteria to determine any potential cumulative effects. These are considered in accordance with PINS Advice Note 17. Further information as well as the definition of the Zone of Influence is provided in Chapter 20.

Assumptions

7.40. Estimates of change in socio-economic elements such as economic and employment effects are subject to uncertainty. The estimates in this chapter are based on good practice, but there will likely be a degree of uncertainty around estimates. This chapter's estimated effects are likely to be in a range of +/- 20% to account for this uncertainty, as per standard practice and professional judgement.

7.41. The economic analysis and conclusions presented in this assessment assume that there are no major macro-economic shocks to the UK economy. Ongoing issues include the economy's recovery from Covid 19, the Ukraine crisis, energy costs, climate change and rising inflation.

LEGISLATION, POLICY AND GUIDANCE

7.42. There is no legislation or planning policy that directly guides the approach to assessing the social and economic effects of new development, including the effect on existing land uses.

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

7.44. Plans and research from the LLEP are relevant considerations here, particularly in setting out how the proposals fit with plans and priorities for economic development and investment.

7.45. The research into strategic distribution developments has been undertaken at the Leicester and Leicestershire level, either directly by the Local Enterprise Partnership or by the coordinated direction of the local authorities. In addition Savills has also provided an updated assessment of the market demand for logistics uses in relation to the proposed HNRFI in their report '*Hinckley Rail Freight Interchange Logistics Demand and Supply Assessment*' (Savills, 2022).

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

National Policy Statement for National Networks (2014)

7.47. The National Policy Statement for National Networks (NPSNN), sets out the need for and the Government's policies to deliver the development of Nationally Significant Infrastructure Projects (NSIPs) on the national road and rail networks in England and Wales. The overall goal is to support a competitive economy and thereby improve the overall quality of life of residents (p9).

7.48. To ensure England's national networks contribute to the Government's goal of supporting a prosperous and competitive economy, this means delivering (p9):

- Networks with the capacity, connectivity and resilience to support national and local economic activity and facilitate growth and create jobs;
- Networks which support and improve journey quality, reliability and safety;
- Networks which support the delivery of environmental goals and the move to a low carbon economy; and
- Networks which join up our communities and link effectivity to each other[3].

7.49. At Paragraph 3.2 (p24) the NPSNN states that the sustainable development of national road and rail networks should minimise social and environmental impacts and improve quality of life. However, due to the nature of these developments, some adverse effects are also anticipated. Mitigation of these effects should be in line with the principles of the NPPF and the Government's planning guidance.

7.50. At Paragraph 2.42 (p20) the NPSNN reiterates the importance of strategic rail freight interchanges. It highlights that the logistics sector employs over 2 million people, generating £90 billion, and underpins the efficient operation of most of the economy[4].

7.51. Paragraph 2.47 (p21) acknowledged that there is a growing need for SRFIs, as many existing rail freight interchanges sit in urban areas where there is limited room to expand, therefore limiting the ability to update to modern warehousing that is needed to aid the transfer of freight from road to rail, supporting sustainable distribution and meeting the changing needs of the logistics sector[5].

7.52. As stated in Paragraph 2.49 (p21) there is also a growing demand for SRFIs, as the expansion at Felixstowe North Terminal and construction of London Gateway will lead to a significant increase in rail-based logistics operations. Thus, there will be a need to reduce dependence on road haulage to serve major markets. Network Rail's unconstrained rail freight forecasts indicate that there is a clear need for rail freight interchanges to

[3] Department for Transport, 2014. National Policy Statement for National Networks, Page 9
[4] Department for Transport, 2014. National Policy Statement for National Networks, par 2.42
[5] Department for Transport, 2014. National Policy Statement for National Networks, par 2.47

accommodate long-term growth, and also serve a dual purpose of attracting substantial business where new SRFI facilities are present[6].

7.53. As many of the on-site processes are labour-intensive, an SRFI can create many new job opportunities and contribute to the enhancement of people's skills and use of technology. Thus, the availability of a workforce is also an important consideration. However we consider since 2014 when this document was published, there is a tendency for some of the jobs to be replaced by automated processes however a number of high skilled jobs have been created to manage and maintain the automation.

National Planning Policy Framework (2021)

7.54. The NPSNN states that the National Planning Policy Framework (NPPF) is likely to be an important and a relevant consideration in decisions on NSIPs, but only to the extent relevant to an individual project.

7.55. The 2021 NPPF supports plan-making to create the conditions for economic growth and inward investment, with specific reference to planning for storage and distribution operations. Paragraph 81 (p23) states that:

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

7.56. Paragraph 83 (p23) states that:

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

Leicester and Leicestershire Enterprise Partnership and Local Authorities Policy

Leicester and Leicestershire 2050: Our Vision for Growth (2018)

7.57. This Strategic Growth Plan was prepared by the ten partner organisation in Leicester and Leicestershire to provide a long term vision to address the challenges and opportunities that Leicester and Leicestershire face. It is a non-statutory plan but it sets out the agreed strategy for the period to 2050, and will be delivered through the Local Plans.

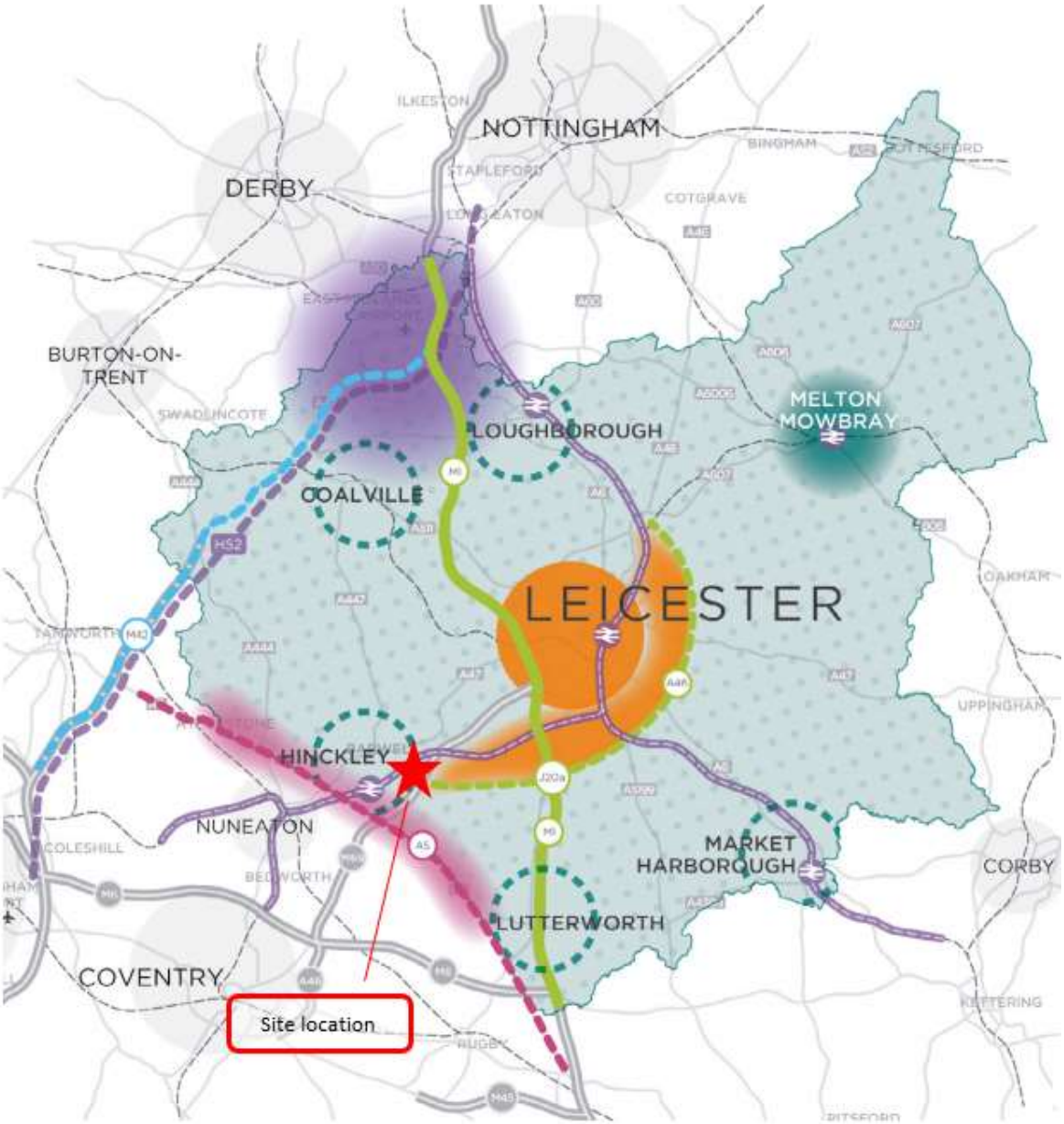
7.58. The Vision (p3) considers one of the strengths of the region to be its great location and connectivity. Relevant weaknesses are listed as congestion on the roads and railways, poor economic productivity per head of population, low pay structure and high levels of

[6] Department for Transport, 2014. National Policy Statement for National Networks, par 2.49

commuting.

7.59. The Vision (p23) identifies a key issue to be the pressure from development on small and medium-sized sites, and proposes to focus development on more strategic locations. The primary growth areas are identified as Leicestershire International Gateway, A46 Priority Growth Corridor, A5 Improvement Corridor, and Melton Mowbray, see **Figure 7.5**.

Figure 7.5: HNRFI Location in Relation to the Leicester and Leicestershire Strategic Plan



Source: Leicester and Leicestershire 2050: Our Vision for Growth, p22

7.60. The HNRFI site is located next to Junction 2 of the M69, at the heart of the 'Golden Triangle' which extends from Northampton up the M1 to East Midlands Airport, and westward as far as Birmingham. The Site's connection to rail, ports, airports and motorways allows access to major UK and international markets. The HNRFI Site location

is also in close proximity to the A5 Improvement Corridor, which will ease congestion in the area, and increase the capacity for future advanced manufacturing and logistics developments in the area, which will be beneficial in supporting the success of the HNRFI. The improvement corridor will also deliver already planned housing growth, which will provide a nearby labour market for HNRFI, and support the delivery of major industrial sites which already have Local Plan allocations and/or planning permission.

7.61. As part of the HNRFI proposal, a new A47 Link Road from the modified M69 Junction 2 to the B4668/A47 Leicester Road is proposed. The section of the proposed A47 Link Road inside the Main HNRFI Site has a sequence of roundabouts to provide access to service roads and reduce traffic speeds. From the M69 Junction 2, the first two sections of the road would be dualled, reducing to a single carriageway as the road proceeds further westward.

7.62. The A47 Link Road crosses the main railway line by means of a new bridge. The new bridge would include a pedestrian walkway and cycleway, and would include sufficient height clearance to enable a future electrification of the railway. West of the railway, the proposed A47 Link Road would be a single carriageway road with footpath and cycleway provision.

7.63. The A47 Link Road would be open to general traffic and would intercept traffic principally from Barwell and Earl Shilton to the north, which would otherwise be likely to travel to and from the upgraded M69 Junction 2 via existing roads through Hinckley, Burbage, Elmesthorpe and Stoney Stanton.

Strategic Economic Plan 2014 to 2020 (2014)

7.64. The Strategic Economic Plan (SEP) identifies the following relevant issues as major risks to the Leicester and Leicestershire economy (p5) and is non-statutory in status:

- Lack of suitable employment land for 'our most land intensive priority sectors (logistics and manufacturing)'.
- Inadequate transport infrastructure causing congestion and resulting in increased business costs.

7.65. **Figure 7.6** shows the growth areas identified in the SEP for prioritised investment.

Figure 7.6: Growth Areas in Leicester and Leicestershire LEP

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

7.66. The SEP (p64) identifies a higher than average concentration of employment and competitive advantage in the logistics sector, where the action is to focus on continued business development and support.

7.67. The East Midlands Gateway Strategic Rail Freight Interchange is identified as one of four 'transformational priorities' (p2).

7.68. Paragraph 3.48 (p49) states that the A5 Corridor within the South West Growth Area is identified as playing a 'pivotal role' in supporting ambitions for the logistics sector by servicing sites within the LLEP area. The SEP acknowledges that freight connectivity will be substantially enhanced by the upgrade of the Felixstowe to Nuneaton (F2N) freight railway line which will significantly increase freight capacity through accommodating longer trains up to 750m and larger shipping containers. This route passes through the Growth Area and would serve the HNRFI.

7.69. Paragraph 3.50 (p49) states that strategic housing developments at New Lubbesthorpe, Earl Shilton and Barwell are reported to deliver nearly 9,000 new homes to the South West Growth Area, creating demand for employment.

LLEP Strategic Growth Plan (SGP) - 2018

7.70. The Strategic Growth Plan (SGP) is produced by the Leicester and Leicestershire Enterprise Partnership (LLEP) and is non-statutory in status. The LLEP covers the City of Leicester and the County of Leicestershire, which includes the districts of North-West Leicestershire, Hinckley and Bosworth, Blaby, Harborough, Oadby and Wigston, Melton, and Charnwood. The SGP puts forward proposals for future development that will be needed to support population change and economic growth until 2050. It sets an employment land need for the period 2011-2031 of between 367 hectares and 423 hectares, based on the 2017 HEDNA.

7.71. A key investment priority of the plan is the A5 improvement corridor (p24). The A5 is a long-distance strategic route running from the south-east to the north-west regions, acting as an alternative to the M6. However, the route has been suffering from increasing congestion. Investing in the improvement of the A5 will also support growth in advanced manufacturing and logistics developments in the area, as well as housing delivery. The proposed HNRFI is located in the growth corridor of the A5 improvement and fits within the SGP's ambition to shift growth to major strategic locations and to support logistics developments.

7.72. The SGP sets out four priorities (page 17) to guide growth in the region:

- Balancing the need for new housing and jobs with the protection of our environment and built heritage;
- Focusing more development in strategic locations and less on nonstrategic sites;
- Securing essential infrastructure to support growth; and
- Maintaining the essential qualities of Leicester and Leicestershire and delivering high-quality development.

7.73. The HNRFI aligns with the above priorities by proposing sustainable development in a strategic location adjacent to the M69, and securing road access directly from Junction 2 of the M69 by adding a southbound slip road to Junction 2 of the M69. This junction currently only caters for motorway traffic heading to and from the north.

Warehousing and Logistics in Leicester and Leicestershire: Managing growth and change (WLLL) (amended 2022)

7.74. This report about the strategic warehousing and logistics sector in the county was jointly commissioned by the Leicester & Leicestershire authorities and the Leicester and Leicestershire Enterprise Partnership, and is non-statutory in status. Paragraph 2.4 (p24)

assesses the current and future needs of the logistics sector and forecasts future floorspace and land needs by 2041. The study identifies the main drivers for change in the logistics sector. These are listed below:

- Increasing growth of e-commerce with a transactions forecast to account for 65% of the total retail transactions by 2050.
- Increasing automation in warehouses and increasing productivity.
- Decarbonisation of logistics through a switch to rail fright where possible and electric light goods vehicles.
- Increase of rail freight tonnage due to increasing road haulage cost, the development of SRFIs in the Midlands and the north of England and a growing proportion of imports arriving in maritime containers.

7.75. Paragraph 17.7 (p193) identifies a future warehouse supply of 1,781,000 s.qm across Leicestershire. This is equivalent to around 6.9 years of take-up based on a past annual average and it is considered not sufficient to cater for the period to 2041.

7.76. The study develops a number of scenarios to forecast floorspace demand. These take into account need to replace the existing stock and traffic growth and recommends the high replacement demand, higher sensitivity traffic growth for planning policy development. Paragraph 17.3 (p192) recommends that the authorities should plan for around 2,570,000 sq.m of additional warehouse floorspace to 2041. The floorspace requirement comprises 1,106,000 sq.m rail-served and 1,466,000sqm road-served floorspace. Once the existing consents are taken into account there is an unmet requirement for 768,000 sqm of rail-served floorspace and 392,000 sqm of non rail-served floorspace.

7.77. The above forecast suggests that there is a demand for a SRFI in Leicestershire in addition to the East Midlands Gateway and East Midlands Distribution Centre SRFI schemes.

HNRFI Logistics Demand and Supply Assessment (Savills, 2022) (document reference 16.2)

7.78. This report assesses the market demand for logistic uses in relation to the proposed HNRFI, and is non-statutory in status. It considers the national trends underpinning unprecedented demand in the I&L sector, as well as demand and supply dynamics specific to the Property Market Area (PMA) within which the HNRFI is located.

7.79. The analysis demonstrates that the sector is on a high growth trajectory, well above historic levels, being driven by various factors such as housing growth, increased online shopping, higher freight flows, and Brexit and Covid induced shocks such as re-shoring[7], and increased stockpiling to guard against supply chain breakages.

7.80. The analysis shows that based on strong, unmet demand in the sub-region, consistent with

[7] Moving a business that had gone overseas back to the country from which it had originally relocated

national trends, there is a robust market need case for the development of HNRFI. Paragraph 3.2.3 (p16) states that strong take-up has meant that supply of premises nationwide has fallen at its fastest pace ever recorded, with a national vacancy rate estimated to be 3%[8]. Paragraph 3.2.4 (p16) states that even stronger than the national picture, take-up in the East Midlands was 113% above the long term average in 2021 (~~12.39~~1.2 million sq.~~ft~~m), the highest on record[9]. Take-up in the East Midlands in 2021 accounted for around 22.5% of national take-up, highlighting the strategic importance of the region. Again the supply of premises is at an historically low level as evidenced by a regional vacancy rate which stands at just 1.40%[10], the lowest of any region nationally. The average transaction size in the East Midlands has increased substantially in the last year to circa ~~412,000~~38,300 sq.~~ft~~m, highlighting the shifting occupier demand towards larger units.

7.81. Paragraph 3.2.5 (p17) states that take-up in the West Midlands too reached a new record in 2021, with ~~9.38~~871,400 ~~million~~ sq.~~ft~~ m accounting for 17% of national take-up[11]. This means that together, the East Midlands and West Midlands, which the operational employment study area sits within, accounted for nearly 40% of national take-up in 2021. Data from the mid-year report shows that H1 2022 was the best H1 ever recorded in the West Midlands. The level of supply remains extremely tight which has resulted in prime rents being on a par if not higher than the East Midlands. The vacancy level is now at just 2.77%[12].

7.82. Paragraph 8.1.6 (p65) states that based on Savills' demand methodology, over a 20-year plan period, the estimated demand for ~~100,000~~9,290+ sq.~~ft~~ m properties across the HNRFI's PMA is 2,061 ha for all the I&L uses, and 1,772 ha for B8 uses (86% of total demand), within units above ~~100,000~~9,290 sq.~~ft~~m. This level of demand is 150% (2.5 times) higher than current supply of 709 ha.

7.83. The report concludes that I&L premises facilitate modern lives and therefore should be considered as 'Critical National Infrastructure', similar to major roads, ports, airports and rail freight interchanges. The sector makes a significant contribution to the national economy and supports a diverse range of well paid jobs. It is vital to support those sectors which are proving to be resilient (such as logistics), and are therefore well-placed to provide new employment opportunities to mitigate job losses in other sectors and underpin economic recovery.

Blaby District Core Strategy (2013)

7.84. Blaby District adopted its Core Strategy in February 2013. The key policies relevant to this assessment are summarised below. The site is identified as countryside and covered by Policy CS18 (p84). The policy prevents built development with significant adverse effects

[8] Savills Research (2022), Big Shed Briefing (July 2022)
[9] Savills Research (2022), Big Shed Briefing (January 2022)
[10] Savills Research (2022), Big Shed Briefing (January 2022)
[11] Savills Research (2022), Big Shed Briefing – The Logistics Market in the West Midlands
[12] Savills Research (2022), Big Shed Briefing (July 2022)

on the character of the landscape but recognises the need for a balanced approach with the need to provide new development in sustainable locations.

7.85. Policy CS6 (p49) focuses on employment and the need for a range of employment opportunities to meet the needs of its residents and wider communities, allowing for growth of existing businesses and for inward investment particularly in the 'priority' employment sectors. The policy provision is not addressing NSIPs which serve a national need, and can provide a substantial source of employment.

Hinckley and Bosworth Borough Council Core Strategy 2006-2026 (2009)

7.86. The Core Strategy is the key Development Plan Document (DPD) in the Local Plan 2006 to 2026, and provides the vision and spatial strategy for the borough. The document outlines the broad locations proposed for housing development and other strategic needs such as employment, retail and transport development. The key policies are summarised below.

7.87. Spatial Objective 1 'Strong and Diverse Economy' (p20) states that HBBC will strengthen and diversify the economy by providing sufficient, sustainably located, good quality land and premises and other support programmes. These include skills training, to encourage appropriate sectors with growth potential including high value manufacturing businesses, business services, tourism, rural diversification initiatives and the cultural and creative industries. The focus of new employment will be Hinckley, and in Earl Shilton and Barwell to support the regeneration of these areas.

7.88. Policy 6 'Hinckley/Barwell/Earl Shilton/Burbage Green Wedge' (p39) states that uses will be encouraged that provide appropriate recreational facilities within easy reach of urban residents and promote the positive management of land to ensure that the Green Wedge remains or is enhanced as an attractive contribution to the quality of life of nearby urban residents.

The Fosse Villages Neighbourhood Plan: Update (Pre-Submission) (2022)

7.89. Following a positive referendum result in May 2021, on 15 June 2021 Blaby District Council made the Fosse Villages Neighbourhood Plan part of the Blaby District's Development Plan in accordance with Regulation 19 of The Neighbourhood Planning (General) Regulations 2012. The Plan now forms part of the Development Plan for the Fosse Villages Neighbourhood Plan Area.

7.90. During the process of preparing the Neighbourhood Plan, several Local Green Spaces were deleted by the Independent Examiner primarily due to a lack of supporting evidence. The evidence has now been reviewed and Local Green Spaces have been restored and added in the parishes of Huncote, Stoney Stanton and Sharnford. An update to the Fosse Villages Neighbourhood Plan incorporates these new Local Green Spaces at Policy FV5 and the related policy maps. Other than consequential revisions, there are no further modifications to the Neighbourhood Plan.

7.91. In accordance with Planning Policy Guidance, the Qualifying Body of Sapcote Parish

Council needs to take a view on the changes and whether they are so substantial as to change the nature of the Fosse Village Neighbourhood Plan. If the Planning Authority agree that the modifications do not change the nature of the Plan because the objectives and broad strategy of the Plan are unaltered, a referendum is not required.

7.92. Paragraph 27 (p5) states that to help build a strong, responsive and competitive economy, it is important to ensure that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity, and by identifying and coordinating the provision of infrastructure.

7.93. Paragraph 125 (p29) states that the Fosse Villages Neighbourhood Plan wants to support the sustainable growth of the local economy so that local businesses reach their full potential and help provide jobs for local people.

7.94. Paragraph 60 (p11) acknowledges the proposals for a rail freight hub south of Earl Shilton and west of Stoney Stanton.

HBBC Open Space and Recreation Study (2016)

7.95. The Open Space and Recreational Study is non-statutory in status and sets out an assessment of open space and recreational facilities within the borough of Hinckley and Bosworth, and includes an assessment of quality, quantity and accessibility. It outlines how the document should be used by Development Management when determining planning applications and planning policy recommendations.

7.96. The vision for open space, sport and recreation facilities in Hinckley and Bosworth is (p199):

'to create an accessible, attractive, safe, secure and sustainable network of open space and sport and recreation facilities that protects and enhances biodiversity, improves choice, access and quality of life, and encourage pride and involvement in the local community'.

7.97. The Main Order Limits of the HNRFI includes land within the parishes of Burbage and Barwell. The Open Space and Recreation Study assesses the quality, quantity and accessibility of the open space at a parish level, and provides recommendations for Development Management and Planning Policy. The following findings of the Study that are considered relevant to this assessment are stated below.

7.98. Paragraph 7.7 (p62) of the Study highlights that a significant challenge facing Barwell is the lack of natural and semi-natural open space. An opportunity that could be pursued to address this is a Green Wedge Management Plan for the Hinckley/Barwell/Earl Shilton/Burbage Green Wedge which abuts the southern boundary of the built form of Barwell.

7.99. Paragraph 7.8 (p62) states that the existing provision of open spaces below the recommended quantity standard by type are amenity green space, facilities for young

people and allotments. The facilities for children typology are only just above the recommended standard. These open space typologies should be targeted for extended provision.

7.100. Paragraph 7.9 (p62) of the Study states that with the exception of St Mary's Churchyard (BRW23), all of the open spaces fall below the quality standards and improvements required. The majority of residents also fall outside the recommended catchment for a number of different types of open space and this should be addressed.

7.101. The Study reports at Paragraph 7.11 (p62) that Barwell does not meet the provision standard for amenity areas, facilities for young people and allotments. These open spaces are also poorly distributed with large areas of the population unable to access. Therefore a priority is to address the deficiencies in these types of open space.

7.102. Paragraph 8.8 (p73) states that in the parish of Burbage, the existing provision of open spaces below the recommended quantity standard by type are facilities for young people, and facilities for children. Amenity green space is only just above the recommended standard. These open space typologies should be targeted for increased provision.

7.103. Paragraph 8.9 (p73) states that within Burbage, six open spaces meet the 80% quality target. The spaces which do not meet the target should be targeted for improvement.

7.104. At Paragraph 8.10 (p73) the Study reports that the majority of residents, particularly in the south and east of Burbage are outside the catchment of a natural or semi natural open space. Burbage Common which is over 10 ha, meets some of this deficiency.

7.105. Paragraph 8.11 (p73) states that although Burbage meets the quantity standards for amenity areas and allotments, the accessibility assessment shows that there are a number of residents that are out of catchment for these types of open space and therefore increasing access to these typologies should be explored.

CONSULTATION

7.106. The Applicant has undertaken a comprehensive programme of consultation that has sought to seek the views of affected communities and stakeholders. Throughout the pre-application process, the Applicant has consulted with stakeholders including residents, businesses, and other properties; local authorities, interest groups, landowners, elected representatives, and prescribed organisations including parish councils and statutory undertakers.

7.107. A range of methods was used to engage with stakeholders during the consultation process to maximise opportunities for residents and other interested parties to understand the proposals and submit feedback. Methods included exhibitions, manned phone lines, press materials, site notices, a dedicated project website, and social media channels.

7.108. Between 22nd October – 7th December 2018, an informal consultation was undertaken to seek views on the initial proposals (referred to as Stage 1 Consultation 2018).

7.109. Following this, in 2019, a further round of informal consultation was undertaken focussed specifically on the highways issues and options for potential off-site highways improvements outside the Main HNRFI development. This was in response to issues raised during the Informal Consultation 2018. This consultation (referred to as Stage 1A Highways Consultation 2019) took place from 8th July – 6th September 2019.

7.110. Following further detailed development of the proposals, responding to feedback received, a further round of consultation on the proposals took place (referred to as Stage 2 Consultation 2022), which took place between 12th January-8th April 2022.

Stage 1 Consultation 2018

7.111. The Informal Consultation 2018 focused on the local community and received 514 responses. The main feedback relevant for this chapter is presented below. In terms of the location, 96 people considered the location of the Proposed Development to be good, whereas 242 did not agree with farmland being used for the Proposed Development. Participants raising concerns about pollution totalled 114 responses. In terms of the proposed economic activity, 60 responded positively whereas 122 participants commented that existing RFI infrastructure is sufficient. In addition 102 responses raised concerns about the impact of the Proposed Development on the local economy.

Stage 1A Highways Consultation 2019

7.112. The second consultation focused on highways. Of the 544 responses received in the consultation, 11% did not agree with farmland being used for the Proposed Development, and 8% raised concerns about pollution caused by the Proposed Development.

Formal Consultation 2022

7.113. The statutory formal consultation activities carried out in 2022 fulfilled the requirements of s.42 of the Act. The s.42 consultees included prescribed persons, relevant local authorities and persons with interest in the land. Consultee comments relevant to the assessment of land and socio-economic effects are summarised in **Table 7.6** below, with the Applicant's responses included. Where the Applicant has agreed with or noted the comment made through the consultation, this comment has not been included in the table below and can be found in the Consultation Report (document reference 5.1). Where a fuller response is required, this is set out in **Table 7.6** below.

Table 7.6: Summary of s42 Consultation (2022) Consultation Responses

Consultee	ID/Ref	Consultee Comment	Response
Blaby District Council (BDC)	Table 7.3	Reference is made to Aston Firs being a community asset. This land is not publicly accessible so cannot be considered as a community asset.	The classification of Aston Firs as community land has been removed.

Consultee	ID/Ref	Consultee Comment	Response
BDC	Table 7.3	Agriculture within the development site ('Development Land') and 'Businesses in the Study Area' should be disaggregated. The impact upon these two uses are fundamentally different and should not be conjoined. When subdivided, the farm shop within the development site should be considered separate to the agricultural holdings as it will offer a range of products not produced on the holding itself (i.e. it represents more than just a subsidiary element of the agricultural holding).	The Agricultural Land Holdings and Farm Shop have been assessed separately in Table 7.3 Receptor Sensitivity.
BDC	Para 7.35	Chapter constructed on a basis of pre-coronavirus baseline. Activity patterns and work life has changed this and this dated baseline information needs to be updated. Important as more homeworking has increased leisure time available to many people, and thus affected the use of community facilities and public footpaths etc.	Baseline information has been updated where available to better reflect the current baseline.
BDC	Para 7.67	Error in information provided. The Fosse Villages Neighbourhood Plan has been through referendum in line with the legislation. Following 84% support from resident responses, it was formally adopted in June 2021. Moreover, the plan is undergoing a formal consultation on updates. The amendments relate to the proposed designation of 17 open spaces as Local Green Spaces.	The reference to the Fosse Villages Neighbourhood Plan has been updated accordingly.
BDC	Para 7.115	When referencing the Leicester and Leicestershire 2050: Our Vision for Growth, and the connectivity to the surrounding infrastructure network, no reference is made to the proposed distributor road. Co-ordinated strategies for growth should be delivered as part of any large-scale development. This link road is also important in terms of how it affects access to the site/area and thus	The ES Chapter clearly explains the status of the Leicester and Leicestershire 2050: Our Vision for Growth and how it relates to the proposals.

Consultee	ID/Ref	Consultee Comment	Response
		potential draw of employees/companies and the benefits/harms to the surrounding area. The proposals should clearly explain the status of the Leicester and Leicestershire 2050: Our Vision for Growth and how it relates to the proposals.	
BDC	Para 7.133	Notes that health determinants are noise and air quality and simply refers to respective chapters. Disappointing that the health impact is not considered in any way within this chapter and forms a fundamental aspect of social benefits/harm. Failure to address this skews the outcomes as not all factors have been appropriately considered.	Appendix 7.1 Health and Equality Briefing Note (document reference 6.2.7.1) has been prepared in response to these comments. It incorporates a consideration of the Design Manual for Roads and Bridges LA 112 Population and Human Health Revision 1 but broadens this out to take a more holistic view, based on technical analyses undertaken throughout the ES.
BDC	Para 7.135	The average turnover per construction employee in the East Midlands is calculated over a very short period (2018-2020). A longer period should be used. This approach fails to reflect the fact that construction workers are likely to come from a wider geographic area than the East Midlands, given the content of paragraph 7.5 and figure 7.2 and 7.3 of the PEIR. This would include a substantial number of employees predicted to come from Coventry and Nuneaton/Bedworth which are within the West Midlands. Reconsideration of this baseline information needs to be provided to reflect a longer time period and wider	Approach is updated in line with suggestion. The average output per construction worker for the East Midlands and West Midlands over a period of five years (2017-2021) is used for this assessment.

Consultee	ID/Ref	Consultee Comment	Response
		area that matches the employee area of influence.	
BDC	Para 7.141	Post pandemic statistics need to be incorporated in terms of employment levels within the construction sector.	Baseline information has been updated **where available** to better reflect the current baseline.
BDC	Para 7.168, Para 7.171, Table 7.12	The Business Rate information stated is incorrect. The County Council receive 9% of rates, with the other 1% for the Fire Authority. The current Business Rates Retention Scheme does allow districts to retain 40% of any additional rates generated, but we then have to pay 50% levy on these rates over and above our baseline funding, so this information is misleading around what we actually will receive. In addition, the Levelling Up White Paper ends the potential for a 75% retention as it conflicts with the concept of levelling up. The Business Rates information needs to be updated to reflect the true situation for Blaby, as it is currently over-emphasised as a benefit. While it is difficult to exactly calculate the final business rate figures that would be generated, our current estimates are that it will be at least half the annual £9.86 million figures stated in table 7.12 and quite possibly even less than that.	The Business Rates information and analysis have been updated accordingly.
BDC	Para 7.188, Para 7.190	Impact upon the noise and air quality of the new PRoW does not appear to have been considered and thus how the conclusion that only a minor adverse impact has been reached is unjustified. Provision of a footpath adjacent to the M69 and the new link road will generate high levels of NOx and noise that may well be above acceptable limits. Even if it is not, it is likely to provide a less than inviting route to users. A significant adverse	The assessment is updated to consider additional studies undertaken and updated technical chapters.

Consultee	ID/Ref	Consultee Comment	Response
		impact is considered to be most likely appropriate.	
BDC	Para 7.191	Health outcomes only considered noise and air quality. It provides no assessment of the quality of the environment and the impact visual setting makes to health. Reference at paragraph 10.53 to a Tranquillity Assessment highlights that the visual component of this has not yet been undertaken but will be included within the Environmental Statement. This is a major short-coming of any conclusions in respect of impact upon the area for health and well-being. Access to high quality, inviting routes encourage people to enjoy the open space and countryside around them and engage in physical activities, which has been shown to have important impacts to the mental and physical health. Replacing a PRoW across a field with one penned in between M69 (noise and air quality implications have not been assessed for the relocated Right of Way) and warehouse units/car parking and railway lines will significantly alter the enjoyment of anyone using these routes. The proposed new route is also not considered appropriate for horse riders. A full Health Impact Assessment is required that also considers other areas of impact, for example that of increased Narborough level crossing barrier down time. These issues are expanded upon within Section 10, but the suggested minor adverse effect on the health of local residents is considered to significantly under-estimate the impact.	Appendix 7.1 Health and Equality Briefing Note (document reference 6.2.7.1) has been prepared in response to these comments. It incorporates a consideration of the Design Manual for Roads and Bridges LA 112 Population and Human Health Revision 1 but broadens this out to take a more holistic view, based on technical analyses undertaken throughout the ES.
BDC	Para 7.216	The conclusion of having a significant beneficial effect by generating net	Trends on types of jobs are provided and

Consultee	ID/Ref	Consultee Comment	Response
		additional jobs. This is an inaccurate conclusion, with paragraph 7.163 concluding that job creation would be a moderate benefit over the long term. In terms of the job creation, it is questioned whether a factoring needs to be attributed to the creation of these additional jobs, as generally the logistics sector offers lower paid positions. Using the information provided within this chapter as evidence, the wages paid are below the averages for Blaby District and would not generally enable employees to apply for mortgages within the local area. Travel from more affordable urban areas, and thus longer commuting distances would therefore need to occur, as illustrated by the expected high number of employees from Leicester, Coventry and Nuneaton/Bedworth. The quality of job creation as well as quantity should also be factored into any assessment.	factored in the assessment. We have clarified the justification of our assessment on this basis.
Hinckley and Bosworth Borough Council (HBBC)	P21	The baseline research shows that the unemployment rate in the study area is the same as the England average 'As at Oct 2020-Sep 2021 the Hinckley and Bosworth unemployment rate was 4% compared to an England average of 4.9%, therefore what is the data to back up the statement made as it is a different picture locally.	Up to date employment rates have been provided.
HBBC	Para 7.35	The chapter is based on an assessment against a pre-coronavirus baseline and needs to be read in that light. Data should be updated.	The baseline information is updated where available to better reflect the current baseline.
HBBC	P29	Local planning policy – No mention of HBBC planning policy or local plan.	The Hinckley and Bosworth Borough Council Core Strategy (2009) and the Hinckley and Bosworth Borough Council Draft Local Plan

Consultee	ID/Ref	Consultee Comment	Response
			2020-2039 (2021) have been taken into account.
HBBC	Table 7.9	Why only able to use Blaby wage data?	A study area average for wages has been provided.
HBBC	Para 7.100	TSH need to consider the HEDNA wider than just figures specific to Blaby.	Figures have been provided for the Objectively Assessed Housing Need (dwellings per annum 2011-2036) for the Housing Market Area (HMA) and reference to Blaby only has been removed.
HBBC	Para 7.115	Mitigation, improvement schemes and/or financial contributions require further consideration and investigation.	This has been reviewed and informed by the Local Employment and Skills Strategy.
HBBC	Para 7.161	HNRFI would generate 4,400-5,400 additional FTE jobs for the national economy. This statement seems low due to the displacement, but what happens to those employment areas that the businesses relocate from?	The rate of displacement has been adjusted to 25%.
HBBC	Para 7.163	The effect of the operational jobs from the Proposed Development is predicted to be moderate beneficial over the long term. Due to the size of the site and the impacts locally, HBBC would expect to see more positive impacts on the local employment.	This has been reviewed. The assessment considers the full study area and not HBBC only.
HBBC		Community land and assets (including access to Burbage Woods and Common) would be neutral effect over the long term. HBBC does not agree with the effect the proposal will have on Burbage Woods and Common.	The assessment has been reviewed and updated accordingly to report a minor adverse effect in the long term.
HBBC	Proposed Mitigation	TSH only mention financial gain of land owners for proposed mitigation.	Mitigation measures have been reviewed and updated accordingly with consideration to the

Consultee	ID/Ref	Consultee Comment	Response
			Local Employment and Training Strategy.
HBBC	Climate Change	Weak mention in this section.	The section on climate change has been reviewed. More detail is presented in the Climate Change chapter of the ES.
CPRE Leicestershire		Does not refer to the Open Space and Recreation Study (October 2016) or consider the overall impact on the amenity of that green wedge of the surrounding countryside.	The Open Space and Recreation Study (2016) has been reviewed, along with the overall impact on the amenity of the green wedge on the surrounding countryside.
Sapcote and Sharnford Parish Councils	C3.EM.283	It is suggested that the provision of additionally housing will help accommodate workers on the site, relying on the figures in the HEDNA (2017) which fed into the Strategic Growth Plan. The distribution of this housing is not currently agreed and a review of the SGP is being considered. Moreover, the analysis in the HEDNA is now somewhat out of date and the housing assumptions are out of kilter with the most up to date ONS evidence. We do not consider this to be a firm basis for assuming housing will be developed close to the site, and that housing would anyway, itself, have large additional impacts on the countryside and so should be considered a negative environmental impact resulting from the proposals.	The HEDNA (2017) provides the latest evidence for the relevant HMA for us to base our assessment. We have also undertaken additional research and present updated figures for each Local Authority within the HMA. The five year housing land supply and five year housing need for the local authorities in the HMA have also been reviewed.
Sapcote and Sharnford Parish Councils	C3.EM.283	Does not refer to the Open Space and Recreation Study (October 2016) or consider the overall impact on the amenity of that green wedge or the surrounding countryside.	The Open Space and Recreation Study (2016) has been taken into account, along with the overall impact on the amenity of the green wedge or the surrounding countryside.

7.114. Alongside the s42 consultation, a community consultation was undertaken (s47). This targeted people living in the vicinity of the land of the Main HNRFI Site. The key topics raised were around the methodology used for estimating the number of operational jobs and the end beneficiaries of the HNRFI investment, given the unemployment levels in the area. In addition, concerns were raised on the impact of automation in reducing the jobs generated in the I&L sector and the wages provided by the sector. Another key theme raised is on housing and the potential employees moving in the area and the public service requirements associated with housing. Concerns over local quality of life being affected and increasing crime were also raised at the consultation.

7.115. Responses were provided on each comment raised under the s47 consultation with references made to the guidance and baseline information used to undertake the assessment, the preparation of an Employment, Skills and Training Plan Framework which aims to support as many local people as possible, and the technical study informing the Study Area. Evidence on the evolution of the I&L sector and how technology accelerates a shift towards higher-skilled labour force in the sector was also provided. In terms of quality of life, the Main HNRFI Site has been chosen in part due to its separation from existing residential settlements sufficient to avoid significant adverse effects. HNRFI will also be secured and will not contribute to local increase of crime.

BASELINE ASSESSMENT

The Size of the Labour Market

7.116. The size of the labour market sets the context for assessing the potential effects of the new jobs that would be created at the Proposed Development.

7.117. **Table 7.7** shows that there are 1,338,400 people in the study area aged between 16-64, of which 80.1% are economically active. This is marginally higher than the English average of 78.7%. The employment rate in the Study Area is 76.8%, which is higher than the English average of 75.1%. The unemployment rate in the Study Area sits slightly below the English average of 4.6% at 4.4%. This includes those residents who are not claiming unemployment benefits but are still seeking work. This results in approximately 46,100 unemployed people in the Study Area.

7.118. Approximately 6.9% of UK workers in employment are underemployed[13], which the ONS defines as employed people who are available to start working longer hours within two weeks, and actual weekly hours worked were 40 or less for people aged under 18 or 48 hours or less for people aged 18 and over.

Table 7.7: Labour market within Study Area and England

[13] ONS: Underemployment and overemployment (2022) - https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/underemploymentandoveremployment emp16

Area	All Persons (16-64)	Economically Active (% of 16-64 population)	Employment Rate (% of 16-64 population)	Unemployment Rate (% is a proportion of economically active aged 16-64)
Study Area	1,338,400	80.1%	76.8%	4.4%
England	34,797,400	78.7%	75.1%	4.6%

Source: Annual Population Survey, 2021

7.119. It is relevant also to look at the level of youth unemployment to evaluate the impact the HNRFI would have on youth unemployment. The ONS defines young people as those between the ages of between 16 and 24 years old. This is illustrated in **Table 7.8.**

Table 7.8: Youth Unemployment within Study Area and England

Area	Unemployment Persons: 16 - 24	Unemployment Rate: 16 - 24
Study Area	17,812	13.5%
England	433,100	12.9%

Source: Annual Population Survey, 2021

7.120. The Study Area performs considerably worse in youth unemployment in 16-24 year olds. The unemployment rate for 16-24 year olds in the Study Area is 13.5%, compared to 12.9% at the England level respectively.

7.121. **Table 7.9** below provides a breakdown of jobseeker allowance claimants by occupation in the Study Area. It shows that nearly two thirds of job seekers claiming allowance are seeking jobs in Elementary Occupations, and 28% in 'Sales and Customer Service Occupations'.

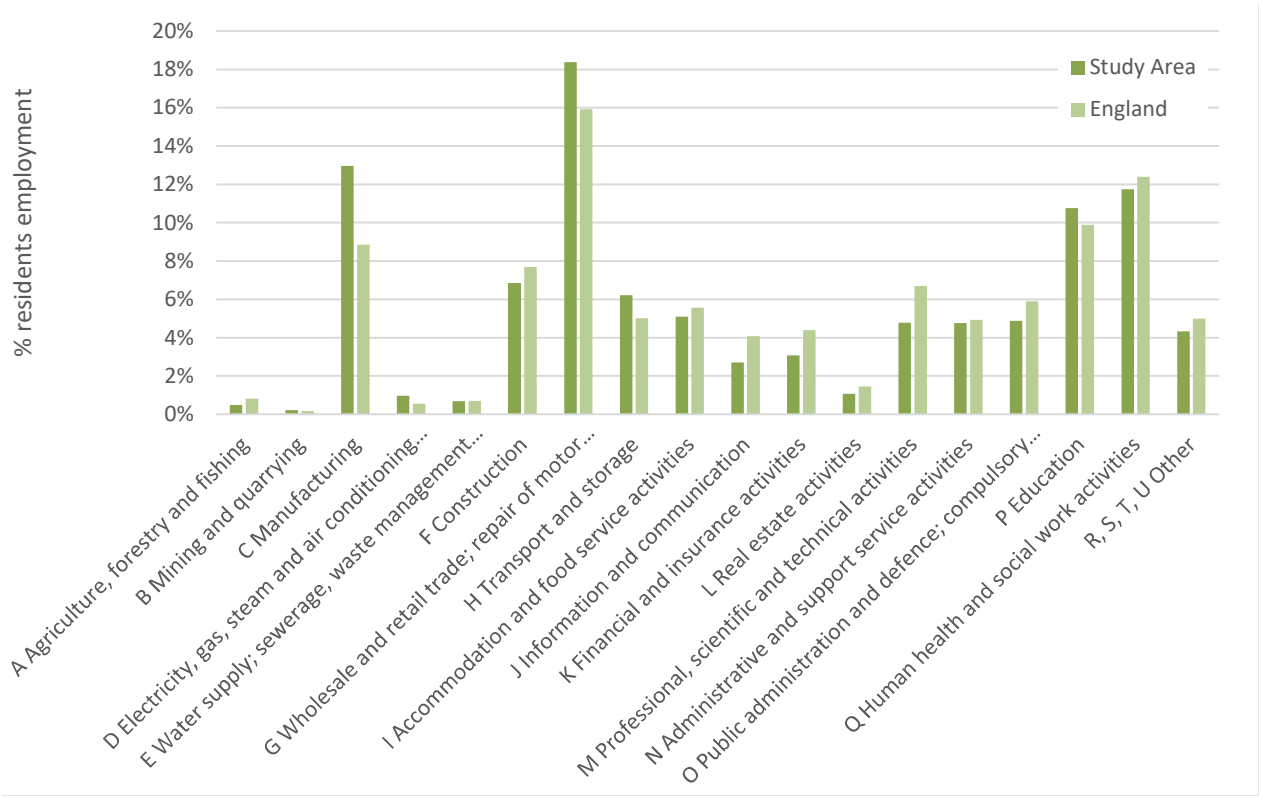
Table 7.9: Share of Job Seeker Allowance Claimants by Sought Occupation

Standard Occupational Classification (SOC)	Job Seeker Allowance Claimants by Sought Occupation
1: Managers and Senior Officials	5%
2: Professional Occupations	0%
3: Associate Professional and Technical Occupations	0%
4: Administrative and Secretarial Occupations	1%
5: Skilled Trades Occupations	1%
6: Personal Service Occupations	0%
7: Sales and Customer Service Occupations	28%
8: Process, Plant and Machines Operatives	1%
9: Elementary Occupations	63%

Source: ONS 2022; Table excludes circa 330 jobseekers for which the occupation is unknown

7.122. **Figure 7.7** charts the share of residents in the Study Area and England working in each industry. In the Study Area the largest shares of residents work in 'Wholesale and Retail Trade' (18.4%) and in 'Manufacturing' (13%). Instead in England, 'Manufacturing' is the fourth largest sector, behind 'Human Health and Social Work' and 'Education'.

Figure 7.7: Employment by Sector for Residents of the Operational Employment Study Area and England, 2011 (%)



Source: Census, 2011

Future Labour Market

7.123. The ONS's 2018 Population Projection estimate that by 2032 circa 1,480,000 will be of working age (16-64 years old) in the Study Area. Compared to the current labour force of 1,228,400, this is a 10.6% increase in the working age population.

Construction

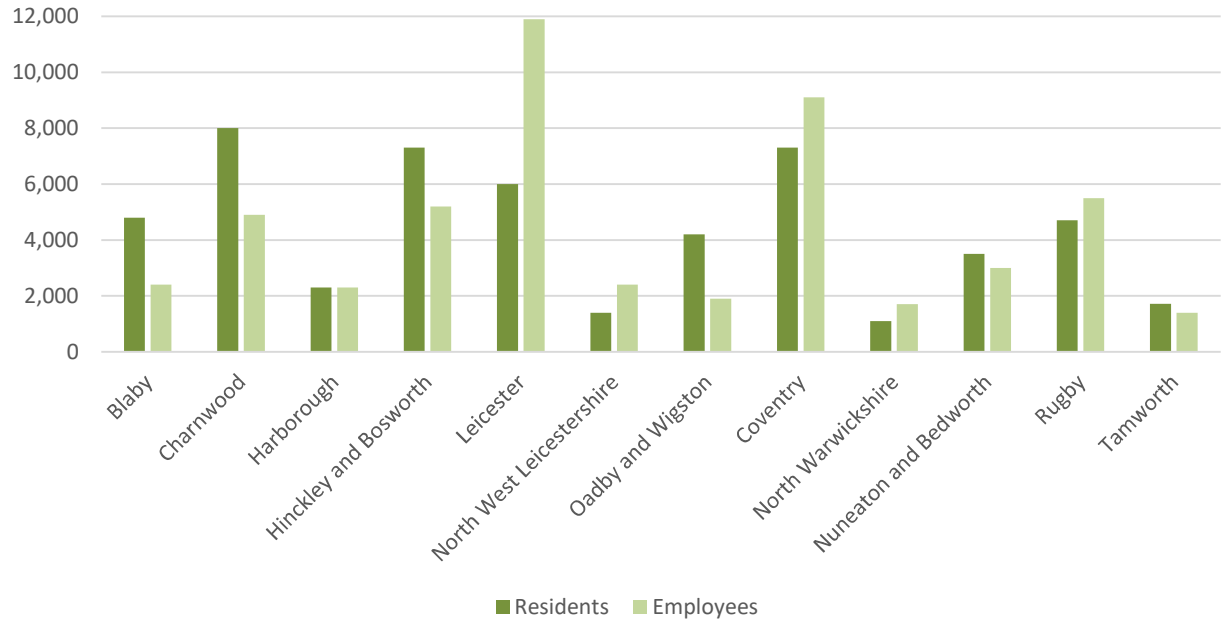
Construction Employment

7.124. The Annual Population Survey (APS) permits the study of resident based and workplace based employment for construction in March 2022, which provides the data in **Figure 7.8**. According to the APS, in March 2022 there were 52,300 residents in the construction study

area employed in construction[14], and approximately 51,700 construction employees that work in the construction study area[15]. This suggests that the construction study area is a net exporter of jobs in the construction sector.

7.125. Based on APS data, the proportion of residents employed in the construction sector in the construction study area in 2022 was marginally lower (6.1%) than the England average (6.4%), relative to the total workforce.

Figure 7.8: Estimated Number of Residents and Employees in the Construction Sector in the Construction Study Area



Source: ONS Annual Population Survey (2022)

7.126. Employment in the construction sector in the construction study area was lower in March 2022 than in March 2019, with 60,300. This is not considered to be a result of the Covid-19 pandemic as the construction sector is anticipated to have recovered by June 2021. Therefore the above suggests that some sufficient latent capacity remains to meet higher output without creating wage or other inflationary effects.

Construction Unemployment

7.127. According to the Jobseekers' Allowance data (June 2022) published by the ONS, there are 1,250 individuals claiming JSA in the study area who usually work as labourers in building and woodworking trades, and in other construction trades. A degree of unemployment is expected to enable the job market to function, enabling workers to search or transition

[14] ONS Annual Population Survey % all in employment who work in F: Construction (March 2022)
[15] ONS Annual Population Survey Workplace Analysis % all in employment who work in F: Construction (March 2022)

between roles.

7.128. The data also shows that overall 2,535 individuals claim JSA. This means that 49% of individuals claiming JSA within the Study Area are looking for work in the construction sector. In England, the data indicates that 29,225 out of 84,680 individuals claiming JSA are within the construction sector, which is 35% in percentage terms. Therefore, the Study Area has a higher proportion of JSA claimants in construction and building and woodworking trades than England.

Construction Skills Network, Industry Insights: Labour Market Intelligence, UK 2022-2026 Midlands (Construction Industrial Training Board)

7.129. The Construction Industrial Training Board forecasts that the East Midlands region's overall construction output will increase at an average of 3.2% p.a. 2022-2026, which is the same growth rate p.a. expected for the UK. However, East Midlands is expected to see a slightly higher growth rate in commercial construction output across 2022 to 2026, with average annual output forecasted at 3.5% per annum, compared to the UK average of 3.4%. Subsequently, 19,350 new workers will be required between 2022-2026.[16]

Logistics Sector Employment

7.130. **Figure 7.7** above shows a higher proportion of residents employed in the 'Transportation and Storage' sector in the operational study area compared to the national average. This reflects the higher proportion of opportunities in the logistics sector, in what is the prime location for national logistics operations, consistent with the findings of the WLLL (amended 2022) report.

Occupations in the Logistics Sector

7.131. The I&L sector is facing an era of unprecedented change. The past decade has seen the sector undergo a remarkable transformation, reshaping operating models and occupier requirements in ways that are only starting to become recognisable as an industry-wide phenomenon. Logistics uses in particular have shown strong performance for a number of years, but the Covid-19 pandemic has exacerbated existing trends. This has driven demand up even further for logistics floorspace while adversely impacting other commercial sectors such as retail and offices.

7.132. New technologies have affected the sector significantly, changing the way tasks are performed and how businesses operate. Technology is replacing the most routine jobs through automation and self-driving vehicles, whilst accelerating the shift towards a higher-skilled labour force in the sector, creating new roles and inducing an occupational shift.

7.133. As discussed in Savills' recent publication for the British Property Federation *'Levelling-up*

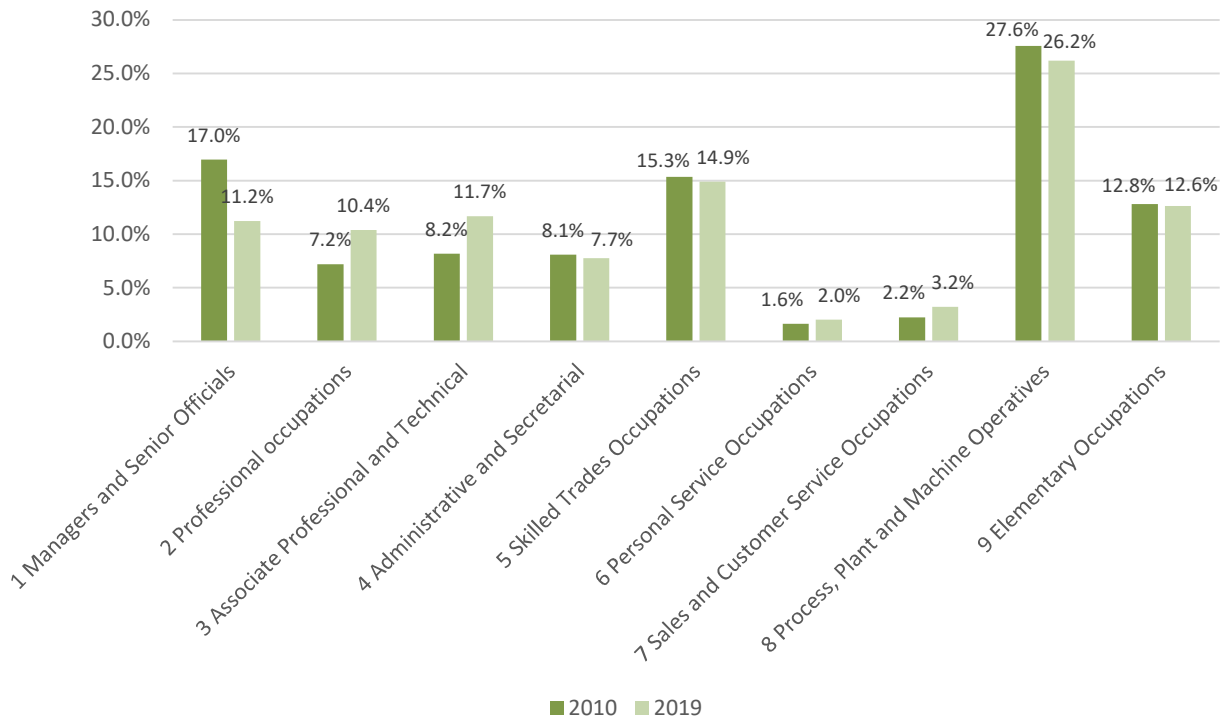
[16] Construction Industrial Training Board, Construction Skills Network, Industry Insights: Labour Market Intelligence, UK 2022-2026

– *The Logic of Logistics'*[17]*,* the I&L sector can play a pivotal role as part of the Government's levelling up agenda. In GVA terms, the South[18] accounts for 63% of England's total GVA, while the North[19] accounts for only 37%. However, over the last 5 years I&L demand (net absorption) in the North has accounted for 70% of the country's total demand.

7.134. Looking at a more granular level, the East Midlands region has attracted 19% of the country's I&L demand in the last 5 years. This level of investment is much higher than its contribution to national GVA at just 7%. Thanks to the I&L sectors' higher productivity, wide-range of well paid jobs and training opportunities offered, its growth can help to bridge the gap between the North and South.

7.135. One factor that makes the I&L sector especially well-suited to support levelling-up objectives is the wide-range of occupations offered and their increased diversification across various skills levels. **Figure 7.9** presents the occupational distribution in manufacturing and transport and storage.

Figure 7.9: Occupational Distribution in Manufacturing and Transport and Storage



Source: ONS APS, Savills 2020

7.136. **Figure 7.9** above shows the change in the share of occupations in I&L in 2010 and 2019. While at the beginning of the decade there is a more polarised distribution, with a higher share of managers at one end of the spectrum and more routine occupations at the other end, there is now a higher share of Professional and Associate Professional and Technical

[17] Savills and BPF (2022), Levelling-up – The Logic of Logistics
[18] London, South East, East of England and South West
[19] North West, West Midlands, East Midlands, Yorkshire and the Humber

roles. These roles are typically associated with higher-skilled engineering and technological professions in response to increased automation and robotics in the sector and more advanced supply chain processes. These office-based roles are increasingly co-locating alongside production and logistics uses as it is convenient for these people to be closer to the operations they control and analyse.

7.137. This implies a shift to higher-wage employment opportunities, as engineers, programmers and data analysts become more crucial.

7.138. In the manufacturing sector, the shift to high-value manufacturing has accentuated the changes in labour composition, marked by a rise in 'white-collar' office-based jobs. This has been driven by an increasing focus on knowledge-based aspects of the sector, such as product and process design, software development, branding, marketing, and research. These activities contribute to the development of innovative, higher quality and more sophisticated products and production processes, to ensure they remain competitive in global markets.

7.139. This increased occupational diversity means the I&L sector can play an important role in re-employing people that have lost jobs in other sectors of the economy as a result of the Covid-19 pandemic.

7.140. The Government's Coronavirus Job Retention Scheme (CJRS) has helped cushion the impact of economic contraction on the job market. However in spite of this effort, data on the Claimant Counts remain high in most areas of the country. The Claimant Count measures the number of people claiming benefit principally for the reason of being unemployed. As of May 2022, the Count across the East Midlands and West Midlands totalled 285,950 claimants. This is still 27% higher than the Count as of March 2020 (+60,800 claimants). The growing I&L sector and logistics in particular can help to re-employ these local people across a range of different occupations.

7.141. The logistics sector is also particularly good at providing employment opportunities to those that may not otherwise be in work. Based on a recent survey undertaken by YouGov, Frontier-Economics found that 20% of people currently in logistics were previously unemployed, and that one in four within this group was long-term unemployed[20].

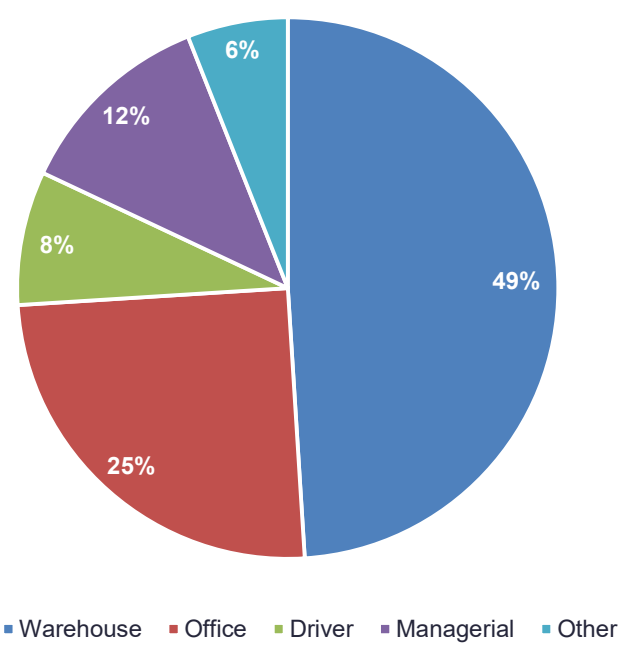
7.142. The I&L sector also generates significant construction and apprenticeship roles which will increase further as it expands into the future. Savills estimate that if supply-constraints are addressed in the future, the sector could deliver over half a million apprenticeships over the next 10 years[21]. This is extremely important given youth unemployment nationally stands at 12.9%[22], as shown in **Table 7.8.**

7.143. Whilst the largest proportion of logistics roles are still in warehouse related jobs, the sector is more diverse than is commonly thought. Research on employment in UK

[20] Frontier Economics (2022), *The Impact of Logistics Sites in the UK*
[21] Savills and BPF (2022), *Levelling-up – The Logic of Logistics*

warehouses has shown that office and managerial jobs have doubled between 2006 and 2018, and account now for 37% of the sector's employment (**Figure 7.10**).

Figure 7.10: Share of Logistics Jobs (2018)



Source: Prologis 'Delivering the future: the changing nature of employment in distribution warehouses'. 2019

Other Research

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

7.144. The LLEP Business Survey 2015[23] found that just under 40% of logistics companies had undertaken recruitment activity in the past 12 months, with 18% reporting difficulties in filling vacancies. These issues are concentrated on two job roles – vehicle drivers accounting for 73% of all hard-to-fill vacancies and warehouse operatives a further 15%. This is consistent with the unemployed data, with negligible numbers seeking HGV roles.

Logistics UK Survey (Logistics UK, 2022)

7.145. Logistics UK's Logistics Report Summary 2022[24] notes that the UK logistics sector had adapted to pandemic pressures and maintained the flow of goods through supply chains in 2021, contributing 11% to the UK non-financial business economy. Despite a driver shortage, the UK economy has been recovering in 2021 and the report finds that a number of logistics firms report a positive outlook for 2022. This expectation will be managed through diversification, relocation and consolidation of their business in 2022.

[23] *As reported in the Logistics and Distribution Sector Growth Action Plan, 2015*
[24] https://logistics.org.uk/CMSPages/GetFile.aspx?guid=00bc1e0b-531d-4eba-98bb-8199ff100573&lang=en-GB

7.146. In terms of freight activity, the report notes that freight activity across most modes rebounded in 2021 as the world economy recovers and COVID-19 restrictions ease. Therefore, an expansion in global air freight is expected in 2021 and world maritime shipping is estimated to have grown by 4.3%. Domestically, goods handled by UK major ports in 2021 increased by 1.7% and goods moved by rail increased by 8.6%, while in the first half of 2021, goods moved by road increased by 2.1% compared with pre-pandemic levels.

7.147. Logistics Performance Tracker (LPT) offers a snapshot of the industry at the national level with the most recent undertaken in May 2022[25]. As consumers move to online shopping and demand for logistics jobs has grown, it shows that circa two thirds of the responding logistic companies face recruitment difficulties with HGV driver and mechanics roles. Recruitment and staff availability have worsened compared to Q1 2021. Logistics staff shortages are expected to continue in 2022.

Housing and Economic Demand Needs Assessment (LLEP, 2017)

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

7.149. The LLEP HEDNA forecasts that employment will increase in the 'transportation and storage' sector by 21.9%, 2011-2036 (+6,800 jobs across the LLEP area). Employment in the 'wholesale' sector is forecasted to decrease by -2.3% over the same period (-600 jobs across the LLEP area). The Employment Land Use Study for Coventry and Warwickshire LEP (2015) forecasts there to be an additional 8,000 jobs in the logistics sector, 2011-2031 (+27.9% growth).

Wages

7.150. Wage statistics provide context for the potential economic benefits of the new jobs that will be created, and therefore an increase in the study area.

7.151. Wages vary between location and type of work undertaken. The data given in this section are for the median gross annual pay of full-time residents. The assessment has focused on the wages of the local authority area of Blaby, Hinckley and Bosworth, the Study Area, the regions of East and West Midlands, and the English average.

7.152. **Table 7.10** below outlines the figures for the median gross annual pay based on residents and workplace.

7.153. Residents' pay in Blaby is lower than that of the Study Area, East Midlands, West Midlands and England average, however the residents' pay in Hinckley and Bosworth is higher at all spatial scales except for England. All spatial scales have seen increases in their wages since

[25] https://logistics.org.uk/CMSPages/GetFile.aspx?guid=f25d7038-8f67-4420-89b5-d4e69df9cfcd&lang=en-GB

2008. The Study Area's resident-based median gross annual pay (full time) is £29,743 which saw an average annual increase of 1.52% in wage levels between 2008 and 2021. However, this is higher than Blaby and lower than the regional and national averages, with Blaby seeing an annual increase of 0.90%, compared to 1.78%, 1.79%, and 1.93% in the East Midlands, West Midlands and England. Interestingly, the residents' pay in Hinckley and Bosworth saw an average annual increase of 2.09% which is higher than all spatial scales. However wage growth has been lower in the Study Area with regional and national wage growth being faster.

7.154. Workers' wages in the Study Area are lower than Blaby, the West Midlands and England average, but higher than the East Midlands and Hinckley and Bosworth. Wages in the Study Area have grown by 1.59% annually between 2008 and 2021. Wages of workers across all spatial scales have increased, with Blaby seeing an average annual increase in wages of 1.50% since 2008, and Hinckley and Bosworth seeing an increase of 1.1%. These are the lowest annual growth of all the spatial scales assessed, with wages growing at 1.70%, 1.98% and 1.79% for East Midlands, West Midlands, and England respectively. The West Midlands region's annual wage growth exceeds the English average.

Table 7.10: Median Gross Annual Pay 2021

Area	Resident-based median gross annual pay (full time)	Workplace-based median gross annual pay (full time)
Blaby	£29,137	£30,592
Hinckley and Bosworth	£30,866	£27,438
Study Area	£29,743	£28,595
East Midlands	£29,212	£28,416
West Midlands	£29,799	£30,000
England	£31,490	£31,480

Source: Annual Survey of Hours and Earnings (2021)

I&L Wages

7.155. The I&L sector is subject to a number of misconceptions about average pay levels. Average pay is higher than the UK average. Data from the ONS[26] show wages above average at +£4,600 for Manufacturing and +£4,900 for Logistics, which equates to £30,358 and £30,700 for manufacturing and logistics respectively (UK average £25,780). Again, the logistics component of the sector is performing above average, with wages between 2019 and 2020 having increased more than in other sectors (+6% growth in logistics vs +4%) which is important in the current inflationary environment. In addition, entry-level jobs in logistics are relatively well-paid, with median annual pay being 47% higher than across jobs in the same occupational category[27].

GVA

[26] ONS SIC 2007 Table 4.7a Annual Pay Gross (£) For All Employee Jobs UK (2020)
[27] Frontier Economics (2022), *The Impact of Logistics Sites in the UK*

7.156. In England the I&L sector produces £232 billion of Gross Value Added (GVA) annually[28]. GVA per job[29], currently at £58,000, is 12% higher than the average of all sectors. Its productivity is also predicted to grow at a faster pace, increasing by 29% between 2025 and 2039 compared to 18% across the UK economy as a whole[30].

7.157. In Leicester and Leicestershire LEP the I&L sector produced £5.9 billion of GVA annually in 2020[31], which represents 22% of the total economy (£26.3 billion). Within this, the logistics sector produced £1.5 billion of GVA annually in 2020[32], which represents 6% of the total economy.

7.158. In 2020 the GVA per I&L job in the Leicester and Leicestershire LEP was £62,032, and the GVA per logistics job was £39,135[33].

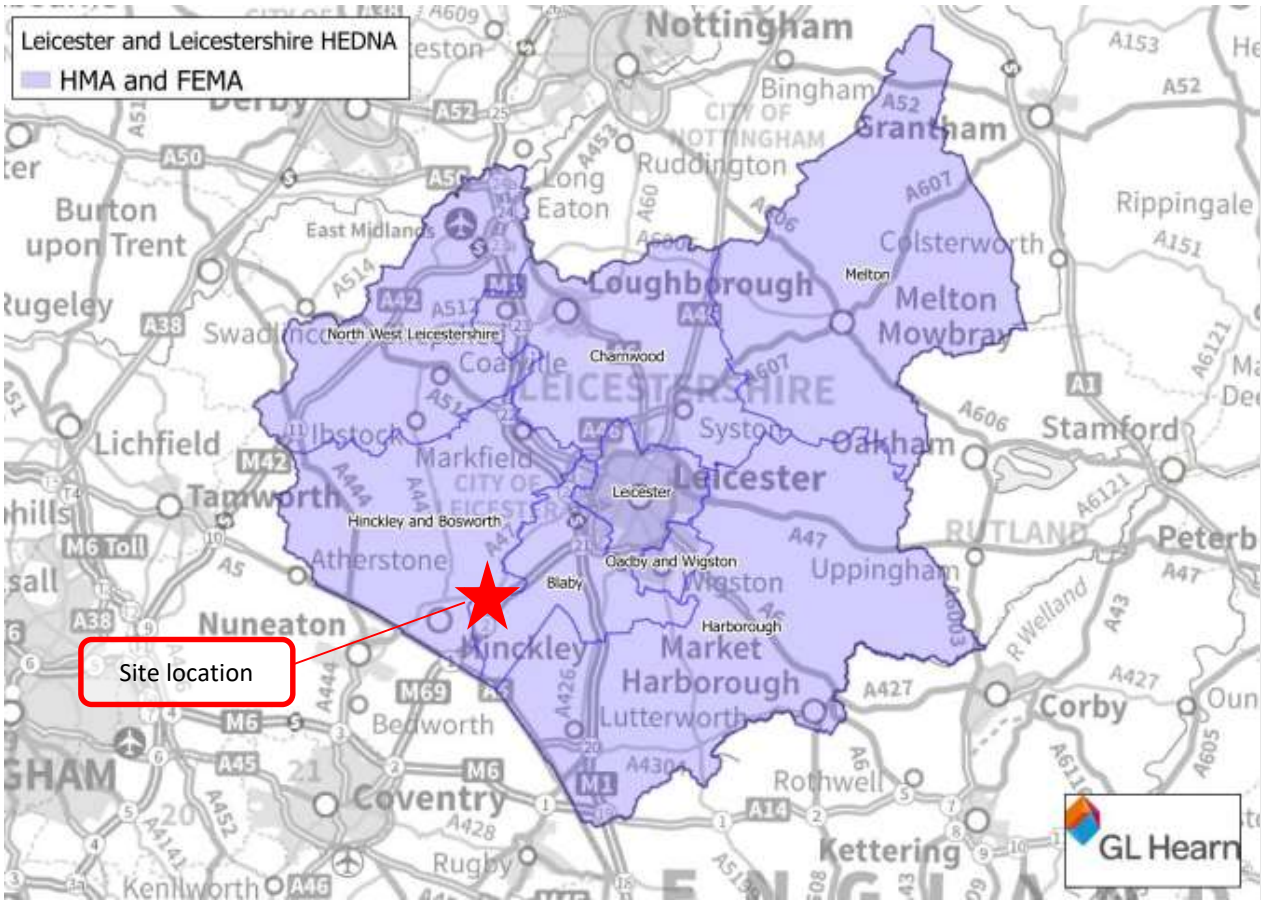
Housing

LLEP Housing and Economic Development Needs Assessment (2017)

7.159. The HEDNA provides an integrated assessment of future housing needs, the scale of future economic growth and the quantity of land and floorspace required for industrial and storage and distribution (B-class) employment development across Leicester and Leicestershire. The report defines Leicester and Leicestershire as the relevant Housing Market Area (HMA) and Functional Economic Market Area (FEMA). **Figure 7.11** is reproduced from the report with the Main HNRFI Site's location.

[28] ONS (2021) England, Regional Gross Value Added (Balanced) by Industry – GVA for Manufacturing, Transportation and Storage in 2019 – England
[29] Gross Value Added (GVA) measures the contribution made to an economy by one individual producer, industry, sector or region
[30] Oxford Economics (2019), GVA by Sector and Employment by Sector for Manufacturing, Transportation and Storage – UK
[31] GVA for C: Manufacturing and H: Transportation and Storage. Table B3: Enterprise Regions Current Price Estimates. ONS Regional Gross Value Added (balanced) by industry: city and enterprise regions (2022)
[32] GVA for H: Transportation and Storage. Table B3: Enterprise Regions Current Price Estimates. ONS Regional
[33] Business Register and Employment Survey (2020)

Figure 7.11: Location of the HNRFI in the Leicester and Leicestershire Housing Market Area and Functional Economic Market Area



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

7.160. The HEDNA recognises that the economic geography can vary for different sectors. In particular for the logistics sector, of which the economic geography forms part of a wider Midlands market area, with a particular concentration of activity with the 'Golden Triangle'. This is formed broadly by the M42, M1 and M6 motorways. This location is central for the country and attractive to national distribution centres.

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

7.162. The HEDNA provides an assessment of housing need across the HMA and disaggregates this to each local authority. The objectively-assessed housing need for the HMA is 4,716 additional dwellings per annum over the period 2011-2036 (**Table 7.10**). Projections of housing need are based on:

- The last 10 years' migration trends;
- Market signals and affordable housing needs;

- Adjustments to support economic growth projections.

7.163. The evidence indicates under both the Baseline and Planned Growth Scenarios developed by the study, sufficient workforce growth can be expected to support the economy at the HMA level, and therefore no upward adjustment to support economic growth is warranted.

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

7.165. In BDC further development at Castle-Acres (expansion of retail), Optimus Point (new distribution site), and Lubbesthorpe (new 21 hectares employment site) was accounted for. These were considered to increase logistics and wholesale employment but also affect retail growth and the food manufacturing and office occupying sectors. Due to the timing of the research, the HNRFI was not accounted for in the Planned Growth Scenario.

7.166. It should be noted that under the changes to the housing delivery test in early 2021, Leicester City is expected to deliver 116% of its previous delivery numbers, which equates to 18,000 additional homes over the plan period. Subsequently, surrounding local authorities such as BDC will have to increase their housing delivery to support Leicester City[34]. A Statement of Common Ground has now been signed between the authorities with BDC accepting that they will take 346 homes per year of Leicester City's unmet need in addition to their own needs. BDC's Local Plan review is therefore planning for circa 12,000 homes over the plan period.

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

7.168. The smallest distribution unit at the HNRFI would be considered 'strategic' under the SDSS as it is likely to be larger than 9,300sqm Housing need related to strategic distribution development is distributed based on the forecasts for warehouse and logistics employment. The forecast has been cross-checked with the 2014 Leicester and Leicestershire Strategic Distribution Sector Study floorspace projections for consistency.

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

[34] Inside Housing, 2021. Councils hit out at government's 'unrealistic' new planning formula.

Therefore the balance of this job growth would likely be in smaller distribution units (under 9,300sqm).

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

7.171. Although there are concerns surrounding affordability and affordable housing, the report shows that there is a gross need of 140,218 affordable housing units in the HMA between 2011-2036. When considering the supply from existing stock, there is a net need of 55,947.

7.172. The allocation of housing need between local authorities is currently being updated. A review of the latest Local Plans and Monitoring Reports has revealed that these documents do not specifically refer to employment created by HNRFI or by the logistics sector to define housing need. The housing position in these documents may however provide an update to the HEDNA. Of the 8 Local Authorities in the Housing Market Area, only Leicester has a housing land report older than 2021, with Leicester's latest Strategic and Economic Land Availability Assessment dating from 2017.

7.173. The housing need and housing land supply of each Local Authority is laid out in **Table 7.11**. The latest Annual Monitoring reports and Housing Land Supply assessments from the Local Authorities indicated that combined they have a 5-year requirement for 25,830 dwellings, compared to a 5-year land supply of 26,588 dwellings, or a 759 uplift in dwellings. Assuming this housing requirement and land supply remain constant, over 10 years a surplus of 1,517 dwellings would be delivered.

Tale 7.11: 5 Year Housing Requirement and Supply in the Housing Market Area

Local Authority	5 year requirement	5 year supply	Document type	Date published
Leicester	9,110	6,457	SHELAA	Mar-17
Blaby	1,991	2,289	Residential Land Availability	Mar-21
Charnwood	5,833	3,892	Annual Monitoring Report	Mar-21
Harborough	2,925	4,384	5 Year Housing Land Supply	Sep-21
Hinckley and Bosworth	2,330	2,077	Residential Land Availability	Jun-21
Melton	1,306	3,023	5 Year Housing Land Supply	Jul-21
North West Leicestershire	1,074	2,902	5 Year Housing Land Supply	Apr-21
Oadby and Wigston	1,261	1,564	Annual Monitoring Report	Mar-17
Total HMA	**25,830**	**26,588**		

Source: Savills 2022, Councils of Leicester, Blaby, Charnwood, Harborough, Hinckley and Bosworth, Melton, North West Leicestershire, Oadby and Wigston

Local Industrial Strategy Economic Review, 2020

7.174. The report, prepared by Oxford Economics on behalf of LLEP sets out the evidence base that will underpin the Leicester and Leicestershire LEP Local Industrial Strategy, a final version of which is yet to be published.

7.175. It highlights the HEDNA's estimates of an additional 4,716 dwellings per annum is required between 2011-2036. It also notes that the average delivery between 2011-2017 was 4,017 dwellings per annum.

7.176. At the LLEP level, demand has outstripped supply, directly impacting the affordability of housing across the LLEP. Between 2009-2019, house prices on average had grown by 29 per cent. It is expected house prices will grow by an annualised growth rate of 3% per annum up to 2030.

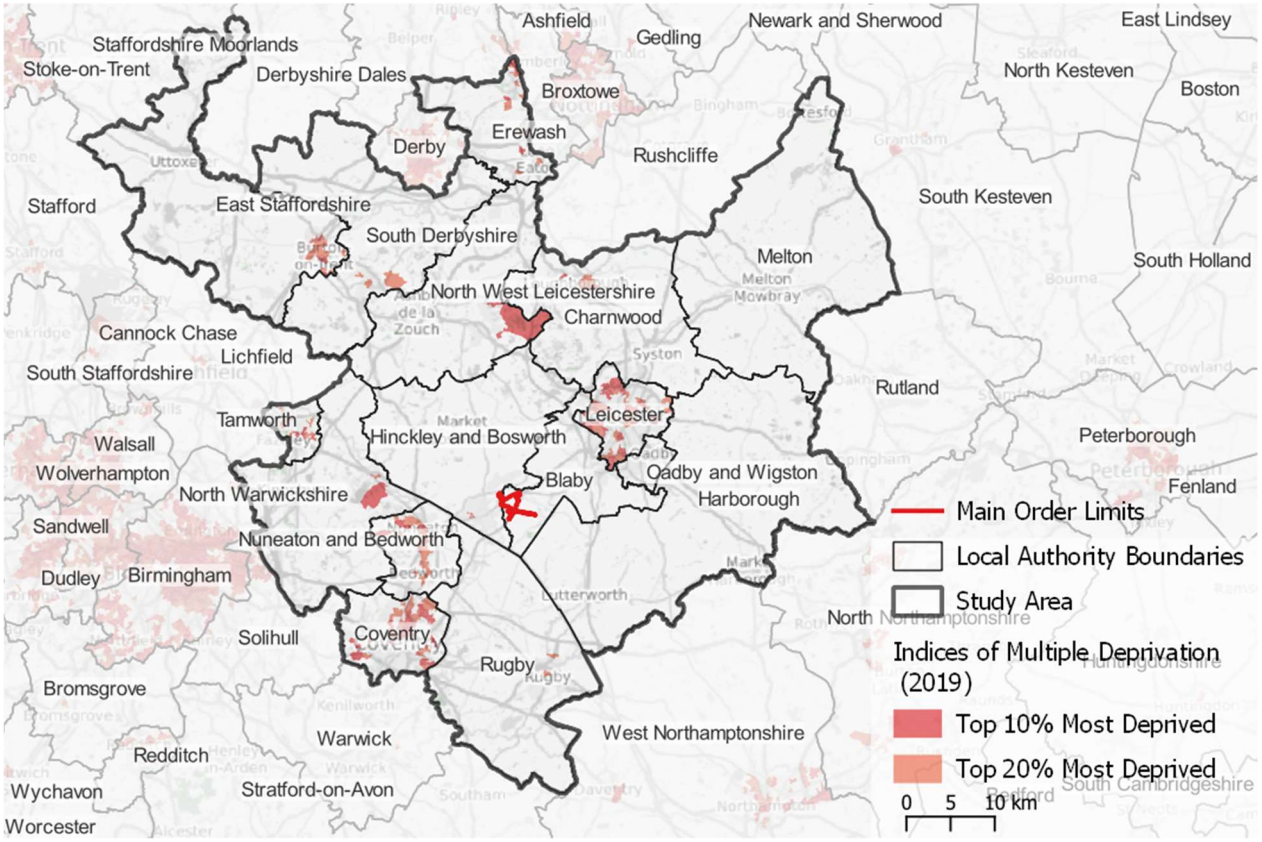
Deprivation

7.177. Since the 1970s the UK government has recorded local measures of deprivation in England. It is an official measure of relative deprivation and is based on distinct domains including income, employment, health and disability, education, skills and training, crime, barriers to housing and services, and the living environment[35].

7.178. **Figure 7.12** shows the 10% and 20% most deprived Lower Super Output Areas (LSOA) in the country. It illustrates that the immediate area surrounding the Main HNRFI Site does not have large concentrations of deprivation, except the south-west of Hinckley. Neighbouring Nuneaton and Bedworth have a concentration of communities in the top 10% and 20% most deprived, as do Coventry and Leicester, further afield.

[35] Main Statistical Finings Indices of Deprivation 2019, MHCLG (2019)

Figure 7.12: Indices of multiple deprivation in the Study Area



Source: Savills (2021)

Land use

Project Boundary

7.179. The Main HNRFI Site is predominantly landowner farmed with three landowners operating the majority (97%) of the agricultural land. The balance of land (3%) comprises grazing land, a boarding kennel, private residential property and an area in equestrian use.

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

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

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

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

7.184. A boarding kennel and a farm shop associated with agricultural activity described above operate within the Main HNRFI Site.

Surrounding Study Area

7.185. From desk research, it is estimated that there are approximately 1,891 residential properties in the surrounding study area[36] (Main Order Limits plus 500m), mainly clustered in Sapcote, Aston Flamville and the south-east of Elmesthorpe. No land allocated for residential development in Blaby or Hinckley and Bosworth has been identified within the study area.

7.186. Community land that falls within the study area includes Burbage Common and Woods , as well as Sheepy Wood. Burbage Wood is a local SSSI site, and Hinckley and Bosworth's Local Plan allocates Burbage Woods as Natural and Semi-Natural Open Space. Regarding community facilities and assets, the study area is sparse. At the very edge of the boundary in Aston Flamville is St Peter's Church. There are no village halls, healthcare facilities or education facilities within the study area.

7.187. The analysis of Valuation Office Agency data identifies 120 business premises in the surrounding study area. This includes the equestrian businesses adjacent to the Site off Burbage Common Road (Langton Farm Livery and Wentworth Stables).

7.188. None of the land inside the Study area is allocated for development or employment uses.

7.189. Across the Main Order Limits and study area, the Public Rights of Way (PRoW) Appraisal and Strategy (Appendix 11.2, document reference 6.2.11.2) identifies a wide range of PRoWs within the site and the 500m study area. PRoWs within Burbage Common and Burbage Wood are generally well used. The remaining PRoW network appears to be only occasionally used.

POTENTIAL SOCIO-ECONOMIC EFFECTS

7.190. This section describes the likely socio-economic effects that are anticipated to arise from the construction (temporary) and operational (permanent) phases of the Proposed Development. Effects that are moderate or major are considered to be significant in EIA terms. The likely impacts and the significance of the effects are characterised in the absence of mitigation measures, beyond those identified and described as inherent design mitigation.

[36] Ordnance Survey – AddressBase Core

Construction Employment

7.191. In terms of construction impacts, the most significant effects are likely to be on employment, as the population is not expected to increase significantly during construction as workers are unlikely to relocate to the area. Therefore, population, housing, and social infrastructure have been scoped out of the assessment of construction effects.

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

Direct Employment

7.193. To estimate the number of jobs required for the construction of the HNRFI, the average output per construction worker for the East Midlands and West Midlands over a period of five years (2017-2021)[37] is used in combination with the estimated construction cost. **Table 7.12** sets out the steps involved in estimating the construction employment. The construction phase is expected to support 461 on-site jobs per annum during the construction period of 10 years.

Table 7.12: Construction Jobs Generated

	Steps Involved	
A	Estimated Construction Cost (£)	£723,000,000[38]
B	Average turnover per construction employee in the East Midlands and West Midlands (2017-2021)	£156,805
C	Estimate of the number of worker years required for the construction of the Proposed Development (jobs) (A/B)	4,611
D	Duration of Construction Phase (years)	10
E	Average On-Site Construction Jobs per annum (C/D)	461

Figures may not sum due to rounding. Source: Savills (2022)

7.194. The indicative construction programme assumes the development would have a 10 year build period. Given that construction is made up of many discrete elements of work undertaken by specialists, additional construction workers may be employed on the Site for shorter periods at any given point.

[37] Business Population Estimates for the UK and Regions (2017, 2018, 2019, 2020, 2021) Department for Business, Energy, and Industrial Strategy
[38] Tritax Symmetry (2022)

7.195. Due to the nature of the construction industry and the different stages involved with the construction of the HNRFI project, not all trades would be required on the Main HNRFI Site permanently and some would be on-site for less time than others. The construction process would include the range of occupational levels including unskilled or labouring jobs to more senior positions, as well as across a range of professional disciplines. The construction of the Proposed Development could facilitate the growth of the local construction industry, thus enabling firms to expand and potentially take on employees.

7.196. Occupation and skill demand in the construction sector revolves around specialist skills, i.e. electricians, plumbers, bricklayers, carpenters, and plant operation trades. These skills tend to be contract labour offered by construction/building firms locally. In addition, low skilled manual labour would be expected to be in demand. In this case, employment tends to be contracted via Job Centres and Employment Agencies on a needs basis.

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

Indirect and Induced Employment

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

7.199. The development would set off a chain reaction of increases in expenditure, such as through the sale of building materials, design services, legal services and insurance. This in turn can result in jobs close to the Site, generating an increase in demand for goods and services, and generating growth in the local economy. The above forms the multiplier effects.

Additional Employment

7.200. There are further steps involved in estimating the 'additionality' of development. The first is leakage, which refers to the proportion of output that benefits those outside of the intervention's target area or group. However, the concept of 'leakage' is not considered to be relevant here as the Study Area takes into account the residential location of the HNRFI construction workers and therefore there is no leakage.

7.201. The second step is estimating displacement. Displacement is where the proposed activity could displace another activity in the target area, thereby reducing its additionality. Employment in the construction sector in the construction study area was lower in March 2022 than in March 2019. This is not considered to be a result of the coronavirus crisis as

the construction sector is anticipated to have recovered by June 2021. Therefore the above suggests that some sufficient latent capacity remains to meet higher output without creating wage or other inflationary effects. There is also a significant labour market (52,300 residents that work in construction in the study area estimated by the Annual Population Survey, March 2022[39]) to accommodate an extra 461 on-site positions. Therefore adverse effects on alternative projects (displacement) are likely to be low.

7.202. The Additionality Guide (fourth edition, Homes and Communities Agency, 2014) recommends applying a 'ready reckoner'[40] for low displacement effects of 25% of positive effects. In this context the ready reckoner is considered to be high, and therefore a 10% discount is applied to account for potential adverse effects on other construction projects in the study area based on the relatively small number of on-site positions compared to the overall size of the construction labour market, and that there are also more residents employed in the sector than there are jobs.

7.203. The third step in estimating the indirect benefits of the construction activity, the benefits to companies in the supply chain, and the benefits to the local economy by the new expenditure introduced to the area from the construction workers. The construction multiplier is 1.8[41]. **Table 7.13** presents the assumptions used to calculate the construction employment.

Table 7.13: Construction Employment Assumptions

Use	Leakage	Displacement	Multiplier
Construction	0%	10%	1.8
• The concept of 'leakage' is not considered to be relevant here as the Study Area takes into account the residential location of the HNRFI construction workers and therefore there is no leakage. • Displacement effects are based upon the Homes and Communities Agency Additionality Guide (2014) and professional judgement. • ONS Input-Output Analytical Tables 2018 are used to estimate multiplier effects.			

Source: Homes and Communities Agency (2014), ONS (2022), Savills (2022)

7.204. Accounting for the positive multiplier effects and discounting for potential adverse displacement effects results in an estimate of an additional 275 jobs created off-site per annum over the 10 year construction period. The majority of these would be in businesses linked to the construction sector, but some would be in local businesses such as cafés and accommodation that would benefit from the new expenditure associated with the on-site workers. **Table 7.14** sets out the steps involved in estimating the additionality of the construction employment associated with the Proposed Development.

[39] Annual Population Survey Resident Based Employment (2022)
[40] A ready reckoner simplifies the process of assessing the net additional impacts by providing a series of estimates of the scale of each effect.
[41] 2018 Input-Output Analytical Tables Type 1 Effects and Multipliers

Table 7.14: Additionality of Construction Employment

	Steps Involved	
A	Construction Workers on-site (gross, direct, per annum)	461
B	Leakage (0%) (A*0%)	0
C	On-Site jobs (direct) (A+B)	461
D	Displacement (10%) (C*10%)	-46
E	Multiplier (1.8 for Construction) ((C+D)*(1.8-1))	322
F	Off-site employment induced by construction employment (net, indirect) (D+E)	275
G	Net additional employment from the construction of the Proposed Development (C+F)	737

Figures may not sum due to rounding. Source: Savills (2022)

7.205. **Table 7.14** shows that the construction phase will generate a total of approximately 461 on-site construction jobs per annum. The concept of 'leakage' is not considered relevant here as the Study Area takes into account the residential location of the HNRFI construction workers and therefore there is no leakage.. Once the displacement and multiplier effects explained above have been considered, this equates to 737 net additional construction jobs. The construction phase is estimated to have a medium positive impact on the high sensitivity construction employment in the relevant study area (where there is, in total, 52,300[42] residents in construction employment, and a higher proportion of JSA claimants in construction and building and woodworking trades in the Study Area than in England), resulting in a **moderate beneficial** effect over the short and medium term.

Employment during Operation

7.206. This section identifies the likely significant socio-economic effects from the completion and operational phases of the Proposed Development.

7.207. Operational phase jobs would be generated once the construction has been completed and the Proposed Development is occupied. The assessment also considers the displacement of jobs elsewhere, and indirect multiplier effects as a result of the new jobs on-site.

On-site Employment

7.208. Current levels of employment on-site associated with the agricultural land holding and businesses are considered to be negligible in the context of the HNRFI. The expectation is that these would continue into the future in the absence of the HNRFI. This concept is called the reference case. This does not detract from the potential adverse effect the proposals could have on the agricultural land holdings and businesses, covered here separately.

[42] Annual Population Survey (2022) % all in employment who work in F: Construction in March 2022

7.209. The Leicester and Leicestershire Strategic Distribution Sector Study (2014) reports that many existing warehouses are becoming functionally obsolete due to three main reasons, two of them driven by technological change:

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

7.210. The market need for the HNRFI is driven partly by these changes, in conjunction with the modal shift to rail freight. But they also indicate the impact of technology on the way logistics operations are organised, with implications for the scale and type of employment required. With the increased incorporation of technology, workers will need to be more skilled than has been required historically.

7.211. Employment was calculated by applying the standard job density ratios from the Homes and Communities Agency (HCA) Employment Density Guide (2015) to the floorspace of the Proposed Development. The HCA advises applying 95 sq.m of Gross External Area (GEA) per worker for National Distribution Centres (NDCs), and 77 sq.m (GEA) per worker for Regional Distribution Centres (RDCs). This range has been informed by research conducted by Prologis surveying their own logistics operations.

7.212. The HNRFI is likely to accommodate a mix of NDCs and RDCs. Therefore, the different employment densities associated with each have been used to produce a range of employment estimates.

7.213. The employment densities do not account for vacancy. A degree of vacancy is necessary for the market to function efficiently, as businesses relocate to more appropriate premises. Current vacancy in the PMA is 2.8%, compared to 3% at the national level, as evidenced in Savills' Hinckley Rail Freight Interchange Logistics Demand and Supply Assessment (2022). More normal levels for the vacancy would be around 6% in line with the national average of the last 10 years, and is applied here.

7.214. Therefore, accounting for vacancy levels at 6%, employment on-site is estimated to be 8,400–10,400 workers once fully occupied depending on the employment density applied. The former number of jobs assumes that the employment density is 95 sq.m (GEA) per worker, whereas, the latter assumes that the employment density is 77 sq.m (GEA) per worker.

7.215. The baseline sets out the changing occupations that are seen in the sector. **Table 7.15** shows the job numbers for each type of occupation that could be employed on-site for both densities of jobs, based on the occupational breakdown laid out in **Figure 7.9.**

Table 7.15: Possible Occupational Split of On-Site Employment (FTE)

Occupation	Share	Lower Density	Higher Density
Managers and Senior Officials	11.2%	940	1,160
Professional Occupations	10.4%	875	1,080
Association Professional and Technical	11.7%	985	1,215
Administrative and Secretarial	7.7%	650	800
Skill Trades Occupations	14.9%	1,255	1,545
Personal Service Occupations	2.0%	170	210
Sales and Customer Service Occupations	3.2%	270	330
Process, Plant and Machine Operatives	26.2%	2,205	2,720
Elementary Occupations	12.6%	1,060	1,305
Total	100%	8,400	10,400

Source: Savills (2022)

Off-site Employment

7.216. There are further steps involved in estimating the 'additionality' of development. The first is leakage, which refers to the proportion of output that benefits those outside of the intervention's target area or group. Consistent with construction employment, the concept of 'leakage' is not considered relevant here as the Study Area takes into account the residential location of the HNRFI employees and therefore there is no leakage.

7.217. The second step is estimating displacement. Displacement is where the proposed activity could displace another activity in the target area, thereby reducing its additionality. As outlined in the HNRFI Logistics Demand and Supply Assessment (document reference 16.2), there is far more demand for I&L premises within the Hinckley PMA than there is available supply. Therefore demand is not considered to be a useful indicator for understanding displacement effects of the HNRFI on the local employment market.

7.218. This approach is mentioned in the 2021 WLLL which states that 70% of new distribution space by 2041 should replace existing stock. Instead research has been undertaken into the quantum and age of existing stock in the PMA studied in the HNRFI Logistics Demand and Supply Assessment (document reference 16.2). Obsolete stock (40 years old plus) is considered to be reasonable indicator for understanding the level if displacement the HNRFI may cause. This is based on the assumptions that employees working in older and poorer quality facilities may be particularly attracted to working in better conditions (modern high quality facilities), such as the new premises located in the HNRFI, and may be particularly attracted to working for larger national and international companies that typically cover a wide range of well paid jobs that enable career progression.

7.219. To understand which displacement rate could be considered appropriate, a review of the share of obsolete stock relative to the overall PMA was undertaken. This indicated that 19% of stock will become obsolete by the time the HNRFI becomes operational in 2032[43],

[43] This date is assumed to be close to the construction completion of the HNRFI

accounting for future growth of inventory (based on net additional deliveries per annum), and existing stock that would be refurbished each year. Further displacement guidance from the Department for Business Innovation and Skills[44] was reviewed, which concluded that inward investment projects tend to result in a median displacement of 28% at the regional level. This suggest that using HCA's ready reckoner of 'low' displacement of 25% is the most appropriate for this analysis.

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

7.221. The third step is estimating the indirect benefits of the operational activity. At a national level, multiplier employment effects are estimated to be 1.65 times the sector employment effects for the 'Transport and Storage' sector activities[45].

Additionality

7.222. **Table 7.16** presents the assumptions used to calculate the total net local effects. This incorporates leakage, multiplier and displacement effects. Additionally, appropriate vacancy levels typical to the local market are accounted for.

Table 7.16: Operational Employment Assumptions

Use	Leakage	Displacement	Multiplier	Vacancy
Storage and Distribution	0%	25%	1.65	6%
• The concept of 'leakage' is not considered to be relevant here as the Study Area takes into account the residential location of the HNRFI employees and therefore there is no leakage. • Displacement effects are based upon the Homes and Communities Agency Additionality Guide (2014) and professional judgement. • ONS 2018 Input-Output Analytical Tables (2022) are used to estimate multiplier effects.				

Source: Homes and Communities Agency (2014), ONS (2022), Savills (2022)

7.223. It is estimated that the proposal would generate 8,400-10,400 gross on-site jobs. Once leakage, displacement, and multiplier effects have been considered, the Proposed Development is expected to generate some 10,400-12,900 on and off-site jobs. **Table 7.17** presents the calculation steps for operational jobs.

[44] Department for Business Innovation and Skills (2009) Research to improve the assessment of additionality, available from: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/191512/Research_to_improve_the_assessment_of_additionality.pdf

[45] ONS 2018 UK Input-Output Analytic Tables (2022)

Table 7.17: Operational Jobs

	Steps Involved	Lower Density	Higher Density
A	Operational Workers on-site (gross, direct)	8,400	10,400
B	Leakage (0%) (A*0%)	0	0
C	On-site jobs (direct) (A+B)	8,400	10,400
D	Displacement (25%) (C*25%)	-2,105	-2,595
E	Multiplier ((C+D)*(1.65-1))	4,100	5,100
F	Net additional on-site jobs (C+D)	6,300	7,800
G	Off-site employment induced by operational employment (E+F)	2,000	2,500
H	Net additional on-site and off-site employment from operation of Proposed Development (C+G)	10,400	12,900

Figures may not sum due to rounding. Source: Savills (2022)

7.224. **Table 7.17** shows that the HNRFI would generate 10,400-12,900 additional FTE jobs for the national economy. However, it would also safeguard 2,100-2,600 jobs in the LLEP area by relocating logistics activities to a more sustainable location and built environment.

7.225. Of the additional jobs, 6,300-7,800 would be new on-site jobs that have not been displaced. A proportion of the off-site multiplier effects are also likely to benefit the Study Area. The LLEP HEDNA forecasts that employment will increase in the 'Transportation and Storage' sector by 6,800 jobs between 2011-2036. The additional jobs estimated here would be a component of these forecasts.

7.226. **Table 7.17** shows that the HNRFI would support 8,400-10,400 operational jobs. Once the effects of leakage, displacement and multiplier effects have been considered, this equates to 10,400-12,900 additional new jobs. As stated in the baseline assessment, it is estimated that 59,500 people will be unemployed in the Study Area in 2032[46]. The Proposed Development will therefore generate jobs for between 17% to 22% of future unemployed residents. The magnitude of employment is expected to be high positive. The sensitivity of employment for local residents is low. Therefore, the effect of operational jobs from the Proposed Development is predicted to be **moderate beneficial** over the long term.

7.227. The Employment and Skills Plan will ensure that the effects of operational employment are captured locally as anticipated.

GVA During Operation

7.228. Gross Value Added (GVA) is an indicator of wealth creation, measuring the contribution to the economy of economic activity associated with the operation of the Proposed Development. The operational jobs created will produce value for the regional economy (GVA). **Table 7.18** below presents the GVA assumptions.

[46] This date is assumed to be close to the construction completion of the HNRFI

Table 7.18: GVA Assumptions

Job Type	Average GVA per worker per annum in the LLEP (2020)
Storage and Distribution (B8)	£39,135
Notes: • Storage and Distribution (B8) is based on industry H: Transportation and Storage	

Source: ONS Regional Gross Value Added (balanced) by industry: city and enterprise regions current price estimates (2022), Business Register and Employment Survey (2020).

7.229. The direct GVA that the Proposed Development is expected to generate associated with the operational on-site jobs is £329-£406 million per annum.

7.230. GVA to the LLEP economy associated with the 6,300-7,800 additional jobs on-site is estimated by applying an annual GVA of £39,135 per FTE employee (Transport and Storage sector in the Leicester and Leicestershire LEP). This would represent a GVA contribution of between £247-£305 million per annum. In addition to this, the HNRFI would also safeguard the contribution of £82-£102 million per annum by re-allocating existing logistics jobs to a more optimal location.

7.231. The summary of operational GVA effects is summarised in **Table 7.19.**

Table 7.19: Operational GVA per annum effects (2021 prices)

	Lower Employment Density (FTE per 95sqm)	Higher Employment Density (FTE per 77sqm)
Direct GVA per year (due to operational on-site jobs)	£329 million	£406 million
GVA generated by additional jobs created in the Study Area	£247 million	£305 million
GVA safeguarded by the introduction of HNRFI	£82 million	£102 million

Source: Savills (2022)

7.232. This is likely to be a conservative estimate as a proportion of the off-site multiplier effects would also benefit the LLEP area. Although, it should be noted that the HNRFI would have a larger contribution than estimated, as it will help support regional and national economic growth, helping achieve the vision set out in the National Policy Statement for National Networks as outlined previously in the chapter.

Business Rate Retention

7.233. An estimate of the Business Rates for the Proposed Development indicates that this will create a potential receipt of some £24.1 million per year, depending on confirmed rating valuations. This figure is based on an average rateable value of £55 per sq.m. This rate is based upon research of similar industrial and logistics developments in the local area.

7.234. Currently, Leicestershire County Council receive 9% of rates, with the other 1% for the Fire Authority. The current Business Rates Retention Scheme does allow districts to retain 40% of any additional rates generated, but there is a 50% levy on these rates over and above the baseline funding, so this information is misleading around what will actually be retained.

7.235. In addition, the Levelling Up White Paper ends the potential for a 75% retention as it conflicts with the concept of Levelling Up.

7.236. **Table 7.20** outlines the revenue that could be received by each layer of government.

Table 7.20: Potential Business Rates Generated

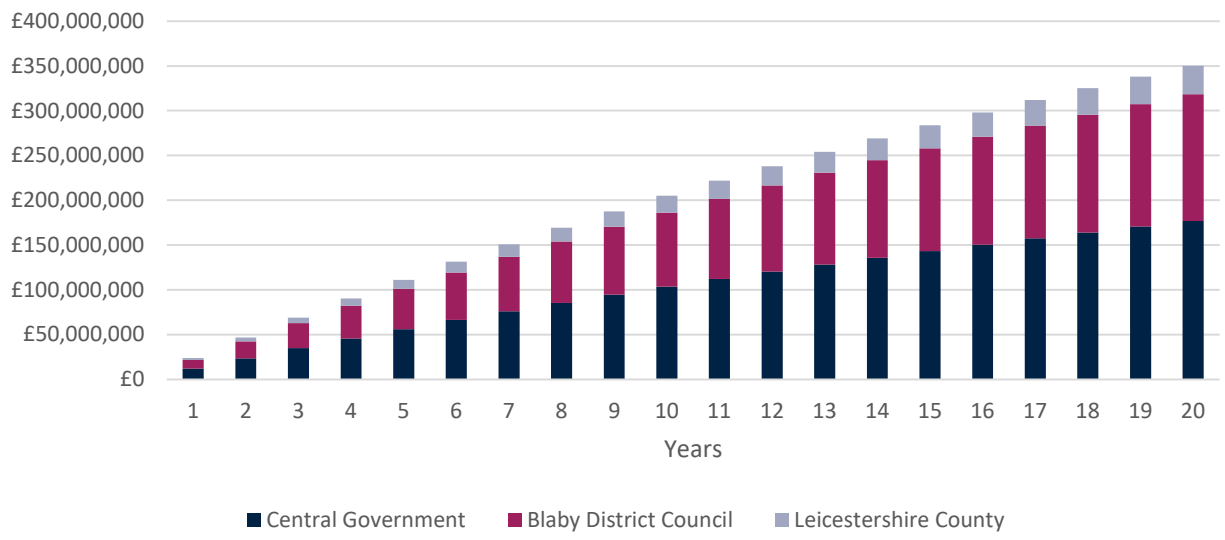
	Business Rate Allocation
Total Business Rates Generated (100%)	£24.1million
Business Rates retained by Central Government (50%)	£12.0 million
Business Rates retained by Blaby District Council (40%)*	£9.6million
Business Rates retained by Leicestershire County Council (9%)	£2.2 million
Business Rates retained by the Fire Authority (1%)	£240,500

Source: Savills (2022)

** The current Business Rates Retention Scheme does allow districts to retain 40% of any additional business rates generation, however this is not the full amount that will be received by Blaby District Council as there is a 50% levy on these rates over and above the baseline funding.*

7.237. If the Proposed Development was to meet the estimate of £24.1 million per annum in business rates revenue and current funding arrangements remained, over 20 years this would accumulate to over £353.8 million in total (net present value, discounting 3.5% per annum in line with Treasury Green Book). Of this, £141.5 million would be retained by Blaby District Council, and £31.8 million by Leicestershire County Council. **Figure 7.13** below illustrates the cumulative income that could be gained by each government layer.

Figure 7.13: Cumulative Business Rates Revenues discounted at 3.5% per annum



Source: Savills (2022)

7.238. In conclusion, whilst it is not possible to state with 100% confidence what the overall amount of benefit will be for local authorities, it is clear that the business rates associated with the Proposed Development will represent a substantial addition to their revenue stream.

Demand for Housing

7.239. As stated in the baseline assessment, according to the APS in March 2022 there were 52,300 residents in the construction study area employed in construction[47], and approximately 51,700 construction employees that work in the study area[48]. The comparison of the number of residents working in the construction sector and the number of jobs in the same sector for the construction study area shows a net export of jobs. Therefore the addition of 740 net additional construction jobs will likely be met by the local workforce. Consequently, this will have a negligible impact on demand for housing resulting in a **neutral effect.**

7.240. As laid out in the baseline, the projected number of working age adults is projected to increase to 1,480,000 by 2032. This estimate is used to calculate the future number of unemployed people, in addition to the unemployment rate. The UK economy is currently experiencing a level of unprecedented and historically low unemployment rate. Using a rate of 4.4% as stated in **Table 7.7** is not deemed appropriate. The 10-year average unemployment rate of 5.0% in the Study Area (ONS Model-based estimate of unemployment) is used instead to assume unemployment rate in 2032 in the Study Area. A similar approach is undertaken to calculate the 2032 economic activity rate (80%). This results in a projected number of circa 59,500 unemployed people in the Study Area in

[47] ONS Annual Population Survey % all in employment who work in F: Construction (March 2022)
[48] ONS Annual Population Survey Workplace Analysis % all in employment who work in F: Construction (March 2022)

2032[49].

7.241. Using data in **Table 7.9** above allows the estimation of the number of future job seekers in each occupation, as shown in **Table 7.21.** This is a high level projection, as it assumes that the occupational breakdown of jobs seekers remain the same, and that the share of JSA claimants' occupation is the same as the share of unemployed people's occupations.

Table 7.21: Future Unemployment by Occupation

Standard Occupational Classification (SOC)	Future Unemployed people
1 : Managers and Senior Officials	2,940
2 : Professional Occupations	140
3 : Associate Professional and Technical Occupations	140
4 : Administrative and Secretarial Occupations	840
5 : Skilled Trades Occupations	560
6 : Personal Service Occupations	280
7 : Sales and Customer Service occupations	16,940
8 : Process, Plant and Machine Operatives	420
9 : Elementary Occupations	37,240
Total	59,500

Source: ONS 2022, Savills 2022; Note that figures may not sum due to rounding

7.242. Crossing data on future unemployed people by occupation (**Table 7.21** above), on the share of occupation in the I&L sector (**Figure 7.9**) and on net additional on-site jobs (net of displacement) in the Proposed Development, would suggest that the future pool of unemployed people may be insufficient to fill all the jobs created by the HNRFI as shown in **Table 7.22** below. The future available labour pool will have a shortage of occupations such as Professional, Associate Professional and Technical, Skilled Trades, and Process and Machine Operatives. Between 2,730 and 3,660 workers may be required to move from outside the Study Area. Some may commute on a daily basis, while others would move permanently, which would increase the demand for housing.

Table 7.22: Number of Net Additional Jobs and Non-Local Jobs Created

	Future Unemployed People	Net-Additional On-Site Jobs		Non-Local Jobs	
		Lower Density	Higher Density	Lower Density	Higher Density
1: Managers and Senior Officials	2,940	705	870	-	-
2: Professional Occupations	140	655	810	515	670
3: Associate Professional and Technical	140	740	910	600	770

[49] This date is assumed to be close to the construction completion of the HNRFI

Occupations					
4: Administrative and Secretarial Occupations	840	490	600	-	-
5: Skilled Trades Occupations	560	940	1,160	380	600
6: Personal Service Occupations	280	130	160	-	-
7: Sales and Customer Service Occupations	16,940	200	250	-	-
8: Process, Plant and Machine Operatives	420	1,655	2,040	1,235	1,620
9: Elementary Occupations	37,240	795	980	-	-
Total	59,500	6,300	7,800	2,730	3,660

Source: ONS 2022, Savill 2022. Note that figures may not sum due to rounding

7.243. The HEDNA was produced in 2017 and forecast an additional 6,800 jobs in the transport and storage sector, over 2011-2036, with 3,050 additional jobs at strategic distribution development sites. The optimal location for strategic distribution development is identified as a new SRFI.

7.244. The assessment of housing need prepared as part of the HEDNA accounts for this labour market growth, but non-local jobs estimates in **Table 7.22** suggest that this may have been undercounted.

7.245. Based on HEDNA estimates, housing need arising from SRFI would be sufficient to meet demand from the Lower Density Scenario (2,730 jobs), but insufficient for the Higher Density scenario (3,660 jobs).

7.246. The allocation of housing need between local authorities has recently been updated. A Statement of Common Ground has now been signed between the authorities, with BDC accepting that they will take 346 homes per year of Leicester City's unmet need in addition to their own needs. BDCs Local Plan review is therefore planning for circa 12,000 homes over the plan period. As stated in the baseline assessment, the latest Annual Monitoring Reports and Housing Land Supply assessment from Local Authorities located within the Housing Market Area indicate that over the next 10 years, residential land would deliver a surplus of 1,517 dwellings.

7.247. Accounting for an average household size of 2.5 in 2032 in Leicester and Leicestershire[50], and a share of working age population[51] of 62%, the 1,517 units would provide housing for circa 2,330 working age people. This is summarised in **Table 7.23.**

Table 7.23: Population Capacity from Surplus Housing in the Housing Market Area by 2032

		Housing and Population Capacity

[50] ONS 2018-based Household Projections, Table 406, and 2018-based Population Projections
[51] ONS 2018-based Population Projections

A	5 year period	759
B	10 year period (A*2)	1,517
C	Households in HMA in 2032	472,763
D	Population in HMA in 2032	1,180,406
E	Average household size in 2032 (D/C)	2.5
F	Total population in surplus housing (B*E)	3,788
G	Working age adults (16-64 year olds) in HMA in 2032	727,097
H	Share of working age population in 2032 (D/H)	62%
I	Total working age population (F*H)	2,333

Source: Councils of Leicester (2017); Councils of Blaby, Charnwood, Harborough, Hinckley and Bosworth, Melton, North West Leicester, and Oadby and Wigston (2021), ONS 2018-based Household Projection (2020); ONS 2018-based Population Projections (2020)

7.248. This would assist with providing additional housing for the HNRFI employees moving in from outside of the Study Area under the Higher Density Scenario. However, this analysis does not account for additional housing need arising from other demand drivers. It is also likely that not all of the 1,517 surplus dwellings would house HNRFI employees. Nevertheless, it is also worth noting that the Housing Market Area covers a smaller geographical scope than the employment study area. Future housing provision in the latter may therefore alleviate the shortfall in the former to address the need from HNRFI employees.

7.249. Overall, the analysis of need assessment from the HEDNA and of population capacity of surplus housing may suggest that the Housing Market Area may not be able to fully respond to the need arising from HNRFI workers, and experience some pressure under the Higher Density scenario.

7.250. Consequently, the impact of additional residents due to the construction of the Proposed Development on housing demand is likely to be negligible in the short term, resulting in a **neutral effect.** The impact of the operational employment of the Proposed Development is anticipated to be low negative on the high sensitivity demand for housing, resulting in a **minor adverse effect** in the medium to short term.

Logistics Sector

7.251. The Warehousing and Logistics in Leicester and Leicestershire Managing Growth and Change Study (amended 2022) recommends that the LLEP authorities plan for around 2,570,000 sq.m of new build strategic distribution premises to replace ageing premises, as well as serve increasing demand, by 2041. The HNRFI is estimated to deliver up to 850,000 sq.m of logistics floorspace, which equates to over 30% of this requirement.

7.252. Further to this, based on the Savills demand methodology stated in the Hinckley Rail Freight Interchange Logistics Demand and Supply Assessment (Savills, 2022), over a 20 year plan period, it is estimated that the future demand for ~~100,000~~9,290+ sq.~~ft~~ m

properties[52] across the PMA is 2,061 ha for all I&L uses, and 1,772 ha for B8 uses (86% of total demand) within units above ~~100,00~~9,290 sq.~~ft~~m. This level of demand is 150% higher than the current supply of 709 ha.

7.253. The impact magnitude of the Proposed Development for the logistics sector would be high positive, and the sensitivity of local businesses would be high, resulting in a **major beneficial** effect over the long term.

Land Use and Accessibility

Private Property and Housing

7.254. It is proposed that a Construction Traffic Management Plan (CTMP) will be implemented by the contractor to address the potential adverse effects of the construction on the local surrounding highway network in advance of construction.

7.255. A Construction Environmental Management Plan (CEMP) will also be prepared and put in place to ensure best practicable measures are adopted. This will help to ensure that the air quality, noise and vibration impacts relating to construction activities are minimised.

7.256. Therefore the impact magnitude of the construction of the Proposed Development on the affected private properties and housing would be low negative. The sensitivity of the occupiers of the private property and housing is high, resulting in a **minor adverse** effect over the short term.

7.257. **Table 7.24** below provides relevant conclusions from the Transport and Traffic, Noise, and Air Quality ES chapters, and the Proposed Development External Lighting Statement for the operational stage of the HNRFI. These inform the assessment.

Table 7.24: Technical Documents Conclusions

Source	Relevant Technical Conclusion
Transport and Traffic Chapter (Chapter 8)	The HNRFI, with the proposed mitigation improvements in place is considered to have an overall direct effect of long-term minor adverse significance. This is because traffic from the Main HNRFI Site is to be distributed along major roads which already accommodate heavy traffic, such as the M69. Minor adverse impacts will be experienced on some local roads with traffic increases. However, this is balanced with reductions on busy roads around Hinckley and Burbage.
Air Quality Chapter	Chapter 9 analyses the predicted changes concentrations of NO_2, PM_{10} and $PM_{2.5}$ for various human receptors. It concludes that existing concentrations of NO_2, PM_{10} and $PM_{2.5}$ in the study area are predicted to be below the relevant air quality objectives at all

[52] Units above this size are considered to be large and will be the focus of the HNRFI development

	receptors and the Proposed Development does not lead to any new exceedances of the air quality objective.
Noise Chapter	The existing ambient noise levels are predicted to increase by up to 3.1dB during the weekday and weekend daytime and night-time as a result of the proposed operations of the SRFI, with mitigation in place. This level of change is considered marginal, and would barely be perceptible to the human ear with changes of 3dB only just perceptible under laboratory conditions. As such, an increase of 3dB is considered to be low.
Appendix 7.1: Health and Equality Briefing Note	Construction of the HNRFI has the potential to influence a number of potential health determinants. On-site construction activities and traffic movements to/from the construction Site would result in changes to local air quality and noise exposure. However, following the implementation of best practice measures and taking into consideration the magnitude and temporary/transient nature of these changes, the impact on health and wellbeing is not anticipated to be significant. During the construction phase, changes to the visual environment are difficult to mitigate entirely. However, best practice construction methods will aid in reducing the perception of construction activities for those receptors most likely to be affected. While changes in the visual environment may be significant, the impact on health and wellbeing would not be significant on the basis that reasonable and accessible alternative resources for physical activity and recreation exist in the local area. During operation, the predicted long-term changes in air quality and noise exposure would be minimal and remain within objective thresholds set to be protective of the environment and human health. On this basis, the resultant impact on health and wellbeing would not be significant. In terms of visual impacts, once mitigation has matured (i.e. Year 15 of operation), the residual effect would not be significant at the majority of receptors assessed. No substantial changes in operational transport nature/flow rate have been identified, and therefore there is no potential for adverse health effects associated with the operation of the HNRFI.
External Lighting Statement	The Proposed Development proposes a detailed lighting design to minimise light pollution, complying with relevant policy and guidance. The main principles to be followed are: • All areas within the development are lit adequately to the relevant policy and guidance, depending on the purpose, intended usage and to ensure safety;

	• Luminaires will be LED light source to provide optimum energy efficiency and accurate targeting of light output to keep obtrusive light effects to an absolute minimum; • Meet relevant standards and Client requirements, and where possible to emphasise the developments key spaces and views; • Minimise crime and promote safety throughout the development; and • Minimise light pollution. Lighting has been addressed as a standalone 'Lighting Strategy' document (ES Document 10.1). It is referred to in the Biodiversity and Landscape and Views ES Chapters.

7.258. Taking into consideration the conclusions of the above technical assessments and the proposed mitigation, a discernible change in the attributes and quality of the local houses is anticipated. Severance levels will be kept constant with the proposed mitigation. Therefore the impact magnitude of the Proposed Development on the affected private property and housing would be low negative. The sensitivity of the occupiers of the private property and housing is high, resulting in a **minor adverse** effect over the long term.

Community Land and Assets

7.259. Access to Burbage Woods and Common will be affected by the Proposed Development. However, this will be mitigated by the shared pedestrian and cycleway on the new A47 link road through the Main HNRFI Site. The proposed pathways and the proposed bridleway corridor will retain the existing north-south link affected by the Proposed Development. PRoW Appraisal and Strategy (Appendix 11.2, document reference 6.2.11.2) concludes that once the assessment's recommendations are considered then PRoWs do not represent an 'in principle' constraint to development of the Main HNRFI Site. Upon completion, a new PRoW network will be established around the Main HNRFI Site to facilitate previous onward connections. The Proposed Development incorporates landscape enhancements which include the provision of a retained, albeit realigned and upgraded on-site PRoW network across the main HNRFI Site (Figure 11.14, document reference 6.3.11.14), offering recreational value and a community resource.

7.260. The above will result in very minor introduction of severance with ample accessibility provision. Therefore the impact magnitude of the Proposed Development on the affected community land and assets would be low negative. The sensitivity of the community land assets is medium, resulting in a **minor adverse** effect over the long term.

Businesses

7.261. The boarding kennels business and farm shop, which are located within the Main HNRFI Site would cease operation permanently. As these are small employment sites, the impact magnitude of the Proposed Development on the affected businesses would be low negative. The sensitivity of the businesses in the Study Area is medium, resulting in a **minor**

adverse effect over the long term.

7.262. The businesses in the surrounding area will be affected in a similar way to the local housing. The equestrian businesses adjacent to the Main HNRFI Site are not anticipated to be affected due to the proposed bridleway network of the Proposed Development, which ensures that connectivity around the Main HNRFI Site is retained via new dedicated links. There are currently no suitable connections to the bridleway network within or to the east of the Main HNRFI Site. There is therefore the opportunity to create a new traffic free link, routing a bridleway around the eastern edge of the Main HNRFI Site to connect with Bridleway V29. Taking into consideration the conclusions of the above technical assessments and the proposed mitigation, a discernible change in the attributes and quality of the local businesses is anticipated. Severance levels will be kept constant with the proposed mitigation. Therefore the impact magnitude of the Proposed Development on the affected businesses in the Study Area would be low negative. The sensitivity of the businesses in the Study Area is medium, resulting in a **minor adverse** effect over the long term.

Development Land

7.263. The development land is not an existing or allocated employment site and therefore the impact magnitude of the Proposed Development will be negligible. The sensitivity of the receptor is low, resulting in a **neutral** effect over the long term.

Agricultural Land Holdings

7.264. Farming operations and agricultural businesses within the Main HNRFI Site will be acquired and permanently cease operation. Therefore the impact magnitude of the Proposed Development on the agricultural land holdings is expected to be high negative. The sensitivity of the agricultural land holdings is high, resulting in a **major adverse effect** over the long term. However the landowners would gain financially from the sale of the land which could be reinvested in replacement holdings if available.

Walkers, Cyclists and Horse-Riders

Air Quality

7.265. As set out above, the Proposed Development does not lead to any new exceedances of the air quality objective. Therefore the impact of the Proposed Development on air quality is considered to be negligible. We consider this to also be applicable to walkers, cyclists and horse riders.

Noise and Vibration

7.266. The Proposed Development is anticipated to affect the tranquillity of community land and the walkers, cyclists and horse riders, who are its main users. Chapter 9 includes a tranquillity assessment. This concludes that the Proposed Development will affect the

tranquillity of Freeholt Woods.

7.267. Therefore the impact magnitude of the Proposed Development on the walkers, cyclists and horse-riders would be low negative. The sensitivity of the walkers, cyclists and horse-riders is medium, resulting in a **minor adverse** effect over the long term.

PROPOSED MITIGATION

7.268. This section provides a description of any additional enhancement and mitigation measures proposed to minimise the potential adverse effects identified by the assessment as set out previously. The mitigation measures will reduce the severity of impacts and their significance. As stated above, only effects that are moderate or major are considered to be significant in EIA terms. There is only one major effect identified by the assessment which is considered below.

7.269. Adverse land use and socio-economic effects are anticipated for the existing agricultural land holdings. These will be mitigated by the financial gain of the owners from the sale of the land which could be reinvested in replacement land holdings if available.

7.270. No additional mitigation measures are required apart from the measures proposed in the transport and traffic, air quality and noise and vibration chapters. These include setting aside an area of open space south of the A47, landscaping, earth moulding to screen the Return Container yard, and the Lighting Strategy.

RESIDUAL ENVIRONMENTAL EFFECTS

7.271. The residual effects with the exception of agricultural land holdings remain the same as described in Potential Socio-Economic Effects section as no significant adverse effects were identified and there is no need for mitigation in addition to the ones proposed from other ES technical chapters.

7.272. Therefore the impact magnitude of the Proposed Development on the agricultural land holdings after mitigation would be negligible, resulting in a **neutral effect** over the long term.

CLIMATE CHANGE

7.273. A future climate change scenario has been developed using UK Climate Projections (UKCP18) projections published by the Met Office. UKCP18 projections are based on the latest developments in climate science and translate global climate change statistics into changing seasonal weather characteristics for the UK. This is used to assess how the environmental and socio-economic effects of a Proposed Development may change under a future climate scenario.

7.274. Several environmental factors are likely to vary in the future due to climate change. These include warmer air temperature with warming being greater in the summer, significant

increase in winter precipitation, decrease of summer rainfall and sea level rise.

7.275. When considering climate change effects, it is necessary to firstly consider the vulnerability of specific receptors to climate change. High vulnerability receptors are those where the receptor is directly dependent on the existing or prevailing climate. Moderate vulnerability receptors are those where the receptors are dependent on some climatic factors, but able to tolerate a range of conditions. A receptor that is of low vulnerability is one where climate has little influence on the receptor.

7.276. In the context of socio-economics, it is considered that climate factors have little influence on receptors. The development will be designed to take account of the forecast effects of climate change and will include measures such as shade and cooling for employees.

7.277. As such, under a future climate, the effects of the Proposed Development on employees are anticipated to remain as presented for the Proposed Development under the current climate conditions.

CUMULATIVE EFFECTS

7.278. As stated in Chapter 20 at Paragraph 20.5, according to the Planning Inspectorate's Advice Note Seventeen: Cumulative effects assessment relevant to nationally significant infrastructure projects (Version 2, August 2019, paragraph 3.1.1):
'Other existing development and/or approved development' likely to result in significant cumulative effects should be identified and assessed by the applicant in the Cumulative Environmental Assessment (CEA)…in order to establish the relevant 'other existing development and/or approved development' the applicant should determine the Zone of Influence (ZOI) for each environmental aspect considered within the ES…'.

7.279. The ZOI for land use and socio-economic effects is considered to be the study area of 30km from the Main Order Limits.

7.280. The following principles of the four stage assessment approach to cumulative assessment, as outlined in Advice Note 17, have been adopted in the ES for the HNRFI:

- Stage 1: Establish the Project's ZOI and Long List of 'other existing development and/or approved development';
- Stage 2: Establish a shortlist of 'other existing development and/or approved development' and apply a threshold criterion based on temporal scope, the scale and nature of development and any other relevant factors to assist in deciding whether to include or exclude the 'other existing development and/or approved development' identified;
- Stage 3: Information Gathering – Compile detailed information on the 'other existing development and/or approved development' shortlisted at Stage 2 including design and location, programme of construction, operation and decommissioning and environmental assessment information; and

- Stage 4: Assessment – Assess the cumulative effects of the Proposed Development with the shortlist of 'other existing development and/or approved development' based on factors including duration of effect, extent of effect, type of effect, frequency of effect, value and resilience of receptors and likely success of mitigation.

7.281. The shortlist includes 32 sites with 24 being primarily residential and the rest commercial. In total the cumulative sites include circa 18,650 residential units and approximately 400,000 sqm of employment floorspace (B1, B1c, B2, B8).

Construction Employment

7.282. The construction of the cumulative sites would help support construction firms operating in the region and provide jobs in the construction industry. Due to the lack of detailed information on the cost and duration of the construction phases of the cumulative sites, it is not feasible to make detailed projections. Planning application documents for two of the cumulative schemes estimated that the two sites would generate net additional construction employment of circa 3,350 FTE jobs over 16 years, or 210 on average per annum. The cumulative sites are therefore expected to deliver over 210 construction jobs on average per annum. Some of the construction stage of the cumulative schemes will overlap with the HNRFI's construction period, providing further opportunities for local construction workers.

7.283. **Table 7.14** shows the total on-site jobs created during the construction phase of the Proposed Development. These will be 461 jobs per annum. Once the displacement and multiplier effects explained above have been considered, this equates to 740 net additional construction jobs.

7.284. It is judged that the cumulative developments will have a medium positive impact, and considering the high sensitivity of construction employment in the relevant Study Area, it is likely that the cumulative effect with the Proposed Development will remain **moderate beneficial** in the short and medium term. This effect significance is considered appropriate on the basis that the construction impacts of the cumulative scheme lacks detail, and therefore the resulting effects are assumed to remain as **moderate beneficial** in the short to medium term.

Employment during Operation

7.285. The cumulative developments would support job creation in the local area. It is not feasible to make detailed projections of the number of jobs created given the high number of new developments and limited detail. However, the shortlisted cumulative sites propose approximately 400,000 sq.m of additional commercial floorspace. Planning application documents for the cumulative schemes have been reviewed, and where available, the actual operational employment estimates from these documents have been used in the cumulative assessment, amounting to 1,560 jobs.

7.286. **Table 7.25** below estimates the possible operational jobs created by the cumulative developments. It follows the approach laid out above using employment density, vacancy rate, as well as accounting for leakage, displacement and multiplier effects.

7.287. Where available, employment densities are applied to the relevant land uses as per the HCA's Employment Density Guide. However some cumulative schemes, mainly those at outline planning stage or site allocations, do not necessarily provide a specific breakdown of land uses. In the instance where the use class is not specified, the assessment uses the average employment density for Office (9.6 sq.m per FTE), Light Industrial (47 sq.m per FTE), Industrial (36 sq.m per FTE) and Warehouse (70-95 sq.m per FTE) from the HCA's Employment Density Guide (2015). This results in an average employment density of 52 sq.m per FTE for non-specified employment floorspace.

7.288. The assessment accounts for a medium displacement rate based on the ready reckoners of the Additionality Guide (50%). It also accounts for typical vacancies, set at 6% for industrial and warehousing floorspace, and at 6% and 3% for office and retail respectively, based on CoStar market data. In line with the assessment of Potential Socio-Economic Effects, leakage rate is not applied here given the wide range of projects' scale and location. Multiplier effects are also applied. Unlike the HNRFI which is assumed to have wide scale repercussions on the national supply chain, shortlisted cumulative schemes are assumed to be more limited in scale, and to have impacts on regional supply chains. ONS multiplier rates are therefore marginally reduced to account for these regional impacts. These amount to 1.71, 1.45, and 1.23 for office, industrial and warehousing, and retail uses respectively.

7.289. Cumulative schemes will deliver new dwellings, and some residents may be working from home. The assessment of cumulative operational employment therefore also includes potential homeworkers. This is estimated based on the proposed number of units (circa 18,650), average household size of 2.21 in Hinckley and Bosworth[53], the share of working age (16-64 years) population in Hinckley and Bosworth of 58%[54], the percentage of economically active 16-64 year olds (80.1% as per baseline assessment), and the share of homeworking people in Hinckley and Bosworth of 7% pre Covid-19 pandemic[55]. Multiplier rate of office-based activities are applied to homeworkers.

[53] ONS 2018-based Household and Population Projections
[54] ONS 2018-based Population Projections
[55] ONS Estimates of Homeworking in the UK 2020, January to December 2019

Table 7.25: Cumulative Developments Operational Employment

Effect	Employment (FTE)
Estimates Based on Floorspace Provided	
A. On-site (incl. 6% vacancy)	5,700
A1 of which are homeworkers	*1,060*
B. Displacement (50%) (A – A1) *(1-0.5)	-2,300
C. Multiplier ((A+B)*rate)	1,900
D. Off-site (B+C)	-400
E. Additional (A+D)	5,300
Estimates Based on Jobs Calculations	
F. Additional	*1,560*[56]
Total (E+F)	6,800

Source: Savills 2022. Note that figures may not sum due to rounding.

7.290. The cumulative sites are estimated to generate circa 6,800 net additional jobs during operation. In addition to jobs created by the Proposed Development (10,400 to 12,900), cumulative schemes would provide jobs to circa 40% of the unemployed labour force in the Study Area. The magnitude of employment impacts is expected to be high positive. The sensitivity of local residents seeking employment is low. Therefore, the cumulative effect of operational jobs from the cumulative schemes is predicted to be **moderate beneficial** over the long term.

Demand for Housing

7.291. Insufficient information is available to precisely assess the impact of the construction workforce on housing demand in the Housing Market Area. Nevertheless, in line with the analysis laid out in the assessment of Potential Socio-Economic Effects, it is assumed that the labour force employed in the construction sector in the Study Area will be sufficient to meet the needs of cumulative schemes. Consequently this will have a **negligible** impact on the demand for housing.

7.292. The cumulative developments are expected to deliver approximately 18,650 residential units, primarily in Hinckley and Bosworth, and in Blaby. Using population and household forecasts, this could amount to circa 24,000 working age people (16-64 year olds). It could be anticipated that the increase in employment floorspace in the cumulative schemes will lead to further demand for housing. The HEDNA forecasts an additional 99,200 jobs between 2011 and 2036. Hinckley and Bosworth and Blaby alone would address nearly 25% of this need. The HEDNA was produced in 2017, and the assessment of housing need accounts for the above labour market growth, but the allocation of housing need between

[56] Planning application documents for the cumulative schemes have been reviewed, and where available, the actual operational employment estimates from these documents have been used in the cumulative assessment, amounting to 1,560 jobs.

local authorities is currently being updated. It is likely that residential developments in other local authorities that are part of the HMA used in the HEDNA will contribute to meeting the need arising from the new workforce projected by the HEDNA. Cumulative residential developments in the local authorities of Hinckley and Bosworth and Blaby are therefore also likely to help meet the demand arising from the HNRFI employees moving from outside the HEDNA, and are expected to have a high impact magnitude.

7.293. Consequently, the impact of additional homes from the cumulative sites is likely to have a positive impact on housing supply. In addition to the Proposed Development's negative impact, the likely cumulative effect will be **neutral** over the long term.

Land Use and Accessibility

7.294. It is anticipated that the cumulative developments would be subject to the same best practice measures, such as those detailed in the CEMP for the HNRFI.

7.295. It is judged that the cumulative developments will have a neutral impact for private property and housing, community land and assets, agricultural land holdings and Development land and businesses. This is due to the location of the cumulative shortlisted sites being at least 1km away from the Main HNRFI Site and therefore not in the Study Area.

Logistics Sector

7.296. As discussed in the Potential Socio-Economic Effects section, there is a high demand for logistics space in the PMA. The cumulative schemes will deliver approximately 400,000 sq.m of industrial and logistics floorspace, or 16% of the requirement identified. The cumulative schemes are therefore estimated to have a medium positive impact on the high sensitivity logistics businesses. The resulting effect of the Proposed Development with the cumulative schemes is a **major beneficial** effect over the long term.

CONCLUSIONS

7.297. The size of the labour market sets the context for assessing the potential effects of the new jobs that would be created at the Proposed Development. There are 1,338,400 people in the Study Area aged between 16-64, of which 80.1% are economically active, which is higher than the England average of 78.7%.

7.298. The unemployment rate in the Study Area sits slightly below the England average of 4.6% at 4.4%. This includes those residents who are not claiming unemployment benefits but are still seeking work. This results in approximately 46,100 unemployed people in the Study Area.

7.299. In the operational employment Study Area, the largest share of residents work in 'Wholesale and Retail Trade' (18.4%), and in 'Manufacturing' (13%). Instead in England, 'Manufacturing' is the fourth largest sector, behind 'Human Health and Social Work' and

'Education'.

7.300. The APS permits the study of resident based and workplace based employment in the construction sector in March 2022. In March 2022, there were 52,300 residents in the construction Study Area employed in construction, and approximately 51,700 construction employees that work in the construction Study Area. This suggests that the construction Study Area is a net exporter of jobs in the construction sector.

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

7.302. There is a higher proportion of residents employed in the Transport and Storage sector in the operational Study Area compared to the national average. This reflects the higher proportion of opportunity in the logistics sector, in what is the prime location for national logistics operators, consistent with the findings of the WLLL (amended 2022) report.

7.303. The assessment of housing need accounts for this labour market growth in addition to the latest five year housing land supply, and five year housing need. The five year housing land supply is greater than the requirements.

7.304. The immediate area surrounding the main HNRFI Site does not have large concentrations of deprivation, except the south-west of Hinckley. Neighbouring Nuneaton and Bedworth have a concentration of communities in the top 10% and 20% most deprived, as do Coventry and Leicester which are further afield.

7.305. The construction of the Proposed Development is anticipated to deliver 461 on-site jobs per annum during the construction period of 10 years. Once leakage, displacement and multiplier effects are considered, it is anticipated that there will be a net addition of 740 jobs per annum. This is judged to be **moderate beneficial** over the short term.

7.306. In terms of operational employment, the HNRFI is likely to accommodate a mix of National Distribute Centres (NDCs) and Regional Distribution Centres (RDCs). Therefore different employment densities associated with each have been adopted, and employment estimates are presented as a range. It is estimated that the proposal would generate between 8,400-10,400 gross on-site jobs. Once leakage, displacement, and multiplier effects have been considered, the Proposed Development is expected to generate some 10,400-12,900 on and off-site jobs. The effect of operational jobs from the Proposed Development is predicted to be **moderate beneficial** over the long term.

7.307. Gross Value Added (GVA) is an indicator of wealth creation, measuring the contribution to the economy of economic activity associated with the Proposed Development. The direct GVA that the Proposed Development is expected to generate associated with the operational on-site jobs is between £329-£406 million per annum. The 6,300-7,800 additional jobs on-site would represent a GVA contribution of between £247-305 million per annum. In addition to this, the HNRFI would also safeguard the contribution of £82-

£102 million per annum by re-allocating existing logistics jobs to a more optimal location.

7.308. As estimate of the business rates for the Proposed Development indicates that this will create a potential total receipt of some £24.1 million per year, depending on confirmed rating valuations. It is to be noted that currently, Leicester County Council receive 9% of rates, with the other 1% for the Fire Authority. The current Business Rates Retention Scheme does allow districts to retain 40% of any additional rates generated, but there is a 50% levy on these rates over and above the baseline funding.

7.309. The comparison of the number of residents working in construction and the number of jobs in the same sector for the construction Study Area shows a net export of jobs. Therefore the net addition of 740 construction jobs will likely be met by local workers. Consequently this will have a negligible impact on the demand for housing, resulting in a **neutral** effect.

7.310. The analysis of needs assessment from the HEDNA and of population capacity of surplus housing may suggest that the HMA may not be able to fully respond to the need arising from the HNRFI workers, and experience some pressure under the higher sensitivity scenario. The impact of the operational employment of the Proposed Development is anticipated to be low negative on the high sensitivity demand for housing, resulting in a **minor adverse** effect in the medium to long term.

7.311. The Warehousing and Logistics in Leicester and Leicestershire Managing Growth and Change Study (amended 2022), recommends that the LLEP authorities plan for around 2,570,000 sq.m of new build strategic distribution premises to replace aging premises, as well as serve increasing demand, by 2041. The Proposed Development is estimated to deliver up to 850,000 sq.m of logistics floorspace, which equates to almost 30% of this requirement.

7.312. Further to this, based on Savills demand methodology stated in the Hinckley Rail Freight Interchange Logistics Demand and Supply assessment (Savills, 2022), over a 20 year plan period, it is estimated that the future demand for ~~100,000~~9,290+ sq.~~ft~~ m properties across the PMA is 2,061 ha for all I&L uses, and 1,772 ha for B8 uses (86% of total demand) within units above ~~100,000~~9,290 sq.~~ft~~m. This level of demand is 150% higher than current supply of 709 ha. The impact magnitude of the Proposed Development on the logistics sector would be high positive, and the sensitivity of local businesses would be high, resulting in a **major beneficial** effect over the long term.

7.313. The impact magnitude of the Proposed Development on the affected private property and housing would be low negative. The sensitivity of the occupiers of the private property and housing is high, resulting in a **minor adverse** effect over the long term.

7.314. The impact magnitude of the Proposed Development on the affected community land and assets would be low negative. The sensitivity of the community land assets is medium, resulting in a **minor adverse** effect over the long term.

7.315. The boarding kennel business and farm shop, which are located within the Main HNRFO

Site would cease operation permanently. As these are small employment sites, the impact magnitude of the Proposed Development on the affected businesses would be low negative. The sensitivity of the businesses in the Study Area is medium, resulting in a **minor adverse** effect over the long term.

7.316. The businesses in the surrounding study area will be affected in a similar way to the local housing. The impact magnitude of the Proposed Development on the affected businesses in the Study Area would be low negative. The sensitivity of the businesses in the Study Area is medium, resulting in a **minor adverse** effect over the long term.

7.317. The development land is not an existing or allocated employment site and therefore the impact magnitude of the Proposed Development will be negligible. The sensitivity of the receptor is low, resulting in a **neutral** effect over the long term.

7.318. Farming operations and agricultural businesses within the Main HNRFI Site will be acquired and permanently cease operation. Therefore the impact magnitude of the Proposed Development on the agricultural land holdings is expected to be high negative. The sensitivity of the agricultural land holdings is high, resulting in a **major adverse** effect over the long term.

7.319. The impact magnitude of the Proposed Development on the walkers, cyclists and horse-riders would be low negative. The sensitivity of the walkers, cyclists and horse-riders is medium, resulting in a **minor adverse** effect over the long term.

7.320. In terms of any additional mitigation measures proposed to minimise the potential adverse effects identified by the assessment, adverse land use and socio-economic effects are anticipated for the existing agricultural land holdings. These will be mitigated by the financial gain of the owners from the sale of the land, which could be reinvested in replacement land holdings if available. No additional mitigation measures are required, apart from the measures proposed in the transport and traffic, air quality, and noise and vibration chapters.

7.321. The residual effects with the exception of agricultural land holdings remain the same as described in Potential Socio-Economic Effects section as no significant adverse effects were identified, and therefore there is no need for mitigation in addition to those proposed from other ES chapters. Therefore the impact magnitude of the Proposed Development on the agricultural land holdings after mitigation would be negligible, resulting in a **neutral** effect over the long term.

7.322. It is considered that whilst the effect of climate change could magnify any adverse effects on employees, it is assessed as being relatively low. As such, under a future climate, the effects of the Proposed Development on employees are anticipated to remain as presented for the Proposed Development under current climate conditions.

7.323. The construction of the cumulative sites would help to support construction firms operating in the region, and provide jobs in the construction industry. Due to the lack of detailed information on the cost and duration of the construction phases of these sites, it

is not feasible to make detailed projections. The schemes will create a minimum of 210 construction jobs per annum over a construction period of 16 years, based on available planning documents. It is judged that the cumulative developments will have a medium positive impact, and considering the high sensitivity of construction employment in the Study Area, it is likely that the cumulative effect with the Proposed Development will remain **moderate beneficial** in the short and medium term.

7.324. The cumulative sites are estimated to generate circa 6,800 net additional jobs during operation. In addition to jobs generated by the Proposed Development (10,400 to 12,900), cumulative schemes would provide jobs to circa 40% of the unemployed labour force in the Study Area. The magnitude of employment impacts is expect to be a high positive. The sensitivity of local residents seeking employment is low. Therefore the cumulative effect of operational jobs from the cumulative schemes is predicted to be **moderate beneficial** over the long term.

7.325. The cumulative developments are expected to deliver approximately 18,650 residential units, primarily in the local authorities of Hinckley and Bosworth, and Blaby. Cumulative residential development in Hinckley and Bosworth and Blaby would therefore be likely to help meet the demand arising from the HNRFI employees moving from outside the HEDNA, and have a high impact magnitude. Consequently the impact of additional homes from the cumulative sites is likely to have a positive impact on addressing housing demand. In addition to the Proposed Development's negative impact, the likely cumulative effect will be **neutral** over the long term.

7.326. The cumulative schemes are estimated to provide circa 16% of identified logistics space requirements. The cumulative developments are therefore estimated to have a medium positive impact on the high-sensitivity logistics businesses that could benefit from the Proposed Development. The resulting effect of the Proposed Development with the cumulative schemes is a **major beneficial** effect over the long term.

Table 7.26: - Summary of Effects

Description of impact	Inherent mitigation measures adopted as part of the project	Magnitude of impact	Sensitivity of receptor	Significance of effect	Additional mitigation measures	Residual effect	Proposed monitoring
Construction employment	Local Employment and Skills Strategy	Medium positive	High	Moderate beneficial	None	**Moderate beneficial**	None
Operational employment	Local Employment and Skills Strategy	High positive	Low	Moderate beneficial	None	**Moderate beneficial**	None
Demand for housing from construction workers		Negligible	High	Neutral	None	Neutral	None
Demand for housing from HNRFI's workers		Low negative	High	Minor adverse	None	Minor adverse	None
Logistics sector		High positive	High	Major beneficial	None	**Major beneficial**	None
Private property and housing	Construction Environmental Management Plan (CEMP)	Low negative	High	Minor adverse	None	Minor adverse	None

Description of impact	Inherent mitigation measures adopted as part of the project	Magnitude of impact	Sensitivity of receptor	Significance of effect	Additional mitigation measures	Residual effect	Proposed monitoring
	and Construction Transport Management Plan (CTMP)						
Community land and assets	CEMP and CTMP	Low negative	Medium	Minor adverse	None	Minor adverse	None
Development land		Negligible	Low	Neutral	None	Neutral	None
Businesses	CEMP and CTMP	Low negative	Medium	Minor adverse	None	Minor adverse	None
Agricultural land holdings		High negative	High	Major adverse	Financial gain of the owners from the sale of the land which could be reinvested in replacement land holdings if available	Neutral	Prior to construction commencement
Walkers, cyclists and horse-riders	CEMP and CTMP	Low negative	Medium	Minor adverse	None	Minor adverse	None

Table 7.27: – Summary of mitigation

Description of impact	Effect	Mitigation measures adopted as part of the project	Secured by	Responsible party
Farming operation and agricultural businesses within the Main HNRFI Site will be acquired and permanently cease operation	Major adverse	Financial gain of the owners from the sale of the land could be reinvested in replacement land holdings if available	Secured by the process of land acquisition	Tritax Symmetry (Hinckley) Limited