

Langtree PP and Panattoni

Six 56 Warrington

Addendum to Environmental Statement

Part 2 – Socio Economic Technical Paper 6

Revision 3.5 ~~21 February 2019~~ 14 July 2020



Revision Record

Revision Reference	Date of Revision	Nature of Revision	Author	Checked By
Revision 1	25.01.19	First Draft	Andy Wallis	Graham Russell
Revision 2	04.02.19	Second Draft	Andy Wallis	Graham Russell
Revision 3	21.02.19	Third Draft	Andy Wallis	Graham Russell
<u>Revision 4</u>	<u>30.03.20</u>	<u>Addendum Draft</u>	<u>Peter Alford</u>	<u>Graham Russell</u>
<u>Revision 5</u>	<u>14.07.20</u>	<u>Addendum Draft v.2</u>	<u>Peter Alford</u>	<u>Graham Russell</u>

Report Author	Andy Wallis <u>Peter Alford</u>
Report Date	21.02.19 <u>14.07.20</u>
Project No.	
Document Ref.	ES Technical Paper 6
Revision	Revision 3 <u>Revision 5</u>

Contents

Revision Record.....	2
Contents.....	3
1. Introduction	6
Overview	8
2. Documents Consulted	10
Socio-Economic Policy Context.....	10
Socio-Economic Data and Guidance	15
3. Consultations	18
4. Methodology and Approach.....	21
Receptors	23
Environmental Impacts.....	24
Significance of Effects.....	27
Impact Prediction Confidence.....	27
5. Baseline Information.....	29
Economic activity and employment.....	29
Local Labour Market	33
Commuting Patterns	35
Unemployment and Worklessness.....	36
Capacity of Social Infrastructure.....	38
Deprivation	40
6. Alternatives Considered.....	43
7. Potential Environmental Effects.....	44
Construction Phase	44
Operational Phase.....	51
8. Proposed Mitigation.....	65
Construction Phase	65
Operational Phase.....	65
9. Potential Residual Effects	66
Potential Residual Effects – Construction Phase.....	66
Potential Residual Effects – Operational Phase	66
10. Additive Impacts (Cumulative Impacts and their Effects).....	67
Construction Phase	71
Operational Phase.....	71

Short Term	74
Medium Term.....	74
Long Term.....	75
11. Conclusion.....	76
12. Reference List.....	79
13. Appendices.....	80

Tables and Figures:

Table 6.1 - Socio-economic policy context
Table 6.2 - Sources of socio-economic data and guidance
Table 6.3 - Receptors
Table 6.4 - Environmental Impacts
Table 6.5 - Confidence Levels
Table 6.6 - Economic Activity, source: ONS annual population survey
Table 6.7 - Employment, source: ONS Business Register and Employment Survey
Table 6.8 - Sectoral employment, source: ONS Business Register and Employment Survey
Table 6.9 - Occupational profile, source: ONS annual population profile
Table 6.10 - Earnings, source: ONS annual survey of hours and earnings – resident analysis
Table 6.11 - Qualifications, source: ONS annual population survey
Table 6.12 - Claimant rate, source: ONS claimant count
Table 6.12 - Claimant rate, source: ONS claimant count
Table 6.14 - State-funded Primary schools (Source: School capacity: academic year 2016 to 2017)
Table 6.15 - State-funded Secondary schools (Source: School capacity: academic year 2016 to 2017)
Table 6.16 - Local Authority Primary and Secondary Schools pupil numbers (Source: School Capacity Survey 2017)
Table 6.17 - Gross construction employment (average annual jobs over construction period)
Table 6.18 - Net additional construction employment (average annual jobs over construction period)
Table 6.19 - Net additional GVA per annum over the construction period
Table 6.20 - Significance of Effect – Construction Phase
Table 6.21 - Gross operational employment (FTE jobs)
Table 6.22 - Net additional operational employment (FTE jobs)
Table 6.23 - Net additional GVA per annum – Operational Phase
Table 6.24 - Projected skills required, source: AMION, Census 2011
Table 6.25 - Occupational profile, source: Census 2011
Table 6.26 - Significance of Effect – Operational Phase
Table 6.27 - Cumulative Development
Table 6.28 - Gross employment impacts from Cumulative Schemes
Figure 6.1 - Approach to calculating net additional impact
Figure 6.2 - Receptor Plan
Figure 6.3: Employment in Warrington, source Oxford Economics

Figure 6.4 - Commuting flows, source: ONS Census 2011

Figure 6.5 - Index of Multiple Deprivation, source: MHCLG 2015

I. Introduction

- I.1. This document now constitutes part of an addendum to the Environmental Statement originally submitted to Warrington Borough Council (WBC) in March 2019 to accompany the outline planning application for warehouse development (Use Class B8 with ancillary B1(a) offices) and associated infrastructure at the Application Site referred to as Six 56 Warrington.
- I.2. Since the submission of the planning application, consultation responses have been received from key consultees and further discussions have taken place with the Council and their key consultees (namely WBC Highway Officers, Highways England (HE) and their consultants Atkins, WBC Environmental Protection Officers, Historic England and WBC Conservation Officer and Ramboll landscape designers acting on behalf of WBC).
- I.3. Further clarification and information has been provided in line with requests by HE and WBC Highway's Officer relating to the design of the mitigation and the WMMTM traffic model.
- I.4. Environmental Protection have concerns with exposure to high noise levels that will be experienced at existing properties on Cartridge Lane and sensitive receptors within the site comprising Bradley Hall Cottages and Bradley View to potentially unacceptably high noise levels, even with mitigation in place, based on the worst case estimates of the proposals as illustrated on submitted masterplan and parameters plans.
- I.5. Landscape Consultants Ramboll's acting on behalf of the Council have also recommended further supplementary information, including an assessment of potential effects on the visual amenity of properties in the vicinity, in order to provide greater transparency to the LVIA and its findings and to aid WBC in its determination of the application.
- I.6. The indicative masterplan and parameters plans have evolved to address comments raised by key consultees (including HE and WBC Highway's Officer) and reduce the noise impacts on sensitive receptors within the site with realignment of estate roads. Further assessments have also been undertaken in respect of noise and vibration and landscape and visual impacts and cultural heritage. This addendum therefore includes additional and updated information to address the comments raised by key consultees. Part 2 of this addendum includes addendums to the following technical papers:
 - Traffic and Transportation

- Water Quality and Drainage
- Landscape and Visual Impact
- Ecology and Nature Conservation
- Socio Economic
- Noise and Vibration
- Cultural Heritage

- I.7. WDC also commented to query the impact of future automation within the transport logistics sector on employment estimates. In response, an addendum has also been prepared to the socio-economic technical paper.
- I.8. This addendum should however be read in conjunction with the original ES submitted to WBC in April 2019 as the other technical papers (Ground Conditions and Contamination, Air Quality, Utilities, Energy, Waste and Agricultural Land and Soils) have not been amended or subject to change and as such are not included within this addendum, but still remain valid and still form part of the ES for the planning application. See Appendix 18 of the ES Part 1 Addendum which provides Consultants confirmation that there are no changes to the significance of impacts in the Ground Conditions and Contamination, Air Quality, Utilities, Energy, Waste and Agricultural Land and Soils Technical Papers arising from the updated project description presented in this ES Addendum.
- I.9. In order to make the addendum more understandable and to avoid extensive cross referencing, changes have been integrated within the original text of this technical paper to form a single addendum to the ES. Wherever changes or additions have been made to the text of the original technical paper, the text has been underlined and anything that is no longer relevant or valid has been struck through but retained within the text. A log is also included within Appendix 1 of this technical paper addendum so that the text to be removed (i.e. the text struck through within the paper) is identified and a reason for its removal provided.

Overview

- I.10. This Addendum Technical Paper, prepared by AMION Consulting (having been instructed by Langtree PP and Panattoni), assesses the potential socio-economic effects of the Proposed Six 56 Development on local and sub-regional socio-economic receptors.
- I.11. Through the construction and occupation of B8 floorspace, the Proposed Development is expected to generate a range of socio-economic impacts, both during the Construction Phase and Operational Phase, including direct, indirect and induced impacts such as increased employment and economic output (defined in terms of Gross Value Added (GVA))¹.
- I.12. The socio-economic assessment has considered the potential impacts arising from:
- New temporary and long-term employment opportunities.
 - Increased economic output (GVA).
 - Increased business rate revenue.
 - Creation of training and apprenticeship opportunities.
 - Local labour market effects.
 - Commuting and migration impacts.
 - Effects on local services and facilities.
 - Wider socio-economic impacts.
- I.13. This Addendum Report also considers the potential implications of automation technologies in the transport and logistics sector. This is informed by an examination of implications of automation for future employment within the sector, having regard to broad macroeconomic trends, the effects on logistics sector employment displacement at the local level.
- I.14. The key objectives of the socio-economic assessment are as follows:
- To review the local economy and determine the associated socio-economic issues in the context of the Proposed Development.
 - To identify the principal socio-economic impacts (both positive and negative) that may result from the Proposed Development and assess the significance of these effects.

¹ Gross Value Added is a measure of the economic value of goods and services produced in an area.

- To recommend measures for avoiding or reducing any identified adverse effects, and/or enhancing positive effects, where possible.
- To highlight the significance of any residual effects that would remain after mitigation.

2. Documents Consulted

Socio-Economic Policy Context

- 2.1. This section summarises the socio-economic policy context relating to the Proposed Development, at national, regional and local levels. Table 6.1 identifies the relevant socio-economic frameworks, strategies, plans and studies, together with how the Proposed Development will address their respective aims and objectives.

Framework / Strategy / Plan / Study	Proposed Development strategic fit
National Planning Policy Framework (2018) (2019)	<p>The National Planning Policy Framework (NPPF) outlines the Government's vision of sustainable development for England through effective planning policies, comprising of interdependent and mutually supportive economic, social and environmental objectives. The economic dimension of the Framework emphasises that the core purpose of planning is to promote "a strong, responsive and competitive economy", supporting growth and productivity, which will "improve the economic, social and environmental conditions of an area."</p> <p>Paragraph 22-8 of the NPPF is forward-looking, emphasising the need for local planning authorities to be proactive in "anticipating and responding to long-term requirements and opportunities" by promoting innovation, supporting sustainable growth and improving productivity. The framework goes on to reiterate the Government's commitment to ensuring that "the planning system contributes to the achievement of sustainable development" taking into account "both local business needs and wider opportunities for development" through the provision of affordable homes and business infrastructure.</p> <p>The Proposed Development is consistent with the Government's commitment to economic growth, job creation and prosperity, as outlined within the Framework, and the priority of sustainable development, particularly in relation to "contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation".</p>
Northern Powerhouse Strategy (2016)	<p>The Northern Powerhouse Strategy (NPS) sets out the Government's ambition to achieve the "full economic potential of the North". The Government's strategy for improving economic growth in the north is divided into five main areas: connectivity, skills, enterprise and innovation, trade and innovation and engagement. The NPS priorities improvements in the education and skills of the labour force in the North and investment in transport to improve the connectivity throughout the region in order to address "persistent barriers to productivity in</p>

Framework / Strategy / Plan / Study	Proposed Development strategic fit
	<p>the North” and ensure the region is “an excellent place to start and grow a business”.</p> <p>The proposed development will contribute to rectifying the economic imbalance in England’s regions. By expanding the logistics sector in Warrington, the proposed development will make an important contribution to achieving the aspirations of the NPS. The logistics sector is seen as a key enabler of growth for the North’s other sectors (particularly linked to port and airport activity) and, while historically logistics has been associated with relatively low-level skill requirements, the sector has begun to move towards a higher skill business model, providing a routeway towards improved productivity. The logistics sector’s economic productivity is projected to grow by 83% between 2013 and 2035.</p>
Cheshire and Warrington Strategic Economic Plan (2017)	<p>The Cheshire and Warrington Matters (CWM) paper is a strategic economic plan establishing the region’s investment proposals to build additional housing and create “12,473 jobs over the next three years”. CWM sets out the vision for growth within the area in the hope of creating “an economy of £26.6bn with GVA per head 110% of the UK average” by 2021. By 2030, Cheshire and Warrington sub-region hopes to become “an economy of £35bn with GVA per head 115% of the UK average. Home to an additional 100,000 residents, 75,000 new jobs and 70,000 new homes”.</p> <p>The report highlights the strategic location of Warrington for business with close links to Manchester, Liverpool and the Midlands. Warrington is also located at the intersection of the HS2/West Coast Mainline and HS3 proposed route and at the “unique cross-border opportunities within the Mersey Dee Economic Axis”. The locational advantage to the logistics sector of the Warrington and Cheshire region is proven, with an established logistic base already in operation in the area (Omega). In the region, the logistics sector equates to 18% of the GVA and 5% of employment. According to the indices of how concentrated an industry is in a region, the logistics sector is more concentrated (1.52) in comparison to the national average (1.00).</p> <p>The Proposed Development will directly contribute to realising the aims identified in the Cheshire and Warrington Strategic Economic Plan, including ‘job creation and economic growth which benefits as many communities as possible’. In Warrington & Cheshire “there appears to be a dumbbell, with higher than average numbers of people with low qualifications”. The CWM paper also highlights the “pockets of deprivation across the sub-region where large numbers of residents fall into the ‘just about managing’ classification”. Logistics represents an industry that is ‘fairly accessible to those without a degree with possibilities to start at a lower level and work your way up’. Moreover, a key way of “realising the economic</p>

Framework / Strategy / Plan / Study	Proposed Development strategic fit
	<p>potential of Warrington and Cheshire” is to expand the strengths of the Superport region (Liverpool City Region, Cheshire West & Chester, Warrington and West Lancashire), with logistics in Warrington already proven to be a successful sector. More generally, the Proposed Development will contribute to supporting the Growth Strategy’s aspirations of creating over 75,000 additional jobs in the City Region, increasing the number of businesses by 20,000, raising GVA per head to 115% of the UK average, increasing average productivity per worker and reducing unemployment.</p>
Gateway to the Northern Powerhouse (Cheshire and Warrington Devolution – A Growth Deal Bid Summary (2015))	<p>The Devolution Growth Deal Bid (DGDB) establishes an ambitious plan of development for the Cheshire and Warrington’s sub-region, promoting the regions contribution to the Northern Powerhouse project. The economic ambition for the area is to create a “£50 billion economy, adding £27 billion per annum to our GVA and creating 127,000 new jobs and 139,000 new homes” by 2040. In order to realise these ambitions, the DGDB highlights the regions need to create “excellent transport connectivity” and a “skilled and productive workforce”.</p> <p>The proposal identifies several interconnecting spatial proposals which will aid growth in the area; the development of the Warrington New City, Northern Gateway Development Zone, Mersey Dee Economic Axis, highlighting the strategic advantage of Warrington’s connectivity in driving the region’s economic growth. Looking forward, this role may broaden as Warrington ‘sits at the intersection of HS2/West Coast Mainline and HS3 (TransNorth Rail) with unrivalled access to both the Manchester and Liverpool’.</p> <p>The main objectives of the DGDB such as ‘increasing business productivity’ and ‘enabling business growth and investment’ interlink with the objectives of the Proposed Development. Efficient supply chains are critical to economic competitiveness and productivity and logistics and transport will continue to be key economic drivers for a number of industries, ‘improving the productivity of the supply-chain’.</p>
Warrington Local Plan Preferred Options (2017) and Submission Version of the Local Plan (March 2019)	<p>The Warrington Local Plan Preferred Options (LPPO) <u>and later Submission of the Local Plan (March 2019)</u> establishes, after consultations with ‘local developers, land owners and residents’, the preferred development option for Warrington, with the aim of ‘unlocking major development opportunities in the Town’. The updated plan prioritises land for housing and employment purposes in four separate stages:</p> <p>1) The report seeks to establish the exact development needs of the Warrington borough, identifying a target of over the 20-year plan period of 381 hectares of employment land and 1,113 homes per annum to obtain the Council’s growth ambitions. The updated plan concedes that some of the development land will have to be obtained through non-radical ‘amendments of green Belt boundaries’. To</p>

Framework / Strategy / Plan / Study	Proposed Development strategic fit
	<p>derive the preferred development for Warrington 'at least 251 Ha of land for employment purposes will be required to be released from the Green Belt'.</p> <p>The LPPO recognises the need to address economic activity rates, acknowledging the 'proportion of the existing population who are currently not working but who could take up new jobs in the future' could be the most sustainable demographic to drive economic growth in Warrington as they 'do not put the same demands on housing as people moving into the area'.</p> <p>2) The strategic objectives for the Local Plan are interlinked, ranging from 'regeneration of areas to transition Warrington into a 'New City' status (W1) the delivery of infrastructure (W4) and expand 'the role of Warrington Town Centre as a regional employment and transport hub' (W3).</p> <p>The Council explicitly ties the consequences of 'not releasing Green Belt land' with 'not meeting its development needs'. When undertaking consultations to identify 'land for homes, employment and ensuring delivery of infrastructure', the majority of new employment spaces were outlined as infringing on the Green Belt with '29% is within the existing urban area and 71% is proposed on Green Belt land'.</p> <p>3) Stage 3 of the LPPO demonstrates the scrutiny of high spatial options for housing and employment in Warrington to only modest release of Green Belt land, while not undermining the permanence of the Green Belt. One proposed option is disregarded as it could have non-sustainable and 'detrimental impacts on Green Belt and may result in secondary capacity issues'. The proposed spatial option enables 'the majority of growth to be delivered adjacent to main urban areas'.</p> <p>4) After establishing the preferred spatial options for development (Green belt adjacent to urban areas), stages four of the LPPO assessed options for development locations. Six main development locations were analysed, judged on criteria such as 'the likelihood of delivery, transport implications in the area and concentration of development in an area'. The options were also judged on the main objectives of the plan with ambitions to 'contribute to the wider New City Concept', 'accommodate the level of growth required' and 'provide infrastructure to the town as a whole'.</p> <p>The Development Proposal has identified Green Belt land to further the development of Warrington's logistics sector. A strong industry in the Borough already, the plan will create accessible jobs for the 'existing population who are currently not working' and aligns with LPPO's assessment of 'demand for employment land'. The LPPO acknowledges that the 'predominant growth sector in terms of land for new development is within the distribution sector' and '71% of land used for employment purposes will be Green Belt land'. The Six 56 Development Proposal has the potential to 'contribute positively to the plan</p>

Framework / Strategy / Plan / Study	Proposed Development strategic fit
	objectives' of Warrington's council and 'the long-term sustainability of local business'.
Warrington's Economic Growth & Regeneration Programme (Warrington Means Business) (2017)	<p>Warrington Means Business (WMB) outlines the Council's significant ambitions for the borough to reinforce 'Warrington as a strong national driver of prosperity'. Acknowledging Warrington's economic success up to this point, WMB cites Warrington's 'skilled people', 'business clustering' and 'connectivity' as key drivers for the region's economic growth. Warrington is 'the largest catchment area in the UK outside of London', sitting at the 'heart of Northern Powerhouse' surrounded by neighbouring economic hubs such as Manchester and Liverpool. Future rail and development proposals such as HS2 and Northern Powerhouse Rail (HS3) will reinforce Warrington's strategic position.</p> <p>WMB outlines a number of large-scale new developments including a multi-use space called 'Time Square Warrington', the development of Warrington's culture quarter, the development of the Southern and Eastern Gateway to revitalise the Town and drive the creation of 60,000 jobs and 'more connected, resilient' economic growth in the region. The ambitions of the WMB plan including to 'grow the Cheshire and Warrington economy by £27bn to £50bn, create 112,000 jobs and 'increase GVA per head to 120% of the national average' align with the Government's priority to rebalance the economy in the Northern Powerhouse Strategy (2016), driving economic growth in the North of England. The Proposed Development will contribute to driving the economic growth in the region by 'getting people to work', 'improving connectivity' and creating 'a skilled workforce tailored to Warrington's current and future business needs'.</p>
Economic Development Needs Study (2016)	<p>The Economic Development Needs Study for Warrington (EDNS) aims to identify future land allocation in the region, pursuing the national planning framework's aim of sustainable economic growth in the region. The assessment outlines the context which shaped the calculation of employment land and floorspace necessary, including the necessary expansion of 'offices, industrial spaces, warehouses and distribution sites' in the region.</p> <p>The analysis of gaps in the current land supply, in terms of quality and location, identifies a need to allocate land to the logistics and transport sector. While in 2016, 5% of employment and a GVA value substantially above national average for the borough came from transport and storage uses, the study forecasts the role of logistics in the regional economy will continue to expand: 'the current success of Omega in attracting big shed warehousing has demonstrated the pent-up demand in this sector'. Highlighting the high price of the new build Omega distribution units' shows demand in the region is at highs as 'not achieved for distribution units in the North West previously'. Moreover, changes in the retail sector with</p>

Framework / Strategy / Plan / Study	Proposed Development strategic fit
	<p>increased online shopping will continue to drive demand and encourage expansion in the demand for logistics sites.</p> <p>According to the EDNS, the expansion of Warrington's logistics sector 'would require an adjustment to Warrington's Green Belt boundaries' with a need for additional 'industrial and warehouse units of 2,000-5,000 sqm'. A forecast of future employment indicates an expanding logistics sector is likely to strengthen job creation in the area despite automation, translating into job numbers and additional employment floorspace requirements.</p>

Table 6.1: Socio-economic policy context

Socio-Economic Data and Guidance

- 2.2. The principal sources of socio-economic data and the guidance used to conduct the assessment of socio-economic impacts is summarised in Table 6.2.

Topic area	Sources of data and guidance
Economic activity and employment	Office of National Statistics (ONS) annual population survey and Business Register and Employment Survey (BRES)
Local labour market	ONS annual population survey and annual survey of hours and earnings
Commuting patterns	Census 2011 origin destination data
Unemployment and worklessness	ONS claimant count data and annual population survey
Capacity of social infrastructure	Department for Education school capacity data; NHS Choices datasets
Deprivation	Ministry of Housing, Communities and Local Government (MHCLG) English indices of deprivation 2015'
Construction phase employment and GVA impact	Homes and Communities Agency (HCA) (2015), 'Calculating Cost Per Job: Best Practice Note 2015 (3 rd Edition)'; ONS Annual Population Survey
Operational phase employment and GVA impact	HCA (2015), 'Employment Density Guide, 3 rd Edition'; Prologis (2015), 'Technical insight from Prologis UK: Distribution warehouses deliver more jobs'; British Property Federation (BPF) (2015) 'Delivering the Goods: The economic impact of the UK logistics sector'; ONS Annual Population Survey
<u>Automation, productivity and employment</u>	<u>Acemoglu D and Restrepo P (2018a) The Race Between Machine and Man: Implications of Technology for Growth, Factor Shares and Employment American</u>

Topic area	Sources of data and guidance
	<p><u>Economic Review: Acemoglu D and Restrepo P (2019), Automation and New Tasks: How Technology Displaces and Reinstates Labor, IZA Discussion Paper</u></p> <p><u>Acemoglu D, Restrepo P (2017) Robots and jobs: Evidence from US Labour Markets, in NBER Working Paper No. w23285; Arntz M, Gregory T and Zierahn U (2016), The Risk of Automation for Jobs in OECD Countries, OECD Social, Employment and Migration Working Papers No. 189; Autor, D and Salomons A (2018) Is Automation Labor-Displacing? Productivity Growth, Employment, and the Labor Share, Brookings Papers of Economic Activity, BEPA Conference, 2018</u></p> <p><u>Autor, David H., Frank Levy, and Richard J. Murnane, 2003, "The Skill Content of Recent Technological Change: An Empirical Exploration," Quarterly Journal of Economics 118 (4): 1279–333; Brynjolfsson E, Mitchell T and Rock D, What Can Machines Learn and What Does It Mean for Occupations and the Economy?, AEA Papers and Proceedings 2018, 108: 43–47; Carbonero F, Ekkehard E and Weber, E (2018), Robots worldwide: The impact of automation on employment and trade, ILO, Working Paper 36; Chiacchio F; Petropoulos G, Pichler D (2018). The impact of industrial robots on EU employment and wages: A local labour market approach, Bruegel Working Papers; De Backer, K, DeStefano T, Menon, C. and Suh, J (2018). Industrial robotics and the global organisation of production, in OECD Science, Technology and Industry Working Papers, 2018/03, OECD Publishing, Paris; Frey, C and Osborne, M (2013), The future of employment: How susceptible are jobs to computerisation? Working Paper, University of Oxford, Oxford later published (2017) in Technological Forecasting & Social Change</u></p> <p><u>Graetz, G.; Michaels, G. (2015) Robots at work, in CEP Discussion Paper No 1335</u></p> <p><u>McKinsey (2019), Automation in logistics: Big opportunity, bigger uncertainty</u></p> <p><u>McKinsey Global Institute (2017) A Future That Works: Automation, Employment, And Productivity; Nedelkoska L and Quintini G. (2018) Automation, skills use and training, OECD Social, Employment and Migration Working Papers No. 202</u></p> <p><u>ONS (2019) The probability of automation in England: 2011 and 2017, Oxford Economics (2017) The AI Paradox: How Robots Will Make Work More Human; Oxford Economics (2019) How Robots Change the World</u></p> <p><u>Piketty, Thomas, 2014, Capital in the Twenty-First Century, Harvard University Press; Autor, David, David Dorn, Lawrence F. Katz, Christina Patterson, and John Van Reenen, 2017b, "The Fall of the Labor Share and the Rise of Superstar Firms," NBER Working Paper No. 23396; Dao, Mai, Mitali Das, Zsoka Koczan, and Weicheng Lian, 2017, "Why is Labor Receiving a Smaller Share of Global Income? Theory and Empirical Evidence," IMF Working Paper; Price Waterhouse Coopers (PwC) (2018), Will robots really steal our jobs? An international analysis of the potential long term impact of automation; Prologis Technical Insight (2019), Delivering the future: the changing nature of employment in distribution warehouses; Vermeulen B , Kesselhut J, Pyka A and Saviotti p (2018) The Impact of Automation on Employment: Just the Usual Structural Change, mdp.i,</u></p>

Topic area	Sources of data and guidance
Net additional impact	HCA (2014), 'Additionality Guide, Fourth Edition 2014'; Department for Business Innovation & Skills (BIS) (2009), 'Guidance for using additionality benchmarks in appraisal'; ONS UK input-output analytical tables
Business rate revenue	Valuation Office Agency (VOA) ratetable value data
Training and apprenticeship opportunities	Targeted Recruitment and Training benchmarks Department for Education learner volumes
Local labour market impacts	ONS BRES and annual population survey; Census 2011 highest level of qualification by economic activity
Commuting impacts	Census 2011 origin destination data
Effect on local facilities and services	Department for Education school capacity data; NHS Choices datasets

Table 6.2: Sources of socio-economic data and guidance

3. Consultations

3.1. Two public consultation events were held on 15th October 2018 and 16th October 2018, at which the results of the initial economic impact assessment along with other details of the Proposed Development were presented. The feedback from these events relating to the socio-economic aspects of the Proposed Development included:

- **Concern over the quantity of jobs created** – a number of people raised the issue of how many jobs the Proposed Development would create, given the increasing use of warehouse automation, potentially limiting employment opportunities for local people. The assessment of employment impact has been based on standard employment densities, as detailed in Section 7 of this Technical Paper. Analysis of recent and planned developments, such as at Omega, demonstrates employment densities in line or above the standard benchmarks. Indeed, analysis undertaken for BPF on the economic impact of the UK logistics sector argues that “the investment in automation has a positive effect on employment volume as a larger workforce (e.g. drivers and other staff) is needed to dispatch the greater number of parcels sorted per hour”.²
- **Concern over the quality of the jobs created** – another principal concern, in terms of socio-economic impact, raised during the consultation process related to the quality of the jobs that would be created. This is reflective of the view that the logistics sector provides low skilled, elementary jobs. However, despite the relatively low level skill requirements that have typically been associated with the logistics sector, technological change is driving a requirement for workers to be multi-skilled and a greater need for specialised technical skills, such as in term of managing IT systems.³ Research by the UK Commission for Employment and Skills identifies an increasing need for individuals within the logistics sector to be multi-skilled in many areas, including management roles, drivers, port operatives, warehouse operatives, transport office, IT professionals and trainers.⁴
- **Concern over how to ensure local people are able to access the jobs provided** – a further issue raised during the consultation process was the extent to

² BDF (2015), Delivering the Goods: The economic impact of the UK logistics sector, p.22

³ Essex Employment and Skills Board (2017), Evidence Base Sector Profile Logistics 2017

⁴ UKCES (2014), Understanding Skills and Performance Challenges in the Logistics Sector

which local people will be able to access the employment opportunities created through the Proposed Development. It is expected that the development will be a key source of local employment. As set out within the Framework Travel Plan (see Section 2.2 of Traffic and Transportation ES Technical Chapter 2), a number of improvements are proposed such as new bus services and pedestrian and cycle links which will help improve the accessibility of the site to local residents. A Local Employment Agreement will also be put in place that will seek to maximise the local economic impact that can be achieved through the Construction Phase through active engagement with local people, businesses, schools and other organisations (see Section 7 of this Technical Paper).

- 3.2. A Scoping Request was submitted to Warrington Council on 27th February 2018, requesting the Council's opinion on the scope of the ES. The Council's Opinion was received on 6th April 2018. In relation to Socio Economics, the Council agreed the general approach and the consideration of matters set out in the scope (see Scoping Opinion included at **Appendix 13** of the ES Part One Addendum Report). However, the Council's Public Health Team identified the need for a sub Warrington assessment, taking into account the positives and negatives of the socio economic impacts on different population groups and providing evidence on how this project would impact local residents that are greatest in need. As part of the assessment of socio-economic effects in Section 7 of this Technical Paper, an analysis has therefore been carried out of the nature of the employment opportunities created and the extent to which these will be accessible to local unemployed people.
- 3.3. In addition to the two public consultation events and Scoping Request, discussions were also held with representatives from Cheshire and Warrington Local Enterprise Partnership (LEP), Warrington & Co., Youth Fed and the Construction Industry Training Board (CITB). The discussions sought to examine how best to maximise the benefits of the Proposed Development for local people and businesses, including through, for example, "meet the buyer" events, site visits and presentations at local schools and further community engagement to ensure people were aware of the opportunities that will be created.
- 3.4. Based on comments raised by consultees in response to the ES, further consideration has been given to the implications of automation for future employment in the transport and logistics sector. As part of the assessment of ongoing operational effects in Section 7 of this

Addendum Report, consideration has been given to the potential effects of automation on employment over the long term.

4. Methodology and Approach

4.1. The assessment of socio-economic impacts has been undertaken using the following methodology:

- A review of the strategic policy context to provide an outline of the relevant national and sub-national / local social and economic objectives of the area.
- Identification of the impact area, in relation to each potential socio-economic impact, for the assessment of the Proposed Development.
- A desktop review of all publicly available information on current socio-economic and labour market conditions in the study area to establish the baseline using accepted Government sources, such as the Census and Office for National Statistics (ONS) data.
- Assessment of likely significant socio-economic effects of the Proposed Development during the Construction and Operational Phases, based on sensitivity value of receptor and magnitude of effect.
- Recommendation of mitigation measures where necessary.
- Assessment of significance of residual effects assuming that the mitigation measures are implemented.
- Identification of likely significant additive / cumulative effects with regard to other consented schemes in the local area.

4.2. Qualitative and quantitative assessments have been undertaken using assessment methodologies from published guidance, including the former Homes and Communities Agency's (HCA's) (now Homes England) Additionality Guide and Employment Densities Guide, and professional judgement.

4.3. The estimate of operational employment set out within this Addendum Report has been informed by an examination of the effects of automation for employment in the transport and logistics sector. This has been informed by a macroeconomic review of automation and implications for employment, alongside evidence relating to the potential scale of employment displacement at the microeconomic level.

4.4. Key to understating the socio-economic effects of the Proposed Development is determining its net additional impact or 'additionality'. This is the extent to which activity takes place at all, on a larger scale, earlier or within a specific designated area or target group as a result of

the intervention. The approach to assessing the net additional impact of a project is shown diagrammatically in Figure 6.1 overleaf.



Figure 6.1: Approach to calculating net additional impact

4.5. In order to assess the additionality of the Proposed Development, the following factors were considered:

- Leakage – the proportion of outputs that benefit those outside of the area of impact.
- Displacement – the proportion of outputs accounted for by reduced outputs elsewhere in the area of impact. Displacement may occur in both the factor and product markets.
- Multiplier effects – further economic activity associated with additional local income and local supplier purchases.
- Deadweight – outputs which would have occurred without the Proposed Development. This is referred to as the reference case.

- 4.6. The above approach to assessing the additional impact of a project is consistent with central Government guidance for physical development projects, including the Appraisal Guide (2016) published by the then Department for Communities and Local Government (DCLG).

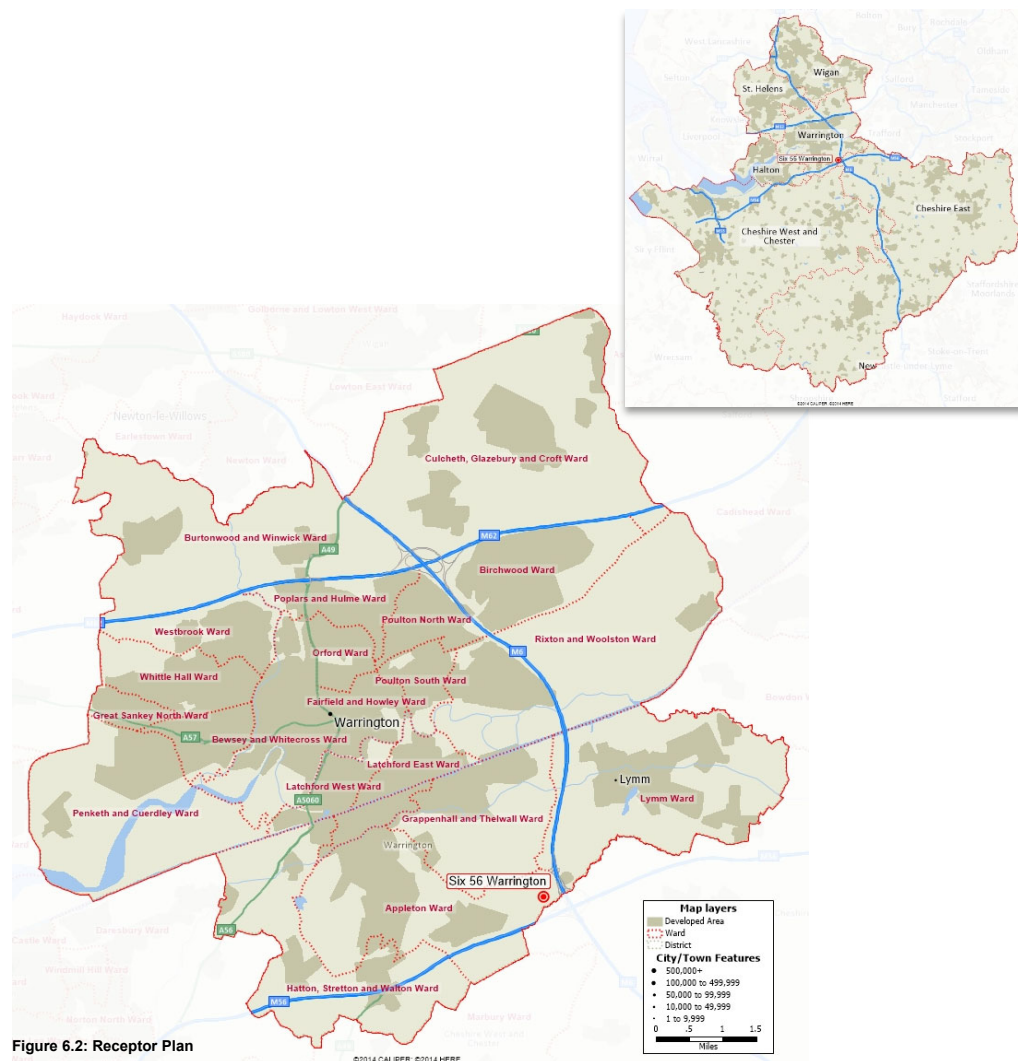
Receptors

- 4.7. Table 6.3 sets out a definition of the receptor criteria that will be used to inform the significance of effects.

Designation	Receptors
International	<ul style="list-style-type: none"> The receptor is of international importance It has Socio-economic value outside of the UK
National	<ul style="list-style-type: none"> The receptor is of national importance It is identified as a key priority within national policy
Regional	<ul style="list-style-type: none"> The receptor is of regional importance It is identified as a key priority within regional policy
County / sub-region	<ul style="list-style-type: none"> The receptor is of importance at the county / sub-regional level It is identified as a key priority within policy for the county / sub-region
Borough/District	<ul style="list-style-type: none"> The receptor is of importance to the Borough of Warrington It is identified as a key priority within policy for Warrington
Local/Neighbourhood	<ul style="list-style-type: none"> The receptor is of importance locally It is identified as a key priority locally

Table 6.3: Receptors

- 4.8. Based on the initial identified receptors, the area of impact is expected to principally extend to the Boroughs of Warrington and its constituent wards. The wider area of impact will also incorporate the Boroughs of Cheshire East, Cheshire West and Chester, Halton, St Helens and Wigan, as outlined within Figure 6.2 overleaf.



Environmental Impacts

- 4.9. In relation to socio-economics, there are no published standards against which the predicted impacts of a development can be assessed in terms of defining the magnitude of effect. The approach adopted therefore takes account of the socio-economic profile of the area and industry knowledge of similar projects being brought forward across the sub-region. As set out in Table 6.4, for a number of the socio-economic impacts, thresholds have been identified to categorise the magnitude of effect. For other impacts, such as wider socio-economic effects, it has been necessary to make a more subjective judgement.

Magnitude	Environmental Impact							
	Employment effects	Economic output effects	Business rates revenue	Training & apprenticeship	Effect on local labour market	Commuting & migration impacts	Effect on local facilities and services	Wider socio-economic effects
Substantial	A substantial change in net number of jobs at the county / sub-regional level of more than 1,000 jobs	A substantial change in net economic output at the county / sub-regional level of more than £50m per annum	A substantial change in business rates revenue within Warrington of more than £5m per annum	A substantial change in training and apprenticeship opportunities at the county / sub-regional level of more than 1% of current provision	A substantial change in local labour market conditions, with an impact equivalent to more than 1% of the resident workforce (economically active) in Warrington	A substantial change in net out commuting from within Warrington	Substantial restriction or increase in local facilities or services for a period of at least five years	Substantial wider socio-economic effects within the Borough area for a period of at least five years
High	A high level of change in net number of jobs at the county / sub-regional level of between 500 and 1,000 jobs	A high level of change in net economic output at the county / sub-regional level of between £25m and £50m per annum	A high level of change in business rates revenue within Warrington of between £2.5m and £5m per annum	A high level of change in training and apprenticeship opportunities at the county / sub-regional level of between 0.75% and 1% of current provision	A high level of change in local labour market conditions, with an impact equivalent to between 0.75% and 1% of the resident workforce (economically active) in Warrington	A high level of change in net out commuting from Warrington	High degree of restriction or increase in local facilities or services for a period of at least three years	High occurrence of wider socio-economic effects within the Borough for a period of at least three years

Magnitude	Environmental Impact							
	Employment effects	Economic output effects	Business rates revenue	Training & apprenticeship	Effect on local labour market	Commuting & migration impacts	Effect on local facilities and services	Wider socio-economic effects
Moderate	A moderate change in net number of jobs at the county / sub-regional level of between 100 and 500 jobs	A moderate change in net economic output at the county / sub-regional level of between £5m and £25m per annum	A moderate change in business rates revenue within Warrington of between £1m and £2.5m per annum	A moderate change in training and apprenticeship opportunities at the county / sub-regional level of between 0.5% and 0.75% of current provision	A moderate change in local labour market conditions, with an impact equivalent to between 0.5% and 0.75% of the resident workforce (economically active) in Warrington	A moderate change in net out commuting from within Warrington	A moderate restriction or increase in local facilities or services for a period of at least two years	Moderate wider socio-economic effects within the Borough for a period of at least two years
Minor	A small, but measurable, change in net number of jobs at the county / sub-regional level of less than 100 jobs	A small, but measurable, change in net economic output at the county / sub-regional level of less than £5m per annum	A small, but measurable, change in business rates revenue within Warrington of less than £1m per annum	A small, but measurable, change in training and apprenticeship opportunities at the county / sub-regional level of less than 0.5% of current provision	A small, but measurable, change in local labour market conditions, with an impact equivalent to less than 0.5% of the resident workforce (economically active) in Warrington	A small, but measurable, change in net out commuting from within Warrington	A small, but noticeable, restriction or increase in local facilities or services for a period of at least one year	Small, but noticeable, wider socio-economic effects within the Borough for a period of at least one year

Magnitude	Environmental Impact							
	Employment effects	Economic output effects	Business rates revenue	Training & apprenticeship	Effect on local labour market	Commuting & migration impacts	Effect on local facilities and services	Wider socio-economic effects
Negligible	No noticeable change in net number of jobs at the county / sub-regional level	No noticeable change in economic output at the county / sub-regional level	No noticeable change in business rates revenue within Warrington	No noticeable change in training and apprenticeship opportunities at the county / sub-regional level	No noticeable change in local labour market conditions	No noticeable change in net out commuting from within Warrington	Not a noticeable difference in the provision of local facilities or services	No noticeable wider socio-economic effects within the Borough
Neutral	No change in net number of jobs at the county / sub-regional level	No net change in economic output at the county / sub-regional level	No change in business rates revenue within Warrington	No change in training and apprenticeship opportunities at the county / sub-regional level	No change in the local labour market	No change in net out commuting from within Warrington	A neutral effect on the provision of local facilities and services	Neutral wider socio-economic effects within the Borough area

Table 6.4: Environmental Impacts

Significance of Effects

- 4.10. The significance of effect is determined using the significance matrix in Section 6 of the Environmental Statement Part One Report. This identifies the receptor level across the top of the matrix and the magnitude of environmental impact down the side and where they meet within the matrix identifies the significance of the effect.

Impact Prediction Confidence

- 4.11. It is also of value to attribute a level of confidence by which the predicted impact has been assessed. The criteria for these definitions are set out below:

Confidence Level	Description
High	The predicted impact is either certain i.e. a direct impact, or believed to be very likely to occur, based on reliable information or previous experience.
Low	The predicted impact and its levels are best estimates, generally derived from first principles of relevant theory and experience of the assessor. More information may be needed to improve confidence levels.

Table 6.5: Confidence Levels

5. Baseline Information

5.1. Prior to considering the socio-economic effects, it is necessary to establish a clear understanding of baseline socio-economic conditions within the geographical areas relevant to the Site. The baseline analysis has focused on the Borough of Warrington, as well as the area covered by Cheshire and Warrington LEP, reflecting the location of the site close to the boundaries of Cheshire East and Cheshire West and Chester. In addition, reflecting the Scoping Opinion received by the Council, a sub Warrington level analysis has been undertaken in relation to unemployment and deprivation. Trends in the change over time of key socio-economic indicators have been analysed compared to those for the North West and nationally.

5.2. The following indicator groups have been assessed:

- Employment (economic activity rate and sectoral employment analysis).
- Local labour market (resident employment by occupation, resident earnings and qualifications).
- Commuting patterns.
- Unemployment and worklessness.
- Capacity of social infrastructure (local education and health facilities).
- Deprivation.

Economic activity and employment

Economic activity

5.3. Economic activity rates for Warrington and comparator areas between July 2013 and June 2018 are provided in Table 6.6. The number of economically active people aged between 16 and 64 in Warrington stood at 105,700 as at July 2017 to June 2018. This represents 79.0% of the total working age population of Warrington. Despite some recorded declines over recent years, the economic activity rate in Warrington has been consistently above the North West and Great Britain averages. This is reflective of the borough being one of the strongest local economies in the North of England.

5.4. Notwithstanding the above, over the last five years of recorded data for economic activity rates, there has been an overall downwards trend in the level of economic activity in

Warrington while the wider LEP area has seen steady growth in the number of people who are economically active between 2013/14 and 2017/18. The economic activity rates for the Cheshire and Warrington LEP region has remained relatively stable while Warrington's economic activity rate has declined by 4.6 % points during the period.

- 5.5. The other comparator areas of the North West and Great Britain have seen progressive year-on-year growth in their economic activity in the period 2013/14 to 2017/18.

Economic Activity (% of resident population aged 16-64)	Jul 2013-Jun 2014	Jul 2014-Jun 2015	Jul 2015-Jun 2016	Jul 2016-Jun 2017	Jul 2017-Jun 2018
Warrington	83.6%	80.3%	80.7%	79.8%	79.0%
Cheshire & Warrington LEP	78.0%	77.6%	78.3%	79.3%	77.9%
North West	74.7%	74.6%	75.8%	76.3%	76.7%
Great Britain	77.3%	77.5%	77.9%	78.0%	78.4%

Table 6.6: Economic Activity, source: ONS annual population survey

Employment (workplace jobs)

- 5.6. In 2017, total employment in Warrington stood at 137,000, representing an increase of approximately 12,000 jobs (9.6%) since 2015. This aligns with an increase in total employment within Cheshire and Warrington LEP as a whole and the North West of 4.3% and 3.7% respectively. A lower level of growth in employment was recorded at the national level over the same period, highlighting the relatively strong performance of the Borough.

Change in total employment	2015-2017
Warrington	+9.6% (+12,000 jobs)
Cheshire and Warrington LEP	+4.3% (+21,000 jobs)
North West	+3.7% (+121,000 jobs)
United Kingdom	+2.6% (+121,000 jobs)

Table 6.7: Employment, source: ONS Business Register and Employment Survey

- 5.7. Over the longer-term, the economy of Warrington has seen periods of slower growth, including around the 2008 recession. However, as shown in Figure 6.3, the general trend has evidently been upwards. In no small part this growth reflects the take-up of large employment sites which have been allocated in previous planning strategies. An obvious example of such an approach is the success of the Omega site. This was identified as a strategic employment site under the previous regional plans and has in recent years transformed from an open field to the logistics and manufacturing hub of the north. This rapid development story has been assisted by a strong logistics market that has been attracted by the locational advantages of the site.

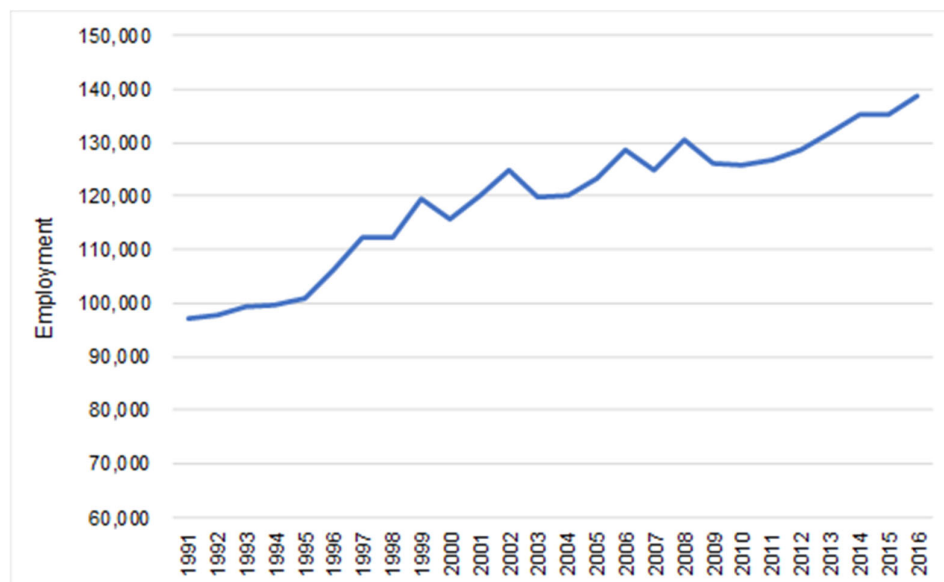


Figure 6.3: Employment in Warrington, source: Oxford Economics

- 5.8. The expansion of key employment sites coupled with the organic growth in existing employment destinations have resulted in an evolving economy in terms of sectoral strengths. A breakdown of sectoral employment is provided within Table 6.8, showing employment levels by broad industry group for Warrington in 2017, together with the proportion of employment in each industrial group for comparator areas in 2017.

Breakdown of sectoral employment (2017)	Warrington Total Employment	Warrington (%)	Cheshire and Warrington LEP (%)	North West (%)	Great Britain (%)
Mining, quarrying & utilities	0	0%	0.1%	0%	0.2%
Manufacturing	7,000	5.2%	9.1%	9.9%	8.2%
Electricity, Gas, Steam and Air Conditioning Supply	800	0.6%	0.3%	0.4%	0.5%
Water Supply; Sewerage, Waste Management and Remediation	1,750	1.3%	0.8%	0.8%	0.7%
Construction	8,000	5.9%	4.6%	4.8%	4.8%
Wholesale and Retail Trade	21,000	15.6%	16.1%	16.1%	15.2%
Transport & storage (inc postal)	8,000	5.9%	5.0%	5.1%	4.7%
Accommodation & food services	7,000	5.2%	6.6%	6.6%	7.5%
Information & communication	4,500	3.3%	3.4%	3.0%	4.4%
Financial & insurance	1,750	1.3%	3.8%	2.8%	3.5%
Property	1,750	1.3%	1.8%	1.8%	1.7%
Professional, scientific & technical	22,000	16.3%	12.9%	8.2%	8.4%
Business administration & support services	19,000	14.1%	9.5%	8.6%	9.1%
Public administration & defence	5,000	3.7%	2.6%	4.4%	4.3%
Education	8,000	5.9%	7.4%	8.9%	8.9%
Health	13,000	9.6%	11.1%	14.1%	13.3%
Arts, entertainment, recreation & other services	4,500	3.4%	4.4%	4.4%	4.6%
TOTAL		100.0%	100.0%	100.0%	100.0%

Table 6.8: Sectoral employment, source: ONS Business Register and Employment Survey

- 5.9. Table 6.8 shows that in 2017 the highest proportions of employment in Warrington were in the Professional, Scientific and Technical sector (16.3%), Retail (15.6%), Business administration & support services (14.1%) and Health (9.6%) sectors. The proportion of total employment in the Transport & Storage (inc postal) sector was also significant (5.9%) and higher than in all other comparator areas.

Local Labour Market

Occupations

- 5.10. The proportion of resident employment by occupation (2017/18) is set out in Table 6.9 for Warrington and comparator areas.

Occupational level (% of all persons in employment, 2017)	Warrington	Cheshire & Warrington LEP	North West	Great Britain
Managers, directors and senior officials	10.9%	14.4%	10.1%	10.9%
Professional occupations	19.5%	22.5%	19.0%	20.3%
Associate prof & tech occupations	17.6%	15.5%	13.6%	14.5%
Administrative and secretarial occupations	10.3%	9.3%	11.0%	10.2%
Skilled trades occupations	8.1%	7.3%	9.4%	10.1%
Caring, leisure and other service occupations	8.6%	7.8%	9.8%	9.0%
Sales and customer service occupations	8.0%	7.1%	8.3%	7.6%
Process, plant and machine operatives	7.1%	6.5%	6.9%	6.3%
Elementary occupations	9.9%	9.5%	11.4%	10.6%

Table 6.9: Occupational profile, source: ONS annual population profile

- 5.11. Table 6.9 shows that Warrington had a lower proportion of persons in employment who were Managers, directors and senior officials (10.9%) or in Professional occupations (19.5%) than the Cheshire and Warrington LEP area as a whole, albeit the borough averages were

comparable to the averages at the regional and national level. In contrast, there were relatively large proportions of Warrington residents employed in Associate professional and technical occupations (17.6%) and as Process, plant and machine operatives (7.1%).

Earnings

- 5.12. Median gross weekly resident earnings between 2016 and 2018 for Warrington and comparator areas are shown in Table 6.10. In 2018, earnings in Warrington (£569.5) were lower than the comparative Cheshire and Warrington LEP area (£574.9) as well as the national average (£571.1). However, the Borough has seen earnings increase at a higher rate (5.9%) over the 2016-2018 period. The wider area of Cheshire and Warrington LEP demonstrated a consistently higher median earning than the national average across all years, although the region has seen earnings increase at a lower rate (5.4%) over the 2016-2018 period.

Median resident earnings (£ per week)	2016	2017	2018	Change 2016-2018 (%)
Warrington	537.7	576.0	569.5	5.9%
Cheshire and Warrington LEP	545.3	559.7	574.9	5.4%
North West	502.5	514.5	529.6	5.4%
Great Britain	540.9	552.3	571.1	5.6%

Table 6.10: Earnings, source: ONS annual survey of hours and earnings – resident analysis

Qualifications

- 5.13. The proportion of residents with National Vocational Qualification (NVQ) equivalent levels of qualifications in 2017 is shown in Table 6.11 for Warrington and comparator areas.
- 5.14. The Borough demonstrates advantages, in terms of its residential labour-force, over the North-West and nationally. There was a high proportion (41.4%) of the resident population aged 16-64 in Warrington holding higher level (NVQ4+) qualifications in the 2017. In addition, out of the comparator areas, the Borough contains the lowest proportion of residents who have NVQ1 (9.3%) or no qualifications (5.8%).

Qualification level (% of resident population aged 16-64)	NVQ4+	NVQ3	NVQ2	NVQ1	Other qualifications	No qualifications
Warrington	41.4%	18.1%	19.1%	9.3%	6.3%	5.8%
Cheshire and Warrington LEP	44.0%	16.4%	19.9%	9.5%	4.4%	5.9%
North West	34.5%	19.7%	19.8%	10.7%	5.8%	7.7%
Great Britain	38.6%	17.5%	17.5%	11.2%	6.9%	9.0%

Table 6.11: Qualifications, source: ONS annual population survey

Commuting Patterns

- 5.15. Origin destination data from the 2011 Census has been used to provide an indication of the likely commuting patterns of people who will work at the Site once the Proposed Development is complete. The Site is located within the Lower Super Output Area (LSOA) Warrington 024A. According to ONS Business Register and Employment Survey data, this area already contains a reasonable amount of employment, including employment in the transport and storage sector. It is therefore considered to represent an appropriate basis against which to reflect potential commuting patterns for future workers.
- 5.16. As of the 2011 Census, around 38% of those working within LSOA 024A live within Warrington. A further 8% live within Wigan, with 7% living in Halton and 6% living within Cheshire West and Chester.
- 5.17. The overall commuting patterns for the LSOA area is shown in Figure 6.4. While this does provide an indication of the commuting in-flows that might be associated with the Proposed Development, it is important to note that it does not reflect any interventions to increase the proportion of local employees working at the Site. Discussions will be held with local partners about how to maximise the potential for local people from within Warrington to access the employment opportunities that will be generated by the Proposed Development (as described further in Section 7 of this Technical Chapter).

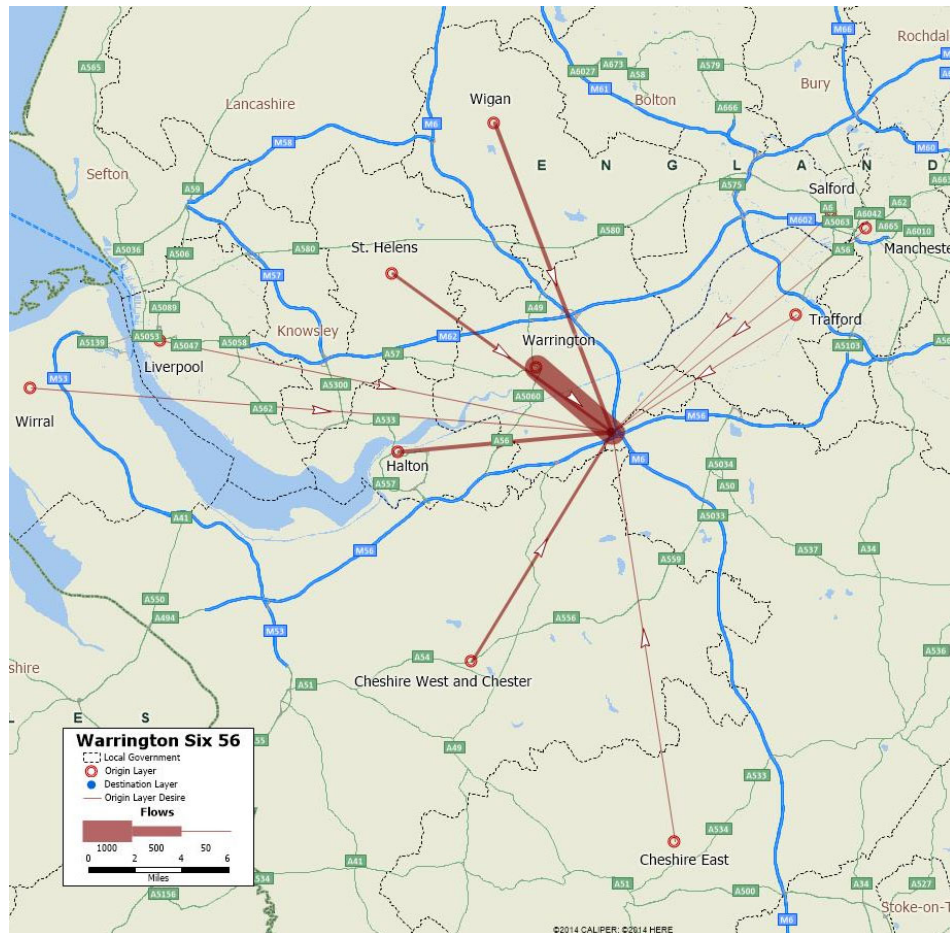


Figure 6.4: Commuting flows, source: ONS Census 2011

Unemployment and Worklessness

- 5.18. As at November 2018, the claimant count in Warrington was 3,440, as measured by combining the number of people claiming Jobseeker's Allowance (JSA) and National Insurance credits with the number of people receiving Universal Credit principally for the reason of being unemployed. This represented 2.6% of the resident population aged 16-64. In comparison, the claimant rate for the North West was 3.0%, although the claimant rate is above the national average for Great Britain (2.3%) during the period.
- 5.19. The claimant rate in Warrington has steadily increased over recent years, moving above the national average in 2017 and 2018 (see Table 6.12). There has been a similar trend for all comparative regions, with the claimant rate increasing across the period of 2015-2018.

Claimant rate (% of resident population aged 16-64)	November 2015	November 2016	November 2017	November 2018
Warrington	1.7%	1.6%	2.2%	2.6%
Cheshire and Warrington LEP	1.3%	1.3%	1.6%	2.2%
North West	2.3%	2.3%	2.4%	3.0%
Great Britain	1.7%	1.8%	1.9%	2.3%

Table 6.12: Claimant rate, source: ONS claimant count

5.20. In general, Warrington is a prosperous area with low unemployment, highlighted by 14 of Warrington's 22 electoral wards having a lower claimant count than the national average, with Appleton and Grappenhall both having a claimant count as low as 0.6%. However, there are areas which suffer from significant unemployment. In total, there are 7 areas where the claimant count is significantly above the national average, with wards such as Fairfield and Howley and Poplars and Hulme possessing a claimant count more than double the national average at 5.2% and 6.1% respectively.

Claimant rate (% of resident population aged 16-64) – Warrington wards with claimant rate above national average	November 2018
Latchford West	3.2%
Birchwood	3.4%
Latchford East	4.4%
Orford	4.6%
Bewsey and Whitecross	4.9%
Fairfield and Howley	5.2%
Poplars and Hulme	6.1%

Table 6.13: Claimant rate, source: ONS claimant count

- 5.21. The number of workless households (households where no-one aged 16 or over is in employment) in Warrington stood at 8,300 in 2017. This represented 13.1% of all households within the Borough and is lower than the proportions for Cheshire and Warrington (13.3%), the North West (16.9%) and Great Britain (14.5%). However, the strong performance of Warrington as a whole again hides significant pockets of employment deprivation within the Borough, as set out below (see paragraphs 5.31 to 5.34).

Capacity of Social Infrastructure

Education (Primary and Secondary schools)

- 5.22. The existing capacity of state-funded Primary and Secondary schools has been tested at the Warrington Borough Council level and for Cheshire and Warrington LEP, together with an assessment of those schools located within a 3-mile radius of the Application Site (assumed Post code: WA4 4SL).
- 5.23. Table 6.14 shows Primary school pupil levels in Warrington and the wider study area during the academic year 2017. Although collectively there are unfilled Primary school places in each of the areas, there are a number (75 in the Cheshire and Warrington LEP area) of Primary schools that are full or have one or more pupils in excess of capacity.

Local Authority / area	No of schools	No of school places	No of pupils on roll	No of unfilled places	Number of Schools that are full or have one or more pupils in excess of capacity	Number of pupils in excess of school capacity
Warrington	69	19,154	17,799	1,457	18	102
Cheshire and Warrington LEP	323	79,869	73,543	6,851	75	525

Table 6.14: State-funded Primary schools (Source: School capacity: academic year 2016 to 2017)

- 5.24. Table 6.15 shows Secondary school pupil levels in Warrington and the wider area during the academic year 2016 to 2017. There are seven Secondary schools in Cheshire and Warrington LEP that are full or have one or more pupils in excess of capacity.

Local Authority / area	No of schools	No of school places	No of pupils on role	No of unfilled places	Number of Schools that are full or have one or more pupils in excess of capacity	Number of pupils in excess of school capacity
Warrington	14	15,478	12,682	2,710	0	0
Cheshire and Warrington LEP	37	64,708	54,225	10,636	7	183

Table 6.15: State-funded Secondary schools (Source: School capacity: academic year 2016 to 2017)

- 5.25. An assessment of local state-funded Primary and Secondary school's capacity has also been conducted using the School Capacity Survey 2017 for schools located within 3 miles of the Application Site.
- 5.26. There are 19 state-funded Primary schools located within a 3-mile radius of the development site. These comprise of 6 x Voluntary aided schools, 12 x Community schools and 1 x Academy converters. Collectively, these Primary schools have 184 unfilled places. However, 4 (21%) of the 19 Primary schools for which Census information was available are currently over-subscribed. The oversubscription in Primary school pupil spaces ranges from 5 to 26 (average 13.3).
- 5.27. There are 4 state-funded Secondary schools located within a 3-mile radius of the development site. These comprise of 1 x Voluntary aided schools, 2 x Academy converters and 1 x Academy Sponsor-led schools. Collectively, these Secondary schools have 496 unfilled places. Although none are oversubscribed, two of the Secondary schools are close to their maximum limit of pupils.
- 5.28. Table 6.16 summarises the results of the local (3-mile radius) schools' capacity assessment. It should be noted that this assessment is based on current pupil numbers only and does not

consider projected school populations that account for changes in birth rate, movement in and out of schools and average take up rates.

State-funded schools located 3 miles from development site (only those schools included within January 2016 School Census)	Pupil limit	Number of pupils (as at January 2016)	Capacity / (oversubscribed)
Primary (92 schools)	4953	4820	133
Secondary (19 schools)	5206	4711	495

Table 6.16: Local Authority Primary and Secondary Schools pupil numbers (Source: School Capacity Survey 2017)

Health (GP surgeries)

- 5.29. Based on an analysis of the NHS Choices database, there are a total of 25 GP surgeries located within a 5-mile radius of the Application Site, of which 24 are accepting new patients.
- 5.30. The average list size of the 24 local GP surgeries that are accepting new patients is 2,218 patients per GP. There is a generally accepted benchmark that an average of 1,800 patients per GP is considered acceptable. However, around 38% of the local GP surgeries that are accepting new patients are operating at a level higher than 1,800 patients per GP, with some substantially higher.

Deprivation

- 5.31. The overall levels of deprivation within Warrington and the wider surrounding area have been assessed using the Ministry of Housing, Communities and Local Government (MHCLG) English Indices of Deprivation (2015). As a whole, the Borough of Warrington does not demonstrate particularly high levels of deprivation, with it ranked as 176 out 326 English local authority districts (a rank of 1 representing the most deprived local authority). However, there are many parts of the Borough that do suffer from high levels of deprivation, as demonstrated by Warrington's rank of 90 in terms of the proportion of LSOAs in the most deprived 10% nationally. There are also particularly high levels of deprivation in other parts of the wider impact area, such as in St Helens.

- 5.32. Figure 6.5 shows levels of deprivation by Lower Super Output Area (LSOA) and demonstrates the severe levels of deprivation within parts of the Borough.

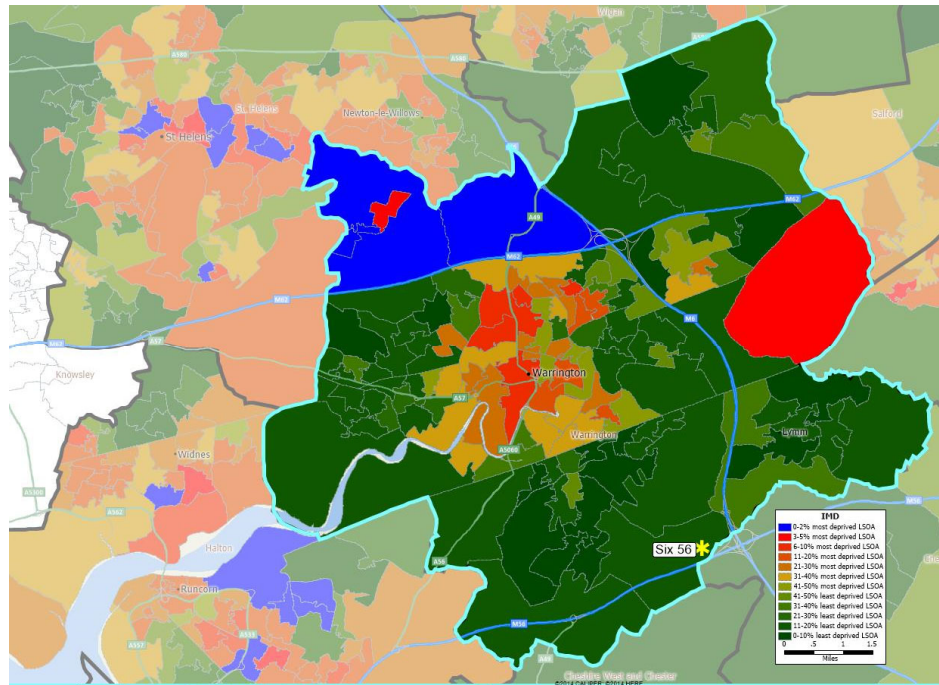


Figure 6.5: Index of Multiple Deprivation, source: MHCLG 2015

- 5.33. There are 12 Lower Super Output Areas (LSOA) within Warrington which fall within the 10% most deprived nationally. There are an additional 12 areas in Warrington which fall between the most 10-20% deprived LSOAs nationally. These areas suffer from particularly severe levels of income and employment deprivation, reflecting high rates of worklessness. At a LSOA level, there are 9 areas within Warrington which fall within the most deprived 10% in terms of income deprivation. One LSOA in Warrington is ranked 628 which corresponds to being within the most 2% income deprived LSOAs nationally. With regard to employment, of the 12 LSOAs within Warrington that fall within the most deprived 10% nationally, 5 areas fall within the top 5% most deprived nationally.
- 5.34. The areas in Warrington that suffer from the most significant levels of employment and income deprivation also, unsurprisingly, have the highest levels of education, skills and training deprivation. This highlights the relatively poor skill levels of residents within these areas and the need to create suitable employment opportunities that are accessible but will also facilitate in-work progression. The logistics sector has historically been associated with providing

accessible low skills level employment opportunities. To an extent, this is likely to continue, but it is anticipated that the technological changes in the sector will also drive a greater need for higher level occupations and skills requirements.

6. Alternatives Considered

- 6.1. While a series of alternatives have been considered as part of the evolution of the proposals, these have not been specifically influenced by the need to address socio-economic impacts and are therefore not discussed within this Technical Chapter.

7. Potential Environmental Effects

- 7.1. It is anticipated that the Proposed Development will result in a range of potentially significant socio-economic impacts during both the Construction and Operational Phases. These impacts may occur as a direct result of the Proposed Development or indirectly, such as through those employed on the Application Site spending their wages in the local economy.
- 7.2. The likely socio-economic impacts during the Construction Phase and Operational Phase of the Proposed Development are set out in turn below. In terms of the employment and GVA impacts, consideration has been given to the scale of additional impact within Warrington and within the Cheshire and Warrington LEP area. The significance of effect has been assessed at either the Warrington level or wider Cheshire and Warrington LEP level, depending on the nature of impact under consideration.

Construction Phase

- 7.3. The socio-economic assessment has considered the following potential impacts during the Construction Phase:
- Temporary employment generated as a result of the construction works – this will include direct employment associated with site remediation and redevelopment, as well as indirect and induced employment (multiplier effects) from supply chain expenditure and the expenditure in the local economy of workers employed during the Construction Phase.
 - Short-term increase in economic output (GVA) – in line with the temporary employment impact, this will again take account of the direct, indirect and induced economic output impact during the Construction Phase.
 - Creation of training and apprenticeship opportunities during the Construction Phase.
 - Effect on local labour market during the Construction Phase.
 - Commuting and migration impacts resulting from the creation of temporary employment opportunities.
 - Effects on local facilities and services, specifically schools and healthcare facilities, from the increase in construction workforce.
 - Wider socio-economic impacts – this will include those impacts, which although difficult to quantify, are important in understanding the overall socio-economic effect

of the Proposed Development. For example, consideration will be given to wider impacts such as image and perceptions of the local area.

- 7.4. It is envisaged that the duration of the Construction Phase will be for a period of approximately 6.5 years. For the purposes of this assessment, it has been assumed that the socio-economic impacts associated with the Construction Phase will be sustained for the full length of this period.

Temporary increase in employment

- 7.5. It has been estimated that Proposed Development will involve approximately £180 million of construction related expenditure. This expenditure will support a range of temporary employment opportunities in the local economy. Based on the estimated level of construction expenditure, and using labour coefficients sourced from guidance produced by the HCA (now known as Homes England), total construction employment generated by the Proposed Development could amount to some 1,762 person years. This would equate to an average per annum over a 6.5 year build period of 271 gross jobs.
- 7.6. Alongside directly supporting employment through the design and delivery of construction works, the Construction Phase will also result in supply side (indirect) benefits, including through, for example, the purchase of construction equipment and supplies. In addition, the redevelopment proposals will lead to induced effects through construction employee spend on goods and services within Warrington, the wider surrounding area including Wigan, Halton and St Helens and the Cheshire and Warrington LEP area as a whole.
- 7.7. In order to take into account both the indirect and induced multiplier effects associated with the Construction Phase, reference has been made to benchmarks outlined within additionality guidance. The HCA Additionality Guide identifies a UK level multiplier for the construction sector of 2.7. However, there is limited sectoral information in terms of the appropriate level of multiplier for sub-national spatial areas. Therefore, for the purposes of this assessment benchmarks have been adopted that are considered to be reasonable given the size and structure of the local economy. The Additionality Guide refers to benchmarks including a sub-regional multiplier of 1.46 for capital projects, which has been applied at the Cheshire and Warrington LEP level. A lower multiplier of 1.25 has been used for Warrington.
- 7.8. The overall number of gross jobs created through the Construction Phase, after allowing for the direct, indirect and induced impacts of the Proposed Development, are summarised in

Table 6.17. There is capacity within the local and wider area to service a significant proportion of this demand. For example, it has been reported that approximately 30% of the total construction spend to date from Omega has gone to businesses within 25 miles of the site. Opportunities therefore exist to establish relationships with suppliers to ensure that the local benefits arising from the capital investment are maximised.

Gross construction employment (average annual jobs over the construction period)	Warrington	Cheshire and Warrington LEP
Direct	271	271
Indirect and induced	68	125
Total gross impact	339	396

Table 6.17: Gross construction employment (average annual jobs over construction period)

7.9. While the above estimates of employment impact make an allowance for multiplier effects, they do not take account of the other key additionality factors, namely leakage, displacement and deadweight. These have been considered as follows:

- **Leakage** – in assessing the level of leakage at each spatial level, reference has been made to Census 2011 origin destination data. The assumed level of leakage has also reflected the intention to work with local partners to maximise local recruitment.
- **Displacement** – there is the potential that the Proposed Development will lead to some displacement of construction activity, particularly at the Cheshire and Warrington LEP level. However, it is not expected that displacement will be significant in the local area, given that the scheme represents one of the major key development opportunities in Warrington and will be phased over a 6.5 year period.
- **Deadweight** – for the purposes of this assessment, given the nature of the site and in line with HM Treasury appraisal guidance, it has been assumed that under a counterfactual scenario the Application Site would remain as it currently is with no alternative development activity coming forward, at least within the foreseeable future. Therefore, deadweight is assumed to be zero.

7.10. Table 6.18 sets out the adjustments for each additionality factor at the different spatial levels and identifies the overall net additional impact in terms of construction employment. Based on the assessment of net additional impact, the level of construction employment expected

to be generated by the Proposed Development is considered to be of a **Moderate Positive** magnitude within the Cheshire and Warrington LEP area.

Net additional construction employment (average annual jobs over the construction period)	Warrington	Cheshire and Warrington LEP
Leakage	60%	50%
Displacement	20%	30%
Deadweight	0%	0%
Net additional impact	108	139

Table 6.18: Net additional construction employment (average annual jobs over construction period)

Short-term increase in economic output (GVA)

7.11. The GVA impact per annum generated through the Construction Phase has been derived from the anticipated construction related expenditure of £180 million. Reference has been made to the ONS Annual Business Survey and input-output supply and use tables for the UK, which suggest that £1 of construction expenditure generates approximately £0.4 of GVA. An allowance has been made for deadweight, displacement and multiplier effects in line with the analysis of employment impact above. However, GVA is a work-placed based measure and therefore no adjustment has been made for leakage.

7.12. Overall, as set out in Table 6.19, it is estimated that the Proposed Development would generate net additional GVA of around £74 million within the Cheshire and Warrington LEP area. This would equate to an average of £11.3 million per annum over the 6.5 year construction period. On this basis, the level of GVA supported through the Construction Phase is considered to be of a **Moderate Positive** magnitude.

Net additional GVA	Warrington	Cheshire and Warrington LEP
Total net additional GVA	£72.1m	£73.7m
Net additional GVA per annum	£11.1m	£11.3m

Table 6.19: Net additional GVA per annum over the construction period

Training and apprenticeship opportunities

- 7.13. It is intended that during the Construction Phase, Langtree PP and Panattoni will engage with organisations such as Warrington & Co., the CITB and Jobcentre Plus to provide local training and apprenticeship opportunities. However, as this engagement process is still being developed, reference has been made to standard benchmarks in terms of calculating the number of training and apprenticeship opportunities that will be created through the Construction Phase of the Proposed Development.
- 7.14. A common benchmark used in construction frameworks is to assume 52 person-weeks of paid employment for 'new entrant trainees' per £1 million in contract value. If 52 weeks is assumed to equate to one full-time equivalent (FTE) training or apprenticeship opportunity, then the Proposed Development will support 180 new trainees over the 6.5 year construction period, based on approximately £180 million of construction expenditure. This would result in an average of approximately 27 new trainees per annum.
- 7.15. Data from the Department for Education suggests that there were 7,720 apprenticeship starts in 2017/18 within the Cheshire and Warrington LEP area. In this context, the impact of the Proposed Development during the Construction Phase with regard to training and apprenticeship opportunities is considered to be of a **Minor Positive** magnitude.

Effect on local labour market

- 7.16. As outlined above, the Proposed Development is expected to support approximately 108 net additional jobs per annum in Warrington during the Construction Phase – this will be the equivalent of more than 700 person years of new employment over the 6.5 year construction period. A number of these opportunities are expected to be taken up by residents in nearby deprived areas such as Latchford East – Census data suggests that almost 20% of people working within the Site's LSOA live within the wards within Warrington which have unemployment rates above the Borough average. Data on employment construction contracts for Omega suggests that cumulative spend of £140 million has provided 77 new job vacancies offered to local unemployed people, including young people Not in Education, Employment or Training (NEETS). If the Proposed Development was to achieve a similar ratio then it would provide job opportunities for 99 local unemployed people.
- 7.17. To maximise the local economic impact that can be achieved through the Construction Phase, it is envisaged that a Local Employment Agreement will be established, drawing on best

practice from previous and ongoing developments such as Omega. This will include, for example, measures to encourage and facilitate local businesses in bidding for supply chain contracts as well as working with local partners to enable people from nearby deprived communities to access the job opportunities, work experience and training that will be provided during the Proposed Development's Construction Phase.

- 7.18. Based on the scale of construction works that will be undertaken and an analysis of socio-economic data for Warrington, it is considered that the Proposed Development's impact on the local labour market during the Construction Phase will be of a **Minor Positive** magnitude.

Commuting and migration impact

- 7.19. The provision of local employment opportunities will help to encourage residents to work closer to home and reduce rates of out-commuting. However, unlike nearby areas such as St Helens, Warrington already benefits from retaining much of its local workforce. According to Census 2011 data, a greater number of people travelled into Warrington to work compared to the number of local residents who traveled to work elsewhere (49,171 compared to 34,737). Around 59% of Warrington residents also worked in the borough.
- 7.20. Given the scale of construction jobs created when compared to the Warrington economy as a whole and that these jobs will be temporary in nature, it is considered that the magnitude of impact in terms of reducing out-commuting will be **Negligible**.

Effects on local services and facilities

- 7.21. The assessment of construction impacts has suggested that, on average, there will be 339 gross construction related jobs supported in Warrington each year over the 6.5 year construction period. A proportion of these jobs are expected to be taken up by people living in the Borough and already using local services and facilities, thereby not creating any net new demand. For those workers living outside of the Borough, it is anticipated that the majority will commute into Warrington, rather than relocating with their families, particularly given the temporary nature of the jobs created. It is therefore unlikely that the Construction Phase will result in noticeable additional demand for community services and facilities, including Primary and Secondary schools and GP surgeries. Overall, the magnitude of impact is considered to be **Negligible**.

Wider socio-economic impacts

- 7.22. There is the potential, as a result of the scale of the construction works, for adverse effects on the image and perceptions of the local area during the Construction Phase. This could relate to noise and air pollution being caused by the construction activities, disruption to traffic and problems of anti-social behavior on the site, potentially resulting in a loss of trade for local businesses and disturbance to local residents. However, the Framework Construction Environmental Management Plan (FCEMP), included at **Appendix 9** of the ES Part One Addendum Report, has set out measures to limit such effects.
- 7.23. Offset against the possible wider adverse socio-economic impacts of the Construction Phase, it is anticipated that the local area would benefit from the supply chain opportunities for local businesses and the spending of construction workers in local shops, cafes and restaurants. These indirect and induced impacts have been considered above. However, the increase in economic activity, including the potential for local unemployed people to access new employment opportunities, will result in a wider boost to the area, helping to achieve the economic priorities identified for Warrington.
- 7.24. Taking into account the temporary nature of the construction works and the range of potential wider socio-economic impacts during the Construction Phase, it is considered that, on balance, the magnitude of impact will be **Negligible**.

Summary of potential environmental effects – Construction Phase

- 7.25. Having determined the nature of the impact, its level of receptor (International to Local) and level of environmental impact (Substantial to Neutral and positive or negative), the significance matrix (see Section 4 of the ES Part One Report) has been utilised to determine the significance of effect, with a level of confidence assigned.

Nature of Impact	Receptor	Environmental Impact	Significance of Effect	Confidence Level
Temporary increase in employment	County / sub-region	Moderate Positive	Moderate Benefit	High
Short-term increase in economic output (GVA)	County / sub-region	Moderate Positive	Moderate Benefit	High
Training and apprenticeship opportunities	County / sub-region	Minor Positive	Minor Benefit	High
Effect on local labour market	Borough	Minor Positive	Minor Benefit	High
Commuting and migration impact	Borough	Negligible	Negligible	High
Effects on local services and facilities	Local	Negligible	Negligible	High
Wider Socio-economic impacts	Borough	Negligible	Negligible	High

Table 6.20: Significance of Effect – Construction Phase

Operational Phase

7.26. The socio-economic assessment has considered the following potential impacts during the Operational Phase:

- Creation of direct, indirect and induced long-term employment opportunities from the proposed B8 uses on the Application Site.
- Long-term increase in economic output (GVA) resulting from the direct, indirect and induced impacts of the Proposed Development during the Operational Phase.
- Increase in business rate revenue generated due to the provision of new B8 floorspace on the Application Site.
- Creation of training and apprenticeship opportunities during the Operational Phase.
- Effect on local labour market, specifically in terms of the employment opportunities generated by the Proposed Development for local residents within Warrington.

- Commuting and migration impacts resulting from the creation of long-term employment opportunities.
- Effect on local facilities and services, such as schools and healthcare facilities, due to the increase in workforce in the local economy.
- Wider socio-economic impacts – including image and perceptions of the local area and catalytic regeneration effects. This section has considered the overall impact on the perceptions of the Borough. The impact of the Proposed Development in terms of the visual image to nearby residents is assessed a part of the Landscape and Visual Impact ES Technical Chapter 4.

7.27. The assessment of the Operational Phase socio-economic impacts has been based on the Proposed Development as a whole. There is the potential that development on the Application Site could come forward on a piecemeal basis, over a longer phased time period. However, given the strength of current and anticipated market demand for logistics uses within this location, it is expected that the full development will come forward over a relatively short timescale and, as such, it is appropriate to assess the overall impacts of the Proposed Development in totality.

Creation of long-term employment opportunities

7.28. In order to estimate the number of operational jobs that might be accommodated on-site as a result of the Proposed Development, assumptions have been made as to the expected employment densities, given the type of floorspace provided. It is anticipated that the Proposed Development will bring forward up to 287,909 m² (gross internal) of B8 floorspace. An average employment density of 70 m² per FTE job has therefore been applied to the floorspace estimate, giving a gross employment impact figure of 4,113 FTE jobs.

7.29. The employment density assumption has been based upon research relating to the logistics sector and existing national benchmarks. The HCA's employment densities guide identifies a benchmark density range for B8 uses of between 70 m² ('final mile' distribution centre) and 95 m² (national distribution centres). The guide, however, recognises that "as logistics becomes more specialised both a greater number of employees and range of skills are required to operate a modern distribution facility".⁵ This is supported by recent data relating to Omega

⁵ HCA (2015), Employment Density Guide, p.22

in terms of employment secured to date. According to Warrington & Co., since 2013 the development build-out and consented to date at Omega is some 358,747 m², while the number of permanent secured jobs is 7,785. This would give an average employment density of 46 m² per job, albeit it should be recognised that there is a wide variance between different developments.

- 7.30. The British Property Federation's (BPF's) study on the economic impact of the UK logistics sector also points towards increasing employment densities within logistics floorspace, "meaning that, in some developments, a greater number of people are employed than national guidance would suggest".⁶ Cases studies highlighted within BPF's report include DPD Group UK's employment density at Hinckley, which is equivalent to 48 m² per FTE job when office floorspace, office staff and drivers are taken into account. Similarly, the office floorspace within Sainsbury's national distribution centre supports one FTE job for every 34 m². On balance, therefore, the overall assumed employment density for the Proposed Development of 70 m² per FTE job is believed to be reasonable.
- 7.31. As with the Construction Phase, as well as the creation of new jobs on-site, the Operational Phase of the Proposed Development will generate additional economic activity in the wider economy. For example, the attraction and retention of new businesses has associated consequences in terms of generating additional employment through the supply chain (indirect effects). The direct and indirect effects of new investment also generates additional employee spend on local goods and services, supporting further job creation (induced effects).
- 7.32. To estimate the scale of the potential indirect and induced multiplier effects associated with the Proposed Development, reference has again been made to additionality benchmarks. The additionality guidance produced for what is now the Department for Business, Energy & Industrial Strategy (BEIS) (formerly the Department for Business, Innovation & Skills (BIS)) suggests that a suitable composite multiplier at the Cheshire and Warrington LEP level is around 1.46.⁷ In comparison, the HCA Additionality Guide identifies a local multiplier benchmark of 1.29 for B8 uses – this has been applied at the Warrington level.⁸

⁶ BDF (2015), Delivering the Goods: The economic impact of the UK logistics sector, p.16

⁷ BIS (2009), Guidance for using additionality benchmarks in appraisal

⁸ HCA (2014), Additionality Guide, Fourth Edition

- 7.33. The overall number of gross jobs created through the Operational Phase, after allowing for the direct, indirect and induced impacts of the Proposed Development, are shown in Table 6.21. These figures could potentially underestimate the scale of overall employment impact, given the strong supply chain linkages of the logistics sector across the Cheshire and Warrington sub-region and the sector's wider role in enabling the growth of other sectors.

Gross operational employment (FTE jobs)	Warrington	Cheshire and Warrington LEP
Direct	4,113	4,113
Indirect and induced	1,193	1,892
Total gross impact	5,306	6,005

Table 6.21: Gross operational employment (FTE jobs)

- 7.34. Consideration has been given to the impact of increased automation on levels of future employment. This has been based on a review of research that reflects both empirical work looking at recent overall employment trends relating to automation and 'foresight' analyses examining the potential impact of automation (detailed in Section 2.2). Both strands point to the likelihood of sustained automation penetration across the economy, and for the transportation, storage and logistics sectors to be at the forefront of any associated displacement. However, broader sector-related evidence suggests that logistics companies have approached the issue of automation with caution and may not transition fully to emergent technologies for a decade or more.
- 7.35. The review concludes suggesting that there may be a case for considering a broader employment density range in relation to size of premises than is contained in the 2015 Employment Density Guide. However, the employment density guidance published by the former HCA is still considered to be the most material consideration in estimating current employment levels for B8 warehousing and other property types.
- 7.36. Noting evidence that, to date, logistics companies have approached the issue of automation with caution, it may be reasonable to apply a moderate adjustment of between 10% and 15% future developments over the next 10 to 15 years to reflect continued investment in automation across the sector. From the point of full employment, this would equate to an annual reduction in onsite jobs of between 30 and 60 per annum over the period. However,

there remains uncertainty around the future implementation of automation and the HCA guidance is still considered to be the most material factor in calculating employment.

7.37. Evidence suggests that the occupations with the highest estimated automation potential typically only require basic to low level of education. On this basis, higher skilled activities are likely to be largely retained.

7.38. It would be expected that employment displacement at the local level would in part be offset by income effects (reduced production costs which are passed on to consumers through lower prices, leading to an increase in spending power). Studies have suggested that this could potentially offset the effect of losses associated with employment displacement to a factor of around 50%.

7.39. To estimate the net additional employment impact at each spatial level, adjustments need to be made for leakage, displacement and deadweight, along with the above allowance for multiplier effects. These factors have been assessment for the Operational Phase as follows:

- **Leakage** – as with the Construction Phase, reference has been made to Census 2011 origin destination data to inform the appropriate level of leakage. A skills-level analysis has also been developed which compares the employment opportunities available through logistics space development with skills levels in the local area, including those who are currently employed. Census data for Warrington as a whole would suggest that broadly 50% of the jobs created could be sourced from within the Cheshire and Warrington LEP area. However, this does not reflect the nature of the employment that will be created by the Proposed Development. A number of the opportunities created are likely to have skills requirements equivalent to NVQ 2 level or lower (see Table 6.24 overleaf). People in lower skills occupations tend to travel shorter distances to work – for example, according to Census data, 41% of workers qualified to NVQ level 2 or lower travelled less than 5km to work compared to 28% qualified to NVQ level 4+. Moreover, the proposals to work with local partners to maximise employment opportunities for local people and the links to work created through the Framework Travel Plan (see **Appendix 2.2** of the Traffic and Transportation ES Technical Chapter 2) will help to minimise leakage.
- **Displacement** – the Proposed Development has the potential to displace some activity from other competing developments in Warrington and the wider Cheshire and Warrington LEP area. However, it is anticipated that the level of displacement

will be low. There continues to be strong local growth in the logistics market, as evidenced in the 2018 Annual Property Review for Warrington.⁹ More widely, demand for logistics space across most regions continues to be resilient, with above average and record take-up levels.¹⁰ There is also a reported intensifying shortage of supply of XL warehouses (units over 400,000 ft²).¹¹ Baseline economic forecasts for Warrington reflect this trend, with the latest Experian local market data for the Borough projecting a 6% growth in transport and storage workforce jobs over the next 10 years compared to 4% for the Warrington economy as a whole. In addition, the Proposed Development would help to stimulate economic growth in the local and sub-regional economy and complement development elsewhere, helping to attract additional investment and businesses. Given the above, displacement is not expected to be significant at either the Warrington level or wider Cheshire and Warrington LEP level.

- **Deadweight** – in line with HM Treasury appraisal guidance, deadweight should reflect the continuation of current arrangements. Under a counterfactual scenario, without the Proposed Development, it is therefore assumed that the Application Site would remain as predominantly farm land with no further commercial development taking place. As such, deadweight is assumed to be zero.

7.40. Table 6.22 summarises the adjustments for each additionality factor at the two different spatial levels and identifies the overall net additional impact in terms of the Operational Phase. On the basis of the number of net additional jobs expected to be created by the Proposed Development, it is considered that the operational employment impact will be of a **Substantial Positive** magnitude within Cheshire and Warrington LEP.

⁹ Warrington and Co. (2018), Warrington Annual Property Review 2018

¹⁰ Savills (2018), Big Shed Briefing

¹¹ Cushman & Wakefield (2018), UK logistics and Industrial Market Outlook

Net additional operational employment (FTE jobs)	Warrington	Cheshire and Warrington LEP
Leakage	50%	40%
Displacement	25%	35%
Deadweight	0%	0%
Net additional impact	1,990	2,342

Table 6.22: Net additional operational employment (FTE jobs)

Long-term increases in economic output (GVA)

- 7.41. The estimates of net additional employment have been used to calculate the GVA impact per annum generated through the Operational Phase, once the site is fully occupied. However, the net additional job estimates have been adjusted to no longer account for leakage, as GVA is a workplace based measure. GVA per FTE job ratios for the logistics sector and wider supply chain have been calculated based on data from the ONS Annual Business Survey, with an average GVA per FTE job of approximately £54,000 applied.
- 7.42. In total, it is estimated that the Operational Phase of the Proposed Development would generate net additional GVA of around £210 million per annum within the Cheshire and Warrington LEP area. This level of impact is considered to be of a **Substantial Positive** magnitude.

Net additional GVA per annum	Warrington	Cheshire and Warrington LEP
Net additional FTE workplace jobs	3,979	3,903
GVA per FTE job	£54,000	£54,000
GVA per annum (once site fully occupied)*	£216m	£210m

Table 6.23: Net additional GVA per annum – Operational Phase

*Figures may not sum due to rounding of GVA per FTE job

- 7.43. Evidence suggests that local productivity / income effects are significant and sufficient to at least compensate for the loss of employment in part. On this basis, any future reduction in

the level of GVA as a result of automation would not be equivalent to decline in direct on-site employment.

Increase in business rate revenue

- 7.44. In addition to the economic impacts outlined above, it is anticipated that the delivery of new logistics floorspace will result in important fiscal impacts through supporting an increase in business rates within Warrington. The calculation of business rates is based on a review of rateable values for comparable premises within Warrington and assumes a Uniform Business Rate multiplier (UBR) of 0.49. Overall, once fully developed, it is estimated that the Proposed Development will generate approximately £7.1 million of business rates revenue per annum. This is considered to represent a **Substantial Positive** magnitude of impact.

Training and apprenticeship opportunities

- 7.45. The principle to maximise benefits for local people is a key aim of the Operational Phase, as well as the Construction Phase. Discussions have been held with Warrington & Co. and Cheshire and Warrington LEP in relation to raising the awareness of future opportunities and the methods through which local people can best be engaged, particularly those in areas suffering from deprivation and higher levels of unemployed. It is anticipated that this will involve partnership working with organisations such as Warrington & Co., Youth Fed and others, including Jobcentre Plus, to implement measures such as:

- Joint working with local partners, including training and recruitment agencies and schools and colleges, to raise awareness of the opportunities arising.
- Training programmes designed to help people address identified skills gaps, including people who are currently outside of the labour market, to gain the skills necessary to compete for the jobs.
- Working alongside partners to undertake the recruitment process to match local people to the right job opportunities.
- Developing bespoke training schemes to provide young people with apprenticeships, work experience and opportunities for graduates.
- Ensuring local companies are aware of the supply chain business opportunities and supporting them to develop and expand.

- 7.46. The quantity of training and apprenticeship opportunities that will be created during the Operational Phase, as a result of the Proposed Development, is not something that can be

accurately estimated at this stage. However, it is expected that the impact of the Proposed Development in this regard would be at least of a **Minor Positive** magnitude.

Effect on local labour market

7.47. As shown as part of the baseline analysis, Warrington is a growing and prosperous economy with high levels of economic activity. Nevertheless, it is recognized that there continues to exist pockets of severe deprivation within the Borough and areas of relatively high unemployment. It is estimated that the Proposed Development will create 1,990 net additional FTE jobs within Warrington once the Application site is fully occupied. This would represent a significant contribution to supporting the continued growth of the local economy. In addition, many of the jobs would be accessible to new entrants to the labour market and those who are currently unemployed.

7.48. Based on the skills-mix typically associated with the logistics sector, it is anticipated that close to 70% of jobs provided by the development will be at NVQ level 2 or lower (see Table 7.7). Consequently, the employment created would match well with the skills profile of the unemployed in Warrington and, in particular, help to provide opportunities to those people with relatively low level skills that suffer from long-term unemployment (see Table 6.24).

Skills profile	NVQ4+	NVQ3	NVQ2	NVQ1	NVQ0
Proposed Development	18%	29%	22%	13%	18%
Warrington: unemployed	18%	26%	27%	13%	16%

Table 6.24: Projected skills required, source: AMION, Census 2011

7.49. The benefits of the logistics sector in terms of offering routeways into work is further demonstrated by the occupational match between those employed in the logistics sector and those who are currently unemployed, as shown in Table 6.25. The largest former occupation of long-term unemployed is elementary occupations, which corresponds to the warehouse and storage sector, albeit as noted below the structure of the sector is changing. Roles within the logistics sector are recognised as being accessible to those with low skills but with the real possibility to start at a lower level and 'work your way up'¹².

¹² Agcas (2012) Industry insight – Transport and logistics

Occupational profile*	Transport & communication (Warrington)	Transport & storage (England & Wales)	Warehouse & storage (England & Wales)	Unemployed (by last job)	Long-term unemployed (by last job)
1 Managers, directors and senior officials	9%	8%	12%	5%	5%
2 Professional occupations	18%	3%	3%	9%	8%
3 Associate professional/technical	11%	6%	4%	9%	8%
4 Administrative and secretarial	10%	9%	11%	12%	12%
5 Skilled trades occupations	4%	4%	2%	10%	11%
6 Caring, leisure and other service	3%	5%	1%	11%	10%
7 Sales and customer service occupations	9%	4%	3%	14%	11%
8 Process, plant and machine operatives	19%	40%	16%	7%	9%
9 Elementary occupations	17%	21%	48%	24%	27%

Table 6.25: Occupational profile, source: Census 2011

*Occupational and industrial sector comparison only available at a broad sector level for local authorities. Therefore, national data used to show comparison for logistics related sub-sectors.

7.50. Despite the relatively low level skill requirements that have typically been associated with the logistics sector, technological change is driving a requirement for more complex work roles and a greater need for specialised technical skills.¹³ Research back in 2014 by the UK Commission for Employment and Skills (UKCES) identified an increasing need for individuals within the logistics sector to be multi-skilled in many areas, including management roles, drivers, port operatives, warehouse operatives, transport office, IT professionals and trainers.¹⁴ This trend has continued, with a recent example being Amazon's new distribution

¹³ Essex Employment and Skills Board (2017), Evidence Base Sector Profile Logistics 2017

¹⁴ UKCES (2014), Understanding Skills and Performance Challenges in the Logistics Sector

fulfilment centre at Omega, which generated demand for a range of roles including operations managers, engineers and HR and IT specialists.¹⁵

- 7.51. The growing demand for higher level and a broader range of skills within the logistics sector presents opportunities for improving the pathways to work and career advancement, supporting people into decent, secure and well-paid jobs, and helping to tackle the barriers to both gaining employment and progression to higher wage occupations. Data from the Annual Survey of Hours and Earnings has shown that average salaries within the logistics sector are above the national average – in 2018 the median gross annual wage for all UK employees was £24,006 compared to £27,688 in the transportation and storage sector.
- 7.52. Given the scale of employment that will be created and the accessibility of the job opportunities to residents within local communities, it is considered that the Proposed Development's impact on the local labour market will be of a **Substantial Positive** magnitude.

Commuting and migration impact

- 7.53. As with the Construction Phase, the creation of new logistics jobs within Warrington will provide further opportunities for residents to work closer to home, thereby reducing rates of out-commuting. Informed by Census data, it is estimated that around 50% of the Operational Phase jobs created could be taken-up by local people. With improved local skills levels through, for example, the work of the Northern Logistics Academy and a focus on targeting recruitment from the resident workforce, the proportion of jobs going to people from within Warrington could be higher still. However, it is recognised that it will be important to ensure that people, particularly those from disadvantaged groups, can physically access the employment opportunities created.
- 7.54. The Framework Travel Plan (see **Appendix 2.2** of the Traffic and Transportation ES Technical Chapter 2) sets out a number of measures that will be put in place to improve connections to nearby communities. This will include a new 1.2km shared pedestrian and cycle link along Grappenhall Lane that will tie into existing pedestrian facilities on Knutsford Road, thus offering a pedestrian/cycle link back to the town centre and providing a route to areas such as Latchford, which suffer from relatively high levels of unemployment. New bus

¹⁵ Warrington and Co. (2018), Warrington Annual Property Review 2018

services to the town centre and areas where local employees are expected to reside are also proposed via a Section 106 contribution, along with further measures to encourage public transport use.

- 7.55. Overall, it is considered that the impact of the Operational Phase in terms of commuting and migration will be of a **Minor Positive** magnitude.

Effect on local services and facilities

- 7.56. Although the Proposed Development includes no residential component, it is possible that a proportion of the additional employees who will end up working on-site will relocate from outside of the Borough to live closer to the Application Site. This will have the effect of increasing the number of people using existing social infrastructure such as local Primary / Secondary schools and GP surgeries. However, as discussed above, it is expected that a large proportion of the jobs created during the Operational Phase of the Proposed Development will be taken-up by existing Warrington residents. Of those employed at the site and residing outside of the Borough, the vast majority of workers are anticipated to be residents from neighbouring local authorities. Overall, it is estimated that around 70% of people working at the Application Site will be from either Warrington, Cheshire West and Chester, Halton, Cheshire East, Wigan or St Helens. It is unlikely therefore that many workers will relocate to live within Warrington and the magnitude of impact, in terms of the effect on local services and facilities, such as schools and GP surgeries, is considered to be **Negligible**.

Wider socio-economic impacts

- 7.57. As outlined previously, the Proposed Development will create a significant number of new jobs within Warrington, a number of which will be taken-up by local residents, helping to generate increased economic activity, retain skilled people within the area and bring more people into employment. Despite the overall relative strength of the economy, there are still communities within Warrington suffering from severe levels of income and employment deprivation. The Proposed Development will help to support the regeneration of these neighbourhoods, providing a range of accessible jobs. While there is no certainty that residents within these areas will seize the new opportunities created, further labour market support, working with organisations such as Warrington & Co., will help to ensure that the uptake of employment by economically inactive residents can be optimised.

- 7.58. The increase in economic activity and investment will have knock-on effects in terms of the local supply chain, as well as supporting the growth of local services and facilities through the attraction of additional expenditure. It is estimated that the Proposed Development, once fully occupied, could generate £122 million of net additional supply chain and employee spend per annum in Warrington. Based on ONS business population data, this would be enough to sustain around 205 local businesses. This will help to encourage further investment, as well as enabling existing businesses to expand, attract new businesses, and retain and create further jobs for local residents.
- 7.59. More generally, beyond the direct impacts associated with the Proposed Development, the provision of new logistics space will also play an important role in supporting the economic growth of the wider economy of Cheshire and Warrington LEP. The logistics sector is recognised as key enabler of growth in terms of its relationships with other sectors, such as manufacturing and the wider transport sector. Cost-effective and efficient logistic operations have cross-sector benefits, helping to improve the productivity and competitiveness of other businesses in the region. The sector itself is seen as providing an opportunity to drive growth in Warrington and neighbouring areas, with the Borough enjoying a competitive advantage as a result of its location and strong transport links.
- 7.60. Specific measures are proposed to help integrate the development with its surrounding environment. These include the retention of existing boundary vegetation and enhancing the green edge through bunding and new tree planting. Ecological movement throughout the site will be encouraged, leading towards the Ecological Mitigation Area proposed within the south-eastern corner of the site. The updated Parameters Plans (see **Appendix 5** of the ES Part One Addendum Report), which set the parameters for future development of the Application Site, include measures that are designed to protect the ecological areas and setting of the scheduled monument (and interpretation boards to improve awareness of the monument) whilst enhancing the surrounding green space. The updated Illustrative Masterplan (see **Appendix 4** of the ES Part One Addendum Report) shows how these measures may be incorporated into the final design. The lowering of finished floor levels of the units combined with the proposed bunding and boundary tree planting will help screen the lower half of the development from view and will increase coverage as the tree planting matures. Limited recreational opportunities will be incorporated through the retention of the existing public footpath and the incorporation of a new walking route through the wildflower meadow, encompassing the scheduled monument.

- 7.61. Overall, in addition to the economic impacts that will be created during the Operational Phase, the Proposed Development will generate a range of important wider socio-economic benefits that are suspected to be sustained for a number of years. It is considered that these impacts will be of a **High Positive** magnitude at the Borough level.

Summary of potential environmental effects – Operational Phase

- 7.62. Table 6.26 summarises the potential environmental effects, in relation to socio-economic considerations, and identifies the significance of effect, utilising the significance matrix (see Section 4 of the ES Part One Addendum Report).

Nature of Impact	Receptor	Environmental Impact	Significance of Effect	Confidence Level
Creation of long-term employment opportunities	County / sub-region	Substantial Positive	High Benefit	High
Long-term increases in economic output (GVA)	County / sub-region	Substantial Positive	High Benefit	High
Increase in business rate revenue	Borough	Substantial Positive	Moderate Benefit	High
Training and apprenticeship opportunities	County / sub-region	Minor Positive	Minor Benefit	High
Effect on local labour market	Borough	Substantial Positive	Moderate Benefit	High
Commuting and migration impact	Borough	Minor Positive	Minor Benefit	High
Effect on local services and facilities	Local	Negligible	Negligible	High
Wider socio-economic impacts	Borough	High Positive	Moderate Benefit	High

Table 6.26: Significance of Effect – Operational Phase

8. Proposed Mitigation

- 8.1. This section considers whether mitigation measures are needed to address any adverse socio-economic effects as a result of the Proposed Development.

Construction Phase

- 8.2. No significant adverse socio-economic effects are expected and therefore no specific mitigation is required.

Operational Phase

- 8.3. As with the Construction Phase, no significant adverse socio-economic effects are expected during the Operational Phase and therefore no specific mitigation is required.

9. Potential Residual Effects

Potential Residual Effects – Construction Phase

- 9.1. As there is no requirement for mitigation for the Proposed Development in terms of socio-economic effects, the residual effects during the Construction Phase would remain the same as discussed in Section 7 of this Technical Paper (see Table 6.20).

Potential Residual Effects – Operational Phase

- 9.2. As there is no requirement for mitigation for the Proposed Development in terms of socio-economic effects, the residual effects during the Operational Phase would remain the same as discussed in Section 7 of this Technical Paper (see Table 6.26).

10. Additive Impacts (Cumulative Impacts and their Effects)

10.1. For the purposes of this ES we define the additive cumulative effects as:

‘Those that result from additive impacts (cumulative) caused by other existing and/or approved projects together with the project itself

10.2. The developments that are likely to have a cumulative impact when considered with the proposed development have been scoped with the Local Authority and Key Consultees during the preparation of this ES (a full list is included within Section 9 of the ES Part One Addendum Report). The following table includes the agreed list of cumulative developments that have been assessed in respect of Socio Economic. These are also shown geographically on the plan included at **Appendix I I** of the ES Part One Addendum Report.

No.	Cumulative Development	Details	Status	Justification for Inclusion in Cumulative Assessment
1	Land bounded by Pewterspear Green Road, Ashford Drive, Stretton, Warrington LPA Ref: 2016/28807 Applicant - HCA	Outline Planning Application for 180 dwellings.	Planning permission granted by WMBC 28-09-2017 (3 years to implement planning permission)	Expected to generate socio-economic effects, including further job creation through construction and household expenditure
2	Land bounded by Green Lane &, Dipping Brook Avenue, Appleton, Warrington, WA4 5NN LPA Ref: 2017/29930 Applicant - HCA	Outline Planning Application for 370 dwellings	Planning permission granted by WMBC 22-01-2018 (3 years to implement planning permission)	Expected to generate socio-economic effects, including further job creation through construction and household expenditure
3	Land South of Astor Drive, East of Lichfield Avenue &, South of Witherwin Avenue, Grappenhall Heys, Warrington, WA4 3LG LPA Ref: 2017/29929	Outline Planning Application for 400 dwellings	Planning permission granted by WMBC 22-01-2018 (3 years to implement planning permission)	Expected to generate socio-economic effects, including further job creation through construction and household expenditure

	Applicant - HCA			
4	<p>Land North of Barleycastle Lane, Appleton, Warrington</p> <p>Liberty Properties Development Ltd & Eddie Stobart</p> <p>LPA Ref: 2017/31757</p>	<p>Full Planning application (Major) - Demolition of all existing on-site buildings and structures and construction of a National Distribution Centre building (Use Class B8) with ancillary office accommodation (Class B1(a)), vehicle maintenance unit, vehicle washing area, internal roads, gatehouse, parking areas, perimeter fencing, waste management area, sustainable urban drainage system, landscaping, highways improvements and other associated works. (Gross internal floor space of 56,197m², together with 1,858m² of ancillary office)</p>	<p>Refused Planning Permission by WMBC 14-11-2018</p> <p><u>Decision subsequently appealed (Appeal reference: APP/M0655/W/19/3222603) and considered at Public Inquiry. Decision pending following closure of Inquiry.</u></p> <p><u>New planning application submitted under Ref: 2019/34739 and granted planning permission at planning committee by WBC in July 2019. Referred to the SoS with decision pending.</u></p>	<p>Expected to generate socio-economic effects, including further job creation</p>
5	<p>Land to the east of Stretton Road, north of Pepper Street, Stretton Road, Appleton Thorn, Warrington</p> <p>LPA Ref: 2017/31848</p>	<p>Full Planning Application for 71 dwellings</p>	<p>Planning permission granted by WMBC 24-10-2018 (3 years to implement planning permission)</p>	<p>Expected to generate socio-economic effects, including further job creation through construction and household expenditure</p>
6	<p>Blue Machinery Ltd, Barleycastle Trading Estate, Lyncastle Road, Warrington, WA4 4SY</p> <p>LPA Ref: 2016/28994</p>	<p>Full Planning Application for new industrial warehouse building for storage (replacing smaller storage building), single storey extension to existing building for further storage and two storey extension for additional office space, associated parking provision and landscaping.</p> <p>(1,699m² new build, 180m² and 265m² extensions)</p>	<p>Planning permission granted by WMBC 17-02-2017 (3 years to implement planning permission)</p>	<p>Expected to generate socio-economic effects, including further job creation</p>
7	<p>Land off Lyncastle Way, Barleycastle Lane, Appleton, Warrington, WA4 4SN</p> <p>LPA Ref: 2015/25255</p> <p>Morley Estates</p>	<p>Full Planning Application for industrial / warehouse development (Sui Generis) to facilitate a plant hire business with elements of vehicle / plant repair, servicing, maintenance and plant storage / distribution / parking and associated offices / welfare facilities, vehicular access via existing service road, acoustic bunding and fencing and other means of enclosure, soft landscaping, 36</p>	<p>Planning permission granted by WMBC 16-10-2015</p>	<p>Expected to generate socio-economic effects, including further job creation</p>

		car park spaces, fuel pumps (and associated underground tanks), vehicle / plant wash bay and sub-station (Resubmission of 2014/24618) (4,545sqm industrial warehouse building)		
8	Former Stretton Airfield, Warrington, WA4 4RG LPA Ref: 2014/2332 Hensmill Property	Proposed construction of subterranean car storage facility (B8 Use Class) with ancillary office development and associated demolition and landscaping accessed from Crowley Lane.	Planning permission granted 23-06-2015	Expected to generate socio-economic effects, including further job creation
9*	Warrington Garden Suburb (as identified in the Council's Preferred Development Option Consultation Document (July 2017) and <u>Submission Version of the Local Plan (March 2019)</u>)	<p>The Warrington Garden Suburb is <u>was</u> identified as a Preferred Development Option <u>in the July 2017 Consultation Document</u>, which provides the potential development of around 7,000 new homes to be delivered over the full 20 years of the Plan, therefore we have assessed relevant phases within the Cumulative Assessment.</p> <p><u>It should be noted that since the original ES was prepared and submitted the Council have published their Proposed Submission Version Local Plan (March 2019), which states that the Garden Suburb will deliver around 7,400 homes, with around only 5,100 of these homes to be delivered within the Plan Period, up to 2037. Policy MD2 of the Submission Version Local Plan does not identify a phasing or development trajectory, therefore this assessment remains based on the information contained in the Preferred Development Option Consultation Document (July 2017).</u></p> <p><u>On this basis, the cumulative assessment of 700 homes over the plan period of 20 years undertaken as part of the original ES provides an overly robust assessment.</u></p> <p>*Due to the limited information available in respect of the Garden Suburb, the Six 56 Warrington Cumulative Assessment will be a non-spatial assessment.</p>		Expected to generate socio-economic effects, including further job creation through construction and household expenditure

	Warrington Garden Suburb Phase	Uses and Quantum identified in Preferred Development Option (July 2017)	Uses and Quantum to be identified in Six 56 Cumulative Assessment	
	Phase 1 0-5 years Assumed 2020-2025	406 residential units (non- Green Belt sites) 22ha employment (employment areas include Six 56 Warrington and Land around Barley Castle Lane)	Six 56 Proposals will be under construction, with part delivered within Phase 1 of the Garden Suburb. The following form part of the Garden Suburb Phase 1 and will be included within the Cumulative Assessment: <ul style="list-style-type: none"> • HCA sites (950 dwgs)* • 71 dwgs associated with land to east of Stretton Road* • Land North of Barley Castle Lane (Liberty Properties and Stobart) (LPA Ref: 2017/31757) - 15.7ha* <p>*Note that these sites are already included as part of the Cumulative Assessment and already referenced as sites 1, 2, 3 and 4.</p>	
	Phase 2 6-10 years Assumed 2026-2030	2610 residential units (includes 496 non-Green Belt sites and 2,114 Green Belt sites) 30.3 ha employment (employment areas include Six 56 Warrington and Land around Barley Castle Lane)	Six 56 Proposals will be completed during 2027/2028. The following form part of the Garden Suburb Phase 2 and will be included within the Cumulative Assessment: Garden City Suburb Phase 1 and 2 employment land equates to 52.3ha, beyond the 30 ha referenced in the Phase 1 and Phase 2 employment trajectory set out in the PDO. Six 56 Warrington developable area and planning application for Land North or Barley Castle Lane (LPA Ref: 2017/31757) already equates to 77.52 ha and is already included as part of the Cumulative Assessment. Garden Suburb Phase 1 and 2 residential units equates to a total of 3016 units. The Cumulative Assessment already includes 1,021 residential units. Therefore, this Cumulative Assessments should include an additional 1995 residential units (i.e. the residual number of units identified in Preferred Development Option that not already included within Six 56 Cumulative Assessment)	
	Phase 3 11-15 years Assumed 2031-2035	2,144 ha residential units 45.9 ha employment	The Six 56 Proposals will be fully operational Given this Phase of the Garden City Suburb will be beyond the delivery of Six 56 Proposals this phase will not to	

			be included within the Six 56 Cumulative Assessment	
	Phase 4 16-20 years Assumed 2036-2040	2,144 residential units 18.6ha employment	<p>The Six 56 Proposals will be fully operational</p> <p>Given this Phase of the Garden City Suburb will be beyond the delivery of Six 56 Proposals this phase will not to be included within the Six 56 Cumulative Assessment</p>	

Table 6.27: Cumulative Development

- 10.3. The cumulative socio-economic impacts of these schemes have been considered, as far as possible, during both their Construction and Operational Phases. In addition, consideration has also been given to the likely timing and persistence of these effects over the short, medium and long-term.

Construction Phase

- 10.4. Each of the cumulative schemes would be expected to generate temporary short-term construction employment and an associated increase in economic output during their construction phases. A quantitative assessment of each scheme has not been made, due to the limited information available in some cases. However, by applying broad benchmarks to the quantity of commercial floorspace and new housing that is expected to come forward, it is estimated that the cumulative schemes combined could support the creation of approximately 8,200 person years of construction employment. The total GVA impact of this could amount to around £278 million over the course of the construction period.
- 10.5. The cumulative impact of the schemes considered as part of this assessment would represent a significant boost to the local economy. The construction activity would also provide additional training and apprenticeship opportunities, as discussed for the Proposed Development, further enhancing the socio-economic benefits to the local area.

Operational Phase

Commercial floorspace

- 10.6. The cumulative schemes would, if implemented, bring forward new commercial floorspace. Although the data available about these schemes is limited, it is possible to make an estimate of the number of jobs that will arise from these schemes by using standard employment density

benchmarks¹⁶, or by drawing upon existing socio-economic impact assessments for specific schemes, where available. However, this is only presented at a gross level (i.e. without additionality adjustments for each cumulative scheme) as a range given uncertainty around these proposals.

- 10.7. The cumulative schemes that include an element of commercial floorspace and their respective gross employment impacts are shown in Table 6.28. Through a range of employment uses, these schemes could cumulatively support between approximately 700 and 990 gross jobs.

Cumulative scheme	Use class	Floorspace (sq m)	Gross jobs
4 - Land North of Barleycastle Lane, Appleton, Warrington	B8	58,055	480- <u>700</u>
6 - Blue Machinery Ltd, Barleycastle Trading Estate, Lyncastle Road, Warrington, WA4 4SY	B2	2,144	<u>30-50</u>
7 - Land off Lyncastle Way, Barleycastle Lane, Appleton, Warrington, WA4 4SN	B2	4,545	65- <u>100</u>
8 – Former Stretton Airfield, Warrington, WA4 4RG	B8	11,611	<u>120-140</u>
TOTAL		76,355	<u>700-990</u>

Table 6.28: Gross employment impact from Cumulative Schemes

- 10.8. When considered in combination with the Proposed Development, the cumulative effects on employment creation would equate to over between 4,800 and 5,100 gross jobs. This could generate between approximately £270 and £286 million of gross GVA per annum, once the developments have all come forward and have been fully occupied. The scale of cumulative impact is considered to be significant at the Warrington and wider impact area level of Cheshire and Warrington LEP.

¹⁶ HCA (2015), Employment Density Guide, 3rd Edition

Housing

- 10.9. The cumulative schemes that include an element of residential development are as follows:
- 1 - Land bounded by Pewterspear Green Road, Ashford Drive, Stretton, Warrington (180 units)
 - 2 - Land bounded by Green Lane &, Dipping Brook Avenue, Appleton, Warrington, WA4 5NN (370 units)
 - 3 - Land South of Astor Drive, East of Lichfield Avenue &, South of Witherwin Avenue, Grappenhall Heys, Warrington (400 units)
 - 5 - Land to the east of Stretton Road, north of Pepper Street, Stretton Road, Appleton Thorn, Warrington (71 dwellings)
 - 9 - Warrington Garden Suburb Phase 2 (1,995 units)
- 10.10. Collectively, these schemes have the potential to generate up to 3,631 new residential housing units. On the basis that the average household size in Warrington is 2.4 (Source: Census 2011), this could mean an increase in population of some 7,238. However, it should be noted that a number of the new homes provided could be taken-up by existing residents. In some cases, this may not result in the vacation of an existing property (for example, a young person moving out of the family home) and simply reflect changes in household density, as opposed to a growing population. Therefore, it is likely that the potential level of additional population that might be attracted to the local area would be lower than the estimated 7,238.
- 10.11. The new residential developments would both generate additional local household expenditure and Council Tax receipts for Warrington Council. The Family Spending Survey published by ONS for the financial year ending March 2017, shows that the average weekly household expenditure in the North West for the period 2015 to 2017 was £421 (excluding spending on housing (mortgage interest payments, Council Tax etc.); licenses, fines and transfers; holiday spending; and money transfers and credit). Based on this level of average spend and the creation of 3,016 new households, the cumulative impact could amount to approximately £66 million of additional household expenditure.
- 10.12. Not all of this additional expenditure would be retained within the Warrington economy, but it would be expected that a significant proportion would be spent within local businesses, thus potentially supporting the creation of additional employment opportunities and an increase in

economic output. The impact of this expenditure would be generated as the new residential accommodation is constructed and then occupied.

Short Term

10.13. Although it will depend on when the cumulative schemes are brought forward, it has been assumed that's short-term cumulative impact will be generated by those schemes that hold planning permission are expected to come forward within five years. These include the following schemes that, collectively, will generate at least 698 gross jobs and 1,021 new housing units over the short-term.

- 1 - Land bounded by Pewterspear Green Road, Ashford Drive, Stretton, Warrington (180 units)
- 2 - Land bounded by Green Lane &, Dipping Brook Avenue, Appleton, Warrington, WA4 5NN (370 units)
- 3 - Land South of Astor Drive, East of Lichfield Avenue &, South of Witherwin Avenue, Grappenhall Heys, Warrington (400 units)
- 5 - Land to the east of Stretton Road, north of Pepper Street, Stretton Road, Appleton Thorn, Warrington (71 dwellings)
- 4 - Land North of Barleycastle Lane, Appleton, Warrington (480 jobs)
- 6 - Blue Machinery Ltd, Barleycastle Trading Estate, Lyncastle Road, Warrington, WA4 4SY (31 jobs)
- 7 - Land off Lyncastle Way, Barleycastle Lane, Appleton, Warrington, WA4 4SN (65 jobs)
- 8 - Former Stretton Airfield, Warrington, WA4 4RG (122 jobs)

Medium Term

10.14. It has been assumed that medium term cumulative impacts will be generated by those schemes that comprise of emerging site / strategic allocations that are yet to be brought forward and are likely to come forward over a within the next 6-10 years. This includes the Warrington Garden Suburb Phase 2 schemes that will provide 1,995 new housing units in parallel with the delivery of the Proposed Development.

Long Term

- 10.15. It is expected that the cumulative schemes considered as part of the socio-economic impact assessment will all come forward in the short to medium term.

II. Conclusion

II.1. The Proposed Development is expected to generate a range of socio-economic impacts through the construction and occupation of up to 287,909 m² of B8 floorspace. This Technical Paper Addendum Report has considered the nature and significance of these impacts, informed by a review of the local socio-economic and policy context. In particular, the Technical Paper has sought to consider the potential impacts arising from:

- New temporary and long-term employment opportunities.
- Increased economic output (GVA).
- Increased business rate revenue.
- Creation of training and apprenticeship opportunities.
- Local labour market effects.
- Commuting and migration impacts.
- Effects on local services and facilities.

II.2. Based on the assessment of the socio-economic impacts of the Proposed Development, during both the Construction and Operational Phases, the key findings of this report can be summarised as follows:

Construction Phase:

- It is estimated that the Proposed Development will involve £180 million of construction expenditure, generating 1,762 gross direct person years of employment. This would equate to 271 gross jobs on average per year over the construction period, or 139 net additional jobs in the Cheshire and Warrington LEP area, once adjustments have been made for leakage, displacement, deadweight and multiplier effects. This is considered to represent a **Moderate Benefit**.
- The creation of new construction employment would support £11.3 million of net additional GVA per annum in the Cheshire and Warrington LEP area, over the construction period. This is again considered to represent a **Moderate Benefit**.
- The Proposed Development would support an estimated 180 new apprenticeships over the 6.5 year construction period – an average of approximately 27 new trainees per annum, representing a **Minor Benefit**.
- The Proposed Development is expected to support approximately 108 net additional jobs per annum in Warrington during the Construction Phase, with a number of these

opportunities expected to be taken up by residents in nearby deprived areas. It is considered that the Proposed Development's impact on the local labour market during the Construction Phase will represent a **Minor Benefit**.

Operational Phase

- Once the Proposed Development has been fully occupied, the scheme could create some 4,113 gross direct FTE jobs. After allowing for leakage, displacement, deadweight and multiplier effects, it is anticipated that the net additional impact at the Cheshire and Warrington LEP level will be 2,342 FTE jobs, representing a **High Benefit**. The assessment of gross FTE jobs is based on the most up-to-date employment density benchmarks published by the former HCA. Allowing for the effects of automation over a 10 to 15 year period, the level of gross employment could potentially reduced by 10% to 15%. Notwithstanding any such effects, employment effects remain as a high benefit.
- Based on the estimates of net additional employment, it has been calculated that the Proposed Development could generate £210 million of net additional GVA per annum within the Cheshire and Warrington LEP area. This considered to represent a **High Benefit** in terms of the significance of effect.
- The delivery of new logistics floorspace will result in an increase in business rates within Warrington, estimated to be approximately £7.1 million per annum once the site is fully occupied, representing a Moderate Positive magnitude of impact and **Moderate Benefit** in terms of significance of effect.
- As with the Construction Phase, a key principle of the Operational Phase will be to maximise benefits to local residents. This will involve work with local partners to raise the awareness of future opportunities and equip local people with the necessary skills to access the new jobs that will be created. The significance of effect is expected to be, at least, of a **Minor Benefit**.
- The Proposed Development will support people into decent, secure and well-paid jobs, as helping to tackle the barriers to both gaining employment and progression to higher wage occupations. The impact on the local labour market is considered to be a **Moderate Benefit**.
- The Proposed Development will provide an important source of local employment, with a focus on targeting recruitment from the local resident workforce. It will therefore help to reduce out-commuting and represent a **Minor Benefit** in terms of significance of effect.

- 11.3. In addition to the direct economic impacts that will be created during the Operational Phase, the Proposed Development will generate a range of important wider socio-economic benefits. These will include helping to encourage further developer investment and business growth by building on the competitive advantage of Warrington as a location for logistics. Overall, it is considered that the wider socio-economic impacts will be of a **Moderate Benefit**.

12. Reference List

Agcas (2012) Industry insight – Transport and logistics

BDF (2015), Delivering the Goods: The economic impact of the UK logistics sector

BIS (2009), Guidance for using additionality benchmarks in appraisal

Cheshire and Warrington LEP (2015), Gateway to the Northern Powerhouse, Cheshire & Warrington Devolution – A Growth Deal

Cheshire and Warrington LEP (2017), Strategic Economic Plan

Cushman & Wakefield (2018), UK logistics and Industrial Market Outlook

Essex Employment and Skills Board (2017), Evidence Base Sector Profile Logistics 2017

HCA (2014), Additionality Guide, Fourth Edition

HCA (2015), Employment Density Guide, 3rd Edition

HCA (2015), Calculating Cost per Job Best Practice Note, 3rd Edition

HMT (2016), Northern Powerhouse Strategy

Savills (2018), Big Shed Briefing

UKCES (2014), Understanding Skills and Performance Challenges in the Logistics Sector

Warrington & Co. (2017), Warrington Means Business

Warrington & Co. (2018), Warrington Annual Property Review 2018

Warrington Borough Council (2016), Economic Development Needs Study

Warrington Borough Council (2017), Preferred Development Option (Regulation 18) Consultation Document

13. Appendices

Appendix I

Six 56 Warrington

ES Addendum – Text Deleted from Original ES Technical Paper 6 – Socio Economics

Section Number / Paragraph Number / Table number / Figure Number in Original Paper	Text Deleted from Original ES	Reason
Table 6.1	National Planning Policy Framework (2018) paragraph 22	To reflect updated National Planning Policy Framework (2019)
Table 6.27: Cumulative Development	2027/2028	Updated year of completion