East Midlands Gateway
Phase 2 (EMG2)

Document DCO 6.5/MCO 6.5

ENVIRONMENTAL STATEMENT

Volume 1 Main Statement

Chapter 5

Socio-Economic

July 2025

05

The East Midlands Gateway Phase 2 and Highway Order 202X and The East Midlands Gateway Rail Freight and Highway (Amendment) Order 202X

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5. Socio-Economic

5.1. Introduction

5.1.1. This chapter of the ES presents an assessment of the likely significant effects of the **EMG2 Project**, described in full in **Chapter 3: Project Description (Document DCO 6.3/MCO 6.3),** with respect to socio-economics effects. The chapter sets out the methodology and data sources used for this assessment, and reviews the legislation, policy and relevant guidance to set out how the proposals fit with plans and priorities for economic development. A baseline assessment is then presented to understand the local context with regards to the size of the labour market, the construction labour market, logistics sector employment and levels of local deprivation.

5.1.2. In brief, the **EMG2 Project** comprises three main components as follows:

Table 5.1 EMG2 Project Components

Main Component	Details	Works Nos.
DCO Application/DCO Scheme		
EMG2 Works	Logistics and advanced manufacturing development located on the EMG2 Main Site south of East Midlands Airport and the A453, and west of the M1 motorway. Together with an upgrade to the EMG1 substation and provision of a community park.	DCO Works Nos. 1 to 5 as described in the draft DCO. DCO Works Nos. 20 and 21 as described in the draft DCO.
Highway Works	Works to the highway network: the A453 EMG2 access junction works; significant improvements at Junction 24 of the M1 (referred to as the J24 Improvements) and works to the wider highway network including active travel works.	DCO Works Nos. 6 to 19 as described in the draft DCO.
MCO Application/MCO Scheme		
EMG1 Works	Additional warehousing development on Plot 16 together with works to increase the permitted height of the cranes at the EMG1 rail-freight terminal, improvements to the public transport interchange, site management building and the EMG1 access works.	MCO Works Nos. 3A, 3B, 5A, 5B, 5C, 6A and 8A in the draft MCO.

5.1.3. The likely socio-economic effects that are anticipated to arise from the construction (temporary) and operational (permanent) phases of the **EMG2 Project** are presented within this Chapter. This includes an estimation of the number of direct and indirect construction jobs, and an estimation of the operational phase jobs once the construction has been completed. The Gross Value Added (GVA) and business rates benefit, the impact on the logistics sector and the impacts of skills and training delivered to the local labour force are considered. A section on proposed mitigation provides a description of any additional enhancement and mitigation

measures that are proposed to minimise any potential adverse effects identified by the assessment. This is followed by an assessment of the residual environment effects, and an assessment of cumulative effects. A conclusion is then presented to summarise the assessment of the likely significant effects of the **EMG2 Project** with respect to socio-economics.

5.1.4. The chapter is supported by the following technical appendices:

- **Appendix 5A: EMG2 Industrial and Logistics Need Assessment (Document DCO 6.5A/MCO 6.5A)**

5.1.5. In recognition that this chapter forms part of a single ES covering both the DCO Application and the MCO Application, it makes a clear distinction between the component parts and, consistent with the dual application approach, assesses the impacts arising from the DCO Application and MCO Application separately and then together as the **EMG2 Project** in combination. An assessment of the cumulative impacts of the **EMG2 Project** with other existing and, or approved developments, has been completed using the list of projects identified in **Appendix 21B (Document DCO 6.21B/MCO 6.21B)** to **Chapter 21: Cumulative Impacts (Document DCO 6.21/MCO 6.21)**.

5.2. Scope and Methodology of the Assessment

5.2.1. This section of the chapter is common to both the DCO Application and the MCO Application**.**

5.2.2. This section provides an explanation of methods used to undertake the assessment with reference to published standards, guidelines and best practice.

5.2.3. The assessment comprises the following components:

- Review of existing planning policy and other relevant strategies focusing on socio-economic issues;
- Assessment of baseline socio-economic conditions in the area;
- Consideration of socio-economic impacts of the **EMG2 Project**; and
- Assessment of any potential impacts on the socio-economic characteristics of the area.

5.2.4. Information on the socio-economic characteristics of the area has been collated from a number of sources as follows:

- Office for National Statistics (ONS), 2021 Census;
- Office for National Statistics (ONS), Annual Population Survey;
- Office for National Statistics (ONS), Nomis, Official Labour Market Statistics;
- Office for National Statistics (ONS), Business Register and Employment Survey (BRES);
- Office for National Statistics (ONS), Annual Survey of Hours and Earnings;
- Ministry for Housing, Communities and Local Government (MHCLG), Indices of Multiple Deprivation (IMD) (2019);

- Oxford Economics;
- North West Leicestershire Local Plan (2021);
- Leicester and Leicestershire Economic Growth Strategy (2021);
- Leicester and Leicestershire Strategic Growth Plan (2018);
- Leicester and Leicestershire Strategic Economic Plan (2015);
- Leicester and Leicestershire Economy in 2022 prepared by the Leicester and Leicestershire Enterprise Partnership (LLEP);
- Centre for International Competitiveness, Competitiveness Index; and
- **Appendix 5A (Document DCO 6.5A/MCO 6.5A)** EMG2 Industrial and Logistics Need Assessment.

5.2.5. The assessment has been informed by a number of published research reports and guidance including:

- Housing and Communities Agency (HCA, former Homes England), Employment Densities Guide, 3rd Edition, 2015; and
- HCA, Additionality Guide, 4th Edition, 2014.

5.2.6. The information on the socio-economic baseline characteristics and the assessment has also been informed by research undertaken by SEGRO as part of its monitoring of the East Midlands Gateway Logistics Park (EMG1), which is located to the north of East Midlands Airport.

5.2.7. The assessment has been informed by consultation undertaken as part of the scoping process. A Scoping Report, which proposed to scope in a range of socio-economics effects, was submitted to PINS on 13 August 2024. PINS' Scoping Opinion was adopted on 24 September 2024 (**Document DCO 6.1D**). **Table 5.2** below lists PINS comments on the socio-economic scoping report, and provides responses.

Table 5.2: Consultation Comments and Responses

ID	Comment	Response
Planning Inspectorate		
3.10.1	No matters have been proposed to be scoped out of the assessment.	The Socio-economic Chapter focuses on the assessment of matters that have been proposed to be scoped in.
3.10.2	The ES should clearly establish the Study Area or areas for the assessment, justifying their extent and explaining how they have been established. The ES should make clear which Study Area is relevant to which assessment (for example, the Study Area for the assessment of impacts to the economy, versus the Study Area for impacts to housing demand). The ES Study Areas	Relevant Study Areas have been defined in the following section, and are shown in Figure 5.1 and Figure 5.2 below. Two Study Areas have been identified, a core 'Study Area' for the assessment of economic and labour market impacts and a 'Functional Economic Market Area' (FEMA) for the assessment of impacts on I&L businesses looking for floorspace in the area.

ID	Comment	Response
	should be discussed and where possible, agreed with the relevant consultation bodies and a figure showing the extent of the Study Areas should be shown in the ES.	The core Study Area has been defined based on data from the operations of EMG1 on employee place of residents. The FEMA has been defined based on local planning policy evidence base, and is consistent with the FEMA defined in the Leicester and Leicestershire Housing and Economic Development Needs Assessment (HEDNA, 2017). The adoption of the HEDNA's FEMA was also based on Savills Economics and Development Teams' professional experience of I&L market dynamics in the area. Further information on the FEMA is available in the appended 'Industrial and Logistics Need Assessment' (**Appendix 5A**). The following section on 'Geographical scope' details which Study Area is relevant to which impact assessment presented in this Chapter.
3.10.3	The Scoping Report states that the project will contribute to delivering the impacts of the East Midlands Freeport. The number of jobs anticipated in the construction and operational phases should be defined within the ES and used in the assessment of effects.	Employment generated during the construction and operational phases has been estimated in the Chapter, in line with the HCA Additionality Guide (2014) and Employment Density Guide (2015), with justification of the assumptions used. Where relevant, the level of employment generated is compared to jobs estimated to be created at the East Midlands Freeport.
Leicestershire County Council		
n/a	To inform 'planning balance' reference should also be made to: • Housing and Economic Needs Assessment for Leicester and Leicestershire (HENA, June 2022), any subsequent update or replacement. • Strategic Logistics Study for Leicester and Leicestershire (April 2021, amended March 2022), any subsequent update or replacement. • Statement of Common Ground for Leicester & Leicestershire relating to Housing and Employment Land Needs (June 2022). • Greater Nottingham/Nottinghamshire and Derby/Derbyshire housing and employment	These documents have been reviewed and referred to in the Socio-economics Chapter under Section 5.3.

ID	Comment	Response
	studies given geographical sphere of influence of site.	

Geographical Scope

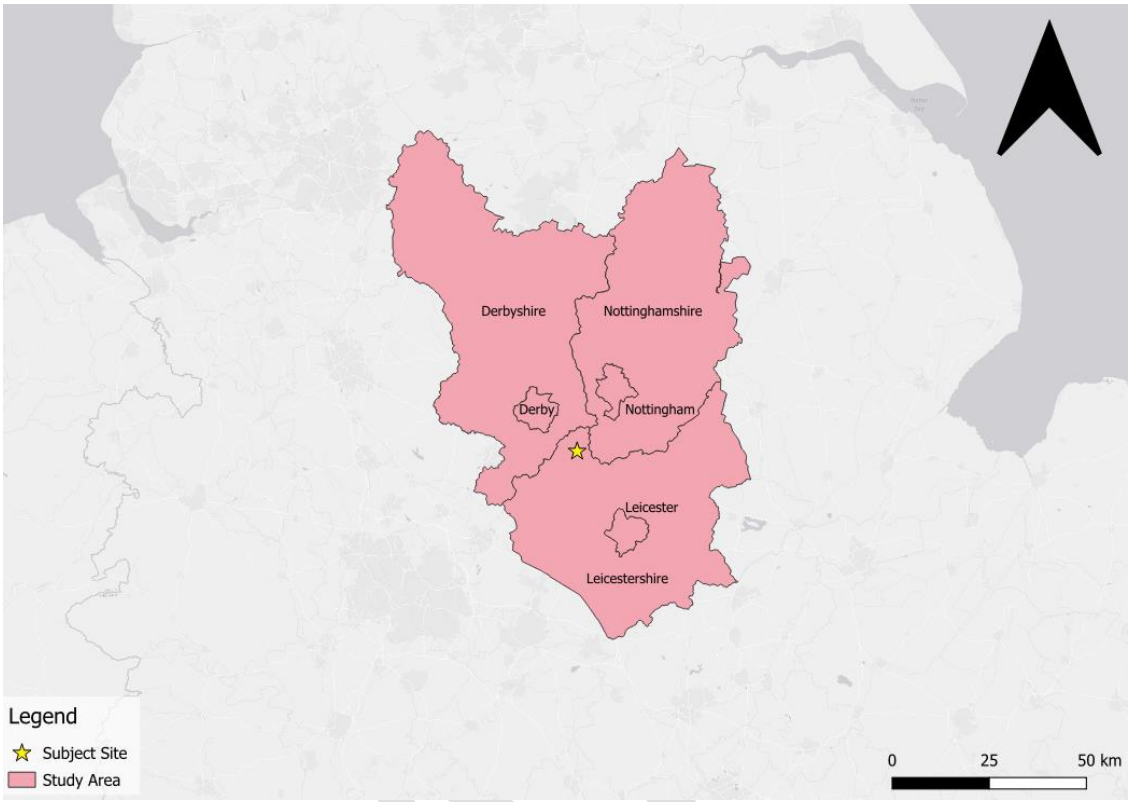
5.2.8. The concept of an impact area is standard in EIA practice, however, there is no standard measure. For socio-economic impact assessments, this is further complicated by the mobility and network of potential receptors.

5.2.9. This assessment considerers two areas of geographical interest. The first comprises the following unitary and County Council areas:

- Leicester City;
- Leicestershire County;
- Derby City;
- Derbyshire County;
- Nottingham City; and
- Nottinghamshire County.

5.2.10. This is thereafter referred to as the Study Area which has also informed by employee data from EMG1 on the place of residence for EMG1 staff (see **Appendix 6B, (Document DCO 6.6B)**). It is considered the relevant geography for the consideration of socio-economic and labour market dynamics. The Study Area is shown in **Figure 5.1** below.

Figure 5.1: Study Area



Source: QGIS 2024

5.2.11. The Study Area is the relevant geographical scope for the assessment of the following impacts:

- Impact of employment generated during the construction phase;
- Impact of employment generated during the operational phase;
- Impacts on skills and training of the local labour force during the construction and operational phases;
- Impact on regional and national economic activity during the construction and operational phases.

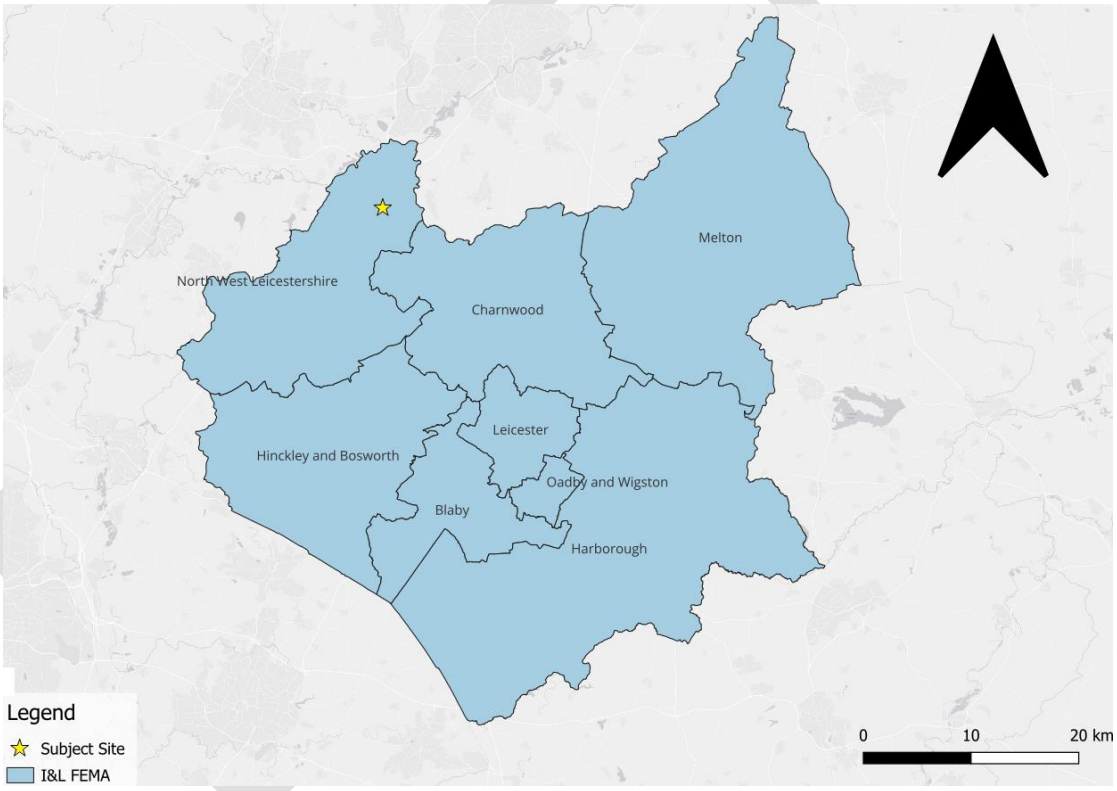
5.2.12. The second area of geographical interest is referred to as the Functional Economic Market Area, (FEMA), comprising the Local Authorities of:

- North West Leicestershire;
- Blaby;
- Charnwood;
- Harborough;
- Hinckley and Bosworth;
- Leicester;
- Melton; and

- Oadby and Wigston.

5.2.13. The FEMA has been defined with reference to dynamics in the Industrial & Logistics (I&L) property market. It is the geographical area which best represents the Property Market Area (PMA) which the **EMG2 Project** sits within and is the broad 'area of search' that prospective I&L occupiers will consider when looking to lease space. Effectively, the PMA includes the competitor locations to the **EMG2 Project** for attracting occupier demand. The FEMA has been defined based on local planning policy evidence base, and is consistent with the FEMA defined in the Leicester and Leicestershire Housing and Economic Development Needs Assessment (HEDNA, 2017). The adoption of the HEDNA's FEMA was also based on Savills Economics and Development Teams' professional experience of I&L market dynamics in the area. Further information and research into the FEMA is available in **Appendix 5A (Document DCO 6.5A/MCO 6.5A)** ' Industrial and Logistics Need Assessment'. The FEMA is illustrated in **Figure 5.2** below.

Figure 5.2: Industrial and Logistics Functional Economic Market Area



Source: QGIS 2024

5.2.14. The FEMA is the relevant geographical scope for the assessment of the following impact:

- Impacts on businesses operating in the Industrial and Logistics sector.

Significance Criteria

5.2.15. The assessment of socio-economic effects will follow the Methodology and Format of the Assessment presented in **Chapter 1: Introduction (Document DCO 6.1/MCO 6.1)** of the ES. The definitions of receptor sensitivity, impact magnitude and effect significance in **Chapter 1:**

Introduction (Document DCO 6.1/MCO 6.1) are anticipated to be in line with those to be used in the assessment of socio-economic effects. Receptor sensitivity and impact magnitude in the context of socioeconomics issues are further defined in the following tables.

Receptor Sensitivity

5.2.16. To arrive at a judgement on the significance of the effect, the assessment considers the sensitivity of different receptors, the methodology for determining significance can be seen in **Table 5.3** below. The assessment of the receptors' sensitivity level is based on the baseline research section below.

Table 5.3: Methodology for Determining Sensitivity

Sensitivity	Example of Receptor
High	Strong evidence of direct and significant socio-economic challenges relating to receptor. Accorded a high priority in local, regional or national economic and regeneration policy.
Moderate	Some evidence of socio-economic challenges linked to receptor, which may be indirect. Change relating to receptor has medium priority in local and regional economic and regeneration policy.
Low	Little evidence of socio-economic challenges relating to receptor. Receptor is accorded a low priority in local economic and regeneration policy.

5.2.17. The magnitude of an effect is described using the terminology set out in **Table 5.4**:

Table 5.4: Methodology of Assessing Magnitude

Sensitivity	Example of Receptor
High	The impact will result in significant changes to baseline conditions, or will be highly likely to affect large numbers of people and/or businesses over the long term. It is considered to be an important consideration, and likely to be material in the decision-making process.
Moderate	The impact will result in some changes to baseline conditions, and is likely to affect a moderate number of people and/or businesses over a medium duration. The change may be important, but may be a key decision-making factor.
Low	The impact will result in a perceptible difference from baseline conditions, and is likely to affect a small number of people and/or businesses over a short duration. The impact is unlikely to be critical in decision-making process.
Negligible	The impact does not result in variation beyond baseline conditions and is unlikely to measurably affect people and/or businesses.

5.2.18. Quantitative assessment will be used where possible and significance criteria will be produced to ensure that there is a consistent identification of effects applied during the assessment. Due to the complexity of socio-economic issues and the numerous interactions that can occur, it is

not possible to predict the precise nature or scale of each impact. Qualitative assessment will therefore also be used where necessary.

5.2.19. The level of significance of an effect will be determined through professional judgement of factors such as the scale or sensitivity of the receptor group and the magnitude of the impact (the amount of change). The level of significance is also determined with reference to planning policy, best practice guidance and relevant contextual factors. The significance of an effect is determined using the matrix in **Table 5.5** below in line with the approach laid out in **Chapter 1: Introduction (Document DCO 6.1/MCO 6.1)**. The matrix looks at the interaction between receptor sensitivity and impact magnitude.

5.2.20. Effects that are moderate or greater in significance are considered to be significant in EIA terms for socio-economics.

Table 5.5: Methodology for Determining Significance

Magnitude	Sensitivity		
	High	**Moderate**	**Low**
High	Major Adverse / Beneficial*	Major Moderate Adverse / Beneficial*	Moderate Minor Adverse / Beneficial
Moderate	Moderate Adverse / Beneficial*	Moderate Minor Adverse / Beneficial	Minor Adverse / Beneficial
Low	Moderate – Minor Adverse / Beneficial	Minor Adverse / Beneficial	Minor Negligible
Negligible	Negligible	Negligible	Negligible

*These effects are considered significant for the purpose of the EIA Regulations

5.2.21. Effects can be of different duration. The general approach is defined in **Table 5.6** below:

Table 5.6: Duration of Impact

Duration	Definition
Short Term	The effects would be of short duration and would not last more than 2-5 years.
Medium Term	The effects would take 5-15 years to be mitigated.
Long Term	The effects would be reasonably mitigated over a long period of time (15 years or more).

5.2.22. Potential impacts and effects upon socio-economic receptors will be assessed in relation to temporary (short to medium term) and permanent (long term) impacts. In the context of socio-economics assessment as a general rule, temporary impacts relate to the construction phase of development and permanent impacts relate to the occupation/operational phase.

5.2.23. Unless otherwise stated, the assessment of permanent and long term effects will assume that the development is fully complete and operational.

Cumulative Assessment

5.2.24. This section outlines the approach taken to assess the socio-economic impacts of cumulative sites.

5.2.25. Schedule 4 Paragraph 5(e) of the EIA Regulations requires the Environmental Statement to include a description of the likely significant effects of the development on the environment resulting from:

> *"the cumulation of effects with other existing and, or approved projects, taking into account any existing environmental problems relating to areas of particular environmental importance likely to be affected or the use of natural resources"*

5.2.26. Whilst cumulative effects are not defined in the EIA Regulations, it is generally accepted that two types of effects need to be considered:

- Intra-project (in-combination) effects: combination of individual effects from a development on a particular receptor; and
- Inter-project effects: effects from other developments which individually might be insignificant, but when considered together could create a significant cumulative effect.

5.2.27. In accordance with PINS Advice Note 17, assessment of cumulative effects should be proportionate. In this context, a search area of 5km from the Order Limits of the **EMG2 Project** has been set in order to identify existing and/or approved projects

5.2.28. To enable a reasonable and proportionate assessment to be undertaken, the following development threshold have been used to identify projects that could result in potential cumulative effects with the **EMG2 Project**.

- Industrial / Logistics development 20+ha
- Commercial Development 10,000 + sq.m
- Residential Development 1,000 + dwellings

5.2.29. 12 sites have been considered as part of the Cumulative Effects Assessment of Socio-Economic effects. Information on these schemes is available within Section 5.8 and **Chapter 21: Cumulative Impacts (Document DCO 6.21/MCO 6.21)** of the ES.

Approach to cumulative assessment

5.2.30. Cumulative effects were estimated based on publicly available information submitted as part of the planning applications or within relevant site allocation details for the identified cumulative site. Relevant documents were reviewed to identify information on the likely impacts on the identified socio-economic receptors.

In a first stage, publicly available documents were reviewed to find details on the number of construction or operational jobs estimated to be generated by the site. In the absence of specific details, the employment floorspace, employment land, or the number of housing units to be delivered as part of the cumulative schemes were reviewed. For schemes where no such information is publicly available, a qualitative commentary of their likely cumulative impacts has been provided.

5.3. Policy, Guidance and Legislative Context

5.3.1. Outlined below are the key policy considerations relevant to the **EMG2 Project**. This section of the chapter is common to both the DCO Application and the MCO Application**.**

National Planning Policy Framework (NPPF)

5.3.2. The 2024 NPPF supports plan-making to create the conditions for economic growth and inward investment, with specific reference to planning for storage and distribution operations. Paragraph 85 states that:

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

5.3.3. Paragraph 86 notes that

> *"Planning policies should: [...] pay particular regard to facilitating development to meet the need of a modern economy, including by identifying suitable locations for uses such as laboratories, gigafactories, data centres, digital infrastructure, freight and logistics."*

5.3.4. Paragraph 87 states that:

> *"Planning policies and decisions should recognise and address the specific locational requirements of different sectors. This includes making provision for:*
>
> *a) clusters or networks of knowledge and data-driven, creative or high technology industries; and for new, expanded or upgraded facilities and infrastructure that are needed to support the growth of these industries (including data centres and grid connections);*
>
> *b) storage and distribution operations at a variety of scales and in suitably accessible locations that allow for the efficient and reliable handling of goods, especially where this is needed to support the supply chain, transport innovation and decarbonisation; and*
>
> *c) The expansion or modernisation of other industries of local, regional or national importance to support economic growth and resilience"*

National Policy Statement for National Networks (NNNPS)

5.3.5. Although the **EMG2 Project** is in itself not an SRFI, it includes an amendment to an existing SRFI together with a second, intrinsically linked, phase of one and accordingly, the NNNPS is a policy consideration for the purposes of this assessment. Also, the proposed **Highway Works** are a nationally significant infrastructure project (NSIP) in their own right and the NNNPS is the relevant NPS to be taken into account.

5.3.6. The NPS was updated in March 2024 and notes that national networks provide critical long-distance links between places, which supports and stimulates economic growth, through improved labour market connectivity and accessibility, providing individuals better access to jobs and education, and businesses better access to skills. Transport infrastructure is identified as a catalyst and key driver of growth and levelling-up that can deliver sustainable growth and support local and regional development. At the national scale, the documents highlights how rail freight connecting to wider transport network are key enablers of UK economic productivity and competitiveness.

5.3.7. The NPS states that Strategic Rail Freight Interchanges can deliver many socio-economic benefits, such as facilitating economic development, creating jobs and training opportunities, reducing geographical disparities, improving connectivity, promoting delivery of housing, new local services and infrastructure, enabling social and environmental improvements, indirect beneficial impacts for the region hosting the infrastructure, through local services and supply chains. This can result in a range of short term or long term economic and social impacts on communities, businesses or services, during both construction and operation.

5.3.8. The Statement acknowledges that *"recently consented SRFIs are expected to create thousands of jobs on site, with additional roles created in the wider economy through indirect and supply chain links at a range of skills levels."*

5.3.9. The NPS indicates that assessment of socio-economic impacts of national networks projects *"should describe the existing socio-economic conditions in the areas surrounding the Scheme and should also refer to how the development's socio-economic impacts correlate with local planning policies."* It also states that *"applicants should look to maximise local employment opportunities during construction and operational phases"*, and identify relevant mitigation measures to mitigate adverse socio-economic impacts.

DfT's 'Decarbonising Transport – a better, greener, Britain' report (Transport Decarbonisation Plan) (2021)

5.3.10. A modal shift (i.e. moving more freight onto rail) is encouraged as a key measure in decarbonising the UK's transport system to meet the overall net zero objective.

5.3.11. A key commitment of the DfT's 'Transport Decarbonisation Plan' is to support modal shift of freight from road to rail. 'The modal shift of freight from road to rail would not only lead to a reduction in GHG levels but also reduce congestion and noise pollution.' (Page 139). 'A shift to zero carbon modes of transporting goods and services including greater use of rail and maritime, will make our freight system net zero before 2050.' (Page 39).

Great British Railways: Williams-Shapps plan for rail (WSPR) white paper (2021)

5.3.12. Government policy is clear on the positive role of rail freight in achieving the UK's net zero ambitions, now enshrined in law. Fundamentally, transport of freight by rail produces less Greenhouse Gas (GHG) emissions per km tonne moved than road. The WSPR acknowledges that 'freight trains reduce road congestion, connect markets over long distances and are much less carbon intensive than road freight'.

North West Leicestershire Local Plan (2021)

5.3.13. The Local Plan has been subject to a partial review in order to amend the timescales for a substantive review. The partial review was adopted in March 2021. Part of its vision, as set out within Paragraph 4.5 of the Local Plan, is to ensure that "*Businesses will choose to locate and grow in this area, taking advantage of its excellent location in the centre of the country, close to major road and rail networks and a major international airport. The East Midlands Enterprise Gateway, focussed on East Midlands Airport, Donington Park and the East Midlands Gateway Rail Fright Interchange, will be recognised as a key destination in its own right*".

5.3.14. One of the key objectives of the Local Plan is to develop and grow the local economy for the benefit of local residents. Addressing skills and training and youth unemployment rates is also an important aim as highlighted at Paragraph 8.11 of the Local Plan.

5.3.15. Policy S1, identifies that provision for 66ha of land for employment purposes will be made available to 2031, to drive economic development and employment growth.

North West Leicestershire Local Plan Substantive Review (2022)

5.3.16. Following the partial review of the Local Plan, which was adopted in March 2021, the Council have decided to carry out a Local Plan Review. This will focus on the Local Plan's strategic policies including the level and distribution of housing and employment growth taking into account the overspill from neighbouring authorities. The Local Plan will also identify specific sites to meet growth requirements. At the time of writing, the Local Plan Review had reached the Regulation 18 stage and the **EMG2 Works** site has been included as a potential option to deliver the District's economic growth.

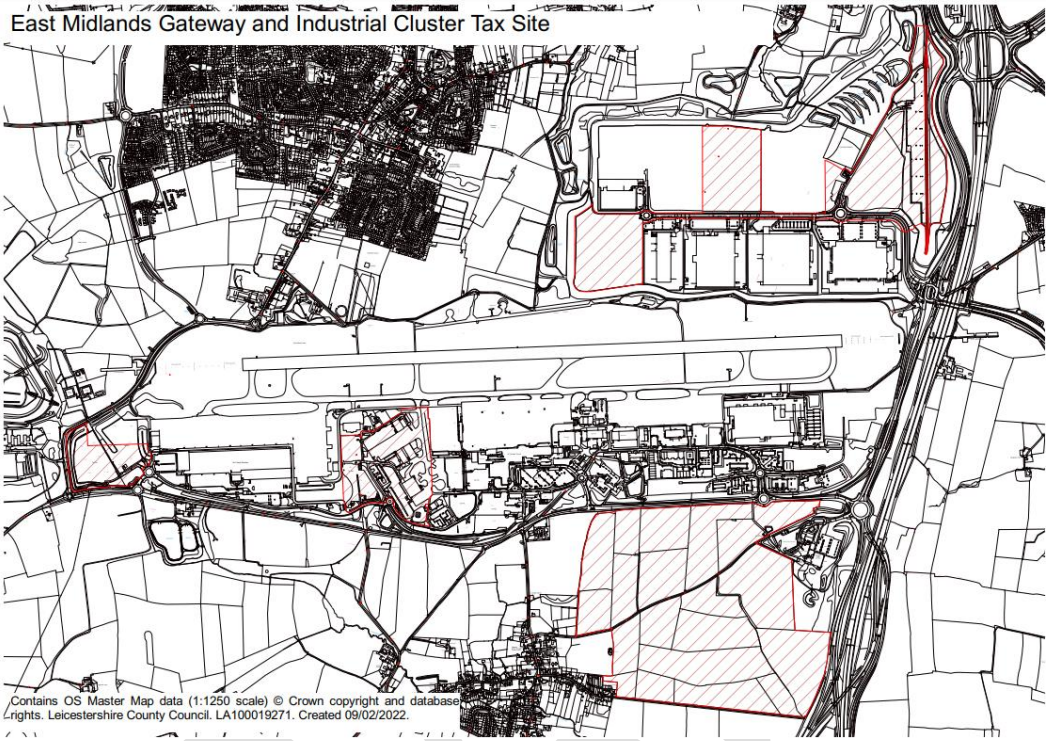
Other Considerations

Freeport Designation

5.3.17. On 1st March 2022, the Government announced the designation of Freeport status to a designated area in, and linked to, East Midlands Airport. Freeports are special areas within the UK's borders where different economic regulations apply. Freeports in England are centred around one or more air, rail, or seaport, but can extend up to 45km beyond the port. With Freeport status comes a comprehensive package of measures, comprising tax reliefs, customs, business rates retention, planning, regeneration, innovation and trade and investment support and incentives. East Midlands Freeport will be the only inland Freeport in England and will create a globally connected, world-leading advanced manufacturing and logistics hub at the heart of the UK.

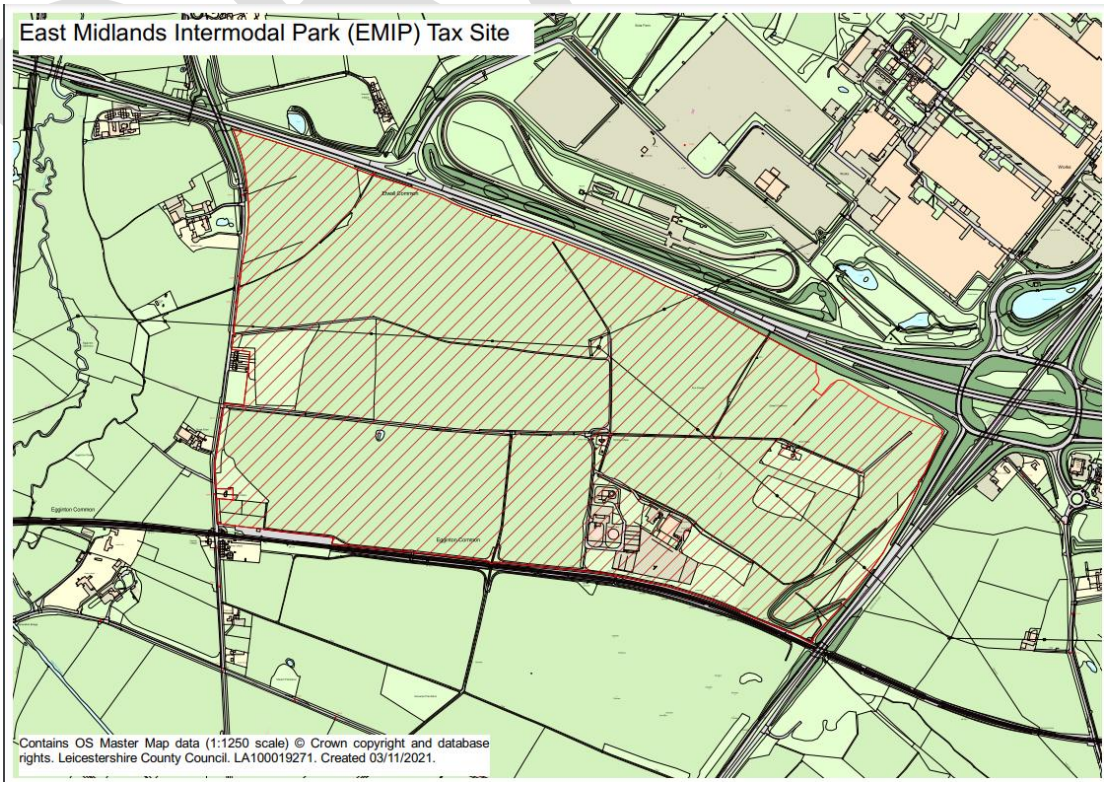
5.3.18. The spatial extent of the East Midlands Freeport covers 3 complementary locations, the East Midlands Airport and Gateway Industrial Cluster (EMAGIC), Uniper's Ratcliffe-on-Soar site, and the East Midlands Intermodal Park (EMIP). The **EMG2 Works** site falls within the EMAGIC area.

Figure 5.3: East Midlands Gateway and Industrial Cluster (EMAGIC)



Source: HM Revenue and Customs 2022

Figure 5.4: East Midlands Intermodal Park (EMIP)



Source: HM Revenue and Customs 2022

Figure 5.5: Ratcliffe-on-Soar Power Station site

Source: HM Revenue and Customs 2022

5.3.19. The East Midlands Freeport offers unique opportunities for new high-value, low carbon investment. With Net Zero, skills and innovation at its core, the Freeport is forecast to create thousands of new jobs in the region over the next 30 years and deliver £8.4 billion net additional gross added value to the UK economy.

Levelling Up – Logic of Logistics

5.3.20. The British Property Federation (BPF) commissioned Savills to prepare a report to evidence the importance of the industrial and logistics sector to the UK, not just in terms of it being an 'Economic Powerhouse' but also in terms of its 'Growing Social Value Credentials' and contribution to 'A Green Recovery Boxed'. The report focuses on the sector's economic attributes, namely how industrial and logistics premises facilitate modern lives and therefore should be considered as 'Critical National Infrastructure'. Within this, the report identifies the key attributes required for optimal industrial and logistic locations, including:

- Motorway/A-road access;
- Ability to serve markets within 2-hour drive;
- Access to a good workforce with a range of skills
- Proximity to amenities;
- Intermodal facilities;

- Good availability of utilities, services and broadband;
- Ability to operate 24/7 without impediment; and
- Good level developable site.

5.3.21. This report evidences the importance of the industrial and logistics sector, the need for additional land and within this, an improved method to estimate future industrial and logistics land demand. It is clear that demand within the sector has been much higher than supply for most of the last decade which has resulted in extremely low availability and exponential rental growth as occupiers compete for limited available stock. In order for the sector to grow to its full potential and generate the jobs and investment the national economy needs, the planning system needs to better estimate future land demand.

Future of Freight: A Long-Term Plan

5.3.22. The Department for Transport (DfT) published a ministerial statement in June 2022, focussing on the freight and logistics industry, setting out a vision and plan for the long-term growth of this sector. The Government and the privately-owned and operated freight and logistics sector state their joint ambition to develop a freight and logistics sector that is cost efficient, reliable, resilient, environmentally sustainable and valued by society.

5.3.23. Within this, the DfT highlights that the freight and logistics sector is growing faster than the economy, providing more employment in more highly skilled sectors. Accordingly, the planning system needs to ensure that sufficient land is being made available in the right places for freight operations and that it is able to respond to the changing needs of the freight and logistics sector.

Invest 2035: the UK's modern industrial strategy (2024)

5.3.24. The strategy identifies 8 priority growth sectors, these are: advanced manufacturing, clean energy, defence, life sciences, creative industries, digital technologies, financial services and professional and business services.

5.3.25. The strategy notes that the success of the growth driving sectors will be informed by 'foundational sectors' which Industrial and Logistics (I&L) sector is an example of.

Warehousing in Logistics in Leicester and Leicestershire, Managing Growth and Change (2022)

5.3.26. GL Hearn's report amended in 2022, covering the strategic warehousing and logistics sector in the county was jointly commissioned by the Leicester & Leicestershire authorities and the Leicester and Leicestershire Enterprise Partnership, and is non-statutory in status. Paragraph 2.4 (p24) assesses the current and future needs of the logistics sector and forecasts future floorspace and land needs by 2041. The study identifies the main drivers for change in the logistics sector. These are listed below:

- Increasing growth of e-commerce with a transactions forecast to account for 65% of the total retail transactions by 2050;
- Increasing automation in warehouses and increasing productivity;

- Decarbonisation of logistics through a switch to rail freight where possible and electric light goods vehicles;
- Increase of rail freight tonnage due to increasing road haulage cost, the development of SRFIs in the Midlands and the north of England and a growing proportion of imports arriving in maritime containers.

5.3.27. Paragraph 17.7 (p193) identifies a future warehouse supply of 1,781,000 sq.m across Leicestershire. According to paragraph 6.5 (p88), this is equivalent to around 6.9 years of take-up based on a past annual average and is considered not sufficient to cater for the period to 2041.

5.3.28. The study develops a number of scenarios to forecast floorspace demand. These take into account need to replace the existing stock and traffic growth and recommends the high replacement demand, higher sensitivity traffic growth for planning policy development. Paragraph 17.3 (p192) recommends that the authorities should plan for around 2,570,000 sq.m. of additional warehouse floorspace to 2041.

5.3.29. According to the report, the East Midlands region hosts just over 9.3 million sq.m. of floor space across 386 commercial properties. It is the largest region in terms of total floor space (though the North West has a greater number of units). The average floor space per commercial property in the East Midlands is around 24,000 sq.m., compared with the national average of 20,000 square metres per unit.

5.3.30. It is highlighted that despite the East Midlands only housing 8% of the population in England and Wales, it accommodates 19% of warehouse capacity. As this is significantly more space than would be necessary to handle the cargo distributed within the East Midlands, it is considered an indication that this sector plays a national role rather than a regional one.

Housing and Economic Needs Assessment for Leicester and Leicestershire (HENA, June 2022)

5.3.31. According to the HENA, Leicester & Leicestershire is a £27 billion economy which supported 550,000 jobs in 2019.

5.3.32. Leicester City is the largest economy, on a local authority level, and accounts for a third of the subregion's GVA but has land supply constraints. Recent economic growth has been strongest in areas along the M1 Corridor, particularly Blaby and North West Leicestershire.

5.3.33. The HENA provides analysis on the future employment land needs by type from 2021 to 2036, 2041and 2050. Recommendations are made regarding future needs for industrial and local warehousing / distribution units under 9,000 sq.m. Large scale warehousing/ distribution unit needs are reported in the Strategic Warehousing Study covered above.

5.3.34. The HENA estimates a need for 1,460,900 sq.m. of industrial and distribution stock in units under 9,000 sq.m in Leicester and Leicestershire between 2021 and 2041, which equates to 365.2 ha.

Leicester and Leicestershire Authorities Statement of Common Ground Relating to Housing and Employment Land Needs (June 2022)

5.3.35. The statement of common ground, jointly commissioned by the 10 authorities in Leicestershire identifies a need for 340 ha of employment land to 2036. Supply over the same period is considered to be 354 ha.

5.3.36. To 2036, Leicester is considered to be the only authority with anticipated unmet need for B2 and B8 space.

North West Leicestershire: The Need for Employment Land (2020)

5.3.37. This study was commissioned by North West Leicestershire District Council to assess the district's need for employment land in the period to 2039. It is part of the evidence base that will inform the current review of the district's Local Plan.

5.3.38. The document identifies a need for 47 ha of I&L employment land excluding strategic B8 uses to 2039.

North West Leicestershire: The Need for Employment Land Update (2024)

5.3.39. The updated Need for Employment Land report provides evidence to support development of Local Plan policies and allocations for North West Leicestershire District Council. It updates the evidence on the need for employment land set out in the November 2020 Need for Employment Land Report.

5.3.40. The document identifies a need for 36.5 ha of I&L employment land excluding strategic B8 uses to 2040.

Leicester and Leicestershire Economic Growth Strategy (2021)

5.3.41. The Leicester and Leicestershire Economic Growth Strategy (EGS) was prepared by the Leicester and Leicestershire Enterprise Partnership (LLEP) and sets out the economic growth strategy for the region over the period 2021-2030. This economic strategy incorporates previous and current research, strategies and action plans, and stakeholder aspirations and concerns. It also builds on the recommendations and priorities of The Strategic Growth Plan for Leicester & Leicestershire 2050: Our vision for growth (2018) (set out below), which is the strategic growth plan for the region endorsed by the nine local authority partners and Leicester and Leicestershire Enterprise Partnership.

5.3.42. The EGS states that Leicester and Leicestershire is the UK's central logistics hub, having gained significant jobs and investment due to the area's strategic location. Furthermore, new developments such as the East Midlands Freeport, HS2, and the continued development and build-up of world-class technology and business parks, position the region for further growth. The EGS expands on the significance of the Freeport and states that the Freeport benefits from the existing rail facility at East Midlands Gateway, and existing and proposed railheads at Ratcliffe and East Midlands Intermodal Park. The Freeport as a whole, at full build out across three locations, is expected to generate 61,700 jobs – 32,800 on-site jobs, and another 28,900 through supply chains. The EMAGIC site alone is expected to contribute £600 million in GVA

annually, and 9,900 jobs within Leicester and Leicestershire (with £390 million and 5,300 jobs on-site).

5.3.43. One of the key priorities of the ESG in the short term is to encourage and support international business expansion, including in the Freeport site and in the long term, support businesses to export and take advantage of the Freeport.

Leicester and Leicestershire Strategic Growth Plan (2018)

5.3.44. The Strategic Growth Plan (SGP) is a non-statutory plan which covers the period up until 2050. The SGP was prepared by ten partnership organisations, including the LLEP, Leicestershire County Council and North West Leicestershire District Council. The SGP sets out the long-term vision for growth in the wider Leicestershire area and provides an agreed framework which will be used for the relevant authorities when preparing Local Plans and other strategies.

5.3.45. The SGP recognises Leicestershire's locational advantages, specifically in relation to its connectivity given the area is at the heart of the UK, with nationally significant road, rail and air services, and businesses that have the potential to export more goods and services givenits excellent connectivity.

5.3.46. The SGP identifies broad strategic locations where it is believed that economic growth should take place. One key location which has been identified as a key and important strategic growth location is the 'Leicestershire International Gateway', which is focussed in and around East Midlands Airport and East Midlands Gateway.

Midland Engine Strategy (2017)

5.3.47. The Midlands Engine Strategy was published by Government in March 2017 and sets out a collective ambition for economic growth and prosperity. It aligns with the national industrial strategy and highlights how the region can build upon existing business sectors and areas of opportunity.

5.3.48. The Midlands Engine Strategy also recognises the growth potential of major employment areas such as East Midlands Airport and East Midlands Gateway.

Leicester and Leicestershire Strategic Economic Plan 2014-2020 (2015)

5.3.49. The Leicester and Leicestershire Enterprise Partnership (LLEP) Strategic Economic Plan (SEP) sets out the LLEP's vision for, and commitment to, capitalising on Leicestershire's strategic advantages. The SEP recognises the importance of the logistics sector to North West Leicestershire and identifies land in the vicinity of East Midlands Airport, including SEGRO's East Midlands Gateway development, as one of the priority growth areas.

5.3.50. The SEP highlights that there is a lack of suitable employment land for logistics and manufacturing as one of the major risks to the sub-regional economy.

Derby and South Derbyshire Employment Land Review (2023)

5.3.51. According to the Employment Land Review (ELR), there is a high demand for industrial premises of all sizes in Derby and South Derbyshire. The demand outweighs the supply which is causing rents to rise rapidly.

5.3.52. The ELR comments that supply across the whole of the East Midlands is chronically low, standing at just 1.73m sq.ft. as of Q2 2022, meaning there is just 0.16 years of supply left in the region. The lack of supply is emphasised by the availability of just eight units of over 100,000 sq.ft. in the East Midlands in Q2 2022, with no units of over 360,000 sq.ft. available.

Nottingham Core and Outer HMA Employment Land Needs Study (May 2021)

5.3.53. According to the Employment Land Needs Study (ELN), the Core Nottingham HMA (Nottingham City, Broxtowe Borough, Erewash Borough, Gedling Borough and Rushcliffe Borough), has been losing industrial and logistics floorspace at a rate of -3,717 sq.m. per annum. This has constrained supply with rents rising as a result.

5.3.54. It is highlighted that opportunities within Nottinghamshire have been lost due to a lack of available employment sites for prospective industrial and logistics occupiers.

5.4. Baseline Conditions

5.4.1. This section provides a description of the nature and status of the existing socioeconomic conditions. It compares key statistics for North West Leicestershire (NWL) against the Study Area (Unitary and County Council areas of Leicester, Leicestershire, Derby, Derbyshire, Nottingham and Nottinghamshire) to the East Midlands and England.

5.4.2. This section of the chapter is common to both the DCO Application and the MCO Application.

Current Baseline

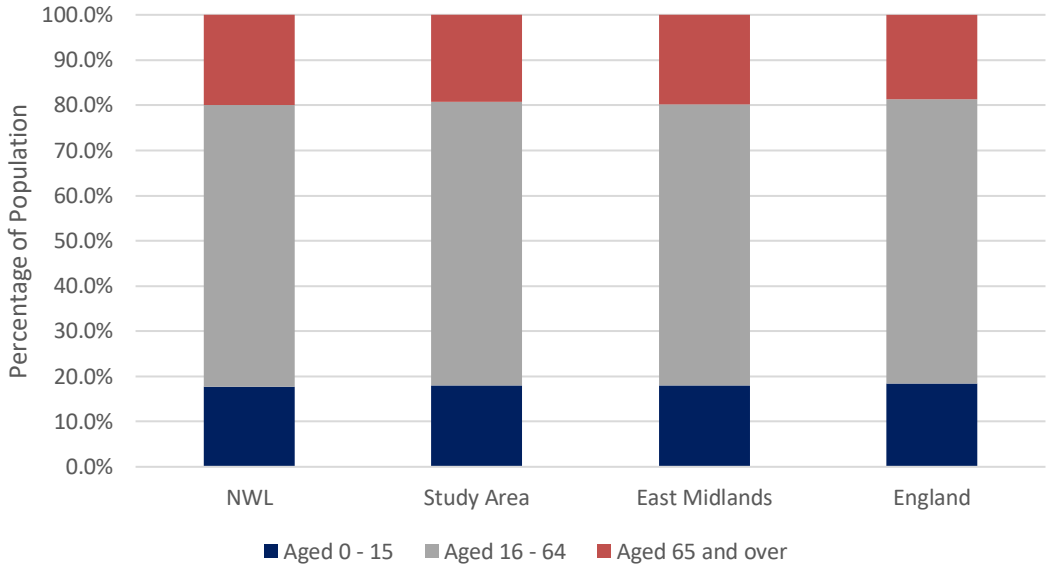
Population profile

5.4.3. According to the 2023 ONS population estimate, North West Leicestershire (NWL) has a population of 105,000. The Study Area has a population of 3.37 million people, which has increased by 7.5%, from around 3.13 million in 2013. This equates to approximately 67.4% of the East Midlands overall population.

5.4.4. North West Leicestershire has a working age population (16-64 year olds) of 65,300, which is approximately 62.1% of its population. The Study Area has a working age population (16-64 year olds) of 2.11 million people which is approximately 62.7% of the area's population. This is similar to averages across the East Midlands (62.2%) and England (62.9%).

5.4.5. In the Study Area, the population of those aged 65+ has risen to 646,000 people, an increase from 549,700 (approximately 17.5%) since 2013. The population aged 65+ now makes up approximately 19.2% of the total population compared with just over 17.6% in 2013. The proportion of young people (0-15 year olds) on the other hand, has slightly decreased over the period 2013-2023. Whilst young people made up 18.4% of the population in 2013, only 18.1% of the population were aged 0-15 in 2023.

Figure 5.6: Age Structure in the Study Area, East Midlands and England in 2023



Source: ONS Population Estimates (2023)

Economy and Employment

5.4.6. The 'Leicester and Leicestershire Economy in 2022' report has been prepared by the LLEP to outline the current economy of Leicester and Leicestershire, highlighting the dominant industries, the occupations within those industries and the skills required by the local economy. The report also includes how demand for skills has changed in the previous five years and which sectors are more prevalent locally compared to the rest of England. The report also looks to the future and considers which sectors will continue to grow and where future demand may be. It is clear that two sectors emerge from the analysis as locally significant, generally in respect of job creation, skill need, wages and fastest growth: manufacturing and logistics are two of the largest industries in the LLEP area and are significantly above the national average in terms of number of jobs. In terms of skills demand, job roles involving warehousing skills have grown at a fast rate between 2017-2022 and has since seen the largest increase of demand for specialised skills (+198%).

Economic Activity, Inactivity and Unemployment

5.4.7. The 2024 'Get Britain Working' White Paper[1] recognises that labour market opportunities vary by region. This is corroborated by **Table 5.6** which shows that the Study Area and the East Midlands Region have lower levels of economic activity and higher levels of economic inactivity compared to the nation. As shown in **Table 5.6**, in terms of economic activity, ONS data from the March 2024 Annual Population Survey also shows that NWL has a higher proportion of people of working age (16-64 years old) who are economically active[2] (83.9%), compared to the Study Area (78.2%), the East Midlands (78.5%) and England (78.8%).

[1] Get Britain Working White Paper (2024), Department for Work and Pensions, HM Treasury, Department for Education
[2] Economically active: residents aged 16 to 64 years old who are either in employment or unemployed.

5.4.8. The proportion of economically inactive[3] residents in NWL (16.1%) is lower than the Study Area (21.8%) as well as the regional (21.5%) and national (21.2%) averages.

5.4.9. 3.4% of the economically active population in NWL are unemployed[4], which is lower than the Study Area (4%), the East Midlands (3.9%), and England (4.0%).

5.4.10. The average proportion of people claiming Job Seekers Allowance (JSA) plus those who claim Universal Credit who are out of work as a proportion of residents aged 16-64 in NWL is lower than the Study Area (3.9%) as well as the regional (3.8%) and national average (4.4%).

Table 5.7: Economic Activity and Unemployment

	NWL	Study Area	East Midlands	England
Economic activity rate	83.9%	78.2%	78.5%	78.8%
Economic inactivity rate	16.1%	21.8%	21.5%	21.2%
Unemployment rate	3.4%	4.0%	3.9%	4.0%
JSA claimant rate	2.2%	3.9%	3.8%	4.4%

Source: APS (2024), Claimant Count (2024)

5.4.11. Within the study area, the ONS 2021 Census recorded circa 818,800 economically inactive people, of which 64% were retired, 10% students, 9% long-term sick or disabled, 11% carers, and 7% for other reasons. Excluding retirees, 14.4% of economically inactive residents stated being formerly employed in the Manufacturing or Transportation & Storage sector (42,623 people). 34% of those were long-term sick or disabled, 29% were carers, 15% were students and 22% were economically inactive for other reasons. This indicates that the **EMG2 Project** can contribute to reducing economic inactivity. Engagement with the Freeport and other local stakeholders will be critical to enable this.

Employment by Sector

5.4.12. **Figure 5.7** below presents ONS data on residents' employment by Standard Industrial Classification Sector from the March 2024 APS. The largest sector in NWL is the transport and storage sector, which employs 24.0% of residents compared to 6.2% in the Study Area, 6.6% in the East Midlands and 5.1% in England.

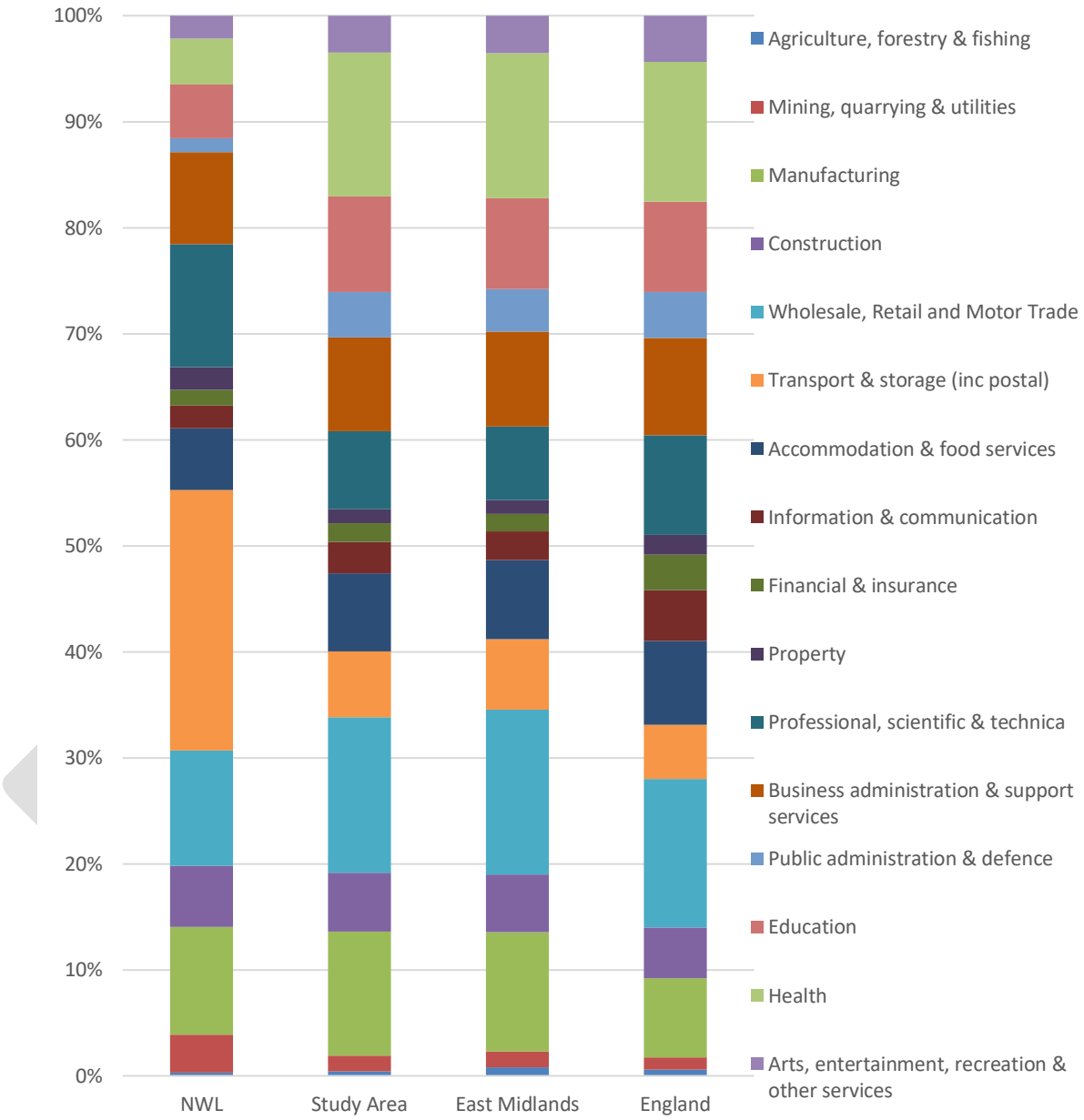
5.4.13. The largest sector in the Study Area, by number of employed residents, is the wholesale, retail and motor trade industry (14.7%), which is lower than the regional (15.5%) but higher than the national (14.0%) figures. The second largest sector is health (13.6%), which is in line with the regional (13.7%) and national (13.2%) proportions.

[3] Econimically Inactive: People who are neither in employment nor unemployed. This group includes, for example, all those who were looking after a home or retired.
[4] Unemployed: residents aged 16 to 64 years old who are either without a job and have been actively seeking work in the past four weeks and are available to start work in the next two weeks, or out of work but have found a job and are waiting to start it in the next two weeks

5.4.14. 6% of residents in NWL are employed in construction, which is broadly in line with the Study Area (5.6%), and the region (5.5%), all of which are higher than the national average (4.8%).

5.4.15. The manufacturing sector employs 9.9% of NWL residents, which is lower than the Study Area (11.7%) and the East Midlands (11.3%) but higher than England (7.5%).

Figure 5.7: Employment by Sector (%)



Source: APS (2024)

5.4.16. **Table 5.8** shows the number of residents employed in the construction and transport and storage sectors in NWL, the Study Area, the Region and England as a whole.

Table 5.8: Employment by Industry

	NWL	Study Area	East Midlands	England
Construction	4,000	82,000	118,000	1,300,000
Transport and Storage	17,000	91,000	143,000	1,387.000
Total (All Sectors)	70,850	1,474,000	2,162,000	27,153,000

Source: APS (2024)

Competitiveness, Wages and Labour Productivity

5.4.17. As shown, in **Table 5.9**, the 2023 UK Competitiveness Index produced by the Centre for International Competitiveness (based at Cardiff University and Nottingham Trent University) ranks North West Leicestershire 104th out of 362 localities and ranks higher than most of the localities in the Study Area excluding Blaby (76th) and Rushcliffe (86th). The rankings of Mansfield (354th), Gedling (309th) and Ashfield (305th) show that there are local authorities within the Study Area who rank poorly for economic competitiveness, demonstrating economic disparity in the Study Area which needs to be addressed.

Table 5.9: Study Area Competitiveness Ranking

	Local Authority	Ranking
Leicestershire	Blaby	76
	North West Leicestershire	**104**
	Harborough	141
	Melton	167
	Charnwood	168
	Leicester	180
	Hinckley and Bosworth	203
	Oadby ang Wigston	275
Derbyshire	South Derbyshire	106
	Derby	151
	Derbyshire Dales	199
	Chesterfield	237
	Erewash	250
	Bolsover	251

	Local Authority	Ranking
	Amber Valley	258
	High Peak	268
	North East Derbyshire	276
Nottinghamshire	Rushcliffe	86
	Nottingham	174
	Broxtowe	217
	Newark and Sherwood	266
	Bassetlaw	281
	Ashfield	305
	Gedling	309
	Mansfield	354

Source: UK Competitiveness Index (2023)

Gross Value Added

5.4.18. **Table 5.10** compares average GVA[5] per job per sector in construction and transport and storage sectors with the average across all sectors in the Study Area, the East Midlands and England. As can be seen, the average GVA per job in the Study Area and the region is below the national average across all three categories.

Table 5.10: Average GVA per Job (2022)

Sector	NWL	Study Area	East Midlands	England
Construction	£88,000	£56,400	£59,500	£63,500
Transport and Storage	£49,300	£41,400	£40,600	£44,100
Average (All Sectors)	£57,000	£53,200	£53,200	£63,700

Source: Oxford Economics (2024)

Wages

5.4.19. Wage statistics provide context for the potential economic benefits of the new jobs that will be created, increasing income in the Study Area as a result.

[5] Gross Value Added is the value generated by any unit engaged in the production of goods and services.

5.4.20. Wages vary between location and type of work undertaken. The data in this section covers the median gross annual pay of full-time residents and workers. The assessment has focused on the wages of North West Leicestershire (NWL), the Study Area (using a weighted average), the East Midlands average and the English average. This data is shown in **Table 5.10** below.

5.4.21. Residents' pay in NWL Is higher than that of the Study Area, the regional and national average, while the Study Area's average is lower than the region and nation. All spatial scales have seen increases in their wages since 2008. The Study Area's resident-based median gross annual pay (full time) is £32,434 which saw an average annual increase of 2.4% in wage levels between 2014 and 2023, this is slightly below the growth of NWL (3.2%), the East Midlands (2.5%) and England (2.5%).

5.4.22. **Table 5.11** indicates that on average, people from the Study Area working in NWL earn an average of £33,487 which is more than the average in the Study Area as a whole (£31,895).

5.4.23. Workers' wages in the Study Area are lower than NWL and the national average, but are higher than the regional average. Wages in the Study Area have grown by 2.3% annually between 2014 and 2023, which is lower than NWL (3.3%) and England (3.5%) but higher than the East Midlands (1.4%).

Table 5.11: Median Gross Annual Pay 2023

	Resident-based median gross annual pay (full time)	Workplace-based median gross annual pay (full time)
North West Leicestershire	£35,206	£33,487
Study Area	£32,434	£31,895
East Midlands	£32,588	£31,634
England	£35,100	£35,100

Source: ASHE (2023)

Wages in the Industrial & Logistics Sector

5.4.24. The I&L sector is subject to a number of misconceptions about average pay levels. In the UK, average pay in the I&L sector is higher than the average across all sectors. Data from the ONS[6] shows wages are above average at +£3,800 for Manufacturing and +£2,674 for Logistics, which equates to £33,469 and £32,343 for manufacturing and logistics respectively (UK average £29,669).

5.4.25. In the East Midlands, the average pay for Manufacturing (£32,228) and Logistics (£30,428) are above the average across all sectors (£27,528). In addition, entry-level jobs in logistics are relatively well-paid, with median annual pay being 47% higher than across jobs in the same occupational category[7].

[6] Annual Survey of Hours and Earnings (2024)
[7] Frontier Economics (2022), the Impact of Logistics Sites in the UK

Skills, Qualifications and Occupation

5.4.26. The 2023 Annual Population Survey[8] shows that in NWL, the percentage of people with no qualifications (3.4%) is lower than the Study Area (7.5%), the East Midlands (5.1%) and England (4.7%) averages.

5.4.27. 46.7% of NWL's population has achieved the highest qualifications levels (NVQ4 or above), which is higher than the Study Area (42.5%), the region (28.1%) and the nation (25.6%).

5.4.28. The ONS categorises all occupations of working age residents within nine categories (or Standard Occupational Classification (SOC)), which can be an indicator of skills levels. SOCs 1-2-3 are indicators of high skill levels, SOCs 4-5-6 are indicators medium skill levels, and SOCs 7-8-9 denote occupations with low skill levels.

5.4.29. As can be seen in **Table 5.12,** which compares information regarding occupation collected by the 2024 APS with 2011 Census[9], skills levels in the Study Area are progressively increasing as there has been a reduction in lower-level skills and growth in higher level occupations.

5.4.30. Numbers in green depict where an occupation class has seen an increase in share of employment between 2011 and 2024. Numbers in red indicate a decrease in share and numbers in black demonstrates a negligible change.

Table 5.12: Employment by Occupation

Occupations	NWL (%)		Study Area (%)		East Midland (%)		England (%)	
	2011	2024	2011	2024	2011	2024	2011	2024
1. Managers, Directors and Senior Officials	11.6	10.8	10.2	10.6	10.6	10.3	10.9	11.2
2. Professional	14.9	29.9	15.8	24.0	15.2	22.3	17.5	26.8
3. Associate, Professional and Technical	11.4	25.3	11.2	14.1	11.3	13.7	12.8	15.2
4. Administrative and Secretarial	11.0	7.2	10.9	9.8	10.9	9.5	11.5	9.6
5. Skilled Trades	12.6	9.0	11.9	9.5	12.1	10.0	11.4	8.6
6. Caring, Leisure and Other Services	9.1	4.5	9.5	8.2	9.5	8.7	9.3	8.1

[8] 2023 APS used as no NVP data is provided in March 2024 APS

[9] Due to updates in the ONS Standard Occupation Classification since the 2011 Census was conducted, there may be some slight discrepancies between the March 2024 and 2011 Census occupation profiles, however it is thought that these are not significant and so the data can be compared.

Occupations	NWL (%)		Study Area (%)		East Midland (%)		England (%)	
	2011	2024	2011	2024	2011	2024	2011	2024
7. Sales and Customer Services	7.0	2.3	8.6	6.1	8.4	6.6	8.4	6.1
8. Process, Plant and Machine Operatives	10.2	4.3	9.2	7.4	9.3	8.5	7.2	5.3
9. Elementary Occupations	11.8	6.6	12.5	10.2	12.7	10.2	11.1	8.9

Source: APS (2024), Census (2011)

5.4.31. **Table 5.13** below depicts the proportion of occupations within the transport and storage sector in the Study Area.

Table 5.13: Study Area Transport and Storage Employment by Occupation

Occupations	Study Area	EMG1
1. Managers, Directors and Senior Officials	11.4%	5%
2. Professional	17.8%	4%
3. Associate, Professional and Technical	11.1%	3%
4. Administrative and Secretarial	7.3%	3%
5. Skilled Trades	5.2%	1%
6. Caring, Leisure and Other Services	2.1%	0%
7. Sales and Customer Services	3.3%	7%
8. Process, Plant and Machine Operatives	23.9%	78%
9. Elementary Occupations	17.9%	-

Source: Census (2021), SEGRO and iTP (2024)

5.4.32. Paragraph 5.4.10 above reviewed economic inactivity for workers formerly employed in the Manufacturing and Transportation & Storage sector. The ONS 2021 Census also provides data on their former occupation. This shows that around 35% of economically inactive residents were formerly employed as 'Process, plant and machine operatives', and 29% were employed in 'Elementary occupations'. Compared to the occupational split introduced in **Table 5.13**, this indicates that the **EMG2 Project** will likely deliver new jobs that match the skillset of economically inactive residents of the Study Area, which could facilitate their return to work.

Deprivation

5.4.33. The Ministry of Housing, Communities and Local Government (MHCLG) publish the English Indices of Deprivation to measure relative deprivation in communities across the country. The last indices were released in 2019, and provide a measure for every local authority and Lower Super Output Area (LSOA) in England. Local authorities and LSOAs are ranked accordingly to how deprived they are relative to each other.

5.4.34. These indices of multiple deprivation (IMD) consider a range of indicators, and a household is considered deprived if they meet one or more of the following conditions:

- Employment – Any member of a household, not a full-time student, is either unemployed or long-term sick;
- Education – No person in the household has at least level 2 education, and no person aged 16-18 is a full time student;
- Health and disability – Any person in the household has general health 'bad or very bad' or has a long term health problem; and
- Housing – Household's accommodation is either overcrowded, with an occupancy rating -1 or less, or is in shared dwellings, or as no central heating.

5.4.35. The Lower Layer Super Output Area (LSOA) that the **EMG2 Works** site sits within (NWL 003A) is among the 20% least deprived LSOAs in the country.

5.4.36. As can be seen in **Table 5.14**, NWL is ranked 217th out of 317 Local Authority Districts, with 1 being the most deprived. This indicates that NW Leicestershire is less deprived than average, though this local authority demonstrates higher deprivation level on the 'employment' domain. Nonetheless, the deprivation ranking in the Study Area indicate high disparities, with relatively low deprivation areas (such as Harborough or Rushcliffe) and highly deprived areas (for instance Leicester, Bolsover, Chesterfield, Nottingham).

Table 5.14: Deprivation Rankings in the Study Area

	Local Authority	IMD Ranking	Income Deprivation Ranking	Employment Deprivation Ranking
Leicestershire	Leicester	22	15	64
	North West Leicestershire	**216**	**204**	**177**
	Hinckley and Bosworth	232	231	212
	Charnwood	244	232	240
	Melton	248	262	261

	Local Authority	IMD Ranking	Income Deprivation Ranking	Employment Deprivation Ranking
	Oadby and Wigston	249	214	214
	Blaby	281	260	253
	Harborough	308	304	302
Derbyshire	Bolsover	58	57	28
	Chesterfield	86	64	40
	Derby	90	75	78
	Amber Valley	167	160	133
	Erewash	168	139	120
	North East Derbyshire	177	157	103
	High Peak	202	195	158
	South Derbyshire	218	230	221
	Derbyshire Dales	265	271	251
Nottinghamshire	Nottingham	10	21	51
	Mansfield	56	72	31
	Ashfield	63	60	37
	Bassetlaw	108	123	72
	Newark and Sherwood	148	169	116
	Gedling	207	172	123
	Broxtowe	223	194	167
	Rushcliffe	314	294	280

Source: Index of Multiple Deprivation (2019)

5.4.37. Although NWL's overall rank indicates that it is less deprived than average, specific domains of deprivation indicate worse conditions. This includes principally the subdomains of 'Employment' (deprivation rank of 177 to 184), 'Education, Skills and Training' (deprivation rank of 125 to 128), and 'Health' (deprivation rank 163 to 164). The **EMG2 Project** therefore provides opportunities to alleviate deprivation levels within those domain, which could overall contribute to raising NWL's IMD rank .

Commuting Patterns

5.4.38. According to 2011 Census commuting data, 88.5% of workers who reside in the Study Area also work in the Study Area, demonstrating a high level of employment containment.

5.4.39. As further evidence of this employment containment, **Table 5.15** presents data on the place of residence of EMG1 employees from a 2023 survey (see **Appendix 6B, (Document DCO 6.6B)**). This shows that the majority of employees commute from Leicester and Derby. This data as fed into the definition of the Study Area for this assessment, as laid out in **Section 5.2.10** above.

Table 5.15: Place of Residence of EMG1 Employees

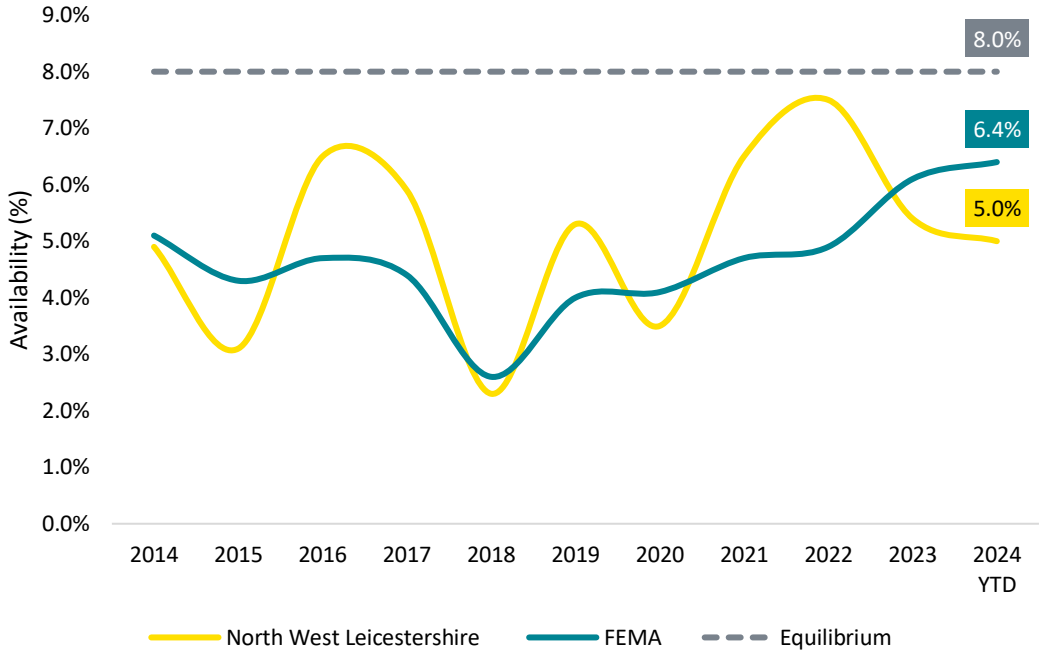
Area of residence	Employee Count	Proportion
Derby	1,332	24%
Derbyshire	571	10%
Leicester	1,844	34%
Leicestershire	451	8%
Nottingham	620	11%
Nottinghamshire	624	11%
Total	**5,442**	**100%**

Source: SEGRO and iTP (2023)

Industrial & Logistics Property Market Baseline

5.4.40. Savills EMG2 Industrial & Logistics Assessment (**Appendix 5A (Document DCO 6.5A/MCO 6.5A)**) assesses demand and supply factors of the I&L market NWL and its FEMA (North West Leicestershire, Blaby, Charnwood, Harborough, Hinckley and Bosworth, Leicester, Melton and Oadby and Wigston). It concludes that NWL and the FEMA have been consistently supply-constrained since 2014 with a significant shortage of I&L floorspace. This can be seen in **Figure 5.8** below.

Figure 5.8: Availability Rate (2014-2024 YTD)



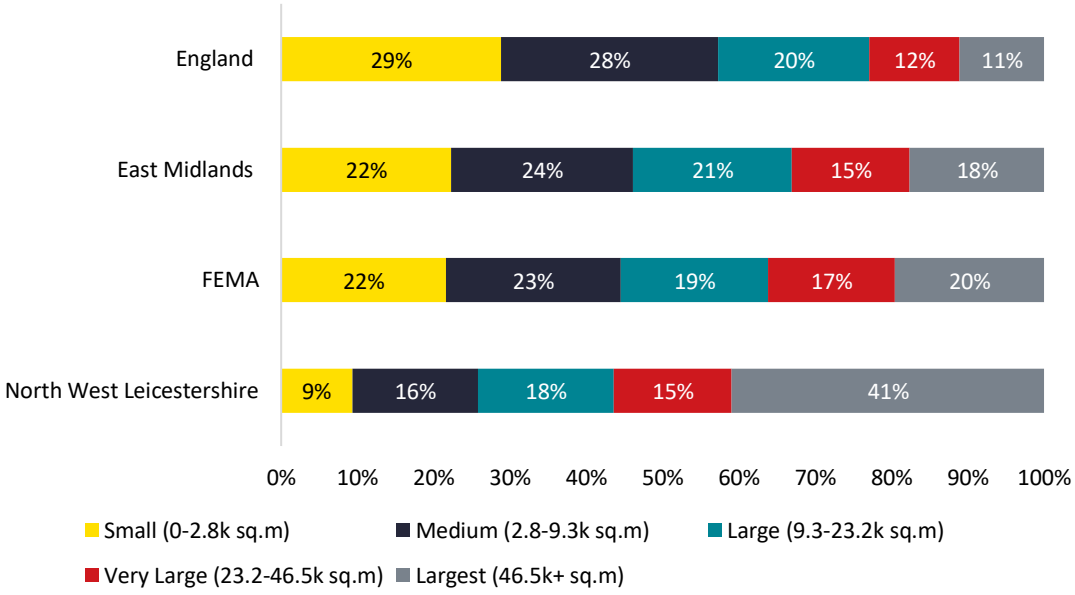
Source: Savills (2024)

5.4.41. As shown in **Figure 5.9** NWL has proportionally fewer small units below 2.8k sq.m. (9%), compared to the FEMA (22%), East Midlands (22%), and England (29%). NWL also has fewer medium sized units (2.8-9.3k sq.m.) (16%), compared to the FEMA (23%), East Midlands (24%), and England (28%).

5.4.42. NWL also has a slightly lower share of large sized units (9.3-23.2k sq.m.) compared to the FEMA. NWL's share of very large units (23.2-46.5k sq.m.) (15%) is consistent with the East Midlands average, but less than the FEMA's average (17%), and higher than England's average (12%)

5.4.43. NWL has proportionally more units in the largest size category (46.5k+ sq.m.) (41%), which is double the FEMA's (20%) and East Midland's (18%) proportion, and almost four times the national average. This is to be expected given NWL is considered to be one of the best locations in the country for logistics, and of nationally significant importance.

Figure 5.9: Inventory by Size Band (2024 YTD)



Source: Savills (2024)

5.4.44. As shown in **Table 5.16**, within NWL, availability is highest in large units (9.3-23.2k sq.m.), and very large units (23.2-46.5k sq.m.). The availability rate of 8.2% in large units is due to 2 circa 20,000 sq.m. units which are anticipated to be let in the near future. If these 2 units were to be let, this would reduce the availability rate in the large unit category to 0.6%, which is significantly below the 8% equilibrium rate.

5.4.45. The availability rate of 14.3% in very large units is due to 2 circa 30,000 sq.m units which have recently become available. The sites are expected to be let in the near future, and if these 2 units were to be let, this would reduce the availability rate in the very large unit category to 0.0%.

5.4.46. Due to NWL's nationally significant location, demand is high, resulting in 0.0% availability in units in the largest size category (46.5k+ sq.m.). Supply for units of this size across the FEMA is also constrained at 6.8%.

Table 5.16: Availability by Size Band (2024 YTD)

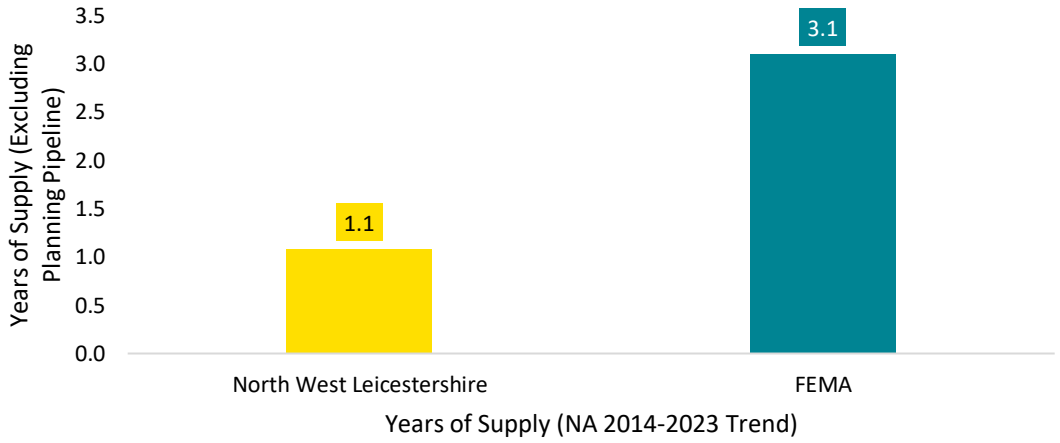
Property Sizes	NWL	FEMA
Small (0-2.8k sq.m.)	2.0%	3.7%
Medium (2.8-9.4k sq.m.)	6.6%	4.4%
Large (9.3-23.3k sq.m.)	8.2%	9.1%
Very Large (23.2-46.5k sq.m.)	14.3%	8.9%
Largest (46.5k sq.m.)	0.0%	6.8%

Source: Savills (2024)

5.4.47. The supply constraint is further illustrated when looking at years of supply, which measures how many years the market can continue to operate at with existing net absorption trends before all currently available space is taken up.

5.4.48. As demonstrated by **Figure 5.10**, when using the 2014-2023 trend for net absorption[10], NWL and the FEMA have just 1.1 years and 3.1 years of supply available respectively.

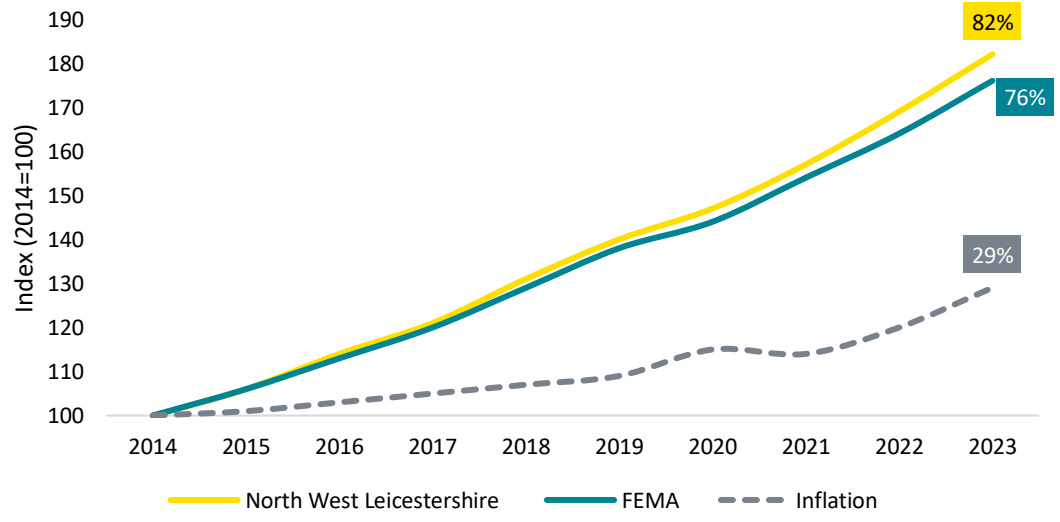
Figure 5.10: Years of Immediately Available Supply (Excluding Planning Pipeline)



Source: Savills (2024)

5.4.49. Another key market indicator for understanding the relationship between supply and demand is rental growth. As shown in **Figure 5.11**, Between 2014 and 2023, rents have grown by 82% in NWL, and 76% in the FEMA, which is over double the rate of inflation over the same time period.

Figure 5.11: Rental Growth Vs Inflation (2014-23)



Source: Savills (2024)

[10] Also called 'take-up', net absorption is the quantum of floorspace let out and occupied in a given year net of floorspace that is vacated, including floorspace lost to other land uses. .

5.4.50. According to Savills I&L Need Assessment within the FEMA future I&L supply is approximately 545 ha.

5.4.51. Comparing total potential supply (including the draft allocations) against Savills demand estimates (between 1,300 ha and 1,960 ha), suggests that there is a significant needs shortfall of between 755 ha and 1,415 ha.

Future Baseline Conditions

5.4.52. The 2018-based Sub-national Population Projections estimate that NWL's population will increase by 15.9% between 2018 and 2028. Over the same period, the Study Area's population will increase by 6.7%, while the East Midlands is projected to be the fastest-growing region in England, growing by 7.0%. All geographies are predicted to outstrip the national growth which is forecast to be 5%.

5.4.53. Over the same period, NWL's working age population (16-64) is expected to grow by 8,800 (13.8%). The Study Area's working age population is anticipated to grow by 96,600 (4.6%), which is broadly in line with forecast regional growth (4.7%) with all geographies outstripping the nation (3.0%).

5.4.54. The 'Leicester and Leicestershire Economy in 2022' report has been prepared by the LLEP to outline the current economy of Leicester and Leicestershire, highlighting the dominant industries, the occupations within those industries and the skills required by the local economy. The report also includes how demand for skills has changed in the previous five years and which sectors are more prevalent locally compared to the rest of England. The report also looks to the future and considers which sectors will continue to grow and where future demand may be. It is clear that two sectors emerge from the analysis as locally significant, generally in respect of job creation, skill need, wages and fastest growth: manufacturing and logistics are two of the largest industries in the LLEP area and are significantly above the national average in terms of number of jobs. In terms of skills demand, job roles involving warehousing skills have grown at a fast rate between 2017-2022 and has since seen the largest increase of demand for specialised skills (+198%).

5.4.55. According to LLEP research contained with the 'Leicester and Leicestershire Economy in 2022' report, transportation and storage is expected to grow in local significance by approximately 7% and looks to be the growth industry for the Leicester and Leicestershire region. However, manufacturing, the LLEP's largest sector, is predicted to shrink by approximately 4% over the next 10 years.

5.4.56. Based on Oxford Economics forecasts, within the Study Area, between 2024 and 2032, the number of jobs in the Transport and Storage sector will grow by 5.9% (+5,260 jobs). This is just above total jobs growth, at 5.7% (+75,000 jobs). The Construction sector will grow by 6,200 new jobs (8.7%). In line with the LLEP research above, employment in the Manufacturing sector is expected to decline by 21,160 jobs (-13%). GVA in the Transport and Storage sector and in the Construction sector are also projected to grow faster (13.4% and 14.2%) than the total for all sectors (12.6%). GVA in the Manufacturing sector will grow more slowly, at 6.6%. Over this period, average change in GVA per annum in the Transport and Storage sector is forecasted to amount to circa £84m, compared to £139m in the Construction sector.

5.4.57. **Table 5.17** compares the forecast change in GVA per job in the construction and transport and storage sectors against the all sector average in NWL, the Study Area, East Midlands and England between 2024 and 2032. Growth in the transport and storage sector in NWL and the Study Area is forecast to be below the national average.

Table 5.17: Forecast Change in Average GVA per Job (2024-32)

Sector	NWL	Study Area	East Midlands	England
Construction	+3.8%	+3.7%	+3.7%	+3.1%
Transport and Storage	+7.7%	+7.7%	+7.7%	+8.4%
Average (All Sectors)	+6.6%	+7.2%	+7.2%	+7.4%

Source: Oxford Economics (2024)

Summary of Baseline Conditions

5.4.58. The Study Area has a population of 3.37 million people, which has increased by 7.5%, from around 3.13 million in 2013. This equates to approximately 67.4% of the East Midlands' overall population.

5.4.59. The Study Area's population is forecast to increase by 6.7% which is greater than England as a whole (5%). Over the same period, the working age population (16-64) in the Study Area is expected to grow by 4.6% compared to 3.0% for the nation. Creating new employment opportunities such as those expected to be provided at the **EMG2 Project** will be necessary to ensure that there are jobs available to accommodate the increasing population.

5.4.60. Within the Study Area, the level of deprivation varies, however 2 of its local authorities are within the 10% most deprived areas according to the IMD. The **EMG2 Project** could contribute to lowering and levelling deprivation levels in the Study Area by creating a wide range of jobs at different occupational levels which should positively influence the levels of deprivation in the Study Area.

5.4.61. NWL has been consistently supply constrained since 2014 with a significant shortage of I&L floorspace. This supply constraint applies across all sizes of units. The supply constraint is further illustrated by looking at years of supply. When using the 2014-2023 trend for net absorption, NWL and the FEMA have just 1.1 years and 3.1 years of supply available respectively.

5.4.62. Between 2014 and 2023, rents have grown by 82% in NWL, and 76% in the FEMA, which is over double the rate of inflation over the same time period. As such, delivering employment floorspace with the **EMG2 Project** will reduce the acute level of supply, offering greater options to Industrial and Logistics occupiers with slowing the rental growth a likely impact.

5.4.63. The Study Area has a higher share of high skilled residents compared to the regional and national averages (Occupations 1-3), with economic activity rate, unemployment rate and JSA claimant rate all broadly in line with the region and nation. Overall, across the Study Area, there

is a pool of highly qualified and skilled residents who could staff the **EMG2 Project** once it is operational.

5.4.64. Across the Study Area, there is a strong existing pool of workers who are employed in the construction, transport and storage and manufacturing sectors, which indicates that, once operational, the **EMG2 Project** will benefit from a skilled labour pool in the relevant sectors over the long term. There are also opportunities for re-skilling and training of workers in related industries and of economically inactive residents wanting a job.

Sensitivity of Socioeconomics Receptors

5.4.65. In light of the current and future baseline conditions above, **Table 5.18** below summarises the receptor sensitivity and the relevant justification.

Table 5.18: Sensitivity of Socioeconomics Receptors

Receptor	Sensitivity Level	Justification
Economic Benefits Arising From the Construction of the Scheme	Low	Construction jobs in the Study Area accounted for 5.6% (82,000) of total employment which is in line with the region (5.5%), and higher than the nation (4.8%). The construction sector is projected to experience a high rate of growth in jobs.
Impacts of Operational Employment	Moderate	Transport and Storage jobs in the Study Area accounted for 6.2% (91,000) of total employment which is slightly lower than the region (6.7%) but higher than the nation (5.1%).
Impacts in Terms of Skilling and Training the Local Labour Force	Moderate	The percentage of people (age 16-64) with no qualifications in the Study Area (7.5%) is higher than the East Midlands (5.1%) and England (4.7%) averages.
Businesses in the Industrial and Logistics Sector	High	The I&L FEMA been consistently supply constrained since 2014 with a significant shortage of I&L floorspace. Between 2014 and 2023, rents have grown by 76% in the FEMA, which is over double the rate of inflation over the same time period.
Impact on Regional and National Economic Activity	High	The GVA per job in the Transport and Storage sector in the Study Area of £41,400 is 23% and 35% lower than the regional and national averages respectively across all sectors. GVA per job in the construction sector is also lower than regional and national averages. Across all geographies, the Transport and Storage sector is projected to experience a higher rate of growth in GVA compared to the average across all sectors.

5.5. Potential Impacts

5.5.1. This section describes the likely socio-economic effects that are anticipated to arise from the construction (temporary) and operational (permanent) phases of the **EMG2 Project**. Effects that

are moderate or major are considered to be significant in EIA terms. The likely impacts and the significance of the effects are characterised in the absence of mitigation measures, beyond those identified and described as inherent design mitigation.

5.5.2. This section of the chapter separately considers the potential impacts of the DCO Application and the MCO Application as well as providing an assessment of the combined impacts (the **EMG2 Project**).

Embedded Design Mitigation

5.5.3. The assessment of potential impacts and effects is carried out under the assumption that embedded design mitigation are in place.

DCO Application

Economic Benefits Arising From the Construction

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

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

Direct Employment

5.5.6. To estimate the number of jobs required for the construction of the DCO Application, the average output per construction worker for the East Midlands over a period of three years (2022-2024)[11] is used in combination with the estimated construction cost.

5.5.7. **Table 5.19** sets out the steps involved in estimating the construction employment. The construction phase is expected to support 290 Full-Time Equivalent (FTE) on-site jobs per annum on average during the construction period of 5.8 years from approximately January 2027 to September 2032 as set out in **Chapter 3: Project Description (Document DCO 6.3/MCO 6.3).**

[11] Business Population Estimates for the UK and Regions (2022-24) Department for Business, Energy, and Industrial Strategy

Table 5.19 DCO construction Jobs Generated

	Steps Involved	Value
A	Estimated Construction Cost (£)	£302,000,000[12]
B	Average Turnover per Construction Employee in the East Midlands (2019-22)	£181,460
C	Estimate of the Number of Worker Years Required to Construct the DCO Application (A/B)	1,665
D	Duration of Construction Phase (Years)	5.8
E	Average On-Site Construction Jobs Per Annum (C/D)	290

Source: SEGRO, Savills (2025). Figures may not sum due to rounding.

5.5.8. The indicative construction programme assumes the DCO Application development would have a 5.8 year build period (68 months). Given that construction is made up of many discrete elements of work undertaken by specialists, additional construction workers may be employed on site for shorter periods at any given point. Due to the nature of the construction industry and the different stages involved with the construction of the DCO Application, not all trades would be required on-site permanently and some would be on-site for less time than others.

5.5.9. Given the short-term nature of some construction activities, the expected peak on-site construction employment is also estimated. Annual costs are estimated by comparing the construction costs and duration of the DCO Application development to the Average Turnover per Construction Employee in the East Midlands, shown in **Table 5.20** above. Costs and duration are assumed as follows based on information provided by SEGRO:

- **Highway Works:** £20m over 24 months from March 2027 to March 2029
- **EMG2 Works**: £282m over 56 months from January 2028 to September 2032

5.5.10. Annual job generation is presented in **Table 5.20** below. This indicates that on-site construction employment is expected to peak in 2027 and 2028, with 325 FTE on-site jobs.

[12] Figures provided by SEGRO as of January 2025

Table 5.20 Estimated Annual Construction Employment for DCO Application

	2027	2028	2029	2030	2031	2032	Total
Highway Works							
Construction Costs (£m)	10	10					20
Construction Employment	55	55					110
EMG2 Works							
Construction Costs (£m)	49	49	49	49	49	37	282
Construction Employment	270	270	270	270	270	205	1,555
Total costs per annum (£m)	**59**	**59**	**49**	**49**	**49**	**37**	**302**
Total On-Site Construction Jobs	**325**	**325**	**270**	**270**	**270**	**205**	**1,665**

Source: SEGRO, Savills (2025). Figures may not sum due to rounding.

5.5.11. The construction process would include the range of occupational levels including unskilled or labouring jobs to more senior positions, as well as across a range of professional disciplines. The construction of the DCO Application could facilitate the growth of the local construction industry, thus enabling firms to expand and potentially take on employees.

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

Additional Employment

5.5.13. As per the HCA Additionality Guide (2014), when assessing the economic impacts of a proposed development, there are further steps involved in estimating the 'additionality' to capture indirect impacts.

5.5.14. The first is leakage, which refers to the proportion of output that benefits those outside of the intervention's target area or group. The result suggests that there will be a very low level of leakage in construction due to the sizeable extent of the Study Area (Leicester, Leicestershire, Derby, Derbyshire, Nottingham and Nottinghamshire), as such leakage in construction is considered to be zero in this assessment.

5.5.15. The second step is estimating displacement. Displacement is where the proposed activity could displace another activity in the target area, thereby reducing its additionality. As there is a significant labour market (82,000 residents of the Study Area employed in the construction sector) to accommodate an extra 1,665 on-site positions, adverse effects on alternative projects (displacement) are likely to be low. As such, in line with guidance from the HCA (2014)

Additionality Guide's ready reckoners, a 25% displacement rate is utilised, to account for low displacement effects.

Indirect and Induced Employment

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

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

5.5.18. At a national level, multiplier employment effects of construction employment are estimated to be *2.21 of the on-site employment effects (UK input-output analytic tables FTE Type I Multipliers, 2022). In line with guidance from the 2014 HCA Additionality Guide, the national multiplier rate is discounted by 18% to capture effects at the regional level, resulting in a regional multiplier rate of 2.00[13].

5.5.19. Accounting for the positive multiplier effects and discounting for potential displacement effects results in an additional 145 jobs created off-site per annum on average over the 5.8 year construction period for residents of the Study Area. **Table 5.21** sets out the steps involved in estimating the additionality of the construction employment associated with the DCO Application.

Table 5.21 Additionality of Construction Employment

	Steps Involved	**Average On-Site Jobs Per Annum**	**Peak On-Site Jobs (2027 & 2028)**
A	Construction Workers on-site (gross, direct, per annum)	290	325
B	Leakage (0%)	0	0
C	On-site jobs (direct) (A+B)	390	325
D	Displacement (25%) (C*25%)	-72	-81
E	Multiplier (2.0 for construction) ((C+D)* (2.0-1)	220	245
F	Off-site employment induced by construction employment (net, indirect) (D+E)	145	162
G	Net additional employment from the construction of the DCO Application (C+F)	435	490

Source: Savills (2025). Figures may not sum due to rounding

[13] This is calculated as follows (2.21-1)*((1-0.18)+1)

5.5.20. **Table 5.21** shows that the construction phase of the DCO Application will generate a total of approximately 290 FTE on-site construction jobs per annum, with a peak of 325 FTE on-site jobs in 207 and 2028. Once leakage (0%), displacement (25%) and multiplier effects (2.00) have been considered, this would equate to an average of 435 net additional construction jobs per annum for 5.8 years, or a peak of 490 FTE jobs in 2027 and 2028. Over the duration of the construction period, this would amount to circa 2500 on and off-site jobs.

5.5.21. The average number of on-site jobs per annum (290) represents less than 1% of the residents employed in the construction sector in the Study Area (82,000 residents). The total on- and off-site jobs generated over the construction period (2,500) represent around 40% of the projected increase in construction jobs (circa 6,200 new jobs between 2024 and 2032). The construction of the DCO Application is likely to contribute to this projected growth, while also providing new employment opportunities to residents currently employed in the sector. As such, the construction phase is estimated to have a positive impact of moderate magnitude on the low sensitivity construction employment in the Study Area, resulting in a temporary minor beneficial effect over the short and medium term, which is not significant in EIA terms.

5.5.22. The existing construction labour force in the Study Area is deemed sufficient to meet the workforce need of the construction of the DCO Application. Although some construction workers would be expected to commute on a daily basis to and from the DCO Application, it is not expected that the construction of the DCO Application would require temporary relocation and housing of the workforce from outside of the Study Area.

Impacts of Operational Employment

5.5.23. This section identifies the likely employment effects arising from the operational phase of the DCO Application. New employment opportunities are expected to result from the **EMG2 Works**, through:

- The provision of 300,000 sq.m. GIA of warehousing floorspace and 200,000 sq.m. of mezzanine space within EMG2 Main Site;

On-site Employment

5.5.24. For the purpose of the assessment of employment generated by the operational phase of the DCO Application, a series of scenario is considered, drawing on relevant assessment guidance, on the nature of the proposals and evidence from EMG1. This allows for the consideration of a range of impact levels, such as the lowest generation of employment and economic development benefits to be compared to higher impact scenarios. These scenarios are adjusted based on the assumed uses, floorspace quantum and employment density considered in the assessment, which is explained in the following paragraphs.

5.5.25. The first scenario considers that the totality of the proposed floorspace is delivered for B8 use (warehousing space). Based on the HCA Employment Density Guide (2015), employment density of logistics and warehousing space (use class B8) can range from 95 sq.m. (GEA) per FTE worker for national distribution centres (NDCs), 77 sq.m. (GEA) per FTE worker for regional distribution centres (RDCs) to 70 sq.m. (GEA) per FTE worker for local and last-mile distribution centres (LDCs) (HCA Employment Density Guide, 2015).

5.5.26. Given the nature of the DCO Application and the range of sizes of the proposed units, it is likely to accommodate a mix of NDCs and RDCs in B8 uses, and unlikely to include any LDCs. To assess the impacts generated under a 'worst-case' scenario, the employment density of NDCs, or 95 sq.m. GEA per FTE, would be applied to the proposed 300,000 sq.m. GIA of proposed floorspace. This would ultimately result in a lower number of on-site jobs generated compared to that of a combination of NDCs and RDCs, thus representing a 'worst-case' scenario. In line with the HCA Employment Density Guide (2015), the conversion factor of GEA:GIA is assumed to be 1:0.95, which would result in a total of circa 316,000 sq.m. GEA of proposed floorspace.

5.5.27. Additionally, the DCO Application provides an attractive opportunity for future occupiers to generate additional economic activity and employment by leveraging the high amount of mezzanine space being applied for, with an additional 200,000 GIA sq.m. at the EMG2 Main Site. Evidence collected at EMG1 by SEGRO and iTP indicates that once mezzanine space is accounted for, employment density shift to 47 sq.m. per job and 91 sq.m. during peak and off-peak season respectively. Given the similarity between the HCA guidelines and the off-peak density, accounting for a total of 400,000 GIA sq.m. at a density of 95 GEA sq.m per job at the DCO Application would also result in a greater level of on-site employment than under the worst-case scenario.

5.5.28. Furthermore, within the DCO Site, an allowance, though not guaranteed, is also set for the provision of up to 20% of floorspace under B2 use class (Industrial & Manufacturing uses). The HCA Employment Density Guide (2015) allocates an employment density of 36 sq.m. Gross Internal Area (GIA) per FTE worker. This is a density lower than that assumed for NDCs and RDCs, and would result in a greater level of on-site employment than under the worst-case scenario.

5.5.29. Finally, evidence of on-site employment at EMG1 collected by SEGRO and iTP suggests that lower employment densities for B8 uses could be applied. This review of current operations at EMG1 has shown that EMG1 has an average employment density of 1 job per 68 sq.m. (excluding mezzanine) during off-peak season, reducing to 1 job per 47 sq.m. in peak times. Applying a density of 68 sq.m per FTE to the proposed 300,000 sq.m would result in a greater level of on-site employment than under the worst-case scenario.

5.5.30. The assessment also accounts for average vacancy rates in line with relevant property market data (for instance, there is a 5% average vacancy rate for B8 space in the East Midlands region). This is to account that there may be some job vacancies in the premises at any given time.

5.5.31. No reference case has been used when assessing the economic impacts of the DCO Application because it currently comprises undeveloped land. The on-site employment generated by this land is likely to be negligible relative to the quantum of jobs likely to be created by the DCO Application.

5.5.32. Combining the above assumptions on floorspace provision, employment density and average vacancy rate results in the quantum of on-site jobs demonstrated in **Table 5.22** below. It is estimated that under its worst-case scenario, the DCO Application would create around 3,160 new FTE on-site jobs. This compares to a maximum of 4,410 FTE on-site jobs when considering employment densities evidenced at EMG1.

Table 5.22 DCO Application On-Site Operational Employment Scenarios (all figures are rounded)

Scenario	Key Assumptions	On-site Jobs
'Worst-case'	100% B8 at 95 sq.m GEA per FTE	3,160
Inclusive of Mezzanine Space	+ 200,000 GIA sq.m at 95 GEA sq.m per FTE	5,265
B2 allowance, without Mezzanine	20% B2 at 36 sq.m GIA per FTE	4,110
EMG1 Evidence, without Mezzanine	100% B8 at 68 sq.m per FTE	4,410

Source: SEGRO, Savills (2025)

5.5.34. The future level of on-site jobs is subject to the nature and operations of the future occupiers at the EMG2 Main Site. On the basis that this is not known at this stage, there is no certainty that the level of employment density demonstrated at EMG1 is replicable. Nevertheless, given the EMG1 evidence, the allowance for the provision of B2 floorspace, and the substantial provision of mezzanine space, the 'worst-case' scenario may equally be unlikely. Consequentially, it is considered that the use of a mid-point estimate would be reasonable at this stage, given the evidence presented above and the uncertainties surrounding future occupancy. For the purpose of this assessment, it is estimated that the DCO Application would generate circa 3,700 new FTE on-site jobs once fully operational.

Additional Employment

5.5.35. The assessment of operational employment accounts for additionality, considering leakage, displacement and multiplier effects.

5.5.36. Firstly, the concept of 'leakage' is not considered relevant here as the DCO Application is of national significance. Furthermore, the Study Area has been defined with reference to evidence on the place of residence of workers employed at EMG1. It is assumed that future workers of the DCO Application will follow a comparable pattern, and therefore there would be no leakage.

5.5.37. Secondly, to account for displacement effects, it is assumed that a proportion of the occupiers at the DCO Application will be relocated from existing, functionally sub-optimal distribution premises in the Study Area.

5.5.38. To estimate the displacement rate, research has been undertaken into the quantum and age of existing stock in the PMA studied in **Appendix 5A (Document DCO 6.5A)**. Obsolete stock is considered to be reasonable indicator for understanding the level of displacement the DCO Application may cause. The age of obsolete stock has been assessed as either 30 or 40 years since construction or since the property was last refurbished. This approach to estimating displacement is based on the assumptions that employees working in older and poorer quality facilities may be particularly attracted to working in better conditions (modern high quality

facilities), such as the new premises located at the DCO Application, and may be particularly attracted to working for larger national and international companies that typically cover a wide range of well paid jobs that enable career progression.

5.5.39. To understand which displacement rate could be considered appropriate, a review of the share of obsolete stock relative to the overall PMA was undertaken. This indicated that between 21% (40 year obsolescence) and 31% (30 year obsolescence) of stock would become obsolete by the time the DCO Application becomes operational in 2032. This accounts for future growth of inventory (based on net additional deliveries per annum), and existing stock that would be refurbished each year. Further displacement guidance from the Department for Business Innovation and Skills was reviewed, which concluded that inward investment projects tend to result in a median displacement of 28% at the regional level. Overall, this analysis suggest that using HCA's ready reckoner of 'low' displacement of 25% would be appropriate for this analysis.

5.5.40. While displacement is discounted from the additionality of employment effects, its impact in this instance is positive – it is helping the PMA maintain its competitive advantage in the logistics sector by allocating activities where they are more optimally located. The relocation of logistics companies to the DCO Application will help ensure the long-term sustainability of those businesses and the jobs they support. Accounting for a 25% displacement rate, this would benefit 925 workers who would relocate in high quality and modern facilities.

5.5.41. Thirdly, at a national level, multiplier employment effects of employment in the 'Transport and Storage' sector are estimated to be *2.91 of the on-site employment effects for the warehousing and support services for transportation sector (UK input-output analytic tables, 2022). In line with guidance from the 2014 HCA Additionality Guide, the national multiplier rate is discounted by 44% to capture effects at the regional level, resulting in a regional multiplier rate of *2.06.

5.5.42. As shown in **Table 5.23**, based on an estimated 3,700 FTE on-site jobs, the resulting on and off-site employment generated by the DCO Application in its operational phase would amount to 5,720 jobs.

Table 5.23 On and Off-site Jobs Generated by the DCO Application

	Steps Involved	Average On-Site Jobs Per Annum
A	Gross on-site operational Jobs	3,700
B	Leakage (0%)	0
C	On-site jobs (direct) (A+B)	3,700
D	Displacement (25%) (C*25%)	-925
E	Multiplier (2.06 for transport and storage) ((C+D)* (2.0-1)	2,945
F	Off-site employment induced by operational employment (net, indirect) (D+E)	2,020
G	Net additional employment from the operational DCO Application (C+F)	5,720

Source: Savills (2025)

5.5.43. 5,720 on and off-site jobs represents a significant level of employment for one scheme and is consistent with it being considered nationally significant. To put this in to context, this level of employment represents circa 9% of the total anticipated on and off-site jobs (all sectors) generated by The Freeport, and circa 8% of the projected total job growth (all sectors) in the Study Area between 2024 and 2032 (75,000). Focusing on the Transport and Storage sector specifically, the DCO Application represents around 109% of the projected job growth in this sector alone in the Study Area between 2024 and 2032 (5,260), based on Oxford Economics forecasts.

5.5.44. This demonstrate the DCO Application's potential to substantially contribute to the growth of the Transport and Storage sector, not to mention the wider jobs market, by creating long-term employment opportunities for residents of the Study Area.

5.5.45. The operational phase is therefore estimated to have a positive impact of high magnitude on the moderate sensitivity I&L workers in the Study Area, resulting in a moderate to major beneficial effect over the long term, which is significant in EIA terms.

Impacts of Skilling and Training the Local Labour Force

5.5.46. The DCO Application, in line with the 2035 Industrial Strategy, will generate high quality employment opportunities across a range of occupations as well as training and upskilling opportunities. These training opportunities will support unemployed and economically inactive local residents, helping them return into work and reduce local skills gaps, whilst also ensuring learning and skills development continue throughout employees careers, which is recognised as vital to retaining employees in the workforce .

5.5.47. To assess the impact of the DCO Application on the skilling and training of the local labour force, the skills profile of current job seekers is compared to the skills profile of I&L activities, derived from EMG1 data in line with **Table 5.12**. The following steps are followed:

a. Use of data on proportion of JSA Claimant by SOC;

b. Estimation of labour availability by allocating the 63,500 unemployed residents in the Study Area to each SOC based on the JSA proportion;

c. Estimation of labour need by allocating the jobs created by the DCO Application, net of displacement, to each SOC based on the proportion at EMG1 (2,775 jobs);

d. Comparison of labour availability and need to identify shortfalls and gaps in skill levels.

5.5.48. **Table 5.24** provides an estimation of the number of future job seekers in each occupation. This is a high level projection, as it assumes that the occupational breakdown of jobs seekers remain the same, and that the share of JSA[14] claimants' occupation is the same as the share of unemployed people's occupations. This also assumes that all JSA claimants would be willing and able to work within I&L activities, which is unlikely to be the case.

5.5.49. This high level analysis of skills availability within the labour force indicates that available labour pool would largely have the adequate skillset to meet the needs of the DCO Application. There

[14] It is noted that not all unemployed individuals recieves JSA and therefore data may be incomplete.

may be a shortfall of Process, Plant and Machine Operatives (SOC 8), and potential of professional occupations (SOC 2). With regards to SOC 8, this may be due to EMG1's high proportion of employees in this occupation relative to the standard occupation breakdown in the logistics sector at the regional level evidence in the 2021 Census (**Table 5.12**). It must also be noted that no EMG1 employee were recorded within SOC 9, which in contrast demonstrates high levels of labour availability within JSA Claimants. As such the analysis of labour supply and demand identified in the table below represents the 'worst case' scenario, where the use of Census 2021 data would not demonstrate a shortfall, as demonstrated in the last column.

5.5.50. This provides opportunities for training and up-skilling of the local workforce. Residents seeking an 'Associate, Professional and Technical' occupation (SOC 3) may benefit from gaining access to a 'Professional' occupation (SOC 2). Residents seeking an 'Elementary' occupation (SOC 9) may benefit from gaining access to a new occupation as 'Process, Plant and Machine Operatives' (SOC 8). To bridge the skills gap, up-skilling and training requirements of the DCO Application will benefit 3% of the unemployed workforce and circa 45% of the future workforce at the DCO Application.

5.5.51. Overall, this analysis suggests that the DCO Application would not likely face a skills shortage in the Study Area across most occupation categories and enable the up-skilling and training of some unemployed residents to meet its skills needs in other categories. This would have a negligible impact on the moderate sensitivity local labour force. This would result in a permanent negligible effect, which is not significant in EIA terms**.**

Table 5.24: Future Job Seekers by Occupation Compared with Estimated On-site Jobs Generated by the DCO Application

Standard Occupation Category	Proportion of JSA Claimants (%)	Labour Availability: Number of Claimants	Labour Need: New jobs at the EMG2 Main Site based on EMG1 SOC Split	Difference between Labour Availability and Need: JSA vs. EMG1	Difference between Labour Availability and Need: Census 2021
1) Managers, Directors and Senior Officials	4.1	2,597	139	2,459	2,399
2) Professional	0.3	179	111	68	54
3) Associate, Professional and Technical	0.7	448	83	365	348
4) Administrative and Technical	1.7	1,075	83	992	864
5) Skilled Trades	1.0	627	28	599	557

Standard Occupation Category	Proportion of JSA Claimants (%)	Labour Availability: Number of Claimants	Labour Need: New jobs at the EMG2 Main Site based on EMG1 SOC Split	Difference between Labour Availability and Need: JSA vs. EMG1	Difference between Labour Availability and Need: Census 2021
6) Caring, Leisure and Other Services	0.6	358	0	358	249
7) Sales and Customer Services	21.9	13,882	194	13,688	13,840
8) Process, Plant and Machine Operatives	0.8	537	2,137	-1,599	-422
9) Elementary Occupations	69.0	43,796	0	43,766	42,837
Total	100%	63,500	2,775	60,500	60,500

Source: JSA Claimant Count (2024), SEGRO and iTP (2024), Savills (2025)

Businesses in the Industrial and Logistics Sector

5.5.52. As illustrated in the Baseline Conditions and in **Appendix 5A (Document DCO 6.5A)**, availability of I&L floorspace in the FEMA is 6.4%, an availability rate below 8% typically indicates that a market is supply constrained. With demand outstripping supply, the FEMA has experienced high rental growth for I&L floorspace since 2014, over double the rate of inflation over the same period.

5.5.53. According to Savills I&L Need Assessment (**Appendix 5A (Document DCO 6.5A)**), NWL and the FEMA are highly attractive I&L locations. The strong demand at this location is evidenced by the fast take up of space at EMG1. A timeline of 10 years was originally envisaged for completion of the scheme but after just 4 years all land capable of accommodating a unit in excess of 96,000 sq.ft (9,000 sq. m) was taken.

5.5.54. The FEMA and NWL also outperform all other English regions in terms of leasing demand and jobs growth in the I&L sector further evidencing it as a prime I&L location.

5.5.55. The Baseline Conditions (Figure 5.9) notes low availability in the large (9.3-23.2k sqm) (3.6%) and very large (23.2-46.5k sqm) (6.1%) size bands within NWL. **Appendix 5A (Document DCO 6.5A)** highlights that the DCO Application will respond to low availability of floorspace identified within specific unit size bands, by providing nine units across these size categories (**EMG2 Works** and **EMG1 Works**). The DCO Application also has the potential to provide a unit at the

largest size band (46.5k+ sqm) which will respond to the lack of availability in this size band in NWL (which has currently no floorspace available) and low availability in the FEMA (6.8%). This would help meet the need of businesses looking for properties within those size bands.

5.5.56. Savills I&L Need Assessment identifies future I&L supply within the FEMA to be approximately 545 ha. Comparing total potential supply (including the draft allocations) against Savills demand estimates (which account for different levels of growth) of between 1,300 ha and 1,960 ha, suggests that there is a significant needs shortfall across the FEMA of between 755 ha and 1,415 ha.

5.5.57. Once operational, the DCO Application which will deliver around 300,000 sq.m. (GIA) of employment floorspace, over 105 ha gross, which represents between 7% and 14% of the FEMA need shortfall. As such it is estimated to have a positive impact of high magnitude on the high sensitivity businesses in the industrial and logistics sector in the FEMA, resulting in a permanent major beneficial effect over the long term, which is significant in EIA terms.

Impact on Regional and National Economic Activity

5.5.58. GVA is an indicator of wealth creation, which will be used to estimate the DCO Application's potential contribution to the nation's economy. Given the likely scale of the construction of the DCO Application, it has the potential to generate significant economic output for the economy.

Contribution to Regional and National Economic Activity during Construction

5.5.59. Based on the above estimation of 290 on-site construction jobs per annum (net of displacement) generated by the construction of the DCO Application and an average GVA of £72,700 per construction worker, it is estimated that an additional £15.8 m per annum will be generated through construction GVA over the 5.8 year construction phase of the DCO Application, or £90.7m in total over the period with the **Highway Works** and **EMG2 Works** contributing £6m and £84.7m respectively. This significant sum is likely to benefit residents of the Study Area, as well as those further afield. £15.8 m constitutes circa 11% of forecast average increase in construction sector GVA per annum in the Study Area during the construction phase (£139m) , this would have a high positive impact on the high sensitivity regional and national economic activity**.** A major beneficial effect over the short and medium term is expected, which is significant in EIA terms.

Contribution to Regional and National Economic Activity during Operation

5.5.60. The operational phase of the DCO Application will contribute to regional and national economic activity, beyond the creation of jobs and the provision of much-needed employment land discussed above. The new operational jobs created would generate gross value added, while the new floorspace will result in new Business Rates Income to NWL. Given the DCO Application's location within the East Midlands Freeport, the businesses locating there will not be liable to paying Business Rates, though NWLDC will continue to receive the income via the Government.

Gross Value Added

5.5.61. Based on the above estimation of 2,775 net on-site operational jobs (on-site jobs net of displacement) generated by the operation of the DCO Application and an average GVA of

£49,250 per worker in the 'Transport and Storage' sector, it is estimated that an additional £137m[15] per annum in GVA will be generated once the DCO Application is operational[16].

5.5.62. This is likely to be a conservative estimate, as a proportion of the off-site multiplier effects would also impact the Study Area, though those are not considered in the estimates above. The DCO Application would therefore have a larger contribution than estimated above, as it would help support regional and national economic growth, in line with the goals and ambitions identified in the NPSNN. By providing much needed floorspace for businesses in the I&L sector, the DCO Application may also support the growth and development of businesses in other sectors that will interact with future occupiers of the DCO Application. The creation of new jobs in modern premises alongside training opportunities to improve the skills of the local labour force, may also contribute to increasing wages in the I&L sector. This would further generate spending and economic activity, while also contributing to reducing geographical inequalities.

Business Rates Income

5.5.63. The DCO Application would also generate public sector revenues, through new business rates which can be re-invested in the community and local services. The scale of this potential revenue is estimated as a gross estimate (i.e., not discounting for potential displacement effects elsewhere). The estimated revenues could be significantly higher in real terms given anticipated growth in the economy over time.

5.5.64. The estimate of business rates is based on current rates and values of comparable premises in the Study Area, estimated to be a rateable value of £52 per sq.m. for warehouse space. The DCO Application is expected to generate business rates of around £11.4 million.

5.5.65. The new Business Rates Income will benefit NWLDC, and can be reinvested in the local community. However, given the **EMG2 Works** location within the East Midlands Freeport, over a period of five years the business rates will not be payable by the businesses located on the **EMG2 Works** site, but will instead be granted to NWLDC by the Government. Furthermore, based on Freeport Guidance from MHCLG, Local Authorities have discretion to apply additional tests before offering business rates relief to incoming occupiers, to ensure that business activity from the surrounding area is not displaced and that the objectives of the Freeport are met. Where it is determined that an occupier has simply vacated business space in the surrounding area, their business rates relief may be reduced or revoked.

Freeport Benefits

5.5.66. Given the **EMG2 Works** location within the East Midlands Freeport, this could result in additional benefits to businesses located on site such as imports entering with simplified customs documentation and without paying tariffs.

5.5.67. The freeport status is part of a wider UK Government initiative aiming to promote regeneration of the Freeport areas, and specifically to increase local employment, investment, trade and innovation[17].

[15] ONS Productivity per Worker in the Transport and Storage Sector (Sector H)
[16] Average output per transport and storage worker in the East Midlands multiplied by number of operational jobs
[17] Freeports: What are they, what do we know and what will we know ? (2023), Economic and Social Research Council

5.5.68. A portion of Business Rates Income is also expected to be allocated to and retained by the East Midlands Freeport, to be reinvested locally to improve skills and training.

Contribution to the Economy

5.5.69. The estimated £137m per annum which will be generated through on-site employment once the DCO Application is operational represents 4% of the forecast GVA generated by the logistics industry across the Study Area in 2033 (£3.8bn), the DCO Application's first year of full operation. However this also represents circa 1900% of the average annual increase in GVA in that sector between 2024 and 2032 (£7.1m), demonstrating the DCO Application's potential to substantially contribute to the growth of the sector in the Study Area once it becomes fully operational. Combined with the estimated £11.4m which will be generated per annum in business rates, alongside the benefits resulting from the EMG2 Main Site's Freeport status, this suggests that the operational phase will have a high positive impact on the high sensitivity regional and national economic activity resulting in a major beneficial impact over the medium and long term, which is significant in EIA terms.

MCO Application

Economic Benefits Arising From the Construction

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

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

Direct Employment

5.5.72. To estimate the number of jobs required for the construction of the MCO Application, the average output per construction worker for the East Midlands over a period of three years (2022-2024) is used in combination with the estimated construction cost.

5.5.73. **Table 5.25** sets out the steps involved in estimating the construction employment. The construction phase is expected to support 65 Full-Time Equivalent (FTE) on-site jobs per annum over the two year construction period from January 2027 to January 2029 as set out in **Chapter 3: Project Description (Document MCO 6.3)**.

Table 5.25 MCO Construction Jobs Generated

	Steps Involved	Value
A	Estimated Construction Cost (£)	£23,000,000[18]
B	Average Turnover per Construction Employee in the East Midlands (2019-22)	£181,460
C	Estimate of the Number of Worker Years Required to Construct the MCO Application (A/B)	130
D	Duration of Construction Phase (Years)	2
E	Average On-Site Construction Jobs Per Annum (C/D)	65

Source: SEGRO, Savills (2025). Figures may not sum due to rounding.

5.5.74. The construction process would include the range of occupational levels including unskilled or labouring jobs to more senior positions, as well as across a range of professional disciplines. The construction of the MCO Application could facilitate the growth of the local construction industry, thus enabling firms to expand and potentially take on employees.

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

Additional Employment

5.5.76. As per the HCA Additionality Guide (2014), when assessing the economic impacts of a proposed development, there are further steps involved in estimating the 'additionality' to capture indirect impacts.

5.5.77. The first is leakage, which refers to the proportion of output that benefits those outside of the intervention's target area or group. The result suggests that there will be a very low level of leakage in construction due to the sizeable extent of the Study Area (Leicester, Leicestershire, Derby, Derbyshire, Nottingham and Nottinghamshire), as such leakage in construction is considered to be zero in this assessment.

5.5.78. The second step is estimating displacement. Displacement is where the proposed activity could displace another activity in the target area, thereby reducing its additionality. As there is a significant labour market (82,000 residents of the Study Area employed in the construction sector) to accommodate an extra 130 on-site positions, adverse effects on alternative projects (displacement) are likely to be low. As such, in line with guidance from the HCA (2014) Additionality Guide's ready reckoners, a 25% displacement rate is utilised, to account for low displacement effects.

[18] Figures provided by SEGRO as of January 2025

Indirect and Induced Employment

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

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

5.5.81. At a national level, multiplier employment effects of construction employment are estimated to be *2.21 of the on-site employment effects (UK input-output analytic tables FTE Type I Multipliers, 2022). In line with guidance from the 2014 HCA Additionality Guide, the national multiplier rate is discounted by 18% to capture effects at the regional level, resulting in a regional multiplier rate of 2.00[19].

5.5.82. Accounting for the positive multiplier effects and discounting for potential displacement effects results in an additional 95 jobs per annum created off-site over the two year construction period for residents of the Study Area. **Table 5.26** sets out the steps involved in estimating the additionality of the construction employment associated with the MCO Application**.**

Table 5.26 Additionality of Construction Employment

	Steps Involved	**Average On-Site Jobs Per Annum**
A	Construction Workers on-site (gross, direct, per annum)	65
B	Leakage (0%)	0
C	On-site jobs (direct) (A+B)	65
D	Displacement (25%) (C*25%)	-15
E	Multiplier (2.0 for construction) ((C+D)* (2.0-1)	45
F	Off-site employment induced by construction employment (net, indirect) (D+E)	30
G	Net additional employment from the construction of the MCO Application (C+F)	95

Source: Savills (2025). Figures may not sum due to rounding

[19] This is calculated as follows (2.21-1)*((1-0.18)+1)

5.5.83. **Table 5.26** shows that the construction phase of the MCO Application will generate a total of approximately 65 FTE on-site construction jobs per annum. Once leakage (0%), displacement (25%) and multiplier effects (2.00) have been considered, this would equate to an average of 95 net additional construction jobs per annum over the two year construction phase.

5.5.84. The average number of on-site jobs per annum (65) represents less than 1% of the residents employed in the construction sector in the Study Area (82,000 residents). The total on and off-site jobs generated over the construction period (190) represent around 3% of the projected increase in construction jobs (circa 6,200 new jobs between 2024 and 2032). The construction of the MCO Application is likely to make a small contribution to this projected growth, while also providing new employment opportunities to residents currently employed in the sector. As such, the construction phase is estimated to have a positive impact of low magnitude on the low sensitivity construction employment in the Study Area, resulting in a **temporary minor negligible** effect over the short and medium term, which is not significant in EIA term.

Impacts of Operational Employment

5.5.85. This section identifies the likely employment effects arising from the operational phase of the MCO Application. New employment opportunities are expected to result from the MCO Application, through:

- The provision of 26,500 sq.m. GIA of warehousing floorspace and 3,500 sq.m. of mezzanine space within **EMG1 Works**;

On-site Employment

5.5.86. For the purpose of the assessment of employment generated by the operational phase of the MCO Application, it is assumed that the totality of the proposed floorspace is delivered for B8 use (warehousing space). Based on the HCA Employment Density Guide (2015), employment density of logistics and warehousing space (use class B8) can range from 95 sq.m. (GEA) per FTE worker for national distribution centres (NDCs), 77 sq.m. (GEA) per FTE worker for regional distribution centres (RDCs) to 70 sq.m. (GEA) per FTE worker for local and last-mile distribution centres (LDCs) (HCA Employment Density Guide, 2015).

5.5.87. Given the nature of the MCO Application and the range of sizes of the proposed units, it is likely to accommodate a mix of NDCs and RDCs in B8 uses, and unlikely to include any LDCs. To assess the impacts generated under a 'worst-case' scenario, the employment density of NDCs, or 95 sq.m. GEA per FTE, would be applied to the proposed 25,000 sq.m. GIA of proposed floorspace. This would ultimately result in a lower number of on-site jobs generated compared to that of a combination of NDCs and RDCs, thus representing a 'worst-case' scenario. In line with the HCA Employment Density Guide (2015), the conversion factor of GEA:GIA is assumed to be 1:0.95, which would result in a total of circa 26,300 sq.m. GEA of proposed floorspace.

5.5.88. Additionally, the MCO Application provides an attractive opportunity for future occupiers to generate additional economic activity and employment by leveraging the 5,000 sq.m. GIA (5,260 sq.m GEA) of mezzanine space being applied for. at the EMG1 Plot 16 Site. A density of 95 GEA sq.m per job has been assumed for the mezzanine space has been assumed, in line with the DCO Application above.

5.5.89. Furthermore, within the MCO Site, an allowance, though not guaranteed, is also set for the provision of up to 20% of floorspace under B2 use class (Industrial & Manufacturing uses). The HCA Employment Density Guide (2015) allocates an employment density of 36 sq.m. Gross Internal Area (GIA) per FTE worker. This is a density lower than that assumed for NDCs and RDCs, and would result in a greater level of on-site employment than under the worst-case scenario.

5.5.90. Finally, evidence of on-site employment at EMG1 collected by SEGRO and iTP suggests that lower employment densities for B8 uses could be applied. This review of current operations at EMG1 has shown that EMG1 has an average employment density of 1 job per 68 sq.m. (excluding mezzanine) during off-peak season, reducing to 1 job per 47 sq.m. in peak times. Applying a density of 68 sq.m per FTE to the proposed 300,000 sq.m would result in a greater level of on-site employment than under the worst-case scenario.

5.5.91. The assessment also accounts for average vacancy rates in line with relevant property market data (for instance, there is a 5% average vacancy rate for B8 space in the East Midlands region). This is to account that there may be some job vacancies in the premises at any given time.

5.5.92. No reference case has been used when assessing the economic impacts of the MCO Application because it currently comprises undeveloped land. The on-site employment generated by this land is likely to be negligible relative to the quantum of jobs likely to be created by the MCO Application.

5.5.93. Combining the above assumptions on floorspace provision, employment density and average vacancy rate results in the quantum of on-site jobs demonstrated in **Table 5.27** below. It is estimated that under its worst-case scenario, the MCO Application would create around 280 new FTE on-site jobs. This compares to a maximum of 370 FTE on-site jobs when considering employment densities evidenced at EMG1.

Table 5.27 MCO Application On-Site Operational Employment Scenarios (all figures are rounded)

Scenario	Key Assumptions	On-site Jobs
'Worst-case'	100% B8 at 95 sq.m GEA per FTE	280
Inclusive of Mezzanine Space	+ 3,500 GIA sq.m at 95 GEA sq.m per FTE	315
B2 allowance, without Mezzanine	20% B2 at 36 sq.m GIA per FTE	360
EMG1 Evidence, without Mezzanine	100% B8 at 68 sq.m per FTE	390

Source: SEGRO, Savills (2025)

5.5.95. The future level of on-site jobs is subject to the nature and operations of the future occupiers at the MCO Application. On the basis that this is not known at this stage, there is no certainty that the level of employment density demonstrated at EMG1 is replicable. Nevertheless, given the

EMG1 evidence, the allowance for the provision of B2 floorspace, and the substantial provision of mezzanine space, the 'worst-case' scenario may equally be unlikely. Consequentially, it is considered that the use of a mid-point estimate would be reasonable at this stage, given the evidence presented above and the uncertainties surrounding future occupancy. For the purpose of this assessment, it is estimated that the MCO Application would generate circa 300 new FTE on-site jobs once fully operational.

Additional Employment

5.5.96. The assessment of operational employment accounts for additionality, considering leakage, displacement and multiplier effects.

5.5.97. Firstly, the concept of 'leakage' is not considered relevant here as the MCO Application is of national significance. Furthermore, the Study Area has been defined with reference to evidence on the place of residence of workers employed at EMG1. It is assumed that future workers of the MCO Application will follow a comparable pattern, and therefore there would be no leakage.

5.5.98. Secondly, to account for displacement effects, it is assumed that a proportion of the occupiers at the MCO Application will be relocated from existing, functionally sub-optimal distribution premises in the Study Area.

5.5.99. To estimate the displacement rate, research has been undertaken into the quantum and age of existing stock in the PMA studied in **Appendix 5A (Document MCO 6.5A)**. Obsolete stock is considered to be reasonable indicator for understanding the level of displacement the MCO Application may cause. The age of obsolete stock has been assessed as either 30 or 40 years since construction or since the property was last refurbished. This approach to estimating displacement is based on the assumptions that employees working in older and poorer quality facilities may be particularly attracted to working in better conditions (modern high quality facilities), such as the new premises located at the MCO Application, and may be particularly attracted to working for larger national and international companies that typically cover a wide range of well paid jobs that enable career progression.

5.5.100. The same method to calculating displacement for DCO Application has been employed, and as such using HCA's ready reckoner of 'low' displacement of 25% is considered appropriate for this analysis.

5.5.101. While displacement is discounted from the additionality of employment effects, its impact in this instance is positive – it is helping the PMA maintain its competitive advantage in the logistics sector by allocating activities where they are more optimally located. The relocation of logistics companies to the MCO Application will help ensure the long-term sustainability of those businesses and the jobs they support. Accounting for a 25% displacement rate, this would benefit circa 70 workers who would relocate in high quality and modern facilities.

5.5.102. Thirdly, at a national level, multiplier employment effects of employment in the 'Transport and Storage' sector are estimated to be *2.91 of the on-site employment effects for the warehousing and support services for transportation sector (UK input-output analytic tables, 2022). In line with guidance from the 2014 HCA Additionality Guide, the national multiplier rate is discounted by 44% to capture effects at the regional level, resulting in a regional multiplier rate of *2.06.

5.5.103. As shown in **Table 5.28**, based on an estimated 300 FTE on-site jobs, the resulting on and off-site employment generated by the MCO Application in its operational phase would amount to 465 jobs.

Table 5.28 On and Off-site Jobs Generated by the MCO Application

	Steps Involved	Average On-Site Jobs Per Annum
A	Gross on-site operational Jobs	300
B	Leakage (0%)	0
C	On-site jobs (direct) (A+B)	300
D	Displacement (25%) (C*25%)	-75
E	Multiplier (2.06 for transport and storage) ((C+D)* (2.0-1)	240
F	Off-site employment induced by operational employment (net, indirect) (D+E)	165
G	Net additional employment from the operational MCO Application (C+F)	465

Source: Savills (2025)

5.5.104. 465 on and off-site jobs represents less than 1% of the total anticipated on and off-site jobs (all sectors) generated by The Freeport. Focusing on the Transport and Storage sector specifically, the MCO Application represents around 86% of the projected job growth in this sector alone in the Study Area between 2028 and 2029 (540), based on Oxford Economics forecasts.

5.5.105. This demonstrate the MCO Application's potential to substantially contribute to the growth of the Transport and Storage sector, not to mention the wider jobs market, by creating long-term employment opportunities for residents of the Study Area.

5.5.106. The operational phase is therefore estimated to have a positive impact of moderate magnitude on the moderate sensitivity I&L workers in the Study Area, resulting in a moderate minor beneficial effect over the long term, which is not significant in EIA terms.

Impacts of Skilling and Training the Local Labour Force

5.5.107. The MCO Application, in line with the 2035 Industrial Strategy , will generate high quality employment opportunities across a range of occupations as well as training and upskilling opportunities. These training opportunities will support unemployed and economically inactive local residents, helping them return into work and reduce local skills gaps, whilst also ensuring learning and skills development continue throughout employees careers, which is recognised as vital to retaining employees in the workforce .

5.5.108. To assess the impact of the MCO Application on the skilling and training of the local labour force, the skills profile of current job seekers is compared to the skills profile of I&L activities, derived from EMG1 data in line with **Table 5.23**. The following steps are followed:

a) Use of data on proportion of JSA Claimant by SOC;

b) Estimation of labour availability by allocating the 63,500 unemployed residents in the Study Area to each SOC based on the JSA proportion;

c) Estimation of labour need by allocating the jobs created by the MCO Application, net of displacement, to each SOC based on the proportion at EMG1 (225 jobs);

d) Comparison of labour availability and need to identify shortfalls and gaps in skill levels.

5.5.1. Due to the small number of on-site jobs compared to the 63,500 unemployed residents in the Study Area, there would be a significant surplus of labour with the adequate skillset to meet the needs of the MCO Application.

5.5.2. Overall, this analysis suggests that the MCO Application would not likely face a skills shortage in the Study Area across most occupation categories and enable the up-skilling and training of some unemployed residents to meet its skills needs in other categories. This would have a negligible impact on the moderate sensitivity local labour force. This would result in a **permanent negligible effect,** which is not significant in EIA terms**.**

Businesses in the Industrial and Logistics Sector

5.5.3. As illustrated in the Baseline Conditions and in **Appendix 5A** (**Document MCO 6.5A**), availability of I&L floorspace in the FEMA is 6.4%, an availability rate below 8% typically indicates that a market is supply constrained. With demand outstripping supply, the FEMA has experienced high rental growth for I&L floorspace since 2014, over double the rate of inflation over the same period.

5.5.4. According to Savills I&L Need Assessment (**Appendix 5A (Document MCO 6.5A)**), NWL and the FEMA are highly attractive I&L locations. The strong demand at this location is evidenced by the fast take up of space at EMG1. A timeline of 10 years was originally envisaged for completion of the scheme but after just 4 years all land capable of accommodating a unit in excess of 96,000 sq.ft (9,000 sq. m) was taken. EMG1 has therefore clearly been very successful, and by providing integrated improvements and an expansion to the warehousing facilities at Plot 16, its operational efficiency will further improve.

5.5.5. The FEMA and NWL also outperform all other English regions in terms of leasing demand and jobs growth in the I&L sector further evidencing it as a prime I&L location.

5.5.6. The Baseline Conditions (**Figure 5.9**) notes low availability in the large (9.3-23.2k sqm) (3.6%) and very large (23.2-46.5k sqm) (6.1%) size bands within NWL. **Appendix 5A** (**Document MCO 6.5A**) highlights that the MCO Application will respond to low availability of floorspace identified within the very large size band. This would help meet the need of businesses looking for properties within this size band.

5.5.7. Savills I&L Need Assessment identifies future I&L supply within the FEMA to be approximately 545 ha. Comparing total potential supply (including the draft allocations) against Savills demand estimates (which account for different levels of growth) of between 1,300 ha and 1,960 ha,

suggests that there is a significant needs shortfall across the FEMA of between 755 ha and 1,415 ha.

5.5.8. Once operational, the MCO Application which will deliver around 25,000 sq.m. (GIA) of employment floorspace, over 6 ha gross, which represents less than 1% of the FEMA need shortfall. As such it is estimated to have a positive impact of low magnitude on the high sensitivity businesses in the industrial and logistics sector in the FEMA, resulting in a permanent minor beneficial effect over the long term, which is not significant in EIA terms.

Impact on Regional and National Economic Activity

5.5.9. GVA is an indicator of wealth creation, which will be used to estimate the MCO Application's potential contribution to the nation's economy. Given the likely scale of the construction of the MCO Application, it has the potential to generate significant economic output for the economy.

Contribution to Regional and National Economic Activity during Construction

5.5.10. Based on the above estimation of 50 on-site construction jobs per annum (net of displacement) generated by the construction of the MCO Application and an average GVA of £72,700 per construction worker, it is estimated that an additional £3.5m per annum will be generated over the 2 year construction phase, meaning the MCO Application will generate a total of £7m in construction GVA. This significant sum is likely to benefit residents of the Study Area, as well as those further afield. £7 m constitutes circa 12% of forecast average increase in construction sector GVA between 2028 and 2029 in the Study Area (£61.5m) , this would have a moderate positive impact on the high sensitivity regional and national economic activity**.** A moderate beneficial effect over the short and medium term is expected, which is significant in EIA terms.

Contribution to Regional and National Economic Activity during Operation

5.5.11. The operational phase of the MCO Application will contribute to regional and national economic activity, beyond the creation of jobs and the provision of much-needed employment land discussed above. The new operational jobs created would generate gross value added, while the new floorspace will result in new Business Rates Income to NWL. Given the MCO Applications's location within the East Midlands Freeport, the businesses locating there will not be liable to paying Business Rates, though NWLDC will continue to receive the income via the Government.

Gross Value Added

5.5.12. Based on the above estimation of 225 net on-site operational jobs (on-site jobs net of displacement) generated by the operation of the MCO Application and an average GVA of £49,250 per worker in the 'Transport and Storage' sector, it is estimated that an additional £11m[20] per annum in GVA will be generated once the MCO Application is operational[21].

5.5.13. This is likely to be a conservative estimate, as a proportion of the off-site multiplier effects would also impact the Study Area, though those are not considered in the estimates above. The MCO Application would therefore have a larger contribution than estimated above, as it would help

[20] ONS Productivity per Worker in the Transport and Storage Sector (Sector H)
[21] Average output per transport and storage worker in the East Midlands multiplied by number of operational jobs

support regional and national economic growth, in line with the goals and ambitions identified in the NPSNN. By providing much needed floorspace for businesses in the I&L sector, the MCO Application may also support the growth and development of businesses in other sectors that will interact with future occupiers of the MCO Application. The creation of new jobs in modern premises alongside training opportunities to improve the skills of the local labour force, may also contribute to increasing wages in the I&L sector. This would further generate spending and economic activity, while also contributing to reducing geographical inequalities

Business Rates Income

5.5.14. The MCO Application would also generate public sector revenues, through new business rates which can be re-invested in the community and local services. The scale of this potential revenue is estimated as a gross estimate (i.e., not discounting for potential displacement effects elsewhere). The estimated revenues could be significantly higher in real terms given anticipated growth in the economy over time.

5.5.15. The estimate of business rates is based on current rates and values of comparable premises in the Study Area, estimated to be a rateable value of £52 per sq.m. for warehouse space. The MCO Application is expected to generate business rates of around £850,000.

5.5.16. The new Business Rates Income will benefit NWLDC, and can be reinvested in the local community. However, given the MCO Application's location within the East Midlands Freeport, over a period of five years the business rates will not be payable by the businesses located on the **EMG1 Works** site, but will instead be granted to NWLDC by the Government. Furthermore, based on Freeport Guidance from MHCLG, Local Authorities have discretion to apply additional tests before offering business rates relief to incoming occupiers, to ensure that business activity from the surrounding area is not displaced and that the objectives of the Freeport are met. Where it is determined that an occupier has simply vacated business space in the surrounding area, their business rates relief may be reduced or revoked.

Freeport Benefits

5.5.17. Given the MCO Application's location within the East Midlands Freeport, this could result in additional benefits to businesses located on site such as imports entering with simplified customs documentation and without paying tariffs.

5.5.18. The freeport status is part of a wider UK Government initiative aiming to promote regeneration of the Freeport areas, and specifically to increase local employment, investment, trade and innovation[22].

5.5.19. A portion of Business Rates Income is also expected to be allocated to and retained by the East Midlands Freeport, to be reinvested locally to improve skills and training.

Contribution to the Economy

5.5.20. The estimated £11m per annum which will be generated through on-site employment once the MCO Application is operational represents 23% of the forecast GVA growth in the logistics

[22] Freeports: What are they, what do we know and what will we know ? (2023), Economic and Social Research Council

industry across the Study Area between 2028 and 2029 (£47.3m), the MCO Application's first year of full operation. demonstrating the MCO Application's potential to contribute to the growth of the sector in the Study Area once it becomes fully operational. Combined with the estimated £850,000 which will be generated per annum in business rates, alongside the benefits resulting from the **EMG1 Works** Freeport status, this suggests that the operational phase will have a moderate positive impact on the high sensitivity regional and national economic activity resulting in a **moderate beneficial impact over the medium and long term**, which is significant in EIA terms.

EMG2 Project

5.5.21. Having separately assessed the economic impacts of the DCO Scheme and the MCO Scheme, an assessment of the combined impacts referred to as the EMG2 Project is provided below.

5.5.22. Assessment of the **EMG2 Project** considers the combined impacts of:

- **Highway Works**
- **EMG2 Works**
- **EMG1 Works**

Economic Benefits Arising From the Construction of the EMG2 Project

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

5.5.24. The construction of the **EMG2 Project** would help support construction firms operating in the region and provide jobs in the industry. The **EMG2 Project** will lead to the creation of new direct jobs on-site and indirect jobs, through supply chain benefits and new expenditure introduced to the local economy.

Direct Employment

5.5.25. To estimate the number of jobs required for the construction of the **EMG2 Project**, the average output per construction worker for the East Midlands over a period of three years (2022-2024)[23] is used in combination with the estimated construction cost.

5.5.26. **Table 5.29** sets out the steps involved in estimating the construction employment. The construction phase is expected to support 320 Full-Time Equivalent (FTE) on-site jobs per annum on average during the construction period of 5.8 years (69 months) from approximately January 2027 to September 2032 as set out in **Chapter 3: Project Description (Document DCO 6.3/MCO 6.3)**.

[23] Business Population Estimates for the UK and Regions (2019-22) Department for Business, Energy, and Industrial Strategy

Table 5.29: Construction Jobs Generated

	Steps Involved	Value
A	Estimated Construction Cost (£)	£325,000,000[24]
B	Average Turnover per Construction Employee in the East Midlands (2019-22)	£181,460
C	Estimate of the Number of Worker Years Required to Construct the **EMG2 Project** (A/B)	1,800
D	Duration of Construction Phase (Years)	5.8
E	Average On-Site Construction Jobs Per Annum (C/D)	310

Source: SEGRO, Savills (2025). Figures may not sum due to rounding.

5.5.27. The indicative construction programme assumes the development would have a 5.8 year build period (69 months). Given that construction is made up of many discrete elements of work undertaken by specialists, additional construction workers may be employed on site for shorter periods at any given point. Due to the nature of the construction industry and the different stages involved with the construction of the **EMG2 Project**, not all trades would be required on-site permanently and some would be on-site for less time than others.

5.5.28. Given the short-term nature of some construction activities, the expected peak on-site construction employment is also estimated. Annual costs are estimated by comparing the construction costs and duration of each component of the **EMG2 Project** to the Average Turnover per Construction Employee in the East Midlands, shown in **Table 5.29** above. Costs and duration are assumed as follows based on information provided by SEGRO**:**

- **Highway Work**s: £20m over 24 months from January 2027 to January 2029
- **EMG2 Works** £282m over 69 months from January 2027 to September 2032
- **EMG1 Works**: £23m over 24 months from January 2027 to January 2029

5.5.29. Annual job generation is presented in **Table 5.30** below. This indicates that on-site construction employment is expected to peak in 2028, with 475 FTE on-site jobs.

[24] Figures provided by SEGRO as of January 2025

Table 5.30: Estimated Annual Construction Employment

	2027	2028	2029	2030	2031	2032	Total
Highway Works							
Construction Costs (£m)	8	10	2				20
Construction Employment	44	55	11				110
EMG2 Works							
Construction Costs (£m)		55	60	60	60	45	282
Construction Employment		303	331	331	331	248	1,544
EMG1 Works							
Construction Costs(£m)		21	2				23
Construction Employment		115	11				126
Total costs per annum (£m)	**8**	**86**	**64**	**60**	**60**	**45**	**325**
Total On-Site Construction Jobs	**45**	**474**	**353**	**331**	**331**	**248**	**1,782**

Source: SEGRO, Savills (2025). Figures may not sum due to rounding.

5.5.30. The construction process would include the range of occupational levels including unskilled or labouring jobs to more senior positions, as well as across a range of professional disciplines. The construction of the **EMG2 Project** could facilitate the growth of the local construction industry, thus enabling firms to expand and potentially take on employees.

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

Additional Employment

5.5.32. As per the HCA Additionality Guide (2014), when assessing the economic impacts of a proposed development, there are further steps involved in estimating the 'additionality' to capture indirect impacts.

5.5.33. The first is leakage, which refers to the proportion of output that benefits those outside of the intervention's target area or group. The result suggests that there will be a very low level of leakage in construction due to the sizeable extent of the Study Area (Leicester, Leicestershire, Derby, Derbyshire, Nottingham and Nottinghamshire), as such leakage in construction is considered to be zero in this assessment.

5.5.34. The second step is estimating displacement. Displacement is where the proposed activity could displace another activity in the target area, thereby reducing its additionality. As there is a significant labour market (82,000 residents of the Study Area employed in the construction sector[25]) to accommodate an extra 265 on-site positions, adverse effects on alternative projects (displacement) are likely to be low. As such, in line with guidance from the HCA (2014) Additionality Guide's ready reckoners, a 25% displacement rate is utilised, to account for low displacement effects.

Indirect and Induced Employment

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

5.5.36. The development would set off a chain reaction of increases in expenditure, such as through the sale of building materials, design services, legal services and insurance. This in turn can result in jobs close to the **EMG2 Project**, generating an increase in demand for goods and services, and generating growth in the local economy. The above forms the multiplier effects.

5.5.37. At a national level, multiplier employment effects of construction employment are estimated to be *2.21 of the on-site employment effects (UK input-output analytic tables FTE Type I Multipliers, 2019). In line with guidance from the 2014 HCA Additionality Guide, the national multiplier rate is discounted by 18% to capture effects at the regional level, resulting in a regional multiplier rate of 2.0[26].

5.5.38. Accounting for the positive multiplier effects and discounting for potential displacement effects results in an additional 160 jobs created off-site per annum over the 5.8 year construction period for residents of the Study Area. **Table 5.31** sets out the steps involved in estimating the additionality of the construction employment associated with the **EMG2 Project**.

[25] BRES 2023
[26] This is calculated as follows (2.21-1)*((1-0.18)+1)

Table 5.31: Additionality of Construction Employment

	Steps Involved	Average On-Site Jobs Per Annum	Peak On-Site Jobs (2028)
A	Construction Workers on-site (gross, direct, per annum)	320	475
B	Leakage (0%)	0	0
C	On-site jobs (direct) (A+B)	320	475
D	Displacement (25%) (C*25%)	-80	-120
E	Multiplier (2.0 for construction) ((C+D)* (2.0-1)	240	355
F	Off-site employment induced by construction employment (net, indirect) (D+E)	160	240
G	Net additional employment from the construction of the **EMG2 Project** (C+F)	480	710

Source: Savills (2025)

5.5.39. **Table 5.31** shows that the construction phase of the **EMG2 Project** will generate a total of approximately 320 FTE on-site construction jobs per annum, with a peak of 475 FTE on-site jobs in 2028. Once leakage (0%), displacement (25%) and multiplier effects (2.00) have been considered, this would equate to an average of 480 net additional construction jobs per annum for 5.8 years, or a peak of 710 FTE jobs in 2028. Over the duration of the construction period, this would amount to circa 2,690 on- and off-site jobs.

5.5.40. The average number of jobs per annum represents 0.6% to 0.9% of the residents employed in the construction sector in the Study Area (82,000 residents). The total on- and off-site jobs generated over the construction period represent around 40% of the projected increase in construction jobs[27] (circa 6,200 new jobs between 2024 and 2032). The construction of the **EMG2 Project** is likely to contribute to this projected growth, while also providing new employment opportunities to residents currently employed in the sector. As such, the construction phase is estimated to have a positive impact of moderate magnitude on the low sensitivity construction employment in the Study Area, resulting in a **temporary minor beneficial effect** over the short and medium term, which is not significant in EIA terms.

5.5.41. The existing construction labour force in the Study Area is deemed sufficient to meet the workforce need of the construction of the **EMG2 Project**. Although some construction workers would be expected to commute on a daily basis to and from the **EMG2 Project**, it is not expected that the construction of the **EMG2 Project** would require temporary relocation and housing of the workforce from outside of the Study Area.

[27] Oxford Economics (2024) Local Authority Forecast Databanks

Impacts of Operational Employment

5.5.42. This section identifies the likely employment effects arising from the operational phase of the **EMG2 Project**. New employment opportunities are expected to result from the **EMG2 Project**, through:

- The provision of 300,000 sq.m. GIA of warehousing floorspace and 200,000 sq.m. of mezzanine space within **EMG2 Works**;
- The provision of 26,500 sq.m. GIA of additional warehousing floorspace and 3,500 sq.m. of mezzanine space within **EMG1 Works.**

On-Site Employment

5.5.43. For the purpose of the assessment of employment generated by the operational phase of the **EMG2 Project**, a series of scenario is considered, drawing on relevant assessment guidance, on the nature of the **EMG2 Project** and evidence from EMG1. This allows for the consideration of a range of impact levels, such as the lowest generation of employment and economic development benefits to be compared to higher impact scenarios. These scenarios are adjusted based the assumed uses, floorspace quantum and employment density considered in the assessment, which is explained in the following paragraphs.

5.5.44. The first scenario considers that the totality of the proposed floorspace is delivered for B8 use (warehousing space). Based on the HCA Employment Density Guide (2015), employment density of logistics and warehousing space (use class B8) can range from 95 sq.m. (GEA) per FTE worker for national distribution centres (NDCs), 77 sq.m. (GEA) per FTE worker for regional distribution centres (RDCs) to 70 sq.m. (GEA) per FTE worker for local and last-mile distribution centres (LDCs) (HCA Employment Density Guide, 2015).

5.5.45. Given the nature of the **EMG2 Project** and the range of sizes of the proposed units, it is likely to accommodate a mix of NDCs and RDCs in B8 uses, and unlikely to include any LDCs. To assess the impacts generated under a 'worst-case' scenario, the employment density of NDCs, or 95 sq.m. GEA per FTE, would be applied to the proposed 326,500 sq.m. GIA of proposed floorspace. This would ultimately result in a lower number of on-site jobs generated compared to that of a combination of NDCs and RDCs, thus representing a 'worst-case' scenario. In line with the HCA Employment Density Guide (2015), the conversion factor of GEA:GIA is assumed to be 1:0.95, which would result in a total of circa 343,684 sq.m. GEA of proposed floorspace.

5.5.46. Additionally, the **EMG2 Project** provides an attractive opportunity for future occupiers to generate additional economic activity and employment by leveraging the high amount of mezzanine space being applied for, with an additional 200,000 GIA sq.m. at **EMG2 Works** and 3,500 GIA sq.m. at Plot 16 as part of the **EMG1 Works**. Evidence collected at **EMG1 Works** by SEGRO and iTP indicates that once mezzanine space is accounted for, employment density shift to 47 sq.m. per job and 91 sq.m. during peak and off-peak season respectively. Give the similarity between the HCA guidelines and the off-peak density, accounting for a total of 430,000 GIA sq.m. at a density of 95 GEA sq.m per job at the **EMG2 Project** would also result in a greater level of on-site employment than under the worst-case scenario.

5.5.47. Furthermore, within **EMG2 Works**, an allowance, though not guaranteed, is also set for the provision of up to 20% of floorspace under B2 use class (Industrial & Manufacturing uses). The

HCA Employment Density Guide (2015) allocates an employment density of 36 sq.m. Gross Internal Area (GIA) per FTE worker. This is a density lower than that assumed for NDCs and RDCs, and would result in a greater level of on-site employment than under the worst-case scenario.

5.5.48. Finally, evidence of on-site employment at EMG1 collected by SEGRO and iTP suggests that lower employment densities for B8 uses could be applied. This review of current operations at EMG1 has shown that EMG1 has an average employment density of 1 job per 68 sq.m. (excluding mezzanine) during off-peak season, reducing to 1 job per 47 sq.m. in peak times. Applying a density of 68 sq.m per FTE to the proposed 326,500 sq.m would result in a greater level of on-site employment than under the worst-case scenario.

5.5.49. The assessment also accounts for average vacancy rates in line with relevant property market data (for instance, there is a 5% average vacancy rate for B8 space in the East Midlands region). This is to account that there may be some job vacancies in the premises at any given time.

5.5.50. No reference case has been used when assessing the economic impacts of the **EMG2 Project** because it currently comprises undeveloped land. The on-site employment generated by this land is likely to be negligible relative to the quantum of jobs likely to be created by the **EMG2 Project**.

5.5.51. Combining the above assumptions on floorspace provision, employment density and average vacancy rate results in the quantum of on-site jobs demonstrated in **Table 5.32**. It is estimated that under its worst-case scenario, the **EMG2 Project** would create around 3,440 new FTE on-site jobs. This compares to a maximum of 4,800 FTE on-site jobs when considering employment densities evidenced at EMG1.

Table 5.32: On-Site Operational Employment Scenarios (all figures are rounded)

Scenario	Key Assumptions	On-site Jobs		
		EMG2 Works	Plot 16	Total
'Worst-case'	100% B8 at 95 sq.m GEA per FTE	3,160	280	3,440
Inclusive of Mezzanine Space	+ 203,500 GIA sq.m at 95 sq.m per FTE	5,265	315	5,565
B2 allowance, without Mezzanine	20% B2 at 36sq.m GIA per FTE	4,110	280	4,200
EMG1 Evidence, without Mezzanine	100% B8 at 68 sq.m per FTE	4,410	390	4,800

Source: SEGRO, Savills (2025)

5.5.52. The future level of on-site jobs is subject to the nature and operations of the future occupiers at the **EMG2 Project**. On the basis that this is not known at this stage, there is no certainty that the level of employment density demonstrated at EMG1 is replicable. Nevertheless, given the EMG1 evidence, the allowance for the provision of B2 floorspace, and the substantial provision of mezzanine space, the 'worst-case' scenario may equally be unlikely. Consequentially, it is

considered that the use of a mid-point estimate would be reasonable at this stage, given the evidence presented above and the uncertainties surrounding future occupancy. For the purpose of this assessment, it is estimated that the **EMG2 Project** would generate circa 4,000 new FTE on-site jobs once fully operational.

Additional Employment

5.5.53. The assessment of operational employment accounts for additionality, considering leakage, displacement and multiplier effects.

5.5.54. Firstly, the concept of 'leakage' is not considered relevant here as the **EMG2 Project** is of national significance. Furthermore, the Study Area has been defined with reference to evidence on the place of residence of workers employed at EMG1. It is assumed that future workers of the **EMG2 Project** will follow a comparable pattern, and therefore there would be no leakage.

5.5.55. Secondly, to account for displacement effects, it is assumed that a proportion of the occupiers at the **EMG2 Project** will be relocated from existing, functionally sub-optimal distribution premises in the Study Area.

5.5.56. To estimate the displacement rate, research has been undertaken into the quantum and age of existing stock in the PMA studied in **Appendix 5A (Document DCO 6.5A/MCO 6.5A)**. Obsolete stock is considered to be reasonable indicator for understanding the level of displacement the **EMG2 Project** may cause. The age of obsolete stock has been assessed as either 30 or 40 years since construction or since the property was last refurbished. This approach to estimating displacement is based on the assumptions that employees working in older and poorer quality facilities may be particularly attracted to working in better conditions (modern high quality facilities), such as the new premises located at the **EMG2 Project**, and may be particularly attracted to working for larger national and international companies that typically cover a wide range of well paid jobs that enable career progression.

5.5.57. To understand which displacement rate could be considered appropriate, a review of the share of obsolete stock relative to the overall PMA was undertaken. This indicated that between 21% (40 year obsolescence) and 31% (30 year obsolescence) of stock would become obsolete by the time the **EMG2 Project** becomes operational in 2032. This accounts for future growth of inventory (based on net additional deliveries per annum), and existing stock that would be refurbished each year. Further displacement guidance from the Department for Business Innovation and Skills[28] was reviewed, which concluded that inward investment projects tend to result in a median displacement of 28% at the regional level. Overall, this analysis suggest that using HCA's ready reckoner of 'low' displacement of 25% would be appropriate for this analysis.

5.5.58. While displacement is discounted from the additionality of employment effects, its impact in this instance is positive – it is helping the PMA maintain its competitive advantage in the logistics sector by allocating activities where they are more optimally located. The relocation of logistics companies to the **EMG2 Project** will help ensure the long-term sustainability of those

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

businesses and the jobs they support. Accounting for a 25% displacement rate, this would benefit a 1,000 workers who would relocate in high quality and modern facilities.

5.5.59. Thirdly, at a national level, multiplier employment effects of employment in the 'Transport and Storage' sector are estimated to be *2.91 of the on-site employment effects for the warehousing and support services for transportation sector (UK input-output analytic tables, 2019). In line with guidance from the 2014 HCA Additionality Guide, the national multiplier rate is discounted by 44% to capture to effects at the regional level, resulting in a regional multiplier rate of *2.06.[29].

5.5.60. As shown in **Table 5.33**, based on an estimated 4,000 FTE on-site jobs, the resulting on and off-site employment generated by the **EMG2 Project** in its operational phase would amount to 6,185 FTE jobs with the DCO Application resulting in 5,720 jobs and the MCO Application resulting in 465.

Table 5.33 On and Off-site Jobs Generated by the EMG2 Project

	Steps Involved	DCO Scheme Jobs	MCO Scheme Jobs	EMG2 Project Jobs
A	Gross on-site operational Jobs	3,700	300	4,000
B	Leakage (0%)	0	0	0
C	On-site jobs (direct) (A+B)	3,700	300	4,000
D	Displacement (25%) (C*25%)	-925	-75	-1,000
E	Multiplier (2.06 for transport and storage) ((C+D)* (2.0-1)	2,945	240	3,185
F	Off-site employment induced by operational employment (net, indirect) (D+E)	2,020	165	2,185
G	Net additional employment from the operational development (C+F)	5,720	465	6,185

Source: Savills (2025)

5.5.61. 6,185 on and off-site jobs is a significant level of employment for one scheme and is consistent with it being considered nationally significant. To put this in to context, this level of employment represents circa 10% of the total anticipated on and off-site jobs (all sectors) generated by The Freeport, and 8% of the projected total job growth (all sectors) in the Study Area between 2024

[29] This is calculated as follows: (2.67-1)*(1-0.44)

and 2032 (75,000). Focusing on the Transport and Storage sector specifically, the **EMG2 Project** represents around 117% of the projected job growth in this sector alone in the Study Area between 2024 and 2032 (5,260), based on Oxford Economics forecasts.

5.5.62. This demonstrate the **EMG2 Project**'s potential to substantially contribute to the growth of the Transport and Storage sector, not to mention the wider jobs market, by creating long-term employment opportunities for residents of the Study Area.

5.5.63. The operational phase is therefore estimated to have a positive impact of high magnitude on the moderate sensitivity I&L workers in the Study Area, resulting in a **moderate to major beneficial effect** over the long term, which is significant in EIA terms.

Impacts of Skilling and Training the Local Labour Force

5.5.64. The **EMG2 Project**, in line with the 2035 Industrial Strategy[30], will generate high quality employment opportunities across a range of occupations as well as training and upskilling opportunities. These training opportunities will support unemployed and economically inactive local residents, helping them return into work and reduce local skills gaps, whilst also ensuring learning and skills development continue throughout employees careers, which is recognised as vital to retaining employees in the workforce[31].

5.5.65. To assess the impact of the **EMG2 Project** on the skilling and training of the local labour force, the skills profile of current job seekers is compared to the skills profile of I&L activities, derived from EMG1 data in line with **Table 5.12**. The following steps are followed:

a. Use of data on proportion of JSA Claimant by SOC;

b. Estimation of labour availability by allocating the 63,500 unemployed residents in the Study Area to each SOC based on the JSA proportion;

c. Estimation of labour need by allocating the jobs created by the **EMG2 Project**, net of displacement, to each SOC based on the proportion at EMG1 (3,000 jobs);

d. Comparison of labour availability and need to identify shortfalls and gaps in skill levels.

5.5.66. **Table 5.34** provides an estimation of the number of future job seekers in each occupation. This is a high level projection, as it assumes that the occupational breakdown of jobs seekers remain the same, and that the share of JSA[32] claimants' occupation is the same as the share of unemployed people's occupations. This also assumes that all JSA claimants would be willing and able to work within I&L activities, which is unlikely to be the case.

5.5.67. This high level analysis of skills availability within the labour force indicates that available labour pool would largely have the adequate skillset to meet the needs of the **EMG2 Project**. There may be a shortfall of Process, Plant and Machine Operatives (SOC 8), and potential of professional occupations (SOC 2). With regards to SOC 8, this may be due to EMG1's high proportion of employees in this occupation relative to the standard occupation breakdown in the logistics sector at the regional level evidence in the 2021 Census (**Table 5.12**). It must also be noted that no EMG1 employee were recorded within SOC 9, which in contrast demonstrates

[30] Invest 2035: The UK;s Modern Industrial Strategy (2024), Department for Business and Trade
[31] Turning the Tide on Economic Activity (2025), PWC
[32] It is noted that not all unemployed individuals receives JSA and therefore data may be incomplete.

high levels of labour availability within JSA Claimants. As such the analysis of labour supply and demand identified in the table below represents the 'worst case' scenario, where the use of Census 2021 data would not demonstrate a shortfall, as demonstrated in the last column.

5.5.68. This provides opportunities for training and up-skilling of the local workforce. Residents seeking an 'Associate, Professional and Technical' occupation (SOC 3) may benefit from gaining access to a 'Professional' occupation (SOC 2). Residents seeking an 'Elementary' occupation (SOC 9) may benefit from gaining access to a new occupation as 'Process, Plant and Machine Operatives' (SOC 8). To bridge the skills gap, up-skilling and training requirements of the **EMG2 Project** will benefit 3% of the unemployed workforce and circa 45% of the future workforce at the **EMG2 Project**.

5.5.69. Overall, this analysis suggests that the **EMG2 Project** would not likely face a skills shortage in the Study Area across most occupation categories and enable the up-skilling and training of some unemployed residents to meet its skills needs in other categories. This would have a negligible impact on the moderate sensitivity local labour force. This would result in a **permanent negligible effect,** which is not significant in EIA terms.

Table 5.34: Future Job Seekers by Occupation Compared with Estimated On-site Jobs Generated by the EMG2 Project

Standard Occupation Category	Proportion of JSA Claimants (%)	Labour Availability: Number of Claimants	Labour Need: New jobs at the **EMG2 Project** based on EMG1 SOC Split	Difference between Labour Availability and Need: JSA vs. EMG1	Difference between Labour Availability and Need: Census 2021
1) Managers, Directors and Senior Officials	4.1	2,597	150	2,447	2,383
2) Professional	0.3	179	120	59	44
3) Associate, Professional and Technical	0.7	448	90	358	340
4) Administrative and Technical	1.7	1,075	90	985	847
5) Skilled Trades	1.0	627	30	597	551
6) Caring, Leisure and Other Services	0.6	358	0	358	240
7) Sales and Customer Services	21.9	13,882	210	13,672	13,837

Standard Occupation Category	Proportion of JSA Claimants (%)	Labour Availability: Number of Claimants	Labour Need: New jobs at the **EMG2 Project** based on EMG1 SOC Split	Difference between Labour Availability and Need: JSA vs. EMG1	Difference between Labour Availability and Need: Census 2021
8) Process, Plant and Machine Operatives	0.8	537	2,340	-1,803	-500
9) Elementary Occupations	69.0	43,796	0	43,796	42,709
Total	100%	63,500	3,000	60,500	60,500

Source: JSA Claimant Count (2024), SEGRO and iTP (2024), Savills (2025)

Businesses in the Industrial and Logistics Sector

5.5.70. As illustrated in the Baseline Conditions and in **Appendix 5A (Document DCO 6.5A/MCO 6.5A)**, availability of I&L floorspace in the FEMA is 6.4%[33], an availability rate below 8% typically indicates that a market is supply constrained. With demand outstripping supply, the FEMA has experienced high rental growth for I&L floorspace since 2014, over double the rate of inflation over the same period[34].

5.5.71. According to Savills I&L Need Assessment (**Appendix 5A (Document DCO 6.5A/MCO 6.5A)**), NWL and the FEMA are highly attractive I&L locations. The strong demand at this location is evidenced by the fast take up of space at EMG1. A timeline of 10 years was originally envisaged for completion of the scheme but after just 4 years all land capable of accommodating a unit in excess of 96,000 sq.ft (9,000 sq. m) was taken. EMG1 has therefore clearly been very successful, and by providing integrated improvements and an expansion to the warehousing facilities at Plot 16, its operational efficiency will further improve.

5.5.72. The FEMA and NWL also outperform all other English regions in terms of leasing demand and jobs growth in the I&L sector further evidencing it as a prime I&L location.

5.5.73. The Baseline Conditions (**Figure 5.9**) notes low availability in the large (9.3-23.2k sqm) (3.6%) and very large (23.2-46.5k sqm) (6.1%) size bands within NWL. **Appendix 5A (Document DCO 6.5A/MCO 6.5A)** highlights that the **EMG2 Project** will respond to low availability of floorspace identified within specific unit size bands, by providing nine units across these size categories (**EMG2 Works** and **EMG1 Works**). The **EMG2 Project** also has the potential to provide a unit at the largest size band (46.5k+ sqm) which will respond to the lack of availability in this size band in NWL (which has currently no floorspace available) and low availability in the FEMA (6.8%). This would help meet the need of businesses looking for properties within those size bands.

[33] Savills (2024) EMG 2 I&L Need Assessment
[34] Ibid

5.5.74. Savills I&L Need Assessment identifies future I&L supply within the FEMA to be approximately 545 ha. Comparing total potential supply (including the draft allocations) against Savills demand estimates (which account for different levels of growth) of between 1,300 ha and 1,960 ha, suggests that there is a significant needs shortfall across the FEMA of between 755 ha and 1,415 ha.

5.5.75. Once operational, the **EMG2 Project** which will deliver around 325,000 sq.m. (GIA) of employment floorspace, over 111 ha gross (105 at the **EMG2 Works** and 6ha at **EMG1 Works**), which represents between 7.8% and 14.7% of the FEMA need shortfall. As such it is estimated to have a positive impact of high magnitude on the high sensitivity businesses in the industrial and logistics sector in the FEMA, resulting in a **permanent major beneficial effect** over the long term, which is significant in EIA terms.

Impact on Regional and National Economic Activity

5.5.76. GVA is an indicator of wealth creation, which will be used to estimate the **EMG2 Project**'s potential contribution to the nation's economy. Given the likely scale of the construction of the **EMG2 Project**, it has the potential to generate significant economic output for the economy.

Contribution to Regional and National Economic Activity during Construction

5.5.77. Based on the above estimation of 1,340 construction jobs (net of displacement) generated by the construction of the **EMG2 Project** and an average GVA of £72,700 per construction worker, it is estimated that an additional £17.5m[35] per annum will be generated through construction GVA over the 5.8 year construction phase of the **EMG2 Project** [36], or £97m in total over the period with the **Highway Works, EMG2 Works** and **EMG1 Works** contributing £6m, £84m and £7m respectively. This significant sum is likely to benefit residents of the Study Area, as well as those further afield. £17.5m constitutes circa 13% of forecast average increase in construction sector GVA per annum in the Study Area during the construction phase (£139m)[37], this would have a high positive impact on the high sensitivity regional and national economic activity. A **major beneficial effect** over the short and medium term is expected, which is significant in EIA terms.

Contribution to Regional and National Economic Activity during Operation

5.5.78. The operational phase of the **EMG2 Project** will contribute to regional and national economic activity, beyond the creation of jobs and the provision of much-needed employment land discussed above. The new operational jobs created would generate gross value added, while the new floorspace will result in new Business Rates Income to NWL. Given the **EMG2 Works** location within the East Midlands Freeport, the businesses locating there will not be liable to paying Business Rates, though NWLDC will continue to receive the income via the Government.

Gross Value Added

5.5.79. Based on the above estimation of 3,000 net on-site operational jobs (on-site jobs net of displacement) generated by the operation of the **EMG2 Project** and an average GVA of £49,250

[35] ONS Productivity per Worker in the Construction Sector (Sector F)
[36] Average output per Construction Worker in the East Midlands multiplied by number of construction jobs
[37] Oxford Economics 2024

per worker in the 'Transport and Storage' sector, it is estimated that an additional £148m[38] per annum in GVA will be generated once the **EMG2 Project** is operational[39] with the **EMG2 Works** contributing circa £137 million and the **EMG1 Works** a further £11 million.

5.5.80. This is likely to be a conservative estimate, as a proportion of the off-site multiplier effects would also impact the Study Area, though those are not considered in the estimates above. The **EMG2 Project** would therefore have a larger contribution than estimated above, as it would help support regional and national economic growth, in line with the goals and ambitions identified in the NPSNN. By providing much needed floorspace for businesses in the I&L sector, the **EMG2 Project** may also support the growth and development of businesses in other sectors that will interact with future occupiers of the **EMG2 Project**. The creation of new jobs in modern premises alongside training opportunities to improve the skills of the local labour force, may also contribute to increasing wages in the I&L sector. This would further generate spending and economic activity, while also contributing to reducing geographical inequalities.

Business Rates Income

5.5.81. The **EMG2 Project** would also generate public sector revenues, through new business rates which can be re-invested in the community and local services. The scale of this potential revenue is estimated as a gross estimate (i.e., not discounting for potential displacement effects elsewhere). The estimated revenues could be significantly higher in real terms given anticipated growth in the economy over time.

5.5.82. The estimate of business rates is based on current rates and values of comparable premises in the Study Area, estimated to be a rateable value of £52 per sq.m. for warehouse space. The **EMG2 Project** is expected to generate business rates of around £12.3m per annum including £11.4m at the DCO Site and £850,000 million at MCO Site

5.5.83. The new Business Rates Income will benefit NWLDC, and can be reinvested in the local community. However, given the **EMG2 Works** location within the East Midlands Freeport, over a period of five years the business rates will not be payable by the businesses located on the **EMG2 Works**, but will instead be granted to NWLDC by the Government. Furthermore, based on Freeport Guidance from MHCLG, Local Authorities have discretion to apply additional tests before offering business rates relief to incoming occupiers, to ensure that business activity from the surrounding area is not displaced and that the objectives of the Freeport are met. Where it is determined that an occupier has simply vacated business space in the surrounding area, their business rates relief may be reduced or revoked.

Freeport Benefits

5.5.84. Given **EMG2 Works** location within the East Midlands Freeport, this could result in additional benefits to businesses located on site such as imports entering with simplified customs documentation and without paying tariffs.

[38] ONS Productivity per Worker in the Transport and Storage Sector (Sector H)
[39] Average output per transport and storage worker in the East Midlands multiplied by number of operational jobs

5.5.85. The freeport status is part of a wider UK Government initiative aiming to promote regeneration of the Freeport areas, and specifically to increase local employment, investment, trade and innovation[40].

5.5.86. A portion of Business Rates Income is also expected to be allocated to and retained by the East Midlands Freeport, to be reinvested locally to improve skills and training.

Contribution to the Economy

5.5.87. The estimated £148m per annum which will be generated through on-site employment once the **EMG2 Project** is operational represents 4.0%[41] of the forecast GVA generated across the Study Area in 2033, the **EMG2 Project**'s first year of full operation (£3.8bn). However this also represents circa 2,100% of the average annual increase in GVA in that sector between 2024 and 2032 (£7.1m), demonstrating the **EMG2 Project**'s potential to substantially contribute to the growth of the sector in the Study Area once it becomes fully operational. Combined with the estimated £12.3m which will be generated per annum in business rates, alongside with the benefits resulting from the DCO Application and MCO Application's Freeport status, this suggests that the operational phase will have a high positive impact on the high sensitivity regional and national economic activity resulting in a **major beneficial** impact over the medium and long term, which is significant in EIA terms..

5.6. Mitigation Measures

5.6.1. SEGRO will commit to the preparation and implementation of an 'Community Investment Plan'. The Community Investment Plan will apply the 'Responsible SEGRO' Framework for the **EMG2 Project**, across both construction and operational phases.

5.6.2. The three main priorities of the Framework are 'championing low-carbon growth', 'investing in local communities and environments', and 'nurturing talent'. As part of the Framework, SEGRO will ensure that local people are able to take advantage of the employment opportunities in the construction and operational phases. This will also include upskilling and training opportunities for local residents, and to ensure they benefit from the increased economic opportunity generated by the **EMG2 Project**. This may help residents gain jobs in different occupations, and help up-skill the high number of job-seekers in 'elementary occupations' towards 'process, plant and machine' operatives which may be in greater need.

5.6.3. In particular, investing in local communities and environments, will ensure employment and training and upskilling opportunities in both the construction and operational phases. For instance in 2020, SEGRO established a £10m Centenary Fund to provide training to the local people surrounding their employment sites.

5.6.4. As part of the framework's offering, SEGRO are committed to helping local people into work, facilitating access to training, mentoring and offering support. For instance, at 6 plots on the existing EMG1 site, over 1,070 people from within a 30 mile radius of the EMG1 site are

[40] Freeports: What are they, what do we know and what will we know ? (2023), Economic and Social Research Council

[41] Oxford Economics 2024

employed in a range of occupations and over £65m was spent on local procurement in the construction phase with businesses within a 30 mile radius.

5.6.5. In addition, SEGRO will support the partnership with Career Ready to deliver workshops and mentor programmes to colleges within the East Midlands.

5.7. Residual Effects

5.7.1. The mitigation measure identified with regards to skills and training, to address limited availability in skills levels within the labour force, is anticipated to generate valuable skills and training benefits for the local workforce during both the construction and operation period. Upskilling and re-skilling opportunities will reduce the gap in skills assessed within the labour force.

5.7.2. The impact of the **EMG2 Project** on the construction workforce is assumed to become a positive impact of high magnitude on the low sensitivity construction employment in the Study Area. The resulting effect would become a **temporary moderate beneficial effect** over the short and medium term, which is significant in EIA terms.

5.7.3. The impact of skilling and training the local labour force are likely to have a moderate positive impact on the moderate sensitivity local labour force who would receive the upskilling. The residual effect would become **moderate to minor beneficial** impact over the long term. The level of significance would ultimately depend on the number of employees benefiting from the 'Community Investment Plan' to be implemented.

5.7.4. All other effects are anticipated to remain as assessed within **Section 5.5**.

5.8. Cumulative Effects

5.8.1. This section assesses the cumulative effects of the **EMG2 Project** in combination with the 12 sites identified at **Chapter 21: Cumulative Impacts (Document DCO 6.21/MCO 6.21)**. All 12 sites have been considered as part of the Cumulative Effects Assessment of Socio-Economic effects.

5.8.2. **Table 5.35** summarises key socio-economic information about each of the cumulative sites.

Table 5.35: Employment floorspace and residential Units delivered as part of cumulative sites

Site ID	Employment floorspace (sq.m) or land proposed (hectares)	Residential units proposed
1b	59,910	NA
3	77,480	NA
4	92,500	NA
7	NA	1,076
10	NA	NA

Site ID	Employment floorspace (sq.m) or land proposed (hectares)	Residential units proposed
12	23,000	4,500
13	18,000	NA
14	30,000	NA
15	40,000	NA
16	NA	NA
17	810,000	NA
20	16 ha	3,200
Total	1,150,890	8,776

Source: Delta Planning, Savills (2025)

5.8.3. As part of the review of publicly available documents, three schemes provided information on estimated job generation. For the nine remaining schemes with no such information, operational employment has been estimated based on details of the proposed floorspace. **Table 5.36** summarises the floorspace quantum by land use for those nine cumulative schemes. This information has been used to assess the likely on-site employment generated by the cumulative sites during operation.

Table 5.36 Proposed employment floorspace by land use

Scheme ID	Warehousing	Industrial	Light Industrial	Office
1b	47,928	11,982		
3	77,480			
4	74,000	9,250	9,250	
12	18,400	2,300	2,300	
13	9,480	2,370		6,000
14	24,000		6,000	
15	32,000	8,000		
17	180,000			
20	51,200	6,400	6,400	
Total	514,488	40,302	23,950	6,000

Source: Savills (2025)

Construction Employment

5.8.4. The construction of the cumulative sites would help support construction firms operating in the region and provide jobs in the construction industry. Due to the lack of detailed information on the cost and duration of the construction phases of the cumulative sites, it is not feasible to make detailed projections on the employment generation of all cumulative schemes.

5.8.5. Planning application documents for one[42] of the cumulative schemes estimated that 1,364 net additional construction jobs would be generated. The cumulative sites are therefore expected to deliver more than the figure of 1,364 construction jobs. Some of the construction stage of the cumulative schemes will overlap with EMG2's construction period, providing further opportunities for local construction workers.

5.8.6. It is judged that the cumulative developments will have a positive impact of high magnitude on the low sensitivity construction employment in the Study Area. The resulting effect is estimated to become a **temporary moderate minor beneficial** effect over the short and medium term. This effect significance is considered appropriate on the basis that the construction of the cumulative scheme will provide additional jobs for local residents and over a long period of time, likely to be greater than the construction duration of the **EMG2 Project**. This may help sustain employment opportunities in the local construction industry.

Operational Employment

5.8.7. Combined, the cumulative developments propose to deliver approximately 584,000 sq.m of commercial floorspace and approximately 8,800 residential units. Planning application documents for the cumulative schemes have been reviewed, and where available, the actual operational employment estimates from these documents have been used in the cumulative assessment. For the schemes where this data was not available a high level estimate of on-site operational jobs has been made, based on standard employment density for the relevant uses in line with the HCA's Employment Density Guide (2015).

5.8.8. For the three schemes with publicly available information[43] that provide an estimate of on-site employment, the total estimated on-site jobs is circa 12,700. Applying standard employment densities to the commercial floorspace in the remaining 9 schemes suggests an additional 12,300 on-site operational jobs. Cumulatively, the 12 schemes are therefore anticipated to deliver circa 25,000 on-site jobs once fully operational.

5.8.9. Cumulative schemes will deliver new dwellings, and some residents may be self-employed and working from home. The assessment of cumulative operational employment therefore also includes an estimated 360 home workers. This is estimated based on the proposed number of units (circa 8,800), average household size of 2.3 in the Study Area[44], the share of working age (16-64 years) population in the Study Area 62.7%[45], the percentage of economically active 16-

[42] Ratcliffe-on-Soar Power Station (Freeport Designation) (Planning Reference: 22/01339/LDO)
[43] Land south of Jct 1 of the A50, Castle Donnington (Planning Reference: 19/01496/OUT / APP/G2435/W22/3292404 and 24/00074/REMM), Ratcliffe-on-Soar Power Station (Freeport Designation) (Planning Reference: 22/01339/LDO) and East Midlands Airport and Gateway Industrial Cluster (EMAGIC) - excluding EMG1 and EMG2
[44] ONS 2018-based Household and Population Projections
[45] ONS 2018-based Population Projections

64 year olds (78.2% as per baseline assessment), and the share of homeworking people in the Study Area pre Covid-19 pandemic[46] (4.4%).

5.8.10. Alongside the **EMG2 Project**, the cumulative sites are estimated to generate circa 29,000 net additional jobs during operation. In addition to jobs created by the **EMG2 Project**, cumulative schemes would generate a number of jobs of circa 33% the unemployed labour force in the Study Area. The magnitude of employment impacts is expected to be high positive. The sensitivity of local residents seeking employment is low. Therefore, the cumulative effect of operational jobs from the cumulative schemes is predicted to remain **moderate beneficial** over the long term.

Impacts in Terms of Skilling and Training the Local Labour Force

5.8.11. **Table 5.37** applies the employment by occupation ratios in the Study Area for 2024, shown in **Table 5.37**, to the estimated 29,000 new on-site jobs.

5.8.12. As can be seen, for the Professional occupation there is a shortfall between both labour force availability and number of roles created by the **EMG2 Project** and cumulative schemes and the number of JSA claimants in this occupation class compared to the number of roles created by the **EMG2 Project** and cumulative schemes.

5.8.13. For Associate, Professional and Technical, Administrative and Technical, Skilled Trades, Caring, Leisure and Other Services and Process Plant and Machine Operatives, there is also a shortfall between the number of JSA claimants in this occupation class compared to the number of roles created by the **EMG2 Project** and cumulative schemes. As such there is likely to be a shortage of workers from the Study Area to occupy these roles generated across the cumulative schemes. To fill these roles, it will be critical for the **EMG2 Project** and cumulative schemes will need to deliver up-skilling, re-skilling and training opportunities to ensure the Study Area workforce is suitably trained to staff the schemes once operational. This may be further supported by skills and training initiatives implemented by the Freeport.

5.8.14. Overall, this analysis suggests that the **EMG2 Project**, in combination with the cumulative schemes may face a labour shortage in the Study Area in some occupation categories, though there will be opportunities to offer up-skilling, re-skilling and training opportunities to meet the skills needs. This would have a moderate impact on the moderate sensitivity local labour force. Therefore, the cumulative effect of skilling and training the local labour force from the cumulative schemes is predicted to become **moderate minor adverse**.

[46] ONS Estimates of Homeworking in the UK 2020, January to December 2019

Table 5.37: Labour Force Availability

Standard Occupation Category	Census Labour Force Availability	Labour Availability: Number of JSA Claimants	Labour Need: of **EMG2 Project** + Cumulative Schemes based on Census SOC Split	Difference between Census Labour Force Availability Need vs **EMG2 Project** + Cumulative Schemes	Difference between JSA Clamant Availability Need vs **EMG2 Project** + Cumulative Schemes
1) Managers, Directors and Senior Officials	3,087	2,597	3,080	7	-483
2) Professional	4,654	179	6,960	-2,306	-6,781
3) Associate, Professional and Technical	5,347	448	4,100	1,247	-3,652
4) Administrative and Technical	4,572	1,075	2,840	1,732	-1,765
5) Skilled Trades	5,078	627	2,760	2,318	-2,133
6) Caring, Leisure and Other Services	6,005	358	2,380	3,625	-2,022
7) Sales and Customer Services	9,669	13,882	1,770	7,899	12,112
8) Process, Plant and Machine Operatives	5,423	537	2,150	3,273	-1,613
9) Elementary Occupations	19,665	43,796	2,960	16,705	40,836
Total	63,500	63,500	29,000		

Source: APS (2024)

Businesses in the Industrial and Logistics Sector

5.8.15. As discussed at Section 5.5 of this Chapter, there is a high demand for logistics space in the Study Area. The cumulative schemes will deliver approximately 585,000 sq.m of industrial and logistics floorspace, which equates to 145 ha of employment (assuming a 40% plot ratio). Combined with the **EMG2 Project** which will deliver 111 ha of employment land, this represents between and 18% and 34% of the shortfall between supply and demand identified by Savills. The cumulative schemes are therefore estimated to have a high positive impact on the high

sensitivity logistics businesses. The resulting effect of the **EMG2 Project** with the cumulative schemes is expected to remain **major beneficial** effect over the long term.

Impact on Regional and National Economic Activity

5.8.16. The estimated on-site operational jobs[47] which will delivered by the cumulative schemes are expected to generate circa £700m annually in GVA, which equates to 14% of the forecast GVA generated across the Study Area in 2033[48]. Combined with the forecast £148m per annum generated by the **EMG2 Project**, this equates to 17% of the Study Area's annual forecast GVA in 2033. As such, in the operational phase, the **EMG2 Project** and the cumulative schemes will have a high positive impact on the high sensitivity regional and national economic activity resulting in the effect becoming **major beneficial** over the medium and long term.

5.9. Summary of Effects and Conclusions

5.9.1. Accounting for proposed mitigation measures, the **EMG2 Project** has been assessed to result in the following socioeconomics effects:

- Temporary beneficial effect of moderate significance, which is significant in EIA terms, as a result of new employment opportunities during the construction phase of the **EMG2 Project** and as a result of the Community Investment Plan to be implemented by SEGRO;
- Temporary beneficial effect of major significance, which is significant in EIA terms, as a result if the **EMG2 Project**'s contribution to regional and national economic activity during the construction phase;
- Permanent beneficial effect of moderate to major significance, which is significant in EIA terms, as a result of new employment opportunities created once the **EMG2 Project** becomes complete and operational;
- Permanent beneficial effect of minor significance, which is not significant in EIA terms, as a result of new training and up-skilling opportunities provided as part of the Community Investment Plan to be implemented by SEGRO;
- Permanent beneficial effect of major significance, which is significant in EIA terms, on I&L Businesses in the FEMA as a result of the provision of new floorspace;
- Permanent beneficial effect of major significance, which is significant in EIA terms, as a result of new GVA and Business Rates Income generated to the benefit of the local, regional and national economy.

5.9.2. The implementation of the SEGRO Community Investment Plan will ensure that the employment benefits identified above can impact most specifically residents of the Study Area and those in need of training.

5.9.3. The anticipated benefits of the DCO Application, MCO Application and the **EMG2 Project** as a whole are shown in **Table 5.38**:

[47] Accounting for 25% displacement
[48] Oxford Economics 2024

Table 5.38 Benefits of the EMG2 Project

	DCO Application	MCO Application	EMG2 Project
On-site Construction Jobs p.a	290 (between January 2027 and September 2032)	65 (between January 2027 and January 2029)	320 (between January 2027 and September 2032)
On-site Operational Jobs	3,700	300	4,000
On and Off-site Operational Jobs	5,720	465	6,185
Construction Gross Value Added	£90.7m (between January 2027 and September 2032)	£7m (between January 2027 and January 2029)	£97.7m (between January 2027 and September 2032)
Operational Gross Value Added	£137m	£11m	£148m
Business Rates Generated p.a.	£11.4m[49]	£850,000[50]	£12.3m[51]

Source: Savills (2024)

5.9.4. **Table 5.39** summarises the significance level of the **EMG2 Project** and its components.

Table 5.39 Summary of Effect Significance at the EMG2 Project and its Components

Effect	Components			EMG2 Project
	Highway Works	EMG1 Works	EMG2 Works	
Construction Employment	Beneficial Negligible	Beneficial Negligible	Beneficial Minor	Beneficial Moderate
Operational Employment	NA	Beneficial Minor	Beneficial Moderate	Beneficial Moderate to Major
Skills and Labour Force	NA	Beneficial Negligible	Beneficial Minor	Beneficial Minor
Businesses in the I&L Sector	NA	Beneficial Minor	Beneficial Major	Beneficial Major
Regional and National Economic Activity	Beneficial Minor	Beneficial Minor	Beneficial Moderate	Beneficial Major

[49] Given the Site's Freeport Status, Business Rates Income to North West Leicestershire per annum will be paid by the Central Government instead of future occupiers

[50] Ibid

[51] Ibid

5.9.5. The construction of the cumulative sites would help to support construction firms operating in the region, and provide jobs in the construction industry. Due to the lack of detailed information on the cost and duration of the construction phases of the cumulative sites, it is not feasible to make detailed projections. Planning application documents for one of the cumulative schemes estimated that 1,364 net additional construction jobs would be generated. The cumulative sites are therefore expected to deliver more than the figure of 1,364 construction jobs. It is judged that the cumulative developments will have a positive impact of moderate magnitude on the low sensitivity construction employment in the Study Area, as such it is likely that the resulting effect would become a temporary **moderate-minor beneficial** over the short and medium term

5.9.6. The cumulative sites are estimated to generate circa 24,000 net additional jobs during operation. In addition to jobs created by the **EMG2 Project** (3,420 to 4,780), cumulative schemes would provide jobs to circa 33% of the unemployed labour force in the Study Area. The magnitude of employment impacts is expected to be high positive. The sensitivity of local residents seeking employment is low. Therefore, the cumulative effect of operational jobs generated by the **EMG2 Project** with the cumulative schemes is predicted to remain **moderate minor beneficial** over the long term.

5.9.7. The **EMG2 Project**, in combination with the cumulative schemes may face a shortage in the Study Area in some occupation categories, though there will be opportunities to offer up-skilling, re-skilling and training opportunities to meet the skills needs. This would have a moderate impact on the moderate sensitivity local labour force. Therefore, the cumulative effect of skilling and training the local labour force from the **EMG2 Project** and cumulative schemes is predicted to become **moderate minor adverse**.

5.9.8. In combination with the **EMG2 Project**, the cumulative schemes are estimated to deliver between 18% and 34% of identified logistics space requirements. The **EMG2 Project** together with the cumulative schemes are therefore estimated to have a high positive impact on the high sensitivity logistics businesses that could benefit from the **EMG2 Project**. As such, it is likely that the estimated **major beneficial** effect over the long term will remain.

5.9.9. The estimated on-site operational jobs[52] delivered by the **EMG2 Project** and the cumulative schemes are expected to generate 17% of the forecast GVA generated across the Study Area in 2033[53]. As such, in the operational phase, the **EMG2 Project** together with the cumulative schemes will have a high positive impact on the high sensitivity regional and national economic activity, as such it is likely that the effect will become **major beneficial** over the medium and long term will remain.

[52] Accounting for 25% displacement
[53] Oxford Economics 2024