GL Hearn
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# Bassetlaw Local Plan – Housing & Employment Note

**Bassetlaw District Council**

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**Prepared by**

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Confidential

# 1 HOUSING AND EMPLOYMENT REVIEW

1.1 The purpose of this note is to inform the Council of the economic-led housing need associated with different levels of jobs growth in the District. The information covers the period 2018-37 to align with the emerging Local Plan.

## Employment Forecast

1.2 GL Hearn prepared the 2019 Bassetlaw Economic Development Needs Assessment (EDNA). This forecast employment growth of around 3,400 jobs and a need of approximately 63 Ha of employment land and alongside an employment led housing need of 390 dwellings per annum.

1.3 Bassetlaw District Council has asked GL Hearn to update the EDNA position based on the latest data and taking into account the implications of the proposed employment land allocations on employment labour demand and housing demand

1.4 Drawing a series of assumptions regarding employment densities and plot ratios set out in Appendix A, GL Hearn has estimated that the employment arising from the current supply is site allocations is 5,501 full-time equivalents. The additional strategic sites could support (at least) a further 6,531 jobs.

1.5 The 2018 EDNA forecast was for 3,400 additional jobs over the Plan period drawing on Oxford Economics (OE) data and adjusting for strengths locally in manufacturing and transport employment. 2020 OE data has been acquired for July 2020, reflecting the forecaster's views of the COVID-19 pandemic implications. GL Hearn has considered the data and is of the view that uplifts to the same sectors as in 2018 are justified based on trends and known local investments.

1.6 The 2020 position indicates that the latest forecast, adjusted for growth sectors, is 3,800 additional jobs to 2037 (reflecting a slightly longer period). The unadjusted OE forecast is 112 jobs only which is caused by an increase in health and social care jobs being offset by losses in manufacturing.

1.7 Comparatively Experian baseline forecast data indicates 3,928 jobs (FTE) over the same period with a more positive outlook in particular in transport & storage and manufacturing compared to OE.

1.8 GL Hearn is of the view it is valid to test a growth scenario where manufacturing and transport jobs forecast by OE perform more strongly, given the site investment profile in the district. In particular, the growth model and the supply-led model produce similar B Class job results.

## Land Need Forecast

1.9 GL Hearn has also revisited its 2018 assumptions about how jobs will manifest on different Use Classes and as a result, has increased the proportion of those working in transport & storage anticipated to be based on B8 premises.

1.10 The updates economic led need is provided below, keeping assumptions on replacement demand and the flexible margin the same as in 2018. Replacement demand, in particular, reflects a position where old employment sites are no longer functional and that jobs on new sites are being moved there rather than created a fresh.

**Table 1: 2018-37 Land Need (Ha) Calculations**

| | OE Baseline | | | | OE Growth | | | | Completions (All) |
|---|---|---|---|---|---|---|---|---|---|
| | Net need | Margin | RD | **BL Tot** | Net need | Margin | RD | **Growth Tot** | |
| **B1a/b** | 2.2 | 1.7 | | **3.9** | 2.7 | 1.7 | | **4.4** | 16.3 |
| **B1c** | -0.3 | 1.3 | | **1** | 0.0 | 1.3 | | **1.3** | 12.3 |
| **B2** | -17.3 | 6.2 | 19 | **7.9** | -4.6 | 6.2 | 19 | **20.6** | 59.0 |
| **B8** | -1.8 | 12.9 | 19 | **30.1** | 25.8 | 12.9 | 19 | **57.7** | 122.2 |
| **Total** | -17.1 | **22.1** | 38 | **43** | 23.9 | 22.1 | 38 | **84** | 209.9 |

1.11 The new OE data suggests that 84 ha of land is needed, which is higher than the 2018 figure. However, GL Hearn recommends that the Council consider planning for the completions trend land allowance for B2 and B8 uses for their plan-making but maintaining the growth scenario of B1 properties. This is summarised below with those figures in bold translating to the recommended need in the final column.

**Table 2: Recommended Land Need 2018-37 (ha)**

| | Baseline | Growth | Completions excld. outliers | Completions | Recommended |
|---|---|---|---|---|---|
| **B1a/b** | 3.9 | **4.4** | 16.3 | 16.3 | 4.4 |
| **B1c** | 1.0 | **1.3** | 12.3 | 12.3 | 1.3 |
| **B2** | 7.9 | 20.6 | 59.0 | **59.0** | 59.0 |
| **B8** | 30.1 | 57.7 | 65.2 | **122.2** | 122.2 |
| **Total** | 43.0 | 84.0 | 152.9 | 209.9 | **186.9** |

1.12 The above level of need (186.9 Ha) has been brought together with the supply position in the table below to calculate the supply and demand balance. As the table below demonstrates local and strategic supply provides more than enough land to meet the identified need.

**Table 3: Supply-Demand Balance 2018-37 (ha)**

| | B Class Uses |
|---|---|
| **Needs** | **186.9** |
| Constructions | 10 |
| Permissions | 33.5 |
| Allocations | 59.9* |
| **Local Supply** | **103.4** |
| Snape Lane | 80.9 |
| Apleyhead Junction | 118.7 |
| **Strategic Supply** | **199.6** |

* High Marnham Energy Hub makes up 38.4 Ha but will not deliver employment at a typical rate

1.13 The above table illustrates that assuming the Council plans for future B2/B8 land needs at the rate of past completions including outliers, it could be acceptable to acknowledge at least one of the 'strategic' sites as meeting local needs.

1.14 However, If 'outliers' from completions trends, namely Steetley Colliery 2009/10 and Hive Storage 2016/17 are discounted, then neither of the strategic sites should be considered as meeting local needs.

1.15 If the outliers are excluded then given that Snape Lane is already permitted, then the large development at Apleyhead Junction appears to be wholly appropriate to be identified as meeting sub-regional rather than local need, not least when considering its large scale nature and sub-regional distribution demand portfolio.

1.16 Given that the supply of sites is well progressed, a higher rate of B-Class jobs delivery can be considered here through an examination of the sites themselves.

## Replacement Demand / Displacement / Multipliers effects

1.17 It was estimated in the EDNA that around 2.0 Ha per annum of employment land is needed to replace for losses of existing employment sites to other uses. In the case of replacement demand, it is assumed that the workforce is already present in the district and therefore these areas of employment are supported by the existing workforce. This is estimated to be 2,950 as set out below.

**Table 4: Replacement Demand Absorption**

| Type | Density | Plot Ratio | Ha (2018-35) | Ha (2018-37) | FTE (2018-27) | Jobs (0.93) |
|---|---|---|---|---|---|---|
| **B2** | 38 | 0.4 | 17 | 18 | 2,000 | |
| **B8** | 80 | 0.4 | 17 | 18 | 950 | |
| **Total** | | | **34*** | **38** | **2,950** | **3,172** |

* Bassetlaw EDNA Part 1 pg 76

1.18 The replacement demand model is comparable to the term displacement, in that jobs at new sites are not all new and are in fact displacing existing jobs being moved around. Given uncertainties in how historic replacement demand will manifest in the future, GL Hearn reverts to a 'medium' displacement rate of 50% (HCA Additionality Guide 2015) for the local site supply.

1.19 The two larger strategic sites offer units that would not typically be taken up by local businesses. Therefore displacement is brought down to a lower 25%.

1.20 We also consider it appropriate to include multiplier effect benefits on new sites. This is only applied to the jobs that are not considered to be displacement jobs. For the local sites we assume a typical local level of 25% but for strategic sites given the nature of larger distribution units we assume a lower rate of 10%.

## Supply Scenarios

1.21 Below two scenarios for future supply are considered, the known supply including permissions and allocations; and separately the strategic sites (one with permission).

1.22 The additional employment, therefore, resulting from the two land allocation scenarios is 3,029 jobs for the local sites or 8,852 jobs including the two additional strategic sites. For ease, we have assumed that general sites jobs are spread across the plan period and strategic sites 2023-37.

**Table 5: Employment Needs Job (converted from FTEs)**

| Scenario | OE baseline | Sites Capacity | Displacement | Multiplier | Total Job Growth |
|---|---|---|---|---|---|
| Proposed Allocations | 112 | 4,623 | (2,311) | 606 | **3,029** |
| Strategic sites | | 7,022 | (1,756) | 527 | **5,793** |
| Allocations + Strategic Sites | 112 | 11,645 | (4,067) | (1,133) | **8,822** |

1.23 The jobs growth total of 3,029 for the local sites plus baseline OE data moves the position towards the 3,800 jobs in the modelled growth scenario and Experian's 3,928 FTEs or around 3,260 jobs.

## Housing

1.24 In developing an economic led housing need a series of assumptions that need to be made. This includes assumptions on the number of people with more than one job. We have assumed this measure to stay constant based on the long term average (4%) from the Annual Population Survey. As the figure below demonstrates this measure changes significantly year on year, therefore a long term average is more robust

**Figure 1: Double Jobbing (2004-2018)**


Source: Annual Population Survey, 2020

1.25 For commuting, we have assumed that for every 1,000 jobs created there would be an increase of 1,000 economically active residents within the district. This is a broad assumption but not dissimilar to the 2011 census data which would increase economically active residents by 1018 but there is no requirement for this level of exactitude.

1.26 However, for the Strategic Sites, we have taken a more nuanced approach. This is based on existing (2011) commuting patterns within the different part of the district where the two strategic sites are located.

1.27 For Snape Lane, we have assumed that only 51% of jobs would be taken up by Bassetlaw residents and 49% would reside outside the district (the slight majority of which assumed to be in Doncaster). For Aplyhead Junction we have assumed that 58% of the jobs would be taken up by local residents with 42% taken up by people residing outside of the district (including Bolsover, Rotherham and Mansfield).

1.28 When these jobs are combined with the capacity led jobs the commuting assumptions mean that for every 1000 jobs creates there would be a 738 increase in economically active residents would be created.

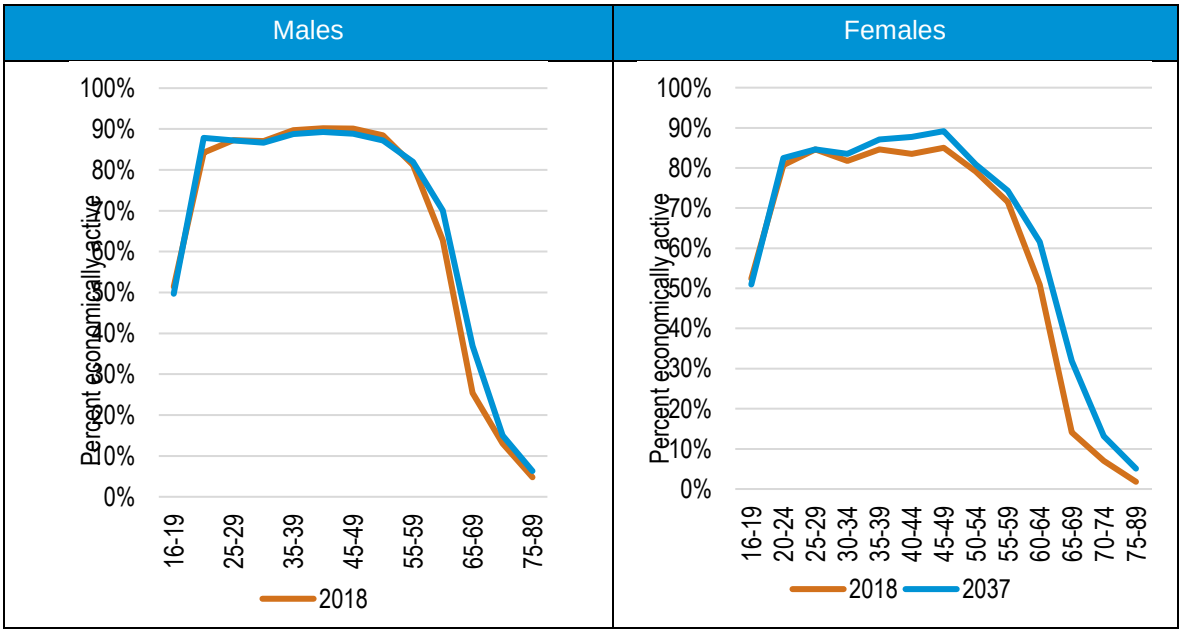
1.29 The table below illustrates the calculation of jobs to labour force growth from the various jobs growth scenarios. This is effectively a multiplier effect with commuting adjustment and double jobbing assumptions.

| | Jobs grow | Commuting adjustment | Double-Jobbing adjustment = Resident labour Force growth |
|---|---|---|---|
| Baseline (OE) | 112 | 112 | 107 |
| Baseline (EXP) | 4,837 | 4,837 | 4,643 |
| Growth Sc (OE) | 3,796 | 3,796 | 3,644 |
| Proposed Allocations (PA) | 3,950 | 3,950 | 3,791 |
| **PA+ Snape Lane** | 6,209 | 5,079 | 4,875 |
| **PA + Apleyhead J** | 8,450 | 6,650 | 6,383 |
| Proposed Allocations and Strategic Sites | 10,709 | 7,779 | 7,467 |

1.30 However, not all of the population will be economically active therefore we need to understand the wider population growth than just the labour force. To assess this we have used rates for different ages and sex with have drawn on information from the Office of Budget Responsibility (OBR).

1.31 The OBR rates are national rates which we have adjusted to a local baseline. However, the national trends still apply i.e. there is expected to be an increase in the number of older people and woman in employment.

**Figure 2: Projected changes to economic activity rates (2018 and 2037) – Bassetlaw**




Source: Based on OBR and Census (2011) data

1.32 Applying these rates alongside other assumptions on migration (including the age profile of migrations) allows us to understand the scale of population growth required to support the increase in economically active residents. The output of which is a revised population forecast which can be broken down by age and sex.

1.33 To translate this into a household growth age and sex-based household formation rates are applied. These are the percentage chance of any one of a given age or sex being head of a household. For this, we have created a bespoke set of rates which are part way between the pre-recession 2008-based rates and the post-recession 2014-based rates. The result of which is a calculated increase in households to which a small vacancy rate adjustment is applied.

1.34 The economic led housing need for each scenario is set out in the table below. As shown there is a considerable difference between the OE baseline at 236 dpa and the Strategic Sites scenario at 519 dpa.

**Table 6: Economic Led Housing Need Per Annum (2018-37)**

| Scenario | Housing Need |
|---|---|
| **OE Baseline** | 236 |
| **Experian Baseline** | 405 |
| **Growth** | 373 |
| **Supply-led** | 378 |
| **Supply-led + SL** | 420 |
| **Supply-led + AH** | 478 |
| **Supply-led + Strategic Sites** | 519 |

1.35 Only the OE baseline would be supported by the standard method for assessing housing need (288 dpa). All of the other scenarios would require the Council to consider increasing housing need to meet their economic aspirations.

1.36 The alternative approach for delivering the strategic sites would be to work with duty-to-cooperate partners to increase commuting into the district and specifically these sites both of which have good access to the M1 and are therefore accessible from a wide area.

1.37 At present we are already assuming that 49% of the jobs at the Snape Lane site would be taken up by people commuting into the area and 42% for Apleyhead, based on current Census analysis for those areas. This would still need to be agreed upon through the Duty to Cooperate with neighbouring authorities, particularly Doncaster before it can be put in Policy.

1.38 The Council could also justify seeking to address these additional jobs through improvements to employment rates. This would be a policy on approach and would need to be supported by specific demonstrable actions.

1.39 As the table below shows, at present, there are approximately only 415 people receiving jobs seekers allowance in the district therefore the supply of personnel is likely to be quite limited. However, there are greater numbers in the neighbouring and nearby authorities with approximately 12,200 people claiming jobseekers allowance in June 2020.

1.40 It should be noted that this is a 23% increase from a year previous and will likely be Covid-19 related. A pre-Covid 19 figure would be closer to 10,000 as the table below demonstrates. If the Economy recovers quickly then the 10,000 figure may be more appropriate.

**Table 7: Job-Seekers Allowance Claimants**

| Local Authority | June 2019 | June 2020 | % Change |
|---|---|---|---|
| Bassetlaw | 268 | 415 | 55% |
| Barnsley | 792 | 1,062 | 34% |
| Doncaster | 700 | 1,171 | 67% |
| North Lincolnshire | 457 | 833 | 82% |
| Rotherham | 1,189 | 1,378 | 16% |
| Sheffield | 3,606 | 3,238 | -10% |
| Ashfield | 697 | 859 | 23% |
| Bolsover | 196 | 326 | 66% |
| Chesterfield | 305 | 428 | 40% |
| Lincoln | 408 | 522 | 28% |
| Mansfield | 439 | 631 | 44% |
| Newark and Sherwood | 285 | 512 | 80% |
| North East Derbyshire | 218 | 374 | 72% |
| West Lindsey | 377 | 456 | 21% |
| Total | **9,937** | **12,205** | 23% |

Source: Nomis, Job Seeker Claimants, 2020

1.41 Suggesting this group of people could be drawn on may be more difficult to justify as it would require coordination across many local authorities. Alternatively, the various LEPs may be able to support this through policies and interventions such as investing in training on the roles being delivered.

1.42 In addition, while the sites are accessible public transport for lower-paying jobs is not yet in place, therefore making it more difficult to justify drawing on this labour supply. This could be addressed through improvements to public transport but also incentivising through ride-share schemes etc.

**APPENDIX A:** Site Supply

| | | | | | Land - Ha | | | | SQM | | | | FTE Employees | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Ref** | **Site Name** | **Total (Ha)** | **B Class Land (Ha)** | **Use Class** | **B1** | **B2** | **B8** | **Total** | **B1** | **B2** | **B8** | **Total** | **B1 (14 sqm/ FTE)** | **B2 (38 sqm/ FTE)** | **B8 (14 sqm/ FTE)** | **Total** |
| **Sites under construction 2019-2020** | | | | | | | | | | | | | | | | |
| EM001 | Manton Wood Extension | 24.6 | 10.73 | B1, B2, B8 | 1 | 2 | 7 | 10 | 2,000 | 0 | 91,000 | 93,000 | | 0 | | 400 |
| **Sites with planning permission** | | | | | | | | | | | | | | | | |
| EM002 | Shireoaks Common | 26 | 7.5 | B1, B2, B8 | 1 | 2 | 4.5 | 7.5 | 5,806 | 10,535 | 31,606 | 47,947 | 332 | 277 | 395 | 1,004 |
| EM003 | Symmetry Park | 21.95 | 9.85 | B8 | 1 | 2 | 7 | 10 | | 16,514 | 49,541 | 66,055 | 0 | 435 | 619 | 1,054 |
| EM004 | Explore Steetley | 46.5 | 16 | B1, B2, B8 | | | | 16 | | 19,200 | 44,800 | 64,000 | | | | 750 |
| EM005 | Welbeck Colliery | 29.6 | 3 | B1, B2, B8 | | | | | | | | | Insufficient | | | |
| EM006 | Carlton Forest | 10.6 | 10.6 | B1, B2, B8 | | | | | | | | | | | | |
| **Local Plan Allocations** | | | | | | | | | | | | | | | | |
| EM007 | High Marnham Energy Hub | 60 | 38.4 | B1, B2, B8 | | | | 38.4 | | | 80000 | 80000 | 0 | 0 | 400 | 400 |
| EM008 | Trinity Farm, Retford | 8 | 8 | B1, B2, B8 | 1 | 1 | 3 | 5 | 1839 | 3623 | 10870 | 14493 | 131 | 95 | 54 | 281 |
| EM009 | Bassetlaw GV | 15 | 15 | B1, B2, B8 | 2 | 5 | 8 | 15 | 6000 | 20000 | 32000 | 58000 | 343 | 526.316 | 400 | 1269 |
| EM010 | Cottam Priority Regen Area | 14.4 | 7.4 | B1, B2, B8 | 1.5 | | | 1.5 | 6000 | 0 | 0 | 6000 | 343 | 0 | 0 | 343 |
| **Site Under Construction with PP and Allocations Total** | | **256.35** | **137.38** | | **7.5** | **12** | **29.5** | 103.4 | | | | 429,495 | | | | **5,501** |

| | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Strategic employment sites** | | | | | | | | | | | | | | | | |
| SEM1 | Snape Lane, Harworth | 80.9 | 80.9 | B2, B8 | | | | 80.9 | | | 207,406 | 207,406 | 0 | | 2,183 | 2,183 |
| SEM2 | Apleyhead Junction | 189 | 118.7 | B1, B2, B8 | | | | 118.7 | | | 413,000 | 413,000 | 0 | 0 | 4347 | 4347 |
| Strategic employment sites Total | | | | | | | | 199.6 | | | | | | | | **6,531** |
| **Grand Total** | | | | | | | | | | | | | | | | **12,032** |