

CALDECOTE FARM

NEWPORT PAGNELL · MILTON KEYNES

CHAPTER 4

ENVIRONMENTAL STATEMENT

SOCIO ECONOMICS

JULY 2021

4.0 SOCIO ECONOMICS

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4.1 INTRODUCTION

4.1 INTRODUCTION

- 4.1.1 This Chapter of the Environmental Statement provides an assessment of the socio-economic effects that may arise as a result of the Proposed Development at Caldecote Farm, Newport Pagnell for commercial uses. The likely socio-economic effects associated with the construction and operation of the site are outlined. This included the identification and assessment of likely effects relating to employment, labour force, productivity, commercial floorspace and business rate revenue.
- 4.1.2 The Proposed Development is by Newlands Developments and is focussed on logistics and distribution uses within a 19.93 hectare site. The scheme is expected to provide up to 78,429sqm of commercial floorspace. The site is located adjacent to the M1 motorway, with direct access to the strategic road network without passing through residential areas.
- 4.1.3 This assessment needs to be considered alongside the other evidence prepared as part of the proposal in order to put matters fully into context. It is therefore important to review this Chapter of the Environmental Statement as part of the wider set of studies so that appropriate connections and linkages can be properly drawn out.
- 4.1.4 A Market Report is also submitted in support of the planning application which highlights the supply-demand gap in the Milton Keynes area, as well as setting out labour force statistics, which are drawn on throughout this Environmental Statement Chapter.

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4.2 ASSESSMENT APPROACH

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4.2.1 Method

4.2.1.1 There is no official Government guidance setting out the methodology to use in assessing the potential socio-economic effects of development proposals. However, there are a number of methodological guides which cover key elements of the assessment, such as employment generation and economic additionality, and these have been drawn upon, as appropriate.

4.2.1.2 The approach used to assess the likely significant effects of the Proposed Development is as follows:

- a) Identifying the Study Geography
- b) Identifying Key Factors of relevant (commonly referred to as 'Receptors').
- c) Establishing the Baseline position.
- d) Assessing the Effects of the Proposed Development on the Baseline position.

4.2.1.3 Each of these elements of the approach are discussed below:

a) Study Area

4.2.1.4 The study areas have been defined based on an understanding of relevant local and wider economic geographies, and the extent to which socio-economic effects are likely to be contained within these geographies. The study areas have also been defined to align with established statistical geographies in order to maximise the availability and reliability of the relevant data.

4.2.1.5 The Proposed Development is unlikely to generate significant effects at the regional or national level. As such, the study areas used in assessing the effects of the Proposed Development are as follows:

- **Local area:** The immediate area around the Proposed Development has been assessed. This has related primarily to Newport Pagnell, but also includes Willen to the south of the site. There are some limitations at this level of geography and this are highlighted, as appropriate, in this Chapter.
- **Milton Keynes district:** The Proposed Development is location within Milton Keynes Council's jurisdiction and so the potential effects are assessed at this level.
- **Local Enterprise Partnership:** The South East Midlands Local Enterprise Partnership (SEMLEP) covering the local authority areas of Bedford Borough; Central Bedfordshire; Luton; Milton Keynes; and Northamptonshire.

4.2.1.6 Comparison at the regional and national level is also provided, but this more for reference.

b) Key Assessment Factors (The Receptors)

4.2.1.7 The following socio-economic factors have been identified as relevant in understanding the key potential effects of the Proposed Development:

- **Employment.** The employment opportunities that may be created as a result of the Proposed Development.
- **Labour Force.** The potential for the employment opportunities to be taken up by residents in both the local and wider impact area and the skills required to fulfil the type of jobs likely to be created.
- **Economic Productivity.** The economic value of the Proposed Development measured in Gross Value Added (GVA).
- **Commercial Floorspace.** The scale and quality of floorspace that would be provided by the Proposed Development and how this relates to the various property markets.

4.2.1.8 Data on above factors has been obtained in order to establish the baseline and as the reference point for assessing the potential effects of the Proposed Development.

4.2.1.9 The effects relating to employment, labour force and economic productivity are likely to arise during both the construction and operational phases of the Proposed Development.

c) Establishing the Baseline

4.2.1.10 The key data related to the above socio-economic factors has been obtained in relation to each of the study geographies and is discussed in Section 4 of this Chapter. This draws together the various published material of relevance to provide an outline of the baseline position in each study area. This forms the reference against which the effects of the Proposed Development are assessed.

4.2.1.11 The data sources used in establishing the baseline include:

- **Employment:** Office for National Statistics (ONS) and Business Register and Employment Survey (BRES). These sources are used to identify total employment and employment by key sectors relevant to the Proposed Development.
- **Labour Force:** ONS Nomis Official Labour Market Statistics; 2011 Census. These sources are used to identify the employed residential population and change over time, unemployment and skills levels.
- **Economic Productivity:** ONS; Milton Keynes Council Local Economic Assessment. This has been used to examine the economic composition of the various study geographies and the contribution to growth of key sectors.
- **Commercial Floorspace:** Valuation Office Agency (VOA) and Burbage Realty. These sources are used to identify how the scale of floorspace of the Proposed Development fits into the overall stock position and the property supply/demand pattern.

d) Assessing the Effects of the Proposed Development

4.2.1.12 The effects of the Proposed Development has been assessed to include the construction phase and operational phase, as relevant. The results are then drawn together into a composite assessment of effects. A summary of how each of the factors is assessed is set out below. This consists of the following elements:

- Measuring the effect
- Assessing the magnitude of the effect
- Assessing the sensitivity of the effect
- Assessing the significance of the effect

4.2.2 Measuring the Effect

4.2.2.1 In order to understand the potential effect of the proposed development on the relevant receptors over the course of the construction and operational phases of the development, the following aspects have been considered:

- **Employment** – The estimated jobs created by the Proposed Development. This identifies the estimated number of FTE jobs generated by the Proposed Development relative to the proposed business uses.
- **Labour Force** – The type of jobs likely to be created and how this matches the labour force situation in the surrounding area.
- **Economic Productivity** – The average GVA per FTE worker is calculated using ONS data and is applied to the jobs estimated to be created by the Proposed Development.
- **Employment Floorspace** – The scale of addition to the existing commercial floorspace stock arising from the Proposed Development is identified and related to the supply-demand position.

Assessing the Magnitude of Effect

4.2.2.2 Magnitude is assessed by examining the scale of the effect that is attributable to the Proposed Development, and the likely level of deviation this presents from the baseline conditions. The magnitude scale used is summarised in Table 4.1, which, in the absence of published policy or guidance, draws upon previous experience and professional judgement.

Table 4.1: Magnitude of Effect Scale

Magnitude of Effect Criteria	
Magnitude	Description
Major	Proposal would cause a large change to the existing socio-economic baseline in terms of absolute and/or percentage change to the provision or quality of the receptor, and most likely a permanent change.
Moderate	Proposal would cause a moderate change to the existing socio-economic baseline in terms of absolute and/or percentage change to the provision or quality of the receptor, but not necessarily permanent in nature.
Minor	Proposal would cause a minor change to the existing socio-economic baseline in terms of absolute and/or percentage change to the provision or quality of the receptor, but likely to be reversible.
Negligible	No discernible or negligible change to the socio-economic baseline, with limited potential to effect the provision or quality of the receptor.

Assessing the Sensitivity of Effect

- 4.2.2.3 The sensitivity of receptors has been assessed in terms of the likely change in baseline conditions relative to wider regional and national trends or policy considerations. The capacity of the receptor to absorb additional demand is also a relevant consideration in establishing sensitivity.
- 4.2.2.4 The criteria used in judging sensitivity are summarised in Table 4.2.

Table 4.2: Sensitivity of Effect Scale

Sensitivity of Effect Criteria	
Sensitivity	Description
High	Baseline performance relative to comparator areas or national standards indicates receptors are of high socio-economic importance and/or a policy priority at local, regional or national level. Receptors sensitive to change, with low ability to absorb change without significantly altering present character.
Medium	Baseline position demonstrates an average or comparable performance with comparator areas or national standards, and the receptor has some socio-economic value and/or policy support. Receptors are moderately sensitive to change with some capacity to absorb change without significantly altering present character.
Low	Baseline position demonstrates an above average performance relative to comparator areas or national standards. The receptors may not be priorities in policy terms. Receptors with a low sensitivity to change, and able to absorb change without significantly altering present character.
Negligible	Baseline position indicates a strong performance relative to comparators or national standards. Receptors may not appear in policy or be considered a priority. Receptors with a very low sensitivity, and resistant and adaptable to change.

Assessing the Significance of Effect

- 4.2.2.5 The significance of an effect is determined by combining its magnitude and sensitivity assessments. The significance of effects can be either positive or negative. Table 4.3 provides the matrix used to assess the significance of effects, and for the purposes of this assessment any effect that is moderate or above is considered to be significant.

Table 4.3: Significance of Effects

Significance					
		Sensitivity of Receptors			
		High	Medium	Low	Negligible
Magnitude of Impact	Major	Major	Major	Moderate	Negligible
	Moderate	Major	Moderate	Minor	Negligible
	Minor	Moderate	Minor	Minor	Negligible
	Negligible	Negligible	Negligible	Negligible	Negligible

Limitations of the Assessment

- 4.2.2.6 As far as possible data has been obtained from official published sources, but it should be recognised that there are limitations with some of the data, this is particularly the case when looking at small geographies or specific datasets.
- 4.2.2.7 In this context, reasoned assumptions have been made in estimating the socio-economic effects of the Proposed Development. Whilst these are informed by published guidance, good practice guidelines and past experience, they should not be viewed as a definitive assessment of effects.

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4.3 POLICY CONTEXT

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4.3.1 This section provides a high-level summary of the key relevant planning policy. It is not a detailed or comprehensive review of the planning policy position. The purpose of the review is simply to provide a contextual understanding of how the Proposed Development and its potential effects fit in terms of planning policy. Details of the local and national planning policy are considered through Chapter 3 of this Environmental Statement and the Planning Statement submitted in support of the planning application.

4.3.2 National Planning Policy Framework

4.3.2.1 The overarching policy context is the National Planning Policy Framework (NPPF – July 2021) and the supporting Planning Policy Guidance.

4.3.2.2 This seeks to support sustainable development, and identifies the overarching economic and social objectives of the planning system as:

- a) *an economic objective – to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure.*
- b) *a social objective – to support strong, vibrant and healthy communities, by ensuring that a sufficient number and range of homes can be provided to meet the needs of present and future generations; and by fostering well-designed, beautiful and safe places, with accessible services and open spaces that reflect current and future needs and support communities' health, social and cultural well-being.*

Source: paragraph 8 NPPF

4.3.3 The NPPF highlights that to secure sustainable development there is a 'presumption in favour of sustainable development' (paragraph 10-11). This requires Plans that positively seek opportunities to meet the development needs of their area, and which are sufficiently flexible to adapt to rapid change, and for decisions on proposed developments to be approached in a positive and creative way.

4.3.4 The NPPF also notes in relation to building a strong, competitive economy 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. The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future.

Source: paragraph 81 NPPF

4.3.5 In the context of the above point, the NPPF goes on to note that the specific locational requirements of different sectors needs to be recognised in decision making, including storage and distribution operations at a variety of scale and in suitably accessible locations. (paragraph 83).

4.3.6 Strategic and Regional Policy

4.3.6.1 There are a number of strategic and regional plans of relevance to the Proposed Development, including:

- Milton Keynes Strategy for 2050
- South East Midlands Local Industrial Strategy
- The Oxford-Cambridge Arc: Government ambition and joint declaration between Government and local partners

4.3.6.2 Taking each in turn:

Milton Keynes Strategy for 2050

- 4.3.6.3 The Milton Keynes Strategy for 2050 was jointly prepared by the Milton Keynes Futures 2050 Commission and Milton Keynes Council. It was published in December 2020 and sets out seven ‘Big Ambitions’ which, together, act as a ‘promise’ to existing and future residents. These ambitions include:
- Providing jobs for everyone by supporting existing businesses and attracting new ones.
 - Offering better opportunities for everyone to learn and develop skills.
 - Make travelling easier for everyone on foot, by bike and with better public transport.

South East Midlands Local Industrial Strategy

- 4.3.6.4 In July 2019 the South East Midlands Local Enterprise Partnership (SEMLEP) published the South East Midlands Local Industrial Strategy.

- 4.3.6.5 The Strategy provides a framework for the area and identifies how the SEMLEP will achieve the Government’s ambitions and long-term plan to boost productivity, investment in skills, industries and infrastructure.

- 4.3.6.6 Page 7 of the Strategy identifies the SEMLEP’s ambitions, which include providing “an exemplary business environment, with high-quality commercial premises and support for incubator, scale-up, innovation, trade and investment activity within the Arc.”

- 4.3.6.7 With regard to infrastructure, the Strategy recognises the strategic position the SEMLEP area holds, specifically within the context of logistics development stating:

“As evidenced through the area’s high popularity with logistics firms and Future of Mobility innovators, the SEMLEP area is extremely well located in order to connect with key markets in the UK and abroad.”

- 4.3.6.8 Consequently, the SEMLEP will:

“work with partners to support an extensive and balanced pipeline of employment land and premises in the area, which takes account of market intelligence and strategic infrastructure.....increase promotion of the SEMLEP area to prospective investors, including through the preparation of relevant materials to encourage inward investment, and by working in partnership with local authorities, developers and commercial agents to help march prospective businesses with appropriate employment land.”

- 4.3.6.9 With regard to commercial premises, the Strategy identifies that “The lack of suitable employment premises was the third most commonly reported constraint on business growth in the SEMLEP area, with 27 per cent of businesses citing this as a constraint in 2017.”

The Oxford-Cambridge Arc

- 4.3.6.10 The Government published the ‘Oxford-Cambridge Arc: Government ambition and joint declaration between Government and local partners’ report in 2019.

- 4.3.6.11 Through the report, the Oxford-Cambridge Arc (the Arc) is described as a globally significant area which is characterised by universities, science parks and research and development zones, all of which are world beating in their fields. In this overarching context, the Arc supports over two million jobs, adding over £110 billion to the UK economy every year as one of the fastest growing economies in the UK.

- 4.3.6.12 The Oxford-Cambridge Arc report identifies and sets out some key economic information for the area, including around job creation and productivity whilst outlining its clear ambition of boosting productivity and improving connectivity.

- 4.3.6.13 In order to help make the ambitions of the Arc report a reality, in February 2021 the Government published a policy paper setting out their approach to developing a Spatial Framework for the Arc region.

4.3.7 Milton Keynes Local Plan and Strategic Urban Extension Development Framework

Milton Keynes Local Plan (Plan:MK)

4.3.7.1 Plan:MK was adopted in March 2019 and covers the Plan period of 2016 – 2031. It sets out the vision and objectives for Milton Keynes over the Plan period. The strategic objectives include:

“To allocate and manage the development of employment land and pursue a vigorous economic development strategy so that the business sector and local economy are supported, existing firms can expand, new firms are attracted, the level of working skills among the local population is enhanced and the area’s resident population can find employment locally.”

4.3.7.2 The sustainable development strategy identifies that the Council will provide land for a minimum of 30,900 new homes and forecasts around 28,000 to 32,000 additional new jobs.

4.3.7.3 Through Policy SD12 Plan:MK allocated the Milton Keynes East Strategic Urban Extension (SUE). The SUE is allocated for “a comprehensive new residential and employment development to meet the long-term needs of Milton Keynes”.

Milton Keynes East Strategic Urban Extension Development Framework Supplementary Planning Document

4.3.7.4 In March 2020 Milton Keynes Council adopted their Development Framework Supplementary Planning Document (SPD) for the whole of the SUE.

4.3.7.5 The SPD is designed to complement and supplement Policy SD12 of the Local Plan, through providing the guiding principles and framework.

4.3.7.6 The document provides the detail of how the Council expects the development of the SUE to progress and sets out their ambitions for the whole site allocation. It describes the allocation site and its context, the development principles and the framework within which all development of the SUE should fit, establishing land use and development delivery protocol.

4.3.7.7 The land use and development delivery are clearly identified through the document’s Concept Plan, which demarcates the separate employment and housing zones within the SUE.

4.3.7.8 The ‘vision’ expressed through the SPD is to create a bespoke masterplan-led new settlement for “the 21st Century that will be sustainable, successful and prosperous in its own right.”

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4.4 BASELINE CONDITIONS

4.4 BASELINE CONDITIONS

4.1 This section summaries the Baseline conditions in the relevant study areas, as well as providing comparisons with the regional and national position. The data was primarily derived from desk-based analysis.

4.2 The Proposed Development is on land at Caldecote Farm between the M1 motorway and Willen Road. It is allocated for employment development within the Milton Keynes East Strategic Urban Extension.

4.3 Employment

4.3.1 Employment breakdown for Milton Keynes is summarised in the table below, with comparisons to the South East and Great Britain.

4.3.2 The table illustrates the significance of the industrial sector (transportation and Storage) within Milton Keynes when compared with Great Britain as a whole.

Table 4.4 Employment Breakdown in Study Area (2017)

Study Area	Transportation and Storage Employment (%)
Milton Keynes	9.8
South East	4.5
Great Britain	4.9

Source: ONS Business Data and Employment Survey, Open Access 2017

4.4 Labour Force

4.4.1 Whilst the locational advantages of the site make it extremely attractive to logistics operators, this attractiveness is further enhanced by its situation within a robust labour force. A readily available labour force is a key consideration for logistics property operators.

4.4.2 Labour statistics have been accumulated for the authorities of Milton Keynes (which includes the application site) and neighbouring authorities of Bedford, Central Bedfordshire, and Luton.

4.4.3 There is a total of 587,000 people of working age (16-64) within this area of which 17,200 are unemployed accounting for 3% of the total working age population, compared with 4.6% nationally.

4.4.4 The area has a relatively low economically inactive population, 114,700 (19.5%) in relation to 20.9% nationally.

4.4.5 Of the economically inactive 20,000 (17.5%) want a job. Table 4.5 below provides a further breakdown of the labour statistics.

Table 4.5: Regional Labour Statistics of Possible Labour Force for Logistics Site at Newport Pagnell

Area	Total Number of People Within Working Age (16-64)	Number of People Unemployed	Economically Inactive	Economically Inactive But Want a Job
Milton Keynes	169,500	5,400	24,300	6,000
Bedford	105,400	3,500	21,700	4,700
Central Bedfordshire	176,700	3,500	32,700	5,900
Luton	135,400	4,800	36,000	3,400

Source: Nomis – Nomis, Official Labour Market Statistics, Jan – Dec 2020, downloaded 28th June 2021 (supplied by Burbage Realty)

- 4.4.6 The skill base for the Milton Keynes area is set out in Table 4.6 below. It identifies the proportion of the population with NVQ Levels 1-4 and above qualifications alongside those with other or no qualifications.
- 4.4.7 The table identifies that Milton Keynes has a below average proportion of the population with NVQ Levels 2, 3 4 or higher qualifications. However, the area has a higher than average proportion of the population with other qualifications and is just below the national average for the number with no qualifications.

Table 4.6 Skills Levels

	Milton Keynes (Level)	Milton Keynes (%)	Great Britain (%)
NVQ4 and Above	69,500	40.7	43.1
NVQ3 and Above	103,800	60.9	61.4
NVQ2 and Above	131,300	77.0	78.2
NVQ1 and Above	147,600	86.6	87.9
Other Qualifications	13,300	7.8	5.7
No Qualifications	9,600	5.6	6.4

Source: Nomis; ONS annual population survey (January – December 2020)

Notes: For an explanation of the qualification levels see the definitions section. Numbers and % are for those of aged 16-64. % is a proportion of resident population of area aged 16-64

4.5 Economic Productivity

- 4.5.1 ONS data shows that Milton Keynes has experienced strong growth in GVA per head over recent years with a growth of 4.5% (2017).
- 4.5.2 Milton Keynes' average GVA per head currently stands at £49,516.

4.6 Employment Floorspace

- 4.6.1 The Market Report submitted in support of this planning application identifies that there is a supply-demand shortage in Milton Keynes currently.
- 4.6.2 Indeed, there are currently no sites with availability to accommodate occupiers looking for distribution facilities in excess of 500,000sqft, whilst there are currently a number of occupiers in the market looking for such a site.

4.6.3 In this regard, whilst being an attractive location to the distribution sector, the current land-supply position leaves Milton Keynes unable to benefit from the long-term economic advantages that occupiers currently looking for space in the area could bring.

4.7 Sensitivity of Receptors

4.7.1 The sensitivity of each of the above identified receptors is considered below, before the assessment of effects are discussed in the next section.

Employment

4.7.2 The Local Industrial Strategy, Local Plan and national policy guidance prioritise new job creation. This includes within those sectors that are key to the local economies, including manufacturing and transport and storage and other distribution sectors. The logistics sector in particular has seen strong growth over the last year, but demand remains high and the need for increased floorspace in this sector remains strong. Jobs and skills within the logistics sector have varied over the last decade as the buildings transition from simple storage facilities to logistics spaces moving goods at a rapid rate, moving from low paid employment to a range of job opportunities within logistics buildings. Indeed, the average wage of the logistics sector is now above the average wage for the rest of the economy. As such, the sensitivity of this receptor is rated as: high.

Labour Force

4.7.3 The distribution and wider industrial sectors are important sources of employment for the resident population of Milton Keynes. The skills mix in the area also requires appropriate employment opportunities to come forward. As such, the sensitivity of this receptor is rated as: high.

Economic Productivity

4.7.4 Local economic output improvement is key to a prosperous local economy. The distribution related sectors play a major role in that respect within Milton Keynes as well as the wider area. These sectors have seen their contribution to the local economy increase over the longer term. As such, the sensitivity of this receptor is rated as: high.

Employment Floorspace

4.7.5 Local planning policy alongside national and regional economic strategies recognise the need for suitable employment space to support the industrial sector, particularly the logistics and distribution sector. There is a recognised shortage of suitable quality larger property to meet current and future demands. As such, the sensitivity of this receptor is rated as: high.

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4.5 ASSESSMENT OF KEY EFFECTS

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4.5.1 Introduction

4.5.1.1 This section identifies the socio-economic effects likely to occur as a result of the Proposed Development. The assessment considers the likely magnitude of the effect and the significance of each effect. This is based upon the criteria outlined in Section 2.

4.5.1.2 The following assumptions have been used to assess the likely effects of the Proposed Development:

Construction Phase

- A total development construction value of approximately £200 million. This is based on average cost of constructing national distribution scale warehouse units; potential fit-out costs; costs surrounding the mitigation measures to be incorporated within the development, as set out through this Environmental Statement; costs of infrastructure delivery; and based on previous experience and understanding.
- Build-out over a 2 year period.

Operational Phase

- The scheme will have up to 78,429 sqm of floorspace (GIA).
- 95-100% of the floorspace will be for B8 uses with some ancillary office use associated with warehousing.
- Standard HCA employment density ratio for national distribution centres (95 FTE per sqm).

4.5.1.3 Based on the above assumptions the Proposed Development is expected to generate the following effects:

4.5.2 Employment Effect

4.5.2.1 As noted in Section 2, the sensitivity of this receptor is considered to be high.

4.5.2.2 Using the standard HCA guidance for employment density ratios in B8 units (national distribution centres) it is estimated that once operational the Proposed Development would generate approximately 826 jobs.

4.5.2.3 The magnitude of this increase in employment opportunities is considered to be major for both the Local Area and Milton Keynes District. In this regard the significance of the effect is that of **major and positive**.

4.5.2.4 In terms of the SEMLEP area, the magnitude is likely to be minor/negligible, resulting in a significance of effect that is **moderate/negligible and positive**.

4.5.3 Labour Force Effect

4.5.3.1 In terms of resident workforce, the sensitivity of this receptor is assessed as high (see Section 2).

4.5.3.2 In the case of the Local Area and Milton Keynes District the effect is likely to be major, whilst for the SEMLEP area the magnitude is likely to be negligible.

4.5.3.3 However, considering the matching employment opportunities arising from the Proposed Development and the composition of the Milton Keynes District study area, with regard to skills base and the number of people economically inactive but wanting a job, the magnitude of the effect is likely to be reinforced at the District and Local levels. The overall significance of effect is therefore assessed as **major and positive** for the Local Area and Milton Keynes District, whilst remaining **negligible and positive** for the SEMLEP area.

4.5.4 Economic Productivity Effect

4.5.4.1 The economic productivity effects are focussed on when the Proposed Development is operational, although the influence of the contribution arising from the construction phase effects will reinforce effects. As set out in Section 2, the sensitivity of this receptor is high.

- 4.5.4.2 ONS data shows that the average GVA per head is £49,516. Using this figure assessed against the HCA density assumptions, provides an economic uplift from the Proposed Development of £40.9 million.
- 4.5.4.3 However, recent figures have demonstrated that the GVA for the logistics sector is in excess of the national average. Indeed, the Turley's research for the British Property Federation's 'Delivering the Goods' report identifies that the GVA per employee has increased in the logistics sector to £51,300 per employee. Using this ratio, the economic uplift of the Proposed Development increases to £42.3 million.
- 4.5.4.4 Regardless of the exact anticipated figure, the increase is demonstrably significant, and therefore the magnitude of effect has been identified as major for the Local Area and Milton Keynes District, resulting in a significant of effect that is major and positive.
- 4.5.4.5 For the SEMPLEP area the magnitude is assessed as minor, resulting in a significance of minor and positive.

4.5.5 Employment Floorspace Effect

- 4.5.5.1 The sensitivity of this receptor is high.
- 4.5.5.2 It is clear that the Proposed Development would be a significant addition to the stock in the Local and District areas, helping to bridge the supply-demand gap. As such, the magnitude of effect is assessed as major. The significance of effect is therefore viewed as major and positive.
- 4.5.5.3 The level of the effect of the Proposed Development in terms of the additional floorspace across the wider SEMPLEP area is less significant. However, it will still make a clear and important contribution to available floorspace, which is in line with the local, regional and national ambitions to increase productivity and encourage sustainable growth. In this regard, the magnitude of effect is assessed as moderate, but the additional of quality strategic space is a relevant factor and the overall significance of effect is **major and positive**.

4.5.6 Mitigation

- 4.5.6.1 The socio-economic effects assessed in this report are all beneficial in nature and therefore there are no significant adverse effects requiring mitigation through design or other forms of mitigation.
- 4.5.6.2 There would be benefit for Milton Keynes Council to monitor development of the scheme from build-out to completion and full-operation. This enables any deviation from socio-economic effects to be identified and would also assist in assessing the effectiveness of any initiatives put in place to maximise the benefits of the Proposed Development in the Local Area, such as measures to encourage local residents to take up employment opportunities.

4.5.7 Enhancements

- 4.5.7.1 Although the socio-economic effects assessed are all positive and no mitigation is required to make the Proposed Development acceptable in socio-economic terms, there are opportunities for enhancing the benefits that may arise from the project, these include:
- **Local supply chain.** Developing mechanisms and undertakings to work with the local supply chain in both the construction and operational phases of the development. This would help reinforce both employment and economic productivity benefits.
 - **Access to training.** Alongside local supply chain support, measures to help in the training of unemployed residents in the local area and those seeking to enter the job market would maximise the local beneficial effects.
 - **Skills training.** Measures to assist in addressing skills shortages in the logistics sector, ranging from early-start initiatives aimed at schools and the promotion of careers in this sector, to specific skill gap support.

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4.6 CONCLUSIONS

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- 4.6.1 The Proposed Development is expected to provide approximately 78,429 sqm of new commercial floorspace, with 95% to 100% assumed to be for B8 uses. The potential effects of the Proposed Development have been assessed on this basis and assume a fully occupied and complete development.
- 4.6.2 The Receptors examined are:
- Employment;
 - Labour Force;
 - Economic Productivity; and
 - Employment Floorspace;
- 4.6.3 The sensitivity of these receptors is considered to be high, based on an assessment of the baseline evidence and local strategic priorities. The study areas used in assessing the effects on the receptors are:
- **Local area:** The immediate area around the Proposed Development has been assessed. This has related primarily to Newport Pagnell, but also includes Willen to the south of the site. There are some limitations at this level of geography and this are highlighted, as appropriate, in this Chapter.
 - **Milton Keynes district:** The Proposed Development is location within Milton Keynes Council's jurisdiction and so the potential effects are assessed at this level.
 - **Local Enterprise Partnership:** The South East Midlands Local Enterprise Partnership (SEMLEP) covering the local authority areas of Bedford Borough; Central Bedfordshire; Luton; Milton Keynes; and Northamptonshire.
- 4.6.4 The Proposed Development is estimated to generate the following impacts:
- The creation of nearly 1,000 additional jobs.
 - Increase in economic value of in excess of £41 million per annum once the Proposed Development is operational.
 - The additional of 78,429 sqm of high-quality commercial floorspace.