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12 SOCIO-ECONOMIC

12.1 INTRODUCTION

12.1.1 This chapter determines the baseline socio-economic conditions and considers the likely socio-economic effects of the Proposed Development. The considerations of this chapter are mostly related to the effects of the Proposed Development on the human population who will live in the vicinity of the Proposed Development site.

12.1.2 This assessment is made by studying the potential effects on the population arising from the Proposed Development and assessing the impact this could have on relevant services and facilities (such as local health facilities) in the economy. It identifies the socio-economic baseline in relation to key economic variables, specifically the economy and labour force. It then examines the potential effects that could occur, both direct and indirect, resulting from the Proposed Development during construction (temporary effects) and operation (permanent effects).

12.2 ASSESSMENT APPROACH

Methodology

12.2.1 There is no specific guidance available which establishes a methodology for undertaking an Environmental Impact Assessment (EIA) of the socio-economic effects of a Proposed Development. The approach that has been adopted for this assessment is based on professional experience and best practice, and in consideration of the policy requirements/tests set out in the National Planning Policy Framework (NPPF)¹.

12.2.2 The assessment specifically includes the following:

- Identification of the socio-economic baseline in respect of each of the key socio-economic issues identified, focusing on the characteristics of the economy and labour force. These characteristics have been used as a measure for assessing future changes associated with or resulting from the Proposed Development.
- Analysis of the full range of socio-economic effects, both direct and indirect, arising from the Proposed Development, during the construction (temporary effects) and operation (permanent effects).

12.2.3 The baseline information has been collated with reference to the following:

- The National Planning Policy Framework²
- Office for National Statistics (ONS) data (various outputs as individually referenced within this chapter).
- Ministry of Housing, Communities & Local Government (for deprivation data).
- The Government's Levelling Up White Paper³.
- The adopted Cherwell Local Plan for 2011-2031⁴.

¹ *National Planning Policy Framework*. HM Government, July 2021.

² *Ibid.*

³ *Levelling Up*. HM Government (2022).

⁴ *The Cherwell Local Plan 2011-2031, Part 1 Adopted 20 July 2015*. Cherwell District Council.

- The Oxfordshire Local Industrial Strategy⁵.
- Information obtained from the client.

Assessment of Significance

12.2.4 The first step in the assessment is to identify the sensitivity of the receptors. In socio-economic assessments, receptors are not sensitive to changing environmental conditions in the same way as many environmental receptors are. To address this, the assessment draws on a combination of measurable indicators and a consideration of the importance of the receptor in policy terms to gauge the receptor's sensitivity. For example, the number of jobs in the area may increase as new developments are completed and occupied by businesses. This is considered alongside the weight attached to these issues in local policy. For example, the Local Plan may have identified that employment and business growth is a particular priority. **Table 12.1** shows the sensitivity criteria followed in this assessment.

Table 12.1: Sensitivity Criteria

Sensitivity	Evidence for Sensitivity Assessment
High	Evidence of direct and significant socio-economic challenges relating to receptor. Accorded a high priority in local, regional or national economic regeneration policy.
Medium	Some evidence of socio-economic challenges linked to receptor, which may be indirect. Change relating to receptor has medium priority in local, regional and national economic and regeneration policy.
Low	Little evidence of socio-economic challenges relating to receptor. Receptor is accorded a low priority in local, regional and national economic and regeneration policy.
Negligible	No socio-economic issues relating to receptor. Receptor is not considered a priority in local, regional and national economic development and regeneration policy.

12.2.5 The magnitude of change upon each receptor has been determined by considering the predicted deviation from baseline conditions, both before and, if required, after mitigation. The criteria used for the assessment of magnitude of change, which can be either positive (beneficial) or negative (adverse) are shown in **Table 12.2**.

Table 12.2: Magnitude of Change Criteria

Magnitude of Impact	Description / Criteria
High	Proposed Development would cause a large change to existing socio-economic conditions in terms of absolute and/or percentage change.
Medium	Proposed Development would cause a moderate change to existing socio-economic conditions in terms of absolute or percentage change.
Low	Proposed Development would cause a minor change to existing socio-economic conditions in terms of absolute and or percentage change.

⁵ Oxfordshire Local Industrial Strategy: Oxfordshire Local Enterprise Partnership, July 2019.

Magnitude of Impact	Description / Criteria
Negligible	No discernible change in baseline socio-economic conditions.

12.2.6 In reporting the effects of significance resulting from the Proposed Development, at construction and operational stages, the assessment contextualises both the sensitivity of the receptor and the magnitude of change. The method uses the matrix shown in **Table 12.3**.

Table 12.3: Sinificance Matrix

Magnitude of Change	Sensitivity of Receptor				
		High	Medium	Low	Negligible
High		Major	Major	Moderate	Negligible
Medium		Major	Moderate	Minor to Moderate	Negligible
Low		Moderate	Minor to Moderate	Minor	Negligible
Negligible		Negligible	Negligible	Negligible	Negligible

Legislative and Policy Framework

National Planning Policy

12.2.7 The most recent **National Planning Policy Framework⁶** (NPPF) was published in July 2021. A key focus of the framework is to achieve sustainable development which requires three interdependent objectives that need to be pursued in a mutually supportive way:

- **Economic Objective:** Ensure that the economy is strong, responsive and competitive to support growth.
- **Social Objective:** Ensure there is a sufficient supply and range of homes available to meet present and future demand.
- **Environmental Objective:** Ensure the natural, built and historic environment is protected including mitigating and adapting to climate change

12.2.8 Other relevant points to note from the revised NPPF include:

- Paragraph 60 states that the government have set the objective of significantly increasing the supply of homes, to achieve this there needs to be sufficient land available where it is needed, specific housing requirements need to be met and land with permission needs to be developed without unnecessary delay.
- Paragraph 73 of the NPPF states that to achieve the supply of a large number of homes it is often best done through planning for larger scale

⁶ *National Planning Policy Framework*. HM Government, July 2021.

development, such as settlements or significant extensions to existing villages and towns, provided they are well located and designed, and supported by the necessary infrastructure.

- The NPPF places significant weight on the need to support economic growth and productivity with chapter 6 setting out the objective of building a strong and competitive economy. Paragraph 82 states that the planning policies should:
 - Set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration.
 - Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period.
 - Seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment.
 - Be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances.
- Paragraph 83 finds that alongside this, planning policies and decisions should recognise and address the specific locational requirements of different sectors.

12.2.9 The strategy presented by the UK Government's **Levelling Up White Paper**⁷ is underpinned by the fact that, although the UK as a whole is successful when compared to other countries globally, there is great disparity in respect of the shared value of that success within the UK itself and realising each communities' potential. As such, the White Paper sets out a programme to 'level up' the UK to transform places and boost local growth, including through, but not limited to, encouraging strong innovation, private sector investment, climate conducive development, and improvement in workers' skill and transport systems. The key missions set by the White Paper are, in summary:

- Boost in productivity, wages, jobs and living standards by investment and growth in the private sector.
- Provide opportunities and improvement in public services.
- Contribute to and encourage a sense of community, local pride and belonging.
- Empowerment of local leaders and communities.

12.2.10 It is imperative that the needs of an area are reflected in the proposals made, so that the benefits brought by development will appropriately contribute to, and ultimately result in, true levelling up of the economy, the environment, and society within the UK.

⁷ *Levelling Up*: HM Government (2022).

Local Policy

12.2.11 The **Cherwell Local Plan 2011-2031** (adopted July 2015) sets out the strategy for how the District will develop over the period to 2031. The Local Plan identifies that one of the key economic issues facing Banbury is the need to further diversify the economy. A number of strategic objectives are identified in the Plan to help support the growth of Cherwell, including:

- **SO1:** To facilitate economic growth and employment and a more diverse local economy with an emphasis on attracting and developing higher technology industries.
- **SO3:** To help disadvantaged areas, support an increase in skills and innovation, improve the built environment and make Cherwell more attractive to business by supporting regeneration.
- **SO6:** To accommodate new development so that it maintains or enhances the local identity of Cherwell's settlements and the functions they perform.

12.2.12 In July 2019, Oxfordshire Local Enterprise Partnership (LEP) published its **Local Industrial Strategy**⁸ (LIS) which outlines the ambitions of the LEP to achieve clean and sustainable growth within Oxfordshire that delivers prosperity for all communities. The growth in the region will be driven by innovation and higher productivity. This will be done through developing the five foundations of productivity outlined below:

- **Ideas:** Oxfordshire has two renowned universities (University of Oxford and Oxford Brookes) and a number of science, innovation, technology and business parks. The LEP aims to build on these strengths and to contribute to the government's target for national R&D spending to reach 2.4% of GDP by 2027.
- **People:** The LIS aims to build skill levels that are more responsive to local demand and support the innovation targets. This will be done in a number of ways such as working with schools, colleges, and local careers services and also promoting growth in apprenticeships in the region.
- **Infrastructure:** Increasing population and economic activity in the area is putting more strain on transport services such as road and rail. The LEP aims to improve transport through investment in the East-West railway and to make provision for sustainable, multi modal travel.
- **Business Environment:** Oxfordshire has more than 30,000 VAT registered businesses across many sectors, however many struggle to grow to scale. The LEP has identified challenges to these businesses, such as access to premises and funds, and aims to overcome these.
- **Places:** The aim of the LIS is to provide Oxfordshire with the opportunity to innovate in place-making and build sustainable communities that are attractive places for people to live and work.

⁸ *Oxfordshire Local Industrial Strategy*: Oxfordshire Local Enterprise Partnership, July 2019.

Scoping Criteria

12.2.13 Scoping opinion has not been determined with the Local Planning Authority and the chapter has therefore been written based on professional judgement. Accordingly, the socio-economic assessment considers the following potential effects:

- **Construction Phase**
 - Employment opportunities.
 - Contribution to economic output.

- **Operational Phase**
 - Employment opportunities.
 - Contribution to economic output.
 - Business rates revenue
 - Wages paid to on-site employees.

Extent of Study Area

12.2.14 The assessment primarily focuses on the effects in the local authority area of Cherwell and where appropriate, benchmark data for the Oxfordshire Local Enterprise Partnership, South East region and the UK/GB are also provided.

Limitations to Assessment

12.2.15 Baseline information is derived from the latest available statistics, however there is often a time-lag associated with the publication of this data.

12.3 BASELINE CONDITIONS

Site Description and Context

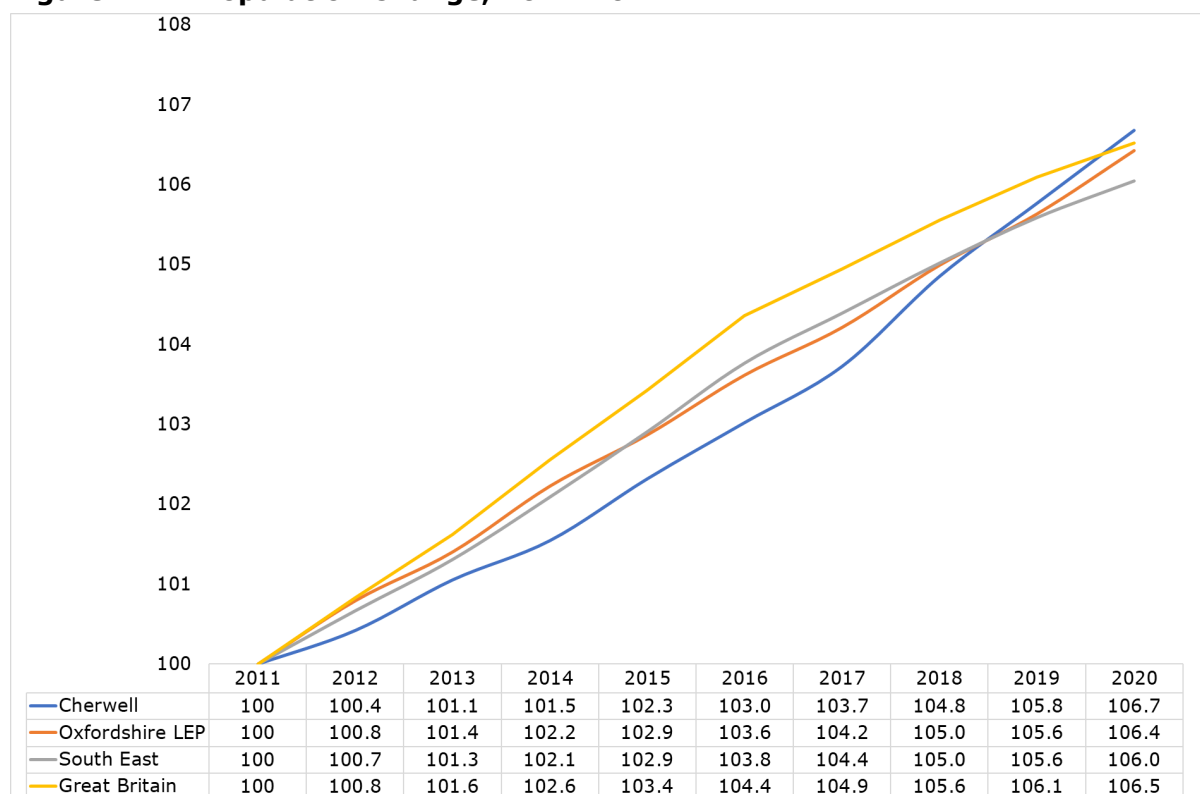
12.3.1 A detailed description of the Application Site and its surrounding context and the Proposed Development is provided in **Chapter 3** and has not been repeated. However, the details of the Proposed Development as pertinent to the socio-economic assessment are that it seeks reserved matters permission for the construction of up to 140,000 sq. m. of employment floorspace (use class B8 with ancillary offices and facilities).

Baseline Survey Information

Population

12.3.2 Data from the 2020 ONS mid-year population estimates show the total population of Cherwell is around 151,800. Figure 12.1 presents population change between 2011 and 2020. Over this timeframe, Cherwell's population increased by 6.7% – equating to 9,500 more people. The corresponding population increases for Oxfordshire LEP, the South East and Great Britain over the same period were 6.4%, 6% and 6.5% respectively.

Figure 12.1: Population Change, 2011-20



Source: ONS, Mid-Year Population Estimates

12.3.3 Data on population change by age in Cherwell show that from 2011 to 2020, the young dependant population group (aged 0-15) increased by around 9,000 (12.1%), the number of economically active people (16-64) grew by 5,500 (2.2%) and people aged 65+ increased by approximately 16,100 (a rise of 28.5% - see Table 12.4). All three age groups experienced growth over the same timeframe in Oxfordshire LEP, the South East and Great Britain, however it was the 65+ cohort that grew the fastest in all three areas – by 24.5% in Oxfordshire LEP, 21.2% in the South East and 19.6% in Great Britain.

Table 12.4: Cherwell Population Change by Age, 2011-20

	2011	2020	Absolute Change	% Change
0-15	74,600	83,600	9,000	12.1%
16-64	245,000	250,500	5,500	2.2%
65+	56,500	72,600	16,100	28.5%
Total	142,300	151,800	9,500	6.7%

Source: ONS, Mid-Year Population Estimates

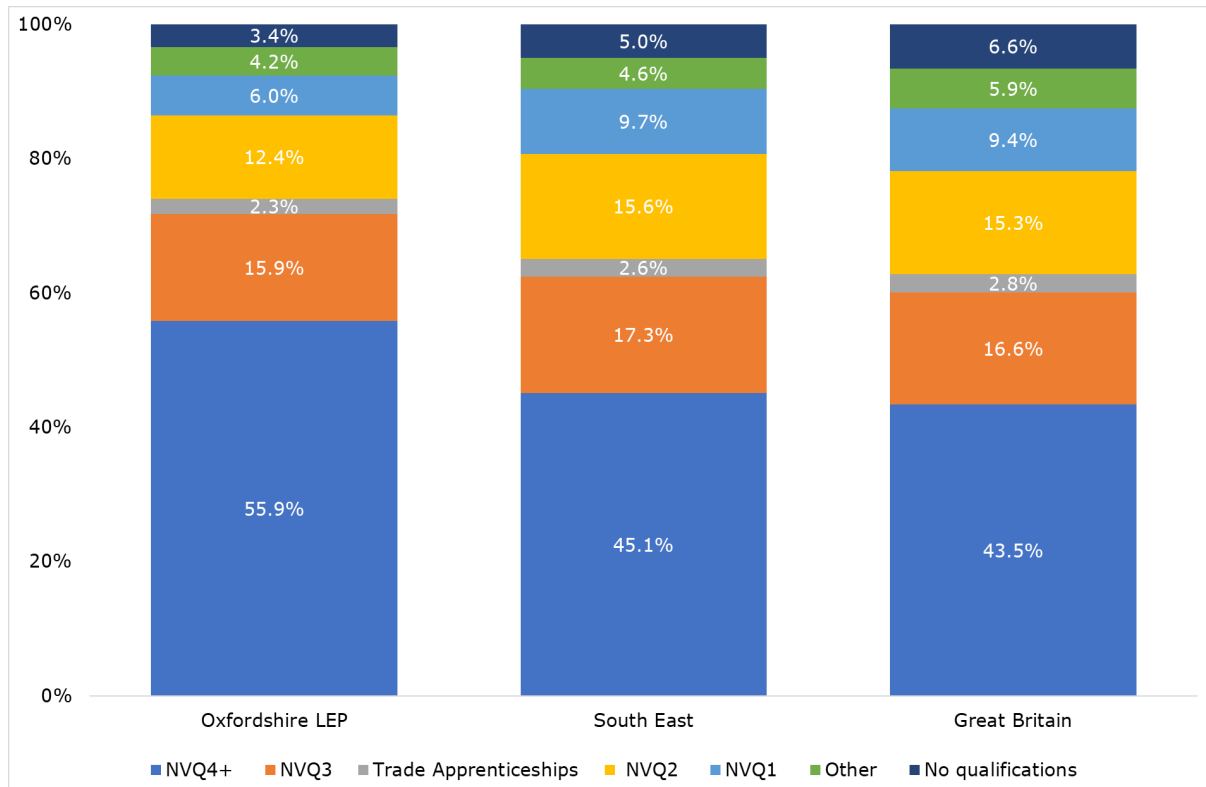
Skills

12.3.4 In 2021, 55.9% of working age residents (16-64) in Oxfordshire LEP had a degree level qualification or higher (NQF4+); 15.9% had NQF3 only, which equates to 2 A Levels and 4 AS Levels; and 12.4% had NQF2 only (5+ GCSEs or equivalent)⁹. Around 3.4% of the area’s population had no qualifications. The South East and Great Britain

⁹ Data for Cherwell District have not been reported because of data reliability issues. Analysis has instead focused on Oxfordshire LEP.

had a smaller proportion of people aged 16-64 with higher level (NQF4+) qualifications at 45.1% and 43.5% respectively. Figure 12.2 shows the full skills breakdown.

Figure 12.2: Skill Levels of the Resident Working Age (16-64) Population, 2021



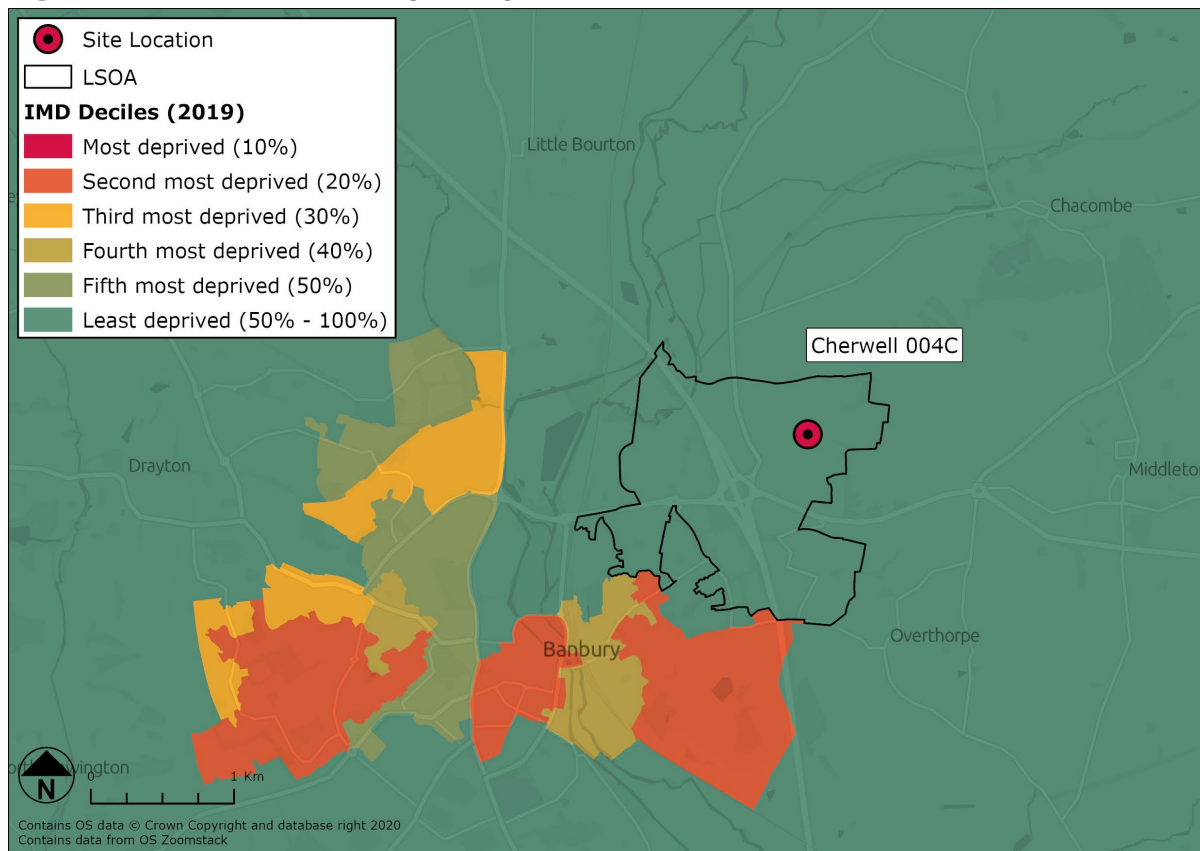
Source: Annual Population Survey, January-December 2021

Deprivation

12.3.5 The 2019 Index of Multiple Deprivation provides an indication of the average levels of deprivation for Lower Layer Super Output Areas (LSOAs) across England. The index provides an overall assessment of the average levels of deprivation as well as an assessment against domains of deprivation. In total, England has 32,844 LSOAs, with 93 in Cherwell

12.3.6 The Site falls within the LSOA Cherwell 004C, which is ranked 19,601 and placed it in the least 50% deprived LSOAs in England. Looking at the individual domains of deprivation, Cherwell 004C has its highest level of deprivation for the education, skills and training domain where it has a rank of 6,174, placing it in the top 20% most deprived LSOAs for this indicator. Figure 12.3 maps the overall level of deprivation in Cherwell 004C and its neighbouring LSOAs. As can be seen from Figure 12.3, there are pockets of deprivation to the South West and West of the site.

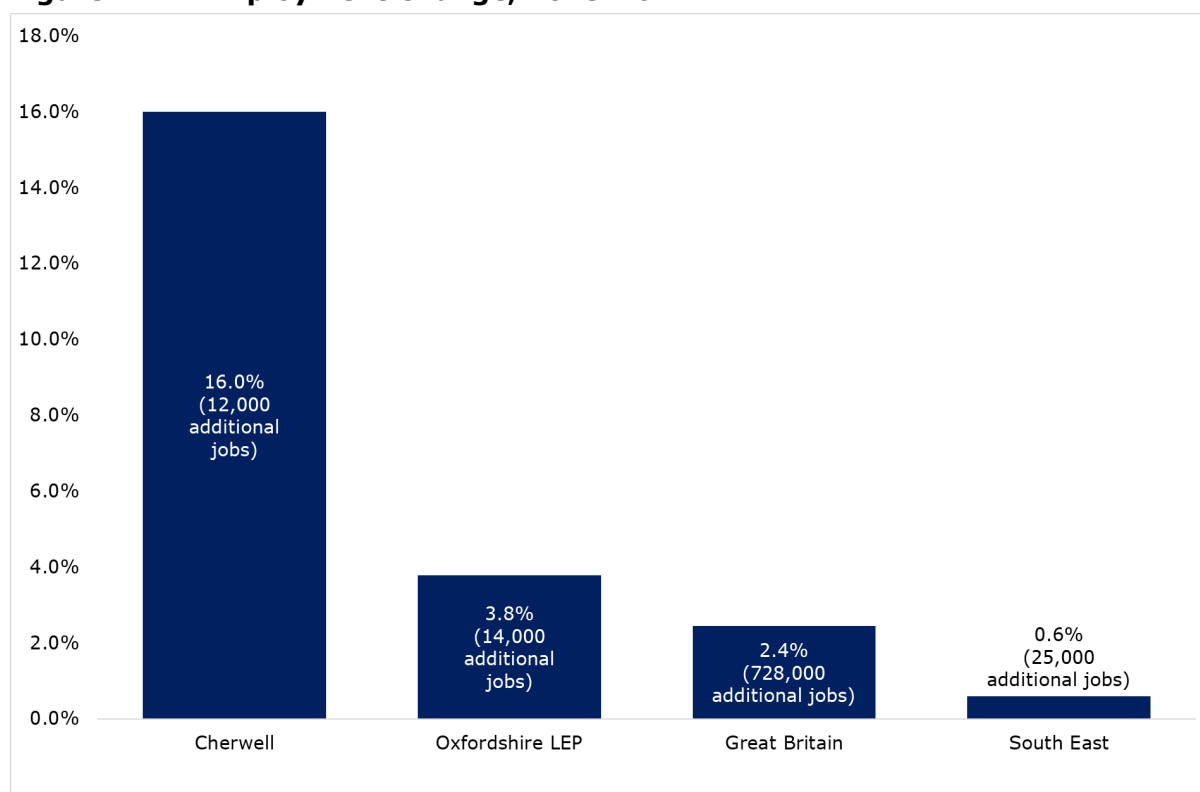
Figure 12.3: Index of Multiple Deprivation for Site Location, 2019



Source: Ministry of Housing, Communities & Local Government

Employment

12.3.7 In absolute terms, Cherwell saw job numbers increase by around 12,000 between 2015 and 2020 (growing from 75,000 to 87,000 – see Figure 12.4). In relative terms, this equated to a rise of 16% – the highest percentage growth figure for any South East local authority. Cherwell’s growth rate was above that for Oxfordshire LEP (3.8%), Great Britain (2.4%) and the South East (0.6%). The jobs data are sourced from the ONS Business Register and Employment Survey. 2020 is the latest date for which the data are available. The 2021 figures are unlikely to be available until the final quarter of 2022.

Figure 12.4: Employment Change, 2015-20

Source: ONS, Business Register & Employment Survey

12.3.8 The largest sector in Cherwell as of 2020 is business, financial & professional services, with 19,750 jobs – representing 22.9% of total employment. Job numbers in the sector increased by 5,250 between 2015 and 2020, equating to growth of 36.2%.

12.3.9 In terms of overall size, business, financial & professional services is followed by the wholesale & retail sector, which supports 18,000 jobs in the District – 20.9% of total employment. This sector experienced growth of 500 jobs (2.9%) between 2015 and 2020. The construction sector, which is likely to see increased employment opportunities during the Proposed Development’s build phase, supports around 4,500 jobs in Cherwell. This represents 5.2% of total employment in the District, above the Great Britain average of 4.9% but slightly below Oxfordshire LEP (5.7%) and the South East (6%). Table 12.5 presents the employment share by sector.

12.3.10 The sector that will be primarily supported by the Proposed Development is transport & storage. As of 2020, this sector accounts for 5.2% (4,500 jobs) of total employment in Cherwell. Between 2015 and 2020, employment in Cherwell’s transport & storage sector increased by 1,000 (28.6%).

Table 12.5: Employment by Sector, 2020

	Cherwell	Oxfordshire LEP	South East	Great Britain
Agriculture, mining, utilities etc.	2.8%	2.2%	2.6%	2.9%
Manufacturing	10.4%	6.8%	6.2%	7.7%
Construction	5.2%	5.7%	6.0%	4.9%
Wholesale & retail	20.9%	13.6%	15.3%	14.7%
Transport & storage	5.2%	3.7%	4.6%	5.0%
Accommodation & food services	5.8%	6.8%	7.2%	7.1%
Information & communication	2.9%	5.5%	6.0%	4.3%

	Cherwell	Oxfordshire LEP	South East	Great Britain
Business, financial & professional services	22.9%	22.2%	21.5%	22.7%
Public admin, education & health	20.3%	29.7%	25.7%	26.3%
Arts, entertainment, recreation & other services	3.5%	3.9%	4.9%	4.3%

Source: ONS, Business Register & Employment Survey

Business Numbers

12.3.11 Table 12.6 shows the change in the number of businesses in Cherwell between 2011 and 2021. It also presents the change for comparator areas of Oxfordshire LEP, the South East and Great Britain. Businesses in Cherwell grew by 17.7% over this timeframe, equating to 1,260 new companies. This was behind the growth seen in the South East (23.4%) and Great Britain (27%) but above the increase of 13.7% seen in Oxfordshire LEP.

Table 12.6: Change in Business Numbers, 2011-21

	2011	2021	Absolute Change	% Change
Cherwell	7,125	8,385	1,260	17.7%
Oxfordshire LEP	32,930	37,445	4,515	13.7%
South East	390,460	481,780	91,320	23.4%
Great Britain	2,464,265	3,130,100	665,835	27.0%

Source: ONS, UK Business Count

Commuting

12.3.12 Based on data from the 2011 Census, just under 35,000 people live and work in Cherwell. Around 26,000 people live in Cherwell and work elsewhere, while 23,200 work in Cherwell and live elsewhere. This gives a net outflow of almost 3,000 commuters.

Claimant Count

12.3.13 The most accurate measure of unemployment at the current time is the claimant count, which counts the number of people claiming Jobseeker's Allowance plus those who claim Universal Credit and are required to seek work and be available for work.

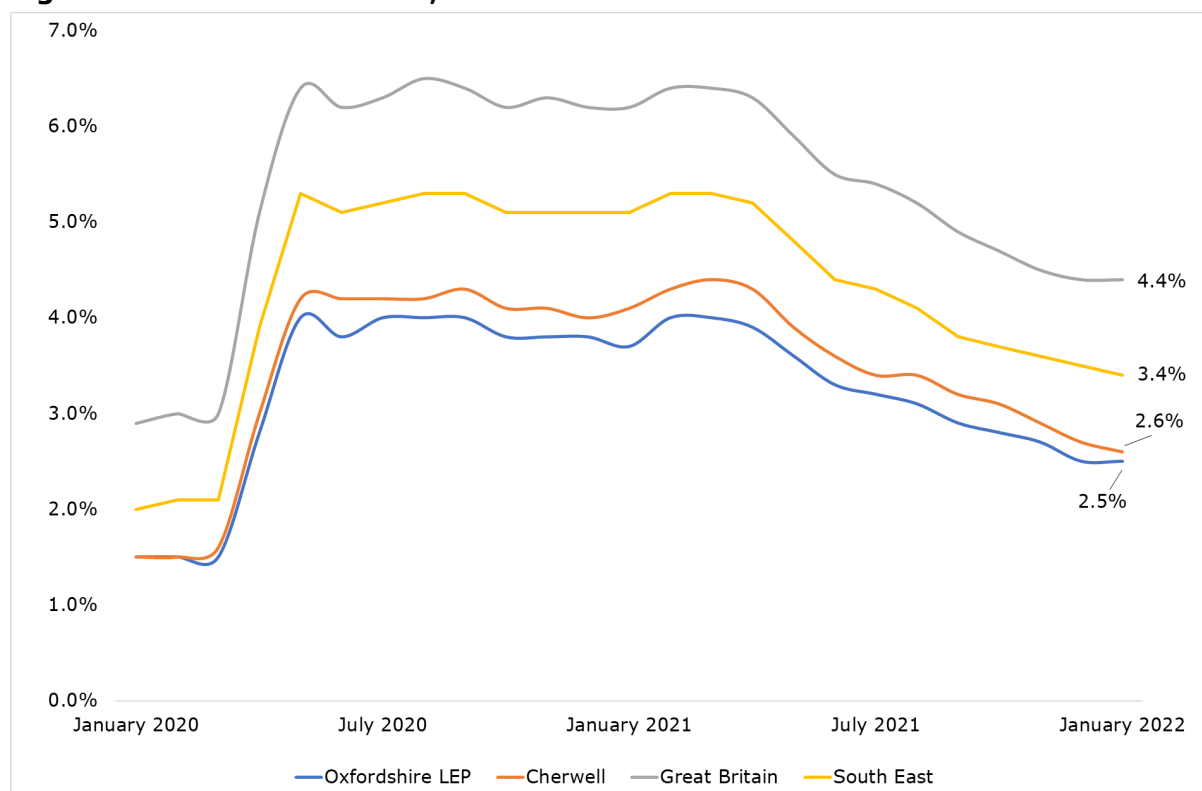
12.3.14 Figure 12.5 shows the claimant count as a proportion of people aged 16-64 in Cherwell, Oxfordshire LEP, the South East and Great Britain for the period January 2020 to January 2022, for all residents aged 16+. A sharp rise is evident in the claimant count between March and April 2020, which will be down to the impact of Covid-19. This is down in part to more people claiming unemployment-related benefits and also because of changes made to the system by government which means more people are eligible to claim benefits. Further details on this are provided below.

12.3.15 ONS state that enhancements to Universal Credit as part of the UK Government's response to the coronavirus mean that an increasing number of people became eligible for unemployment-related benefit support despite still being in work. Consequently, changes in the claimant count will not be wholly because of changes in the number of people who are not in work. It is not possible to identify to what extent people who are employed or unemployed have affected the numbers.

12.3.16 In January 2020, the claimant count in Cherwell was 1.5% and by January 2022 it had risen to 2.6%, which represented an increase of 1,045 more people claiming benefits. The claimant count in Cherwell and is below the rates in the South East and Great Britain of 3.4% and 4.4% respectively.

12.3.17 Changes to the benefits system which came into force at the beginning of October 2021 may mean the claimant count starts to drop at a slightly faster rate, however it is still reasonable to assume that the legacy effects of the pandemic mean it will be higher than it was pre-March 2020.

Figure 12.5: Claimant Count, Jan 2020-Jan 2022



Source: ONS, Claimant Count

12.4 ASSESSMENT OF LIKELY SIGNIFICANT EFFECTS

Construction Phase

Employment Impact

12.4.1 For the Proposed Development, construction costs including utilities are estimated to be around £121million over an approximate 18-month build programme. The construction costs provided have been estimated using the BCIS Online tool¹⁰ and are exclusive of external works, contingencies, supporting infrastructure, fees, VAT, finance charges etc.

12.4.2 To estimate construction employment supported during the building phase, the total construction cost has been divided by the average turnover per construction

¹⁰ Accessed 19/04/2022.

employee in the South East of £192,358¹¹. Over the estimated 18-month build programme, 419 construction jobs could be supported on-site.

12.4.3 It is widely recognised that construction has knock-on effects for other sectors, which leads to increased demand for building materials and equipment at the construction phase, as well as furniture, carpets etc. following completion. This generates and sustains employment in other sectors. This is known as the 'multiplier effect' and analysis published by the Homes & Communities Agency (HCA – now Homes England) indicates that the employment multiplier for construction activities in the UK is 2.7 – i.e., for every construction job created, a further 1.7 jobs are supported in the wider economy. This suggests that as well as the 419 on-site jobs, development could support a further 713 additional jobs during the build phase.

12.4.4 In total, an estimated **1,132 temporary direct and indirect jobs** could be supported per annum during the 18-month build phase.

Contribution to Economic Output

12.4.5 Another way of looking at the economic impact of the construction phase is to calculate the contribution a development makes to wealth creation, as measured by the increase in the value of goods and services generated within an area. This can be done by looking at the increase in gross value added (GVA), a common proxy for economic output. Using ONS data, it is possible to calculate GVA per employee by sector at a regional level. Applying these estimates to the employment estimates outlined above, the construction of the Proposed Development could generate around **£126.2million** of GVA over the 18-month build timeframe, creating a positive effect within Cherwell District

Significance of the Construction Phase Effects

12.4.6 The significance of construction phase effects is assessed as follows:

- The sensitivity of the receptor (employment in construction and other sectors of the economy) is assessed as being **medium**, in line with the criteria set out in Table 12.1. Construction employment represents around 5.2% of total employment in Cherwell and while the construction jobs created during the build period are unlikely to add any significant pressure to the labour supply, the 419 on-site jobs will still be created within a relatively short timeframe.
- The magnitude of the impact is assessed as **medium**, in line with the criteria in Table 12.2. The 1,132 jobs per annum supported by the construction phase (both direct and indirect) represent a substantial number of new employment opportunities for local residents, albeit for a temporary period of time.
- The significance of the temporary effect is therefore considered to be moderate beneficial, which is significant in EIA terms.

¹¹ Calculated using data for the South East's construction sector from the 2021 edition of Business Population Estimates produced by the Office for National Statistics.

Operational Phase

Employment Impact

12.4.7 Job numbers are presented in two ways:

- **Gross permanent jobs:** Total employment accommodated on-site.
- **Net additional jobs:** The number of jobs which the scheme can be expected to support in Cherwell, over and above what would have happened anyway. This calculation makes allowance for leakage, deadweight, displacement and multiplier factors taken from the Homes & Communities Agency (HCA – now Homes England) 2014 Additionality Guide (see Figure 12.6 for explanations of these terms). For leakage, the assumption has been informed by analysis of the 2011 Census data on the origin and destination of commuters.

Figure 12.6: Additionality Factors

- **Leakage** is defined as, 'the proportion of outputs that benefit those outside the programme/project area or group'. Leakage is assumed to be 40%.
- **Deadweight** is the term used to identify the output that would have occurred without the project. Deadweight is assumed to be zero – i.e. without the proposed scheme, no other jobs will be created.
- **Displacement** is defined as 'the proportion of project outputs/outcomes accounted for by reduced outputs/outcomes elsewhere in the target area'. Displacement for the new employment is assumed to be low at 25%.
- **Economic multipliers** are defined as 'further economic activity (jobs, expenditure or income) associated with additional local income and local supplier purchases'. For warehousing and manufacturing floorspace, a multiplier of 1.29 has been used. This is consistent with the HCA guidance.

Source: Homes & Communities Agency (now Homes England), 2014. Additionality Guide, Fourth Edition.

12.4.8 The proposed scheme will create permanent employment opportunities once it is built, many of which are likely to prove attractive to residents of Cherwell. To quantify jobs, an assumption has been made in terms of the density of employment that would normally be expected for the proposed floorspace type, which is B8 warehousing. This information has been sourced from the Employment Densities Guide (3rd Edition, November 2015), prepared for the Homes and Communities Agency (HCA) by Bilfinger GVA. Using this guidance, a density of one job per 77 sq. m. net internal area (GEA) has been applied to the floorspace. Jobs are calculated using GEA, which is generally around 5% higher than GIA.

12.4.9 Once fully developed and occupied, it is estimated that the Proposed Development will support **1,914 gross full-time equivalent (FTE) jobs on-site.**

12.4.10 Once allowance is made for the deadweight, leakage, displacement and multiplier effects outlined in Figure 12.6, it is estimated that the scheme will support **1,112 net additional FTE jobs in the Cherwell economy**. Table 12.7 shows the impact of each additionality factor on job numbers.

Table 12.7: Impact of Additionality Factors on Jobs¹²

Additionality Factor	Total Jobs
Gross permanent direct jobs created	1,914
<i>Estimated leakage</i>	765
<i>Estimated job displacement</i>	287
Net jobs before multipliers	862
<i>Multiplier impacts</i>	250
Total net FTEs in Cherwell	1,112

Contribution to Economic Output

12.4.11 The contribution of the site to economic output has been calculated by taking the job creation associated with the scheme and multiplying this by an estimate of average levels of GVA per employee for the regional economy for the relevant employment sector, which in this case in transport and storage.

12.4.12 It is estimated that once operational and fully occupied, the additional GVA supported by the Proposed Development is estimated to be around **£69.9million per annum**, allowing for multiplier effects¹³. Over a longer period of ten years, the GVA generated by the Proposed Development could be in the region of **£602million** (present value¹⁴).

Business Rates

12.4.13 Business rates are an important economic contributor to an area. Based on information sourced from the Valuation Office Agency (VOA), high level calculations indicate that the business rates generated by the scheme could be in the region of **£3.5million per annum**.

Wages Impact

12.4.14 Data from the Annual Survey of Hours and Earnings, published by ONS, show that in 2021, the gross median annual salary for full-time workers in the South East¹⁵ in transport and storage jobs (used as a proxy for logistics) was £33,285. This was above the gross median annual salary for all sectors in the South East of £32,810.

12.4.15 Multiplying the relevant figures by the gross FTE jobs by the transport and storage wage outlined above, it is estimated that once the Proposed Development is fully operational and occupied, total wages paid to staff on-site are estimated to be around **£63.7million per annum**. It is not unreasonable to assume that a good proportion of these wages will be spent in Cherwell.

¹² Figures may not sum due to rounding.

¹³ For the GVA estimate, the same multipliers used are the same as the job multipliers (taken from the HCA 2014 Additionality Guide).

¹⁴ Where future benefits are calculated over a 10-year timeframe, they have been discounted to produce a present value. This is the discounted value of a stream of either future costs or benefits. A standard discount rate is used to convert all costs and benefits to present values. Using the Treasury's Green Book, the recommended discount rate is 3.5%.

¹⁵ Median annual salary for the South East has been used as the majority of the site falls within the South East region.

Significance of the Operational Phase Effects

12.4.16 The significance of the operational phase effects has been assessed as follows:

- The sensitivity of the receptor (labour market of Cherwell) is assessed as being **high**, in line with the criteria set out in Table 12.1. More than 1,100 net additional permanent jobs could be supported by the scheme, representing new employment opportunities for local residents to access.
- The magnitude of the impact is assessed as **high**, in line with the criteria in Table 12.2. The number of on-site jobs created in the operational phase (1,914) would represent an increase of 2.2% on current employment levels in Cherwell and unlike with the construction phase jobs, the employment supported by the operational phase will be permanent and long-term. There is also the £69.9million per annum of economic output, £3.5million in potential business rates revenue and in excess of £63million in annual wages to on-site employees to be considered. The magnitude is therefore considered to be high, in contrast to low for the construction phase.
- The significance of the operational effect is therefore considered to be **major beneficial**, which is significant in EIA terms.

12.5 MITIGATION AND ENHANCEMENT

Mitigation by Design

12.5.1 Due to the beneficial impacts identified in this assessment, no specific mitigation measures have been identified. The specific operational requirements of the Proposed Development have been carefully considered to ensure the proposed design provides the best and most efficient layout required, resulting in the socio-economic benefits that have been identified.

Additional Mitigation

12.5.2 Due to the beneficial impacts identified in this assessment, no specific additional mitigation measures have been identified.

Enhancements

12.5.3 All socio-economic effects of the Proposed Development are expected to be positive and, as such, there is no requirement for any enhancements.

12.6 CUMULATIVE AND IN-COMBINATION EFFECTS

12.6.1 One site has been considered in the assessment of cumulative effects:

- **Land adjacent to M40 Junction 11, Banbury (21/02467/F)**: this proposal is for a mixed-use development including a 240-bed hotel, 4 storey office building, roadside services, coffee shop drive-through and petrol filling station with ancillary retail store.

12.6.2 A review of the planning application on Cherwell District Council's website for the above scheme indicates that no socio-economic benefits have been calculated for the proposals. It is therefore not possible to calculate the construction phase impacts of the scheme. However, based on a review of the Planning Statement, it is possible to

calculate on-site job estimates for the employment associated with the 56,000 sq. ft. (5,200 sq. m.) of office floorspace and 240-bed hotel.

12.6.3 Using the Employment Densities Guide (3rd Edition, November 2015), an employment density of 1 job per 12 sq. m. net internal area has been applied to the office floorspace (NIA of 4,680 sq. m., which assumes that the 5,200 sq. m. above represents gross internal area, and that NIA is around 10% lower than GIA). For the hotel, it is assumed that 1 job is supported per 3 beds, again based on the Employment Densities Guide. Taking these assumptions into account, on-site full-time equivalent jobs could total 470.

Significance of the Cumulative Operational Phase Effects

12.6.4 The significance of the cumulative operational phase effects (for the Proposed Development and cumulative scheme) has been assessed as follows:

- The sensitivity of the receptor (labour market of Cherwell) is assessed as being **high**, in line with the criteria set out in Table 12.1. Around 2,500 gross on-site jobs could be created representing new employment opportunities for local residents to access.
- The magnitude of the impact is assessed as **high**, in line with the criteria in Table 12.2, in particular taking into account the level of job creation.
- The significance of the cumulative operational effect is therefore considered to be **major beneficial**, which is significant in EIA terms.

12.7 SUMMARY

Introduction

12.7.1 This chapter has analysed the baseline socio-economic conditions and then gone on to assess the likely socio-economic effects of the Proposed Development.

Baseline Conditions

12.7.2 Cherwell experienced population growth of 6.7% between 2011 and 2020, presenting 9,500 additional people. Relative to the benchmark areas of Oxfordshire LEP, the South East and Great Britain, Cherwell's population grew at a faster rate over this timeframe. Employment growth in the District over the last five years has been strong, especially when compared to the picture at a LEP, regional and national level. Transport & storage, the sector most likely to see job creation from the Proposed Development, experience strong growth between 2015 and 2020. Cherwell has a net outflow of commuters, while the number of people claiming benefits has started to come down since Covid-19 lockdown restrictions were eased.

Likely Significant Effects

12.7.3 The temporary effect associated with the construction phase (in terms of job creation and contribution to economic output) is considered to be significantly beneficial in EIA terms.

12.7.4 The operational effect (permanent jobs, contribution to economic output, business rates revenue and wages of on-site employees) is considered to be significantly beneficial in EIA terms.

Mitigation and Enhancement

12.7.5 Due to the beneficial impacts identified in the assessment, no specific additional mitigation measures or enhancements have been identified.

Cumulative and In-Combination Effects

12.7.6 The cumulative operational effect is considered to be significant in EIA terms.

Conclusion

12.7.7 The Proposed Development would lead to no adverse significance effects from a socio-economic perspective. The Proposed Development will result in a moderate to major beneficial effect within the construction and operation period to job creation, gross value added, business rates and wages of receptors and the receiving environment.

12.7.8 **Table 12.8** provides a summary of effects, mitigation and residual effects.

Table 12.8: Summary of Effects, Mitigation and Residual Effects

Receptor/ Receiving Environment	Description of Effect	Nature of Effect	Sensitivity Value	Magnitude of Effect	Geographical Importance	Significance of Effects	Mitigation/ Enhancement Measures	Residual Effects
Construction								
Job creation	Increase in employment in the construction sector	Temporary	Medium	Medium	District	Moderate beneficial	N/A	Moderate beneficial
Gross value added	Increased contribution to economic output	Temporary	Medium	Medium	District	Moderate beneficial	N/A	Moderate beneficial
Operation								
Job creation	Increase in employment once operational	Permanent	High	High	District	Major beneficial	N/A	Major beneficial
Gross value added	Increased contribution to economic output	Permanent	High	High	District	Major beneficial	N/A	Major beneficial
Business rates	Increase in business rates revenue	Permanent	High	High	District	Major beneficial	N/A	Major beneficial
Wages	Salaries of on-site employees	Permanent	High	High	District	Major beneficial	N/A	Major beneficial

Cumulative and In-combination								
Economy	Increase in local employment, contribution to economic output, business rates revenue and wages for on-site employees	Permanent	High	High	District	Major beneficial	N/A	Major beneficial