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# Land Requirement, Labour Supply and Economic Benefits Report

## LAND SOUTH OF DEARNE VALLEY PARKWAY

Prepared on behalf of EQUITES NEWLANDS (GOLDTHORPE) LTD.

November 2023

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<b>Authorised by:</b>	JD

Stantec  
7 Soho Square  
London W1D 3QB

Tel: +44 2074 466833  
Mob: +44 7789 092543  
Email: james.donagh@stantec.com

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## **EXECUTIVE SUMMARY**

- i. This report establishes the socio-economic case for employment led development on land at South of Dearne Park Valley Parkway for up to 204,000 sqm of industrial and logistics floorspace, responding to a strategic employment need in the South Yorkshire Property Market Area, of which Barnsley is a part.
- ii. In making the case for development, due consideration has been given to:
  - Industrial market signals and demand across the Property Market Area.
  - Current and projected labour supply.
  - Economic benefits and the local economic value.
- iii. South Yorkshire's industrial inventory increased by 17% over the last ten years, during which time net 181 buildings have been delivered adding 1.4m sqm to the stock of industrial floorspace.
- iv. Availability has remained significantly below 8.0% for the last eight years, signalling undersupply and suppressed demand. Over the same period, vacancy has remained below 5%, corroborating the conclusion that demand is being suppressed: creating a constraint on economic growth.
- v. We find that over a ten-year period (Q2 2014 to Q1 2023 inclusive) that actual demand for industrial floorspace amounted to 261,620 sqm per annum (262,000 sqm rounded). Examined in isolation, actual demand for floorspace in large industrial and logistics units amounts to 218,402 sqm per annum (218,000 sqm rounded).
- vi. Demand observed over the last 10 years is typically a reasonable and balanced basis for forecasting future floorspace demand. A trend rate of demand for 262,000 sqm of industrial floorspace per annum, projected over the next 15 years, results in a need for 3.4m sqm in total and a requirement for 981 ha of industrial land (assuming a 40% plot ratio).
- vii. The foregoing analysis and key findings bring into sharp focus the need to ensure a sufficient supply of strategically located sites of sufficient size to accommodate industrial and logistics demand.
- viii. Land South of Dearne Valley is well-placed to respond to this demand. Furthermore, the local area (Dearne Towns) includes a significant number (1,000) of unemployed residents who are immediately available *and* a significant number (2,600) of economically inactive residents who want to work, for whom the logistics jobs created could deliver real social value.
- ix. Planned housing growth across South Yorkshire will enable continued population and labour supply growth, where labour market characteristics are suited to a proposed development that will deliver good quality employment opportunities and can be expected to realise the economic benefits summarised below.

**Table 1: Summary of Economic Benefits**

INDICATOR	ECONOMIC BENEFIT					
TOTAL CONSTRUCTION JOBS	2,933 (1,349 direct and 1,585 indirect)					
TOTAL CONSTRUCTION PHASE GVA	£243m (£100m direct and £143m indirect)					
OPERATIONAL PHASE	CLASS B8 SCENARIO (1)			CLASS B8 & B2 SCENARIO (2)		
	Dearne Towns	Barnsley	South Yorkshire	Dearne Towns	Barnsley	South Yorkshire
GROSS JOBS ON SITE	2,260			3,282		
BUSINESS RATES PER ANNUM	Approximately £3.7m - £4.0m					
DIRECT EMPLOYMENT	814	1,198	1,545	1,182	1,740	2,243
INDIRECT EMPLOYMENT	1,058	1,557	2,008	1,537	2,261	2,916
TOTAL NET EMPLOYMENT EFFECT	1,872	2,755	3,553	2,718	4,001	5,160
GVA PER ANNUM (NET EFFECT)	£87m	£129m	£166m	£143m	£210m	£271m

## 1.0 INTRODUCTION

1.1 This report has been prepared by Stantec Development Economics on behalf of Equites Newlands (Goldthorpe) Ltd to support proposed development at Land South of Dearne Valley Parkway for up to 204,000 sqm industrial and logistics floorspace responding to a strategic employment need in the South Yorkshire Property Market Area, of which Barnsley is a part.

1.2 The purpose of this report is to establish the socio-economic case for development, having regard to the following:

- Industrial property market signals and floorspace demand.
- Current and projected labour supply.
- Economic benefits and the local economic value.

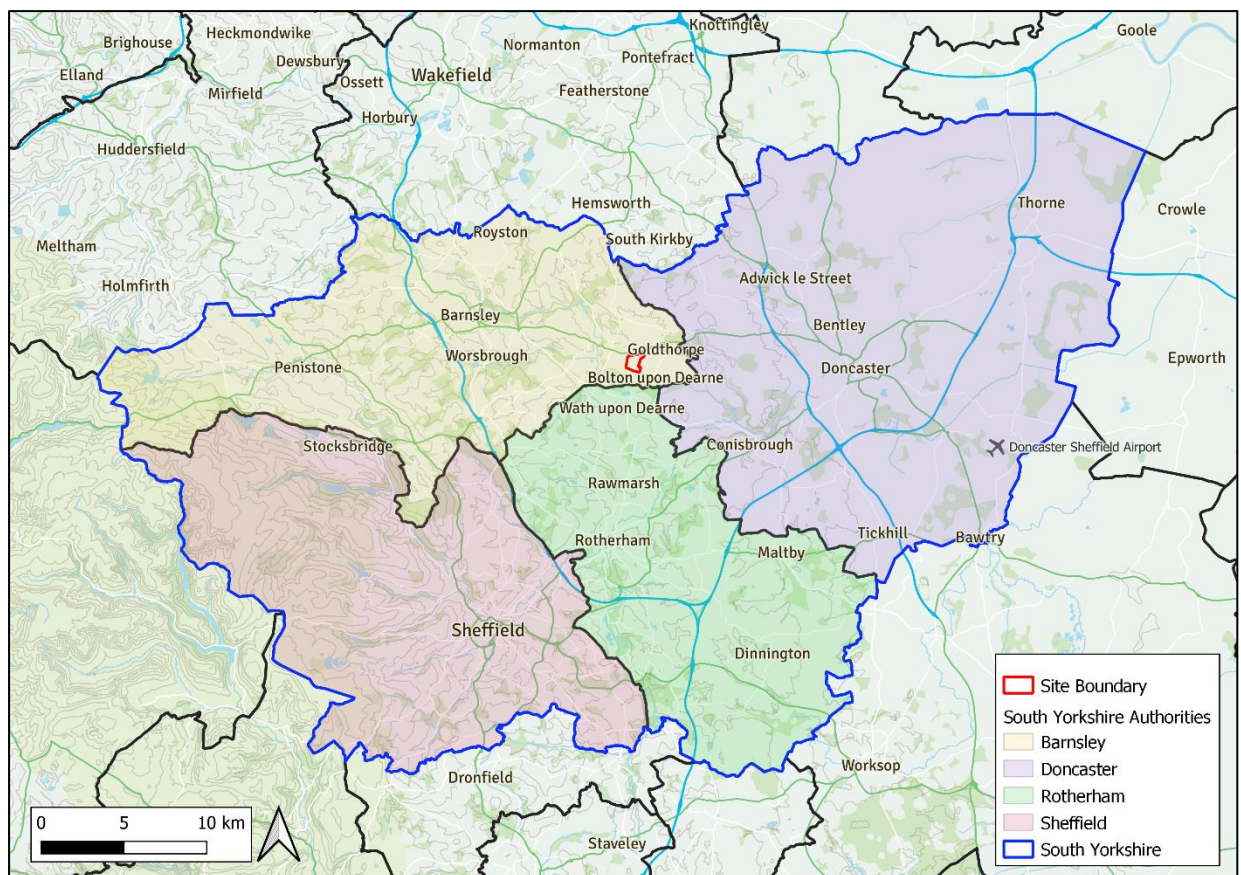
1.3 The Report is structured as follows:

- Section 2: **The Market for Industrial Floorspace**, assesses the market for industrial and logistics floorspace across South Yorkshire, through examination of a range of market indicators, culminating in an assessment of actual demand (observed net take-up plus suppressed demand) to date.
- Section 3: **Labour Supply**, identifies the extent of the site's labour market and estimates the supply of labour available to the site. In addition, this section sets out the socio-economic characteristics of the labour market, reporting on the population, economic activity, employment, skills, wage, and occupational profile.
- Section 4: **Economic Benefits**, sets out the gross and net economic benefits of the proposed development in respect of employment generation and economic output (GVA) over both the construction and operational phases of development; and
- Section 5: **Key Findings and Conclusions**, provides a concise summary of the key findings of the report.

## 2.0 THE MARKET FOR INDUSTRIAL AND LOGISTICS FLOORSPACE

- 2.1 The market for industrial and logistics floorspace at Land South of Dearne Valley Parkway is examined here in its South Yorkshire industrial property market context and more locally, the coterminous submarket area and local planning authority of Barnsley.
- 2.2 South Yorkshire comprises the local authorities of Barnsley, Doncaster, Rotherham and Sheffield. Each area is depicted in Figure 2.1. The Land West of Goldthorpe site boundary (approximate) is outlined in red near the centre of the map, in the east of Barnsley, on the A635 between the M1 (c20 minutes' drive time) and the A1M (c10 minutes).

**Figure 2.1: South Yorkshire Market Context**



Source: Stantec

- 2.3 This section examines a range of industrial property market indicators and provides insight into the extent to which the demand for floorspace is being satisfied across South Yorkshire. The analysis provides the basis for a market signals-based assessment of industrial and logistics floorspace demand across South Yorkshire: complementing Barnsley’s development plan evidence base and providing further quantitative context for development at Land West of Goldthorpe under Local Plan Policy ES10 and the Goldthorpe Masterplan Framework (September 2021).

- 2.4 The data we have used is derived from a single source: CoStar's Commercial Real Estate Market Analytics (CoStar Analytics). This provides access to an extensive and comprehensive database of verified property-level data, including type, status, floorspace, use and year built or renovated.
- 2.5 CoStar Analytics collates, categorises and aggregates the property data, updates it on a quarterly basis, and provides a platform for bespoke area analysis, by property type and size, of relevant metrics, such as floorspace inventory, deliveries, leasing activity and vacancy rates.
- 2.6 For this review we have analysed CoStar Analytics data tagged as relating to the Industrial and Light Industrial property type, referred to as Industrial property / floorspace hereafter. In addition, the review has considered a size band approach to understand the characteristics of each size band. A breakdown of the size bands is shown below in Table 2.1.

**Table 2.1: Size band breakdown**

Size Band	Floorspace (sqm)
Micro	Up to 186
Small	186-464
Medium	464-2,322
Mid	2,322-4,645
Mid/Large	4,645-9,300
Large	9,300 plus

- 2.7 The characteristics we have examined are:
- a. Change in floorspace inventory and characteristics of the existing stock,
  - b. Vacancy rates (across the inventory) and availability (of floorspace to potential occupiers, whether presently vacant or not),
  - c. Floorspace delivery (of new buildings or additional space), gross absorption (move-ins) also known as take-up and net absorption (move-ins less move-outs), also known as net take-up.
- 2.8 Considering the characteristics (size and strategic location) of the site, we also provide a detailed review of buildings offering in excess 9,300 sqm (100,000 sqft) contiguous floorspace that is either available to lease now, under construction or in the pipeline.
- 2.9 We address each of the above points in turn below.

### i. Industrial floorspace inventory

2.10 Across South Yorkshire, the inventory of industrial floorspace sums to 9.4m sqm as at 2023 Q2 QTD. Of this total, 1.5m sqm is located within Barnsley. Table 2.2 segregates the current inventory (as at 2023 Q2 to date) by the size bands discussed above. Across the industrial inventory in Barnsley, 'Large' (9,300+ sqm) sized properties account for more than half (58%) of all floorspace, consistent with the position across South Yorkshire (57%), and greater than the level (43%) observed across the UK.

**Table 2.2: Inventory, 2023 Q2 QTD (figures in sqm)**

	<b>Barnsley</b>	<b>South Yorkshire</b>	<b>UK</b>
<b>All industrial floorspace (buildings)</b>	<b>1.5m sqm (408)</b>	<b>9.4m sqm (2,715)</b>	<b>317.7m sqm (127,657)</b>
Micro (no. buildings and as % of all floorspace)	2.4k sqm (18, <1%)	20.1k sqm (165, <1%)	1.5m sqm (12,966, <1%)
Small	19.1k sqm (60, 1%)	142.8k sqm (434, 2%)	7.6m sqm (23,916, 2%)
Medium	230.3k sqm (212, 15%)	1.6m sqm (1,375, 16%)	67.6m sqm (60,480, 21%)
Mid	121.6k sqm (41, 8%)	1.1m sqm (342, 11%)	50.7m sqm (15,696, 16%)
Mid/Large	272.9k sqm (40, 18%)	1.2m sqm (185, 13%)	52.7m sqm (8,187, 17%)
Large	893.9k sqm (37, 58%)	5.4m sqm (214, 57%)	134.5m sqm (6,290, 43%)

Source: CoStar Analytics, May 2023

2.11 The relatively large size of industrial stock is confirmed by the fact that three quarters of Barnsley's and 70% of South Yorkshire's floorspace is within buildings of 4,645 sqm (50,000 sq ft) or more, compared to 60% across the UK, albeit, in common with the UK, the largest number of buildings fall within the medium sized category.

2.12 Table 2.3 shows change in inventory over the ten-year period, year ending 2013 Q2 to 2023 Q2 quarter to date. Overall, across the total industrial floorspace the total inventory has increased significantly in sqm and in the number of buildings. Across Barnsley, the 'Mid/Large' size band has experienced the greatest growth by floorspace. Across South Yorkshire and the UK, the 'Large' size band stands out as the fastest growing by floorspace.

**Table 2.3 Change in Inventory, 2013 Q2 to 2023 Q2 QTD (figures in sqm)**

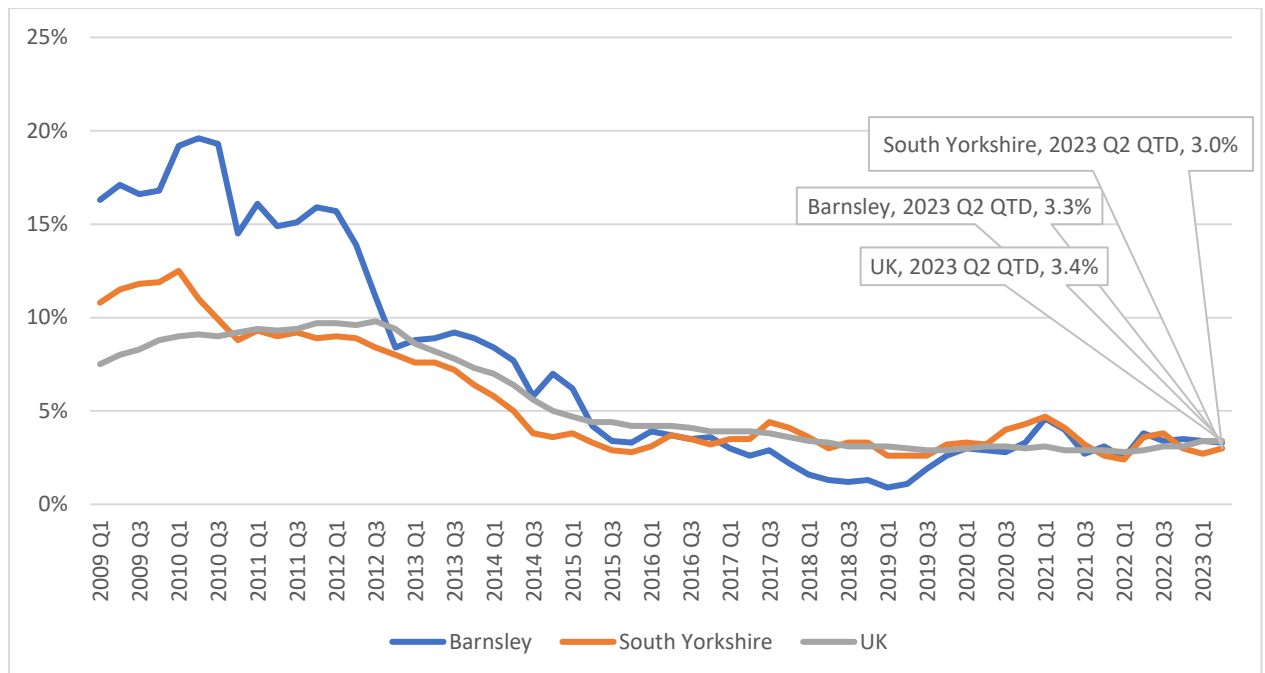
	<b>Barnsley</b>	<b>South Yorkshire</b>	<b>UK</b>
<b>All industrial floorspace (buildings and % floorspace change)</b>	<b>+243k sqm (+43, +19%)</b>	<b>+1.4m sqm (+181, +17%)</b>	<b>+27.9m sqm (+5,104, +10%)</b>
Micro	0 sqm (0, 0%)	+277 sqm (+3, +1%)	+25.7k sqm (+179, +2%)
Small	+0.8k sqm (+2, +4%)	+1.9k sqm (+5, +1%)	+169.3k sqm (+522, +2%)
Medium	+22.6k sqm (+20, +11%)	+96.1k sqm (+69, +7%)	+2.7m sqm (+2,295, +4%)
Mid	+15.8k sqm (+7, +15%)	+143.7k sqm (+46, +15%)	+3.0m sqm (+916, +6%)
Mid/Large	+55.5k sqm (+8, +26%)	+127.1k sqm (+18, +12%)	+4.1m sqm (+658, +8%)
Large	+148.2k sqm (+5, +20%)	+1.0m sqm (+40, +23%)	+17.9m sqm (+658, +15%)

Source: CoStar Analytics, May 2023

**ii. Vacancy rates and availability**

- 2.13 Across South Yorkshire, vacancy (a measure of floorspace utilisation) has remained exceptionally low (less than 5%) and steady over the past eight years compared to the higher vacancy rates experienced pre-2014, following a trajectory common to that of the UK and implying effectively full occupation. This also holds true at the Barnsley level, notwithstanding the higher vacancy rates observed prior to 2014.
- 2.14 Despite the economic disruption caused by the coronavirus pandemic, the UK's departure from the European Union and the more recent geopolitical impact of conflict in Ukraine, at the present time, vacancy rates remain low standing at less than 3.5% of all industrial floorspace across South Yorkshire, Barnsley and the UK as at 2023, Q2 quarter to date (see Figure 2.2).
- 2.15 The current vacancy rates discussed above translate into c. 287,500 sqm of vacant floorspace in South Yorkshire, of which c. 51,000 sqm is in Barnsley: one third of which is the recently completed Arrow 186, Junction 36 of the M1.

**Figure 2.2: Vacancy Rates, Industrial 2009 Q1 to 2023 Q2 QTD**



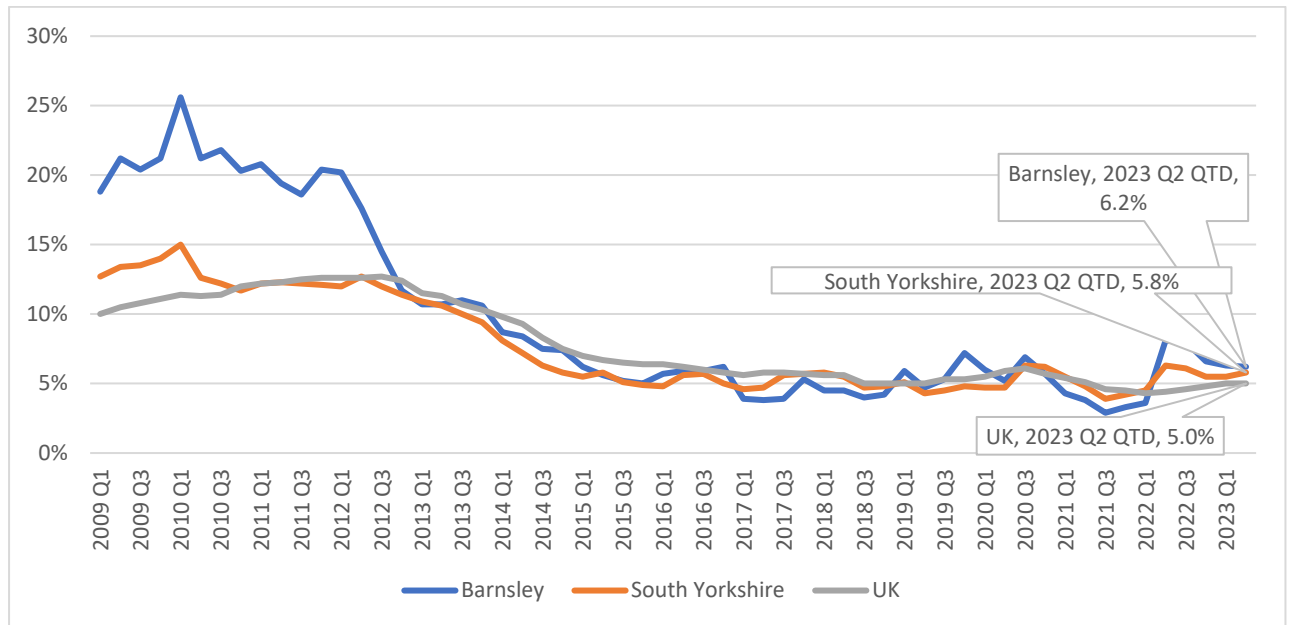
Source: Costar Analytics, May 2023 and Stantec

- 2.16 A healthy market is generally considered to be one that carries a vacancy rate of about 7.5%, with some commentators preferring to quote the range 5% to 10%. Whichever benchmark is preferred, the vacancy rate across South Yorkshire and within Barnsley signals undersupply.
- 2.17 Whereas vacancy is a measure of the utilisation of existing floorspace, availability relates to floorspace that is available to the market now or in the near term, whether it is currently occupied or not.
- 2.18 Change in the availability of floorspace, quarter by quarter, over the last ten years is in the context of a growing inventory. We can see from Table 2.3 that South Yorkshire’s inventory increased by almost 17% through the net addition of 1.4m sqm floorspace (+243k sqm in Barnsley) across 181 buildings (43 in Barnsley). In the last 12 months, net 220,000 sqm floorspace has been delivered, and 380,000 sqm is currently under construction (a peak quarter): circumstances that suggest the growth in inventory is set to continue.
- 2.19 Despite the growth in inventory, the availability rate has followed a similar trajectory to that of vacancy (see Figure 2.3). Availability has tightened over time. During 2014, in common with the UK, South Yorkshire’s availability rate fell below 8%: a benchmark for market equilibrium signalling that supply and demand are broadly in balance, used in several prominent publications<sup>1</sup>.

<sup>1</sup> See Levelling Up, the Logic of Logistics, BPF / Savills, 2021. Page 20

2.20 After 2014, in the context of floorspace inventory growth, availability across South Yorkshire continued to decline, tracing a similar trajectory to that of the UK, that is, falling to 6% in 2016 and remaining at or below that level ever since. We interpret this as signalling persistent undersupply and conclude that the trend rate of development activity is insufficient to satisfy occupier demand.

**Figure 2.3: Availability Rates, Industrial, 2009 Q1 to 2023 Q2 QTD**



Source: Costar Analytics, May 2023 and Stantec

2.21 Within Barnsley itself, typical of submarket analysis, the availability rate is more volatile and has oscillated between 3% and 8% over the past three years. The current rate of 6.2% is in the context of about 25,000 sqm deliveries during Q1 2023 and about 45,000 sqm under construction.

### iii. Vacancy and availability snapshot by size band

2.22 Across South Yorkshire, in line with the UK, there is currently very low vacancy in all size bands. Availability is similarly low, albeit the South Yorkshire large unit (9,300 sqm and above) availability rate of 6.3% is greater (but still below 8%) than the UK rate of 5.1%. We examine South Yorkshire's supply of large units in more detail below.

2.23 Within Barnsley, a mid-sized unit (2,322 to 4,645 sqm) availability rate of 9.5% stands out. This is explained by development coming forward at Dearne Valley Parkway.

**Table 2.4: Summary of Vacancy and Availability Rates by Size Band, 2023 Q2 QTD**

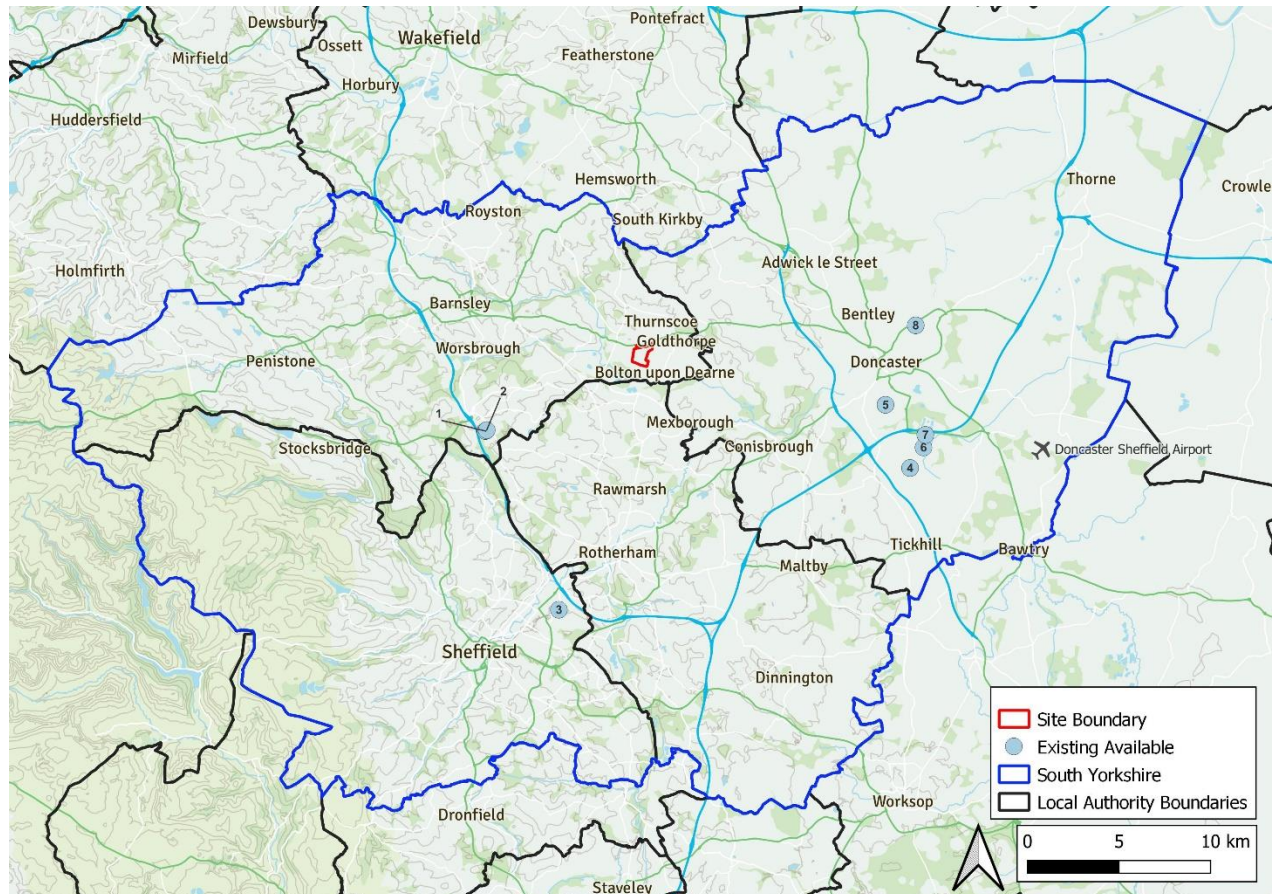
Size Band	Vacant (sqm)	Vacancy (%)	Available (sqm)	Availability (%)
<b>All</b> Barnsley	50,836 sqm	3.3%	98,431 sqm	6.2%
<b>All</b> South Yorkshire	287,418 sqm	3.0%	567,940 sqm	5.8%
<b>All</b> UK	10,786,241 sqm	3.4%	16,314,404 sqm	5.0%
Micro Barnsley	-	-	-	-
<b>Micro</b> South Yorkshire	200 sqm	1.0%	354 sqm	1.7%
<b>Micro</b> UK	34,431 sqm	2.3%	43,610 sqm	2.9%
<b>Small</b> Barnsley	389 sqm	2.0%	389 sqm	2.0%
<b>Small</b> South Yorkshire	3,178 sqm	2.2%	4,050 sqm	2.8%
<b>Small</b> UK	172,844 sqm	2.3%	224,052 sqm	3.0%
<b>Medium</b> Barnsley	5,500 sqm	2.4%	6,889 sqm	3.0%
<b>Medium</b> South Yorkshire	35,775 sqm	2.3%	64,423 sqm	4.2%
<b>Medium</b> UK	2,231,617 sqm	3.3%	2,787,651 sqm	4.4%
<b>Mid</b> Barnsley	5,883 sqm	4.6%	12,707 sqm	9.5%
<b>Mid</b> South Yorkshire	40,349 sqm	3.7%	59,763 sqm	5.4%
<b>Mid</b> UK	1,908,515 sqm	3.8%	2,835,884 sqm	5.4%
<b>Mid/Large</b> Barnsley	21,436 sqm	7.9%	12,626 sqm	4.6%
<b>Mid/Large</b> South Yorkshire	63,990 sqm	5.2%	79,078 sqm	6.2%
<b>Mid/Large</b> UK	2,036,693 sqm	3.7%	3,051,644 sqm	5.7%
<b>Large</b> Barnsley	17,878 sqm	2.0%	65,820 sqm	7.1%
<b>Large</b> South Yorkshire	153,836 sqm	2.7%	358,779 sqm	6.3%
<b>Large</b> UK	4,379,864 sqm	3.2%	7,216,132 sqm	5.1%

Source: CoStar Analytics, May 2023, and Stantec

**iv. South Yorkshire Large Unit (9,300 sqm+) Availability**

2.24 Here we present a detailed review of industrial and logistics buildings and floorspace that are either available now or expected to be available in the future, starting with available existing stock. Our focus is on the South Yorkshire industrial market, and, given the scale and location of the site, large units that currently offer 9,300sqm or more contiguous floorspace (see figure 2.4).

**Figure 2.4: Available Logistic Buildings, 9,300 sq. m plus, South Yorkshire**



Source: CoStar Analytics, April 2023, Stantec

2.25 Across South Yorkshire, there were eight existing units with 9,300 sqm floorspace or more available to the market at the time of writing; offering a combined total of about 180,000 sqm.

2.26 The 8 units mapped on Figure 2.4 are tabulated at Table 2.5, alongside the following property characteristics; use as listed, total floorspace, whether under offer, building height (to eaves) and year built. Units that have recently been delivered feature prominently on the list. One of the buildings is currently under offer.

**Table 2.5: Available Industrial Floorspace, 9,300 sq. m plus, South Yorkshire**

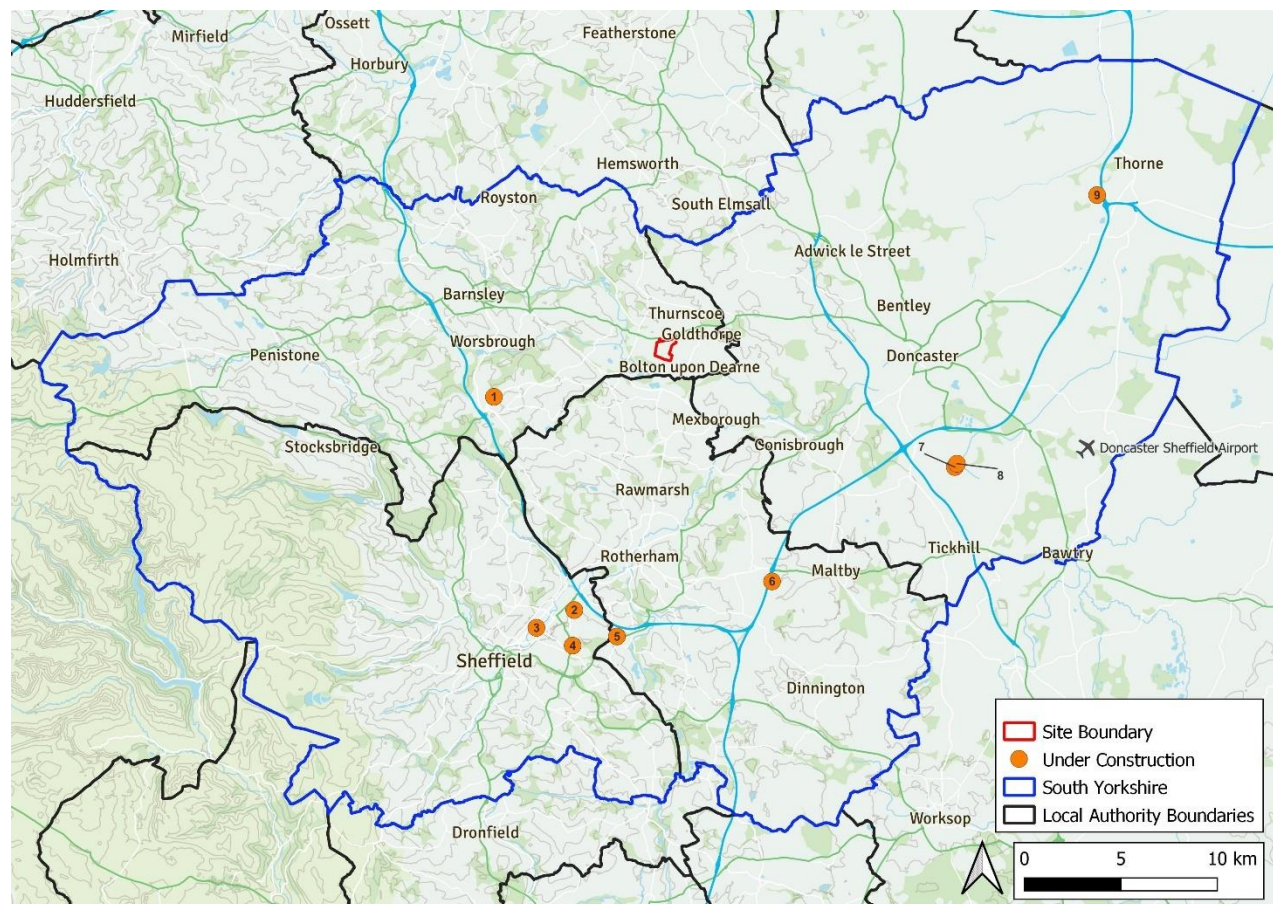
Map Ref	Location	Use Class (as listed)	Floorspace (sqm)	Under Offer	Building Height (eaves)	Year Built
1	Arrow 265, Arrow Point	Distribution	24,619	N	15M	2023
2	Arrow 186, Arrow Point	Distribution	17,280	N	12.5M	2022
3	Great Bear Distribution, Shepcote Ln	Distribution	38,324	N	9.8m	2014
4	iP10, iPort	Warehouse	24,026	N	15m	2022
5	Doncaster 246	Distribution	22,917	N	14m	2007 (renov 2021)
6	iP2F, iPort	Warehouse	16,583	N	15m	2022
7	iP21B, iPort	Warehouse	12,120	N	12.5m	2022
8	Eaton Park	Warehouse	23,947	Y	-	2022 (renov)

Source: CoStar Analytics, May 2023

- 2.27 A notable feature of the available existing large-scale buildings is the two most recently developed buildings are significantly higher than the oldest two available units. At iPort, buildings of up to 30m are permitted, meaning that it is capable of responding to demand for build to suit high-bay warehousing.
- 2.28 High bay warehouses, with an internal height of 25 to 30m, accommodate fully or partially automated high racks with high storage capacity. They are high investment developments, accommodate relatively high value operations, support a range of skilled occupations and retain occupiers for longer periods that is typical of strategic warehousing.
- 2.29 An existing example of high bay warehousing in South Yorkshire is Next D2 at GPark, with a clear height of 22.9m and a floor area of 65,264 sqm, leased to Next until 2039.

#### v. Under Construction

- 2.30 Across South Yorkshire c272,000 sqm of industrial floorspace is currently under construction across 9 buildings that when completed will offer 9,300 sqm floorspace or more. These developments are mapped at Figure 2.5 and listed in Table 2.6.
- 2.31 Two of the 9 buildings are pre let, namely, c58,475 sqm to Alliance Automotive Group at Panattoni Park, Rotherham (6. On the map) and c.77,110 sqm to Home Bargains (9. on Figure 2.5).
- 2.32 The remaining c137,000 sqm (7 buildings) under construction is either available to the market now or expected to be available in the near future.

**Figure 3.5: Under Construction, South Yorkshire**

Source: Costar Analytics, April 2023 and Stantec

**Table 2.6: Floorspace (9,300 sqm+) Under Construction, South Yorkshire**

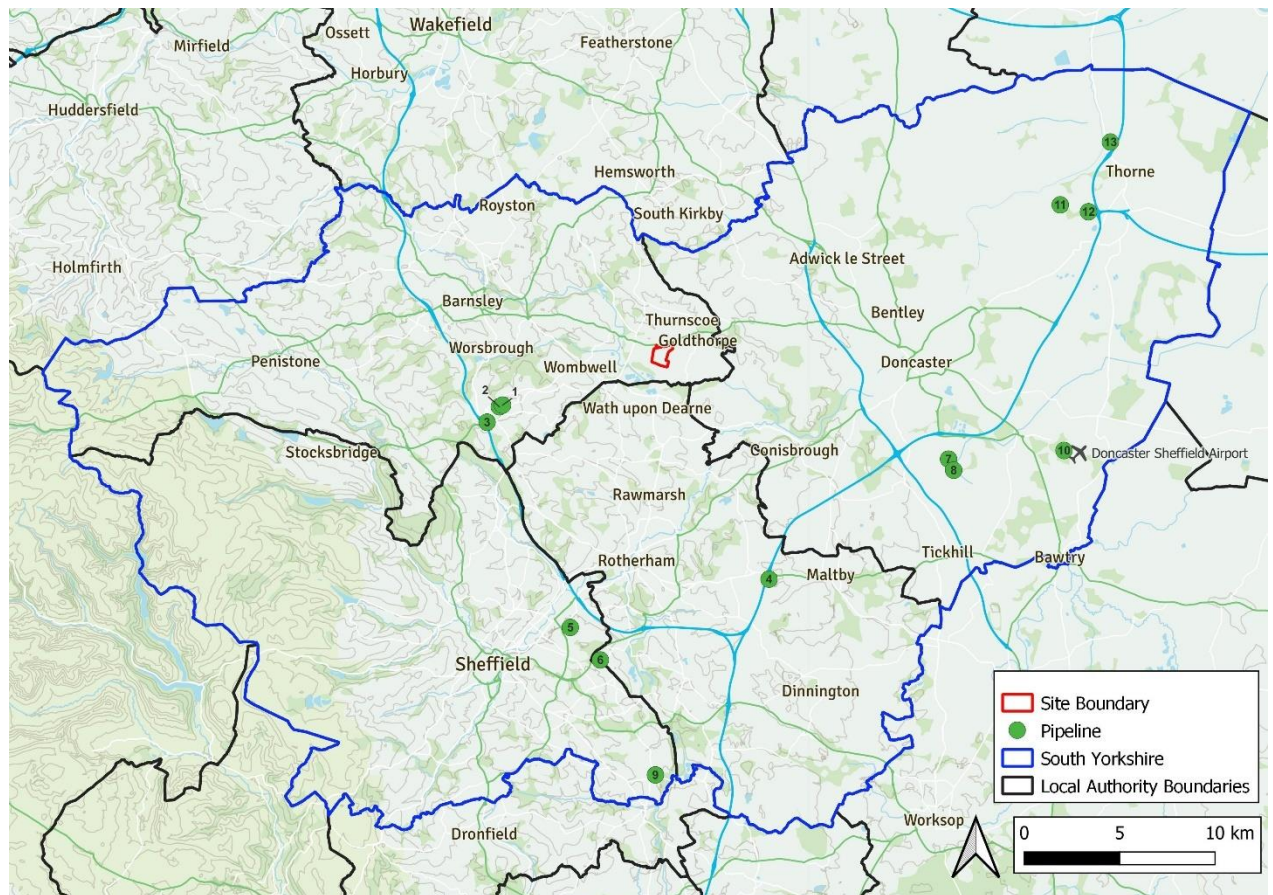
Map Ref	Location	Type	Floorspace sqm	Under Offer	Building Height (eaves)
1	Unit 10, Gateway 36 (Phase 2)	Warehouse	31,587	N	12.5m
2	246 Shepcote Ln	Distribution	34,109	N	18.0m
3	Newhall 2, 58 Newhall Rd	Warehouse	12,975	N	12.0m
4	Suite 1A and 1B, Greenland Industrial Park	Warehouse	10,512	N	7.75m
5	Unit 1, Catalyst (Sheffield Business Park)	Warehouse	10,112	N	15m
6	Rotherham 360, Panattoni Park Rotherham	Warehouse	58,475	Pre let	18.0m
7	iP8, iport	Warehouse	30,844	N	15.0m
8	iP7, iport	Warehouse	15,283	N	15.0m
9	Home Bargains, Kirton Ln	Distribution	77,110	Pre let	18m

Source: CoStar Analytics, May 2023

**vi. Further Potential Pipeline**

- 2.33 Across South Yorkshire, according to CoStar Analytics, there is a potential pipeline for an additional c610,000 sqm of industrial floorspace across 12 locations, in 20 proposed buildings of 9,300 sqm or more. These developments are mapped at Figure 2.6 and listed in Table 2.7.
- 2.34 The majority of this proposed floorspace is focused along the M1 and M18 within strategic locations on the periphery of Sheffield, Barnsley and Doncaster with access to the motorway network and Doncaster Sheffield Airport.
- 2.35 The three closest developments to the site consist of the Phase 2 development at Gateway 36 and comprises c.114,000 sqm of warehouse development. Currently one of three buildings is under offer.

**Figure 2.6: Further Potential (9,300 sqm +) Pipeline, South Yorkshire**



Source: Costar Analytics, May 2023 and Stantec

- 2.36 A notable feature of South Yorkshire’s large-scale development pipeline, as proposed, is Selby Road, no.18 on the map, which accounts for 248,516 sqm, 41% of the total.

**Table 2.7: Further Potential (9,300 sqm +) Pipeline, South Yorkshire**

Map Ref	Location	Type	Floorspace (sqm)	Building Height	Under Offer
1	Unit 7, Gateway 36 (Phase 2)	Warehouse	14,400	12.5m	N
2	Unit 8, Gateway 36 (Phase 2)	Warehouse	26,013	12.5m	Y
3	Hoyland 36 – M1, J36	Warehouse	13,935	-	N
4	Interchange Park, IP 665	Warehouse	61,754	18.0m	N
5	b.	-	-	-	-
6	The Advanced Manufacturing Park	Warehouse	11,068	-	N
7	iP4, iport	Warehouse	75,902	15m	N
8	iP5, iport	Warehouse	30,658	15m	N
9	Eckington Way	Warehouse	27,871	10m	N
10	Doncaster 420, Panattoni Doncaster	Distribution	38,394	15m	N
11	Eclipse, Waggon Way	Distribution	37,659	-	N
12	Unit B Unity - M18, J5	-	23,226	-	N
13	Doncaster North - M18, J6 (9 of 14 units)	Distribution	248,516	30m	N

Source: CoStar Analytics, May 2023

#### **i. Industrial and Logistics Floorspace Demand in the South Yorkshire Market Area**

- 2.37 All things being equal, net absorption (net take up) is a leading indicator of the market appetite for industrial floorspace. Over time, positive net absorption is indicative of demand increasing. Of course, occupiers can only move into space that is available, which means that it is wholly undesirable to have no space available, which would only serve to suppress demand and create a barrier to economic growth.
- 2.38 In a functioning market, to provide for occupier choice and competition in the property market, we would expect availability – floorspace that is available to would be occupiers at any point in time - to be no less than 8% of the total inventory.
- 2.39 Studied over time, net absorption and change in availability provides a basis for concluding whether the market is under supplied or not and for making floorspace demand projections based on past trends.
- 2.40 We can observe that over a ten-year period (Q1 2013 to Q1 2023 inclusive), South Yorkshire's industrial inventory has increased by about 1.4m sqm. During that time, about 1.8m sqm of floorspace has been absorbed (taken up, net of moves out) and 1.5m sqm of new floorspace has been delivered.

2.41 Net absorption and deliveries in the South Yorkshire Market Area are in the context of sub optimal availability in absolute and relative terms (as a percentage of the industrial floorspace inventory). The availability rate fell below 8% in 2014 and remains significantly below 8% as of 2023 Q1, implying that demand is suppressed by a lack of available supply.

2.42 The figures discussed above are set out in Table 2.8.

**Table 2.8: South Yorkshire Industrial Market - Net Absorption, Deliveries and Availability**

Period	Inventory (sqm)	Floorspace Net Absorption (sqm)	Floorspace Delivered (sqm)	Available Floorspace (sqm)	Availability Rate
2023	9,358,772	333,488	373,252	222,587	5.60%
2022	8,985,518	214,254	61,745	178,271	4.30%
2021	8,981,614	54,967	184,614	316,163	5.60%
2020	8,797,001	55,416	138,245	283,141	4.70%
2019	8,673,602	247,627	167,850	216,652	5.10%
2018	8,512,349	206,222	241,436	298,017	5.80%
2017	8,288,659	65,382	123,188	274,193	4.70%
2016	8,184,243	198,741	158,408	220,898	4.90%
2015	8,036,017	232,901	75,336	276,372	5.60%
2014	7,963,125	162,124	22,827	401,410	8.20%
2013	7,945,110				
<b>Change 2013 to 2023</b>	<b>+1,413,662</b>	<b>+1,771,122</b>	<b>+1,546,901 (220 buildings)</b>	<b>-366,728</b>	<b>-5.50%</b>
Annual Average	+141,366	+177,112	+154,690 (22 buildings)	N/A	N/A

Source: CoStar Analytics, May 2023

#### **Industrial Floorspace Demand, 2013 to 2022**

2.43 The scale of suppressed demand associated with availability at less than 8% of total inventory is revealed by the calculation set out in Table 2.9. The pertinent figures and calculations are as follows:

- i. Available space is inventory multiplied by the availability rate (b.)
- ii. Average net absorption is 177,112 sqm per annum (d.)
- iii. On average, net absorption is 38% of available space per annum (e.)
- iv. The amount of additional available floorspace needed to achieve equilibrium (8% availability) equals 8% minus availability rate, multiplied by floorspace inventory; an average of 222,184 sqm per annum over the period year end 2014 Q1 to 2023 Q1 inclusive (f.)

- v. (e.) (38%) multiplied by (f.) (222,184 sqm) equals average suppressed demand of 84,508 sqm per annum (g).

2.44 Having estimated suppressed net absorption, actual demand can be calculated by adding average net absorption to average suppressed net absorption; (d.) (171,112 sqm) plus (g.) (84,508 sqm). Thus, we arrive at **actual demand for 261,620 sqm per annum industrial floorspace over the 10-year period 2014 to 2023 inclusive.**

**Table 2.9: South Yorkshire Industrial Market - Supressed Net Absorption, 2014 to 2023**

Period	a. Inventory (sqm)	b. Available Floorspace (% of inventory)	c. Available Floorspace (sqm)	d. Net Absorption (sqm)	e. Net Absorption as a % of Available Floorspace (sqm)	f. Floorspace Required to Reach 8% Availability	g. Suppressed Net Absorption
<b>Annual Average</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>+177,112</b>	<b>38%</b>	<b>+222,184</b>	<b>+84,508</b>
2023	9,358,772	5.6%	524,091	333,488	64%	224,611	85,431
2022	8,985,518	4.3%	386,377	214,254	55%	332,464	126,453
2021	8,981,614	5.6%	502,970	54,967	11%	215,559	81,988
2020	8,797,001	4.7%	413,459	55,416	13%	290,301	110,416
2019	8,673,602	5.1%	442,354	247,627	56%	251,534	95,671
2018	8,512,349	5.8%	493,716	206,222	42%	187,272	71,229
2017	8,288,659	4.7%	389,567	65,382	17%	273,526	104,036
2016	8,184,243	4.9%	401,028	198,741	50%	253,712	96,499
2015	8,036,017	5.6%	450,017	232,901	52%	192,864	73,356
2014	7,963,125	8.2%	652,976	162,124	25%	0	0

Source: CoStar Analytics, May 2023 and Barton Willmore

2.45 The equivalent figures for Barnsley, in isolation, are as follows. Average net absorption of 26,327 sqm per annum, added to suppressed demand of 10,474 sqm per annum, amounts to actual demand for 36,801 sqm per annum industrial floorspace over the 10-year period 2013 to 2022 inclusive.

***Strategic Scale Unit (9,300 sqm/100,000 sqft and above) Floorspace Demand, 2014 to 2023***

2.46 Alternatively, we can address actual demand from a large-scale logistics property market perspective, by narrowing down our assessment to buildings in excess of 9,300 sqm / 100,000 sqft, typically associated with 'strategic scale' logistics operations. The 'strategic scale' suppressed net absorption calculation is set out in Table 2.10.

**Table 2.10: South Yorkshire, Strategic Scale - Suppressed Net Absorption, 2014 to 2023**

	a.	b.	c.	d.	e.	f.	g.
Period	Inventory (sqm)	Available Floorspace (% of inventory)	Available Floorspace (sqm)	Net Absorption (sqm)	Net Absorption as a % of Available Floorspace	Floorspace Required to Reach 8% Availability	Suppressed Net Absorption
<b>Annual Average</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>+115,540</b>	<b>58%</b>	<b>+178,010</b>	<b>+102,893</b>
2023	5,312,234	6.0%	318,734	260,635	82%	106,245	61,393
2022	4,994,465	3.7%	184,795	201,225	109%	214,762	124,100
2021	5,005,234	5.2%	260,272	64,829	25%	140,147	80,983
2020	4,855,445	4.5%	218,495	-15,999	-7%	169,941	98,200
2019	4,807,055	4.7%	225,932	181,006	80%	158,633	91,666
2018	4,685,754	5.0%	234,288	142,230	61%	140,573	81,230
2017	4,501,688	3.2%	144,054	-8,387	-6%	216,081	124,862
2016	4,428,183	2.1%	92,992	119,363	128%	261,263	150,970
2015	4,346,536	2.9%	126,050	137,376	109%	221,673	128,093
2014	4,308,212	4.5%	193,870	73,117	38%	150,787	87,132

Source: CoStar Analytics, May 2023 and Barton Willmore

2.47 The pertinent figures and calculations are as follows:

- i. Available space is inventory multiplied by the availability rate (b.)
- ii. Average net absorption is 115,540 sqm per annum (d.)
- iii. On average, net absorption is 58% of available space per annum (e.)
- iv. The amount of additional available floorspace needed to achieve equilibrium (8% availability) equals 8% minus availability rate, multiplied by floorspace inventory; an average of 178,010 sqm per annum over the period year end 2014 Q1 to year end 2023 Q1 (f.)
- v. (e.) (8%) multiplied by (f.) (178,010 sqm) equals average suppressed demand of 102,893 sqm per annum (g.).

2.48 Actual demand is calculated by adding average net absorption to average suppressed net absorption ((d.) (115,540 sqm) plus (g.) (102,863 sqm)). Thus, we arrive at actual demand for **218,402 sqm per annum 'strategic scale' floorspace over the 10-year period year end Q1 2014 Q1 to Q1 2023 inclusive.**

### **Key Findings**

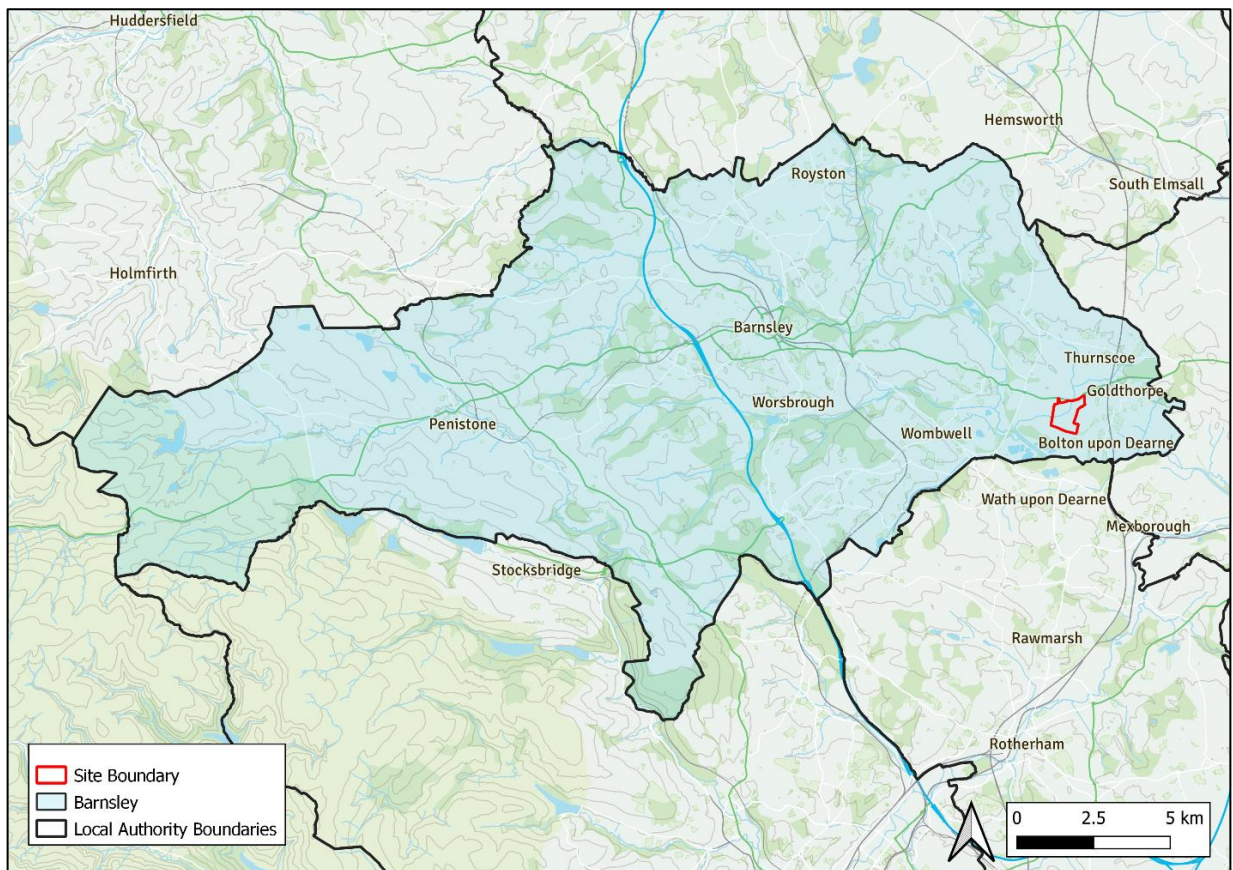
- 2.49 South Yorkshire's industrial inventory increased by 17% over the last ten years, during which time net 181 buildings have been delivered adding 1.4m sqm to the stock of industrial floorspace.
- 2.50 Availability has remained significantly below 8.0% for the last eight years, signalling undersupply and suppressed demand. Over the same period, vacancy has remained below 5%, corroborating the conclusion that demand is being suppressed; creating a constraint on economic growth.
- 2.51 We find that over a ten-year period (Q2 2014 to Q1 2023 inclusive) that actual demand for industrial floorspace amounted to 261,620 sqm per annum (262,000 sqm rounded). Examined in isolation, actual demand for floorspace in large industrial and logistics units amounts to 218,402 sqm per annum (218,000 sqm rounded).
- 2.52 This level of actual demand means, notionally, that across the South Yorkshire industrial market, there is less than one year (about 10 months) supply of existing available strategic scale supply (c180,000 sqm), about 16 months' supply under construction (c272,000 sqm) and 2.89 years' of total proposed supply (c610,000m sqm, including c249,000 sqm at Doncaster North).
- 2.53 Demand observed over the last 10 years is typically a reasonable and balanced basis for forecasting future floorspace demand. **A trend rate of demand for 262,000 sqm of industrial floorspace per annum, projected over the next 15 years, results in a need for 3.4m sqm in total and a requirement for 981 ha of industrial land (assuming a 40% plot ratio).**
- 2.54 In the context of 23 requirements notified to Enterprising Barnsley for buildings with an eaves height of 20m or greater, the potential to respond to such demands, which we expect will increase over time, is limited to a few South Yorkshire sites only, notably Doncaster North and iPort, where most of the available land has already been consumed. This highlights current market signals around increasing building heights.
- 2.55 Permitted high eaves height at Goldthorpe will increase the likelihood that Barnsley can capture bespoke, high value occupier requirements, who typically make a long-term commitment, creating quality well paid jobs locally.

### 3.0 LABOUR SUPPLY

3.1 The Site is located to the west of Goldthorpe within the east of Barnsley Metropolitan Borough Council. The northern boundary of the site provides access and is adjacent to the A635 which extends eastwards towards the A1(M) and westwards towards Barnsley. The local area surrounding the Site is a mix of industrial and residential development. To the east of the Site is the Aldi RDC, a large-scale industrial unit and a mixture of smaller units which comprise the Goldthorpe Industrial Estate. Beyond the industrial estate is predominately residential development. Agricultural fields adjoin the south and west of the site.

3.2 Figure 3.1 illustrates the location of the Site within Barnsley Metropolitan Borough Council (BMBC). Barnsley is located to the northwest of South Yorkshire, which also comprises the local authorities of Doncaster, Rotherham and Sheffield.

**Figure 3.1: Site Location Plan**



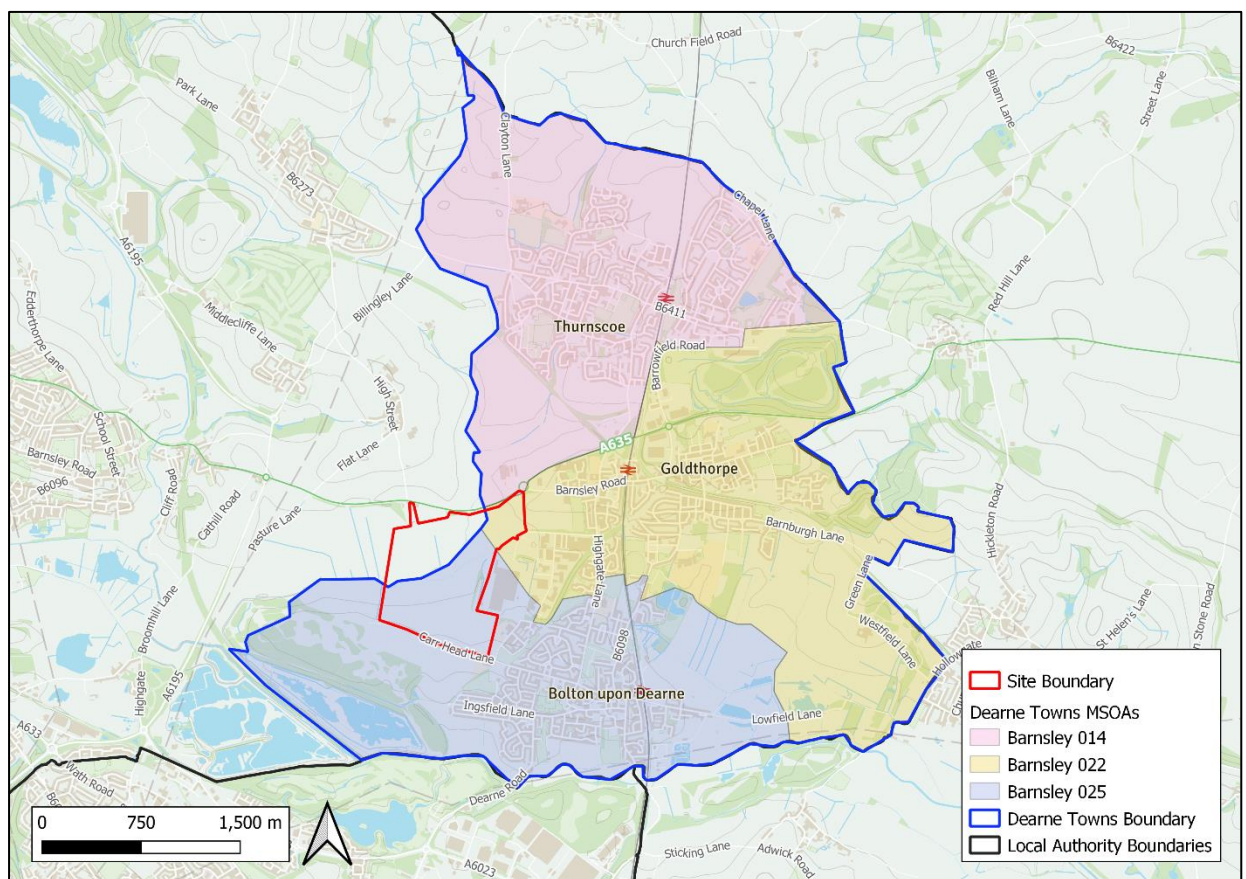
Source: Stantec, May 2023

**i) Labour Market Catchment Area**

3.3 Having established the geographical location of Goldthorpe, we now turn to the Site’s area of socio-economic influence, the area from which the supply of labour to the Site is most likely to be drawn, and where much of its supply chain (that will service businesses there) is likely to be based.

3.4 We delineate the local catchment area by mapping the extent of the area that falls within the average distance travelled to work by residents. Therefore, this assessment will consider the socio-economic profile of the immediate local area, which will comprise the local residential areas of Goldthorpe, Thurnscoe, and Bolton-on-Dearne. This is termed Dearne Towns and set out on Figure 3.2.

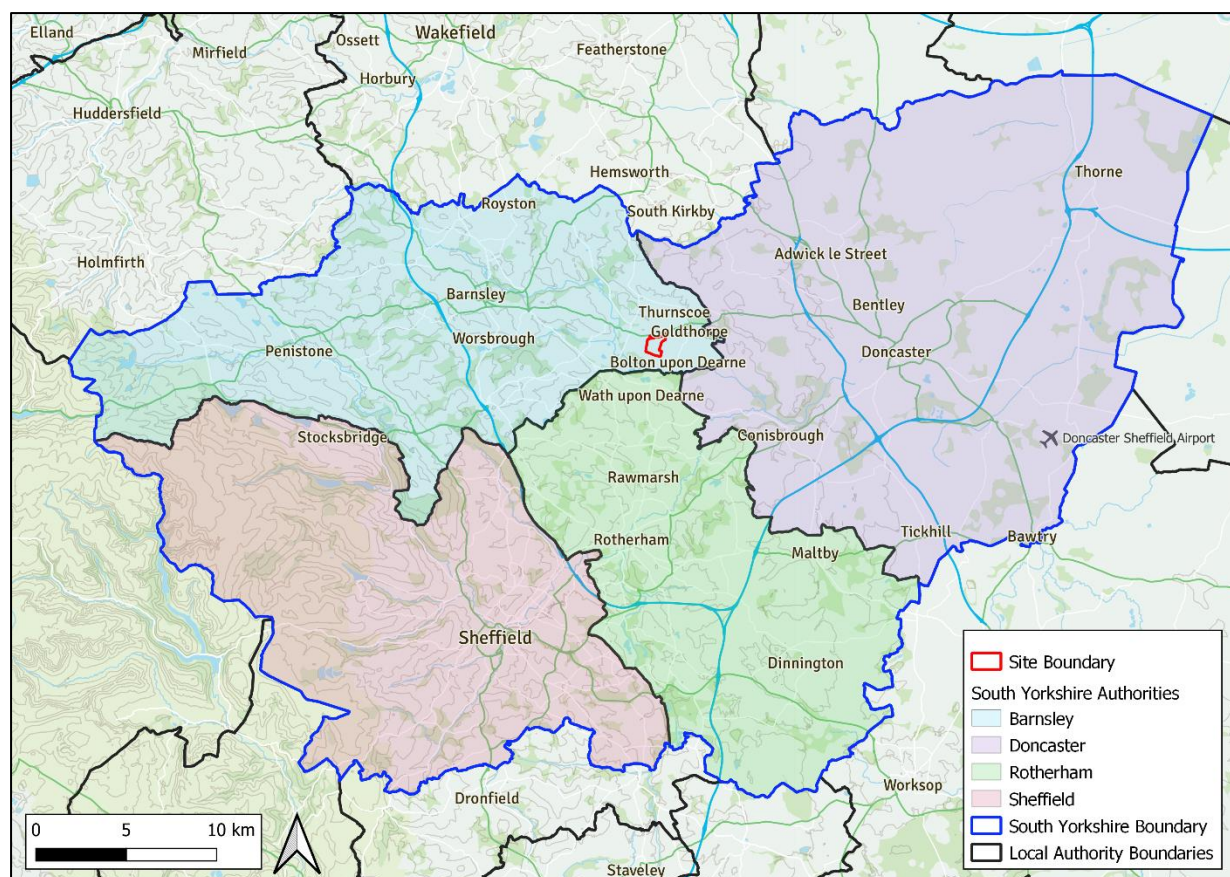
**Figure 3.2: Dearne Towns**



Source: Stantec, May 2023

3.5 BMBC’s evidence base, which informed the adopted Local Plan, set out the evidence for the overall requirement of employment land for the plan period 2014 to 2033.

3.6 The evidence base calculated the need for employment floorspace across South Yorkshire. We therefore confine the extent of our labour supply analysis to South Yorkshire, with analysis at local and district level for the purpose of comparison. South Yorkshire is plotted on Figure 3.3 alongside the Barnsley Metropolitan Borough boundary.

**Figure 3.3: South Yorkshire**

Source: Stantec, May 2023

## ii) Socio-Economic Profile

- 3.7 Below, we present a profile of South Yorkshire's socio-economic characteristics, in its immediate local context (Dearne Towns) and local authority (Barnsley) context. Our profile uses Census 2011-based data published by Experian, Census 2021 data, and survey-based data published by the Office for National Statistics (ONS).
- 3.8 Differences between the Experian and ONS data at the immediate local context (Dearne Towns), local authority, and South Yorkshire levels is due to differences in the frequency of data publication (annual/quarterly), the level of detail (for example, sector breakdown) and the age groups included (16 to 74 years/16 to 64 years/16+ years).
- 3.9 This profile is predominately informed by Experian. ONS data has been used for two purposes. Firstly, to provide a sense-check of Experian's economic activity, employment and unemployment estimates; and, secondly, as the basis of our claimant count and earnings analysis.
- 3.10 Following the publication of the first Census 2021 data releases, we have also included Census 2021 population count and age structure estimates. Housing completion data is as reported by Barnsley MBC.

3.11 The socio-economic characteristics considered in this appraisal include:

- **The People**
  - **Population** – the number of residents and their age profile.
  - **Housing Growth**
- **Labour Supply**
  - **Participation** – the adult population that is economically active, including employment, unemployment, and claimant count estimates.
  - **Socio-economic classification** – a breakdown of the 16+ population by national statistics socio-economic classification.
  - **Skills and Occupations** – the current skill level and occupational profile of the resident working age population.
  - **Industry of Employment** – an analysis of the industry of employment at broad sector level of the resident population.
  - **Earnings**
- **Labour Demand**
  - **Workplace jobs** – the number of jobs and the industries of employment

## The People

3.12 Table 3.1 shows total population by area, alongside an estimate of the population age 16 to 74, the age group that Experian (and the 2011 Census) associates with the working age population. The population of Barnsley in 2020 is estimated to be c250,000, of which c25,000 (10%) live within Dearne Towns. The population of Barnsley accounts for 17% of the population of South Yorkshire.

**Table 3.1: Resident Population (2021)**

Population	Dearne Towns	Barnsley	South Yorkshire
Total	25,129	250,638	1,435,147
16 - 74	18,038	181,547	1,045,980

Source: Experian – 2011 Census-based Current Year Estimates, 2021

3.13 Census 2021 data published in 2022 provides more recent population estimates for Barnsley and South Yorkshire. Data is currently not available at geographies lower than local authority. In comparison to the 2020 population shown in Table 3.1, the Census 2021 population estimate for Barnsley is smaller, by c.5,000 people (-2%). Similarly, the South Yorkshire population estimate is lower by c.55,000 (-4%).

**Table 3.2: Residential Population (2021 Census)**

Population	Dearne Town	Barnsley	South Yorkshire
Total	-	244,600	1,375,100

Source: Census [2021]

- 3.14 Between the Census in 2011 and 2021, the population in Barnsley increased by 5.8% (from c.231,000 in 2011). This is a higher than the intercensal increase observed across South Yorkshire (2.3%).
- 3.15 We consider Barnsley's population change between Census points since 1981 in more detail in Table 3.3, by age group. Whilst the population is evidently ageing over time, the population age under 19 has decreased year-on-year since 1981. The young working age population (20-44) is relatively stable, marginally lower than in 1981, whereas the older working age population (45-64) is significantly larger (c+16,500) in 2021.

**Table 3.3: Change in age structure, Barnsley, 1981 to 2021**

Age Group	1981	1991	2001	2011	2021
0-19	66,986	55,680	54,829	54,287	54,600
20-44	75,395	80,784	73,771	73,704	74,800
45-64	51,037	49,652	54,150	63,220	67,600
65-84	28,866	32,004	31,560	35,330	42,300
85+	1,617	2,817	3,748	4,680	5,400
<b>All ages</b>	<b>223,901</b>	<b>220,937</b>	<b>218,058</b>	<b>231,221</b>	<b>244,700</b>
% change		-1.3%	-1.3%	6.0%	5.8%

Source: ONS, June 2022 (CT21\_0003 - Census Time series 1981, 1991, 2001, 2011, 2021 – Age)

- 3.16 The change in age structure is much the same across South Yorkshire, where there is steady decline in the 0-19 age group and significant growth in the older working age (45-64) group can be observed since 1981. The younger working age group (20-44) has grown across South Yorkshire by c.20,000: a significant increase which is not evident in Barnsley.

**Table 3.4: Change in age structure, South Yorkshire, 1981 to 2021**

Age Group	1981	1991	2001	2011	2021
0-19	377,941	316,634	318,660	326,003	317,600
20-44	431,597	459,883	441,283	457,347	449,500
45-64	296,122	279,320	301,432	338,560	353,400
65-84	175,348	189,386	181,859	193,367	222,900
85+	10,981	17,407	23,103	28,324	31,700
<b>All ages</b>	<b>1,291,989</b>	<b>1,262,630</b>	<b>1,266,337</b>	<b>1,343,601</b>	<b>1,375,100</b>
% change		-2.3%	0.3%	6.1%	2.3%

Source: ONS, June 2022 (CT21\_0003 - Census Time series 1981, 1991, 2001, 2011, 2021 – Age)

- 3.17 Past change is not necessarily an indicator of future growth. Nevertheless, it is clear that Barnsley is in a good position to continue to grow its labour supply; noting that the 20 - 44 and 45 - 64 age groups, from which most labour will be derived, are at their highest level in 30 years (1991 to 2021). The same is true across South Yorkshire, where, on Census Day 2021, there are about 20,000 more 20–44-year-olds and 50,000 more 45-64 year olds than there were in 1981.
- 3.18 Net completions monitoring by Barnsley MBC shows that past housing delivery added 805 homes per annum between 2011 and 2021. This compares to net delivery of 842 homes per annum of the last 15 years (to 2021/22) and 898 over the last five years.
- 3.19 Looking forward, the adopted Local Plan (2019) for Barnsley envisages net housing delivery equal to 1,134 dwellings per annum. This is 1.25 times greater than the rate achieved over the last 5 years, meaning that housing delivery is very unlikely to act as a constraint on growth in labour supply. A similar picture, of proposed housing delivery greater than the level observed in the past, is evident across South Yorkshire.

**a) Labour Supply (Resident Labour Force)**

*Economic Activity*

- 3.20 Our economic activity estimates are derived from Experian (explained in paragraph 4.8) and use the population age 16 to 74 years as their base. This differs from the approach taken by the Annual Population Survey (APS), published by ONS on a quarterly basis, whose equivalent analysis is based on the population age 16+ and 16-64 years, and which we use as a sense check.
- 3.21 As can be seen at Table 3.5, economic activity rates in Barnsley and South Yorkshire are on par, with South Yorkshire slightly higher. However, both are above the rate observed across the localised Dearne Towns for Experian and APS 16 – 64 data. The same is true of employment rates.
- 3.22 For 16+ APS data, Dearne Towns and Barnsley have similar rates of economic activity and employment, with rates slightly higher in South Yorkshire. This indicates that a greater proportion of those of retirement age are economically active in the wider South Yorkshire area than in the more localised areas of Barnsley and the Dearne Towns.
- 3.23 Turning to unemployment, Experian estimate that about 38,550 persons across South Yorkshire are unemployed, of which about 6,700 (17%) reside in Barnsley and 770 (2%) reside in the Dearne Towns. The unemployment rate is higher in the Dearne Towns than in either Barnsley or South Yorkshire for all datasets used. The unemployment rate across all of Barnsley and South Yorkshire is relatively low – less than 5% is often associated with ‘full employment’ and indicates a healthy market.

**Table 3.5: Economic Activity Status of residents**

Indicator	Source and Age Group	Dearne Towns	Barnsley	South Yorkshire
Economically Active	Experian 16 - 74	63.5% (11,432)	67.7% (122,582)	66.9% (697,674)
	APS 16+	55.2% (12,500)	55.0% (113,700)	61.6% (699,600)
	APS 16 - 64	66.9% (12,300)	72.1% (110,500)	76.9% (678,900)
Employed	Experian 16 - 74	59.2% (10,664)	64.0% (115,871)	63.2% (659,124)
	APS 16+	51.2% (11,600)	53.0% (109,700)	58.5% (665,000)
	APS 16 - 64	62.0% (11,500)	69.5% (106,000)	73.0% (644,500)
Unemployed <sup>2</sup>	Experian 16 - 74	4.3% (768)	3.7% (6,711)	3.7% (38,550)
	APS 16+*	9.0% (1,000)	3.8% (4,400)	5.0% (35,400)
	APS 16 - 64*	9.2% (1,000)	4.0% (4,400)	5.2% (35,100)
Economically Inactive	Experian 16 - 74	36.5% (6,567)	32.3% (58,514)	33.1% (344,631)
	APS 16+	44.8% (10,200)	45.0% (93,100)	38.4% (436,700)
	APS 16 - 64	33.1% (6,100)	27.9% (42,700)	23.1% (204,300)
% of Economically Inactive who want a job	APS 16 - 64	42.8% (2,600)	18.5% (7,900)	19.8% (40,400)

Source: Experian, 2011 Census-based Current Year Estimates, 2020 and APS October 2021 to September 2022 (extracted from NOMIS on 23 February 2022) \*APS Unemployment data is July 2021 to June 2022 due to more recent data being unavailable (extracted from NOMIS on 23 February 2022).

- 3.24 Moreover, the presence of 40,400 people across South Yorkshire who want a job and are a potential source of labour for would be occupiers of industrial and logistics floorspace in Goldthorpe can be targeted to unlock local social value.
- 3.25 The economically inactive refers to the population of adults without a job who have not sought work in the last four weeks and/or are not available to start work in the next two weeks. In contrast, the unemployed describes the number of people without a job who have been actively seeking work within the last four weeks and are available to start work within the next two weeks. The unemployed are a subset of the economically active.
- 3.26 The economically inactive population in the Dearne Towns is approximately 6,500 persons, or 36.5% of the population aged 16-74, according to Experian. Inactivity in the Dearne Town is slightly higher than the average within the borough and region: a trend that is consistent in the APS inactivity data.

<sup>2</sup> APS unemployment rates are calculated as a percent of the economically active, whereas Experian unemployment rates are calculated as a percent of the total population.

According to APS, 33.1% of the Dearne Town's population age 16-64 is economically inactive, compared to 27.9% of Barnsley's 16-64 population and 23.1% of South Yorkshire's 16-64 population.

- 3.27 The APS also provides an indication of the proportion of economically inactive people aged 16-64 who want a job. Across the Dearne Towns, 2,600 such economically inactive residents aged 16-64 (about 42.8%) nevertheless want a job. A lower proportion than Dearne Towns (18.5%) who live in Barnsley want a job. Across South Yorkshire, the proportion of economically inactive residents who want a job is 19.8%.
- 3.28 The APS 'want a job' estimates imply that **at least 2,600 economically inactive Dearne Towns residents want a job, a figure that rises to about 7,900 persons across Barnsley, and which is in addition to up to 6,700 unemployed Barnsley residents who are available for and actively seeking work.** This represents a sizeable actual and latent labour pool to support business growth locally and generate local social value.
- 3.29 The logistics industry provides a route into employment for those who are unemployed and were previously unemployed while 24% of this group were long-term unemployed<sup>3</sup>.

#### *Socioeconomic Profile*

- 3.30 The National Statistics Socio-Economic Classification (NS-SEC) provides an indication of socio-economic position for a population, based on responses to economic activity questions in Census 2021<sup>4</sup>. The classifications range from L1 to L15, with L1 representing the highest socio-economic position and L15 the lowest.
- 3.31 The greatest proportion of the Dearne Town's 16+ resident population are employed in routine occupations (20.8%, c4,400) the lowest socio-economic employment category, as shown in Table 3.6. The three categories listed as lower in terms of socio-economic status are full time students, those who are long-term unemployed and those who have never worked. This is also seen in Barnsley at 18.7% (38,400). In South Yorkshire, however, the greatest proportion of working residents are employed in lower, managerial, administrative and professional occupations (17.3% c196,400). This is the second highest socio-economic category indicating that, on average, residents of South Yorkshire have a higher socio-economic profile.
- 3.32 The largest portion of logistics roles are in routine occupations. Therefore, the logistics industry is a job provider for people with these types of skills. However, it also offers opportunities for career progression so that those working in the logistics industry can progress to a higher socio-economic

<sup>3</sup> Frontier Economics (2022) The Impact of Logistics Sites in the UK

<sup>4</sup> ONS (2022) [Industry and occupation, England and Wales: Census 2021](#)

position. YouGov survey data shows within the logistics industry 51% of managers were promoted from non-managerial jobs<sup>5</sup>.

**Table 3.6: Socio Economic Profile of Working Residents**

Socioeconomic Classification	Dearne Towns	Barnsley	South Yorkshire
L1, L2 and L3 Higher managerial, administrative and professional occupations	5.1% (1,100)	7.9% (16,200)	9.5% (107,800)
L4, L5 and L6 Lower managerial, administrative and professional occupations	12.8% (2,700)	17.0% (34,900)	17.3% (196,400)
L7 Intermediate occupations	11.4% (2,400)	11.4% (23,400)	11.1% (126,000)
L8 and L9 Small employers and own account workers	9.5% (2,000)	9.7% (19,900)	9% (102,200)
L10 and L11 Lower supervisory and technical occupations	8.3% (1,800)	7.4% (15,200)	6.2% (70,400)
L12 Semi-routine occupations	14.7% (3,100)	13.4% (27,500)	12.9% (146,400)
L13 Routine occupations	20.8% (4,400)	18.7% (38,400)	15.5% (176,000)
L14.1 and L14.2 Never worked and long-term unemployed	12.7% (2,700)	9.9% (20,300)	10.2% (115,800)
L15 Full-time students	4.6% (1,000)	4.6% (9,400)	8.3% (94,200)

Source: 2021 Census NS SEC population 16+

- 3.33 Semi-routine occupations are the second largest socio-economic category in the Dearne towns at 14.7%. In contrast, this was L4, L5 and L6 Lower managerial, administrative and professional occupations for Barnsley, indicating that Barnsley has more economic opportunities for residents than the Dearne towns.
- 3.34 12.7% of the Dearne Towns' resident population have never worked or are long term unemployed. The presence of a local logistics industry could provide opportunities for this group to be facilitated into the workforce as 20% of logistics workers were previously unemployed, while one in four of this group were long-term unemployed.
- 3.35 Several logistics firms already provide training and inclusion programmes targeted at marginalised individuals. Employer engagement and targeting of this group for recruitment purposes is likely to realise the greatest local social value.
- 3.36 The employment category with the smallest proportion of Dearne towns residents was L1, L2 and L3 higher managerial, administrative, and professional occupations. People employed in this category

<sup>5</sup> Frontier Economics (2022) 'The Impact of Logistics sites in the UK'

are likely to receive the highest salaries (5.1% c1,100). For both Barnsley and the wider South Yorkshire, this was L10 and L11 lower supervisory and technical operations (7.4% c15,200).

3.37 The student population represents a very small proportion of residents aged 16 and over in both the Dearne Towns and Barnsley, at 4.6% each. This was much greater in South Yorkshire at 8.3%. This is likely to be partially because educational institutions in South Yorkshire are located in certain areas which students travel to, while there are fewer educational facilities specifically in the Dearne Towns and Barnsley. As a consequence, full-time students from the Dearne Towns and Barnsley may have to travel out of the area to study their desired course.

#### *Industry of Employment*

3.38 The wholesale and retail sector is the highest resident-employing industry across the Dearne Towns area (16%), which is slightly higher than the average for Barnsley (15%) and South Yorkshire (15%), as shown in Table 3.7.

3.39 The manufacturing sector is the second highest employing industry across the Dearne Towns, accounting for 13% of all residential employment. This is equivalent to the proportion of resident employment in Barnsley (13%) and slightly higher than the average for South Yorkshire (11%).

3.40 Alternatively, the construction sector is the fourth highest resident employment within the Dearne Towns area employing 11% of the residential workforce. This is above the average for Barnsley (9%) and the average for South Yorkshire (7%). The high proportion of the resident workforce that work in the construction sector highlights the opportunity for a local labour force in the construction of this development.

**Table 3.7: Resident Industry of Employment**

<b>Sector</b>	<b>Dearne Towns</b>	<b>Barnsley</b>	<b>South Yorkshire</b>
Wholesale and retail; repair of motorcycles and vehicles	16%	15%	15%
Manufacturing	13%	13%	11%
Human health and social work activities	12%	14%	15%
Construction	11%	9%	7%
Administrative and support service activities	10%	6%	6%
Education	8%	9%	11%
Transport and storage	6%	6%	6%
Accommodation and food service activities	5%	6%	6%
Public administration, defence, compulsory social security	4%	5%	5%
Industry: Other	3%	4%	4%

Sector	Dearne Towns	Barnsley	South Yorkshire
Professional, scientific and technical activities	3%	5%	5%
Information and communication	3%	3%	3%
Financial and insurance activities	2%	2%	3%
Real estate activities	1%	2%	2%
Water supply; sewerage, waste mgt. and remediation	1%	1%	1%
Electricity, gas, steam and air conditioning supply	1%	1%	1%
Mining and quarrying	0%	0%	0%
Agriculture, forestry and fishing	0%	0%	0%
Total	100.0%	100.0%	100.0%

Source: Experian, 2011 Census-based Current Year Estimates, 2020

### *People Seeking Employment*

- 3.41 Data on the number of people claiming out of work-related benefits provides an indication of the number of people who are actively seeking employment. This is referred to as the Claimant Count and represents all people who are claiming either Jobseekers Allowance (JA), National Insurance (NI) Credits or Universal Credit (UC) principally for the reason of being unemployed.
- 3.42 In this section we compare claimant count data for February 2020, the last month before the onset of the COVID-19 pandemic, to the most recently released data, for January 2023.
- 3.43 In February 2020, 740 residents within the Dearne Towns, were claiming unemployment-related benefits. This is equivalent to 5.0% of all residents aged 16 to 64 years, significantly higher than that of Barnsley's 3.3% (5,095 claimants), or South Yorkshire's 3.3% (29,750 claimants).
- 3.44 Since February 2020 and the onset of the Coronavirus pandemic, South Yorkshire has experienced a significant rise in the number of people that are claiming unemployment related benefits, while Barnsley and the Dearne Towns have also seen increases, the extent has been less pronounced.
- 3.45 In January 2023, 5,180 people claimed unemployment benefits across Barnsley, an increase of 85 people (+1.7%) from February 2020. Over the interim period, claimant counts in Barnsley peaked at 10,425 in May 2020. The same trend is experienced across the Dearne Towns with an increase of 40 people (+5.4%) from February 2020, peaking at 1,415 in May 2020.
- 3.46 In South Yorkshire, the number of people claiming unemployment benefits has been much higher over the period, increasing by 6,120 (+20.6%) to 35,870 from February 2020 to Jan 2023. As a percent of the 16-64 population in Yorkshire, claimants rose from 3.3% to 4.1%.

**Table 3.8: Claimant Count**

	Dearne Towns	Barnsley	South Yorkshire
Claimant Count Jan 2023	780	5,180	35,870
Claimant Count Jan 2023 as % of Residents Aged 16 - 64	4.6%	3.4%	4.1%
Claimant Count Increase on Feb 2020	5.4%	1.7%	20.6%

Source: ONS, download from Nomis (March 1<sup>st</sup>, 2023)

### Skills Profile

- 3.47 The profile of highest qualification level across each of the study areas is shown in Table 3.9. This data applies to the population aged 16+ in each defined area.
- 3.48 On average, residents within the Dearne Towns have a lower level of educational attainment than the average for Barnsley and South Yorkshire. 30.3% of residents within the Dearne Towns have no qualifications, which comprises the largest proportion of any educational category, compared to 27% in Barnsley and 24% in South Yorkshire.
- 3.49 The proportion of Dearne Town residents without any recognised qualification is almost twice as large as the average for England (18.1%)<sup>6</sup>.
- 3.50 Residents who are qualified to Level 4 and above are educated to degree, higher degree or professional qualification (see Table 3.10 for further explanation of qualification levels). Within the Dearne Towns area, only 17.3% of residents are qualified to level 4+; significantly lower than the average for Barnsley (23.4%) and South Yorkshire (27.2%).
- 3.51 27.3% of residents in the Dearne Towns are educated to GCSE level only (qualification levels 1 and 2 combined); higher than the average for Barnsley and South Yorkshire (25.3% and 24.1% respectively). Around 1,300 residents of the Dearne Towns area (6.3%) have undertaken an apprenticeship, a rate which is comparable with Barnsley and South Yorkshire, accounting for c. 13,600 and 70,400 respectively.

<sup>6</sup> 2021 Census, Table TS067: Highest Level of Qualification

**Table 3.9: Profile of Highest Qualification Level of Residents**

	Dearne Towns	Barnsley	South Yorkshire
No qualifications	30.3%	25.2%	22.4%
Level 1 and entry level qualifications	12.2%	10.8%	10.4%
Level 2 qualifications	15.3%	14.5%	13.7%
Apprenticeship	6.3%	6.6%	6.2%
Level 3 qualifications	16.1%	16.8%	17.5%
Level 4 qualifications or above	17.3%	23.4%	27.2%
Other qualifications	2.6%	2.6%	2.6%

Source: 2021 Census

**Table 3.10: Description of Qualification Levels**

Highest Qualification	Summary Description
No Qualifications	No Formal Qualification
Level 1	1-4 GCSEs, Scottish Standard Grade or equivalent qualifications
Level 2	5 or more GCSEs, Scottish Standard Grade or equivalent qualifications
Level 3	2 or more A-levels, HNC, HND, SVQ level 4 or equivalent qualifications
Level 4	First or higher degree, professional qualifications or other equivalent higher education qualifications
Other Qualification	Other vocational/work related qualifications and non-UK/foreign qualifications
Apprenticeships	Apprenticeships

3.52 Overall, the skills profile of both the Dearne Towns, Barnsley and South Yorkshire demonstrates that the local workforce would be suited to employment in industrial and logistics operations, which would require a range of skill levels, from level 1 upwards, as well as offering apprenticeships and career progression for people who are currently without recognised skills accreditation.

3.53 The logistics industry provides good career opportunities for those with low levels of qualifications. In 2022, almost two thirds of logistics managers did not have university degrees<sup>7</sup>. This presents an opportunity for the 30.3% of Dearne Town residents who have no qualifications; creating social value within the Dearne Towns area.

#### *Median Wage Levels*

3.54 Utilising the ONS, Annual Survey of Hours and Earnings (ASHE), Table 3.11 sets out the median weekly wage across Barnsley and South Yorkshire. Median wage levels data is not available at geographies lower than local authority. Median wage levels for residents are compared to median wage levels for the workforce.

<sup>7</sup> Frontier Economics (2022) The Impact of Logistics Sites in the UK

**Table 3.11: Median Wage Levels**

	<b>Resident</b>	<b>Workplace</b>
Barnsley	£562.60	£563.90
South Yorkshire	£588.30	£574.90

Source: Annual Survey of Hours and Earnings (2022), median gross weekly, (Nomis 2<sup>nd</sup> March 2023)

3.55 Median wages for residents in Barnsley are slightly lower than the median wage for people who work in Barnsley. This suggests a degree of in commuting to higher paid employment opportunities by residents from outside of Barnsley for higher paid occupations than are available in surrounding local authorities. South Yorkshire demonstrates the opposite characteristic, where median wages for residents is higher than for people who work in South Yorkshire, implying a degree of out commuting to higher paid employment opportunities.

#### **b) Workplace Employment (Labour Demand)**

##### *Number of Workplace Jobs and Industry of Employment*

3.56 Earlier in this section we identified that according to Experian estimates, c.10,600 residents in the Dearne Towns are in employment. Data from the ONS Business Register and Employment Survey (BRES) identifies that there are 5,530 jobs in the Dearne Towns excluding people who are self-employed, government-supported trainees and HM Forces. This characterises the Dearne Towns as an exporter of labour, where there are fewer jobs in the Dearne Towns than there are residents in employment.

3.57 Table 3.12 shows that within the Dearne Towns area, the single largest sector (by employment) is the Retail sector. This industry accounts for 21% of all employment in the Dearne Towns, significantly higher than in Barnsley (9%), and South Yorkshire (9%).

3.58 In addition, the manufacturing, health, and education sectors comprise a significant proportion of employment with the Dearne Towns (14%, 13% and 10-% respectively). The manufacturing sector comprises a smaller proportion of employment when compared to Barnsley, yet a larger proportion when compared to South Yorkshire. The health sector is smaller than the proportion across Barnsley and South Yorkshire. The education sector is comparable to both Barnsley and South Yorkshire.

3.59 The Transport & Storage sector supports c. 6,500 jobs in Barnsley accounting for 8% of the jobs within this industry, which is slightly larger than the proportion across South Yorkshire (7%). The Transport and Storage sector represents a similar proportion within the Dearne Towns area (7%).

**Table 3.12: Percentage of Workforce (workplace-based) by Industrial Sector**

Industry	Dearne Towns	Barnsley	South Yorkshire
Retail (Part G)	21%	9%	9%
Manufacturing (C)	14%	15%	10%
Health (Q)	13%	17%	16%
Education (P)	10%	9%	11%
Wholesale (Part G)	8%	3%	3%
Business administration & support services (N)	8%	8%	9%
Construction (F)	8%	6%	5%
Transport & storage (inc postal) (H)	7%	8%	7%
Accommodation & food services (I)	5%	7%	6%
Arts, entertainment, recreation & other services (R,S,T and U)	3%	4%	4%
Professional, scientific & technical (M)	2%	4%	6%
Property (L)	1%	2%	1%
Motor trades (Part G)	1%	2%	2%
Mining, quarrying & utilities (B,D and E)	1%	1%	1%
Information & communication (J)	1%	1%	3%
Financial & insurance (K)	0%	1%	2%
Public administration & defence (O)	0%	4%	6%
Agriculture, forestry & fishing (A)	0%	0%	0%

Source: BRES, 2021 (27 October 2022). Columns may not sum due to rounding.

### iii) Key Findings

- 3.60 The prospect of Barnsley and South Yorkshire sustaining development-led employment growth are good, based on past trends in population growth and planned housing growth. Of particular note, the population of Barnsley's 20 to 44 and 45 to 64 age groups, from which most labour will be derived, are at their highest level in 40 years (1981 to 2021). The same is true across South Yorkshire, where, on Census Day 2021, there are about 20,000 more 20–44-year-olds and 50,000 more 45-64 year olds than there were in 1981.
- 3.61 Looking forward, the adopted Local Plan for Barnsley envisages net housing delivery equal to 1,134 dwellings per annum. This is 1.25 times greater than the rate achieved over the last 5 years, meaning that housing delivery is very unlikely to act as a constraint on growth in labour supply. A similar picture, of proposed housing delivery greater than the level observed in the past, is evident across South Yorkshire.

- 3.62 Furthermore, there is capacity in the current labour supply and a further latent supply - people who want to work but are not currently seeking work and classified as economically inactive. **We estimate that at least 7,900 economically inactive Barnsley residents want a job, a figure that rises to about 40,300 persons across South Yorkshire.** This represents a sizeable actual and latent labour pool to support business growth locally.
- 3.63 The occupations, skills, and industry of employment profiles are indicative of a local workforce likely to be well suited to employment in industrial logistics operations, which would require a range of skill levels, from level 1 upwards, as well as offering apprenticeships and career progression for people who are currently without recognised skills accreditation.
- 3.64 The Logistics industry can provide social value to the Dearne Towns through helping to facilitate those who are unemployed and economically inactive into employment. **This represents approximately 1,000 unemployed people and 2,600 who are economically inactive but want a job in the Dearne Towns.** It can also help social mobility; the population in the Dearne Towns has lower levels of qualifications than in Barnsley and South Yorkshire, while qualification requirements into the logistics industry tend to be low. 63% of managers in the logistics industry do not have university degrees while 51% of managers have been promoted from non-managerial roles, indicating that logistics can provide opportunities for those without qualifications to reach a higher socio-economic standing.

## 4.0 ECONOMIC BENEFITS

4.1 The proposals seek to provide up to 204,000 sq m of industrial and logistics floorspace for Barnsley and the wider South Yorkshire region. The development represents an opportunity to provide much-needed, high-quality employment. Whilst the Proposed Development parameters are flexible, for the purpose of assessing the economic benefits of the proposals, it has first been assumed that that all the floorspace would be occupied for Class B8 uses. Secondly, a split of 30% of the floorspace being devoted to Class B2 (industrial & manufacturing) and 70% of the floorspace being occupied by Class B8 (storage & distribution) uses has been assessed.

### Construction Phase

#### a) *Direct Employment and Associated GVA*

4.2 The number of direct jobs generated during the construction period is calculated using the Construction Industry Training Board (CITB) Labour Forecasting Tool (LFT). Utilising the value, a start date, duration and location, the LFT predicts labour demand on a month-by-month and trade-by-trade basis. Forecasts are based on historic data from past projects and updated as new data becomes available, taking account of time and location.

4.3 For the purposes of estimating the number of construction jobs, these have been calculated on the basis of a construction cost figure provided by the Applicant of £131m. A construction period of 20-months (e September 2024 to May 2026) has been adopted on the advice of the Applicant. The LFT has then been run using the indicative construction cost over a 20-month construction programme. **Based on this the LFT estimates that 1,349 direct construction jobs could be supported each month over this period.**

4.4 The LFT accounts for 28 occupation groups, split into the following work types:

- Design - those involved in design process, including senior managers and support staff with design organisations.
- Management of construction - those staff involved with the management of the delivery of the construction or installation. This includes professionals employed for the construction stage or the projects; and
- Construction operatives - those operatives involved in the delivery of the construction or installation.

4.5 Table 4.1 sets out the split across the three groups that make up the occupations assessed within the LFT. It emphasises the varied occupation profile and skill requirements across the sector. Demand for each occupation type will vary throughout the construction period.

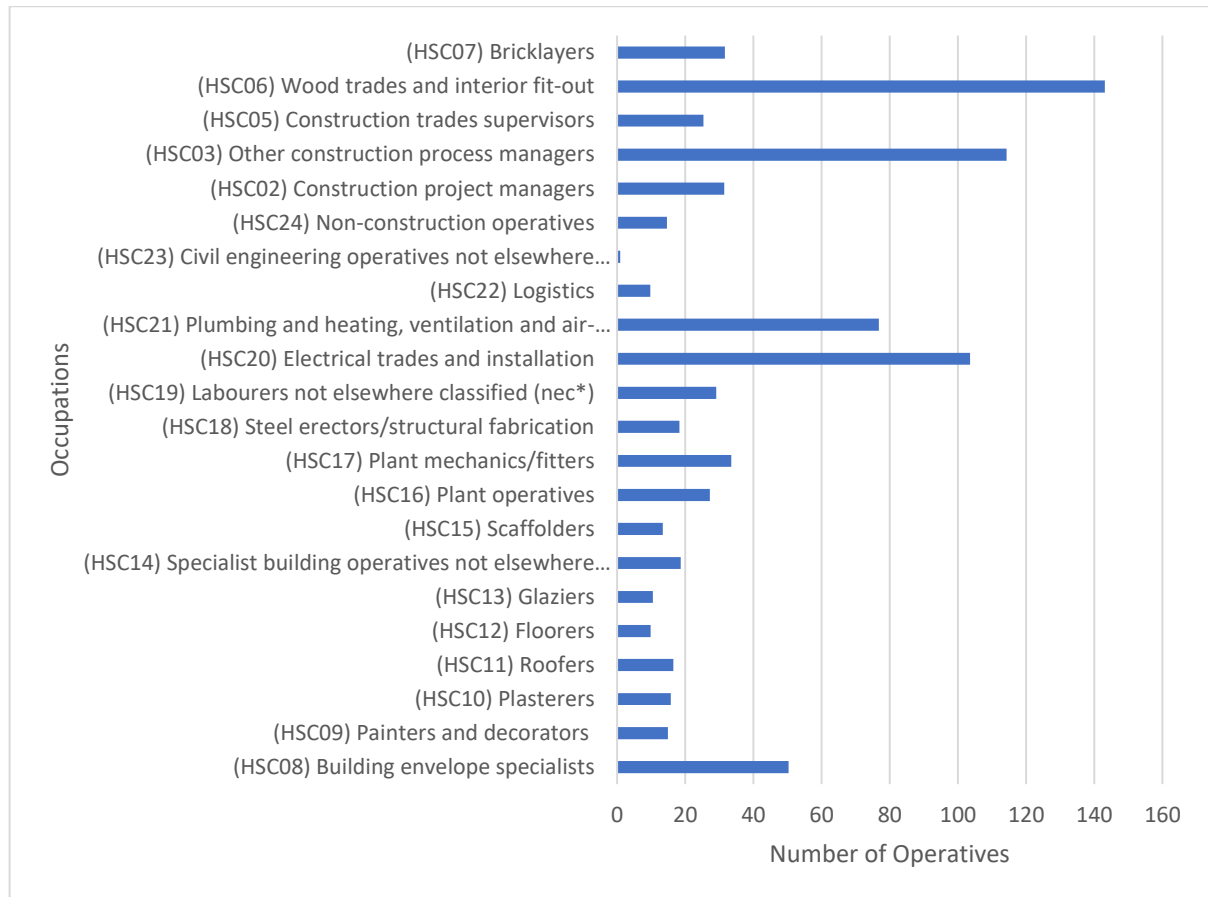
**Table 4.1: Construction Employment – Occupational Profile**

<b>Group</b>	<b>Occupation Category</b>	<b>Average Number</b>
<b>Design</b>	Senior, executive and business process managers	14
	Civil engineers	20
	Other construction professionals and technical staff-Design	104
	Architects	25
	Surveyors	14
	Non-construction professional, technical, IT and other office-based staff (excl. managers)	29
	<b>DESIGN TOTAL</b>	<b>207</b>
<b>Management</b>	Senior, executive and business process managers	80
	Civil engineers	7
	Other construction professionals and technical staff-Design	35
	Architects	7
	Surveyors	42
	Non-construction professional, technical, IT and other office-based staff (excl. managers)	162
	<b>MANAGEMENT TOTAL</b>	<b>332</b>
<b>Operatives</b>	Construction project managers	31
	Other construction process managers	114
	Construction trades supervisors	25
	Wood trades and interior fit-out	143
	Bricklayers	32
	Building envelope specialists	50
	Painters and decorators	15
	Plasterers	16
	Roofers	17
	Floorers	10
	Glaziers	11
	Specialist building operatives nec	19
	Scaffolders	13
	Plant operatives	27
	Plant mechanics/fitters	34
	Steel erectors/structural fabrication	18
	Labourers nec	29
	Electrical trades and installation	104
	Plumbing and HV&C trades	77
	Logistics	10
Civil engineering operatives nec	1	
Non-construction operatives	15	
<b>OPERATIVES TOTAL</b>	<b>809</b>	

Source: LFT for Goldthorpe (November 2022) (Figures may not sum due to rounding)

4.6 In terms of the number of operatives detailed in Table 4.1, these have been displayed graphically in Figure 4.1 which illustrates more clearly the spread in numbers of employees for each occupational category.

**Figure 4.1: Construction Phase – Number of Operatives Employed**



Source: LFT Forecast for Proposed Development at Goldthorpe (March 2023)

4.7 Direct employment activity throughout the construction phase will generate economic output, measured through the generation of GVA. GVA is a measure of economic output, distributed through retained profit and wages. Based on an average GVA per construction worker of around £44,653 per annum for the Yorkshire and Humberside region sourced from Oxford Economics<sup>8</sup>, the Development could generate a direct GVA of approximately £60.2m per annum over the construction period (equivalent to £100m in total over the construction phase).

<sup>8</sup> Oxford Economics, 2022 Global Forecasting and Quantitative Analysis (2015-2020 average)

**b) Indirect Employment and Associated GVA**

- 4.8 In addition to the direct jobs created as a result of the construction and management of the Development, further indirect employment would be created as a result of spin-off and multiplier effects.
- 4.9 The level of indirect employment generated during the construction period has been calculated by applying the ONS Type 1 Employment Multiplier (2018) for construction (2.175) to the number of direct construction jobs. This could result in a further 1,585 indirect jobs being supported per month over the construction period. These supply chain jobs could support employment on a local to national scale.
- 4.10 The indirect jobs are expected to generate £85.8m in economic output per annum, based on applying the UK average GVA per worker figure of £54,134<sup>9</sup>. This would equate to £143m in total over the 20-month construction period.
- 4.11 In total, the combined direct and indirect construction job GVA equates to approximately £243m over the construction period.

**c) Total Employment and Associated GVA**

- 4.12 Construction of the Development could therefore support 2,933 jobs per month (direct and indirect). This would provide a combined GVA of £146m per annum, a total of £243m over the 20-month construction period.

**Operational Phase**

- 4.13 For the purpose of assessing the gross number of jobs generated by the development, these have been calculated on the basis of the two scenarios. Firstly, it is assumed that all the floorspace is occupied as Class B8 uses, and the second, on the basis of a floorspace split of 30% for Class B2 (industrial & manufacturing) and 70% for Class B8 (storage & distribution).
- 4.14 In terms of the number of net jobs, this has been assessed on the basis of three locations: namely, the area of Dearne Towns (encompassing Goldthorpe, Thurnscoe and Bolton upon Deane), which focusses on the area in relatively close proximity of the Application Site, the Barnsley Metropolitan District Council (BMDC) area and the wider South Yorkshire area.

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<sup>9</sup> Oxford Economics, January 2022 Global Forecasting and Quantitative Analysis (2015-2020 average)

**a) Gross Employment and Associated GVA**

- 4.15 Our estimate of the number of jobs that will be accommodated across the floorspace at Goldthorpe is informed by the Homes and Communities Agency (HCA) Employment Density Guide (2015) (“Density Guide”) and sense checked against more recent research concerning logistics employment densities (Oxford Economic and Prologis, 2020).
- 4.16 The jobs to floorspace ratios (employment densities) published in the Density Guide are frequently used as a basis for calculating the number of jobs that could be accommodated in new logistics/industrial developments, where the end occupier is unknown.
- 4.17 In order to derive the job numbers the job/floorspace densities set out in the Density Guide have been applied. The Density Guide provides a range of densities for various uses classes, and where this is the case (B8), the density that results in the lowest number of jobs (the highest value density published) is applied to represent a realistic yet conservative estimate of operational employment.
- 4.18 The Density Guide of 95 sqm per FTE job for B8 Storage and Distribution uses has been sense checked against more recent publications. Firstly, the Economic Impact of Operations in Prologis Warehouses, published by Oxford Economics<sup>10</sup>. Looking across 19 countries, including the United Kingdom where 32,500 people were directly employed in Prologis warehouses, employment densities were found to vary from 93 to 177 sqm per employee. Secondly, a more focused survey of Prologis UK customers in 33 distribution centres located in the Midlands, South East and London carried out in 2018<sup>11</sup>. This revealed that on average, one person was employed for every 95 sqm of floorspace.
- 4.19 As noted in paragraph 5.1, the development parameters are flexible, and the Site will be developed for a mix B2 (industrial & manufacturing) and B8 (storage & distribution). In order to provide a likely range of operational jobs, two scenarios have been tested. Firstly, the whole development being occupied for Class B8 uses, and secondly; a split of 30% of the floorspace devoted to Class B2 (industrial & manufacturing) and 70% for Class B8 (storage & distribution).
- 4.20 The application is for up to 204,000 sq m gross internal area (GIA) of floorspace. In order to calculate the operational jobs from Class B8 uses, the Gross External Area (GEA) is used. A general benchmark to convert GEA to GIA has been employed, namely a reduction of 5% (see para. 2.12 of Employment Density Guide, 3rd Edition, 2015). On this basis the GEA of the proposed development is therefore assumed to be 214,737 sq m.
- 4.21 Table 4.2 shows that if all of the floorspace is occupied by Class B8 uses then the total direct gross employment is likely to be in the order of 2,260 FTEs. Table 4.3 shows that if the floorspace is split 30% for Class B2 and 70% for Class B8, then the total direct gross employment is likely to be

<sup>10</sup> Oxford Economics, Economic Impact of Operations in Prologis Warehouses, Q2 2020 Update

<sup>11</sup> Prologis (September 2019) Delivering the Future: The Changing Nature of Employment in Distribution and Warehouses

approximately 45% higher at 3,282. This reflects the higher employment density associated with Class B2 uses (i.e. 36 sqm per 1 FTE), as compared with Class B8 uses (i.e. 95 sqm per 1 FTE).

**Table 4.2: Employment Based on Occupation by Class B8 Uses**

Use Class and Floorspace Split	Employment Density	FTE Job
<b>B8 Storage and Distribution across 100% (214,737 sqm) of the total floorspace of 214,737 sqm GEA</b>	95 sqm (GEA) per FTE job	<b>2,260 Class B8 Jobs</b>

Source: HCA Employment Density Guide, 3rd Edition, November 2015 and Stantec

**Table 4.3: Employment Based on Split of Class B8 and Class B2 Uses**

Use Class and Floorspace Split	Employment Density	FTE Job
<b>B8 Storage and Distribution across 70% (150,316 sqm) of the total floorspace of 214,737 sqm GEA</b>	95 sqm (GEA) per FTE job	1,582 Class B8 Jobs
<b>B2 Manufacturing across 30% (61,200 sqm) of 204,000 sqm GIA</b>	36 sqm (GIA) per FTE job	1,700 Class B2 Jobs
<b>TOTAL</b>	-	<b>3,282 Class B8 &amp; B2 Jobs</b>

Source: HCA Employment Density Guide, 3rd Edition, November 2015 and Stantec

Note: For Class B8 uses the GEA is used to calculate the number of jobs. In the case of Class B2 uses, the GIA is used. A general benchmark to convert GEA to GIA has been adopted - a reduction of 5% (see para. 2.12 of Employment Density Guide, 3<sup>rd</sup> Edition, 2015)

4.22 The 2,260 FTE direct gross jobs accommodated on site by the Class B8 use could **equate to total GVA per worker of approximately £83.3m per annum**, based on the average GVA per worker across the transportation and storage logistic sector of £36,873 in the Yorkshire & Humberside region.

4.23 Similarly, the 3,282 FTE gross direct jobs accommodated on site by the mix of Class B8 and Class B2 uses could **generate a total GVA of approximately £166.1m per annum**. This is based on an average GVA per worker across the transportation and storage logistic sector of £36,873 and £63,406 in respect of the manufacturing sector in the Yorkshire & Humberside region according to Oxford Economics<sup>12</sup>.

**b) Estimating the Net Direct Employment Effect to Dearne Towns, Barnsley and South Yorkshire**

4.24 Whilst the two scenarios assessed indicate that the development will support in the region of 2,260 to 3,282 direct gross FTE jobs on-site, guidance from the HCA, Additionality Guide<sup>13</sup> ("Additionality

<sup>12</sup> Oxford Economics, Global Forecasting and Quantitative Analysis (2015-2020 average)

<sup>13</sup> HCA, Additionality Guide, 4<sup>th</sup> edition, 2014

Guide”) and more recently, HM Treasury Green Book<sup>14</sup> (“The Green Book”) establishes that the on-Site jobs created by the Development would most likely be subject to the following factors<sup>15</sup>

- **Substitution** - where firms substitute one type of labour for another to benefit from an intervention but do not increase employment or output;
- **Displacement** - the extent to which an increase in economic activity or other desired outcome is offset by reductions in economic activity or other desired outcome in the area under consideration or in areas close by; and
- **Leakage** - the extent to which effects “leak out” of a target area into others. For an intervention designed to increase employment in a particular area, leakage could take the form of increased employment in neighbouring areas.

4.25 The above factors applied are based on the nature of the uses envisaged, professional judgement and having regard to published data and or guidance in the Additionality Guide and Green Book. Based on this, the following assumptions have been made:

- The nature of the proposed uses is not likely to result in one type of labour being substituted for another (e.g., a full-time employee substituted for a government funded trainee) therefore **substitution is not considered relevant.**
- The logistics and transport sector is a durable and essential industry, particularly throughout the last two years despite the COVID-19 pandemic. Given the importance of the storage, logistics and transport sector, and the perceived future demand, it is assumed that **displacement will be low. Similarly, the same displacement factors have been applied in respect of industrial and manufacturing uses (Class B2).** Therefore, the Additionality Guide’s low displacement factor of 25% has been applied to the South Yorkshire area and reduced displacement factors of 15% for Barnsley and 5% for Dearne Towns have been adopted reflecting the reduced likelihood of economic activity being diverted in the more tightly defined study areas.
- Commuting data drawn from the 2011 Census (Table WU01UK Location of usual residence and place of work) has identified that around **62% of jobs created by the development will be occupied by people who live outside of the Dearne Towns area; 38% of the jobs created will occupied by people who live outside of Barnsley MBDC area; and 9% of jobs created will be taken by people who live outside of South Yorkshire.**

<sup>14</sup> HM Treasury, The Green Book: Central Government Guidance on Appraisal and Evaluation, 2020

<sup>15</sup> HM Treasury The Green Book: Central Government Guidance on Appraisal and Evaluation, 2020, Page 95, Paragraph A2.9

**c) Estimating the Net Indirect Employment Effect**

- 4.26 The direct employment effect described above addresses a series of potential discounts to the jobs created total, in this case to arrive at an estimate of the number of jobs created that will be filled by local residents within the three assessment areas.
- 4.27 The indirect effect addresses employment opportunities that will be created elsewhere in the three assessment areas, for example, in convenience or food and drink induced by employee expenditure, or, through businesses supply chain expenditure.
- 4.28 Indirect employment effects result from jobs created in 'tradable' sectors only. Tradable is defined as a sector that produces goods and services which are produced locally but mostly sold and consumed outside the local area. Conversely, the outputs of 'non-tradable' sectors, are mostly delivered locally and do not create indirect employment effects.
- 4.29 The Development will deliver entirely tradable uses, maximising the indirect employment effect across both tradeable and non-tradable sectors. High, central and low place-based employment multipliers are provided by The Green Book to reflect a different extent of supply-chain 'spin-off' employment effects which are detailed in Table 4.4. For calculating the multiplier effect of the Development, it is considered appropriate to use the central multipliers.

**Table 4.4: Place Based Employment Multipliers**

Direct Employment Category	Tradable	Tradable	High Tech Tradable	High Skilled Tradable	Public Sector
Effect on Employment Sectors	Non-tradable	Tradable	Non-tradable	Non- tradable	Private Sector
Central	0.9	0.4	1.9	2.6	0.25
Low	0.1	0.3	0.7	2.5	-0.7
High	1.6	0.6	4.9	3.0	1.3

Source: HM Treasury the Green Book 2020, Annex A2: Place Based Analysis, Box 26

**d) Bringing it All Together: The Total Employment Effect and Associated GVA**

- 4.30 The factors described above (substitution, displacement, leakage and multipliers), are collectively referred to as 'additionality' factors. Table 4.5 details the application of the additionality factors to the Development on the basis that all the floorspace is occupied by Class B8 uses to derive a net direct and indirect employment effect. Similarly, Table 4.6 sets out the effects of the additionality factors

assuming that the floorspace is split between Class B2 (i.e. 30%) and Class B8 (i.e. 70%) to derive a net direct and indirect employment effect.

- 4.31 Table 4.5 shows that of the FTE jobs created on-Site by the Development, approximately 113 of these jobs will have been displaced from elsewhere within the Dearne Towns area; some 339 displaced from Barnsley MBC area; and 565 from South Yorkshire. **Therefore, the net direct job creation of the Development ranges from 1,695 in respect of South Yorkshire to 2,147 FTE jobs in the Dearne Towns.**
- 4.32 It is calculated that between 150 and 1,334 of the net direct jobs created by the Development will be filled by people who live outside of assessment areas and therefore the **direct employment effect to Dearne Towns residents is 814 FTE jobs and for South Yorkshire residents is 1,545 FTE jobs.**
- 4.33 It is calculated that a **further 1,058 Dearne Town residents, 1,557 Barnsley MBC residents, and 2,008 South Yorkshire residents will benefit from employment** opportunities created within the district as a result of supply chain and other expenditure by the Proposed Development's occupiers and their employees.

**Table 4.5: Scenario 1 - Total Net Employment Effect of the Development (Class B8 Uses)**

<b>EMPLOYMENT BENEFITS</b>	<b>Dearne Towns</b>	<b>Barnsley</b>	<b>South Yorkshire</b>
<b>GROSS DIRECT JOB CREATION</b>	<b>2,260</b>		
Factor Deadweight and Displacement	-5% <b>-113</b>	-15% <b>-339</b>	-25% <b>-565</b>
<b>NET DIRECT JOB CREATION</b>	<b>2,147</b>	<b>1,921</b>	<b>1,695</b>
Factor Leakage	-62% <b>-1,334</b>	-38% <b>-723</b>	-9% <b>-150</b>
<b>DIRECT EMPLOYMENT</b>	<b>814</b>	<b>1,198</b>	<b>1,545</b>
Factor: we have applied the central value			
0.4 Multiplier (tradable)	326	479	618
0.9 Multiplier (non-tradable)	732	1,078	1,390
<b>INDIRECT EMPLOYMENT</b>	<b>1,058</b>	<b>1,557</b>	<b>2,008</b>
	Indirect plus direct employment		
<b>TOTAL NET EMPLOYMENT EFFECT</b>	<b>1,872</b>	<b>2,755</b>	<b>3,553</b>

- 4.34 Summing the direct and indirect employment effects, the Proposed Development (assuming all floorspace is occupied by Class B8 uses) is shown to have the effect of increasing the number of Dearne Towns residents employed by 1,872, residents in Barnsley MDBC by 2,755 and within South Yorkshire by 3,553 (see Table 4.5).
- 4.35 In respect of the second scenario where the floorspace is split between Class B8 and Class B2 uses, Table 4.6 shows that of the FTE jobs created, it is calculated that 164 of these jobs will have been displaced from elsewhere within the Dearne Towns area; some 492 displaced from Barnsley MBDC area; and 821 from South Yorkshire. **Therefore, the net direct job creation of the Development ranges from 2,462 FTE in respect of South Yorkshire to 3,118 FTE jobs in the Dearne Towns.**
- 4.36 It is calculated that between 218 and 1,936 of the net direct jobs created by the Development will be filled by people who live outside of assessment areas and therefore the **direct employment effect to Dearne Towns residents is 1,182 FTE jobs and for South Yorkshire residents is 2,243 FTE jobs.**

**Table 4.6: Scenario 2 - Total Net Employment Effect of the Development (Mix of Class B8 & Class B2 Uses)**

EMPLOYMENT BENEFITS	Dearne Towns	Barnsley	South Yorkshire
<b>GROSS DIRECT JOB CREATION</b>	<b>3,282</b>		
Factor Deadweight and Displacement	-5% <b>-164</b>	-15% <b>-492</b>	-25% <b>-821</b>
<b>NET DIRECT JOB CREATION</b>	<b>3,118</b>	<b>2,790</b>	<b>2,462</b>
Factor Leakage	-62% <b>-1,936</b>	-38% <b>-1,050</b>	-9% <b>-218</b>
<b>DIRECT EMPLOYMENT</b>	<b>1,182</b>	<b>1,739</b>	<b>2,243</b>
Factor: we have applied the central value			
0.4 Multiplier (tradable)	473	696	897
0.9 Multiplier (non-tradable)	<b>1,064</b>	1,566	2,019
<b>INDIRECT EMPLOYMENT</b>	<b>1,536</b>	<b>2,261</b>	<b>2,916</b>
	Indirect plus direct employment		
<b>TOTAL NET EMPLOYMENT EFFECT</b>	<b>2,718</b>	<b>4,001</b>	<b>5,160</b>

- 4.37 **A further 1,536 Dearne Town residents, 2,261 Barnsley MBDC residents, and 2,916 South Yorkshire residents will benefit from employment** opportunities created within the district as a result of supply chain and other expenditure by the Proposed Development's occupiers and their employees.
- 4.38 Summing the direct and indirect effects, the Proposed Development (assuming the split between Class B8 and Class B2 uses) is shown to have the effect of **increasing the number of Dearne Towns residents employed by 2,718, residents in Barnsley MDBC by 4,001 and within South Yorkshire by 5,160** (see Table 4.6).
- 4.39 The GVA figures for the three assessment areas for both development scenarios are detailed in Table 4.7. This shows higher GVA levels for the mixed Class B8 and Class B2 scenario reflecting both the higher employment density associated with Class B2 uses and the higher GVA per worker figures for B2 uses than for B8 floorspace. **For the Class B8 scenario, the GVA for Dearne Towns is approximately £87.3m per annum as compared with £143.0m per annum in respect of the mixed Class B8 and B2 uses option. In respect of Barnsley MBC, the equivalent range of values is £128.5m to £210.5m per annum, and for South Yorkshire it is £165.7m to £271.4m.**

**Table 4.7: Total Net GVA of the Development (Class B8 & Mixed Class B8 & B2 Uses)**

HEADLINE ECONOMIC BENEFITS	CLASS B8 SCENARIO			CLASS B8 AND B2 SCENARIO		
	Dearne Towns	Barnsley	South Yorkshire	Dearne Towns	Barnsley	South Yorkshire
<b>TOTAL NET EMPLOYMENT EFFECT</b>	<b>1,872</b>	<b>2,755</b>	<b>3,553</b>	<b>2,718</b>	<b>4,001</b>	<b>5,160</b>
<b>GVA from Net Employment per annum (£m)</b>	<b>87.3</b>	<b>128.5</b>	<b>165.7</b>	<b>143.0</b>	<b>210.5</b>	<b>271.4</b>

Source: Employment figures taken from Tables 5.5 & 5.6.

Notes: 1. GVA figures are calculated using Oxford Economics data per worker for Yorkshire and Humberside (average over 2015-2020) for transportation & storage and manufacturing for direct workers and the UK average for indirect workers.

**e) Business rates**

- 4.40 The Development will generate annual business rates contributing to the funding of local public services. Rateable values are provided by the Valuation Office and taking into consideration rateable values for comparable facilities, **it is estimated that the Proposed Development could generate between approximately £3.7m to £4.0m per annum in business rates.**

**f) Summary**

4.41 This section has detailed the economic benefits associated with the construction and operational phases of the Proposed Development. These benefits are summarised in Table 4.8.

**Table 4.8: Summary of Economic Benefits**

Economic Indicator		Created by the Development				
<b><u>20-month Construction Phase</u></b>						
No. of Direct Construction Jobs		1,349				
No. of Indirect Construction Jobs		1,585				
Total Construction Jobs		<b>2,933</b>				
GVA from Direct Construction Jobs over Construction Phase		£100m				
GVA from Indirect Construction Jobs over Construction Phase		£143m				
Total GVA from Construction Phase		<b>£243m</b>				
<b><u>Operational Phase</u></b>		<b>CLASS B8 SCENARIO</b>		<b>CLASS B8 &amp; B2 SCENARIO</b>		
Gross Employment (FTE)		<b>2,260</b>		<b>3,282</b>		
Business Rates (per annum)		<b>Approximately £3.7m - £4.0m</b>				
<b>GROSS EMPLOYMENT</b>	<b>CLASS B8 SCENARIO (1)</b>			<b>CLASS B8 &amp; B2 SCENARIO (2)</b>		
	<b>2,260 FTE</b>			<b>3,282 FTE</b>		
	<b>Dearne Towns</b>	<b>Barnsley</b>	<b>South Yorkshire</b>	<b>Dearne Towns</b>	<b>Barnsley</b>	<b>South Yorkshire</b>
<b>DIRECT EMPLOYMENT (FTE)</b>	814	1,198	1,545	1,182	1,740	2,243
<b>INDIRECT EMPLOYMENT (FTE)</b>	1,058	1,557	2,008	1,537	2,261	2,916
<b>TOTAL NET EMPLOYMENT EFFECT (FTE)</b>	<b>1,872</b>	<b>2,755</b>	<b>3,553</b>	<b>2,718</b>	<b>4,001</b>	<b>5,160</b>
<b>GVA from Net Employment PA (£m)</b>	<b>87.3</b>	<b>128.5</b>	<b>165.7</b>	<b>143.0</b>	<b>210.5</b>	<b>271.4</b>

Source: Employment figures taken from Tables 5.5, 5.6 & 5.7.

Notes:

1. GVA figures are calculated using Oxford Economics data per worker for Yorkshire and Humberside (average over 2015-2020) for transportation & storage and manufacturing for direct workers and the UK average for indirect workers.
2. Numbers may not sum due to rounding.

## 5.0 KEY FINDINGS AND CONCLUSIONS

- 5.1 South Yorkshire's industrial inventory increased by 17% over the last ten years, during which time net 181 buildings have been delivered, adding 1.4m sqm to the stock of industrial floorspace.
- 5.2 Over a ten-year period (Q2 2014 to Q1 2023 inclusive), actual demand for industrial floorspace across the South Yorkshire Industrial Market amounted to 261,620 sqm per annum (262,000 sqm rounded). Examined in isolation, actual demand for floorspace in large-scale (9,300 sqm+) industrial and logistics units amounts to 218,402 sqm per annum (218,000 sqm rounded).
- 5.3 Actual demand is significantly higher than observed net absorption (move ins less move outs) and includes suppressed demand (that could not materialise because the market was undersupplied) amounting to c. 85,000 sqm and 103,000 sqm per annum, respectively.

### Drivers of Future Floorspace Demand

- 5.4 Having established sustained actual demand for industrial and logistics floorspace across the South Yorkshire Market Area, demand that has been suppressed by a lack of available floorspace, we now consider whether the observed level of demand is likely to be sustained in the medium to longer term (for example over a plan period).
- 5.5 Freight is central to the functioning of the country, operating around the clock to enable everyday life. In 2020, the UK's freight system transported 1.4 billion tonnes of goods by road, rail and water<sup>16</sup>, delivering to businesses and consumers.
- 5.6 As the population rises, the demand for freight will grow. Over the next 30 years, the weight of goods lifted by heavy freight transport could increase by between 27 and 45 per cent. The nature of this demand will also change, with expected increases in same day delivery, more just-in-time manufacturing, and continued growth of internet shopping<sup>17</sup>.
- 5.7 The Strategic Economic Plan 2021-2041 for the South Yorkshire Mayoral Combined Authority<sup>18</sup> envisages net housing delivery equal to 6,000 dwellings per annum over the next 15 years, 1.3 times greater than the rate achieved over the last 10 years<sup>19</sup>, meaning that housing delivery will drive ever higher demand for goods and services, increasing the need for industrial and logistics floorspace to service said demand.

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<sup>16</sup>Transport statistics Great Britain: 2022 tables, table code: TSGB0401. Department for Transport.

<sup>17</sup> Freight Study Final Report, NIC April 2019.

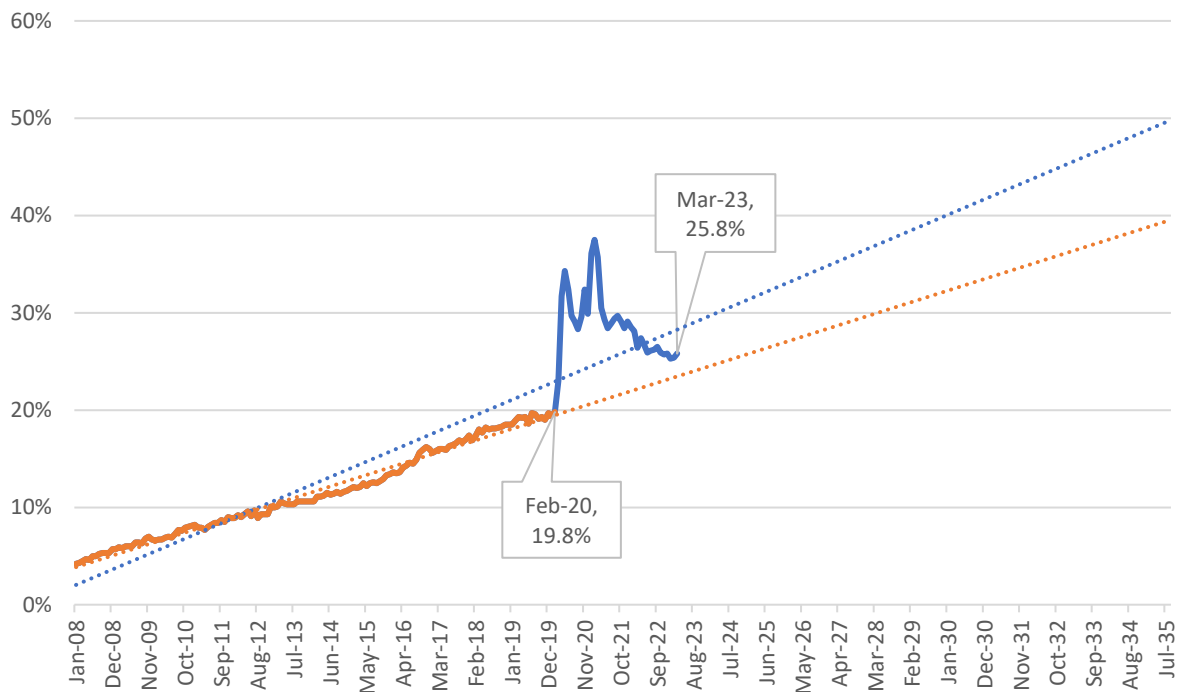
<sup>18</sup> Our Strategic Economic Plan 2021-2041, South Yorkshire Mayoral Combined Authority, version 2 01.01.2022.

<sup>19</sup> SEP and LIS Evidence Base, Policy and Assurance Team Sheffield City Region, May 2019

5.8 Growth in households equates to growth in household consumption, which is increasingly through online retailers. A lockdown induced uptick in online retail sales (25.8% of all sales in March 2023, compared to 19.8% in February 2020) has increased activity in final mile / journey logistics, such that according to ONS, recruitment to the sector recovered more rapidly than other sectors as it attempted to keep step with the surge in demand.

5.9 Arguably, this is a change in consumer behaviour that will not be wholly reversed, on the basis that the pandemic has accelerated or exacerbated a trend that was already taking place. Internet sales today are where we might otherwise have expected to be in four to five years' time. We illustrate the divergence in 'pre pandemic' (red dotted line) and 'post pandemic' (blue dotted line) in Figure 5.1.

**Figure 5.1: Internet Sales as a Proportion of All Sales (Seasonally Adjusted)**



Source: ONS, Retail Sales Index (internet sales) April 2023

5.10 The implication is that the pressure to accommodate logistics operations at South Yorkshire locations with good access to the strategic road network will further intensify.

## Conclusions

- 5.11 Based on the foregoing analysis and having regard to the drivers of demand, it is reasonable to assume that the observed level of actual demand for industrial floorspace will be sustained over time.
- 5.12 Floorspace demand based on actual demand observed over the last ten years is a reasonable basis for predicting future, unconstrained demand. The basis for this assessment is past net absorption, or occupier move ins less occupier moves out (net take up) plus a margin to ensure that supply and demand remains in equilibrium and sustains an availability rate of 8%.
- 5.13 This level of actual demand means, notionally, that across the South Yorkshire industrial market, there is less than one year (about 10 months') supply of existing available strategic scale supply (c180,000 sqm), about 16 months' supply under construction (c272,000 sqm) and 2.89 years' of total proposed supply (c610,000m sqm, including c249,000 sqm at Doncaster North).
- 5.14 The foregoing analysis and key findings bring into sharp focus the need to ensure a sufficient supply of strategically located sites of sufficient size to accommodate industrial and logistics demand.
- 5.15 Land South of Dearne Valley is well-placed to respond this demand, justified through its allocation in Barnsley's Local Plan. Furthermore, the local area (Dearne Towns) includes a significant number (1,000) of unemployed resident who are immediately available *and* a significant number (2,600) of economically inactive residents who want to work, for whom the logistics jobs created could deliver real social value.
- 5.16 Planned housing growth across South Yorkshire will enable continued population and labour supply growth, where labour market characteristics are suited to a proposed development that will deliver good quality employment opportunities and can be expected to realise the economic benefits summarised in Table 5.1.

**Table 5.1: Summary of Economic Benefits of the Development**

INDICATOR	ECONOMIC BENEFIT					
TOTAL CONSTRUCTION JOBS	£2,623 (1,206 direct and 1,417 indirect)					
TOTAL CONSTRUCTION PHASE GVA	£243m (£100m direct and £143m indirect)					
OPERATIONAL PHASE	CLASS B8 SCENARIO (1)			CLASS B8 & B2 SCENARIO (2)		
	Dearne Towns	Barnsley	South Yorkshire	Dearne Towns	Barnsley	South Yorkshire
GROSS JOBS ON SITE	2,260			3,282		
BUSINESS RATES PER ANNUM	Approximately £3.7m - £4.0m					
DIRECT EMPLOYMENT	814	1,198	1,545	1,182	1,740	2,243
INDIRECT EMPLOYMENT	1,058	1,557	2,008	1,537	2,261	2,916
TOTAL NET EMPLOYMENT EFFECT	1,872	2,755	3,553	2,718	4,001	5,160
GVA PER ANNUM (NET EFFECT)	£87m	£129m	£166m	£143m	£210m	£271m