

# Housing and Economic Development Needs Assessment – Addendum

**Selby District Council**

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Prepared by

**GL Hearn**

GL Hearn Limited  
4th Floor  
65 Gresham Street  
London EC2V 7NQ

[glhearn.com](http://glhearn.com)

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This document must only be treated as a draft unless it is has been signed by the Originators and approved by a Business or Associate Director.

DATE 16 June 2022	ORIGINATORS Ricky Cheng Junior Strategic Planner	APPROVED Ivan Tennant Director
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## 1 EXECUTIVE SUMMARY

- 1.1 GL Hearn has been commissioned by Selby District Council (SDC) to provide an update to Selby's Housing and Economic Development Needs Assessment (HEDNA) which was originally published in October 2020 (2020 HEDNA).
- 1.2 The report will form an addendum to the 2020 HEDNA report. It highlights any updates that reflect the new economic circumstances mainly influenced by the Covid-19 pandemic (the Pandemic). This includes the topics:
- A revised baseline employment growth projection of Selby District;
  - adjustments to the baseline position and updates to the custom growth scenario for Selby District;
  - implication for associate employment for both strategic (allocated) and non-allocated sites;
  - analysing the impact of the Pandemic on the local economy; and
  - influence on the level of housing needs associated with economic growth.
- 1.3 The key findings in this addendum will provide robust evidence and inform the policy development of Selby's emerging Local Plan.

### Employment forecast updates

- 1.4 The updates to the employment forecast chapter provide two perspectives of employment provision figures, one demand-led and another supply-led. The demand-led figures are derived from the baseline OE forecast and the adjusted growth scenario. The supply-led figures are derived from the associated floorspace of strategic sites and other permitted employment sites (windfall sites).

1.5 The table below compares the forecast scenarios of both labour demand-led (A and B) and labour supply-led (C and D) employment figures over the plan period 2020 to 2040.

**Table 1: Employment Scenario Comparison, Selby District**

ID	Scenario	Jobs 2020	Jobs 2040	Jobs Change	Avg. annual change
A	Labour demand baseline	40,856	39,615	-1,241	-62
B	Labour demand high (Custom growth scenario)	40,856	44,880	4,024	201
C	Baseline plus Strategic sites	40,856	53,992	13,136	657
D	Baseline plus Strategic sites & non-allocated sites	40,856	57,022	16,166	808

Source: GL Hearn calculation using OE data and SDC inputs

- 1.6 The baseline forecast shows a total employment decline of 1,241 jobs in Selby District over the period 2020 to 2040. This equates to a decline of 62 jobs per annum.
- 1.7 The custom growth model indicates a total employment growth of 4,024 jobs across the Selby District over the period 2020 to 2040. This equates to 201 jobs per annum.
- 1.8 Based on the Council's inputs, it is estimated that the full delivery of strategic sites would yield 14,377 additional jobs (12,312 FTE) in Selby District.
- 1.9 Assuming OE's baseline assumptions remain fundamental to Selby's economy, including a contraction and recovery from the Pandemic, this will generate 13,136 jobs with the full delivery of strategic sites. This equates to 657 jobs per annum.
- 1.10 Taking the capacity of both allocated (strategic) and non-allocated (permitted) sites into account, Selby District has the potential to deliver around 16,166 jobs over the period 2020 to 2040 under the baseline scenario. This equates to around 808 jobs per annum.



## Employment land requirement updates

- 1.11 The demand for employment land and floorspace over the period from 2020 to 2040 has been updated. This considers the requirement for employment land in E(g) (former B1), B2 and B8 Use Classes.
- 1.12 As required by the Planning Practice Guidance<sup>1</sup> (PPG) three techniques of assessments have been carried out, based on:
- Labour demand;
  - labour supply; and
  - past take-up.
- 1.13 For office floorspaces (E Class), given the recent VOA floorspace trend and the implications of the Pandemic, it would be appropriate for the Council to plan for the baseline forecast need at **10,880 sqm or 3.6 ha for office floorspace/land**.
- 1.14 Regarding the industrial floorspaces (B2/B8 Class), considering the VOA data better captures Selby's growth opportunities in key economic sectors, the recommended employment floorspace and land requirements are estimated according to the VOA's recent floorspace take-up trend. It would be appropriate for the Council to plan for a minimum of **306,660 sqm or 87.6 ha for industrial (B2) and warehousing (B8) floorspace/land**.
- 1.15 The table below summarises the recommended need for employment floorspace and the required land.

**Table 2: Recommended employment floorspace and land need**

	Floorspace (sqm)	Land (ha)	Method
E(g)	10,880	3.6	Baseline forecast with 5-year margin
B2	306,660	87.6	VOA short-term estimates with 20% margin
B8			
<b>Total</b>	<b>317,540</b>	<b>91.2</b>	

Source: GL Hearn calculation

<sup>1</sup> PPG Paragraph 029 Reference ID: 2a-029

- 1.16 Considering the balance of employment floorspace provision (supply) and potential floorspace requirements (demand), there is a substantial surplus of supply (831,610 sqm) by the strategic and windfall sites in Selby District.
- 1.17 Regarding the E(g) Use Class, the recommended need for floorspace/land is 10,880 sqm (3.6 ha), while the windfall sites in Selby District will potentially provide around 10,995 sqm (3.7 ha) of relevant Use Class of employment floorspace/land. This suggests that there is no need for further site allocations for E(g) Use Class since the windfall sites are able to fulfil the estimated demand on floorspaces.
- 1.18 It is recommended that SDC continue to support the current planning permission and the allocations of employment sites. Meanwhile, at the local level, it is essential to carefully monitor the commercial market in the post-Pandemic period and the performance of floorspace take-up in order to prevent excessive competition due to oversupply.

### Economic-led housing needs updates

- 1.19 The economic-led housing need analysis seeks to arrive at the number of homes required to support the anticipated job growth in Selby, based on an understanding of labour demand/supply in the Borough.
- 1.20 The level of job growth is associated with a number of scenarios. These are
- labour demand baseline: -1,241 jobs (decline)
  - labour demand high (custom growth): 4,024 jobs
  - baseline plus strategic sites (SS): 13,136 jobs
  - baseline plus strategic sites and non-allocated sites (N/A): 16,166 jobs
- 1.21 The following table shows the number of homes needed to support each scenario. These range from 86 to 368 dwellings per annum. All these figures are below or similar to the standard method minimum figure of 333 dwellings per annum (dpa) with the exception of the SS/NA scenario.

1.22 It is important to note the SS/NA scenario assumes all potential employment floorspace related to the strategic sites and non-allocated sites will come forward within the Local Plan period. Taking into account the substantial decrease in baseline economic position, this is an overly-optimistic assessment of future rates of delivery.

**Table 3: Dwellings Per Annum Required (2020-40), Scenario Comparison –Selby**

	Households 2020	Households 2040	Change	Household change per annum	DPA
<b>Baseline</b>	38,580	40,247	1,666	83	86
<b>Custom-growth</b>	38,580	43,432	4,851	243	250
<b>Baseline plus SS</b>	38,580	44,770	6,190	310	319
<b>Baseline plus SS/NA</b>	38,580	45,724	7,143	357	368

Source: GLH Analysis of Oxford Economics Data and Demographic Inputs

1.23 Therefore, based on the evidence gathered, there is no clear argument that the Council should plan for more homes than the standard method-based minimum of 333dpa. This updates the commentary in the 2020 HEDNA (which suggested the Council should increase their target from 344 to 382dpa).

1.24 It should be noted that the lower figures in this report are driven by two main factors; firstly the baseline forecast is notably lower (a loss of 1,241 jobs compared with a loss of 313) and secondly, the previous work did not factor in a latent labour supply from reducing unemployment.

## 2 INTRODUCTION

- 2.1 Selby District Council (the Council) has commissioned GL Hearn to update Selby's Housing and Economic Development Needs Assessment (HEDNA) finalised by GL Hearn in October 2020 (2020 HEDNA).
- 2.2 This report will form an addendum to the original HEDNA report which highlights any updates that reflect the new economic circumstances mainly influenced by the Covid-19 pandemic (the Pandemic).
- 2.3 In line with 2020 HEDNA, this addendum adopts a stepped approach to address the chapters of "employment forecasts", "employment land requirement" and "economic led housing needs" in the original report. The updates include the following topics:
- A revised baseline employment growth projection of Selby District;
  - adjustments on baseline position and update on custom growth scenario for Selby District;
  - implication on associate employment for both strategic (allocated) and non-allocated sites;
  - implications of the Pandemic for future employment space demand; and
  - influence on the level of housing needs associated with economic growth.
- 2.4 The key findings of these topics will inform the HEDNA updates and provide robust evidence to support the Local Plan examination for the Council. The remainder of this report is structured as follows:
- Chapter 2: Updates to Employment Forecast;
  - Chapter 3: Updates to Employment Land Requirements; and
  - Chapter 4: Updates to Economic-led Housing Need.

### 3 EMPLOYMENT FORECAST UPDATES

3.1 Oxford Economics (OE) was commissioned by GL Hearn to provide an updated baseline demand-based employment forecast for the HEDNA addendum. The OE forecast is dated March 2022.

3.2 The baseline forecasting model follows the same hierarchal structure and employment forecasting relationships as set out by OE in the original HEDNA.

#### Baseline Employment Growth

3.3 The table below presents the revised baseline employment growth between 1991 to 2040.

**Table 4: Selby’s employment and GVA growth (historic 1991-2020 and forecast 2020-2040)**

Economy	1991-2020	1991-2020	2020-2040	2020-2040
(Selby)	Change	CAGR	Change	CAGR
Employment	8,680	0.83%	-1,241	-0.15%
GVA	381,741	0.75%	712,299	1.48%
(Yorkshire & The Humber)	Change	CAGR	Change	CAGR
Employment	339,663	0.47%	22,430	0.04%
GVA	36,374,570	1.37%	47,508,600	1.70%

Source: Oxford Economics (2022)

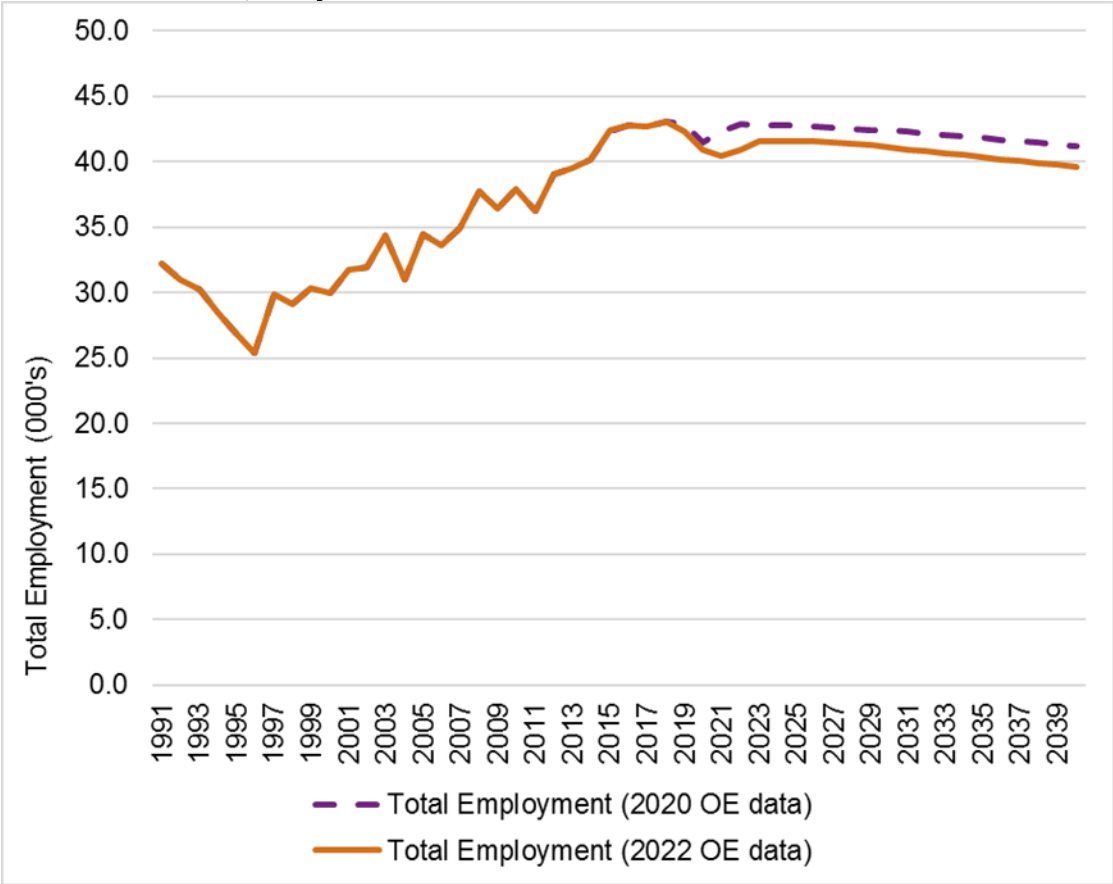
3.4 The revised baseline employment by OE indicates that Selby’s economy is expected to grow by 1.48% per annum (GVA growth) over the period 2020 to 2040. This GVA growth is higher than the historic growth (1991 to 2020) at 0.75% growth per annum.

3.5 At the regional level (Yorkshire & The Humber), the forecast GVA growth is 1.70% per annum, which is higher than the historic growth rate of 1.37% per annum.

3.6 OE baseline scenario shows a total forecast employment change of -1,241 jobs which equates to an annual growth rate of -0.15%.

3.7 The following figure shows the comparison of OE 2022 data with the OE 2020 data which is presented in the original HEDNA.

**Figure 1: Comparison of jobs growth by OE 2020 and 2022 data, baseline employment forecast, Selby District**



Source: Oxford Economics (2020 and 2022)

3.8 The original 2020 HEDNA indicates a forecast change of -313 jobs (-0.04% per annum), this forecast growth over the period 2020 to 2040. However, the latest OE baseline scenario shows a more pessimistic forecast with a decline of 1,241 jobs over the same period.

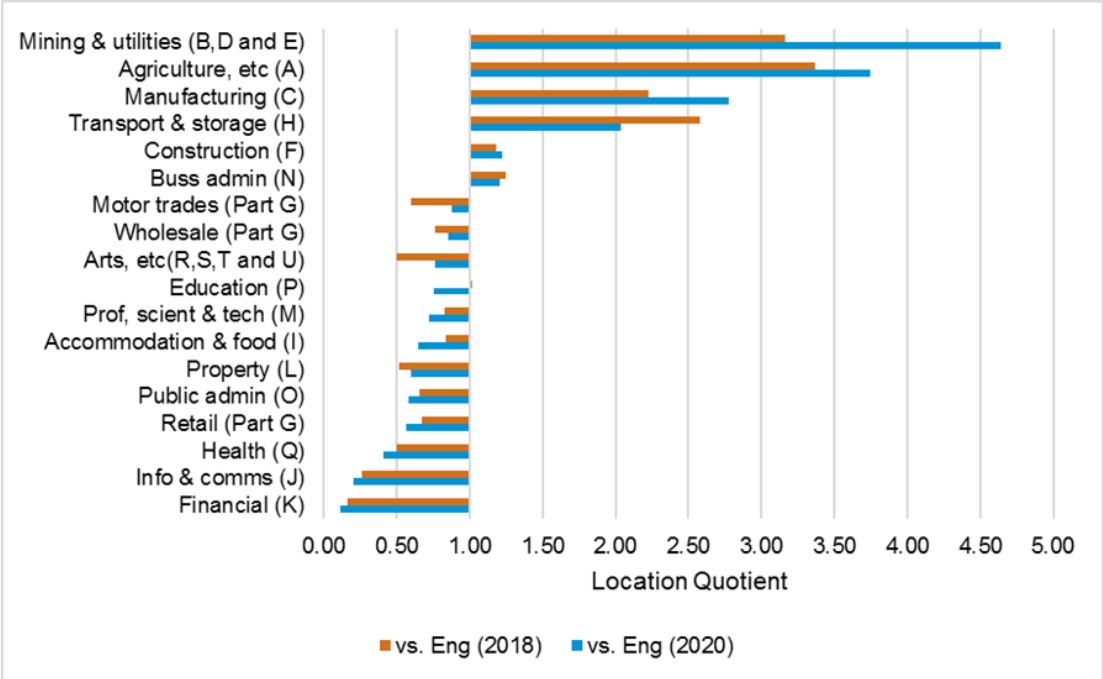
3.9 In terms of the Pandemic impact, the 2020 OE data shows a V-shape regarding the job growth during the Pandemic, where the initial recovery was expected in 2021.

3.10 However, as the Pandemic continues to impact since the original HEDNA was produced, a U-shape of job growth is presented by 2022 OE data, indicating the initial recovery is expected to occur on 2022/23.

**Adjusted Employment Growth**

3.11 In line with the original HEDNA, the location quotient informs the key employment sectors in Selby. Therefore, to set out the structure of Selby District’s economy against the England level, the location quotient analysis is updated.

**Figure 2: Employment Location Quotient (2020), Selby District**



Source: Business Register and Employment Survey, 2020

3.12 Based on the 2020 data, the figure indicates that Selby District has particular strengths in the sectors of Utilities, Agriculture, Manufacturing and Transport & Storage.

3.13 Compared with the employment data in 2018 used in the original HEDNA, the location quotients of the Utilities, Agriculture, and Manufacturing sectors are greater in 2020, while Transport & Storage sector is lower in 2020.

3.14 In line with the original HEDNA, the local performance of sectors in Selby is tested by the Compound Annual Growth Rate (CAGR) of the OE baseline employment forecast. This is done by comparing the CAGR in the long-term historic period between 2001 to 2020 and the more recent period between 2011 to 2020.

3.15 The table below shows the comparison of CAGR that indicates the annual growth of each sector in Selby District. It should be noted that some sectors have very small total employment numbers that might substantially distort the CAGR, such as Real estate activities. The data below is presented at the broad industrial group level.

**Table 5: Employment CAGR Comparison by Industry and time, Selby District**

<b>CAGR Comparison</b>	<b>Baseline forecast</b>	<b>Long-term historic</b>	<b>Recent historic</b>
<b>(Broad sector)</b>	<b>CAGR 2020-40</b>	<b>CAGR 2001-20</b>	<b>CAGR 2011-20</b>
<b>Agriculture, forestry and fishing</b>	-1.30%	-1.41%	-0.29%
<b>Mining and quarrying</b>	-3.00%	-14.25%	-21.52%
<b>Manufacturing</b>	-2.03%	1.09%	3.23%
<b>Utilities</b>	-1.45%	3.21%	4.26%
<b>Water</b>	-0.89%	12.17%	1.56%
<b>Construction</b>	0.42%	1.41%	-0.95%
<b>Wholesale and retail trade</b>	-0.15%	-0.29%	-1.23%
<b>Transportation and storage</b>	-0.08%	5.26%	3.10%
<b>Accommodation and food service activities</b>	0.19%	-0.83%	-0.71%
<b>Information and communication</b>	0.19%	5.50%	7.40%
<b>Financial and insurance activities</b>	-0.43%	-2.45%	-5.46%
<b>Real estate activities</b>	-0.08%	3.93%	6.88%
<b>Professional, scientific and technical</b>	0.72%	2.99%	1.48%
<b>Administrative and support service</b>	0.64%	4.75%	6.71%
<b>Public administration and defence</b>	-0.69%	2.31%	1.00%
<b>Education</b>	-0.10%	0.51%	-0.36%
<b>Human health and social work</b>	1.08%	1.62%	0.89%
<b>Arts, entertainment and recreation</b>	1.04%	1.05%	2.93%
<b>Other service</b>	1.01%	2.76%	1.66%
<b>Total</b>	<b>-0.15%</b>	<b>1.33%</b>	<b>1.35%</b>

Source: Oxford Economics, 2022



- 3.16 It is apparent that some sectors in Selby that have high CAGR in both long-term and recent years, such as Utilities and Transportation & Storage, are forecast by OE to have a decreased employment growth over the period 2020 to 2040.
- 3.17 However, considering the nature of the local economy of Selby, the projected negative employment growth of specific sectors in the period 2020 to 2040 may be overly pessimistic.
- 3.18 Also, the local planning policy officers and local economic development officers have been consulted to understand the local economic context. Based on the consultation, the key employment sectors have remained unchanged since the original HEDNA was produced.
- 3.19 In 2023, Selby District will be merging into the unitary local authority of North Yorkshire. However, there is no updated economic policy or development framework produced for the new council. The priority growth sectors identified in Selby Economic Development Framework (EDF)<sup>2</sup> are considered applicable, which include:
- advanced manufacturing;
  - agricultural technology;
  - construction;
  - energy;
  - logistics; and
  - visitor economy and hospitality.

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<sup>2</sup> Selby District Council (2017). [Economic Development Framework 2017-2022](#)

3.20 Therefore, based on the priority growth sectors in EDF, specific 2-digit sectors that make up the EDF priority growth sector have been analysed to build up a custom growth model for Selby. This will better reflect the local economic context and opportunities by referencing the historic employment growth performance in the long-term (LT) or recent years from 2011 to 2020.

3.21 In line with the original HEDNA, uplifts have been applied to specific 2-digit sectors. The justification and the adjustment method are outlined in the table below.

**Table 6: Significant Sector CAGR Analysis of 2020 to 2040, Selby District**

2-digit sector	Baseline CAGR	Adjusted CAGR	Justification	Method
<b>Crop &amp; animal production</b>	-1.30%	-1.19%	EDF Key sector (Agricultural technology)	Mid-Point Baseline + Recent Historic trend
<b>Manufacture of food products</b>	-2.17%	0.14%	EDF Key sector (adv. Manufacturing)	MP Baseline + Long-Term Historic trend
<b>Manufacture of beverages</b>	-0.49%	0.15%	EDF Key sector (adv. Manufacturing)	MP Baseline + LT Historic
<b>Manufacture of motor vehicles</b>	-3.82%	-0.52%	EDF Key sector (adv. Manufacturing)	Assumed no loss over time (no change)
<b>Other manufacturing</b>	-3.65%	0.33%	EDF Key sector (adv. Manufacturing)	MP Baseline + LT Historic
<b>Electricity, gas, steam &amp; air conditioning</b>	-1.45%	1.02%	EDF Key sector (Energy)	MP Baseline + Rec Historic
<b>Construction of buildings</b>	0.56%	2.36%	EDF Key sector (Construction)	LQ Baseline + Rec Historic
<b>Specialised construction activities</b>	0.36%	1.29%	EDF Key sector (Construction)	LQ Baseline + LT Historic
<b>Land transport &amp; transport via pipelines</b>	-0.03%	0.65%	EDF Key sector (Logistics)	LQ Baseline + LT Historic
<b>Warehousing &amp; support for transportation</b>	-0.01%	3.62%	EDF Key sector (Logistics)	LQ Baseline + LT Historic
<b>Postal &amp; courier activities</b>	-0.65%	-0.24%	EDF Key sector (Logistics)	LQ Baseline + LT Historic
<b>Sports activities &amp; amusement &amp; recreation</b>	1.13%	1.86%	EDF Key sector (Visitor's economy and Hospitality)	MP Baseline + LT Historic
<b>Total (All sectors)</b>	<b>-0.15%</b>	<b>0.47%</b>		

Source: GLH calculations; [SDC](#), 2017

- 3.22 As a result of the adjustment, this increases the total employment CAGR from -0.15% per annum to 0.47% per annum over the period 2020 to 2040.
- 3.23 After applying the adjusted CAGR, the difference in employment change between the baseline forecast and the adjusted scenario is presented in the table below.

**Table 7: Employment Change 2020-40 Baseline & Adjusted Scenario, Selby District**

	Baseline forecast	Adjusted forecast	Uplift
Agriculture, forestry and fishing	-316	-294	23
Mining and quarrying	-44	-44	-
Manufacturing	-2,584	-1,103	1,481
Utilities	-326	289	615
Water	-44	-44	-
Construction	286	1,214	927
Wholesale and retail trade	-127	-127	-
Transportation and storage	-68	2,066	2,134
Accommodation and food service activities	74	74	-
Information and communication	20	20	-
Financial and insurance activities	-12	-12	-
Real estate activities	-6	-6	-
Professional, scientific and technical	487	487	-
Administrative and support service	553	553	-
Public administration and defence	-116	-116	-
Education	-53	-53	-
Human health and social work	674	674	-
Arts, entertainment and recreation	127	212	85
Other services	233	233	-
<b>Total</b>	<b>-1,241</b>	<b>4,024</b>	<b>5,265</b>

Source: Oxford Economics, 2022; GLH adjustments

- 3.24 The adjusted scenario suggests that Selby District will generate 4,024 jobs over the period 2020 to 2040 (compared with a projected decline in employment in the baseline scenario).
- 3.25 Under the adjusted scenario, the greatest absolute job growth is observed in Transportation & storage and Construction sectors.

- 3.26 As stated in the original HEDNA, although UK’s role in the manufacturing sector in the international economy is assumed with a long-term decline, this would expect the occurrence will take place at the latter end or beyond the Local Plan period. Therefore, in the adjusted scenario, the CAGR for manufacturing sectors (2-digit) is assumed with either no change or adopts the long-term historic CAGR for adjustment.
- 3.27 In this HEDNA addendum, the sectors that have applied the adjusted CAGR and the job forecast were substantially uplifted are Transportation & Storage, Manufacturing, Construction and utility sectors.
- 3.28 Compared with the original 2020 HEDNA, since the OE baseline forecast in 2022 shows a greater decline in jobs between 2020 to 2040, the adjusted forecast generates less job growth.

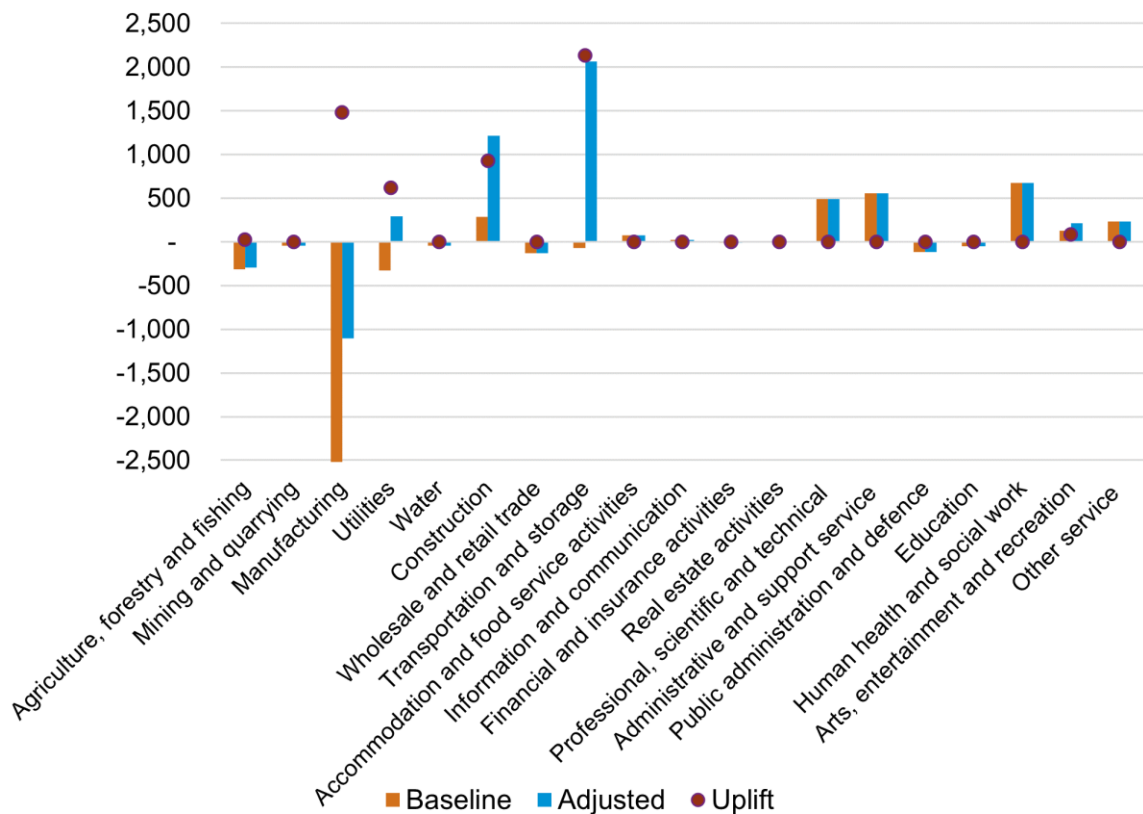
**Table 8: Total employment change 2020-2040, HEDNA addendum vs. 2020 HEDNA, Selby District**

	2020 HEDNA	2022 HEDNA updates
<b>Baseline forecast</b>	-313	-1,241
<b>Adjusted forecast</b>	4,960	4,024
<b>Uplift</b>	<b>5,272</b>	<b>5,265</b>

Source: Oxford Economics, 2020 and 2022; GLH adjustments

3.29 The following figure shows the comparison of baseline and adjusted change in employment of this HEDNA addendum by sector over the period 2020 to 2040.

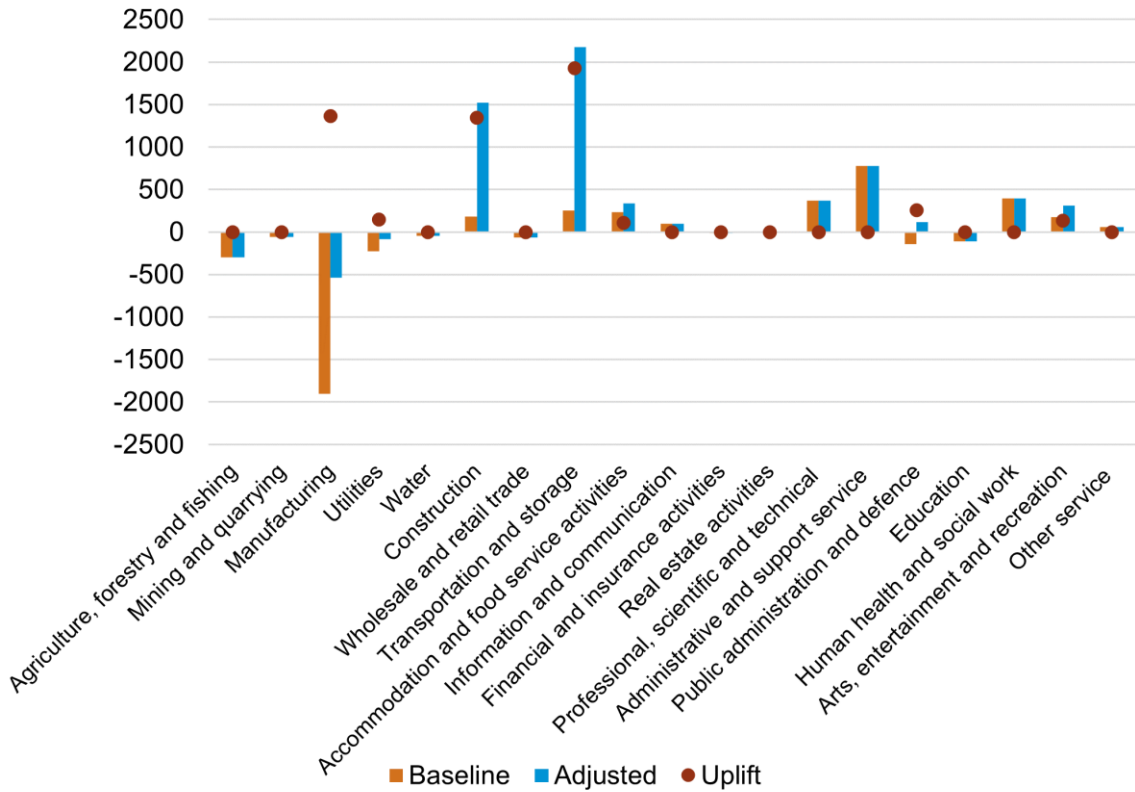
**Figure 3: Baseline and adjusted change in employment by sector 2020-40, HEDNA addendum, Selby District**



Source: Oxford Economics, 2022; GLH adjustments

3.30 The following figure shows the comparison of baseline and adjusted change in employment based on the original HEDNA by sector over the period 2020 to 2040.

**Figure 4: Baseline and adjusted change in employment by sector 2020-40, HEDNA 2020, Selby District**



Source: Oxford Economics, 2020; GLH adjustments

3.31 In comparison, in the original 2020 HEDNA, the sectors that have applied the adjusted CAGR and the job forecast were substantially uplifted are Transportation & Storage, Manufacturing, Construction and Public administration sectors.

### Strategic sites

3.32 The Council’s officers have been consulted to understand the local knowledge and recent development in Selby District. Also, the latest information on strategic employment sites is provided by the Council. In total, seven major sites are identified.

- 3.33 The list of the seven major sites contains key information on total floorspace, potential job outputs, current use and planning status etc. Based on the Council's input, the key information has been confirmed and it is expected to provide a total of 985,306 sqm of B Use Class employment floorspace.
- 3.34 The information on the B Use Class floorspace provision is updated by the Council in May 2022. Compared with the original 2020 HEDNA report, the figures regarding the employment floorspace provision for some of the strategic sites have been modified and confirmed by the Council's officers in 2022 HEDNA.
- 3.35 For example, the potential employment floorspace provision at the Gascoigne Wood site was 100,000 sqm based on consultations with council officers and various site promoters in May/June 2020 since the outline application was refused during the appeal ([2018/0818/EIA](#)). A new outline application is submitted in December 2021, and the proposal declares that the site will provide up to 2,000,000 sq. ft. (185,806 sqm) of employment floorspace ([2021/1531/EIA](#)). However, it should be noted that the application has not yet been approved, the floorspace provision figure at the Gascoigne Wood site only reflects the development proposal instead of the final decision by the Council.
- 3.36 Moreover, in addition to the Core 62 site, the Council is looking to allocate the remaining element of the former Eggborough power station site which comprises land to the south and southeast of the Core 62 site. This site (ref ID: EGGB-AA) is the former coal depot which was used to fuel the former power station. Compared with the original 2020 HEDNA, this is an additional strategic site and will provide approximately 40 ha for employment land development based on Council's input.

- 3.37 To convert the employment land area into a floorspace figure, the adopted plot ratio<sup>3</sup> consistent with the original 2020 HEDNA is applied. For the EGGB-AA site, since the B Class development is at the early stage, the plot ratio of 0.35 using the mid-point between B2 and B8 Classes is considered. According to the Council’s inputs on the figures for developable land, the conversion estimates that the EGGB-AA site has the potential to provide around 140,000 sqm of employment floorspace.
- 3.38 The table below presents the updated information on each major strategic site. Overall, there is an additional 223,806 sqm of employment floorspace.

**Table 9: Comparison of B Use Class floorspace provided by strategic sites, 2020 HEDNA vs. Addendum 2022**

Site	Floorspace provision data (2020)	Floorspace provision data (2022)	Difference
Konect 62 (Kellingley Colliery)	135,500	135,500	0
Olympia Park (SELB-CA)	139,000	139,000	0
Sherburn2 and 42	115,000	117,000	2,000
Core 62 (Eggborough)	215,000	211,000	-4,000
Church Fenton	57,000	57,000	0
Gascoigne Wood (SHER-AA) <sup>4</sup>	100,000	185,806	85,806
Land at Eggborough Power Station (EGGB-AA)	N/A	140,000	140,000
<b>Total</b>	<b>761,500</b>	<b>985,306</b>	<b>223,806</b>

Source: Council inputs

- 3.39 However, since there are minor changes in potential land use and to be explicit regarding the estimated employment provision related to these strategic sites, the employment density based on the original HEDNA and Government’s guidance<sup>5</sup> is adopted to apply on the industrial floorspace. Also, assumptions on displacement (25%) and the multiplier (10%) effects are consistent with the original HEDNA.

<sup>3</sup> For B1a/b office space a plot ratio of 0.3 is used (i.e. it is assumed that total floorspace will comprise 30% of the site area); for B1c/B2 industrial space a plot ratio of 0.4 is used; for B8 warehouse/distribution space a plot ratio of 0.4 is used.

<sup>4</sup> The floorspace provision figure reflects the new outline planning application for employment submitted in December 2021 ([2021/1531/EIA](#)) not the final decision by the Council.

<sup>5</sup> Homes and Communities Agency (2015). [Employment Density Guide 3rd Edition](#)



3.40 Finally, the FTE (full-time equivalent) employment was converted to the estimated total employment using the ratio in Selby (85% FTE conversion) based on the latest BRES data in 2020. It should be noted that this conversion ratio is slightly lower than that applied in the original HEDNA (90%) since updated BRES data has been utilised.

3.41 The table below presents the estimated employment provision of the seven strategic sites in Selby District.

**Table 10: Strategic Sites Employment Provision, Selby District (2020-40)**

Site	Floorspace	Density <sup>6</sup>	Employment	Displacement	Multiplier	Total employment	Total employment (85% FTE conversion)
Konect 62	135,500	50	2,710	25%	10%	2,236	1,900
Olympia Park	139,000	60	2,317	25%	10%	1,911	1,625
Sherburn2 and 42	117,000	60	1,950	25%	10%	1,609	1,367
Core 62 (Eggborough)	211,000	63	3,349	25%	10%	2,763	2,349
Church Fenton	57,000	32	1,781	25%	10%	1,470	1,249
Gascoigne Wood	185,806	60	3,097	25%	10%	2,555	2,172
Land at Eggborough Power Station (EGGB-AA)	140,000	63	2,222	25%	10%	1,833	1,650
<b>Total B-class (Strategic sites)</b>	<b>985,306</b>			<b>25%</b>	<b>10%</b>	<b>14,377</b>	<b>12,312</b>
Baseline job forecast						-1,241	-1,055
<b>Total B-class (Strategic sites &amp; Baseline)</b>						<b>13,136</b>	<b>11,257</b>

Source: GL Hearn calculation of Council inputs

3.42 As a result, the seven strategic sites are expected to provide additional 14,377 jobs (12,312 FTE jobs) in Selby District. Together with the baseline forecast figure, this equates to 13,136 jobs over the period from 2020 to 2040.

<sup>6</sup> Density assumptions in line with original HEDNA 2020

### Permitted sites (windfall sites)

- 3.43 The Council’s planning officers have provided the employment site permissions details up to 31st March 2022. Regarding the planning status, these sites have received planning consent, including the conditions of full planning permission, resolved to grant, and approved appeal decision.
- 3.44 The site details contain the information on the proposed additional B-Class floorspace and the permitted Use Class. In line with the approach used for strategic sites, this allows the estimation of employment provision by applying the employment density associated with the B Use Class.
- 3.45 The table below listed the permitted sites that provide B Use Class employment floorspace in Selby District.

**Table 11: B-class floorspace and relevant employment density of permitted sites, Selby District**

Use Class	Proposed B-class floorspace (sqm)	Density (jobs/sqm) <sup>7</sup>	B-class Employment (jobs)
B1 - current E(g)	1,185	10	119
B1a - current E(g)	3,233	11	294
Mixed (B1a/ B1b/ B1c/ B2/ B8)	1,610	40	40
B1b - current E(g)	390	50	8
B1c - current E(g)	6,187	47	132
B2	77,627	36	2,156
Mixed (B2/ B8)	2,621	40	66
B8	60,111	70	859
<b>Total B-class floorspace</b>	<b>152,964</b>	<b>N/A</b>	<b>3,673</b>

Source: GLH calculation using SDC inputs

<sup>7</sup> Homes & Communities Agency (2015). [Employment Density Guide 3rd Edition](#), Chapter 4

3.46 As the table below shows, using the same method for converting the floorspaces of strategic sites into FTE employment figures, the total FTE employment relevant to permitted B-class employment sites is arrived at.

**Table 12: Permitted Sites Employment Provision, Selby District**

Permissions	B-class employment (jobs)	Displacement	Multiplier	Total Employment (jobs)	Total FTE Employment (85% FTE conversion)
Total B-class floorspace provision (Non-strategic)	3,673	25%	10%	3,030	2,575

3.47 As a result, the permitted employment sites have the potential to provide approximately 3,030 jobs (2,575 FTE jobs) in Selby District.

**Employment Forecasts - Summary**

3.48 The following section summarises the results of employment forecasts under different scenarios. It should be noted that both employment provisions derived from strategic sites and permitted sites are supply-led figures.

3.49 These figures are compared with the two forecast scenarios of labour demand-led employment over the plan period 2020 to 2040, as the table below shows.

**Table 13: Employment Scenario Comparison, Selby District**

ID	Scenario	Jobs 2020	Jobs 2040	Jobs Change	Avg. annual change
A	Labour demand baseline	40,856	39,615	-1,241	-62
B	Labour demand high (Custom growth scenario)	40,856	44,880	4,024	201
C	Baseline plus Strategic sites	40,856	53,992	13,136	657
D	Baseline plus Strategic sites & non-allocated sites	40,856	57,022	16,166	808

Source: GL Hearn calculation using OE data and SDC inputs

3.50 The custom growth model suggests that there is an additional employment growth (5,265 jobs) from the OE baseline forecast, which indicates a total employment growth of 4,024 jobs across the Selby District over the period 2020 to 2040. This equates to 201 jobs per annum.

- 3.51 Based on the estimation of the Council's inputs, the full delivery of strategic sites would yield additional 14,377 jobs (12,312 FTE jobs) in Selby District.
- 3.52 Assuming OE's baseline assumptions remain fundamental to Selby's economy, including a contraction and recovery from the Pandemic, this will generate 13,136 jobs with the full delivery of strategic sites. This equates to 657 jobs per annum.
- 3.53 Taking the capacity of both allocated (strategic) and non-allocated (windfall) sites into account indicates around 16,166 jobs over the period 2020 to 2040. This equates to around 808 jobs per annum.

## 4 EMPLOYMENT LAND REQUIREMENT UPDATES

- 4.1 This chapter updates the demand for employment land and floorspace over the period from 2020 to 2040. This considers the requirements for employment land in E(g) (former B1), B2 and B8 Use Classes.
- 4.2 As required by the Planning Practice Guidance<sup>8</sup> (PPG, 2020), three techniques are recommended to estimate the future employment land requirements broken down by different market segments (e.g. different B and E Use Classes). This includes the assessments based on:
- Labour demand;
  - labour supply; and
  - past take-up.
- 4.3 For labour demand and labour supply scenarios, the econometric forecasts by OE are the basis. The OE forecasts take account of the past economic performance and move forward to estimate expected performance in the future. The OE baseline forecast considers the sectoral composition of growth. Based on the OE outputs, a detailed model is applied to relate the net employment forecasts to relevant Use Classes and to estimate the gross employment floorspace and land requirements.
- 4.4 On the other hand, the assessment of past take-up is based on the actual delivery of employment floorspaces. The past take-up is potentially influenced by past land supply policies but does not take account of the implications in the growth of labour supply (e.g., housing growth) nor the differences in past economic performance.

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<sup>8</sup> PPG Paragraph 029 Reference ID: 2a-029

- 4.5 In line with the original 2020 HEDNA, since the econometric forecasts by OE are available at the local authority level, the employment land scenarios are presented at the Selby District level.
- 4.6 The following section presents the updated estimation of employment land requirements under the three scenarios related to labour demand, labour supply and past take-up trends.

### Labour Demand Scenarios

- 4.7 This section takes forward the economic growth forecasts set out in Chapter 3 of this addendum. This includes a scenario based on the baseline OE forecast and a custom growth scenario based on the adjusted forecast factoring in recent local economic developments and priority growth sectors sets out in the EDF.

#### **Baseline Scenario**

- 4.8 The baseline scenario considers the quantum of employment land required related to the decline of 1,241 jobs between the period 2020 to 2040 as presented in the updated OE baseline forecast.
- 4.9 Based on the latest BRES data<sup>9</sup> in 2020, an FTE conversion ratio in Selby District (85%) is applied. Therefore, the baseline OE forecasts show a net job decline of 1,052 FTE jobs over the period 2020 to 2040.
- 4.10 The estimation has considered the proportion of employment in each of the employment sectors in OE data which is likely to take place on the office or industrial floorspace. This is broken down by Use Classes of E(g) Class (former B1a/b/c Class) for office, R&D or light industrial uses, B2 Class for general industrial uses and B8 Class for storage or distribution uses.

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<sup>9</sup> [Business Register and Employment Survey, 2020](#)

- 4.11 The conversion model as mentioned in the original HEDNA is adopted. This estimates the proportion of FTE jobs in each employment sub-sector which are relevant to different types of employment land (by Use Classes) in Selby. In reality, the proportion might differ within the sectors, however, the model which assumes an average proportion will be applied to simplify the estimation.
- 4.12 By applying the model with the same assumed apportionment, the net growth in FTE employment between 2020 to 2040 is estimated by Use Classes in Selby District. The table below shows the estimation by the 5-year band throughout the plan period from 2020 to 2040.

**Table 14: FTE Job growth by B-Class and E(g)-Class sector, Baseline scenario 2020-40, Selby District**

Baseline	2020-25	2020-30	2020-35	2020-40
E(g) (Former B1)	248	373	432	489
B2	-366	-954	-1,553	-2,086
B8	127	107	55	1
Other Non-B class	575	680	624	544
Total	585	206	-441	-1,052
B-Class Total	-239	-847	-1,497	-2,085

Source: Oxford Economics, 2022; GLH Calculation

- 4.13 It should be noted that this estimation is based on the latest OE baseline forecast which has accounted for the Pandemic impact and the post-pandemic recovery. However, since the OE 2022 employment growth output shows more pessimistic results compared with the OE 2020 employment growth forecast, the total FTE job is less in the B Use Class sector between 2020 to 2040.
- 4.14 It should be noted that this addendum has reflected on the latest Use Class category which the former B1 Class is now part of the E(g) Class.

4.15 The table below shows the comparison of the total FTE job growth figure in the original HEDNA and the updated estimates of this addendum. This shows that, under the baseline scenario, there will be a substantial decrease in B Use Class relevant FTE jobs in both versions of HEDNA. However, there will be a large increase in non-B Use Class relevant FTE jobs over the period 2020 to 2040.

**Table 15: Comparison of FTE job growth by Use Class sectors, Baseline scenario 2020-40, Selby District**

Baseline	Original 2020 HEDNA (FTE jobs 2020-40)	HEDNA 2022 addendum (FTE jobs 2020-40)
Non-B Class (including E Class)	1,086	1,033
B Class (B2/B8)	-1,584	-2,085
Total	-498	-1,052

Source: Oxford Economics, 2020 and 2022; GLH Calculation

4.16 The latest guidance on employment density is documented in HCA Density Guide 2015. Since this employment density assumption does not reflect the latest Use Class category (B1 to E Class), this addendum applied the assumptions for B1 Class consistent with the original HEDNA. The employment density assumptions are applied to convert the FTE job growth figure into gross employment floorspace and summed up into the relevant B or latest E(g) Use Class.

**Table 16: Employment density assumptions**

Use Class	Density (sqm)
B1a/b - current E(g) Class	11
B1c - current E(g) Class	47
B2	36
B8	80

Source: HCA Density Guide 2015

4.17 Based on the assumptions of employment density, the net changes in employment floorspace by Use Classes between 2020 to 2040 are derived. Also, the floorspace is converted into the land requirement by the plot ratio assumptions based on the original HEDNA<sup>10</sup>.

<sup>10</sup> For B1a/b office space a plot ratio of 0.3 is used (i.e. it is assumed that total floorspace will comprise 30% of the site area); for B1c, B2 industrial space and B8 warehouse/distribution space a plot ratio of 0.4 is used.



4.18 The table below shows that, under the baseline scenario, the net requirement for B2 Class floorspace will substantially decrease by 75,082 sqm but E(g) Class floorspace will increase by 8,505 sqm over the plan period.

**Table 17: Net employment land requirements, Baseline labour demand scenario 2020-40, Selby District**

Baseline 2020-40	Employment floorspace requirement (sqm)	Employment land requirement (ha)
E(g) Class	8,505	2.8
B2	-75,082	-25.0
B8	56	0.0
<b>Total</b>	<b>-66,521</b>	<b>-22.2</b>

Source: Oxford Economics, 2020; GLH Calculation

4.19 In the original HEDNA, an adjustment to the E(g) Class floorspace requirement has been made as to the result of working-from-home trends affected by the Pandemic. However, although the OE 2022 data has accounted for the Pandemic impacts on the employment growth, the potential decrease in the ratio of floorspace needs to be considered.

4.20 Therefore, in line with the adjustments sets out in the original HEDNA, the ratio of office floorspace needs will fall by around one-third as a sensitivity. This equates to a lower E(g) Class floorspace need of 5,670 sqm and employment land need of 1.9 ha.

**Adjusted Growth Scenario (Custom growth)**

4.21 The adjusted growth scenario accounted for the quantum of employment land required to support the growth of 4,024 jobs in Selby District between 2020 to 2040, based on the custom growth scenario as set out in the previous chapter.

4.22 The custom growth scenario allows the greater influence of the recent employment growth trend of certain key growth sectors in the District and shows a net job increase of 3,411 FTE jobs over the period 2020 to 2040.

- 4.23 By applying the same modelling assumptions and the stepped approach as the baseline scenario, the table below presents the forecast of net FTE job growth by Use Class over the period 2020 to 2040 in Selby District.

**Table 18: FTE Job growth by B-Class and E(g)-Class sector, Adjusted scenario 2020-40, Selby District**

Adjusted	2020-25	2020-30	2020-35	2020-40
E(g) (Former B1)	258	426	535	649
B2	-155	-394	-627	-830
B8	186	417	674	981
Other Non-B class	673	1,344	1,950	2,612
Total	962	1,793	2,532	3,411
B-Class Total	290	449	582	799

Source: Oxford Economics, 2022; GLH Calculation

- 4.24 After applying the employment densities to the forecasts of net FTE job growth, the net changes in employment floorspace are derived. The table below shows the updated employment land requirements under the adjusted labour demand scenario.

**Table 19: Net employment land requirements, Adjusted labour demand scenario 2020-40, Selby District**

Adjusted 2020-40	Employment floorspace requirement (sqm)	Employment land requirement (ha)
E(g) Class	10,259	3.4
B2	-29,894	-10.0
B8	78,448	19.6
Total	58,813	13.1

Source: Oxford Economics, 2022; GLH Calculation

- 4.25 As the result, under the adjusted growth scenario, the net floorspace requirement for E(g) Use Class is 10,259 sqm and for B8 Use Class is 78,448 sqm between 2020 to 2040. For B2 Use Class, the floorspace requirement will decline by 29,894 sqm due to the decreasing trend of jobs in the manufacturing sectors over the plan period.

4.26 Considering the Pandemic sensitivity of less demand for office floorspaces, the adjustments are applied to decrease the ratio of floorspace requirements by one-third. This equates to a need for E(g) floorspace with 6,840 sqm and employment land of 2.3 ha.

**Summary of Labour Demand Scenarios and Strategic Sites**

4.27 The table below sets out the associated change in employment that reflects the labour demand scenarios, and the potential floorspace provision of both strategic and permitted employment sites in the District.

**Table 20: Employment scenario comparison, Selby District**

ID	Scenario	Jobs 2020	Jobs 2040	Jobs Change	Avg. annual change
A	Labour demand baseline	40,856	39,615	-1,241	-62
B	Labour demand high (Custom growth scenario)	40,856	44,880	4,024	201
C	Baseline plus Strategic sites	40,856	53,992	13,136	657
D	Baseline plus Strategic sites & non-allocated sites	40,856	57,022	16,166	808

Source: GLH Calculation based on Oxford Economics (2020) and SDC (2022) inputs

4.28 The population data estimated by the Government’s standard housing need method will also lead to a provision of the workforce. Section 5 considers a labour supply-led scenario that accounts for the associated change in employment under the population derived from the standard method-based housing need figure<sup>11</sup>.

4.29 The next chapter “Economic-led housing need” of this report sets out the situation in relation to forecast housing needs and associated population growth.

<sup>11</sup> Section: Jobs Supported by Growth in the Resident Labour Force

## VOA Employment Floorspace Trends

- 4.30 Although this addendum does not update the Commercial Property Market Chapter in the original HEDNA report, this section provides an update on the VOA employment floorspace trend as the sense check on labour demand forecast with past VOA floorspace records.
- 4.31 The table below presents the different rates of historic net change between 2001 to 2021 in VOA employment floorspace data. In the long-term trend (2001 to 2021), there is a slight increase in office floorspace and a large increase in industrial floorspace. However, according to the recent trend (2011 to 2021), there is a slight decline in office floorspace and slower growth of industrial floorspace compared with the long-term trend.
- 4.32 Based on the long-term and recent trends, the employment floorspaces for office and industrial use are projected over the period 2020 to 2040.

**Table 21: VOA floorspace trend 2001 to 2040, Office and Industrial ('000s sqm), Selby District**

(Period)	2001-2021		2011-2021		2020-40	
	Total	Per annum	Total	Per annum	long-term trend estimates	recent trend estimates
<b>Office</b>	9.0	0.5	-8.0	-0.9	9.5	-17.8
<b>Industrial</b>	331.0	17.4	115.0	12.8	348.4	255.6

Source: [VOA](#), 2021; GLH Calculation

- 4.33 The VOA employment floorspace trend shows much higher industrial floorspace requirements than both baseline and adjusted labour demand scenarios. For office floorspace, there is more uncertainty since the VOA recent trend shows a decline in relevant floorspace while both baseline and adjusted labour demand scenarios show an increase in office need.

4.34 Compared with the original 2020 HEDNA, the table below presents the difference in estimated floorspace (office, industrial) using the long-term (LT) and recent VOA employment floorspace trend.

**Table 22: Comparison of long-term and recent VOA trend floorspace estimates ('000s sqm) between original 2020 HEDNA and 2022 HEDNA, Selby District**

	Original HEDNA	Original HEDNA	2022 HEDNA	2022 HEDNA
VOA trend	LT trend estimates 2020-40	Recent trend estimates 2020-40	LT trend estimates 2020-40	Recent trend estimates 2020-40
Office	17.8	-7.5	9.5	-17.8
Industrial	410	320	348.4	255.6

Source: [VOA](#), 2021; GLH Calculation

4.35 Both original 2020 HEDNA and 2022 HEDNA show a large difference between the estimates by recent trends and the long-term trend for office floorspaces, which the long-term trend shows an increasing floorspace needs while the recent trend indicates a declining need.

4.36 Moreover, comparing the two versions of HEDNA, the latest data shows a greater decline in both office and industrial floorspace between 2020 to 2040. This reflects the inclusion of VOA floorspace data for 2020 and 2021, in which the Pandemic has largely impacted the need for employment floorspace, especially for office use.

4.37 Council’s past completion data<sup>12</sup> was also provided as a sense check on employment floorspace take-up trends. According to the SDC inputs, over the period of 2011 to 2021, there is a net additional of 122,322 sqm of B Use Class floorspace, equivalent to 12,232 sqm per annum. This take-up trend is similar to the recent VOA floorspace trend (approx. 12,800 sqm per annum).

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<sup>12</sup> Completions data only includes new premises but excluding extensions to existing employment premises.

## Flexible Margin Allowance

- 4.38 As stated in the original HEDNA, in addition to the demand modelling, it is considered appropriate to include a flexible margin for the employment floorspace and land needs.
- 4.39 In the original HEDNA, the flexible margin is set out by the VOA long-term annual floorspace trend. The 5-year margin figure is included in the requirement figure in each labour demand scenario. Based on the latest VOA floorspace data set out in this addendum, the 5-year margin would be:
- E(g) Class office floorspace (land): 2,368 sqm (0.8 ha); and
  - B Class industrial floorspace (land): 87,105 sqm (24.9 ha).
- 4.40 Therefore, in this addendum, it is considered appropriate to apply a 5-year floorspace margin to the employment floorspace and land need.
- 4.41 In comparison with the flexible margin adopted in the original HEDNA, the 5-year floorspace margin for office<sup>13</sup> floorspace is slightly lower in 2022 HEDNA.
- 4.42 However, the flexible margin for industrial floorspace is very substantial compared with the forecast need. It is considered appropriate to apply a proportionate margin to the need figure instead of the 5-year margin based on the VOA trends. Typically, this proportion level of margin is set between 20% to 40%. In this 2022 HEDNA, the 20% margin is adopted for industrial floorspace needs.

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<sup>13</sup> Flexible Margin for B1a/b Class in original 2020 HEDNA: 4,444 sqm (1.48 ha)

## Employment Land Requirements – Quantitative needs

- 4.43 The table below summarises the forecast employment floorspaces by different Use Classes. The different scenarios of the employment forecast show a large range of future employment floorspace needs from -79,157 sqm (Baseline labour demand) to 429,947 sqm (VOA long-term trend).

**Table 23: Range of Employment Floorspace Need (sqm) (including 5-Year or 20% margin) 2020 to 2040, Selby District**

Employment Floorspace Need 2020-2040	Baseline	Custom growth	VOA Long Term	VOA Short Term
<b>E(g) Class</b>	10,873	12,628	11,842	-15,409
<b>B2</b>	-90,098	-35,873	418,105	306,667
<b>B8</b>	67	94,138		
<b>Total</b>	-79,157	70,892	429,947	291,257

Source: GL Hearn calculation based on OE and VOA data

- 4.44 The table below summarises the forecast employment land by different Use Classes. The employment forecast under different scenarios shows a large range of future employment land needs from -26.4 ha (Baseline labour demand) to 123.4 ha (VOA long-term trend).

**Table 24: Range of Employment Land Need (Ha) (including 5-Year or 20% margin) 2020 to 2040, Selby District**

Employment Land Need 2020-2040	Baseline	Custom growth	VOA Long Term	VOA Short Term
<b>E(g) Class</b>	3.6	4.2	3.9	-5.1
<b>B2</b>	-30.0	-12.0	119.5	87.6
<b>B8</b>	0.0	23.5		
<b>Total</b>	-26.4	15.8	123.4	82.5

Source: GL Hearn calculation based on OE and VOA data

- 4.45 Based on the updated quantitative need for employment floorspace and land in Selby District, the following summarises the key findings and the potential impacts of changing working practices.

## Potential impacts of changing working practices and Use class changes

- 4.46 There are two factors which may potentially influence future office space demand in Selby: (i) changes in working practices arising from the Pandemic and (ii) recent Use Class Order changes.
- 4.47 The UK has only recently begun to emerge from the Pandemic. It is too early to determine the resulting structural changes that may affect how businesses operate and the resultant demand for office space.
- 4.48 Whilst there is broad consensus that future working practices are likely to include more home and flexible working, the scale of this shift remains uncertain. A range of alternative scenarios is possible, from a return to close to pre-pandemic levels through to a substantial step-change toward remote working across many industries.
- 4.49 It is possible that even with the wide application of a hybrid model of remote working, the quantum of demand for office floorspace could remain broadly unchanged. The type of demand could change, however, for example, with an increase in demand for more flexible and interaction-led space. This may mean that older format stock becomes less attractive and that a stock adjustment process needs to take place.
- 4.50 Planning policy should remain flexible and open to the possibility that the quantum of office space required could be lower, however, particularly if a more substantial step-change occurs. In light of this, the sensitivity test incorporated in the original HEDNA is retained in this update (modelling a fall in the ratio of office floorspace need of around one-third). The planning system will need to monitor the situation and build in additional flexibility.



- 4.51 Use Class Order changes also have implications for the office market. The inclusion of B1 within the broad E Town Centre use class brings permitted development rights enabling owners to change between the sub-uses. This means that existing policies to protect employment space will become less effective in relation to existing B1(a/b/c) premises. Consequently, the supply of this space may be reduced and the characteristics of existing employment areas altered.

### Conclusions on need

- 4.52 The following section concludes on the need for office and industrial floorspaces and land requirements. The need figures are suggested by reflecting the range of quantitative needs derived in this addendum and the macro trend of the Pandemic impacts.

#### Office

- 4.53 As indicated by VOA floorspace's recent trend, the office market in Selby District has contracted in recent years. Especially during the Pandemic period 2020 to 2021, the need for relevant E(g) Class floorspace has further decreased compared with the findings in the original 2020 HEDNA. However, it is still uncertain whether the post-Pandemic period will result in a structural change in the office market or recovery in floorspace needs. In broad consensus, the future need for office spaces will be limited, especially for the traditional format of stock.
- 4.54 Both baseline forecast and custom growth scenario indicate that there will be an additional need for office floorspace and land in the long-term (2020 to 2040). However, given the recent VOA floorspace trend and the implications of the Pandemic, the custom growth scenario is considered overly optimistic. Therefore, it would be appropriate for the Council to plan for the baseline forecast need at **10,880 sqm or 3.6 ha for office (E Class) floorspace/land.**

## Industrial

- 4.55 For manufacturing and general industrial floorspace (B2 Class), both baseline forecast and custom growth scenarios indicate a declining need over the period 2020 to 2040. The custom growth model shows a lesser degree of decline based on the assumptions made for certain key employment growth sectors.
- 4.56 The recent VOA floorspace trend shows a high growth rate and an increasing need for industrial floorspace (both B2 and B8 Classes). Moreover, based on SDC's input, the data of past take-up for B Use Class floorspace confirms that the VOA trend is in line with the Council's monitoring records.
- 4.57 The degree of employment growth as indicated by the VOA floorspace trend captures Selby's growth opportunities in key economic sectors such as logistics and warehousing. Moreover, in line with the original 2020 HEDNA, the potential dislocation of the labour demand models may lead to under-reporting the job densities and employment floorspace needs. Therefore, based on the VOA's recent trend, it would be appropriate for the Council to plan for a minimum of **306,660 sqm or 87.6 ha for industrial (B2) and warehousing (B8) floorspace/land.**
- 4.58 The table below summarises the recommended need for employment floorspace and land.

**Table 25: Recommended employment floorspace and land need**

	Floorspace (sqm)	Land (ha)	Method
E(g)	10,880	3.6	Baseline forecast with 5-year margin
B2	306,660	87.6	VOA short-term estimates with 20% margin
B8			
<b>Total</b>	<b>317,540</b>	<b>91.2</b>	

Source: GL Hearn calculation

## Supply Position and Balance

- 4.59 The Council's officers have been consulted to confirm the latest development status of strategic and windfall sites in Selby District. Considering the pipeline supply for both strategic and permitted employment sites in the District, the potential amount of future floorspace provision is substantial.
- 4.60 The balance of estimated employment floorspace provision (supply) and the potential floorspace requirement (demand) is summarised in the table below.

**Table 26: Key strategic sites, windfall sites, B and E Use Class relevant employment**

Site	Application Status	Estimated B2/B8 Floorspace Provision (sqm)	Estimated E(g) Floorspace Provision (sqm)
Konect 62	Permitted	135,500	N/A
Olympia Park	Allocated	139,000	N/A
Sherburn2 and 42	Permitted	117,000	N/A
Core 62 (Eggborough)	Permitted	211,000	N/A
Church Fenton	Reserved matter in progress	57,000	N/A
Gascoigne Wood	Outline planning permission in progress	185,806	N/A
Land at Eggborough Power Station (EGGB-AA)	Allocated	140,000	N/A
<b>Windfall sites total</b>		152,964	10,995
<b>Total B-Class supply</b>		1,138,270	10,995
<b>Recommended need</b>		306,660	10,880
<b>Surplus</b>		831,610	115

Source: GLH Analysis of SDC inputs

- 4.61 The volume of industrial floorspace (B Class) supply coming forward in Selby District largely exceed the modelled need based on the VOA floorspace trend. In line with the commentary of the original 2020 HEDNA, this is not considered problematic given most of the strategic and windfall sites have either received planning consent with commercial interests or long-term allocation being progressed. According to the VOA long-term trend, although it is suggested in the original HEDNA that the industrial floorspace requires a faster rate of completion, the economic contraction due to the Pandemic will slow down the rate of employment level to fulfil these sites.
- 4.62 Regarding the E(g) Use Class, the recommended need for floorspace/land is 10,880 sqm or 3.6 ha. Based on the planning status information provided by the Council, the windfall sites in Selby District will potentially provide around 10,995 sqm or 3.7 ha of relevant Use Class of employment floorspace/land. Therefore, this addendum suggests that there is no need for further site allocations for E(g) Use Class since the windfall sites are able to fulfil the estimated demand on floorspaces.
- 4.63 In conclusion, this addendum recommends that SDC continue to support the current planning permission and the allocations of employment sites. Meanwhile, at the local level, it is essential to carefully monitor the commercial market in the post-Pandemic period and the performance of floorspace take-up in order to prevent excessive competition due to oversupply.

## 5 **ECONOMIC-LED HOUSING NEED UPDATES**

- 5.1 This section of the report briefly considers demographic trends, in particular looking at past trends in population growth and future projections. The analysis draws on the 2018-based subnational population projections (SNPP) and the 2018-based household projections (SNHP) – both ONS data releases. The analysis also looks at the most recent population estimates (again from ONS) which date to mid-2020.
- 5.2 The section also considers the implications of delivering housing in-line with the Standard Method (333 dwellings per annum across the District). This includes understanding potential population growth and changes to population/household structures. Projections have been developed for the 2020-40 period.
- 5.3 The analysis then moves on to look at the potential growth in the labour supply linked to projections, and the number of jobs that could be supported, before concluding by looking at analysis in the opposite direction (i.e. what labour supply growth (and hence housing need) is required to meet the range of economic forecasts previously discussed).

### **Population Trends**

- 5.4 As of mid-2020, the population of Selby was estimated to be 91,700 with the table below showing the age profile compared with a range of other areas. Population data has been assigned to three broad age groups (which can generally be described as a) children, b) working-age and c) pensionable age).
- 5.5 This analysis shows that, compared with the regional and national position, Selby has a slightly higher proportion of people aged 65+ and slightly fewer children – the opposite is however true when compared with data for North Yorkshire.

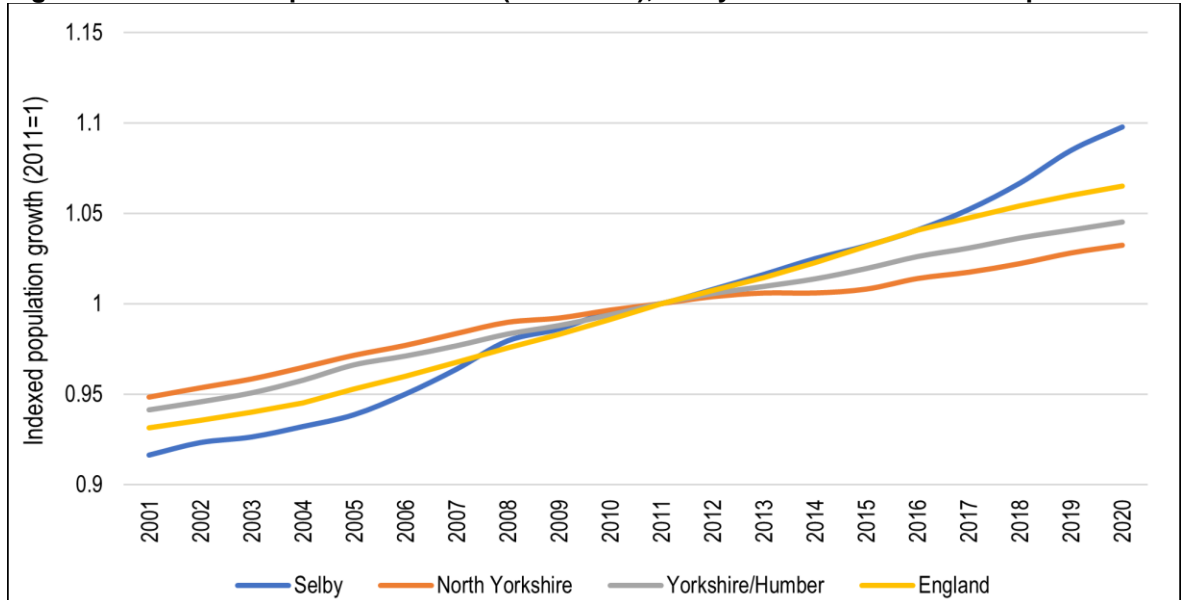
**Table 27: Population Profile (2020) – summary age bands, Selby District and wider comparator**

	Selby		North Yorkshire	Yorkshire/ Humber	England
	Population	% of population	% of population	% of population	% of population
<b>Under 16</b>	16,834	18.4%	16.7%	19.0%	19.2%
<b>16-64</b>	55,997	61.1%	58.4%	62.1%	62.3%
<b>65+</b>	18,866	20.6%	25.0%	18.9%	18.5%
<b>All Ages</b>	91,697	100.0%	100.0%	100.0%	100.0%

Source: ONS mid-year population estimates

5.6 The figure below considers population growth in the period from 2001 to 2020 (indexed to 2011).

**Figure 5: Indexed Population Growth (2001-2020), Selby District and wider comparator**



Source: ONS (mid-year population estimates)

5.7 The analysis shows stronger population growth in the District than seen in any of the comparator areas; population growth looks to have been particularly strong in the period to about 2008 and since 2017. In 2020, it is estimated that the population of the District had risen by 10% from 2011 levels, which compares with 6% nationally and lower figures regionally and for the County.

5.8 The table below shows population change by age (for the 2011-20 period). This shows an increase in the number of children living in the Borough (increasing by about 10%) along with a more modest increase in the ‘working-age’ population (3.6%).

**Table 28: Change in Population by Broad Age Group (2011-20), Selby District**

	2011	2020	Change	% change
<b>Under 16</b>	15,262	16,834	1,572	10.3%
<b>16-64</b>	54,070	55,997	1,927	3.6%
<b>65+</b>	14,215	18,866	4,651	32.7%
<b>Total</b>	83,547	91,697	8,150	9.8%

Source: ONS

5.9 The key driver of population growth has therefore been in the 65 and over age group, which between 2011 and 2020 saw a population increase of about 4,700 people: this age group increasing in size by 33% over the 9-year period – accounting for 57% of all population growth.

**2018-based Subnational Population Projections (SNPP)**

5.10 The latest (2018-based) set of subnational population projections (SNPP) were published by ONS in March 2020 (replacing a 2016-based release). The projections provide estimates of the future population of local authorities, assuming a continuation of recent local trends in fertility, mortality and migration which are constrained to the assumptions made for the 2018-based national population projections.

5.11 The 2018-based SNPP contain a number of assumptions that have been changed from the 2016-based version, these assumptions essentially filtering down from changes made at a national level. The key differences are:

- ONS’ long-term international migration assumptions have been revised upwards to 190,000 per annum compared to 165,000 in the 2016-based projections. This is based on a 25-year average;

- the latest projections assume that women will have fewer children, with the average number of children per woman expected to be 1.78 compared to 1.84 in the 2016-based projections; and
- life expectancy increases are less than in the 2016-based projections as a consequence of the continued limited growth in life expectancy over the last two years.

5.12 As well as providing a principal projection, ONS has developed a number of variants. In all cases, the projections use the same fertility and mortality rates with differences being applied in relation to migration. The key variants in terms of this assessment can be described as:

- Principal projection;
- an alternative internal migration variant; and
- a 10-year migration variant.

5.13 In the principal projection, data about internal (domestic) migration uses data for the past 2-years and data about international migration from the past 5-years. The use of 2-years data for internal migration has been driven by ONS changing its methodology for recording internal moves, with this data being available from 2016 only.

5.14 The alternative internal migration variant uses data about migration from the last 5-years (2013-18), as well as also using 5-years of data for international migration. This variant is closest to replicating the methodology used in the 2016-based SNPP although it does mean for internal migration that data used is collected on a slightly different basis.

5.15 The 10-year migration variant (as the name implies) uses data about trends in migration over the past decade (2008-18). This time period is used for both internal and international migration.



5.16 The table below shows the outputs from each of these three variant scenarios along with comparisons from the 2016- and 2014-based SNPP.

**Table 29: Projected population growth (2020-2040) – Selby – range of SNPP releases**

	2020	2040	Change in population	% change
<b>2018 (principal)</b>	91,149	103,631	12,482	13.7%
<b>2018 (alternative internal)</b>	90,577	99,195	8,619	9.5%
<b>2018 (10-year trend)</b>	90,433	97,619	7,186	7.9%
<b>2016-based</b>	89,457	96,961	7,504	8.4%
<b>2014-based</b>	89,098	98,093	8,995	10.1%

Source: ONS

5.17 This shows that the 2018-based principal projection shows projected population growth of 13.7%, with the alternative internal migration scenario being lower than this (9.5%) – the 10-year trend variant shows slightly lower growth again (at 7.9%).

5.18 Population growth in the 2014-based projection is similar to (slightly higher) than the alternative internal migration variant (which is most similar in methodological terms) – this comparison is particularly important as it underpins the 2014-based SNHP which is used in the Standard Method. Note, the 2014-SNPP only ran to 2039 and so data for 2040 is estimated by incrementally adding a further year of data.

5.19 As noted, the 2018-based SNPP has three main scenarios and rather than provide data from all three, the analysis below looks at a preferred scenario. In this case, it is considered that the alternative internal migration variant is likely to be the most robust in a local context. This has been chosen as it is considered that the principal SNPP has too short a data period when looking at internal migration whilst the 10-year alternative is not thought likely to reflect recent changes and may include some influence from the economic downturn/credit crunch of 2008 (given that the 10-year period will be 2008-18).

5.20 With the overall change in the population will also come changes to the age profile. The table below summarises findings for the three broad age groups previously used. The largest growth will be in people aged 65 and over.

**Table 30: Population changes 2020 to 2040 by broad age bands – Selby (2018-based SNPP – alternative internal migration assumptions)**

	2020	2040	Change in population	% change from 2021
<b>Under 16</b>	16,700	16,667	-33	-0.2%
<b>16-64</b>	55,041	55,730	688	1.3%
<b>65 and over</b>	18,835	26,798	7,963	42.3%
<b>Total</b>	90,577	99,195	8,618	9.5%

Source: ONS

5.21 In 2040 it is projected that there will be 26,800 people aged 65 and over. This is an increase of 8,000 from 2020, representing a growth of 40%. Looking at the other end of the age spectrum the data shows that there is projected to be a modest decrease in the number of children (those aged Under 15) and a small increase in the 16-64 age group.

**Household Representative Rates (Household Formation)**

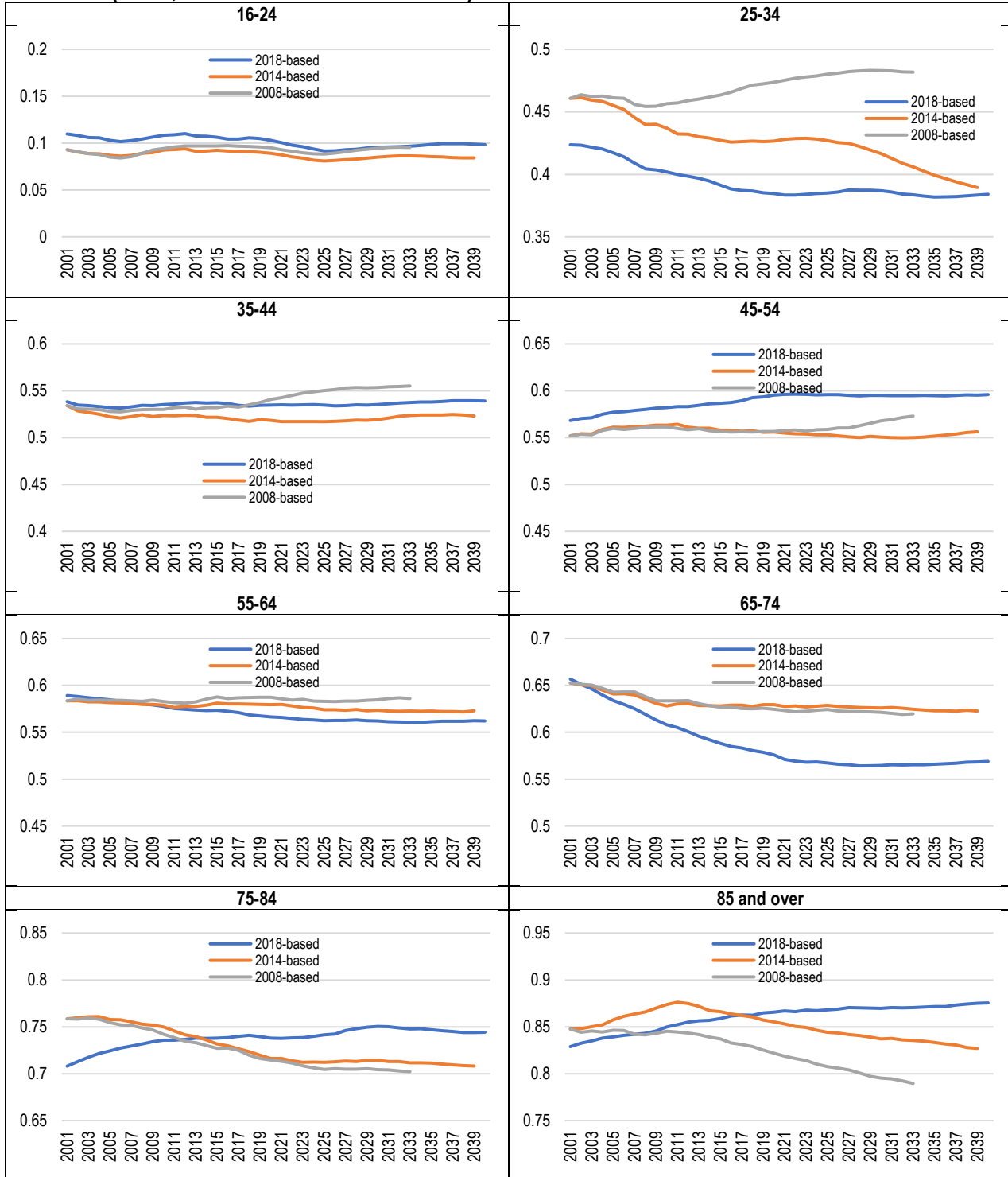
5.22 Having studied the population size and age structure changes, the next step in the process is to convert this information into estimates of the number of households in the area. To do this the concept of household representative rates (HRR) is used. HRRs can be described in their most simple terms as the number of people who are counted as heads of households (or in this case the more widely used Household Reference Person (HRP)).

5.23 The latest HRRs are as contained in the ONS 2018-based subnational household projections (SNHP). It would be fair to say that recent SNHP (since the 2016-based release) has come under some criticism, this is large because they are based only on data in the 2001-11 Census period which would suggest that it builds in the suppression of household formation experienced in that time.

- 5.24 This suppression can be seen in the figure below, particularly for the 25-34 age group where there was a notable drop in formation rates from 2001 to 2011, and ONS are projecting this forward as far as 2021 (following which the rate is held broadly stable). Given the criticisms of the 2018-SNHP, a sensitivity analysis has been developed that applies the HRRs from an earlier (2014-based) release. The rates from this projection are also shown in the figure below and it is notable (again for the 25-34 age group) that this projection actually appears to build in a greater degree of suppression.
- 5.25 The 2014-based data has the advantage of using more data points for analysis (looking at a time series back to 1971) although it should be noted that the 2014-based figures do take a slightly different approach to establish the households reference person. In the 2014-SNHP a male is taken as a default HRP where there is a couple of households (of different sexes) whereas the 2018-SNHP uses the Census definition of an HRP which takes account of the economic activity and age of people in a household.
- 5.26 As well as looking at the 2014-based SNHP, a sensitivity test has been developed to look at an alternative approach to HRRs. In this sensitivity, a 'part-return-to-trend' analysis has been developed, where the rate of household formation sits somewhere between figures in the 2014-based projections and those in an older 2008-based version. This adjustment has been applied to age groups from 25 to 44. A similar approach was widely used prior to the 2016-based SNHP being published and was an approach previously suggested by the Local Plans Expert Group (LPEG).

- 5.27 Therefore, three HRR scenarios have been used as described below:
- Linking directly to 2018-based SNHP – 2018-SNHP HRRs;
  - linking directly to 2014-based SNHP – 2014-SNHP HRRs; and
  - linking to the 2014-based SNHP but with a part-return to previous trends for younger age groups (up to age 44) – 2014-PRT
- 5.28 To be clear, in looking at these three scenarios it is considered that the 2018-SNHP is not a robust set of rates to use – this conclusion is reached mainly on the basis of potential suppressed formation in younger age groups and consideration of the projected rates in older age groups. It is also noted that these figures have been rejected by MHCLG as part of the Standard Method; they are however the most recent published data. The 2014-SNHP data are considered to be reasonably robust in methodological terms but still build in a notable degree of suppression of household formation in younger age groups.
- 5.29 The part-return to trend (2014-PRT) is also considered to be a reasonably robust set of figures, taking account of an apparent suppression in the formation of households from the population aged under 45 (and particularly those aged 25-34).

**Figure 6: Projected Household Representative Rates by age of head of household – Selby (2008-, 2014- and 2018-based SNHP)**



Source: Derived from ONS and CLG data

## Household Growth and Demographic-based Housing Need

5.30 The table below shows estimates of household growth with the various HRRs and an estimate of the number of additional dwellings this might equate to. The figures link to population growth in the 2018-based SNPP (alternative internal migration variant).

**Table 31: Projected housing need – range of household representative rate assumptions – Selby (linked to 2018-based SNPP)**

	Households 2020	Households 2040	Change in households	Household change per annum	Dwellings (per annum)
<b>2018-HRRs</b>	37,885	43,490	5,605	280	289
<b>2014-HRRs</b>	38,223	42,825	4,602	230	237
<b>2014-PRT</b>	38,223	43,648	5,425	271	279

Source: Demographic projections

- 5.31 To convert households into dwellings the analysis includes an uplift to take account of vacant homes. For the purposes of analysis, it has been assumed that the number of vacant homes in new stock would be 3% higher than the number of occupied homes (which is taken as a proxy for households), and hence household growth figures are uplifted by 3% to provide an estimate of housing need. This figure is a fairly standard assumption when looking at vacancy rates in new stock and will allow for movement within the housing stock.
- 5.32 The analysis shows an overall housing need for 289 dwellings per annum (dpa) across the District when using the 2018-based SNHP as the underlying household projection. With 2014-HRRs the estimated need figure actually goes down (237 dpa), but this figure increases again (to 279 dpa) with an adjustment to the formation rates of the younger population.

### **Developing a projection linking to the Standard Method**

- 5.33 Earlier in this report, it has been noted that based on the Standard Method, there is a requirement to provide 333 dwellings per annum when using the Standard Method. It can be seen from the analysis above, that even with the fairly positive HRRs modelled above there would not be the level of household growth required to fill this number of homes. Therefore, a scenario has been developed which increases migration to the District such that there is a sufficient population for 333 additional homes each year.
- 5.34 In summary, an approach has therefore been developed that increases migration to project how population and household structures might change with the delivery of 333 homes each year (2020-40). This approach is consistent with that set out in the PPG (2a-006).
- 5.35 Within the modelling, migration assumptions have been changed so that across the Borough the increase in households matches the housing need (including the 3% vacancy allowance). The changes to migration have been applied on a proportionate basis; the methodology assumes that the age/sex profile of both in- and out-migrants is the same as underpins the 2018-based SNPP (alternative internal migration variant) with adjustments being consistently applied to both internal (domestic) and international migration. Adjustments are made to both in- and out-migration (e.g. if in-migration is increased by 1% then out-migration is reduced by 1%). In summary, the method includes the following assumptions:
- Base population in 2020 from the latest mid-year population;
  - household representative rates from the 2014-based SNHP with an adjustment in younger age groups; and
  - the migration profile (by age and sex) in the same proportions as the 2018-based SNPP (alternative internal migration variant).

**Table 32: Population change 2020 to 2040 by broad age bands – Selby (linked to the delivery of 333 dwellings per annum)**

	2020	2040	Change in population	% change from 2021
<b>Under 16</b>	16,834	17,495	661	3.9%
<b>16-64</b>	55,997	58,132	2,135	3.8%
<b>65 and over</b>	18,866	27,320	8,454	44.8%
<b>Total</b>	91,697	102,947	11,250	12.3%

Source: Demographic Projections

5.36 In developing this projection, a higher level of population growth is derived (11,250 additional people compared with 8,600 in the SNPP as published). The age structure of the projections is also slightly different, with the higher projection showing stronger growth in what might be considered ‘working-age’ groups. This arises since ONS data shows that migrants are heavily concentrated in those age groups (along with their associated children).

### **The Link Between Housing and Economic Growth**

5.37 The analysis below considers the link between housing and economic growth; seeking to understand what level of jobs might be supported by changes to the local labour supply (which will be influenced by population change which in turn will to some extent link to levels of housing delivery. To look at estimates of the job growth to be supported, a series of stages are undertaken. These can be summarised as:

- Estimate changes to the economically active population (this provides an estimate of the change in labour supply);
- overlay information about commuting patterns, double jobbing (i.e. the fact that some people have more than one job) and potential changes to unemployment; and
- bringing together this information will provide an estimate of the potential job growth supported by the population projections



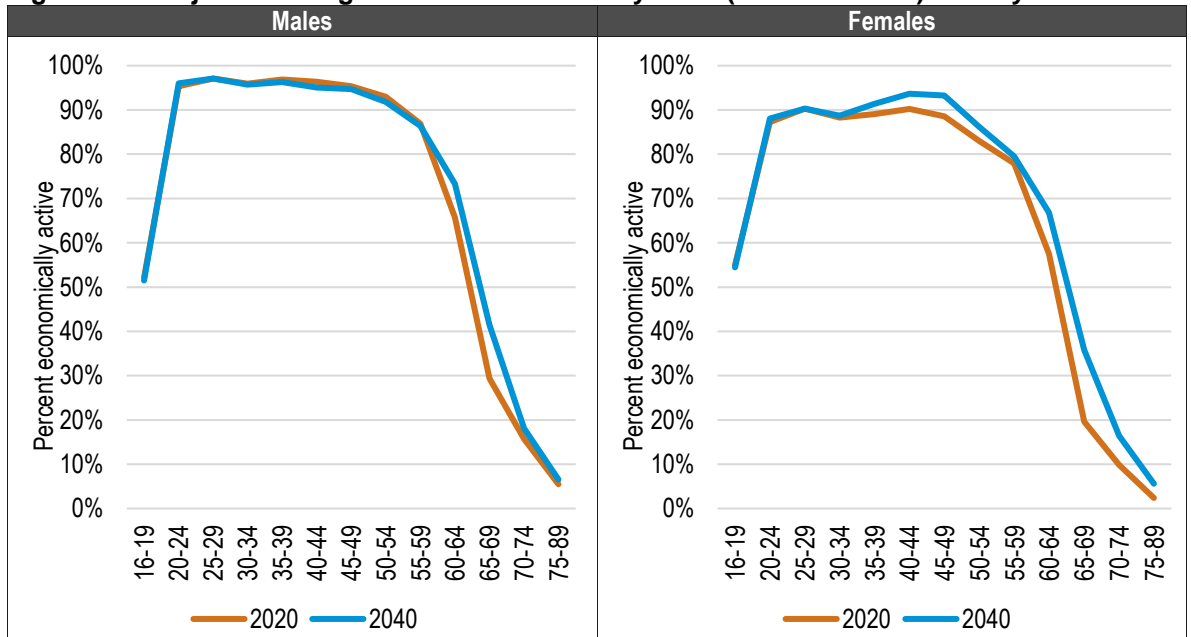
5.38 A second analysis is then carried out to consider what level of housing delivery might be required to meet job growth forecasts; this essentially looks at the bullet points above in reverse order – considering what level of change in the economically active population is required to fill additional jobs and then to estimate the number of homes required for the changing workforce.

### **Growth in Resident Labour Supply**

5.39 The approach taken in this report is to derive a series of age and sex-specific economic activity rates and use these to estimate how many people in the population will be economically active as projections develop. This is a fairly typical approach with data being drawn in this instance from the Office for Budget Responsibility (OBR) – July 2018 (Fiscal Sustainability Report).

5.40 The figure and table below show the assumptions made (for Selby). The analysis shows that the main changes to economic activity rates are projected to be in the 60-69 age groups – this will to a considerable degree link to changes in pensionable age, as well as general trends in the number of older people working for longer (which in itself is linked to general reductions in pension provision).

**Figure 7: Projected changes to economic activity rates (2020 and 2040) – Selby**



Source: Based on OBR and Census (2011) data

**Table 33: Projected changes to economic activity rates (2020 and 2040) – Selby**

	Males			Females		
	2020	2040	Change	2020	2040	Change
<b>16-19</b>	52.1%	51.5%	-0.6%	54.9%	54.4%	-0.5%
<b>20-24</b>	95.4%	96.0%	0.7%	87.3%	88.1%	0.8%
<b>25-29</b>	97.1%	97.1%	0.0%	90.3%	90.3%	0.0%
<b>30-34</b>	95.9%	95.7%	-0.2%	88.3%	88.7%	0.4%
<b>35-39</b>	96.9%	96.3%	-0.6%	89.1%	91.4%	2.3%
<b>40-44</b>	96.4%	95.1%	-1.3%	90.2%	93.7%	3.4%
<b>45-49</b>	95.3%	94.7%	-0.6%	88.5%	93.3%	4.7%
<b>50-54</b>	93.0%	91.8%	-1.2%	83.0%	86.2%	3.2%
<b>55-59</b>	86.9%	86.4%	-0.5%	77.9%	79.6%	1.6%
<b>60-64</b>	65.7%	73.3%	7.6%	57.5%	66.8%	9.3%
<b>65-69</b>	29.4%	41.5%	12.1%	19.6%	35.8%	16.1%
<b>70-74</b>	15.7%	18.1%	2.4%	9.8%	16.4%	6.6%
<b>75-89</b>	5.5%	6.6%	1.1%	2.4%	5.6%	3.2%

Source: Based on OBR and Census (2011) data

5.41 Working through an analysis of age and sex-specific economic activity rates it is possible to estimate the overall change in the number of economically active people in the District – this is set out in the table below.

**Table 34: Estimated change to the economically active population (2020-40) – Selby**

	Economically active (2020)	Economically active (2040)	Total change in economically active	% change
<b>2018-SNPP (AIM)</b>	48,959	52,480	3,521	7.2%
<b>Standard Method</b>	49,774	54,641	4,867	9.8%

Source: Derived from demographic projections

5.42 The analysis shows that with the SNPP there would be an estimated increase in the economically active population of around 3,500 people (a 7% increase over 20-years). With the higher population growth associated with the Standard Method this number increases to 4,900 economically active people, a 10% increase.

**Linking Changes to Resident Labour Supply and Job Growth**

5.43 The analysis above has set out potential scenarios for the change in the number of people who are economically active. However, it is arguably more useful to convert this information into an estimate of the number of jobs this would support. The number of jobs and resident workers required to support these jobs will differ depending on three main factors:

- Commuting patterns – where an area sees more people out-commute for work than in-commute it may be the case that a higher level of increase in the economically active population would be required to provide a sufficient workforce for a given number of jobs (and vice versa where there is net in-commuting);
- Double jobbing – some people hold down more than one job and therefore the number of workers required will be slightly lower than the number of jobs; and
- Unemployment – if unemployment were to fall then the growth in the economically active population would not need to be as large as the growth in jobs (and vice versa).

a. Commuting Patterns

5.44 The table below shows summary data about commuting to and from Selby from the 2011 Census. Overall, the data shows that the District sees a notable level of net out-commuting for work with the number of people resident in the area who are working being about 20% higher than the total number who work in the area. This number is shown as the commuting ratio in the final row of the table and is calculated as the number of people living in an area (and working) divided by the number of people working in the area (regardless of where they live).

**Table 35: Commuting patterns in Selby**

	Number of people
<b>Live and work in Local Authority (LA)</b>	14,362
<b>Home workers</b>	5,230
<b>No fixed workplace</b>	2,848
<b>In-commute</b>	13,248
<b>Out-commute</b>	21,055
<b>Total working in LA</b>	35,688
<b>Total living in LA (and working)</b>	43,495
<b>Commuting ratio</b>	1.219

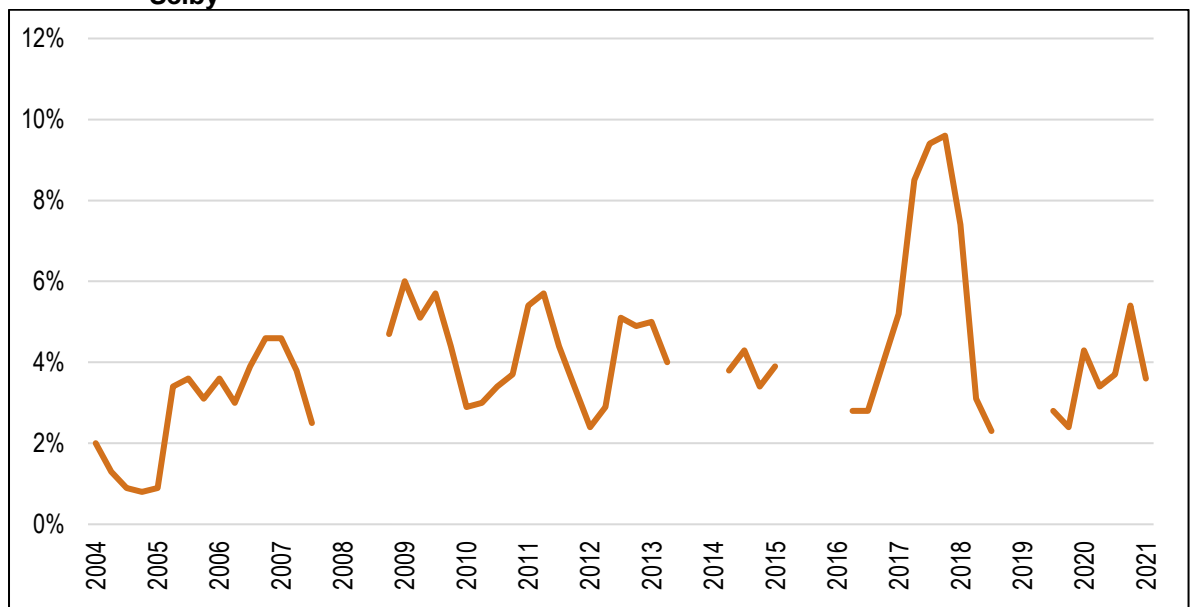
Source: 2011 Census

5.45 In translating the commuting pattern data into growth in the labour force, a core assumption is that the commuting ratio remains at the same level as shown by the 2011 Census. Sensitivity has also been developed where commuting for new jobs is assumed to be on a 1:1 ratio (i.e. the increase in the number of people working in the District is equal to the number of people living in the District who are working). This sensitivity is useful to understand the implications for housing as to continue to assume net out-commuting would arguably mean that Selby would be providing housing for people taking up additional jobs in other local authorities. The 1:1 ratio is also useful in the context of Covid-19 with the likelihood being that a greater proportion of people will work from home (or mainly from home) in the future.

b. Double Jobbing

5.46 The analysis also considers that a number of people may have more than one job (double jobbing). This can be calculated as the number of people working in the local authority divided by the number of jobs. Data from the Annual Population Survey (available on the NOMIS website) suggests across the District that typically between about 4.0% of workers have a second job – levels of double jobbing have been variable over time and some periods do not have any data provided – this is mainly due to the accuracy of data at a local level.

**Figure 8: Percentage of all people in employment who have a second job (2004-2021) – Selby**



Source: Annual Population Survey (from NOMIS)

5.47 For the purposes of this assessment, it has been assumed that around 4% of people will have more than one job moving forward. A double jobbing figure of 4% gives rise to a ratio of 0.96 (i.e. the number of jobs supported by the workforce will be around 4% higher than workforce growth). It has been assumed in the analysis that the level of double jobbing will remain constant over time, although the apparent upward trend should be noted.

c. Unemployment

5.48 The last analysis when looking at the link between jobs and resident labour supply is a consideration of unemployment. Essentially, this is considering if there is any latent labour force that could move back into employment to take up new jobs. This is particularly important given it is likely to have been notable increases in unemployment due to Covid-19, although it will be difficult to be precise about numbers, particularly as the impact of the ending of the furlough scheme are unknown.

5.49 The figure below looks at Claimant Count data (described as the number of people claiming Jobseeker's Allowance plus those who claim Universal Credit who are out of work). This will not give a full picture of unemployment as not all those unemployed will be a claimant, but it will certainly help to provide an indication; claimant count data is available up to April 2022 with the data below showing a trend for the previous decade.

**Figure 9: Number of out-of-work benefit claimants (2012-2022) – Selby**



Source: NOMIS

- 5.50 The analysis shows a clear increase in the number of claimants (presumably as a result of the pandemic) – rising from around 700-800 to in excess of 2,000, dropping in the latest period for which data is provided to about 1,350).
- 5.51 Given that demographic projections and economic forecasts tend to use a mid-year position, the change in unemployment based on claimant count data has been calculated by looking at averages for June/July 2019 compared with June/July 2020 (the start date of projections in this report). In 2019, there were 820 claimants and two years later the figure had risen to 2,165 – therefore there are potentially 1,345 people not working in 2020 who might be expected to return to employment in the future.
- 5.52 The issue of an increase in unemployment can also be gleaned from studying the economic forecasts used in this study. The data from OE shows a drop in the number of people in employment between 2019 and 2020 by 1,275 – similar to the analysis of claimant count data. Overall, it is considered that as of 2020, there will have been a latent labour supply of around 1,300 people; these are modelled to be people able to return to work over the projection period.

**Jobs Supported by Growth in the Resident Labour Force**

- 5.53 The table below shows how many additional jobs might be supported by population growth under the 2018-SNPP and the Standard Method. This reflects the labour supply-led scenario as mentioned in Chapter 4.

**Table 36: Jobs supported by demographic projections (2020-40) – Selby**

		Total change in economically active	Plus 1,300 returning to employment	Allowance for net commuting	Allowance for double jobbing (= jobs supported)
<b>2018-SNPP</b>	Census commuting	3,521	4,821	3,955	4,120
	1:1 commuting	3,521	4,821	4,821	5,021
<b>Standard Method</b>	Census commuting	4,867	6,167	5,060	5,270
	1:1 commuting	4,867	6,167	6,167	6,423

Source: Derived from a range of sources as described

5.54 Given current commuting patterns and estimates about double jobbing, it is estimated that around 4,120 additional jobs could be supported by the changes to the resident labour supply in the SNPP; a higher number of jobs could be supported if the analysis assumes a 1:1 commuting ratio (about 5,000). Under the dwelling-led scenario (Standard Method) the number of jobs potentially supported is notably higher, in the range of 5,300-6,400 depending on the scenario and commuting assumptions.

### Economic-Led Housing Need

5.55 The analysis below sets out the likely number of homes required so that the local labour-supply changes are sufficient to fill additional jobs. As the previous section set out, the Oxford Economic forecasts show a decline of 1,241 jobs in Selby over the 2020-40 period, going up to 4,024 jobs in the adjusted scenario and 14,332 including strategic sites and non-allocated sites. The full range of forecasts tested are listed below:

- Labour demand baseline: -1,241 jobs (decline)
- Labour demand high (custom growth): 4,024 jobs
- Baseline plus Strategic Sites: 13,136 jobs
- Baseline plus Strategic Sites and non-allocated sites: 16,166 jobs

5.56 To estimate how many homes would be required to support the forecast economic growth, the above calculations are undertaken in reverse. Firstly, jobs are translated into economically active residents using double jobbing and commuting ratios. The growth in economically active residents is translated to a population using economic activity rates (plus an allowance for residents moving back into employment following the pandemic). Finally, the population is translated into households using household formation rates. To do this we have used the “part return to trend” household formation rates. This approach is consistent with that used in the previous HEDNA.



5.57 For the higher job growth scenarios, a level of job growth could help to retain a greater level of the new migrants i.e. the commuting ratio would change for those moving to the area (not for those already living in the area). Analysis has therefore modelled a second scenario which assumes a 1:1 commuting will occur (this is applied to the custom growth scenario). This means that for every 1,000 jobs created the economically active residents will increase by 1,000 (rather than 1.219 in the baseline).

5.58 A further sensitivity has also been run which acknowledges that strategic sites (and non-allocated sites) would be a particular ‘shock’ in terms of job growth which would be expected to draw in labour from a range of areas and not just Selby. Therefore, to consider how many additional residents in employment might be expected, the analysis has looked solely at the locations from which people travel to work in Selby. Analysis of commuting patterns in the table below shows that (as of the 2011 Census) there were 27,610 people working in the District (excluding those working from home or of no fixed workplace), included within this are 12,978 people who commute in. Therefore, the proportion of local jobs taken up by in-commuters can be calculated as 48%.

**Table 37: Commuting patterns to Selby (2011)**

	Place of residence of people working in Selby	% of total
<b>Selby</b>	14,362	52.0%
<b>East Riding of Yorkshire</b>	2,524	9.1%
<b>Wakefield</b>	2,518	9.1%
<b>Leeds</b>	2,047	7.4%
<b>York</b>	1,805	6.5%
<b>Doncaster</b>	1,312	4.8%
<b>Rest of Yorkshire/Humber</b>	2,231	8.1%
<b>Rest of UK</b>	811	2.9%
<b>Total</b>	27,610	100.0%

Source: ONS, Census 2011

5.59 In the previous HEDNA, a similar assumption was made, where it was assumed that 50% of jobs on strategic sites would be taken up by people commuting (although it was noted that the figure could be even higher if the locations of the sites are considered). Four scenarios have been developed; these are described:

- Baseline – takes the baseline forecast and assumes continuation of 2011 Census commuting patterns
- Custom-growth – takes the custom-growth forecast and assumes a 1:1 commuting ratio for all jobs above the baseline
- Baseline plus SS – takes the baseline job growth with 2011 Census commuting dynamics and an assumption of 52% of additional jobs as being filled by Selby residents (48% from outside of the District)
- Baseline plus SS/na – takes the baseline job growth with 2011 Census commuting dynamics and an assumption of 52% of additional jobs as being filled by Selby residents (48% from outside of the District)

5.60 The table below shows the estimated change in the number of economically active workers for each of the four scenarios. This shows that the forecast jobs growth in Selby requires a lesser growth in economically active residents due to both in-commuting and the number of people with more than one job.

**Table 38: Change in economically active population needed to meet job forecasts (2020-40) - Selby**

	Jobs	Allowance for double jobbing	Allowance for net commuting	Plus 1,300 returning to employment (growth in economically active residents)
<b>Baseline</b>	-1,241	-1,191	-1,452	-2,752
<b>Custom-growth</b>	4,024	3,863	3,603	2,303
<b>Baseline plus SS</b>	13,136	12,611	5,728	4,428
<b>Baseline plus SS/NA</b>	16,166	15,520	7,241	5,941

Source: GLH Analysis of a range of sources

5.61 As set out in the table below, the scenarios show a range of housing needs from 86 to 368 dwellings per annum. All these figures are below or similar to the standard method needs (for 333 dwellings per annum) with the exception of the SS/NA scenario.

5.62 However, the SS/NA scenario assumes all potential employment floorspace related to the strategic sites and non-allocated sites will come forward within the Local Plan period, which is considered over-optimistic. Taking the substantial decrease in baseline economic position into account, this suggest that economic growth is not putting any additional pressure on the need to deliver housing.

**Table 39: Dwellings Per Annum Required (2020-40), Scenario Comparison –Selby**

	Households 2020	Households 2040	Change	Per annum	DPA
<b>Baseline</b>	38,580	40,247	1,666	83	86
<b>Custom-growth</b>	38,580	43,432	4,851	243	250
<b>Baseline plus SS</b>	38,580	44,770	6,190	310	319
<b>Baseline plus SS/NA</b>	38,580	45,724	7,143	357	368

Source: GLH Analysis of Oxford Economics Data and Demographic Inputs

5.63 The housing need figures shown in the table above are fairly modest (relative to the Standard Method) and are also lower than suggested in the previous HEDNA (where a range of needs from 344 to 382 was concluded by linking economic growth to housing). The lower figures in this report are driven by two main factors; firstly the baseline forecast is notably lower (a loss of 1,241 jobs compared with a loss of 313) and secondly, the previous work did not factor in a latent labour supply from reducing unemployment.

5.64 There are further adjustments that could be made to the figures – for example, assuming a Census commuting pattern on a negative job growth figure actually reduces the estimate of the change in the resident labour supply, whilst it would also be possible to model without the allowance for unemployment (although all sources are clear that there was a latent labour supply as of 2020). Overall, whilst the higher job growth figures are quite positive, there is no clear argument to suggest the Council should be planning for more homes than currently set out in the Government’s Standard Method.

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