



# Homes – Jobs Alignment Paper

## Final Report

Iceni Projects Limited on behalf of Coventry &  
Warwickshire HMA Authorities

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# 1. Introduction

- 1.1 This Paper has been prepared to consider the alignment of homes and jobs across the Coventry & Warwickshire HMA to inform emerging Local Plans.
- 1.2 It builds on the evidence in the Coventry and Warwickshire HEDNA 2023, which was prepared to provide a joint and aligned evidence for housing and employment across the HMA; and considers and captures the implications of the conclusions on industrial development needs (for both strategic and non-strategic sites) arising from the West Midlands Strategic Employment Sites Study. It thus builds on the HEDNA-WMSESS Alignment Paper which has considered these issues and the Addendum to this, which has been prepared alongside this report.
- 1.3 The focus of the Paper is on considering the alignment between homes and jobs with the findings of the strategic HMA-wide evidence in this respect. It considers the alignment over three periods: 2021-41, 2021-45 and 2021-50 to reflect the time periods used in these existing studies and the different plan periods for emerging plans in Coventry & Warwickshire.
- 1.4 The Paper has been commissioned collectively by the local authorities within the Coventry & Warwickshire HMA with a view to informing plans which are in the process of preparation at the time of writing – specifically those in Rugby, North Warwickshire and South Warwickshire. It is not of direct relevance to the Coventry Local Plan and Nuneaton & Bedworth Borough Plan which are progressing under transitional arrangements. However, a sensitivity analysis is undertaken which considers the implications of the housing provision proposed within these plans.

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1.5 The Paper is structured to address:

- Section 2: Functional Geography;
- Section 3: Expected Employment Growth;
- Section 4: Labour Supply Growth and Jobs Supported;
- Section 5: Inter-relationship between Jobs and Homes.

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## 2. Functional Geography

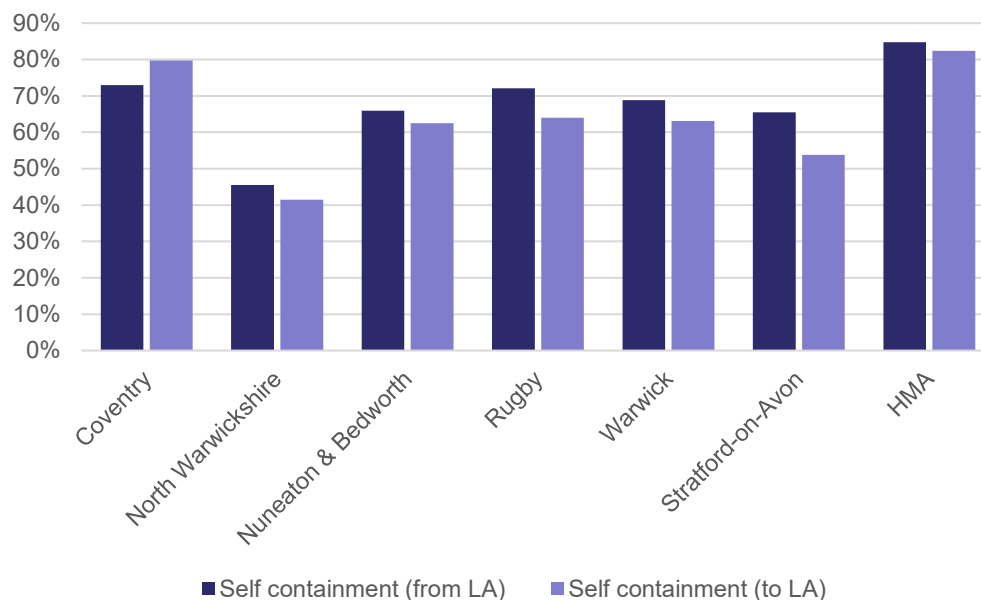
- 2.1 The Coventry & Warwickshire area is recognised to constitute the relevant Housing Market Area (HMA) and Functional Economic Market Area (FEMA), reflecting the close functional relationships between local authorities across the sub-region. The constituent local authorities comprise: Coventry, North Warwickshire, Nuneaton & Bedworth, Rugby, Stratford-on-Avon and Warwick.
- 2.2 Coventry's tightly drawn local authority boundary means that there are commercial development sites which are in market terms considered as a Coventry location which adjoin or are close to the Coventry Urban Area but which fall within surrounding local authorities. Historically a number of these sites close to Coventry have been considered to meet employment land needs arising from Coventry.
- 2.3 Similarly, the evidence points to notable commuting and migration inter-relationships between Coventry and the Warwickshire local authorities, as well as between different parts of Warwickshire.
- 2.4 An analysis of self-containment of migration flows within the HMA using 2021 Census data indicates a very high level of self-containment, leaving aside long distance moves, with 85% of people moving from a Coventry and Warwickshire location remaining within the HMA; and 82% of those moving to a location within the HMA, moving internally within it.<sup>1</sup> These metrics are well above the typical 70% self-containment threshold that was historically set out in Planning Practice Guidance. On the other hand, self-containment in most of the

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<sup>1</sup> Even including long distance moves, the figures are 71% of those moving from a local authority within the HMA remaining within it; and 67% of those moving to the HMA. The exclusion of long-distance moves is consistent with Planning Practice Guidance – see ID: 61-018-20190315 – and in particular removes the effect of longer distance student movements to / from universities

Warwickshire authorities (particularly in terms of flows to the relevant local authority) fall below 70%.

**Figure 2.1** Self-Containment of Migration Flows (excluding long-distance moves) – LA and HMA Level



*Source:* Icen analysis of 2021 Census data

- 2.5 The HMA geography reflects the strong functional relationship between Coventry and districts within Warwickshire, with the 2021 Census evidence showing that the strongest gross migration flows (per 1,000 population) between Nuneaton and Bedworth, Rugby and Warwick are with Coventry. For Stratford-on-Avon, its strongest migration flows are with Warwick District. Influenced by its geography, North Warwickshire’s strongest migration relationship is with Tamworth, but this is followed by Nuneaton & Bedworth.
- 2.6 Similarly with commuting flows, the 2021 Census analysis shows that 78% of Coventry and Warwickshire residents in work were working within the HMA<sup>2</sup>; with 74% of the HMA’s workforce being drawn from

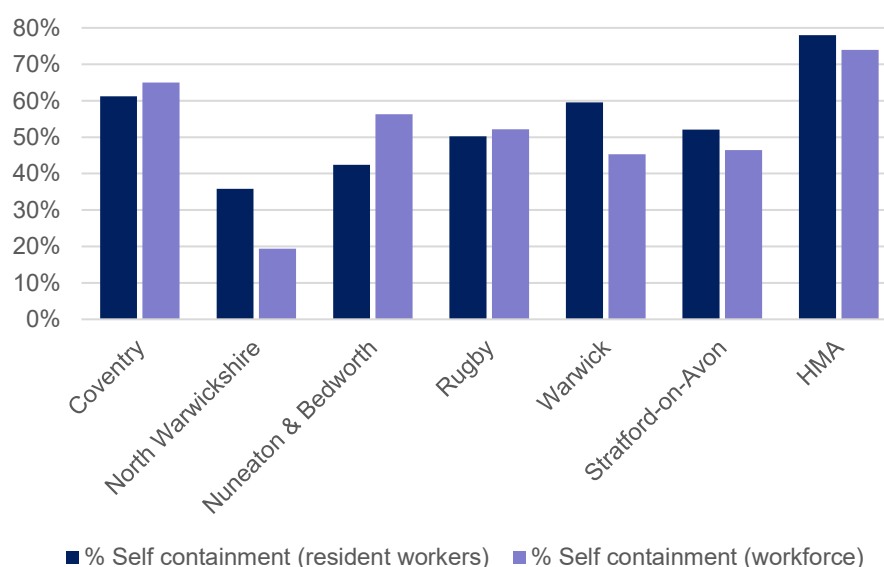
<sup>2</sup> The self-containment rate for resident workers

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HMA residents<sup>3</sup>. Again, these continue to exceed threshold levels of 70% typically used for defining Housing Market Area geographies.

- 2.7 Self-containment levels within individual local authorities are shown below. This highlights the notably higher self-containment of jobs at a Housing Market Area level than for individual local authorities which reflect the close inter-relationships in economic terms within the Housing Market Area and support the continued identification of Coventry and Warwickshire as the appropriate Functional Economic Market Area. No individual authority achieves self-containment of over 70%. The analysis highlights why it is inappropriate to see to balance homes and jobs at an individual local authority level.

**Figure 2.2** Commuting Self-Containment, 2021 Census



**Source:** Icen analysis of 2021 Census data

- 2.8 The origin of workers for jobs in different local authorities is shown in the table below. This continues to show that two-thirds or more of workers within individual authorities are drawn from within Coventry and

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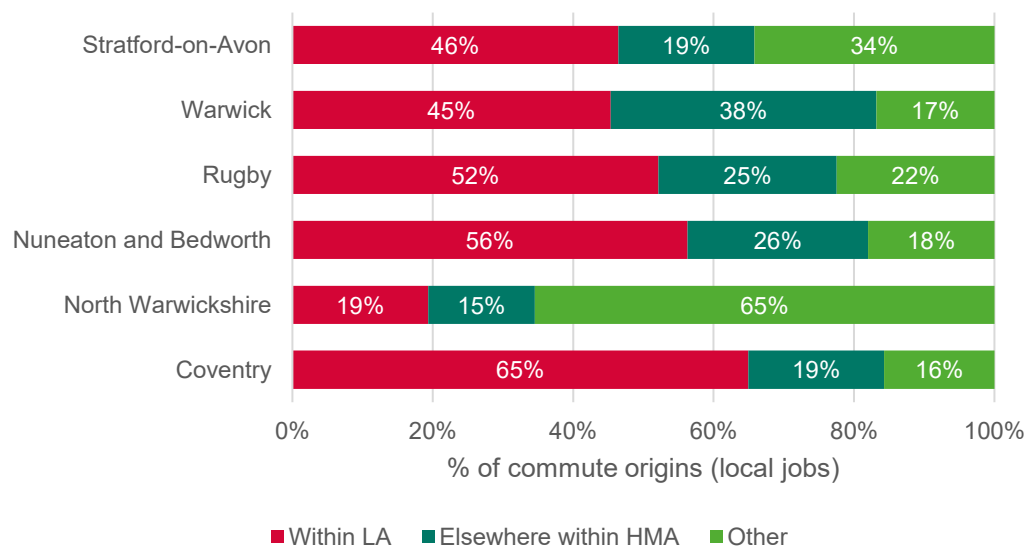
<sup>3</sup> The self-containment rate of measured as a percentage of the workforce



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Warwickshire, with the exception of North Warwickshire which has historically been recognised as straddling both the Coventry and Warwickshire and Birmingham HMAs. The evidence continues to support this.

**Figure 2.3** Where workers are drawn from to jobs in C&W local authorities, 2021 Census



*Source:* Icen analysis of 2021 Census data

2.9 North Warwickshire has a notable lower self-containment level than other HMA authorities, with 19% of its workforce coming from within the District. This reflects its geography and accessibility, with notable inflows from surrounding Districts both within Warwickshire as well as Tamworth, Solihull and Lichfield. There are similar notable cross-boundary relationships between Nuneaton and Bedworth and Hinckley and Bosworth; and between Stratford-on-Avon and Redditch at the boundaries of the HMA. However towards the boundaries of any defined housing market area there will be typically similar relationships with areas outside of it.

2.10 For the purposes of aligning homes and jobs, the evidence continues to indicate that this is most appropriately considered at a Coventry and

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Warwickshire HMA level. This is the geography therefore taken forward within this report.

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### 3. Expected Employment Growth

- 3.1 The starting point for considering the alignment between homes and jobs is to consider the potential scale of employment growth associated the employment land needs identified in the HEDNA-WMSESS Alignment Paper ('the Alignment Paper') as well as in other economic sectors as identified in the evidence base.
- 3.2 The need for office space identified in the Alignment Paper is derived from the Cambridge Econometrics' (CE) forecasts used in the HEDNA, which therefore already include office jobs. However, the conclusions for industrial space deviate from the CE forecasts and associated labour demand model. We have therefore considered local industrial need and strategic industrial need, and the associated jobs growth which can be expected to arise, separately.
- 3.3 The modelling of local industrial need is based on trends in gross completions in the sub-region, a significant component of which arises from existing businesses which are either growing or looking for more modern floorspace. Given the strong influence of replacement demand and increasing productivity, gross jobs supported by new development is likely to substantially exceed net jobs growth.

#### **Jobs associated with the Local Industrial Need**

- 3.4 Our modelling for local industrial need assumes an average employment density of 44 sq.m per FTE job, consistent with the HEDNA assumptions and HCA Guidance (blending E(g)(iii) and B2). This is used initially to calculate *gross* jobs growth. However, it is also necessary to take account of displacement effects in considering what net growth in jobs may arise associated with industrial development.

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- 3.5 Displacement in the context here is the extent to which an increase in jobs associated with new industrial development is offset by reductions in employment elsewhere within the Coventry & Warwickshire area. Considering displacement is an important step in deriving net job creation, since some jobs may simply involve workers moving from one business (or industrial unit) to another. Equally displacement occurs where new buildings replace older stock which is redeveloped for new employment or other uses.
- 3.6 For industrial uses in particular, increasing productivity within the manufacturing and logistics sectors means that there is a weak relationship between floorspace growth and employment. The HEDNA CE forecasts for instance expected minimal growth in industrial jobs overall, with HEDNA Table 9.1 for instance showing a reduction in manufacturing employment in Coventry & Warwickshire of 3,900 over the 2021-41 period; which whilst offset by growth of 3,800 jobs in warehousing activities, overall resulted in a modest reduction in overall forecast industrial employment.
- 3.7 The employment land evidence recognises that much of the industrial need arises from ‘replacement demand’ issues – i.e. where existing businesses need more modern floorspace, including space with sufficient height and power to facilitate automated pick and packing systems. But such moves, from older dated stock to newer modern premises, will often not be associated with additional jobs – particularly at a sub-regional level.
- 3.8 Taking account of these issues, we assume a displacement rate of 50% at the sub-regional level in respect of the local industrial need. The analysis indicates that to 2041, local industrial development can be expected to support around 14,300 jobs rising to 17,800 jobs over the period to 2045 and rising to 21,400 over the longer-term period to 2050.

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### **Jobs associated with the Strategic Industrial Need**

- 3.9 The strategic industrial need identified in the Alignment Paper relates to both B8 strategic warehousing/logistics development as well as strategic B2 industrial development. It relates to big box units (i.e. industrial units of over 9,200 sq.m in size) and includes those on both strategic and non-strategic sites. In addition, we have included a further 50 ha related to the revised apportionment to the Coventry & Warwickshire sub-region in line with the findings of the Employment Needs Errata Note.
- 3.10 Icenl have then worked through a process of estimating the jobs supported, assuming a split between strategic B2 and B8 development (23%/77%) which aligns with the assumed profile in the WMSESS and applying employment density assumptions to each – assuming a B2 density of 38 sq.m per FTE job and 95 sq.m for strategic B8 development, recognising the focus on larger units, to calculate the gross jobs supported.
- 3.11 However again, a substantial proportion of the jobs supported will not be ‘net additional’ given that replacement demand is a key driver of commercial property demand for these units. This relates to existing firms looking for better quality, more modern floorspace.
- 3.12 For strategic units, we consider that there is likely to be a higher level of displacement reflecting the WMSESS evidence related to the strong degree to which replacement demand is driving floorspace needs. Furthermore, the inclusion of a margin within the needs modelling (which aims to provide flexibility of supply / a choice of sites), as well as the broader factors identified above will affect the employment outturn in net terms. On this basis we assume 60% displacement on at a sub-regional level.

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- 3.13 The analysis indicates that to 2045, strategic industrial development can be expected to support around 20,700 jobs to 2041, 24,800 jobs to 2045 and 30,00 jobs to 2050.

### **Cross-check on Displacement Assumptions**

- 3.14 As a cross-check on the displacement assumptions adopted, we have sought to analyse the review the inter-relationship between net increase in industrial floorspace and gross deliveries.
- 3.15 There is a lack of consistent monitoring data on completions across the sub-region; and we have therefore sought to compare VOA data on net changes of industrial floorspace between 2013-23 to CoStar data on delivery of new industrial space. This indicates that the net change was 45% of the gross deliveries (implying 55% replacement demand).
- 3.16 The analysis suggests that the average 56% displacement assumption we have applied across strategic and local industrial space is therefore reasonable. It is arguably cautious, given there is potential for the displacement of jobs to be higher still than the 55% displacement given the effects of productivity improvements which are not captured in this analysis.

**Table 3.1** Analysis of relationship between Net Stock Growth and Industrial Deliveries, Coventry and Warwickshire 2013-23

	<b>Coventry &amp; Warwickshire</b>
<b>Est. Gross deliveries, sq.m 2013-23</b>	2,100,000
<b>Net stock growth, sq.m 2013-23</b>	951,000
<b>Ratio</b>	0.45

*Source:* Iceni, based on VOA and CoStar data

### **Multiplier Effects associated with additional Industrial Jobs**

- 3.17 The net growth in industrial jobs is then calculated by adding together the 'strategic' and 'local' needs components, which is then compared to

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the industrial jobs (E(g)(iii), B2 and B8) shown within the Cambridge Econometrics forecasts to calculate a total additional industrial jobs.

- 3.18 It is then necessary to consider potential multiplier effects. This addresses how these additional industrial jobs will support some broader jobs growth in other economic sectors – both through supply-chain effects, local spending and in consumer-related sectors (e.g. health, education and retail) and through construction employment.
- 3.19 We apply a 30% multiplier to the additional industrial jobs to take account of these effects. This has regard to the range in the HCA Additionality Guide, which sets out a figure of 10% at a neighbourhood level and 50% at a regional level for medium-level interventions. It reflects significant growth in core sectors which are already included within the base forecasts.
- 3.20 As a sensitivity analysis, we have run a scenario which considers the implications of a higher multiplier effect at 50%.
- 3.21 These adjustments are made to the jobs in the base Cambridge Econometrics forecasts, with the analysis capturing the associated supply chain and wider multiplier effects; as well as the growth forecast in other economic sectors beyond office and industrial space.

### **Results: Overall Jobs Growth**

- 3.22 The results of the analysis indicate that employment growth of around 111,700 can be expected in the HMA between 2021-41 (1.03% CAGR<sup>4</sup>); of 132,300 between 2021-45 (0.95% CAGR); and of 157,200 to 2050 (0.92% CAGR). The calculations are shown below.

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<sup>4</sup> The Compound Annual Growth Rate (CAGR) describes the annual rate of growth in employment

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**Table 3.2 Total Jobs Growth Expected – Coventry & Warwickshire**

	<b>2021-41</b>	<b>2021-45</b>	<b>2021-50</b>
<b>Non-industrial jobs in base forecast</b>	66,200	77,000	90,600
<b>Modelled net industrial jobs</b>	35,000	42,600	51,400
<b>Additional jobs through Multiplier effects</b>	10,500	12,800	15,400
<b>Revised total jobs<sup>5</sup></b>	111,700	132,300	157,200

*Source: Icen analysis*

- 3.23 As a sensitivity analysis, we have also tested a higher level of multiplier effects associated with industrial jobs using a 50% multiplier. This sees the revised expected total employment rise to 118,700 to 2041, 140,800 to 2045 and 167,500 to 2050. However having regard to the employment provision already assumed in the base forecast, we consider that the sensitivity analysis is less realistic and is likely to over-estimate overall employment growth.

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<sup>5</sup> Totals are calculated using unrounded figures



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## 4. Labour Supply Growth & Jobs Supported

### Base Demographic Model

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- 4.1 We have set up a base demographic model for the HMA to test the jobs-homes relationship. This uses the latest 2022-based ONS Sub-National Population Estimates to consider the population size and structure is expected to change over time. This is rebased to take account of published data on the population (overall and by age) between 2021-24 from the published ONS Mid-Year Estimates.
- 4.2 Next we make adjustments to this trend-based projection to model the implications of expected housing provision.

### Housing Provision Scenarios

- 4.3 Our core modelling scenario considers housing provision in line with the standard method housing need calculations at the time of writing. The standard method shows a need for 5,344 dpa across the HMA. We therefore assume provision of 90,848 homes between 2024-41; of 112,221 homes between 2024-45 and 139,940 homes between 2024-50.

**Table 4.1** Standard Method Local Housing Need, October 2025

	Dwellings per annum
Coventry	1,393
North Warwickshire	362
Nuneaton and Bedworth	756
Rugby	636
Stratford-on-Avon	1,112
Warwick	1,085
HMA Total	5,344

Source: MHCLG data

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- 4.4 We have then also developed a sensitivity analysis which tests the implications of adopting the housing requirement figures in local plans which are progressing under the transitional arrangements. This takes the housing requirement in Coventry's draft Local Plan of 29,100 homes (1,455 dpa) over the proposed 2021-41 plan period<sup>6</sup>; together with the housing requirement in the Nuneaton and Bedworth Local Plan of 9,810 dwellings between 2021-39<sup>7</sup>. In this sensitivity analysis, the figures above for these authorities are amended, with housing provision in other local authorities within the HMA assumed to align with the standard method figures as shown in Table 4.1.

### **Demographic Modelling Assumptions**

- 4.5 The standard method builds in a substantial affordability uplift and therefore our modelling picks up the potential demographic implications of this. Taking a starting point on age and gender-specific household formation from the 2021 Census data, it assumes household representative rates for age groups up to 44 return back to 2001 levels by 2050. The implication of this is that new housing delivery in part supports improved household formation and affordability locally (rather than just growth in population).
- 4.6 The model can therefore be summarised as follows:
- Taking the 2022-based subnational population projections (SNPP) as a starting point – this includes data on birth and death rates as well as migration;

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<sup>6</sup> We assume delivery of 21,750 homes between 2024-41 taking account of completions in Coventry between 2021-24

<sup>7</sup> We assume delivery of 9,810 homes between 2024-39 in Nuneaton and Bedworth between 2024-39 taking account of completions in the Borough between 2021-24. We assume housing delivery in line with the standard method figures in Table 4.1 in 2039/40 and 2040/41 for modelling purposes.

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- Updating this projection to take account of mid-year population data to 2024 (looking at more recent data about births, deaths and migration);
  - It is assumed that around 3% of new stock will be vacant at any time (to allow for movement within the stock). This means that for 5,344 dpa housing provision in the core modelling scenario it is assumed there would be household growth of approximately 5,188 per annum;
  - Data about the communal population and household formation (household representation) is taken from the 2021 Census with household formation rates for the population aged under 45 assumed to return to the levels seen in 2001. This is used to develop a projection for household growth; and
  - The modelling then flexes migration estimates so there is a sufficient population to fill the additional homes (i.e. population required to generate 5,188 additional households per annum in the core modelling scenario).

### Modelling Labour Supply Growth

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- 4.7 Growth in labour supply and employment will be affected by changes in economic participation and unemployment.
- 4.8 Economic activity is modelled taking the age and sex profile of participation based on 2021 Census data as a starting point. We then overlay assumptions on changes in participation set out by the Office for Budget Responsibility in the 2018 Fiscal Sustainability Report, which in effect models some improvement in economic participation amongst women over time (narrowing the gap between the sexes) and an increase in older people in work (taking account of rising life expectancy

and state pension age). The table below shows the assumptions made for the study area for 2021 and 2050.

**Table 4.2** Projected changes to economic activity rates (2025 and 2050) – Coventry-Warwickshire

	Males			Females		
	2025	2050	Change	2025	2050	Change
<b>16-19</b>	33.3%	33.1%	-0.1%	35.3%	35.2%	-0.1%
<b>20-24</b>	64.7%	64.4%	-0.2%	65.1%	65.0%	-0.2%
<b>25-29</b>	87.8%	87.8%	0.0%	80.7%	80.7%	0.0%
<b>30-34</b>	90.7%	90.5%	-0.2%	80.0%	80.6%	0.5%
<b>35-39</b>	90.6%	90.1%	-0.4%	79.7%	81.3%	1.6%
<b>40-44</b>	90.3%	89.0%	-1.3%	81.4%	84.5%	3.1%
<b>45-49</b>	89.1%	88.5%	-0.7%	82.5%	86.8%	4.2%
<b>50-54</b>	87.1%	85.9%	-1.2%	79.9%	83.7%	3.9%
<b>55-59</b>	80.6%	79.7%	-0.8%	71.7%	74.9%	3.2%
<b>60-64</b>	66.1%	73.3%	7.2%	53.4%	64.8%	11.4%
<b>65-69</b>	30.5%	45.2%	14.7%	21.1%	39.5%	18.4%
<b>70-74</b>	12.8%	17.1%	4.4%	7.4%	16.1%	8.7%
<b>75-89</b>	5.5%	6.4%	0.9%	2.5%	5.7%	3.2%

*Source: Based on OBR and Census (2021) data*

4.9 As the starting point for the analysis in 2021 was during the Covid-19 pandemic, the modelling also takes account of a modest level of latent labour at this point and assumes some jobs growth from this point in the economic cycle is met through a reduction in unemployment. This is modelled based on the difference in the Claimant Count between 2021 and 2024.

4.10 In considering the number of jobs which could be supported, we also take into account double jobbing recognising that some people hold down more than one job. We assume around 4% of people have more than one job based on data from the Annual Population Survey (APS) for the sub-region over the last 5 years.

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- 4.11 The results of the modelling are shown below. This indicates applying standard modelling assumptions (based on the latest commuting data), would imply 142,300 jobs would be supported by the standard method to 2041, 162,900 jobs to 2045 and 187,900 jobs to 2050.

**Table 4.3** Jobs supported by Standard Method in Coventry & Warwickshire<sup>8</sup>

	<b>2021-41</b>	<b>2021-45</b>	<b>2021-50</b>
<b>Growth in economic activity</b>	127,200	146,100	168,800
<b>Contribution from reduced unemployment</b>	5,400	5,400	5,400
<b>Resultant growth in labour supply</b>	132,600	151,500	174,200
<b>Jobs supported with 1-1 commuting</b>	137,800	157,500	181,100
<b>Jobs supported with 2021 Census commuting</b>	142,300	162,900	187,900

*Source: Icenl analysis*

- 4.12 The analysis above models commuting using 2021 Census data, which implies that across the sub-region the number of jobs supported through commuting in net terms would be 4% above that shown with a 1-1 commuting ratio (where the jobs and workforce rise in tandem).

### **Sensitivity Analyses – Commuting and Economic Participation**

- 4.13 We have then undertaken sensitivity analysis considering a) commuting dynamics; and b) no improvements in economic participation relative to the base position.
- 4.14 The commuting sensitivities show that the jobs supported to 2050 could be slightly lower (181,100) if no net commuting from outside of the HMA occurred. However some net in-commuting to the sub-region is likely given the sub-region's geography in particular with key employment

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<sup>8</sup> Rounded numbers are presented

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sites which are close to the C&W boundaries such as along the M42 and A5 Corridors.

- 4.15 The analysis also shows that the application of the 2011 Census commuting assumptions would support slightly less jobs growth than those using 2021 Census data.

**Table 4.4** Jobs Supported – Commuting Sensitivities

	<b>2021-41</b>	<b>2021-45</b>	<b>2021-50</b>
<b>Jobs supported with 1-1 commuting</b>	137,800	157,500	181,100
<b>Jobs supported with 2011 Census commuting</b>	141,300	161,500	186,000
<b>Jobs supported with 2021 Census commuting</b>	142,300	162,900	187,900

*Source: Icenl analysis*

- 4.16 Secondly, we have run sensitivities which assume no changes to economic participation over the modelling period. In this scenario economic participation rates (by age and sex) are held constant at the level shown by the 2021 Census data.
- 4.17 The results of this analysis are shown in the table below. In this scenario, the number of jobs supported with 2021 Census commuting assumptions are of 119,900 jobs to 2041, 137,400 jobs to 2045 and 158,000 to 2050.

**Table 4.5** Jobs Supported – modelling for economic participation to remain at 2021 levels

	<b>2021-41</b>	<b>2021-45</b>	<b>2021-50</b>
<b>Jobs supported with 1-1 commuting</b>	116,200	132,800	152,200
<b>Jobs supported with 2011 Census commuting</b>	119,100	136,200	156,300
<b>Jobs supported with 2021 Census commuting</b>	119,900	137,400	158,000

*Source: Icenl analysis*

- 4.18 Comparing the analysis in Tables 4.3 and 4.5 shows that around 16% of the jobs supported in the main modelling arise as a result of the improvements in economic participation.

### **Sensitivity Analysis – Emerging Plan Requirements**

- 4.19 The final sensitivity analysis considers the implications of the housing requirement figures in the draft Coventry and Nuneaton and Bedworth Local Plans. It adjusts housing provision in these authorities only, based on the residual requirement taking account of completions between 2021-24, and uses the current standard method figures for other local authorities in the HMA.
- 4.20 Relative to the core modelling assumptions (as shown in Table 4.3), this shows a modest reduction in the quantum of employment supported, as shown in the table below.

**Table 4.6** Jobs Supported Sensitivity Analysis – Emerging Plan Requirements in Coventry & Nuneaton and Bedworth

	<b>2021-41</b>
<b>Jobs supported with 1-1 commuting</b>	128,300
<b>Jobs supported with 2011 Census commuting</b>	133,100
<b>Jobs supported with 2021 Census commuting</b>	133,900

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## 5. Inter-Relationship between Jobs and Homes

- 5.1 The inter-relationship between jobs and homes can be assessed by comparing the potential jobs growth (as considered in Section 3) with the growth in labour supply and associated analysis of the number of jobs which could be supported by anticipated housing provision (as considered in Section 4).
- 5.2 The chart below summarises the expected jobs growth across the Coventry and Warwickshire HMA, which is for 111,700 jobs to 2041, 131,900 jobs to 2045 and 157,000 to 2050. This is drawn from Table 3.2.

**Table 5.1** Expected Employment Growth – Coventry & Warwickshire

	<b>Total Jobs</b>	<b>Total Jobs – Higher Multiplier Sensitivity</b>
<b>2021-41</b>	111,700	118,700
<b>2021-45</b>	132,300	140,800
<b>2021-50</b>	157,200	167,500

- 5.3 Set against this, the modelling undertaken indicates that the standard method provides the potential to support up to 142,300 jobs to 2041, 162,900 jobs to 2045 and 187,900 jobs to 2050 as shown in Table 5.2 below. These are based on the core modelling assumptions.
- 5.4 It is evident that the jobs growth supported by the standard method, which is of up to 187,900 jobs to 2050, exceeds the anticipated employment growth (157,200) by around 15%. This implies the potential for either weaker growth in economic participation than expected in the core scenario (OBR improvements) and/or no growth in net in-



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commuting to the HMA and/or the flexibility for stronger employment growth to be supported.

- 5.5 The evidence indicates that there is flexibility within the labour supply which would be supported by the standard method to accommodate the sensitivity analysis applying a higher multiplier to the growth in industrial jobs, as for instance the jobs envisaged in this scenario of 167,500 jobs to 2050 still falls below the expected jobs growth of up to 187,900 which could be supported.
- 5.6 Equally to 2041, the evidence indicates that the potential jobs growth which could be supported by the standard method of up to 142,300 jobs, as shown in Table 5.2, exceeds both the main scenario for employment growth (111,700 jobs) and the sensitivity analysis (140,800 jobs).
- 5.7 The same position applies over the period to 2045, where the evidence shows that the potential jobs that could be supported by the standard method of up to 162,900 exceeds the expected jobs growth in both the main modelling (132,300 jobs) and sensitivity analysis (140,800 jobs). This is the case for all of the scenarios for labour supply shown in Table 5.2.

**Table 5.2** Jobs supported by Standard Method Housing Provision – Coventry & Warwickshire

<b>Jobs supported</b>	<b>2021-41</b>	<b>2021-45</b>	<b>2021-50</b>
<b>No growth in economic participation</b>	119,900	137,400	158,000
<b>No increase in net in-commuting</b>	137,800	157,500	181,100
<b>Core economic participation &amp; commuting assumptions (2021)</b>	142,300	162,900	187,900

- 5.8 Considering the sensitivity analyses undertaken, there is sufficient workforce available with housing delivery in line with the standard method to support the jobs growth envisaged even with no growth in in-commuting and no changes in economic participation.
- 5.9 The sensitivity analysis which takes account of the housing requirement figures in the emerging plans in Coventry and Nuneaton & Bedworth shows that this would have a slight downward impact on potential labour supply – with the core modelling assumptions showing that 133,900 jobs could be supported in this scenario to 2041, as set out in Table 4.6. However this still remains sufficient to support the potential jobs growth expected.
- 5.10 Drawing the evidence together, the evidence points to a broad alignment between homes and jobs within the sub-region; but with the potential for growth in economic participation over the coming decades to support some additional employment growth. The latter essentially represents a degree of potential labour supply flexibility.
- 5.11 Overall, the evidence points to no need to plan for housing provision above the standard method within the HMA.**