

13 SOCIO-ECONOMICS

13.1 INTRODUCTION

13.1.1 This chapter establishes the baseline socio-economic conditions and then considers the likely socio-economic effects of the Proposed Development.

13.1.2 The considerations of this chapter are most commonly related to the effects of the Proposed Development upon the human population who will live within the vicinity of the Application Site.

13.1.3 This assessment is made by examining the potential effects on the population anticipated as a result of the Proposed Development and, in turn, assessing the effect that this could have on relevant services and facilities and the economy. The assessment enables consideration to be given to the ability of existing social infrastructure and that proposed by the development and identifies the extent to which additional demands will be placed on existing facilities. Where additional demands will be generated, the methods of mitigation are identified and the residual effects assessed.

13.2 ASSESSMENT APPROACH

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

13.2.2 The assessment considers the potential effects of the Proposed Development relative to the future baseline position as well as the current baseline position. This ensures that the potential effects are considered relative to the position that is likely to arise should the Proposed Development not occur.

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

- NPPF²;
- The emerging Core Strategy and Development Plan 2015-2033³;
- The emerging IAMP⁴;
- Office of National Statistics (ONS) data (various outputs as individually referenced within this chapter); and
- Information obtained from the client with regards to the current land and site characteristics.

Assessment of Significance

13.2.4 Given the nature of the socio-economic factors under consideration, it is not considered appropriate to assign a 'sensitivity of receptor' scale in accordance with the

¹ March 2012, The National Planning Policy Framework, Department for Communities and Local Government.

² ibid

³ 7th August 2017, Draft Core Strategy and Development Plan.

⁴ August 2016, Publication Draft International Advanced Manufacturing Park Area Action Plan.

generic approach set out within **Chapter 1**. Accordingly, a qualitative assessment of the likely significance of socio-economic effects has been carried out and significance rating assigned in accordance with the matrix and associated commentary set out in **Table 13.1**.

Table 13.1: Significance Matrix

Significance	Negative	Neutral	Positive
Major	An undesirable effect of strategic significance or one that runs counter to the objectives of the emerging Development Plan and/or the NPPF	The effects of the development are either neutral or not quantifiable	A desirable effect of strategic significance and one that is required to support the objectives of the emerging Development Plan and/or NPPF
Moderate	An undesirable effect that has more than localised significance or compromises the objectives of the emerging Development Plan and/or the NPPF		A desirable effect that has more than localised significance and will support the objectives of the emerging Development Plan and/or NPPF
Minor	An effect that is localised and undesirable		An effect that is localised and desirable

Legislative and Policy Framework

13.2.5 Guidance on producing EIAs published by the European Commission and UK Government suggests that the possible socio-economic effects that should be considered are those relating to changes in population, such as changes in demand for housing, and services such as schools and recreation facilities.

13.2.6 The NPPF⁵ provides the Government's planning policies for England and how these are expected to be applied. It identifies how local planning authorities should plan for sustainable development within their area and across local boundaries and emphasises the three interdependent roles of sustainable development:

"An economic role – contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure;

A social role – supporting strong, vibrant and healthy communities, by providing the supply of housing required to meet the needs of present and future generations; and by creating a high quality built environment, with accessible local services that reflect the community's needs and support its health, social and cultural well-being; and

An environmental role – contributing to protecting and enhancing our natural, built and historic environment; and, as part of this,

⁵ March 2012, The National Planning Policy Framework, Department for Communities and Local Government.

helping to improve biodiversity, use natural resources prudently, minimise waste and pollution, and mitigate and adapt to climate change including moving to a low carbon economy.”

13.2.7 The NPPF⁶ as a whole defines sustainable development and summarises this in paragraph 9 as:

- **“making it easier for jobs to be created in cities, towns and villages;**
- **moving from a net loss of bio-diversity to achieving net gains for nature;**
- **replacing poor design with better design;**
- **improving the conditions in which people live, work, travel and take leisure; and**
- **widening the choice of high quality homes.”**

13.2.8 The NPPF requires that Local Planning Authorities have an up-to-date Local Plan in place. These Local Plans should set out the visions and aspirations of local communities and provide for the sustainable development required to support these ambitions.

13.2.9 In Sunderland, the Council adopted a Unitary Development Plan (UDP) in 1998 and an Alteration to the UDP in 2007 prior to the publication of the NPPF. However, the Council is now progressing a number of documents to provide a Development Plan which complies with current national policy. These consist of a Core Strategy and Development Plan (which is currently subject to consultation); an Allocations and Designations Plan (on which work has not yet commenced); and an International Advanced Manufacturing Park (IAMP) Area Action Plan (which has been submitted for examination). These documents will provide the planning policy framework to deliver sustainable growth up to 2033 and beyond.

13.2.10 As such, assessment of the various socio-economic aspects within this chapter has been considered in light of the sustainable development objectives of the NPPF and the strategic priorities of the emerging development plan, and in particular the associated gains that sustainable development can deliver.

Scoping Criteria

13.2.11 The scope and contents of this socio-economic assessment are based on professional experience and best practice.

13.2.12 Consideration has been given only to those socio-economic factors for which there is a potential for likely significant effects or which are relevant to assessing these effects. Different factors are considered in the baseline assessment and during the construction and operational phases of the Proposed Development as identified in **Table 13.2**, owing to the likelihood of effects over these phases. Decommissioning is not included in the scope of this assessment given the longevity of the proposed uses.

Table 13.2: Socio-economic Factors

Factor	Baseline Assessment	Likely Significant Effects during the Construction Phase	Likely Significant Effects during the Operational Phase
Population	✓	The Proposed Development is not	The Proposed Development is not

⁶ March 2012, The National Planning Policy Framework, Department for Communities and Local Government.

Factor	Baseline Assessment	Likely Significant Effects during the Construction Phase	Likely Significant Effects during the Operational Phase
		likely to affect the size of the population	likely to affect the size of the population
Deprivation	✓	Not considered as the effects can only be estimated once the development is complete	✓
Economy	✓	✓	✓
Travel	✓	Not considered as the effects can only be estimated once the development is complete	✓

13.2.13 Consideration has been given to the potential effects at a local, borough and where relevant a national scale.

Limitations to the Assessment

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

13.3 BASELINE CONDITIONS

Site Description and Context

13.3.1 A detailed description of the Application Site and its surrounding context is provided within **Chapter 2** and **Chapter 3** of this ES and therefore this is not repeated. However, the details of the Proposed Development as pertinent to the socio-economic assessment are described below.

13.3.2 This assessment considers the provision of the following aspects of the Proposed Development:

- The provision of circa 35 direct jobs in the operational phase; and
- The offer of lower priced renewable energy for local businesses.

13.3.3 The Proposed Development is located at the 'Hillthorn Business Park' (within the A19 ultra low carbon vehicle corridor enterprise zone), within Washington North Ward. It is also within 1km of the IAMP area. The Proposed Development will have implications for local businesses, the ward and for Sunderland. The assessment considered the appropriate area/s in regard to different issues. Some information is only available for the Lower Super Output Area (LSOA), Sunderland 007A, or Middle Level Super Output Areas (MSOA), Sunderland 007, and these are used in these instances.

13.3.4 Given the range of socio-economic issues, each is considered separately in the following sections, with the baseline established first and then the likely significant effects considered.

Baseline Survey InformationPopulation

13.3.5 The 2011 Census⁷ identified 275,506 residents in Sunderland City, of which 11,297 lived within Washington North Ward. It indicates that the population of the ward is on average younger than that within Sunderland, with a median age of 38 years as compared to 41 years. This compared with a median age of 39 years across England.

13.3.6 The latest Mid-Year Population Estimates⁸ identified that the population of Sunderland City had increased to 277,962 in 2016. The 2014 based subnational projections⁹ then project a further increase of circa 8,100 persons from 2016 to 2033.

Deprivation

13.3.7 The Index of Multiple Deprivation 2015¹⁰ provides an indication of the average levels of deprivation for LSOAs across England. The Index provides an overall assessment of the average levels of deprivation as well as an assessment against particular domains of deprivation.

13.3.8 The LSOA which contains the Application Site is within the 30% most deprived areas nationally in terms of employment, health deprivation and disability, and barriers to housing and services.

Economy

13.3.9 The emerging Core Strategy and Development Plan proposes to provide at least 10,377 additional jobs over the plan period including through the delivery of the IAMP, which is expected to provide 5,228 of these jobs.

13.3.10 The 2011 Census¹¹ identified that there were 126,089 persons whose usual place of work was within Sunderland City; of which 10,701 work within the MSOA. These persons are employed in approximately 245¹² business units which exist in the MSOA of which circa 86% are small (employing less than 50 persons).

13.3.11 The 2014 Annual Survey of Hours and Earnings¹³ identified that the median salary of an employed person living in Sunderland was £25,202, whereas the median salary of someone that worked in Sunderland was £26,183.

13.3.12 Sunderland has a lower economic activity rate than England and a higher unemployment rate. Indeed, the 2011 Census identifies that the unemployment rate is 5.8% as compared with 4.4% across England. In Washington North Ward, the 2011 Census identified 655 unemployed people who were actively seeking work.

13.3.13 The ONS Claimant Count identified that in June 2017, there were 350 people seeking work in Washington North Ward claiming Job Seekers Allowance.

13.3.14 The sectoral breakdown of industry¹⁴ that the residents of Sunderland work in is broadly reflective of that of England. However, there is a larger proportion of workers employed in the Manufacturing sector (11.58%) as compared to England (8.85%). A

⁷ Table KS101EW, 2011 Census, Office for National Statistics.

⁸ June 2017, Mid-Year Population Estimates 2016, Office for National Statistics.

⁹ May 2016, 2014-based Subnational Population Projections for England, Office for National Statistics.

¹⁰ September 2015, English Indices of Deprivation 2015, Department for Communities and Local Government.

¹¹ May 2014, Table WP101EW, Office for National Statistics.

¹² UK Business Counts 2014, ONS (accessed 11th August 2017)

¹³ Annual Survey of Hours and Earnings, Office for National Statistics (accessed 11th August 2017).

¹⁴ February 2013, Table KS605EW, Office for National Statistics

total of 9,345 residents of Sunderland (or 7.7% workers) were employed in the construction sector which compares to 7.7% of the workforce nationally.

13.3.15 The proportion of residents employed in administrative and secretarial occupations; skilled trades; caring leisure and other service occupations; sales and customer service occupations; process, plant and machine operatives; and elementary occupations in Sunderland is higher than across England.

13.3.16 The 2011 Census identifies that Sunderland and Washington North Ward has a greater proportion of residents with no or lower level qualifications than England.

Travel

13.3.17 The 2011 Census¹⁵ identified that Sunderland City experiences net-in commuting flows, with 36,249 workers commuting out of the area and 40,898 commuting in. Of these commuters, the most numerous flows are to and from County Durham.

13.4 ASSESSMENT OF LIKELY SIGNIFICANT EFFECTS

Construction

13.4.1 The socio-economic effects will apply largely once the facility is operational. However, during the construction phase there will be some effects as discussed below.

Economy

13.4.2 The construction of the Proposed Development will generate and support jobs in the construction sector. This construction would go out to tender and so the number of jobs that would be supported is not precisely known.

13.4.3 However, a review of gasification schemes across the UK identifies that for every 1 operational job there are approximately 5 to 6.5 construction jobs generated¹⁶. Given that the Proposed Development envisages 35 operational jobs, it is estimated that somewhere in the region of 175 to 228 construction jobs would be generated. Many of these construction opportunities are likely to be available to local contractors although the extent will be dependent upon the operational arrangements of the successful tender. The temporary construction phase may provide employment opportunities for the local community.

13.4.4 The construction workforce are likely to spend some of their disposable income in the area in which they work, although recognising that if local people are employed this income is already likely to be spent in the local economy. Nevertheless, it is likely that there will be some increase in spending in the local economy.

13.4.5 The Proposed Development is considered to have a **minor positive effect** by providing additional jobs, some of which are likely to provide for the local community's needs, and by increasing the expenditure in local facilities.

¹⁵ Neighbourhood Statistics interactive map tool, Office for National Statistics (accessed 11th August 2017).

¹⁶ Welland Bio Power Plant estimated 100 construction jobs to 19 operational jobs; the Hoddesdon Plant estimated 110 construction jobs to 17 operational jobs; the Tyseley Plant estimated 100 construction jobs to 19 operational jobs; the Hull Plant estimated 200 construction jobs to 40 operational jobs; and the East Belfast Plant estimated 130 construction jobs to 20 operational jobs.

Operation

Deprivation

13.4.6 The LSOA within which the application experiences deprivation in regards to employment. The provision of jobs at the Proposed Development will directly address this to some extent.

13.4.7 The Proposed Development is therefore considered to provide a **minor positive effect**.

Economy

13.4.8 The jobs as well as the local investment in operations and maintenance will have indirect economic effects by providing employment for local tradesman as well as induced effects including the increased disposable income spent in the local economy. Indeed, jobs will be supported in the maintenance of the Proposed Development (in addition to the 35 direct jobs provided on site). There will be finance distributed in the local economy as well as the support for additional jobs (including in the retail sector and for tradesmen).

13.4.9 Applying the average income of people working in Sunderland to the 35 operational jobs results in an additional £920,000 per annum, some of which will be spent in the local economy in addition to the investment in operations and maintenance.

13.4.10 As a result of the above, and based on the average GVA per employed person¹⁷ these jobs are estimated to provide an annual GVA impact of circa £1.6M. However, these economic effects duplicate some of these identified previously, and so should not be considered to be additional.

13.4.11 During the operational phase the Proposed Development would support a range of occupations, including skilled trades, process plant and machine operatives, elementary occupations and some managerial roles. This provides the opportunity for a range of individuals to be employed on-site.

13.4.12 The Proposed Development will also provide the opportunity for competitively priced sustainable energy to be provided to local business, including the existing employment areas and the IAMP area. This provides an additional benefit to support the proposed economic growth across Sunderland.

13.4.13 The provision of jobs and financial investments to the facility will provide for additional expenditure within the local economy as well as providing the opportunity for local employment. This is considered a **minor positive effect** of the Proposed Development given its scale.

Travel

13.4.14 Sunderland currently experiences net in-commuting flows. The provision of new jobs without a corresponding increase in the workforce could increase this level of in-commuting. However, it could also provide an opportunity for those who currently out-commute to remain in Sunderland City and thereby reduce the commuting flows.

13.4.15 The Proposed Development is considered to have a **minor negative to minor positive effect** on commuting depending on the origin of its workers.

¹⁷ September 2012, Industrial Strategy: UK Sector Analysis, BIS

13.5 MITIGATION AND ENHANCEMENT**Mitigation by Design**

13.5.1 The Proposed Development provides jobs and sustainable low priced energy for local businesses.

13.5.2 There are no identified negative effects associated with the Proposed Development in terms of socio-economics and so no mitigation has been identified. The only exception is a potential minimal increase in commuting flows. This could be minimised (and even be positive) if steps are taken to recruit locally.

Additional Mitigation

13.5.3 No additional measures of mitigation have been identified as there are no negative effects which need to be addressed.

Enhancements

13.5.4 Given that no mitigation is proposed (in socio-economic terms) there will be no additional enhancements arising from such mitigation.

13.6 SUMMARY**Introduction**

13.6.1 This chapter considers the potential socio-economic effects of the Proposed Development during both the construction and operational phases. The analysis focuses on the provision of employment and the effect in terms of the economy within Sunderland and Washington North Ward.

13.6.2 There are a wide range of socio-economic issues that exist and which will be affected by the Proposed Development.

Baseline Conditions

13.6.3 Sunderland is expected to experience population growth. It has a younger population on average than the nation.

13.6.4 The LSOA within which the Application Site lies has high levels of deprivation, particularly in relation to employment, health deprivation and disability, and barriers to housing and services.

13.6.5 The area has a high level of unemployment and the majority of those that are employed in lower value occupations. The level of qualifications is also low.

13.6.6 Sunderland experiences net in-commuting flows which reflect the positive pay differential that the area experiences.

Likely Significant Effects

13.6.7 The key socio-economic effects of the Proposed Development can be summarised as follows:

- Provision of circa 175 to 228 additional jobs during the construction phase in the construction sector;

- Provision of 35 direct jobs during the operational phase as well as indirect jobs supported in the local economy to service the facility;
- The jobs will include elementary jobs during both the operational and construction phases which provides choice for those seeking employment;
- The provision of new jobs locally which may meet the needs of local residents;
- Investment in construction, operation and maintenance all of which will provide for indirect effects including generating work for local tradesmen;
- The increase of the local disposable income (for employees of the facility and tradesmen) which will have induced effects on local economy;
- The above is estimated to provide an additional £1.6M GVA per annum for the local economy; and
- The provision of lower priced sustainable energy for local businesses, reducing business costs which may be used to expand or enhance businesses (including new jobs and/or increased wages).

Mitigation and Enhancement

13.6.8 There are no identified negative effects associated with the Proposed Development in socio-economic terms, although there is the potential for a minimal increase in commuting which could be reversed through a commitment to recruit local residents where possible.

Conclusion

13.6.9 Overall the Proposed Development is considered to provide for minor positive effects and will contribute to supporting the economy of the area.

13.6.10 **Table 13.3** provides a summary of effects, mitigation and residual effect.

Table 13.3 Summary of Effect, Mitigation and Residual Effects

Receptor / Receiving Environment	Description of Effect	Nature of Effect	Sensitivity Value	Magnitude of Effect	Geographical Importance	Significance of Effects	Mitigation / Enhancement Measures	Residual Effects
Construction								
Economy	Provision of construction jobs to support economy	Direct/ Temporary	N/A	N/A	Local	Minor Positive	N/A	Minor Positive
Operation								
Deprivation	Provision of jobs to support economy	Direct/ Permanent	N/A	N/A	Local	Minor Positive	N/A	Minor Positive
Economy	Provision of jobs and investment that will support the local economy	Direct/ Permanent	N/A	N/A	Local	Minor Positive	N/A	Minor Positive
Travel	Provision of jobs which may reduce commuting flows	Indirect/ Permanent	N/A	N/A	Local	Minor Negative to Minor Positive	Local recruitment	Minor Positive