



Sizewell C Project

8.9 Economic Statement

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Contents

1	Executive summary	1
1.1	Policy	1
1.2	Local and regional context.....	2
1.3	Scope and purpose of the Economic Statement.....	3
2	Economic statement	7
2.1	Introduction.....	7
2.2	Structure and content of this strategy	7
3	Headline impacts	10
3.1	Introduction.....	10
3.2	Operational phase	10
3.3	Construction and non-construction employment.....	11
3.4	Supply chain opportunities.....	15
3.5	Wider economic effects	18
4	Policy context	19
4.1	National infrastructure projects and energy	19
4.2	Local and regional policy	21
5	Economic context	23
5.1	Spatial scope	23
5.2	Output and productivity	23
5.3	Employment trends.....	24
5.4	Dynamic labour market.....	25
5.5	Deprivation and social inequality	29
6	Tourism.....	30
6.1	Background/context.....	30
6.2	Quantifying the effects of interventions on tourism	35
6.3	Understanding potential sensitivities in the Suffolk tourist economy.....	37
6.4	Summary of potential effects on tourism and visitors.....	39
6.5	Mitigation and enhancement.....	41
7	Implementation strategies.....	43
7.1	Introduction.....	43
7.2	Employment, skills and education	43

7.3	Supply chain.....	45
8	Conclusion	47
	References.....	51

Tables

Table 3.1:	Predicted average breakdown of home-based and non-home-based workers by year of construction phase by role	12
Table 3.2:	Estimated jobs supported at peak likely to be taken by home-based workers (not including operational jobs).....	15
Table 5.1:	Average job tenure in the UK (OECD, 2015).....	27
Table 5.2:	Sizewell C jobs as a % of all jobs and construction sector jobs.....	28

Plates

Plate 5.1:	Occupational skill level (proportionate) of all jobs and the energy and construction sectors in the UK (2011 Census)	24
Plate 5.2:	International Labour Organisation unemployment in Suffolk 2008–2019 (Annual Population Survey).....	26

Figures

Figure 5.1:	Proportional breakdown of tourist sector employment
Figure 5.2:	Tourism employment timeseries from 1984 to present (Source: BRES, ABI, AES and CES 1984 to 2018)
Figure 5.3:	Tourism employment timeseries from 1984 to present – absolute job numbers in Suffolk Coastal (Source: BRES, ABI, AES and CES 1984 to 2018)
Figure 5.4:	Swing from average in job seekers allowance claimants seeking work in tourism-related sectors by month (Source: DWP, 2005–2015)

Appendices

Appendix A:	Employment, Skills and Education Strategy
Appendix B:	Supply Chain Strategy

1 Executive summary

1.1 Policy

1.1.1 National planning, industrial, infrastructure and skills policy makes clear the importance of providing new nuclear generating capacity, creating a highly skilled construction workforce that can then help build other major infrastructure projects that the UK requires and, through the supply chain, supporting advanced manufacturing sectors to improve productivity.

1.1.2 Sizewell C is promoted through a number of national and regional policy documents, including:

- the overarching NPS for energy (NPS EN-1) and the NPS for Nuclear Power Generation (NPS EN-6), which set out the importance of providing new nuclear generating capacity;
- the National Infrastructure Plan for Skills identifies the importance of investment in infrastructure for improving UK's productivity and building skills;
- the National Industrial Strategy highlights the importance of the nuclear sector as an integral part of increasing productivity and driving growth, and a vital part of the energy mix by providing low carbon power;
- New Anglia Local Enterprise Partnership (NALEP)'s Local Industrial Strategy and the Norfolk and Suffolk Economic strategy, which recognise the importance of the low carbon energy sector in general and Sizewell C in particular; and highlight the Energy Coast (including Sizewell C) as one of six major growth areas in the region; and
- NALEP's Sector Skills Plan for Construction, which suggests that construction skills shortages are significantly affecting the delivery of projects across the industry, and identifies measures to redress this.

1.1.3 New nuclear investment in Sizewell C can make a material, positive contribution to local employment, skills, and businesses, and can create a catalyst for change. From a national perspective, it is essential to secure the supply of low carbon energy to ensure Britain's transition to a sustainable low carbon economy, and at a local and regional level there is a major opportunity to embed Sizewell C in the Energy Coast to facilitate this transition.

1.2 Local and regional context

1.2.1 In order to understand the effects of the Sizewell C Project, and target measures to optimise local and regional benefits, it is important to understand the economic context of the area – its strengths and opportunities and how the labour market currently works.

1.2.2 A baseline analysis of the current economic context indicates that:

- Suffolk has a productive economy: in 2017, GVA (a measure of economic output at the local level) in Suffolk was estimated at £17 billion, of which the construction sector contributed £1.4 billion (around 8.3%) and the production sector (including energy) over £1.1 billion (around 6.8%).
- However, the total GVA per job in Suffolk was 10% below the average across England, although productivity was 5%-10% higher than the national average within the construction sector.
- Suffolk has a substantial labour market: there are an estimated 323,000 jobs in Suffolk, and 2.78 million in total across the East of England. Of these, approximately 17,500 (Suffolk) and 165,000 (East of England) are in construction sectors.
- This labour market is dynamic: analysis of the region's labour market dynamics shows that more than 60,000 people change jobs in any given year, with the median job tenure between 5-10 years; and that currently there are over 31,400 people in Suffolk who are unemployed but looking for work, or are economically inactive but want a job (and on average through the economic cycle there are between 35,000 and 40,000).
- There are pockets of socio-economic deprivation: as identified by the Office for National Statistics and research commissioned by Suffolk County Council, areas in Ipswich, Lowestoft and Great Yarmouth are within the 10% and 20% most deprived areas in England across all metrics combined.
- Suffolk as a whole has an ageing population increasing at a faster rate than the national average and leading to reduced economic activity.
- Tourism plays a key role within Suffolk's economy, estimated by some measures to be worth over £1bn per year.

1.3 Scope and purpose of the Economic Statement

1.3.1 The Economic Statement outlines:

- how the Sizewell C Project can deliver on national, regional, and local policy and strategic commitments for growth and productivity;
- the scale of economic benefits that the Sizewell C Project would bring to the labour market, regional productivity, and the supply chain;
- the potential for effects on labour supply and other sectoral strengths of the region (including tourism), and measures to avoid negative effects; and
- measures that the Sizewell C Project would put in place to enhance these benefits, and complement the existing regional objectives of the New Anglia Local Enterprise Partnership (NALEP), county and district councils, and other stakeholders including education, skills and training providers and the business community.

a) **Headline economic benefits**

1.3.2 The Sizewell C Project would create substantial economic benefits, including:

- Construction output and job creation: a boost to the local economy as a result of the construction phase, equating to £2.5bn of output and supporting over 40,000 person years of construction employment.
- Wages and spending: total for wages over the construction phase could be substantial:
 - Spending by non-home-based workers in the area could average around £21.5 million per year or around £260 million over the construction phase.
 - Extra wages from home-based workers during the construction phase could represent an average boost to incomes each year of £15 million. The boost to local spending would be less than that (after taxes and savings) but could still be £5 million per year or £60 million over the construction phase.
 - Together these add up to around £320 million of extra local spending during the construction phase.

- Local employment creation: at the peak of construction, around a third of jobs are expected to be filled by existing local residents. If proportions are similar to Sizewell B, up to 480 of these roles would be filled by people who were formerly unemployed or previously inactive workers.
- Supply chain opportunities: the total value of the Sizewell C Project is estimated at £20bn. It is anticipated that – if similar levels of local and regional supply chain usage are achieved at Sizewell C as at Hinkley Point C - there could be a local retention of in excess of £1.5bn over the construction phase, equivalent to an average of £125m per year.
- A long term boost to the economy as a result of the operational phase: boosting GDP by around £225m per year and supporting 900 permanent jobs with associated wages of £44.5m per year, and an additional workforce of around 1,000 during planned outages. Further, multiplier effects across the UK for nuclear power suggests an additional local indirect employment of around 60% of direct employment, representing a further 360 jobs as an indirect result of the operational phase of the Sizewell C Project.

b) Mitigation and enhancement

1.3.3 Three key areas of intervention are set out by the Economic Statement, with implementation strategies appended and / or measures and financial contributions secured by the Section 106 Agreement, as provided in ‘Section 106 Heads of Terms’ at **Appendix J** of the **Planning Statement** (Doc Ref. 8.4). These comprise:

- an **Employment, Skills and Education Strategy**, provided in **Appendix A**;
- a **Supply Chain Strategy**, provided in **Appendix B**; and
- a Tourism Fund.

1.3.4 The strategies set out to deliver a package of measures to enable local people to enter or re-enter the labour market and the local and regional supply chain to win work on the Sizewell C Project.

1.3.5 Key features of the **Employment, Skills and Education Strategy** (**Appendix A**) include:

- a Sizewell C Jobs Service;

- skills initiatives such as a flexible Asset Skills Enhancement and Capability Fund; funding a regional skills coordinator post to provide a focal point of coordination and skills planning; and supporting contractors in exploring options for training and assessment;
- supply chain initiatives such as creating skills partnerships to build regional capacity within the supply chain and helping backfill hard to fill vacancies; and
- supporting education initiatives partnering with regional stakeholders to invest in activities including: promoting careers in energy, engineering and construction for young people and a bursary scheme to support alternative pathways for young people who have not reached required entry level in local areas.

1.3.6 The implementation of the **Employment, Skills and Education Strategy** by SZC Co. will be secured by an obligation in the Section 106 Agreement, as provided in **Appendix J** to the **Planning Statement** (Doc Ref. 8.4), ‘Section 106 Heads of Terms’.

1.3.7 Key features of the **Supply Chain Strategy (Appendix B)** include:

- a Sizewell C supply chain team partnering with Suffolk Chamber of Commerce to help local and regional business in winning contracts on the Sizewell C Project through management of a supply chain website;
- a Sizewell C supply chain portal capturing details and core capabilities of regional business against Sizewell C Project requirements; and
- encouraging the use of local and regional suppliers via Tier 1 contractors engaging with the local supply chain through networking events and similar.

1.3.8 The implementation of the **Supply Chain Strategy** by SZC Co. will be secured by an obligation in the Section 106 Agreement, as provided in **Appendix J** of the **Planning Statement** (Doc Ref. 8.4).

1.3.9 Through engagement with local tourism stakeholders, review of environmental effects and mitigation identified across the **ES**, and SZC Co.’s understanding of perceived visitor sensitivities based on quantitative survey of previous and potential visitors has identified that, without mitigation, there is potential for:

- very local effects on tourist sector businesses and activities where there is a combination of significant residual environmental effects; and
- perception-related effects as a result of sensitivities to different aspects of the Sizewell C Project (e.g. concerns about traffic, where this is already an influencer on propensity to visit).

1.3.10 SZC Co. commissioned a survey to understand more about the perceptions of people who have previously visited or intend to visit the area, in order to gain an understanding of the sensitivities that should be tackled to prevent the risk of perceptions of reduced likelihood to visit materialising into an economic effect.

1.3.11 Mitigation measures will be developed to reduce this risk via a Tourism Fund – secured via the Section 106 Agreement, provided in **Appendix J** of the **Planning Statement** (Doc Ref. 8.4), ‘Section 106 Heads of Terms’ - to promote the area and address potential negative perceptions about the Sizewell C Project, in order to reduce the risk of changes in visitor behaviour from materialising.

2 Economic Statement

2.1 Introduction

2.1.1 SZC Co. is bringing forward the development of Sizewell C to meet the UK's strategic energy needs, which have been identified by the Government in national energy and infrastructure policy.

2.1.2 A secure supply of low carbon energy is essential to Britain's transition to a sustainable low carbon economy. In addition, the development of a new fleet of nuclear power stations can help to create a highly skilled construction workforce to build the major infrastructure projects that the UK requires and, through the supply chain, support advanced manufacturing sectors to develop new products.

2.1.3 At the local and regional level there is a major opportunity to 'embed' the Sizewell C Project in the 'Energy Coast', and the wider sub-regional economy, contributing to enhanced economic growth in the area, and promoting synergies between this and other energy sector investments, and to position the local labour force and businesses as pacesetters in what has been established as the region's major growth sector.

2.1.4 This document highlights the key policy objectives locally and nationally. It goes on to identify the economic impacts of the Sizewell C Project, with a particular focus on the local and regional economy. It concludes by setting out how SZC Co. would work with partners to maximise the economic benefits that Sizewell C would bring.

2.2 Structure and content of this strategy

a) Wayfinding

2.2.1 This Strategy should be read alongside, or with reference to the following documents within the application for the Development Consent Order (DCO):

- The **Planning Statement** (Doc Ref. 8.4) which sets the overall context for the Sizewell C Project and makes the case for the development and its **Appendix J** (Section 106 Heads of Terms) which sets out the substantive planning obligations which SZC Co. considers appropriate to mitigate the impacts of the Sizewell C Project; and
- **Chapter 9, Volume 2** of the **Environmental Statement (ES)** (Socio-economics) (Doc Ref. 6.3) and its **Appendix 9A** (Technical Note 1 - Workforce Profile) which set out assumptions about the Sizewell C

Project's workforce and detailed baseline and assessment for economic effects related to it.

b) **Key tenets of the project**

2.2.2 The key tenets of enhancing economic activities generated by the Sizewell C Project are:

- To deliver on the Overarching National Policy Statement (NPS) for Energy (EN-1) (Ref. 1.1) commitment of an effective and efficient nationally significant infrastructure project, attracting a high quality workforce and maximising local employment where possible.
- To help meet the need for higher paid, higher skilled work, raising aspirations and local opportunities in Suffolk to reduce the productivity gap and promote social mobility.
- Linking skills and training initiatives with the supply chain – promoting competency in existing businesses to ready them for supply chain opportunities and connecting to the priorities of the New Anglia Local Enterprise Partnership (NALEP) and local authorities (Suffolk County Council (SCC) and East Suffolk Council (ESC)), and the capabilities of local business.
- To avoid potential negatives – like 'displacement' and 'boom and bust' by:
 - investing in supply chain skills;
 - recycling workforce where possible;
 - developing an education strategy to enable local access to long-term construction and operational roles; and
 - working with existing national and local sector plans and partners (e.g. Construction Industry Training Board, Suffolk Chamber of Commerce (Suffolk Chamber), NALEP, SCC, and ESC).

c) **Key principles of the economic statement**

2.2.3 New nuclear investment is big enough to make a material, positive contribution to local employment and to create a catalyst for change whilst not overwhelming the ability of the dynamic local economy to cope. Sizewell C's annualised project value during the construction phase is equivalent to 0.1% of the UK's Gross Domestic Product (GDP) in 2018.

- 2.2.4 SZC Co. and SCC both want to generate as much employment as possible from out-of-work residents, or new entrants to the labour market, and also to enable local residents to access the higher-paid and higher-skilled roles on the Sizewell C Project.
- 2.2.5 There is also a need to address the gap in productivity in Suffolk, and potentially redress projections that employment may decline and productivity lower in some sectors as identified in East of England Forecasting Model (Ref. 1.2) forecasts.
- 2.2.6 While the effect of increased labour market churn on existing business' ability to retain and recruit staff is predicted to be limited, some companies may find that some roles become harder to fill than at present, across construction and non-construction sectors.
- 2.2.7 There is an opportunity for SZC Co. and stakeholders to enhance the benefits of the Sizewell C Project, and also to contribute towards a lasting legacy of supply chain expertise and skills as part of the suite of energy and construction projects in the region. To support this, the Sizewell C Project intends to:
- develop a package of employment and skills measures to enable local people to enter or re-enter the labour market – aligned to wider strategies and policy in the Energy Coast;
 - develop supply chain skills measures, briefings, information and advice to maximise local firms' ability to win work on the Sizewell C Project (in turn, also helping them to gain skills and retain and recruit staff); and
 - put in place backfilling support via a Sizewell C Jobs Service for key sectors and roles that may become harder-to-fill as a result of the Sizewell C Project (but noting that overall, employment and skills effects are positive for the economy).
- 2.2.8 The above measures and support are set out in implementation strategies appended to this Economic Statement, and the measures within them will be secured through a Section 106 Agreement, as set out in **Appendix J** of the **Planning Statement** (Doc Ref. 8.4) (Section 106 Heads of Terms).

3 **Headline impacts**

3.1 **Introduction**

3.1.1 A **significant** level of economic benefit can be expected as a result of such a large infrastructure project, during both construction and operational phases.

3.1.2 The construction phase would provide a fixed-term boost to the local economy. However, at nine to twelve years, this would be a sustained and relatively long-term boost – especially in the context of the peripatetic nature of construction projects – and would help to transform the economy and the employment prospects of local residents.

3.1.3 The estimated total cost of the Sizewell C Project is £20bn, and it could support just over 40,000 person-years of construction employment, and provide a major boost to local and regional businesses.

3.1.4 The operational phase would provide a long-term boost to the economy. It would boost GDP by around £225m per year based on the Government's forecasts under the Nuclear Sector Deal¹ (or £117m at current (2018) levels of productivity), and bring around £44.5m of wages into Suffolk per year.

3.2 **Operational phase**

3.2.1 There would be a range of operational impacts, including:

- 900 permanent jobs;
- forecast GDP of up to £225m per year;
- associated wages of around £44.5m per year;
- indirect effects supporting around 360 jobs, and an indirect and induced economic benefit of up to £340m.

3.2.2 The operational phase would likely have 700 employees directly employed by SZC Co. and a further 200 as contractors. This would provide a major, long-term boost to the local economy. The 900 jobs at Sizewell C equate to

¹ Based on 900 permanent jobs paid the current median wage and achieving the Nuclear Sector Deal target of £250,000 of GVA per worker (Ref. 1.3):

just under 1% of all the jobs in East Suffolk district and 0.3% of the jobs in Suffolk.

3.2.3 These jobs would significantly boost wages in the area by £44.5 million per year (assuming the 900 workers earn the 2018 median earnings for the ‘production of electricity’ sector - £49,420 gross annual pay, Office for National Statistics (ONS) Annual Survey of Hours and Earnings 2018).

3.2.4 Existing observed multiplier effects across the UK for nuclear power (Ref. 1.3) suggest an additional local indirect employment of about 60% of direct employment, which would be of the order of 360 jobs for the proposed operational Sizewell C. These multipliers (also provided for Gross Value Added (GVA)) suggest that at current levels of productivity the indirect and induced effects of the operation of Sizewell C could be up to £340m (a multiplier of 2.5), or £177m based on current productivity levels².

3.2.5 There would also be an extra approximately 1,000 contract partner workforce during planned outages (approximately every 18 months for each unit for approximately two months). Of these, an estimated 850 would be non-home-based (NHB) and would be likely to have multiplier expenditure and employment impacts, proportionately more akin to those for un-accompanied non-home-based construction workers.

3.3 Construction and non-construction employment

3.3.1 **Table 3.1** shows the estimate of the workforce size in each year of construction, and how it is split between home-based (HB) workers – local people already living within a 90-minute travel time (the Construction Daily Commuting Zone (CDCZ)) – and NHB workers – those whose normal address is outside the area and who move to the area temporarily to work on Sizewell C. It provides an indicative breakdown of the types of roles/skills in each category and year.

² Note this includes part of the £44.5m wages.

Table 3.1: Predicted average breakdown of home-based and non-home-based workers by year of construction phase by role

Year	Workforce		Civils		Associated Development Construction/ Demolition		Mechanical, Electrical and Heating		Professional and Management		Site Support		Operational
	HB	NHB	HB	NHB	HB	NHB	HB	NHB	HB	NHB	HB	NHB	
1	220	520	150	350	--	--	--	--	10	170	50	10	--
2	510	1,060	270	630	100	60	--	--	30	360	110	10	--
3	940	2,130	510	1,310	140	100	--	--	60	710	220	20	--
4	1,140	3,020	690	1,970	50	30	--	--	90	980	310	30	--
5	1,560	4,350	840	2,650	--	--	100	190	130	1,450	500	60	120
6	1,810	5,000	710	2,230	--	--	470	1,150	140	1,570	490	50	100
7	1,780	5,780	440	1,600	--	--	650	2,380	150	1,740	540	60	230
8	1,610	4,580	240	740	-	-	780	2,330	130	1,460	460	50	410
9	1,180	2,690	170	460	-	-	650	1,290	80	900	280	30	600
10	420	920	70	210	20	10	210	380	30	310	100	10	780
11	240	590	120	360	50	30	-	-	20	190	60	10	890
12	100	280	60	190	-	-	-	-	10	90	30	-	900

- 3.3.2 Overall, up to around a third of this substantial demand for workers is expected to draw on existing residents across the CDCZ at the peak of construction. These would be of a mix of job types, including a mix of construction and administrative roles.
- 3.3.3 At peak, this means up to an additional c.2,410 jobs for Suffolk residents on the main development site (including 600 additional jobs in the operation of associated development sites), across a range of occupations and skill levels in non-operational roles, which:
- equates to around 1% of all employment in Suffolk; and
 - compares to total unemployment of 12,400 in Suffolk (those unemployed but economically active – Annual Population Survey 2018/19 (ONS, 2019)).
- 3.3.4 This suggests that the increase in employment would be **significant**, and make a material difference, particularly for those looking for work, but would not be beyond the capacity of the normal turnover in the labour market to cope.
- 3.3.5 Not all the workers would previously have been unemployed. It is estimated that some of these workers would be recruited from existing jobs or within existing jobs in construction. Experience at Sizewell B was that around 20% of locally recruited employees had previously been unemployed or economically inactive and around 30% (600 of 2,200) recruited in the peak recruitment year had come from other local employers (Ref. 1.4). The remainder are likely to be local workers who moved onto the Sizewell C Project with their existing employer.
- 3.3.6 More recent research by the Resolution Foundation (Ref. 1.5) suggests that up to 60% of people starting new jobs have come from other jobs, with the remainder being entrants into the labour market. This is strongly linked to the economic cycle and in the last recession in 2010 only 48% of jobs were filled by people already in work. This suggests that Sizewell C is likely to see a larger proportion of its local workforce drawn from people entering or re-entering the labour market.
- 3.3.7 If similar proportions to Sizewell B were to occur at the peak of the Sizewell C construction programme, then of the new roles expected to be taken by local people (including at the associated development sites, but discounting operational staff joining the Sizewell C Project during the construction phase) this would mean around 1,205 would move with the existing employer (i.e. by their company gaining a contract on the Sizewell C Project) and 1,205 would be newly recruited.

- 3.3.8 Of those newly recruited, up to 480 would be formerly unemployed or previously inactive workers and up to 725 would be workers from existing firms. This would equate to:
- Around 2% of unemployed workers in the 90-minute (CDCZ) area, or over 5% in Suffolk, gaining work on the Sizewell C Project.
 - Around 2% of the current local construction workforce in the 90-minute (CDCZ) area, or 4% in Suffolk, gaining work on the Sizewell C Project, which would be low in the context of the overall ‘churn’ within the construction and overall labour market in the area.
- 3.3.9 It should be noted that the duration of the construction phase is also **significant**: although temporary, at nine to 12 years, it is relatively long-term for a construction project, notably longer than the average job tenure in the UK.
- 3.3.10 The same study by the Resolution Foundation estimates the median length of time a UK worker is in a job is 64 months. In construction, it is significantly less. The Construction Industry Training Board’s research on job mobility in construction in the East of England in 2018 (Ref. 1.6) found that only 23% of workers expected to be on the same site one year later while 27% of workers expect to be working on a site for less than three months.
- 3.3.11 The construction phase would therefore offer significantly longer-term security of work during that time than both the economy as a whole, and the construction sector in particular. This is even more true for HB workers as their proportion is expected to be highest in the site services and support roles that would operate throughout the construction phase. SZC Co. would also seek to enhance their opportunities to stay on the site even if an initial role comes to an end. HB workers would benefit from the Sizewell C Jobs Service that would help people into roles and when those roles are ending would help to broker them into new roles on the Sizewell C Project.
- 3.3.12 A worker who might give up a permanent job to move to a temporary construction job at Sizewell C is therefore likely to be improving their position in the labour market. A worker who might leave a permanent job to move to a temporary construction job at Sizewell C would do so voluntarily – as is the normal operation of the labour market – and the training and work experience received would give them the opportunity to move onto other jobs, careers and projects.
- 3.3.13 The Suffolk residents employed in construction would also provide a boost to the county’s economic output. Construction already accounts for over £1 billion of output in Suffolk, contributing around 7% of the county’s total output. In the construction sector in Suffolk, GVA per worker stands at over £60,000

per full time equivalent. Activity at Sizewell C therefore equates to £2.5 billion over the course of the construction phase.

3.3.14 **Table 3.2** shows the types of jobs that would be created for local residents (living within the CDCZ) at the peak of the Sizewell C Project.

Table 3.2: Estimated jobs supported at peak likely to be taken by home-based workers (not including operational jobs)

Occupation Type	Home-Based Jobs At Peak	
	Total	Sectors
Civil operatives	460	Timber and formwork, concrete/cement/ steelfixers, drivers, lifting operatives and supervisors, labourers, steelwork erectors, access and other plant operators, welders, civil works labourers and semi-skilled occupations.
Mechanical, electrical and heating operatives	650	Semi-skilled mechanical and electrical operatives, welders, pipefitters, cabling operatives, fitters, electricians, ladders, support services, instrumentation.
Professional and management	150	Mainly professional, management-type jobs.
Site services/support	550	Administrative, private security and service sector (e.g. catering, cleaning).
Associated development	600	Includes drivers, security, service-sector jobs, cleaning, maintenance and administrative jobs.

3.4 Supply chain opportunities

3.4.1 The development of the Sizewell C Project would create supply chain opportunities, building on the model set by the first in a planned fleet of new nuclear power stations in the UK – Hinkley Point C.

3.4.2 A **significant** level of long-term economic benefit is expected as a result of the Sizewell C Project, and in the context of the fleet of planned new nuclear power stations in the UK, there is an opportunity to develop a national specialism in civil construction, and nuclear supply chain expertise which might be centred around ‘hotspots’ of activity where projects like this are developed, including existing projects like Hinkley Point C (Somerset), and future projects like Bradwell B (Essex).

3.4.3 It is anticipated that:

- technology suppliers/engineers and equipment and materials contracts would be at the national and international scale, and would contribute to

national policy ambitions to develop the UK's low carbon manufacturing capacity; and

- successfully embedding part of the national construction, engineering and nuclear supply chains (the business and services that receive the majority of the spending from these industries in the UK) in the regional economy, the Sizewell C Project would contribute to enhanced economic growth, promoting long-term joint working between Hinkley Point C and Sizewell C and positioning the local labour force and businesses as pacesetters in a major growth sector.

3.4.4 Similar to Hinkley Point C, the supply chain for Sizewell C would operate on a number of levels:

- There would be several Tier 1 contractors appointed for the supply of equipment and the construction of the Sizewell C Project – national and international companies working independently or through alliances who would be responsible for delivering one, or more, packages of works:
 - A substantial proportion of construction expenditure would be on equipment and materials through this group.
 - There would be a large number of Tier 2 and other sub-contractors and suppliers working for these contractors – ranging from providing materials, equipment, very specialist skills, through to more general trades.
- SZC Co. and its supply chain would also procure a large range of other (non-construction) services.

3.4.5 There are a number of local and regional firms that may benefit from contracting opportunities. Some contracts/sub-contracts, and particularly smaller packages and non-construction packages (such as professional and design services, business administration, hospitality, catering, security, transportation, and cleaning), would have a much stronger local and regional element.

3.4.6 Suffolk and Norfolk (the NALEP Area) are home to nearly 9,000 businesses in the construction sector (2018 UK Business Counts data) and these represent 14% of all businesses in the area. Around 3% of the UK's construction sector businesses are based in Norfolk and Suffolk, and around 12% are in the East of England (a slight over-representation compared to the national average).

- 3.4.7 In the NALEP Area and the East of England region, around one in three construction businesses are electrical, plumbing, or installation firms and around one in five are building construction firms. Civil engineering makes up a relatively small proportion of the sector (6% in Suffolk, 5% in the UK).
- 3.4.8 Construction contracts and sub-contracts, and particularly non-construction packages would have a much stronger local and regional element, with a substantial proportion of construction value retained in the local economy through wages to home-based workers and expenditure by non-home-based workers.
- 3.4.9 For Hinkley Point C (Ref. 1.7), SZC Co. and the Department for Business, Energy and Industrial Strategy (BEIS) set out that:
- Over £650 million had (at July 2018) been spent in the south west (including South Wales). This figure does not yet specifically account for regional expenditure where a Tier 1 contractor based outside the region appoints a Tier 2 contractor within the region, so is likely to be an underestimate.
 - In addition to the £650 million of expenditure to date, contracts have been entered into for a further £700 million, including larger Tier 2 contracts. This brings a total of commitments, including spend to date, to over £1.3 billion. A project to capture spend below Tier 1 has since been rolled out.
 - There is a target for £200 million regional supply chain spend per year during the construction period. Hinkley Point C advises that the peak regional supply chain spend is expected to coincide with when the workforce numbers plateau. This is when the main civil works on reactor unit 2 are taking place alongside the major mechanical, electrical, heating, ventilation, and air conditioning works on reactor unit 1.
- 3.4.10 As set out in the **Supply Chain Strategy** in **Appendix B**, committed local and regional spend at Hinkley Point C increased after the publication of the BEIS report referenced above, and stood at £1.55 billion at the end of 2018. This committed regional spend equates to around 7% of total spend on the Hinkley Point C project, and is likely to grow further.
- 3.4.11 By comparison, information on local contract expenditure for the main civils contractor at the most recent comparative example of a new nuclear build elsewhere – Flamanville 3 in France – showed about 2% local expenditure out of €400 million total (2007–mid-2009), within 50 kilometres of that site, mainly in Cherbourg.

3.4.12 At Sizewell B the figure of contracts with local firms in the larger area of Suffolk and Norfolk was a little higher at about 4% (i.e. c.£80 million out of total contract value of about £2 billion) over the construction phase (1987-1995, not adjusted for inflation) (Ref. 1.4).

3.4.13 The total cost of the Sizewell C Project is estimated at £20 billion. It is anticipated that – if similar activities and local supply chain recruitment are achieved at Sizewell C as Hinkley Point C, there could be a “local” retention of in excess of £1.5bn over the construction phase, equivalent to an average of £125m per year.

3.5 Wider economic effects

a) Additionality and displacement

3.5.1 All of the impacts set out above would be additional to the local economy – in that without the development of Sizewell C they would not occur.

3.5.2 This means that, in economic terms, there is no ‘deadweight’ (also known as non-additionality), i.e. there is no investment in a new nuclear plant in the area that would have happened anyway.

3.5.3 Similarly there is no ‘displacement’ or activity that moves to the site that would otherwise take place elsewhere. The term ‘displacement’ has been used by some stakeholders in response to consultation to raise concerns regarding workers moving from an existing job to one at Sizewell C. This would more accurately be described as ‘labour market churn’ and, as described above, is a normal feature of all sectors of the economy, particularly the construction sector.

3.5.4 Employers are likely to fill any emerging vacancies, a regular feature of running a business. Even those jobs that are highly skilled can be filled by training people up from the next level down, so these so called ‘displacement’ vacancies would be filled from elsewhere in the labour market. As is always the case, employers would make a decision on how much they need to pay to retain workers or train or pay adequate replacements.

3.5.5 As set out above, experience at Sizewell B was that around 30% (600 of 2,200) recruited in the peak recruitment year had come from other local employers. A survey of 160 local companies found that less than 10% thought the power station project made it more difficult to retain or recruit (replacement) staff (Ref. 1.4).

3.5.6 SZC Co. recognises that some vacancies may be harder to fill as a result of the Sizewell C Project, including in construction, non-construction, and other sectors where people may seek alternative employment on the Sizewell C Project. SZC Co. are seeking to limit this risk by developing skills and

competencies in the supply chain and labour market that enable existing firms to win work on the Sizewell C Project, as well as by providing a Jobs Service that may assist with back-filling for some roles. Further details are set out within **Appendix A – Employment, Skills and Education Strategy**.

b) Wages and multipliers

- 3.5.7 In addition to the economic effect of retaining project value in the local supply chain, there would be a ‘multiplier’ income from expenditure by Sizewell C workers in the area. This would include the incomes from HB employees, and the retained expenditure from NHB employees i.e. local expenditure on accommodation, goods, and services as opposed to that which is saved or sent to families at home and used for living costs at their permanent address (e.g. mortgage, bills).
- 3.5.8 This produces a total for wages over the construction process of around £2.6 billion.
- 3.5.9 Assuming NHB workers just spend all of their nightly accommodation allowance under the Construction Industry Joint Council Working Rule Agreement (currently £40.76 per night at the time of this assessment) (Ref. 1.8), that would increase spending in the area by an average of around £21.5 million per year or around £260 million over the construction period.
- 3.5.10 The extra wages and spending from HB workers (including the operational staff on the associated development sites) would depend on their previous circumstance, but assuming 50% were previously unemployed, this would represent an average boost to incomes each year of £15 million compared to receiving £10,000 per year in benefits. The boost to local spending would be less than that (after taxes and savings) but could still be £5 million per year or £60 million over the construction period.
- 3.5.11 Together these add up to around £320 million of extra local spending during the construction phase.

4 Policy Context

4.1 National infrastructure projects and energy

a) Planning policy

- 4.1.1 The National Policy Statement for Nuclear Power Generation (NPS EN-6) (Ref. 1.9) makes clear the importance of providing new nuclear generating capacity, creating a highly skilled construction workforce that can then help build other major infrastructure projects that the UK requires and, through the

supply chain, support advanced manufacturing sectors to improve productivity.

4.1.2 The Overarching National Policy Statement for Energy (NPS EN-1) (Ref. 1.1) and NPS EN-6 require that socio-economic effects of the Sizewell C Project are assessed. In terms of economic effects, these may include (but are not limited to):

- the creation of jobs and training opportunities;
- the provision of additional local services and improvements to local infrastructure, including the provision of educational and visitor facilities; and
- effects on tourism.

b) **Skills, industry and infrastructure**

4.1.3 The National Infrastructure Plan for Skills (2015) (Ref. 1.10) identifies the importance of investment in infrastructure in improving the UK's productivity and building sustainable careers with a strong foundation of skills and training, particularly in vocational roles and in construction and science, technology, engineering and maths (STEM) areas.

4.1.4 SZC Co. is fully aligned with and in a position to help meet the challenges set out by the plan, which include:

- bringing more workers into the infrastructure market, through new apprentices, technicians, and graduates and attracting skilled workers from other industries;
- retraining, mobilising, and up-skilling the existing workforce to deliver improved productivity and performance demanded by the changing profile of investment and modern methods of construction;
- improving the way the labour market operates including through better data on supply and demand; and
- changing the image of the construction sector, which remains a barrier to attracting new entrants and encouraging greater diversity (a key tenet of the Construction 2025 Industrial Strategy).

4.1.5 The National Industrial Strategy (2017) (Ref. 1.11) highlights the importance of the nuclear sector as an integral part of increasing productivity, and driving growth, and a vital part of the energy mix providing low carbon power. The

sector's proposal covers the supply chain, nuclear research, and development to help deliver the workforce needed. It sets out that the government is committed to work closely with nuclear industries to drive down costs of clean power while building UK supply chains. This would help improve the UK's competitiveness, domestic capability and export growth. The strategy further states that clean energy is not just an economic opportunity but also a moral duty in addressing climate change.

4.1.6 The strategy sets out that in order to meet needs for talent, skills, and labour, particularly within technology, the government is committed to investing £406 million in STEM subjects to grow skills and support three million apprenticeships starting by 2020. Further, it is committed to £12.5 million public investment in research and development in 2021/2022 alone, increasing investment to 2.4% of GDP in a decade to respond to global challenges. It further sets out to work with innovation centres, research councils and higher education institutes to help translate research into better business.

4.1.7 The strategy commits to stimulating supply chain competitiveness by research and development and upskilling. Particularly, it identifies the need to bring investment to the UK, and to apply new technologies enabling faster and cheaper production. The strategy also sets out a deal for the construction sector to transform the sector's productivity, which includes a £170 million investment to support innovation and skills, with a key goal of industry-led innovation bringing together the construction sector, energy sectors, digital technology and manufacturing.

4.2 Local and regional policy

4.2.1 NALEP's Local Industrial Strategy (2019) (Ref. 1.12) recognises the importance of the low carbon energy sector in general, and the Sizewell C Project in particular, to the future economic success of the area. Sizewell C would have an important role to play not only in the clean energy sector but also in a number of the underpinning sectors within the strategy such as manufacturing and construction.

4.2.2 The strategy sets out the case for energy sector skills initiatives, and the importance of building workforce transferability and allowing people to be more productive as they move through their careers in the energy sector. It also sets out an ambition to tackle underlying productivity and improve innovation through developing opportunities for businesses to scale up so that they are able to access contracting opportunities, raise productivity and wages and expand their market share.

4.2.3 The Norfolk and Suffolk Economic Strategy (NALEP, 2017) (Ref. 1.13) highlights the Energy Coast, including Sizewell, as one of six major growth

locations in the region. It sets out that the Energy Coast will contribute to a significant level of employment across construction with an emerging specialism in modern construction and sustainable design, as well as being a significant contributor to the national economy. The aim is to be a centre for the UK's clean energy sector, emphasising the importance of nuclear power and with a high level ambition of linking investment in skills more closely with communities and businesses to provide more opportunities for residents, capitalising on the region's supply chain, strategic location, skills base and connectivity to other regions in order to drive up GVA.

4.2.4 The strategy sets out to meet the increasing need for higher level skills in areas including energy and to provide routes for local people to be involved in and benefit from the energy cluster as it expands to tackle the deficiency of technical skills. Targets include to increase NVQ3 by 1.4% annual average growth over five years; 1.7% annual growth in median wages; 1% annual growth in productivity and 0.5% annual growth in jobs. It also sets out plans to establish new centres of excellence to improve innovation, promote high quality internships and support ongoing commitments with colleges and universities.

4.2.5 The strategy sets out that it is working with Local Enterprise Partnerships in the south west to maximise opportunities associated with Sizewell C in terms of supply chains, employment, skills and investment, and commits to develop a commercially led plan for each cluster including the clean energy cluster to maximise local supply chain benefits. The energy sector's supply chain has 50 years of experience, and has a nationally recognised enterprise zone status, essential for the future economic development of the UK. It is further committed to lead a cross sector 'trade global, supply local' campaign to open supply chains opportunities crossing sectoral boundaries.

4.2.6 NALEP's Sector Skills Plan for Construction (2016) (Ref. 1.14) suggests that construction skills shortages are significantly affecting the delivery of projects across the industry, and that apprenticeship rates have fallen and education providers have reduced capacity for intake.

4.2.7 NALEP considers that the key challenges for the sector are:

- the image of the construction sector acting as a barrier to recruitment and particularly diversity – many associate the sector with insecurity, difficult working conditions and low pay;
- avoiding 'boom and bust', for example by ensuring more sustainable and transferrable skills and a steadier stream of work; and
- the quantity, type and quality of training provision for both new entrants and existing workers, through education and businesses.

5 Economic Context

5.1 Spatial scope

5.1.1 Sizewell C is being brought forward in a location that would affect several functional sub-regional economies. The economic context is therefore necessarily split across a number of spatial scales depending on the internal (i.e. project-driven) or external (i.e. policy-driven) factors:

- East Suffolk (ESC) (district) – ESC is an administrative body responsible for delivery of economic development and regeneration services at a district scale.
- Suffolk (county) – SCC is an administrative body responsible for delivery of economic development services including strategy development (along with NALEP), business support, inward investment and sector development.
- NALEP Area – NALEP is an organisation that works with businesses, local authority partners and education institutions to drive growth and enterprise in Norfolk and Suffolk.
- The East of England – covering Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Norfolk and Suffolk, represents the wider ‘local’ labour pool and supply chain market.
- The labour market – The CDCZ (90 minutes travel time from the site). The CDCZ is defined as the wards within an approximate 90-minute commute time of the main development site. The CDCZ is used primarily to define the local (HB) labour market for the construction phase. The definition of the CDCZ involves consideration of a range of factors which affect workers’ willingness to commute, including time, distance and travel allowances; plus findings from other studies of the mobility of UK construction workers.

5.2 Output and productivity

5.2.1 In 2017, GVA – a measure of economic output at the local level – in Suffolk was estimated at £17 billion, of which the construction sector contributed £1.4 billion (around 8.3%) and the production sector (including energy) over £1.1 billion (around 6.8%) (ONS, 2017).

5.2.2 Total GVA per job in Suffolk is just over £53,400 per job, which is around 10% below the average across England (ONS, 2017). Suffolk and the East of England have a more productive construction sector than the national

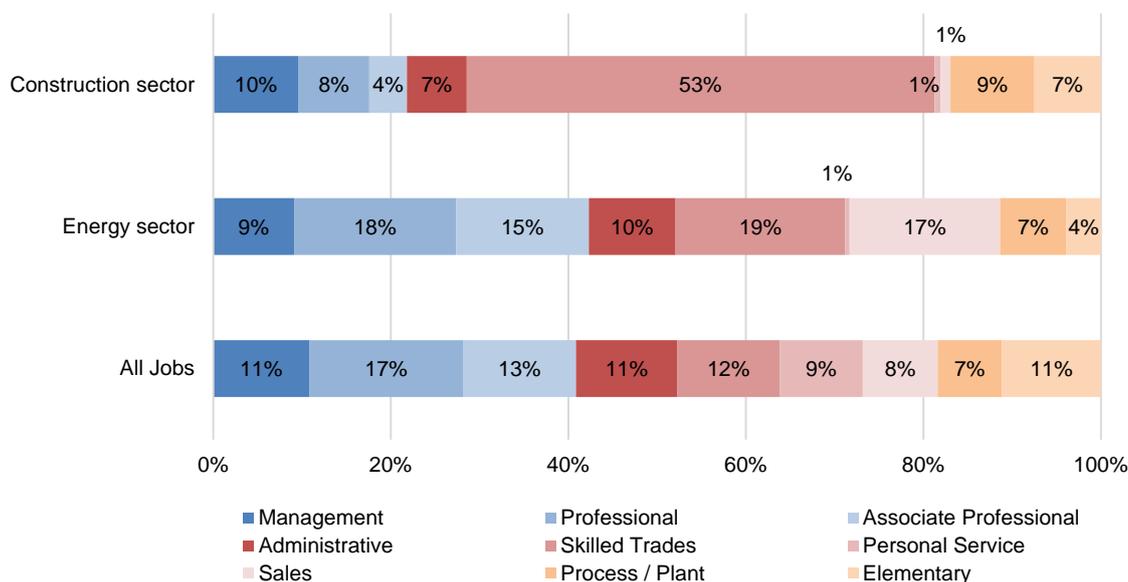
average with GVA per worker per year of between £83,000 and £89,000 (around 5–10% higher than the national average).

5.2.3 GVA per worker is an important indicator as it measures productivity, and it is productivity growth that determines increases in prosperity. A growing energy sector is likely to help close the gap. Nationally, GVA per worker in the energy sector is significantly higher than the average at just under £160,000 (ONS, 2017).

5.2.4 The construction and energy sectors remain at the forefront of SCC and NALEP’s priorities for sectoral economic growth.

5.2.5 These sectors have a higher proportion of high skilled jobs than average (as shown in **Plate 5.1**, using 2011 Census data available at a national level comparing Standard Industrial Classifications with Standard Occupational Classifications), with high productivity and output, and higher average salaries. In the East of England, the average (median) annual salary for construction was £31,518 and energy £42,587 – 39% and 87% greater than average salaries in the region respectively in 2017 (Annual Survey of Hours and Earnings 2017).

Plate 5.1: Occupational skill level (proportionate) of all jobs and the energy and construction sectors in the UK (2011 Census)



5.3 Employment trends

5.3.1 There are an estimated 323,000 jobs in Suffolk, and 2.78 million in total across the East of England. Of these, approximately 17,500 (Suffolk) and

165,000 (East of England) are in construction sectors (Business Register and Employment Survey (BRES), 2019).

5.3.2 Around 10% of construction jobs in Suffolk are in civil engineering sectors, with 50% in construction of buildings and 26% in installation, electrical, and plumbing sectors (BRES, 2019).

5.4 Dynamic labour market

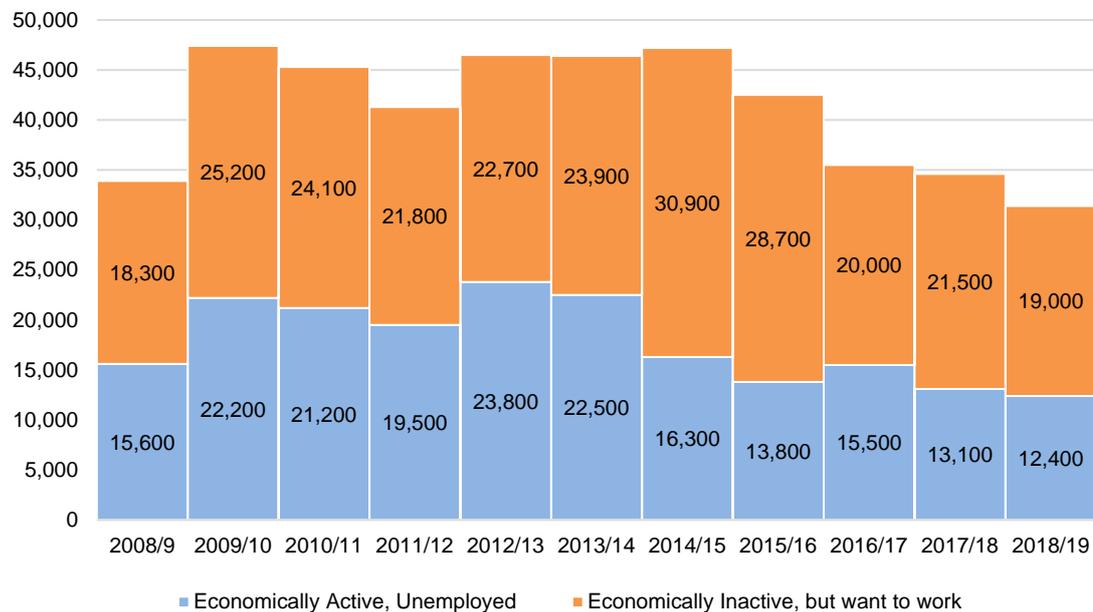
5.4.1 The labour market is dynamic: people move in and out of the labour market and move between jobs regularly. As demand for workers increases, jobs are filled by people currently in employment moving jobs, people who are registered as unemployed, and people who do not form part of the labour market because they are classed as economically inactive.

5.4.2 The number of people who are economically inactive but who want to work is significantly greater than the numbers who are registered as unemployment benefit claimants. The Government's preferred definition of unemployment – the International Labour Organisation (ILO) measure – shows higher numbers of people unemployed than either the Jobseeker's Allowance (JSA) measure or the ONS's Annual Population Survey measure of 'economically inactive but want to work'.

5.4.3 The ILO definition of unemployment includes both those who are economically active, but unemployed and seeking work (for example, claiming JSA, and people who are economically inactive but want to work and are work-ready (but are not actively seeking work). Taken together, these groups offer a considerable source of spare capacity for the labour market.

5.4.4 **Plate 5.2** identifies the extent of this labour pool in Suffolk, showing that currently there are over 31,400 people in Suffolk who are unemployed but looking for work, or are economically inactive but want a job, and on average through the economic cycle there are between 35,000 and 40,000.

Plate 5.2: International Labour Organisation unemployment in Suffolk 2008–2019 (Annual Population Survey)



5.4.5 These numbers are volatile and there are significant annual changes in the level of economic inactivity, which is significantly more sensitive to changes in economic output than unemployment. It can therefore be seen that the number of people who are active in the labour market is not fixed, rather it expands and contracts according to economic environment, so when there are more jobs available, it can be expected that more people would be economically active.

5.4.6 Depending on the position within the economic cycle, between 40% and 52% of new jobs are filled by people who were not previously working. Some of these would be registered as unemployed and some would not. Some would need help to get into work, others would not. The corollary of this is that up to 60% of vacancies would be filled by people who change job.

5.4.7 This is the normal operation of the labour market, and the choices of individuals within it, and is not directly related to the impacts of the development. It is therefore not appropriate or necessary for it to be regulated by the planning system.

5.4.8 This is partly because the supply of labour is not fixed. When new jobs are created, it encourages more people to start work and enables those who are in work to increase their hours. It also allows people who currently have to travel out of the area to change jobs to something closer, and more convenient.

5.4.9 The duration of the construction phase is also important: whilst a temporary impact, it is relatively long-term for a construction project, notably longer than the average job tenure in the UK. It is a reasonable assumption that anyone moving from an existing permanent job to a job on the Sizewell C Project would be doing so because it is better for them in some way and does not disadvantage them, even if it is a temporary job. They would do so voluntarily and the training and work experience received would give them the opportunity to move onto other jobs within the Sizewell C Project, and/or other construction projects. SZC Co.’s contractors stand to benefit from this turnover in employment over that period, due to lower costs in re-training for people who have already worked on some element of the Sizewell C Project.

5.4.10 Employment and economic activity should also be seen in the context of moves between jobs, sectors and locations. Whilst there is no single data source for average job tenure, there are a number of UK-based studies conducted based on the Labour Force Survey and the Organisation for Economic Co-operation and Development produces an annual dataset. **Table 5.1** summarises these broad statistics on jobs tenure across all industries:

Table 5.1: Average job tenure in the UK (OECD, 2015)

Job Tenure	<1 year	1–3 years	3–5 years	5–10 years	>10 years
Percentage	17.6%	16.5%	13.3%	20.7%	31.9%

5.4.11 This means that of the 343,500 people working in Suffolk (APS, 2018), more than 60,000 change job in any given year. The data also show that the median job tenure is somewhere between five and ten years.

5.4.12 The work by the Resolution Foundation referenced above, estimates the median length of time a UK worker is in a job is five years and four months. In construction, it is significantly less. The Construction Industry Training Board’s research on job mobility in construction in the East of England in 2012 (Ref. 1.15) found that only 13% of workers expected to be on the same site one year later while only 30% expected to be on the same site for more than a month.

5.4.13 Average tenure length is particularly short in construction given the transient and mobile nature of projects and the workers they employ. A survey by BMG Research for the Construction Industry Training Board in 2018/19 (Ref. 1.16) identified that in the east of England:

- 27% of workers expect to be working on a site for less than three months;

- 18% of workers expect to be working on a site for between three and six months; and
- only 23% expect to be working on a site for more than one year.

5.4.14 By extension, within the construction phase of Sizewell C, most workers would change jobs twice and most employers would need to fill each of their posts twice. For employees and firms in the construction sector, it is likely that workers would change their jobs – and employers would need to fill posts – more than twice.

5.4.15 Most construction projects in the UK and the East of England are relatively short-term in nature, with a constant churn of jobs and skilled workers operating on many different locations. Sizewell C would be fairly unusual, as it is a longer-term project with a very wide range of skills required over different stages of the build.

5.4.16 **Table 5.2** shows the proportion of total jobs and jobs in the construction sector in Suffolk that the total workforce at Sizewell C represents in each year of the Sizewell C Project:

Table 5.2: Sizewell C jobs as a % of all jobs and construction sector jobs

Year	Sizewell C Jobs (Annual Average)	Sizewell C Jobs (Construction, i.e. Mechanical, Electrical and Heating and Civils and Associated Development Construction)	Suffolk County			
			All Jobs (Forecast from 2022)	%	Construction Jobs (Forecast from 2022)	%
1	742	497	376,105	0.2%	30,215	2%
2	1,567	1,050	377,840	0.4%	30,487	3%
3	3,072	2,058	379,712	0.8%	30,782	7%
4	4,158	2,742	381,679	1.1%	31,109	9%
5	6,888	4,475	383,394	1.8%	31,375	14%
6	6,931	4,578	385,038	1.8%	31,596	14%
7	7,796	5,067	386,763	2.0%	31,864	16%
8	6,742	4,100	388,438	1.7%	32,111	13%
9	4,506	2,582	390,243	1.2%	32,412	8%
10	2,116	895	391,728	0.5%	32,664	3%

Year	Sizewell C Jobs (Annual Average)	Sizewell C Jobs (Construction, i.e. Mechanical, Electrical and Heating and Civils and Associated Development Construction)	Suffolk County			
			All Jobs (Forecast from 2022)	%	Construction Jobs (Forecast from 2022)	%
11	1,727	558	393,534	0.4%	32,947	2%
12	1,284	257	395,268	0.3%	33,245	1%

5.5 Deprivation and social inequality

5.5.1 The national Indices of Multiple Deprivation 2019 (Office for National Statistics (ONS), 2019) highlight levels of deprivation across each local authority area, indicated relative to all other English local authorities. East Suffolk is ranked the 143 most deprived of 317 local authorities in England. Average levels of deprivation are much higher in Great Yarmouth (20) and Ipswich (71), but lower in South Norfolk (235), Babergh (218) and Mid Suffolk (237).

5.5.2 Areas in Ipswich, Lowestoft and Great Yarmouth are within the 10% and 20% most deprived areas in England across all metrics combined. A more detailed analysis of the sub-domains of the Indices of Multiple Deprivation 2019 – which explores different aspects of deprivation – identifies particular issues in relation to education, skills and training deprivation in ESC, Great Yarmouth and Ipswich.

5.5.3 The Suffolk Community Foundation’s report Hidden Needs in Suffolk - Five Years On (2011–2016) (Ref. 1.17) reviews the degree of deprivation and disadvantage in both urban and rural areas in Suffolk, reassessing original analysis included in an earlier report published in 2011. It identifies that (in terms of economic deprivation):

- the proportion of Suffolk’s population over the age of 65 is steadily increasing at a faster rate than the national average, leading to reduced economic activity, which may have adverse effects on the county’s economy;
- rural areas of Suffolk are known to experience less deprivation, but can often be underrepresented and played down by area statistics – people in rural areas are said to need 15 to 25% more income than their urban counterparts to enjoy the same standard of living, suggesting that

individuals on equal incomes may experience more deprivation in rural areas compared to urban areas; and

- job opportunities in the entire Suffolk region are consistently better than the Eastern region (on average), leading to unemployment rates lower than national averages.

6 Tourism

6.1 Background/context

6.1.1 The NPS EN-1 states that the construction, operation and decommissioning of energy infrastructure may have socio-economic impacts and that:

“Where the project is likely to have socio-economic impacts at local or regional levels, the applicant should undertake and include in their application an assessment of these impacts as part of the Environmental Statement... which may include effects on tourism” (paragraph 5.12.2-3).

6.1.2 It also sets out that that:

“The Infrastructure Planning Commission [now the Secretary of State] may conclude that limited weight is to be given to assertions of socio-economic impacts that are not supported by evidence (particularly in view of the need for energy infrastructure as set out in this NPS)” (paragraph 5.12.7).

6.1.3 Some stakeholders have raised concerns that the Sizewell C Project's construction phase may lead to a reduction in visitor numbers and therefore their spending, affecting the overall output of the tourist economy and businesses within it.

6.1.4 SZC Co. has worked with stakeholders to understand tourism in the area, and understand the potential risks that the Sizewell C Project may pose to perceptions of the area, which could affect visiting patterns.

a) Defining tourism

6.1.5 Tourism is difficult to define, and is inherently flexible – its economic effects are influenced by environmental and economic characteristics, seasonality, and many other variables.

6.1.6 The ONS (Ref. 1.18) notes that the tourism industry is a sector made up of many individual component industries, directly and indirectly. Within these tourism sectors, each has developed its own definitions, classifications and methodologies for data collection resulting in a wide range of data and

variables and little commonly useable or understood metric for measuring the industry as a whole.

b) **Measuring tourism**

6.1.7 The size and profile of any tourism economy is hard to quantify and can be complex, flexible, and changeable across seasons and between years. There are a number of key indicators that can be identified, including the number of visitors to an area, number of nights spent by staying visitors, expenditure by tourists, jobs supported by tourism directly and indirectly, and output in the form of contribution to GDP (GVA). Within these, there are several sources of data at different scales, and different ways of interpreting information.

i. **Monetising visitor statistics**

6.1.8 An Economic Impact Report has been produced for the Suffolk Coast Destination Management Organisation (DMO) by Destination Research for the Suffolk Coast and Heaths Area of Outstanding Natural Beauty (AONB) (Ref. 1.19) that presents information on visitor numbers, expenditure, and an estimate of the number of jobs supported by this and indirect/induced expenditure in different sectors. The report found that in 2017 the Suffolk Coast and Heaths AONB:

- attracted over 4.1 million trips, of which over 90% were day trips;
- generated over £164 million of direct spend, and over £45 million indirect/induced value; and
- supported 3,400 full time equivalent jobs.

6.1.9 The same assessment was undertaken for Suffolk in 2017 which found that Suffolk (Ref. 1.20):

- attracted over 35 million trips, of which 95% were day trips;
- generated over £1.4 billion of direct spend, and over £595 million indirect/induced value; and
- supported over 31,000 full time equivalent jobs.

ii. Categorising employment

- 6.1.10** Public datasets (BRES, 2019) can also be used to estimate the number of jobs in ‘tourism’ sectors³. On this basis, as set out in **Figure 5.1**, Suffolk has around 34,100 tourism-sector jobs (full and part time), making up 10.1% of all jobs in Suffolk in 2018. There is a higher concentration of tourist sector employment in the ESC area (Suffolk Coastal (11.3%) and Waveney (13.1%)).
- 6.1.11** Suffolk’s tourism sector is dominated by accommodation and food and drink sectors (76% of all tourism jobs in Suffolk, compared to 78% in Great Britain as a whole). (The former district of) Suffolk Coastal has a particularly strong food and drink sector, as a proportion of all jobs supported.
- 6.1.12** By comparison, ‘tourism sector’ jobs account for 10.6% of all jobs in England. In comparator areas, for example Cornwall and Devon, ‘tourism sector’ jobs account for 15.7% and 11.7% of all jobs respectively.
- 6.1.13** In terms of jobs supported, Suffolk has a slightly smaller representation in food and drink service compared to other coastal locations, and a smaller proportion of accommodation sector jobs. Suffolk’s tourism-sector jobs in recreation, sports, leisure, art, and culture represent 17% of all tourism jobs, a greater proportion than at other scales/locations.

iii. ONS approach based on GVA

- 6.1.14** Addressing the ‘demand’-side of tourism, combined data⁴ produced by ONS at UK Nomenclature of Territorial Units for Statistics 3 level⁵ (i.e. county) identifies that expenditure by tourists in Suffolk totals around £859m per year, made up from:
- £60 million in inbound tourism expenditure (7%);
 - £244 million in domestic overnight visitor spend (28%);
 - £440 million in domestic day visitor spend (51%);

³ A sectoral definition for jobs in tourist-related sectors can be defined based on the standard industrial classification – a tool used by the ONS to define employment types. The ONS report “Measuring Tourism Locally Guidance Note 1: Definitions of Tourism (version 2), 2012” identifies 4-digit standard industrial classification codes for such sectors.

⁴ Based on the following sources within United Kingdom Tourism Satellite Account 2011, International Passenger Survey 2010-12, UK Tourism Survey 2010-12, Great Britain Day Visits Survey 2011.

⁵ NOTE – This is the latest data produced using 3-year averages for the value of tourism at Nomenclature of Territorial Units for Statistics 3 level – subsequent data is only produced at Nomenclature of Territorial Units for Statistics 2 level (East Anglia).

- £17 million in domestic outbound expenditure within the UK (2%); and
- £97 million in services associated with vacation home ownership (11%).

6.1.15 Compared to the UK as a whole, expenditure by domestic day and overnight visitors represents a higher proportion of tourism income in Suffolk, as do services associated with vacation home ownership. On the other hand, total inbound (international) expenditure represents a much smaller proportion. Day visits are proportionally more valuable in Suffolk.

iv. Other sources

6.1.16 Other sources of information and published figures for the value and volume of tourism in Suffolk include:

- Suffolk County Council's Local Economic Assessment (2011) (Ref. 1.21). which identified that "*tourism plays a key role in the County's economy and is worth £1.084 billion*".
- East Suffolk's Tourism Strategy 2017–2022 (Ref. 1.22) which states that "*Tourism is an important part of our economy valued at £590 million and 13% of all employment in 2015*".

c) Variability in the tourism sector

i. Change over time

6.1.17 It is possible to use historic datasets from BRES, Annual Business Inquiry (ABI), Annual Employment Survey (AES) and Census of Employment (CES) to broadly identify the number of jobs, and proportion of the whole economy in standard industrial classification sectors related to tourism.

6.1.18 Using a consistent time-series across public datasets⁶ for 'high-level' standard industrial classification definitions for 'hotels and restaurants' and 'recreation and cultural' standard industrial classification codes between 1984 and 2018, **Figure 5.2** shows the absolute number of jobs in these combined sectors in Suffolk Coastal, Mid Suffolk, Waveney, East of England and Great Britain with the Sizewell B construction phase and peak, and national negative growth periods (recession) highlighted.

⁶ Business Register and Employment Survey (BRES), Annual Business Inquiry (ABI), Annual Employment Survey (AES) and Census of Employment (CES).

- 6.1.19 This identifies that, on average, the tourism sector accounts for a slightly higher than average proportion of jobs in the economies of (the former) Suffolk Coastal and Waveney districts compared to the East of England and Great Britain. Around 1 in 10 jobs are in accommodation, food service, cultural and recreation sectors⁷.
- 6.1.20 The shaded area shown on **Figure 5.2** is the construction phase for Sizewell B. This highlights that there was only a marginal change in employment in the tourism economy relative to the total number of jobs in the local area, and fluctuations are in-line with average annual variations seen throughout the time series.
- 6.1.21 Additionally, the number of jobs in Suffolk Coastal increased significantly over this time, as did tourism-related jobs. **Figure 5.3** shows that between 1987 and 1995 (the Sizewell B construction phase), jobs in these sectors increased by around a third (630 jobs), while overall the total number of jobs grew by a fifth.
- 6.1.22 This shows that there is **significant** year-on-year volatility in ‘tourism’ sectors.
- ii. **Seasonality**
- 6.1.23 The tourism market in the UK is seasonal, with peak and off-peak periods. In Suffolk, anecdotal reports from business groups and tourism bodies indicate that while there is still a Summer peak, the ‘off-peak’ period has shortened with high levels of occupancy from around Easter through the Summer to end of September.
- 6.1.24 Ebb and flow in tourism is driven by changes in the weather, school holidays, the type of offer and attractions available, and several other factors. In economic terms, while it is difficult to find robust evidence for changes in the labour market across seasons (due to most data being collected on an annual basis), one indicator for seasonality is by looking at unemployment by sought occupation throughout the year.
- 6.1.25 **Figure 5.4** identifies the monthly percentage point difference from annual average for the proportion of all JSA claimants (Department of Work and Pensions (DWP), 2005–15) seeking work in sectors linked to tourism

⁷ This number differs slightly to the figure presented at Para. 37-38 due to the accuracy of comparable data over time. This time-series data includes only 2-digit standard industrial classification codes outlined in Table 3 rather than 4-digit as prescribed by the ONS approach, and is therefore considered a slight overestimate.

activity⁸. Data is averaged over ten years from 2005 to identify recurring trends. This highlights that in (the former districts of) Suffolk Coastal and Waveney in particular, people looking for tourism-sector work make up a larger proportion of all JSA claimants in January, February, and March:

6.2 Quantifying the effects of interventions on tourism

6.2.1 Studies (e.g. Travers Morgan, 1988, on Wylfa) (Ref. 1.23) have found no evidence that developments such as this deter tourists. Another study (Cogent et al, 2008) (Ref. 1.24) similarly found only very limited economic impact on tourism for the, partly analogous, energy developments of on- and off-shore wind farms – and that most of the concern was related to the planning stage for such developments.

6.2.2 Empirical evidence on this that meets the test in NPS EN-1 is difficult to extricate from the many other factors that influence tourism, and would be based on ex-ante perception which may not translate to actual effects.

6.2.3 The following section reviews evidence from elsewhere, including how the DCO application for Hinkley Point C sought to deal with the issue.

6.2.4 Prior to construction, EDF Energy and three local authorities closest to Hinkley Point C commissioned a face-to-face survey of tourists in Somerset to understand the level of awareness of the proposals for the new nuclear power station, and to try and identify the scale of potential impacts that the Sizewell C Project could have. At the time, the local authorities were concerned that there would be a translation from interviewees' perceptions about whether they would be more or less likely to visit the area during the construction phase to actual quantified reductions in visitor nights and therefore expenditure.

6.2.5 However, it is very difficult to draw quantified conclusions from surveys where people are asked to estimate how they would react to a hypothetical situation. This is true generally (and evidenced by the poor predictive power of political polling) and specifically in the case of tourism. In this case, visitors were presented with (necessarily limited) descriptions of the impacts that Hinkley Point C might have and asked what it would mean for their future visits. The survey results suggested that around 10% of future visitors would change their plans and not visit.

⁸ Standard industrial classification codes 34 (Culture, Media and Sport), 62 (Leisure and Other Personal Service), 71 (Sales), 72 (Customer Service) and 92 (Elementary Administration and Service).

6.2.6 In reality, these potential changes to visitor activity have not materialised, suggesting that this is not an accurate or reliable approach to quantifying effects on the tourist economy. EDF Energy and the Hinkley Point C Tourism Action Partnership (including local authorities and other tourist-sector stakeholders) in the south west have been monitoring the potential effects of Hinkley Point C’s construction on tourism activity, as required by the terms of the Section 106 agreement (Schedule 4) of the DCO for that project.

6.2.7 The latest (2019) Socio-economic Advisory Group (SEAG) for Hinkley Point C (referenced in the report of Professor Glasson for the National Nuclear Local Authorities Group) (Ref. 1.25) for these potential effects sets out that anticipated negative effects have not materialised to-date, local tourism business confidence (of continued visitor income) seems high, and mitigation measures provided by EDF Energy in advance have helped.

6.2.8 The mitigation measures for Hinkley Point C have included:

- using public relations support to deliver social media and press campaigns to promote Somerset and Exmoor as destinations;
- providing support for tourism businesses with workshops and networking;
- monitoring business performance and optimism;
- supporting the Destination Management Organisation in Somerset and Exmoor with finance and in-kind expertise; and
- running an advertising campaign focused on target markets and off-peak seasons.

6.2.9 The Hinkley Point C SEAG Tourism Dashboard (a reporting mechanism for monitoring of potential effects of Hinkley Point C on tourism agreed via the DCO) states that:

“All metrics suggest continued growth and development and the tourism business survey shows no detrimental impact on visitor perceptions or business confidence as a result of Hinkley Point C”.

6.2.10 The conclusion is reached that:

“Anticipated negative impacts have not materialised to date. Indeed confidence seems high. Mitigation measures, provided in advance, have helped;There is also the added bonus for some tourism accommodation providers of much fuller

occupancy over the calendar year. Hinkley Point C itself is an added Somerset visitor attraction that is likely to become more popular.”

6.2.11 Additionally, data on employment in tourism during the construction phase of Hinkley Point C to date has shown that since development consent was granted in March 2013, tourist sector employment in Somerset has grown by 32% in Somerset and 20% in the districts closest to the site (West Somerset and Sedgemoor) (based on BRES, 2013–2018 (ONS, 2019)).

6.2.12 The sector has grown in Somerset at three times the rate of total employment growth during that period, and has consistently accounted for between 10% and 12% of all jobs in the County.

6.2.13 Similar evidence of trends in tourism employment during the construction of Sizewell B also identified no impact on the tourist economy as a result of construction activities, as set out above.

6.3 Understanding potential sensitivities in the Suffolk tourist economy

6.3.1 SZC Co. recognises that while there is little or no evidence supporting direct effects of the Sizewell C Project on the tourist economy, there is potential for:

- localised effects (the potential for very local effects on businesses and activities where there is a combination of significant residual environmental effects, identified in the **ES**);
- specific characteristics of the Suffolk coast that attract visitors to lead to greater sensitivities in terms of visitors perceptions of the area in light of the Sizewell C Project; and
- perception-related effects as a result of sensitivities to different aspects of the Sizewell C Project (the potential for perception of changes to e.g. traffic, where this is already an influencer on propensity to visit).

6.3.2 SZC Co. set up a working group in 2015 to act as a forum presenting and reviewing baseline data collection, potential effects and develop mitigation with representatives from the local authorities (SCC and ESC), NALEP, Suffolk Coast DMO, Visit Suffolk and Visit East Anglia/East of England. The Royal Society for the Protection of Birds (RSPB Minsmere) and the National Trust (Dunwich Heath) were subsequently included in the group.

6.3.3 This process led to the development of a tourism survey – undertaken and produced by Ipsos MORI for SZC Co. – **Appendix 9F, Volume 2** of the **ES**, with the following overarching aims:

- Target a national sample of those who have visited the Suffolk coast or who say they are likely to visit.
- Build an understanding of how construction might change visitor behaviour.
- Set out findings from exploratory qualitative research, and source ideas and suggestions for the potential use of a Tourism Fund.
- Disaggregate data and look at the opinions of different types of visitors and what might influence their likelihood to visit.

6.3.4 The survey was undertaken via an online access panel, which included a screener survey to ensure a representative sample, and a short set of questions to establish eligibility resulting in an overall sample of 3,093 people completing a 20 minute survey.

6.3.5 The sample consisted of people who had visited the Suffolk coast before – mainly in the last 24 months – or who intended to visit in the future (in the next 24 months). The survey asked initial questions related to people’s experience of the Suffolk coast including the things they like and dislike, the places they visit, and their visiting behaviour, before describing the Sizewell C Project, and asking a series of questions related to their prior knowledge of Sizewell C, attitudes to nuclear in general, and then perception of the Sizewell C Project in respect of their likelihood to visit more or less in the future, potential alternatives, and effects on the way they would visit.

6.3.6 The report – **Appendix 9F, Volume 2** of the **ES** – finds, at a high level, that:

- 27% of respondents knew about the Sizewell C Project, of which 10% knew ‘a fair amount or a lot’. 72% had either never heard of the Sizewell C Project (50%) or knew almost nothing about it (22%).
- Having been introduced to the Sizewell C Project via information as part of the survey, 55% said that it had not changed their views about whether to visit, 13% stated they were more likely to visit, and 29% stated they were less likely to visit, to varying degrees.
- 39% said they would be likely to visit less often during construction, 8% said they would be likely to visit more often, and 53% said that the construction of Sizewell C would not make a difference to how often they visit, or they didn’t know how it would affect them.

- A majority of people reported that they would like to know more about the impacts of construction of the Sizewell C Project to plan future visits.
- Concerns raised included perceptions around traffic delays and availability of accommodation.

6.3.7 The survey and report do not quantify the economic effect of the Sizewell C Project on tourism – rather, the results provide information on the characteristics of people who think they are more or less likely to visit, after having considered a short summary of information about the Sizewell C Project’s location and potential effects.

6.3.8 The results set out where people consider themselves less likely to visit the area around Sizewell C on the Suffolk coast, but do not consider how long these people may or may not stay. As set out in the report, potentially the most significant net effect is reported by those with the lowest likelihood to visit.

6.3.9 The results provide helpful information to determine the approach to managing risk via a Tourism Fund. For example, the information gained on who may consider themselves more likely not to visit and why will enable effective mitigation to target those who report a likelihood to return less often or are less certain to return and therefore reduce this perceived risk.

6.3.10 Those who state they are less likely to visit, or likely to visit less often in the future, are distinctive in some ways, for example:

- they are less likely to have visited recently;
- they are less likely to have visited the area immediately around Sizewell C;
- they are more likely to be unaware of Sizewell A, B, or C (and have therefore gained the information about the Sizewell C Project from this survey); and
- they are more likely to be female than male.

6.4 Summary of potential effects on tourism and visitors

6.4.1 Overall, there is no empirical evidence that the Sizewell C Project would lead to a reduction in visitor numbers, a change in visitor behaviour, expenditure or business viability in the sector. The tourist economy is subject to

substantial volatility year-on-year, and is affected by externalities beyond the effects of a single project such as Sizewell C.

6.4.2 There is no empirical evidence that the construction of Sizewell B had a substantial effect on the sector within the Suffolk coast area, or that – with a well-managed and effective mitigation package via a Tourism Fund – the construction of Hinkley Point C is having a substantial effect in Somerset.

6.4.3 However, engagement with local tourism stakeholders, review of environmental effects and mitigation identified across the **ES**, and SZC Co.'s understanding of perceived visitor sensitivities based on quantitative survey of previous and potential visitors has identified that without mitigation there is potential for:

- very local effects on businesses and activities where there is a combination of significant residual environmental effects; and
- perception-related effects as a result of sensitivities to different aspects of the Sizewell C Project (the potential for perception of changes to e.g. traffic, where this is already an influencer on propensity to visit).

6.4.4 As set out above, SZC Co. commissioned a survey to understand more about the perceptions of people who have previously visited or intend to visit the area, in order to gain an understanding of the demographic factors and sensitivities that should be tackled to prevent the risk of perceptions of reduced likelihood to visit materialising into an economic effect.

6.4.5 Mitigation measures will be developed to reduce this risk via a Tourism Fund – secured via the Section 106 agreement - to promote the area, combined with promotion of embedded and additional environmental mitigation activities in order to reduce the risk of perceived changes in behaviour from materialising.

6.4.6 As set out in the **Accommodation Strategy** (Doc Ref. 8.10), there is an opportunity for economic benefit to be gained from workers use of tourist accommodation that may otherwise be unoccupied during off-season months, or in areas where there is more spare capacity during peak months.

6.4.7 There are anticipated to be approximately 800 workers seeking tourist accommodation at the peak of construction, and an average of up to 300 workers in any given month over the lifetime of the Sizewell C Project (though the number would be much lower in the years either side of peak

demand). The gross economic effect of spending on accommodation could be estimated at around £24 million for the lifetime of the Sizewell C Project⁹.

6.4.8 SZC Co. recognises that the net effects would be less than the gross, if workers were to displace existing tourists from accommodation. However, it is anticipated that the effect of construction workers using tourist accommodation would be a net benefit to the regional economy in terms of spending on otherwise unoccupied accommodation at off-peak times during the construction phase (despite workers being likely to spend less on average on non-accommodation goods and services compared to tourists).

6.5 Mitigation and enhancement

a) Visitor centre

6.5.1 SZC Co. recognises that the Sizewell C Project has the potential to contribute to the tourist environment on the Suffolk coast by promoting and enhancing the Sizewell C Project as a visitor attraction.

6.5.2 SZC Co. proposes to build a new facility that would replace the current Sizewell B visitor centre and co-locate it with an information centre for the design, construction and operation of Sizewell C.

6.5.3 The existing Sizewell B visitor centre would be replaced with a permanent, modern educational facility for visitors, including school groups. It is proposed that the new visitor centre would be located at the north-east of the Coronation Wood development area, adjacent to the proposed Sizewell B training centre.

6.5.4 It is anticipated that the proposed visitor centre would include exhibition spaces, an auditorium, media centre, viewing area, classrooms, and offices.

6.5.5 The visitor centre would typically operate the same hours as the existing visitor centre, typically being 09:00 to 16:00 hours from Monday to Saturday but may extend beyond these hours for specific events. The occupancy of the building would vary daily, depending on visiting groups and events. It is anticipated that the total maximum occupancy would be approximately 135 people. Groups would be predominantly pre-booked to visit, however the facility would also be open to walk-in visitors.

⁹ Assuming an average of 300 workers per month over the lifetime of the construction phase, at 14 nights per worker per month and an average nightly spend on accommodation of £40.

6.5.6 The visitor centre would be accessible by the general public with exhibition space and modern educational elements providing capacity for school groups. Its role would be to provide information to the general public and school groups about aspects including: the process for generating electricity, the benefits of low-carbon energy and sustainability more generally, and the new technology's role in the future of nuclear power in the UK. It would also illustrate the contribution of Sizewell C to carbon reduction and its role as part of the Suffolk Energy Coast, and demonstrate the importance of the surrounding AONB.

b) **Tourism fund**

6.5.7 SZC Co. recognises that there may be potential for the tourist economy to be adversely affected as a result of the Sizewell C Project, in some locations and under some conditions.

6.5.8 SZC Co. recognises that there is inherent uncertainty, and there is an opportunity to tackle perceived changes to certain sensitivities that existing and potential visitors to the area may be concerned about, and ensure that the residual effect of the Sizewell C Project on tourism is not negative, and potentially positive.

6.5.9 As such, SZC Co. has proposed a Tourism Fund, the provision, governance, scale, and application of which will be secured via the Section 106 agreement, as provided in **Appendix J** of the **Planning Statement** (Doc Ref. 8.4), 'Section 106 Heads of Terms'. This could be used to deliver initiatives such as:

- Development of or support for a tourism strategy/action plan.
- Marketing and promotion activities for the Suffolk coast and specific attractions and events within it, which can demonstrate a strong return on investment.
- Supporting local projects including capital and revenue investment.
- Undertaking future visitor surveys.
- Providing information about public transport and travel.
- Supporting existing tourist information centres.
- Responding to effects on particularly sensitive attractions/locations within the AONB.

7 Implementation strategies

7.1 Introduction

7.1.1 Sizewell C would be a major component of the Energy Coast and the sub-regional economy in Suffolk and the East of England in terms of the number of jobs it supports and creates, the scale of investment and supply chain, and its knock-on effects.

7.1.2 The Government is committed to the development of a new generation of nuclear power stations, and is investing significantly in programmes that bring together the industry, academia, and skills and training providers.

7.1.3 EDF Energy is a **significant** part of that and works closely with BEIS to monitor and promote the local and regional benefits at Hinkley Point C. SZC Co. would continue to do the same at Sizewell C.

7.1.4 SZC Co. recognises that the Sizewell C Project's benefits can be secured locally – and there is a real opportunity to work within local and regional policy frameworks to help catalyse growth sectors within the Energy Coast. SZC Co. is committed to continuing to work with local partners to maximise the direct benefits of the Sizewell C Project that are set out above.

7.1.5 SZC Co.'s support for local and regional initiatives falls under the following broad headings:

- Employment, skills and education.
- Supply Chain.

7.2 Employment, skills and education

7.2.1 SZC Co. has worked closely with stakeholders in the region to develop a strategy with a range of measures that combine to create an environment in which education, skills, and workforce development can flourish, to the benefit of both the Sizewell C Project and the region.

7.2.2 The **Employment, Skills and Education Strategy** is included as **Appendix A** to this document. It sets out a strategic approach centred around four strategic priorities:

- Creating economic benefit and improving social mobility by:
 - leaving a legacy;
 - addressing key government and regional policy priorities; and

- linking employment, skills and education to complementary activities for developing the supply chain as set out in **Appendix B – Supply Chain Strategy**.
- Minimising workforce and project risk caused by a lack of availability, capability, capacity or competence in the UK or regional skills base.
- Setting realistic DCO commitments and leveraging significant additional value.
- Where appropriate, integrating strategic activity between Sizewell C and Hinkley Point C – and in the future Bradwell B - by leveraging the full benefit of ‘fleet effect’ for skills and workforce.

7.2.3 The **Employment, Skills and Education Strategy** in **Appendix A** sets out how learning from Hinkley Point C has helped provide more clarity about Sizewell C, including required roles and qualifications for Sizewell C in the future by phase of construction and type of role.

7.2.4 It then sets out a range of interventions and investments that the Sizewell C Project will make, secured through a Section 106 Agreement, including:

- A future Sizewell C Jobs Service - SZC Co.’s focus on recruitment will be on targeting the right people into the right jobs through the enhancement of Hinkley Point C’s jobs service. This will provide a service that is managed centrally but delivers locally through a small number of dedicated staff in Suffolk and through optimising external partnerships.
- Skills initiatives – including:
 - a flexible Asset Skills Enhancement and Capability Fund with a strong, accountable governance structure including Tier 1 contractors and local stakeholders to be secured through the Section 106 agreement;
 - a commitment to funding a Regional Skills Coordinator post to provide a focal point of coordination and skills planning between project and providers; and
 - supporting contractors in exploring options for training and assessment to enable the competence of workers to be assessed and to identify areas of additional training.
- Supply chain initiatives, such as creating skills partnerships to build regional capacity within the supply chain, not purely focussed on the

Sizewell C Project; and helping backfill hard-to-fill vacancies within the supply chain.

- Education initiatives – partnering with regional stakeholders to invest in a range of activities including:
 - Supporting specific and existing educational initiatives in the region that are working well or are supporting young people in raising their aspirations for careers in energy, engineering or construction.
 - Supporting and investing in specific interventions with a focus on career introduction and development.
 - Starting early with ‘aspiration raising’ activities.
 - Introducing actual opportunities to ‘have a go’ with an emphasis on the promotion of Sizewell C’s critical skills that are in short supply.
 - Creating an innovative and ‘first of a kind’ bursary scheme to support the creation of alternative pathways for those that haven’t reached the required entry level, providing a ‘second chance’ for young people in rural Leiston, Lowestoft, Great Yarmouth and Ipswich.
 - Establishing a Young Sizewell C programme providing an insight programme to inspire and build awareness of opportunities among young people who are closest to the workplace and to help pipeline them into actual Sizewell C opportunities.

7.2.5 The implementation of the **Employment, Skills and Education Strategy** by SZC Co. will be secured by an obligation in the Section 106 Agreement, provided in **Appendix J** of the **Planning Statement** (Doc Ref. 8.4), ‘Section 106 Heads of Terms’.

7.3 Supply chain

7.3.1 SZC Co. has set out to develop a strategy for its supply chain for Sizewell C that builds on the good progress made at Hinkley Point C and seeks to engage and promote business in the region to gain competency to compete for and win contracts.

7.3.2 The **Supply Chain Strategy** is included as **Appendix B** to this document. The core objective of the strategy is to successfully deliver the construction and commissioning of the Sizewell C Project utilising the expertise and capability within the supply chain.

- 7.3.3 The strategy sets out how SZC Co. will support ‘intelligent replication’ – using the as-built design of Hinkley Point C, while taking into account local conditions in order to develop and implement Sizewell C. Replication does not mean that the entire Hinkley Point C supply chain and workforce will be transferred to Sizewell C, rather than key contracts that are critical to replication of the power station are transferred.
- 7.3.4 SZC Co. therefore anticipates that Sizewell C will be able to deliver a similar level of economic benefits to Suffolk and the East of England, in terms of supply chain opportunities for local and regional businesses, as Hinkley Point C is delivering for Somerset and the south west.
- 7.3.5 An important role of the strategy is to contribute to the economy of the East of England and the UK more widely: the Sizewell C Project will support the maintenance and development of the UK nuclear sector and wider construction innovations and skills.
- 7.3.6 The strategy identifies lessons learnt from previous experience, and sets out a range of initiatives that will enable the region to capture economic benefits generated by the goods and services needed for the delivery of the Sizewell C Project. These include the following measures to be secured by a Section 106 Agreement – see **Appendix B** for more details:
- A Sizewell C supply chain team, partnering with the Suffolk Chamber of Commerce. The team will assist local and regional businesses in winning contracts on the Sizewell C Project through management of a supply chain website with project information, details of work packages and professional standards, signposting to relevant support, details of events and examples of success.
 - A Sizewell C supply chain portal capturing details and core capabilities of regional businesses and mapping them against requirements of the Sizewell C Project, brokering business support and matching suppliers with and Tier 1 contractors.
 - Encouraging use of local/regional suppliers, including through senior leadership commitments from Tier 1 contractors to engage with the local supply chain, ‘meet the buyer’ events and coordination of wider networking with key public and private sector stakeholders.
 - Monitoring and reporting in order to track local and regional levels of engagement.
- 7.3.7 The implementation of the **Supply Chain Strategy** by SZC Co. will be secured by an obligation in the Section 106 Agreement, provided in

Appendix J of the **Planning Statement** (Doc Ref. 8.4), ‘Section 106 Heads of Terms’.

8 Conclusion

8.1.1 This Economic Statement sets the Sizewell C Project within a national and regional policy context, and within a local and regional labour market and supply chain and the analysis suggests that it is well placed to provide a major opportunity for economic development within the region.

8.1.2 The impacts of the Sizewell C Project, which will boost the economy both during the construction period and throughout the operation of the power station, as well as leave a long term legacy throughout the supply chain, are significant enough to provide a catalyst for change throughout the region.

8.1.3 The Sizewell C Project would create substantial economic benefits, including:

- Construction output and job creation: a boost to the local economy as a result of the construction phase, equating to £2.5bn of output and supporting over 40,000 person years of construction employment.
- Wages and spending which over the construction phase could be substantial:
 - Spending by non-home-based workers in the area could average around £21.5 million per year or around £260 million over the construction phase.
 - Extra wages from home-based workers during the construction phase could represent an average boost to income each year of £15 million. The boost to local spending would be less than that (after taxes and savings) but could still be £5 million per year or £60 million over the construction phase.
 - Together these add up to around £320 million of extra local spending during the construction phase.
- Local employment creation: at the peak of construction, around a third of jobs are expected to be filled by existing local residents. If proportions are similar to Sizewell B, up to 480 of these roles would be filled by people who were formerly unemployed or previously economically inactive.
- Supply chain opportunities: the total cost of the Sizewell C Project is estimated at £20bn. It is anticipated that – if similar levels of local and regional supply chain usage are achieved at Sizewell C as at Hinkley

Point C - there could be a local retention in excess of £1.5bn over the construction phase, equivalent to an average of £125m per year.

- A long term boost to the economy as a result of the operational phase: boosting GDP by around £225m per year and supporting 900 permanent jobs with associated wages of £44.5m per year, and an additional workforce of around 1,000 during planned outages. Further, multiplier effects across the UK for nuclear power suggests an additional local indirect employment of around 60% of direct employment, representing a further 360 jobs as an indirect result of the operational phase of the Sizewell C Project.

8.1.4 Within its economic context, the economic impacts also provide a vehicle to address the GVA and productivity gap faced by the region and localised deprivation through providing jobs, as well as training and investment in targeted skills, for local people.

8.1.5 Three key areas of intervention are proposed by the Economic Statement, with implementation strategies appended and / or measures and financial contributions secured by the Section 106 Agreement. These comprise:

- an **Employment, Skills and Education Strategy (Appendix A)**;
- a **Supply Chain Strategy (Appendix B)**; and
- a Tourism Fund.

8.1.6 The implementation of the **Employment, Skills and Education Strategy** and the **Supply Chain Strategy** by SZC Co. will be secured by obligations in the Section 106 Agreement, as provided in **Appendix J to Planning Statement** (Doc Ref. 8.4), 'Section 106 Heads of Terms'. The provision of a Tourism Fund will also be secured through the Section 106 Agreement.

8.1.7 The strategies set out to deliver a package of measures to enable local people to enter or re-enter the labour market and the local and regional supply chain to win work on the project. Key features of the **Employment, Skills and Education Strategy (Appendix A)** include:

- a Sizewell C Jobs Service;
- skills initiatives such as a flexible Asset Skills Enhancement and Capability Fund; funding a regional skills coordinator post to provide a focal point of coordination and skills planning; and supporting contractors in exploring options for training and assessment;

- supply chain initiatives such as creating skills partnerships to build regional capacity within the supply chain and helping backfill hard to fill vacancies; and
- supporting education initiatives partnering with regional stakeholders to invest in activities including: promoting careers in energy, engineering and construction for young people and a bursary scheme to support alternative pathways for young people who have not reached required entry level in local areas.

8.1.8 Key features of the **Supply Chain Strategy (Appendix B)** include:

- a Sizewell C supply chain team partnering with Suffolk Chamber of Commerce to help local and regional business in winning contracts on the Sizewell C Project through management of a supply chain website;
- a Sizewell C supply chain portal capturing details and core capabilities of regional business against Sizewell C Project requirements; and
- encouraging the use of local and regional suppliers via Tier 1 contractors engaging with the local supply chain through networking events and similar.

8.1.9 Engagement with local tourism stakeholders, a review of environmental effects and mitigation identified across the **ES**, and SZC Co.'s understanding of perceived visitor sensitivities based on quantitative survey of previous and potential visitors has identified that, without mitigation, there is potential for:

- very local effects on tourist sector businesses and activities where there is a combination of significant residual environmental effects; and
- perception-related effects as a result of sensitivities to different aspects of the Sizewell C Project (e.g. concerns about traffic, where this is already an influencer on propensity to visit).

8.1.10 SZC Co. commissioned a survey to understand more about the perceptions of people who have previously visited or intend to visit the area, in order to gain an understanding of the sensitivities that should be tackled to prevent the risk of perceptions of reduced likelihood to visit materialising into an economic effect.

8.1.11 Mitigation measures will be developed to reduce this risk via a Tourism Fund – secured via the Section 106 Agreement - to promote the area and address potential negative perceptions about the Sizewell C Project, in order to reduce the risk of changes in visitor behaviour from materialising.

- 8.1.12 In summary, the Economic Statement has provided evidence that the Sizewell C Project is able to meet its core economic objectives of delivering the NPS commitments; contributing to a higher skilled workforce and minimising the productivity gap through investment in training and jobs for local people; embedding the supply chain in the local and regional economy; and greatly enhancing the inherent benefits of the Sizewell C Project in a way that is directly consistent with national, regional and local aspirations.

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