



HARDISTY JONES ASSOCIATES
Economic Development Advisers ●●●●●●●●●●



Sizewell C Economic Impact Assessment

Draft Final Report

Prepared for Suffolk Coastal and Waveney District Councils and Suffolk County Council

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Executive Summary

- i. This report is an economic impact assessment of the construction of the proposed Sizewell C nuclear power station. Sizewell already has a nuclear power station, and the energy sector is significant in the economy of the wider New Anglia area around Sizewell. However, this is a largely rural local area and the construction of a new nuclear power station over a period of around ten years will inevitably have a significant economic impact.

Areas and Components of Local Economic Impact

- ii. A number of case studies have been considered, to identify the likely positive and negative local economic impacts of the construction projects, including the construction of Sizewell B and the current construction of Hinkley Point C. In addition, the actual and potential impacts of Flamanville in France, Olkiluoto in Finland, Wylfa in Wales, Moorside in Cumbria, London 2012 Olympics, High Speed 2, and Heathrow Runway Three have been considered. The main components of local economic impact identified in these case studies and through contemporaneous consultations with local stakeholders are discussed briefly below.
- iii. Around 2,000 **home-based workers** could be employed on the main site at the peak of the construction process, predominantly from within a 90-minute travel-time. An additional 500 home-based workers could be employed in associated development sites, such as the worker accommodation campus. Over the entire construction period, home-based employment on the main site could generate gross direct impacts of £500 million of wages and £1.3 billion of Gross Value Added (GVA) to the local economy. Employment on the associated development sites could generate another £60 million of wages and £140 million of GVA.
- iv. **Non-home-based workers** will spend on food and accommodation in the local area. Many will stay in a purpose-built accommodation campus, but others will stay in tourist accommodation, private-rented housing, and owner-occupied housing. Spend by non-home-based workers in the local economy could be £30 million per year at peak, or £160 million over the entire construction period.
- v. In estimates drawn from the Hinkley Point C project in Somerset, EDF Energy has suggested between £100 million and £200 million of **supply chain** spend in the local area per year, or £1.5 billion in total over the construction period. Suffolk Chamber of Commerce is already working with EDF Energy to identify local businesses that are interested in participating in the supply chain. Engagement of local businesses in the Sizewell C supply chain provides an opportunity for greater product and process **innovation** in the local business community, as they respond to the project's requirements. The project will also attract **inward investment** to the local area as part of the supply chain development to serve the project.
- vi. There will be both positive and negative impacts on the **tourism sector** in the local area. The use of tourist accommodation by non-home-based workers could generate £1 million of impact in the local economy at the peak of the construction process, or £6 million impact over the entire construction period. However, any discouragement of visitors from the local area will have a negative economic impact. A 1% drop in visitor numbers would mean a loss of £6 million of local economic impact per year, and a 5% drop in visitor numbers would mean a loss of £30 million per year. There is also the

issue of displacement if tourism industry workers move to jobs at Sizewell C or its associated developments such as the accommodation campus.

Figure 1: Summary of Published Data on Sizewell C Construction Project

Employment on-site at peak	5,600
Home-based employment on-site at overall construction peak	2,000
- Home-based employment in Civil Engineering	Up to 1,330
- Home-based employment in Mechanical & Electrical Engineering	Up to 990
Home-based employment in accommodation campus	500
Non-home-based workers in accommodation campus at peak	2,400
Non-home-based workers in tourist accommodation at peak	360
Non-home-based workers in private rented accommodation at peak	360
Non-home-based workers in owner-occupied accommodation at peak	460

- vii. In addition to the figures set out above, there is potential for local and regional supply chain spend of between £100 million and £200 million per year during construction, based on the similarities between the Sizewell C project and the Hinkley Point C project, from which this figure is derived.
- viii. It is recognised that much of the negative impact on the tourism sector will be in close proximity to the site (e.g. through the loss of visitors) whereas the benefit will be more widespread (e.g. through the provision of accommodation for non-home-based workers).

Impact Scenarios

- ix. The report considers five scenarios for the possible local economic impact of the construction of Sizewell C. The **baseline scenario** is based on EDF Energy's currently known proposals for the construction project and assumptions about the impact in areas on which data is not available. The gross direct local economic impacts are those set out above and discussed in more detail in the main body of the report. The net additional local economic impact, taking account of factors such as leakage, displacement and the multiplier effect shows a sometimes lower level of local economic impact.
- x. The local stakeholders' preference is for a more **positive scenario** in which there is significant investment in mitigation, and all potential variables turn out favourably. The main differences would be a greater positive impact of local business engagement in the supply chain and less negative impact on the local tourism sector. However, there is a risk that there is a more **negative scenario** if there is insufficient investment in mitigation and other variables turn out less favourably. There could be less local economic benefit from home-based employment (but commensurately more local economic benefit from non-home-based employment), less benefit to the local business community from supply chain engagement, and a greater negative impact from the loss of visitors to the local area.
- xi. The **cumulative impact** if Sizewell C is delivered at the same time as other infrastructure development projects in Suffolk and the wider area could mean that there is less employment of home-based workers on the project, so less local economic impact from this (but commensurately more local economic benefit from non-home-based employment), and less local economic benefit

from local business engagement in the supply chain. **Constrained labour availability** caused, for example, by Brexit could mean that there is less employment of home-based workers on the project, so less local economic impact from this (but commensurately more local economic benefit from non-home-based employment).

- xii. Figure 2, below, shows a summary of the possible local economic impact of the baseline scenario (i.e. a scenario built up from EDF Energy’s proposals, with further assumptions and modelling applied), and a more positive scenario, based on local stakeholders’ aspirations to maximise the local economic impact.

Figure 2: Summary of Baseline and Positive Scenario Impacts

	Baseline (Gross Direct Impact)	Baseline (Net Additional Local Impact in Suffolk)	Positive Scenario (Net Additional Local Impact)
Main site home-based employment	13,000 worker-years £500 million of wages £1.3 billion of GVA	7,000 worker-years £200 million of wages £700 million of GVA	7,000 worker-years £200 million of wages £700 million of GVA
Associated developments’ home-based employment	2,500 worker-years £60 million wages £140 million GVA	2,500 worker-years £60 million wages £140 million GVA	2,500 worker-years £60 million wages £140 million GVA
Non-home-based employment	£30 million p.a. at peak £160 million total during construction	£30 million p.a. at peak £160 million total during construction	£30 million p.a. at peak £160 million total during construction
Supply chain	£150 million p.a.	£73 million p.a.	£88 million p.a.
Tourism	+£1 million spend on tourist accommodation p.a. at peak -£6 million loss of visitor spend p.a. at peak	+£1 million spend on tourist accommodation p.a. at peak -£6 million loss of visitor spend p.a. at peak	+£1 million tourist accommodation at peak -£3 million from loss of visitors at peak

Mitigation Actions

- xiii. To maximise the local economic impact of Sizewell C a number of mitigation actions should be delivered, by both EDF Energy, local stakeholders, and national stakeholders. The main areas for mitigation are:
- Investment in local workforce development, as part of a broader initiative to support the energy and infrastructure sectors, and not just Sizewell C.
 - Commitment from EDF Energy and all supply chain businesses to the recruitment of local workers
 - Investing in training and workforce development at the right time to minimise any negative impact of displacement in the local economy
 - Ensuring that recruitment of local workers into higher quality roles in the project is prioritised
 - Ensuring that there is sufficient campus accommodation to be able to manage the number of non-home-based workers staying in tourist accommodation

- Support to local businesses to help them to identify supply chain opportunities and achieve accreditation to be able to win work in the supply chain, including investment in innovation support to improve the capabilities of local businesses, and provide them with legacy opportunities
 - Investment in attracting inward investors to the local area, and also encouraging and enabling the delivery of suitable sites and premises to accommodate inward investors
 - Investment in marketing and business support to the tourism sector to minimise the loss of visitors to the local area
- xiv. Mitigation will need to be directed to where the need is greatest e.g. actions to address the loss of visitors will need to be focused in close proximity to the site.

1 Introduction

1.1 Purpose

1.1.1 This report sets out an assessment of the potential local economic impact of the construction of the proposed Sizewell C nuclear power station. The project will have both positive and negative economic impacts on the local area. The local authorities want to enhance the positive local economic impacts and mitigate or minimise the negative impacts, thus maximising the overall local economic impact. This objective is established in economic strategies set out at the LEP, county and local levels.

1.2 Study Objectives

1.2.1 The original objectives of this study, set by the steering group¹, are:

- To identify the main positive and negative, direct and indirect local economic impacts of the construction of Sizewell C
- To consider comparator projects and identify any lessons on how to maximise the local economic benefits
- To assess the current capacity of the local economy to serve the needs of Sizewell C in terms of the labour market and supply chain; and consider the risk of displacement to local businesses
- To set out baseline information on the state of the economy in East Suffolk, against which to consider any potential impacts
- To develop a range of possible scenarios of the local impact of the construction of Sizewell C
- To consider the net additional local economic impact of these scenarios; and in particular to consider the impacts in terms of skills and employment, GVA, innovation, inward investment opportunities, the development of the local supply chain, and tourism
- To make recommendations for local partners on how to maximise the local economic impact of the project

1.3 Context

1.3.1 The context for the study is considered briefly below, and is considered in more detail in Appendices 1 and 4.

Local economic context

1.3.2 The site of the proposed Sizewell C nuclear power station is in a largely rural area, with the nearest population centre approximately 45 minutes away at Lowestoft. With relatively low population numbers and density in East Suffolk, the local economic impact is likely to be felt throughout Suffolk and further afield.

1.3.3 Employment in East Suffolk has grown little since 2009 (albeit that it has fluctuated), in contrast to overall growth at the county, regional and national levels. Unemployment has been falling since 2009, so there is little spare capacity in the labour market.

1.3.4 Manufacturing is a large sector in East Suffolk and in the County of Suffolk. Manufacturing and Construction are important sectors to the construction of Sizewell C, and both are more

¹ Comprising East Suffolk Councils, Suffolk County Council, New Anglia LEP and Suffolk Chamber of Commerce

concentrated in East Suffolk and Suffolk than they are nationally. There is unlikely to be much, if any, spare labour capacity with experience in these sectors. The Construction sector is growing in-line with the national trend, so there is a high demand for suitable workers. This suggests a need for training and workforce development to help to meet future demand in this sector and as a consequence of the construction of Sizewell C. Employment in the Manufacturing sector is declining in line with the national trend. Given that unemployment has also fallen dramatically, this suggests workers who are leaving this sector but not retiring are moving into other sectors. This could mean that there is a pool of people with manufacturing skills and experience who could help to meet the demand for home-based workers in mechanical and electrical engineering roles. However, the negative impact of worker displacement needs to be considered if they are recruited from existing businesses.

- 1.3.5 Wages are high in Suffolk Coastal District, compared to regional and national benchmarks, although wages are lower in Waveney District. This may make it more difficult to recruit people who are already in work in Suffolk Coastal District. If there is significant recruitment from those already in work in Waveney District, this could lead to negative impacts of worker displacement.

Economic strategy

- 1.3.6 The construction of Sizewell C is taking place in an environment where there are already plans for significant economic growth. A key document is the Economic Strategy for Norfolk and Suffolk². A review of the Norfolk and Suffolk economy has recognised that there is scope to improve the local economic performance of the LEP area. The Economic Strategy shows how future growth will be driven by increased productivity, along with more jobs, more new businesses and new homes. A number of target sectors have been identified in the Economic Strategy. These include Advanced Manufacturing & Engineering and Energy. The Economic Strategy identifies Sizewell as one of the strategic economic growth locations in the LEP area because of the proposals for the development of Sizewell C, along with other major energy infrastructure.
- 1.3.7 The operation of Sizewell B and the construction of Sizewell C are identified as major economic assets in the East Suffolk Economic Growth Plan³.

Planning guidance

- 1.3.8 Mitigation for adverse economic impacts of the construction project will be agreed through the planning process. The Development Consent Order application for Sizewell C will be considered as a Nationally Significant Infrastructure Project by the Planning Inspectorate rather than a local planning application. National planning guidance on Energy⁴ states that there may be local and regional socio-economic impacts, and that the applicant should assess these as part of their environmental statement. It mentions jobs and training opportunities; the provision of additional local services; effects on tourism; the impacts of an influx of migrant workers; and cumulative effects with other projects.

1.4 Structure of the Rest of this Report

- 1.4.1 **Chapter 2** sets out the main areas of local economic impact.

² New Anglia LEP (2017) Norfolk and Suffolk Economic Strategy and Metro Dynamics (2017) Norfolk and Suffolk Economic Strategy: Preliminary Data Analysis

³ Suffolk Coastal and Waveney Councils (2018) East Suffolk Economic Growth Plan 2018-23

⁴ Department of Energy & Climate Change (2011) Overarching National Policy Statement for Energy (EN-1)

- 1.4.2 **Chapter 3** considers the components of the local economic impact in more detail.
- 1.4.3 **Chapter 4** sets out some possible scenarios for considering local economic impact.
- 1.4.4 **Chapter 5** sets out the conclusions of the study, including recommendations for mitigations, areas where further information is required, and areas for further development.

2 Areas of Local Impact

2.1 Introduction

- 2.1.1 In this chapter we consider how the construction of Sizewell C might impact on the local economy, in terms of the geographical area affected and the areas or sectors of the local economy that will be most affected.
- 2.1.2 EDF Energy is currently developing a power station at Hinkley Point in Somerset. Sizewell will follow the same design, and EDF Energy will be involved in the delivery of a third power station at Bradwell in Essex. Delivering up to three power stations is expected to deliver cost savings in the latter two (known as the 'fleet effect'). EDF Energy has stated that any cost savings will not decrease the amount of local recruitment or supply chain spend in Suffolk that has been suggested in the plans for Sizewell C so far.

2.2 Geography of Impact

- 2.2.1 EDF Energy has not specifically defined the local area of impact, although the gravity model described in the Stage 2 Consultation suggests a 90-minute travel time for home-based workers and a 60-minute travel time from temporary accommodation for non-home-based workers. Sources of home-based workers will therefore include Ipswich, Lowestoft, Felixstowe, Colchester, Great Yarmouth and parts of Norfolk. EDF Energy's labour market baseline data looks at Suffolk, Norfolk and Essex.
- 2.2.2 The socio-economic impact of the project is likely to be more concentrated close to the construction site, and weaker further away. Whilst the construction of Sizewell B had impacts in Norfolk and parts of Essex, these are likely to see relatively lower levels of impact than Suffolk, given their distance from the site. Using established geographical boundaries, it is most relevant to consider the economic impact of the project in: East Suffolk (i.e. Suffolk Coastal and Waveney Districts) – hereafter the definition of the local area; the rest of Suffolk County; and Norfolk and Suffolk i.e. the LEP area. The negative impact on the tourism sector is likely to be concentrated in close proximity to the site where the visual, aural and traffic impacts are greatest, whereas the positive impacts (e.g. accommodating non-home-base workers) will be spread over a larger area (i.e. the 60-minute travel time area). If proposals for the development of a new nuclear power station at Bradwell in Essex are brought forward, then the impact area could be wider.
- 2.2.3 The map over the page shows these significant geographical areas.

2.3 Identifying Areas of Impact

- 2.3.1 Information on the construction of other nuclear power stations in Europe has been reviewed, including Sizewell B in Suffolk, Flamanville in France, Olkiluoto in Finland, Hinkley Point C in Somerset, Wylfa in Anglesey, Wales, and Moorside in Cumbria. Information on other major construction projects has also been considered, including London 2012 Olympics, High Speed 2, and Heathrow Runway Three. More detail on all of these projects can be seen in Appendix 2. Lessons from two of these examples – Sizewell B and Hinkley Point C – are particularly relevant in helping to identify the areas of impact.

- 2.3.2 The construction of Sizewell B and its local economic impact has been well documented in work undertaken by Professor John Glasson⁵. This identified both positive and negative impacts. According to Glasson, additional workforce expenditure in Norfolk and Suffolk topped £75 million, and £72 million of supply chain spend went to businesses in Norfolk and Suffolk. Glasson found that there is potential for the displacement of workers.
- 2.3.3 Hinkley Point C is currently being constructed in Somerset. It is a similar design to that proposed at Sizewell C. EDF Energy has set out an assessment of the socio-economic benefits of the project⁶, which include: 25,000 jobs overall, with 5,600 at peak construction; 34% of the workforce to come from the local area; 1,000 apprenticeships; £4 billion of spend into the *regional* economy; £130 million of investment in the community; and establishment of the Hinkley Tourism Action Partnership.
- 2.3.4 Overall potential positive impacts derived from all of the case studies include:
- Employment of local people who were previously unemployed
 - Potential to leave a skills legacy, enabling local people to access opportunities on future projects
 - Creation of apprenticeships for local young people
 - Potential to raise the aspiration of local young people
 - Local supply chain spend
 - Occupancy of tourist accommodation
- 2.3.5 Overall potential negative impacts include:
- The concentration of local employment in lower skilled rather than higher skilled activities
 - Displacement of workers from existing local employers, and difficulty back-filling vacant posts
 - Some local construction workers did not find work after their role on the project completed
 - More supply chain spend outside the local area than in the local area
 - Increased levels of traffic in the local area
 - Concerns about boom and bust in the local economy
 - A decline in tourist visitor numbers
 - Slippages in the delivery of mitigations, meaning some negative impacts in the early years
 - More workers and visitors in the local area than was planned
 - More concentrated impacts in some places such as more non-home-based workers in Bridgwater than expected, and less distribution across a wider area
 - Some supply chain companies failing to meet the same local impact standards as EDF Energy, thus failing to contribute to local benefits
- 2.3.6 The main areas of local economic impact identified in these comparator examples and through consultations with local stakeholders can be clustered into four areas: employment and workforce impacts; supply chain spend; and impacts on the tourism sector. These are discussed in more detail in the following chapters.

⁵ Glasson, J (2005) Better monitoring for better impact management: the local socio-economic impacts of constructing Sizewell B nuclear power station in Impact Assessment and Project Appraisal, September 2005
See also annual monitoring reports

⁶ EDF Energy (2018) Hinkley Point C: Realising the Socio-Economic Benefits

Figure 2.1: Area of Impact



Scale 1:1,000,000

Suffolk Coastal District

□ Suffolk County

□ East Suffolk



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2.4 Cumulative Impacts

- 2.4.1 The timetable for the construction of Sizewell C is not yet known. There are plans for a number of other major energy infrastructure projects to be delivered in the local area, and some may happen at the same time as Sizewell C. Scottish Power is developing or proposing to develop three windfarms off the coast of Norfolk and Suffolk, and others are being extended. A National Grid interconnector that will land on the Suffolk coast is currently at proposal stage. Bradwell B nuclear power station is proposed by EDF Energy and China General Nuclear, located at Bradwell in Essex. However, as neither the timescale of delivering Sizewell C or Bradwell B is known, and the reactor technologies are likely to be different, then it is not possible to say what any cumulative impacts might be. There is a proposal for a Combined Cycle Gas Turbine (CCGT) power station at Kings Lynn in North Norfolk. Two Upper Orwell river crossings and a Lowestoft third crossing are planned for construction between 2020 and 2023. There is a proposed urban extension of 2,000 dwellings at Adastral Park near Ipswich. A gas-fired peaking power station is planned for construction at Eye, Suffolk, between 2019 and 2021.
- 2.4.2 Concurrent major projects will increase the demand for construction labour, including workers with skills and experience relevant to major energy infrastructure projects. With greater demand for labour there is a greater likelihood that local recruitment targets may not be met. This could lead to greater negative impacts, with more non-home-based workers on the project leading to greater demand for accommodation in the local area and contributing to traffic congestion.

3 Components of Local Economic Impact

3.1 Introduction

- 3.1.1 The previous chapter identifies the areas of potential local economic impact, drawing on experience from previous and concurrent developments. These are explored in more detail in this chapter and Appendices 3, 4, 5, 6 and 7. The main components of local economic impact are: home-based employment; non-home-based employment; supply chain, inward investment and innovation; and tourism.
- 3.1.2 This chapter starts by considering how the local economic impact should be measured, i.e. looking at the gross direct impact but also the net additional local impact where other factors are considered. It then looks at each of the components in more detail. The components are then assembled into scenarios in the following chapter.

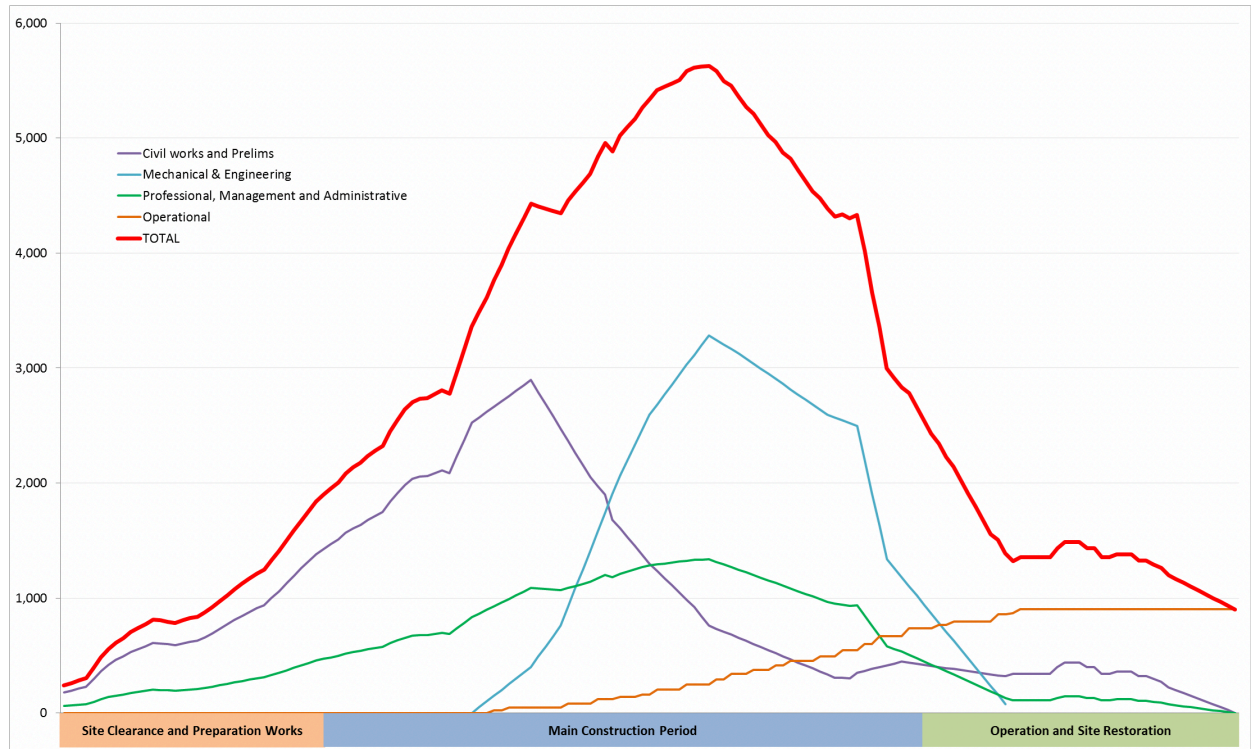
3.2 Gross and Net Impact

- 3.2.1 The gross direct impact of the construction project is the measurable impact on the site and in the local immediate area i.e. workers on the site, accommodation campus, workers' spend on accommodation and subsistence in the local area, supply chain spend, and direct impact on the tourism sector. However, the actual impact on the local economy will be affected by a number of factors, including:
- **Leakage** of benefit out of the local area e.g. if home-based workers live outside the local area then most of their wages will be spent outside the local area
 - **Displacement** of benefit e.g. if local businesses engaged in the supply chain forfeit other work that they would have done otherwise
 - **Multiplier** impact e.g. local employees and local businesses that benefit from the project will spend more in the local economy, thus generating more impact.
- 3.2.2 Under best practice guidance the **deadweight** of the project should be considered e.g. what else would happen if this project did not. However, there is no alternative proposal for development on this site, so there is no deadweight effect.

3.3 Home-Based Employment

- 3.3.1 Employment in the construction of Sizewell C will comprise some home-based workers and some non-home-based workers. This chapter focuses on the former, and the next chapter focuses on the latter. Many of the supply chain businesses employed on the construction of Sizewell C only employ part of their workforce directly, with others being brought in on a temporary basis for specific projects, or through subcontractors. This provides a significant opportunity for local people to work on the project.
- 3.3.2 According to EDF Energy, there will be around 2,000 home-based workers on the construction site at the peak of construction. This is acknowledged by EDF Energy as an ambitious but realistic target. The peak can be seen in the profile of construction workers below. These workers will come from an area defined by daily commuting of up to 90 minutes in each direction (although this is not a strict cut-off). The number of home-based workers will change over time, as the overall labour requirement changes. No figures for the overall local worker requirement are provided by EDF Energy. The changing profile of the *total* worker demand can be seen in the figure below.

Figure 3.1: EDF Energy Assessment of Main Site Workforce Profile (2015)



Source: EDF Energy (2015) Phase Two Consultation

3.3.3 There will be an additional 500 workers employed on the associated development sites (e.g. the accommodation campus). EDF Energy assumes that all of these will be home-based workers.

3.3.4 Home-based workers will come from the unemployed, new entrants to the workforce, those displaced from existing businesses, and in-migrants to the local area.

Impact

3.3.5 Although no data on overall employment is provided by EDF Energy⁷, a rough estimate suggests that there could be around 13,000 person-years of home-based employment over a ten-year build period (where one person-year is the equivalent of one person employed for one-year). Such a level of employment would generate £500 million of wages and £1.3 billion of Gross Value Added (GVA) over the entire build period. Home-based workers on the associated development sites could generate an additional £60 million of wages and £140 million of GVA.

3.3.6 The figures above estimate the gross direct impact of home-based employment. The net additional local economic impact is likely to be different because of:

- Leakage of benefit outside Suffolk, as some home-based workers will be from outside the county
- Displacement of local workers from other local businesses, and potentially difficulties replacing them
- A positive multiplier effect as home-based workers spend their wages in the local economy.

⁷ Although BEIS (July 2018) Hinkley Point C Wider Benefits Realisation Plan, produced by BEIS and drawing on information provided by EDF Energy states that the construction of Hinkley Point C, a similar project, will require 50 million person-hours of work

3.3.7 The net additional impact in East Suffolk could be 2,000 person-years of employment, £70 million of wages and £200 million of GVA over the build period. The net additional impact across all of Suffolk could be 7,000 person-years of employment, £200 million of wages and £700 million of GVA over the build period.

Displacement of workers

3.3.8 A significant risk to the local economy is the potential displacement of workers from existing employers, which cannot then be replaced. This accounts for much of the difference between the gross and net additional figures set above, particularly in East Suffolk.

3.3.9 The figure below shows EDF Energy’s assessment of demand for home-based labour at peak (both civil construction peak and overall workforce peak), against currently available labour. Job Seekers Allowance (JSA) claimants are unemployed people who are closest to the labour market, and it is clear that there are insufficient JSA claimants in either East Suffolk or all of Suffolk with relevant experience to meet the project’s peak demand for home-based workers. Whilst there is a greater number of unemployed according to the International Labour Organisation (ILO) definition – around 5,000 in East Suffolk and 12,000 in the whole of Suffolk - these people may be far less fit-for-work on a nuclear construction site than JSA claimants.

3.3.10 With little spare labour force capacity, i.e. few JSA claimants with suitable skills and experience, it is likely that the project will displace workers from existing employment. If these workers cannot easily be replaced, then there will be a negative impact of displacement in the local economy.

Figure 3.2: Home-Based Worker Requirements and Unemployment

	Home-based labour demand at civil construction peak	Home-based labour demand at total workforce peak	JSA Claimants in East Suffolk (2018)	JSA Claimants in Suffolk (2018)
Civil Engineering	1,330	380	35	140
Mechanical & Electrical Engineering	140	990	0	5
Support Services	220	250	-	-
Accommodation Campus	500	500	-	-
Total home-based workers on main site ⁸	1,860	2,020	-	-
Total JSA Claimants	-	-	730	3,170

Source: EDF Energy (2014) Technical Note 1: Construction Workforce Profile Pre Stage 2 Draft; ONS Job Seekers Allowance

Worker numbers and workforce churn

3.3.11 The figures above show the number of workers on-site at peak, and some estimates of the total number of worker-years required to deliver the construction project. However, the total number of individual workers engaged on the project will be affected by three processes that can be considered under the broad heading of ‘churn.’ These are:

⁸ N.b. This is not the sum of the figures above

- Industry-level churn i.e. people leaving the workforce and joining the workforce. Various studies on engineering and construction show that there will be a significant number of workers retiring in the coming years which will mean demand for replacement workers as well as demand for additional workers to support growth in the industries⁹. This will exacerbate difficulties recruiting suitably skilled and experienced workers, and may lead to some worker attrition (discussed below)
- The scope to recycle home-based workers that have undertaken one role on the project to take up another role on the project. With some training between roles, workers who have accreditation and experience of working on the nuclear construction site can undertake a longer period of work and progression, helping with the development of a sustainable career. This could generate benefits for home-based workers and their employers, as fewer people are required, and their induction and on-boarding costs are lower, and they do not need to spend time getting up-to-speed on project-specific ways of working
- The attrition of workers who leave part way through undertaking a role because of dissatisfaction with the nature of the work, working conditions, additional travel, additional security or other issues. Anecdotal evidence from Hinkley Point C suggests that there is some worker attrition which means additional recruitment, induction and on-boarding costs for employers, and time spent getting new workers up-to-speed; so avoiding this through suitable training will help to reduce project delivery costs

3.3.12 A high level of workforce churn will mean a constant requirement for recruitment and disruption in the delivery of tasks and roles, which could add cost to the construction project as well as contributing to disruption and displacement in local businesses that are losing workers to the project. Actions to reduce this will help with the efficient delivery of the project.

3.3.13 Most of the skills required on the project are general construction and energy skills rather than being nuclear-specific. Developing these skills in the home-based workers mean that they will then be able to access employment opportunities on other large infrastructure and energy projects after Sizewell C. It also means that processes and infrastructure to enable workforce development can support a number of projects, and not just Sizewell C. Suffolk stakeholders need to work with EDF Energy to identify the future/legacy opportunities for local workers, so that these skillsets can be prioritised in the local recruitment for Sizewell C.

3.4 Non-Home-Based Employment

3.4.1 As mentioned above, the construction of Sizewell C will require non-home-based as well as home-based workers. This is due to both the large number of workers required to construct the power station, and also the need for some highly specialist skills and experience that are unlikely to be available locally.

Impact

3.4.2 According to EDF Energy there will be 3,600 non-home-based workers on the site at the peak of construction. No figures for overall worker-years are provided. The main economic impact of these workers on the *local* economy is their spending on subsistence and accommodation. Of these workers, 2,400 are expected to stay in the project's purpose-built accommodation campus, 360

⁹ See, for example: ECITB (2018) Engineering Today: The Demand for Engineers in the UK; Engineering UK (2018) The State of Engineering; CITB/Experian (2017) Construction Skills Network: Forecasts 2017-21 for the East of England; CITB (2018) Construction and Built Environment: Skills Transferability in the UK

in local tourist accommodation, 360 in local private rented housing, and 470 in owner-occupied housing¹⁰. Non-home-based workers are assumed to stay up to 60 minutes travel time from the site.

- 3.4.3 EDF Energy has suggested that non-home-based workers will have a subsistence allowance of around £35 per night. This could mean local spend on all types of accommodation of £30 million per year at peak. Over the entire build period, this could be around £160 million.
- 3.4.4 The figures above estimate the gross direct impact of home-based employment. The net additional local economic impact is likely to be different because of:
- Displacement of tourist visitors out of tourist accommodation, contributing to a loss of visitor spend in the local economy, which is discussed in more detail in section 3.6.
 - A relatively high local multiplier effect

3.5 Supply Chain, Inward Investment and Innovation

- 3.5.1 EDF Energy is committed to engaging some local businesses in the supply chain for the construction of Sizewell C. It is working with Suffolk Chamber of Commerce to engage local businesses via an online supply chain portal.
- 3.5.2 The Nuclear Sector Deal proposes some limited funding to support supply chain development for new-build projects.
- 3.5.3 The engagement of local businesses in the Sizewell C supply chain provides an opportunity for greater product and process innovation in the local business community, as businesses respond to the requirements of the project. Having undertaken innovation, these businesses are then in a better position to export goods and services to other major energy infrastructure projects, thus delivering ongoing increases in productivity and prosperity after the build project has been completed.
- 3.5.4 The construction project also provides an opportunity to attract inward investment to the local area, both through attracting upper-tier suppliers to establish a base in the local area, and through the formation of collaborations and joint ventures between upper-tier suppliers and local businesses.

Impact

- 3.5.5 EDF Energy has not stated the expected local supply chain spend from Sizewell C. Estimates of between £100 million and £200 million of spend in the local area/region per year have been suggested for Hinkley Point C¹¹. However, it should be noted that some of the spend on local suppliers will also lead to local workers on the main site, so there will be some double-counting of benefit from home-based workers and supply chain spend. It is not possible to estimate how much.

¹⁰ These figures are taken from the Stage 2 Pre Application Consultation Document (2016)

¹¹ BEIS (July 2018) Hinkley Point C Wider Benefits Realisation Plan suggests that Hinkley Point C, a similar project to Sizewell C, will result in £1.5 billion of spend in the wider region – in this case all of the South West of England and much of South Wales. The Benefits Realisation Plan also sets out a target of up to £200 million of regional supply chain spend per year during the construction period. This covers the South West and South Wales area, which is significantly larger than the local area identified here

3.5.6 The net additional local economic impact may be different to the gross direct impact, but this will depend on the definition of the local area that is used, and therefore the level of leakage and displacement in the local area.

3.5.7 For the purposes of considering the local and regional supply chain impact a mid-point of £150 million per year has been used.

3.6 Tourism

3.6.1 There are two main ways in which the tourism sector may be affected:

- There could be a positive impact if tourist accommodation is used when it would otherwise be empty. However, this may lead to the displacement of some tourist visitors if they are unable to stay in the tourist accommodation
- There could be a decline in visitor numbers to the local area, as visitors are discouraged by the construction project and traffic congestion. There could be some compensation if particular visitors come to see the construction project

3.6.2 Also, there is potential for the displacement of workers from tourism businesses, who cannot then be replaced. However, this is covered under the displacement of home-based workers discussed earlier.

Impact

3.6.3 The positive impact of the use of tourist accommodation at the construction peak could be £1 million per year at peak, or £6 million over the entire build period. However, the net additional local impact may be different, particularly if there is displacement of tourist visitors.

The negative impact on tourism will depend on the drop in visitor numbers. As an illustration, a 1% drop in visitor numbers could lead to the loss of £6 million of economic impact per year, or £60 million over the entire build period. A 5% drop in visitor numbers could lead to the loss of £30 million per year. However, some of these visitors may be displaced to elsewhere in Suffolk, so the net additional local economic impact may be lower than this.

4 Impact Scenarios

4.1 Introduction

- 4.1.1 In this chapter we consider different ways in which the construction project could be delivered and influenced by outside factors. Given the range of possible variations in how the project could be delivered, and the external factors that may influence the project, it is not possible to set out a single estimate of local economic impact. Therefore, a range of scenarios has been developed in consultation with the project steering group, to consider what mitigations are needed. These are not intended to be detailed forecasts of the local economic impact of the project.
- 4.1.2 Three baseline scenarios focus on different ways in which the project may be implemented, including different levels of mitigation. Then two scenarios are set out in which external impacts on the project are considered.

4.2 Scenario 1: EDF Energy/Baseline Scenario

- 4.2.1 This baseline scenario has been constructed from the information provided by EDF Energy in the Phase 2 consultation, along with some estimated values where data has not been provided. Much of the detail behind this scenario has been set out in the previous chapters.
- 4.2.2 The main aspects of this scenario are: 5,600 workers on-site at the construction peak; 2,000 of these are home-based workers at peak; 500 home-based workers on associated development sites; 2,000 non-home-based workers are staying in an accommodation campus at peak; 570 non-home-based workers are staying in tourist accommodation at peak; £150 million of local supply chain spend per year; and 1% loss in total visitor numbers.

Impact

- 4.2.3 The main impacts are summarised in the figure below. Note that this shows both the gross direct economic impact and the net additional local impact on the county of Suffolk, taking account of the additionality calculations.

Mitigation Principles

- 4.2.4 Some investment will be needed by EDF Energy and local stakeholders to achieve this scenario. If no mitigation is delivered then some of these impacts will be lost, which is discussed in Scenario 3, below. Main areas for mitigation are: investment in skills and training to maximise local labour engagement; investment in apprenticeships to develop young people's skills, which will lead to both opportunities on the project, and also a longer-term impact as suitably skilled young people have a strong start to their career; delivery of sufficient campus accommodation for non-home-based workers; support to local supply chain businesses to ensure that they are aware of supply chain opportunities and are suitably skilled and accredited to access them; investment in business support including innovation support to help local businesses to engage in the supply chain; investment in support and infrastructure to enable supply chain businesses to locate in the local area; and investment in tourism and destination marketing. Detailed mitigation actions are discussed in more detail in the next chapter.

Figure 4.1: Impacts of Scenario 1

	Baseline (Gross Direct Impact)	Baseline (Net Additional Local Impact in Suffolk)
Main site home-based employment	13,000 worker-years £500 million of wages £1.3 billion of GVA	7,000 worker-years £200 million of wages £700 million of GVA
Associated developments' home-based employment	2,500 worker-years £60 million wages £140 million GVA	2,500 worker-years £60 million wages £140 million GVA
Non-home-based employment	£30 million p.a. at peak £160 million total during construction	£30 million p.a. at peak £160 million total during construction
Supply chain	£150 million p.a.	£73 million p.a.
Tourism	+£1 million spend on tourist accommodation p.a. at peak -£6 million loss of visitor spend p.a. at peak	+£1 million spend on tourist accommodation p.a. at peak -£6 million loss of visitor spend p.a. at peak

4.3 Scenario 2: More Positive Scenario

4.3.1 This is the local stakeholders' preferred baseline scenario. Under this scenario we consider how the impact might change if there is more investment in mitigation than in the baseline scenario, and if all potential variables turn out favourably. We assume that the number of home-based workers is the same as in the baseline scenario because this is already an aspirational number. We assume that more supply chain work is won by local companies (an increase of 20% over the baseline value); there is less use of tourist accommodation, leading to less displacement of visitors (half of the baseline value); and there is less decline in visitor numbers (only half of the loss in the baseline scenario).

Impact

4.3.2 The impacts on home-based employment and non-home-based employment will remain the same as the values for these aspects of the project have not changed. However, there will be more supply chain spend with local businesses, and a different impact on the tourism sector. The main differences are set out in the figure below. Note that this figure presents net additional local impacts rather than gross direct impacts.

Figure 4.2: Impacts of Baseline (Scenario 1) and Scenario 2

	Baseline (Net Additional Local Impact)	Scenario 2 (Net Additional Local Impact)
Main site home-based employment	7,000 worker-years £200 million of wages £700 million of GVA	No change
Associated developments' home-based employment	2,500 worker-years £60 million wages £140 million GVA	No change
Non-home-based employment	£30 million p.a. at peak £160 million total during construction	No change
Supply chain	£73 million p.a.	£88 million p.a.
Tourism	+£1 million tourist accommodation at peak -£6 million from loss of visitors at peak	+£1 million tourist accommodation at peak -£3 million from loss of visitors at peak

Mitigation Principles

- 4.3.3 Investment will be needed in education and training to achieve the proposed level of home-based workers. Delivery of sufficient campus accommodation for non-home-based workers is required. Further investment in supply chain support is needed to enable more engagement of local businesses. Investment in innovation and collaboration support – both services and accommodation/space for indigenous businesses and collaborations and joint ventures. Enabling the delivery of suitable land and premises to accommodate new inward investors and collaborations and joint ventures. Investment in tourism support and marketing will be needed to minimise the negative impact on the sector. Mitigation actions are discussed in more detail in the next chapter.

4.4 Scenario 3: More Negative Scenario

- 4.4.1 Under this scenario we consider the impact of a more negative impact on the local economy if there is insufficient investment in mitigation, and if variables such as local recruitment turn out more negatively than anticipated in the baseline scenario due to difficulty recruiting local labour. This might include less local engagement if suppliers and workers from Hinkley Point C are prioritised for involvement in the Sizewell C project. We assume that there are fewer home-based employees (half of the baseline level); fewer of these live in Suffolk (three-quarters of the baseline level); there is more displacement of home-based workers from local businesses (50% more than the baseline level); there is less local supply chain spend (half of the baseline level); and a greater loss of visitors to the local area (five times the baseline level).

Impact

- 4.4.2 The local economic impact of home-based employment will be lower than in the baseline scenario. The economic impact of non-home-based employees will increase, because fewer home-based employees means more non-home-based employees. The local impact of supply chain spending

will fall. The negative impact of lost visitors will be greater than under the baseline scenario. Note that the figure below presents net additional local impacts rather than gross direct impacts.

Figure 4.3: Impact of Baseline (Scenario 1) and Scenario 3

	Baseline (Net Additional Local Impact)	Scenario 3 (Net Additional Local Impact)
Main site home-based employment	7,000 worker-years £200 million wages £700 million GVA	3,000 worker-years £100 million wages £300 million GVA
Associated developments' home-based employment	2,500 worker-years £60 million wages £140 million GVA	No change
Non-home-based employment	£30 million spend at peak £160 million spend in total	£20 million spend at peak £140 million spend in total
Supply chain	£73 million p.a.	£37 million p.a.
Tourism	+£1 million tourist accommodation at peak -£6 million from loss of visitors at peak	+£1 million tourist accommodation at peak -£30 million from loss of visitors at peak

Mitigation Principles

- 4.4.3 This scenario helps to identify potential areas of mitigation that will be helpful to avoid the most negative impacts. These include: more investment in education and training to maximise the engagement of local home-based workers in the project; more investment to increase the size of the accommodation campus to moderate the number of workers staying in tourist accommodation, and minimise the displacement effect; more investment in supply chain support to maximise the local engagement in the supply chain; and more investment in tourism and marketing support to avoid a large decline in visitor numbers. Mitigation actions are discussed in more detail in the next chapter.

4.5 Scenario 4: Cumulative Impact of Several Major Projects in Suffolk

- 4.5.1 Under this scenario we consider the impact of several major energy infrastructure construction projects taking place simultaneously in Suffolk. As mentioned in Chapter 2, there are a number of potential projects that may take place in the coming years. Most of these do not have specific dates or labour requirements, but they will generate additional demand for a range of workers in the construction and engineering sectors. Without specific details, we have assumed that there will be additional demand for this labour and hence less available labour in the local area throughout the construction period¹².

¹² BEIS (July 2018) Hinkley Point C Wider Benefits Realisation Plan notes concerns about the potential shortages of suitable skilled workers, and the need for investment to ensure that there is suitably skilled labour available (see paras 4.14 and 4.24 to 4.27)

Impact

- 4.5.2 The main impact will be on the availability and therefore engagement of home-based labour in the project i.e. fewer home-based workers on the project and fewer of these from Suffolk, and the corollary being more non-home-based workers on the project. This will also involve more displacement of home-based workers from existing employers. There will also be an impact on the engagement of local businesses in the supply chain. With more demand for local suppliers from a range of projects, the involvement of local suppliers in the Sizewell C project will be less.
- 4.5.3 We have assumed that there will be additional provision of campus accommodation if more non-home-based workers are required on the site (which should be an explicit requirement of the DCO permission), and so this scenario does not involve any change in the impact on the tourism sector. However, if no further campus accommodation is provided then there is likely to be greater impact on the tourism sector – both positive and negative.
- 4.5.4 There could be a greater negative impact on the tourism sector as a consequence of several large infrastructure projects taking place simultaneously. The impact will depend on the projects, their scale and location, so cannot be quantified at this stage, but this should be borne in mind if multiple projects are undertaken at the same time. We assumed that up to 5% of visitors could be lost as a consequence of multiple projects taking place simultaneously.
- 4.5.5 Note that the figure below presents net additional local impacts rather than gross direct impacts.

Figure 4.4: Impact of Baseline (Scenario 1) and Scenario 4

	Baseline (Net Additional Local Impact)	Scenario 4 (Net Additional Local Impact)
Main site home-based employment	7,000 worker-years £200 million wages £700 million GVA	3,000 worker-years £100 million wages £300 million GVA
Associated developments' home-based employment	2,500 worker-years £60 million wages £140 million GVA	No change
Non-home-based employment	£30 million spend at peak £160 million spend in total	£40 million spend at peak £220 million spend in total
Supply chain	£73 million p.a.	£37 million p.a.
Tourism	+£1 million tourist accommodation at peak -£6 million from loss of visitors at peak	+£1 million tourist accommodation at peak -£30 million from loss of visitors at peak

Mitigation Principles

- 4.5.6 The main mitigation actions in response to this scenario will be focused on increasing the capacity of the local labour market and the local business community to engage with the Sizewell C project and other major infrastructure construction projects at the same time, namely: more investment in education and training to maximise the engagement of local home-based workers in the project, and ensure that there are workers available to back-fill any posts in local businesses that are

vacated as workers move into the project; and more investment in supply chain support to maximise the local engagement in the supply chain.

4.6 Scenario 5: Impact of Brexit on Labour Availability

4.6.1 Under this scenario, drawing on research undertaken to inform New Anglia LEP’s consideration of the impact of Brexit, we have assumed that the consequences of Brexit for the local economic impact of the construction of Sizewell C will be fewer available workers in the local labour market.

Impact

4.6.2 The main impact will be on the availability and therefore engagement of home-based labour in the project i.e. fewer home-based workers (both EU Migrant workers and UK nationals) on the project and fewer of resident in Suffolk, and the corollary being more non-home-based workers on the project. This will also involve more displacement of home-based workers from existing employers. There could also be an effect on the potential for local businesses to engage in the supply chain if they too face shortages of labour.

4.6.3 We have assumed that there will be additional provision of campus accommodation if more non-home-based workers are required on the site (which should be an explicit requirement of the DCO permission), and so this scenario does not involve any change in the impact on the tourism sector. However, if no further campus accommodation is provided then there is likely to be greater impact on the tourism sector – both positive and negative.

4.6.4 Note that the figure below presents net additional local impacts rather than gross direct impacts.

Figure 4.5: Impact of Baseline (Scenario 1) and Scenario 5

	Baseline (Net Additional Local Impact)	Scenario 5 (Net Additional Local Impact)
Main site home-based employment	7,000 worker-years £200 million wages £700 million GVA	3,000 worker-years £100 million wages £300 million GVA
Associated developments’ home-based employment	2,500 worker-years £60 million wages £140 million GVA	No change
Non-home-based employment	£30 million spend at peak £160 million spend in total	£40 million spend at peak £220 million spend in total
Supply chain	£73 million p.a.	No change
Tourism	+£1 million tourist accommodation at peak -£6 million from loss of visitors at peak	No change

Mitigation Principles

4.6.5 The main mitigation in response to this scenario will focus on increasing the capacity of the local labour market to engage with the Sizewell C project. This will require more investment in education and training to maximise the engagement of local home-based workers in the project and ensure that there are workers available to back-fill any posts in local businesses that are vacated as workers move into the project.

5 Conclusions and Recommendations

5.1 Introduction

- 5.1.1 This report has considered the positive and negative local economic impacts of the construction of Sizewell C on the economies of East Suffolk and the County of Suffolk. This is a largely rural area, but it has an established energy sector, and is the location of the Sizewell B nuclear power station.
- 5.1.2 The main areas in which local economic impact will be experienced are: home-based employment; non-home-based employment; supply chain, inward investment and innovation; and tourism.
- 5.1.3 These components of local economic impact have then been assembled into five scenarios to consider the overall local economic impact of the construction of Sizewell C: a baseline scenario; a more positive scenario; a more negative scenario; a scenario in which a number of major infrastructure projects are delivered at the same time; and a scenario in which there is constrained local labour availability, for example as a consequence of Brexit.
- 5.1.4 The positive and negative impacts experienced under these scenarios have helped to identify potential areas for mitigation which will help to enhance the positive impacts and minimise the negative impacts, thus increasing the overall local economic benefit of hosting the construction of Sizewell C. The principles or areas for mitigation have been set out in the previous chapter, and the forms of mitigation are considered in more detail later in this chapter.

5.2 Key Impacts

- 5.2.1 The key local economic impact findings set out in the previous chapters are summarised below.

Employment and skills

- 5.2.2 EDF Energy has stated that 25,000 roles will be created throughout the construction process. Although no data is provided for Sizewell C, the total amount of work to deliver the similar Hinkley Point C power station is 50 million person-hours over the construction period. At the peak of the construction period, there will be 2,000 home-based workers and 3,600 non-home-based workers on the site. An additional 500 home-based workers will be employed in associated developments, predominantly the accommodation campus for non-home-based workers.
- 5.2.3 The target of 2,000 home-based workers on the main site is aspirational and challenging, and a recent assessment of the Hinkley Point C project has stated that skills interventions will be needed in order to ensure the supply of suitably skilled workers¹³. Labour markets are currently 'tight' with little spare labour such as the unemployed or inactive. There is a high risk that a number of skilled workers may be displaced from existing local businesses, and these businesses may struggle to replace them, thus negating some of the positive impact from the construction project. Even if workers can be replaced, there will be a cost to the business of recruiting and inducting a new employee and getting them up to speed.

Wages and Gross Value Added

- 5.2.4 An estimate of the impacts of employing home-based workers suggests that this could generate gross benefits of £500 million of wages and £1.3 billion of GVA in the County of Suffolk over the

¹³ Department for Business, Energy & Industrial Strategy (2018) Hinkley Point C Wider Benefits Realisation Plan

build period. When the net additional local economic impact is calculated (taking account of leakage, displacement and the multiplier effect), this is reduced to £200 million of wages and £700 million of GVA in the Suffolk economy over the build period.

- 5.2.5 Non-home-based workers will need to spend on accommodation, food and other services in the local economy. At peak they could spend around £30 million per year in the local economy, or £160 million over the total build period.

Supply chain

- 5.2.6 EDF Energy and its supply chain could spend between £100m and £200m on local and regional supply chain procurement per year (with an estimate of £1.5 billion overall local and regional spend during the construction period). Some of this spend will lead to home-based workers employed on the site, so it could be double-counted with the impacts of employment discussed above. Significant investment is needed to ensure that local businesses are aware of opportunities on the project, and have the necessary skills and experience to win and deliver work on the project.

Innovation

- 5.2.7 Engagement of local suppliers on the project could lead to development of their capabilities and collaboration with upper-tier suppliers, which will both lead to an increased level of innovation and productivity in the local business community. As with the rest of the supply chain, significant investment will be needed to help local businesses to identify suitable opportunities and increase their innovative capabilities. This will require the provision of a nuclear business support services programme, which could be delivered by the Growth Hub, possibly working in collaboration with universities and research institutes. It may also require infrastructure such as office and other workspace to enable collaboration and innovation to take place. At Hinkley Point C a successful energy innovation centre and business support service has been built specifically to support the nuclear new build, which has attracted tenants from throughout the supply chain. There are existing buildings in Suffolk that could fulfil this purpose e.g. the Leiston Enterprise Centre.

Inward investment

- 5.2.8 Supply chain development is likely to include inward investment into the local area. The experience at Hinkley Point C has been that there is insufficient suitable employment land and premises available to accommodate all interested inward investors. Maximising the amount of inward investment in the local area will require suitable support to attract inward investment, and potentially intervention to enable the provision of suitable land premises to accommodate inward investors. This issue needs to be considered in the review of the Suffolk Coastal Local Plan that is currently underway, and the examination of the Waveney Local Plan.

Tourism

- 5.2.9 There are three main areas of impact on the tourism sector in the local area. The first is the use of tourist accommodation by non-home-based workers. Whilst this generates a positive impact at times when the accommodation is not being used by tourists, there is a risk of displacement of tourists at some times of the year if accommodation is taken by workers, which contributes to the second main area of impact, which is the loss of visitors. The positive local economic impact of the use of tourist accommodation by workers could be £1 million per year at the peak of construction.
- 5.2.10 The third main area of impact is the potential for a significant displacement effect of existing tourism industry employees in Suffolk taking jobs at Sizewell C (e.g. in the accommodation campus, as drivers, security, and administrative roles amongst others).

- 5.2.11 A negative impact of the construction project could be a decline in the number of visitors to the local area if they are discouraged from visiting by the construction work. A 1% drop in visitor numbers could lead to the loss of £6 million annually, and a 5% drop in visitor numbers could lead to the loss of £30 million annually.

Cumulative impacts

- 5.2.12 It is possible that one or more other major energy infrastructure projects will be delivered at the same time as the construction of Sizewell C. Strong demand from other projects is likely to reduce the amount of available labour and potentially reduce the number of local businesses that want to engage in the supply chain. Less engagement of local labour could reduce the GVA impact of home-based workers from £700 million to £300 million. However, there would be more non-home-based workers on the site, so their spend could increase from £20 million per annum at peak to £40 million per annum. The local economic impact of supply chain engagement could be halved. A higher level of visitor loss could occur as a consequence of more than one major construction project taking place simultaneously.

Mitigation

- 5.2.13 EDF Energy has provided limited information on the method of construction, including the workforce requirements and local supply chain opportunities. The proposals for mitigations to maximise the positive local economic impact are based on the level of information that is currently available. As more information on the construction process is made available, then more detailed proposals for mitigation can be developed.

5.3 Mitigation Actions

- 5.3.1 The mitigation actions are needed to enhance the positive impacts of the construction project and minimise the negative impacts, thus optimising the overall local economic benefit of hosting the construction of Sizewell C. This will help to achieve the outcomes set out in Scenario 2 – the more positive scenario - discussed in the previous chapter. Many of the mitigation actions will require new financial support for new activities or infrastructure, but some do not require financial investment e.g. updating local planning policy to ensure a suitable supply of employment sites and premises.
- 5.3.2 Most of the mitigation actions need to be delivered well in advance of the construction process e.g. workforce development and local business support to enable supply chain engagement. Some mitigation will be needed throughout the project e.g. continued investment in appropriate education and training, continued investment in business support, and ongoing investment in tourism marketing and promotion.
- 5.3.3 Recommendations on mitigation actions that are needed to do this are set out below.
- 5.3.4 The main areas of mitigation identified through the testing of the scenarios, which is discussed in Chapter 4, are:
- The provision of more information on the delivery of the construction project by EDF Energy, to help local stakeholders to understand the possible impact and design mitigation and responses. The information needed is discussed in more detail in section 5.4, below.
 - Investment in local workforce development, as part of a broader initiative to support the energy and infrastructure sectors, and not just Sizewell C. This involves education and training of local workers to enable them to access employment directly in the project, in local businesses that

supply to the project, and to back-fill any vacancies caused by local workers moving to the project.

- Ensuring that EDF Energy and all supply chain businesses are committed to the recruitment of local workers
- Ensuring that there is recruitment of local workers into higher skilled roles in the project as well as to lower skilled level roles
- Ensuring that there is sufficient campus accommodation to be able to manage the number of non-home-based workers staying in tourist accommodation and that the campus accommodation is built in time. Use of tourist accommodation will generate local economic benefit, but it could also lead to the displacement of tourist visitors to the local area
- Support to local businesses to help them to identify supply chain opportunities and achieve accreditation to be able to win work in the supply chain. This will include investment in innovation support to improve the capabilities of local businesses, and provide them with legacy opportunities
- Investment in attracting inward investors to the local area, in terms of support to potential inward investors, and also encouraging and enabling the delivery of suitable sites and premises to accommodate inward investors
- Investment in marketing and business support to the tourism sector to minimise the loss of visitors to the local area

5.3.5 These areas are discussed in more detail below.

Principles of mitigating workforce and skills issues

5.3.6 Suffolk stakeholders want the Sizewell C construction project to generate employment and economic benefits for home-based workers during the construction period, and also leave a longer-term economic impact of foundational competencies, improved skills and experience which will enable them to follow a sustainable career in related areas such as major infrastructure and energy construction, and the NALEP priority sectors of Energy, Construction and Advanced Manufacturing. This means that Suffolk stakeholders are not just focused on maximising the number of home-based residents employed on the project, but are focused on the skill level of employment that they access and the competencies, skills and experience that they gain from this. Upskilling local residents will be an important legacy benefit of the construction of Sizewell C. Suffolk stakeholders' already stated priorities include:

- Work Inspiration: developing good linkages between education and business to inspire young people to take-up careers in target areas
- Creating apprenticeship opportunities throughout the supply chain
- Ensuring that there is suitable training and education infrastructure in place
- Delivering education and training for the unemployed, those in low skilled jobs and those looking to retrain, to enable them to access jobs on the Sizewell C project and beyond

5.3.7 Working with EDF Energy and its supply chain to achieve these priorities is very important to Suffolk stakeholders.

5.3.8 Suffolk stakeholders recognise that the majority of home-based employment will be with Tier 1 and other contractors and other supply chain businesses rather than directly with EDF Energy. Suffolk stakeholders are keen to work with EDF Energy and its supply chain to prioritise and extend existing actions and strategies that are already in place to develop the construction, energy and

engineering workforce, rather than focusing investment on new initiatives as they have done at Hinkley Point C. This will be more efficient, and also contribute to delivering a sustainable careers legacy for Suffolk residents. It will be important to ensure that any local recruitment and local labour development initiatives agreed by EDF Energy are cascaded through the supply chain, and mechanisms are put in place to deliver these.

- 5.3.9 During the construction period the 25,000 roles required will be temporary in nature (varying in duration from a few days to several years). Upskilling and ongoing training of home-based workers means that they should be able to move from role to role, providing longer-term employment and progression opportunities for these workers. Recycling experienced home-based workers will also minimise recruitment and induction costs for EDF Energy and its suppliers.
- 5.3.10 Suffolk stakeholders recognise the benefits of individuals, across a range of roles, gaining experience as well as training to work on a nuclear construction site. EDF Energy has suggested training some Suffolk residents on the current Hinkley Point C project, developing their skills and experience so that they are ready to work in more senior and higher skilled roles on the Sizewell C project. Suffolk stakeholders support this proposal.
- 5.3.11 Suffolk stakeholders recognise that not all Further Education (FE) leavers will be ready to work directly on the Sizewell C construction site. However, the need to backfill roles vacated by experienced and employed people who move to roles on the project provides an opportunity for FE leavers to gain and develop experience and increase their prospects of moving into employment on the project at a later date.
- 5.3.12 Suffolk stakeholders want the focus of any mitigation to be on progressing local workers into higher skilled roles, e.g. in civil construction and mechanical and electrical engineering, recognising that there will be employment opportunities for lower skilled local people as a direct result of market mechanisms. This will result in the need for training and workforce interventions so that any vacancies created in sectors such as tourism and care are back-filled, avoiding negative impacts elsewhere in the economy.

Specific mitigations for workforce and skills issues

- 5.3.13 An assessment of the employment needs of the Sizewell C project must be undertaken by EDF Energy immediately and then compared to the local labour market, to identify the potential for local labour engagement in the project, and to identify the scale of education and training interventions needed to maximise local labour engagement, including the establishment of apprenticeships. Information must be gathered on the types of skills required, the number of people required, and the broad timing of demand so that education and training responses can be formulated and provided well in advance of the workers actually being needed.
- 5.3.14 EDF Energy is currently collecting data on actual workforce employment at Hinkley Point C, including data on workers' presence on-site. The similarities of the Hinkley Point C project and Sizewell C project means that this data can be used to help to refine the assessment of workforce needs throughout the construction project. This will be an ongoing process, meaning that the assessment of employment needs at Sizewell C will be continually updated.
- 5.3.15 EDF Energy has stated that it will deliver a *Construction Workforce Development Strategy* and an *Education, Skills and Employment Strategy*, which may meet the requirements set out above, but there are no details on these at present. These must be developed in partnership with local stakeholders, to ensure that all education and skills activities undertaken in the local area are

coordinated. EDF Energy is currently (autumn 2018) updating the Workforce Development Strategy for Hinkley Point C, taking account of the changes in the project as it has been delivered. The lessons learned from this update should be applied to a Workforce Development Strategy for Sizewell C.

- 5.3.16 In its Stage 2 Pre-Application Consultation document EDF Energy is proposing to open a jobs service through which contractors and supply chain partners would be required to advertise all vacancies. Supply chain businesses must be held to the same standards as EDF Energy for local worker engagement, as most workers are employed by suppliers and not directly by EDF Energy.
- 5.3.17 There is a minimum target for 400 apprentices at Hinkley Point C, with an aspirational target of up to 1,000 apprenticeships throughout the supply chain, and a target will need to be articulated for Sizewell C. It will be important to ensure that there is a pipeline of new workers coming into the project with appropriate training. Investment in apprenticeships will be important for engaging young people in the Sizewell C project, but also to provide a strong start to their career which will enable them to access longer-term opportunities in the construction and engineering sectors.
- 5.3.18 It will be important to ensure that activity to upskill the local workforce engages those that are unemployed and inactive as well as those already in work. Not all will obtain direct employment on the project, but could take advantage of opportunities in local businesses, or access opportunities in supply chain businesses. This will help to mitigate any displacement issues in the local economy.
- 5.3.19 Experience from Hinkley Point C is showing that the project requirements and labour demand will change over time, and so labour requirements cannot be accurately forecast. Therefore, any mitigation approach needs to be suitably flexible. Local stakeholders are looking at developing broad ‘families’ of skills, which are suitable across a range of major infrastructure and energy projects, and not just focused on the construction of a nuclear power station, enabling local residents to pursue sustainable careers in construction, engineering energy and infrastructure, as discussed above.
- 5.3.20 EDF Energy has invested in a number of mitigation activities relevant to the workforce and local employment at Hinkley Point C. Some, but not all, of these should also be delivered in Suffolk to help to maximise local engagement and local economic benefit. These include:
- A Construction Workforce Development Strategy to develop the skills of local people, helping them to participate in the project and backfill opportunities created in local businesses that lose workers to the project. This will be based on the workforce needs of Sizewell C, and helps to meet EDF Energy’s home-based labour targets, and maximise the local economic impact of the construction project in Suffolk
 - Investment in apprenticeships in construction, civil engineering and mechanical and electrical engineering to help local young people to engage in higher skilled roles in the project and then go on to have a sustainable career in these sectors in Suffolk. This will help to ensure that the benefits of the project are longer-term, and will support Suffolk’s aspirations to grow the energy, infrastructure and construction sectors
 - Establishment of something akin to the Inspire schools’ education programme and Young HPA delivered in Somerset. Suffolk stakeholders are keen to engage young people in STEM subjects, leading to sustainable careers in the priority sectors of energy, infrastructure and construction. Efforts are already being made to do this, and engaging EDF Energy and the Sizewell C project will enhance the activity that is already taking place

- The Hinkley Jobs Service, matching local people seeking work with opportunities at Hinkley Point C and with other local employers and providing support to help people into work. It will be important for local people to work on the project, to meet EDF Energy’s home-based worker targets, and to maximise the local economic impact of the project. A jobs brokerage service will also help to ‘recycle’ home-based workers, thus providing longer-term employment for Suffolk residents, opportunities for up-skilling and progression as workers experience more roles, and this will engender costs savings for EDF Energy as they spend less on subsistence for non-home-based workers, and avoid the productivity cost of getting new workers up-to-speed on the project
- Hinkley Point Training Agency, a network of colleges and training providers that can deliver training for EDF Energy and its supply chain. Rather than creating a new agency, EDF Energy can make use of existing structures that are already in place. EDF Energy is already brokering relationships between Somerset providers who have experience of the Hinkley Point C project and Suffolk providers who will need to support Sizewell C to ensure that lessons learned in Somerset can be applied in Suffolk
- Skills and Apprenticeships Hub to support the delivery of apprenticeships throughout the supply chain, which will help with the sustainable development of a workforce with suitable skills for the priority sectors of energy, infrastructure and construction
- A hub for the National College for Nuclear to ensure that nuclear-specific training is provided locally. This could serve the workforce needs of the proposed Bradwell B power station in Essex as well as Sizewell C in Suffolk

Figure 5.1: Employment and Skills Mitigation Actions

What and Why	Who	Dependencies	When
Assessment of the workforce needs of the Sizewell C construction, based on actual experience at Hinkley Point C, to inform actions to develop home-based workers in Suffolk. Data provided as background to the Stage 2 consultation is out-of-date	EDF Energy to develop an initial assessment, and update this as data is collected from Hinkley Point C	Data will be regularly collected from Hinkley Point C	Immediate development of first draft workforce needs paper. Continual updating as data becomes available from Hinkley Point C
Preparation of a Workforce Development Strategy, to show how home-based workers can be developed to meet the project’s workforce needs, as set out in the action above	EDF Energy with input from the local authorities	EDF Energy is currently updating the Workforce Development Strategy for Hinkley Point C, which will inform the strategy for Sizewell C	As soon as possible, to allow actions to be started to develop the home-based workforce

What and Why	Who	Dependencies	When
Identification of the legacy opportunities in construction, infrastructure and energy in the Suffolk economy, so that sustainable skillsets can be prioritised in the recruitment of home-based workers to Sizewell C	Local Authorities and New Anglia LEP	Must link to key sectors prioritised in the Economic Strategy for Norfolk and Suffolk	Immediately
Workforce development actions must engage those who are unemployed and inactive as well as those already in work, to help move these people into work, and minimise displacement effects on other local businesses	EDF Energy	As above	As above
FE Colleges in Suffolk to work with and learn from FE Colleges in Somerset, in order to provide the training that is needed to help local residents to access employment on the project	EDF Energy is brokering relationships between FE Colleges	N/a	Already underway
Creation of a jobs brokerage service to advertise vacancies to Suffolk workers, supporting efforts to employ home-based workers on the project, and recycle workers with appropriate skills and experience on the project. Supply chain businesses should	EDF Energy to work with the local authorities to establish the service. Supply chain businesses to use the service	Most recruitment will be undertaken by suppliers and not directly by EDF Energy, so this will need to be in place when suppliers start to recruit home-based workers	Once the project's employment requirements are known and timescales for recruitment are known (i.e. once suppliers are contracted), the service should be put in place, allowing reasonable time to recruit and prepare home-based workers

What and Why	Who	Dependencies	When
use this, as well as EDF Energy			
Recruitment of apprentices into the construction process, to engage young people, train them, and set them on the path to a sustainable career (target to be developed)	EDF Energy and its suppliers	Recruitment of home-based apprentices needs to be a contractual obligation (where appropriate) for all suppliers to EDF Energy	As above, this needs to form part of the contracting process between EDF Energy and its suppliers, and must start as soon as suppliers start their workforce preparations
If possible, some Suffolk residents should be engaged in apprenticeship, training and work at Hinkley Point C so that they can develop their experience and move back to higher skilled roles at Sizewell C when it starts	EDF Energy, suppliers, FE Colleges	N/a	Immediately
Supply chain action plan for Sizewell C should ensure that suppliers should meet the same local workforce development and recruitment standards as EDF Energy	EDF Energy and its suppliers in conjunction with Suffolk Chamber of Commerce, local authorities and the New Anglia LEP	N/a	Supply chain action plan needs to be developed immediately

5.3.21 EDF Energy also needs to deliver a supply chain action plan, which must ensure that any suppliers must meet the same standards of local recruitment and local workforce development as EDF Energy.

Delivering campus accommodation

5.3.22 EDF Energy will be directly responsible for the delivery of one or more temporary worker accommodation campuses. There are proposals for the delivery of accommodation for up to 2,400 workers in a temporary campus adjacent to the main site. This will be removed once construction is completed.

5.3.23 The campus accommodation needs to be big enough to satisfy the potential demand and be delivered in advance of need. Campus accommodation has been delivered later than planned at Hinkley Point C, and this needs to be avoided at Sizewell C. Any delay in delivering the campus

accommodation could increase the demand for accommodation in the residential and tourism sectors, and the reduced availability of accommodation could have a detrimental economic impact on visitor numbers and the tourism sector.

- 5.3.24 In addition to campus accommodation, some workers will stay in private rented accommodation. A worker accommodation management system is needed to enable both workers and landlords to efficiently find each other, and efforts must be made to publicise this and encourage use of it. As well as ensuring the efficient uptake of available accommodation, such a service should also enable easy monitoring of the impact of temporary workers on the local accommodation stock, giving early warning of any problems that arise.

Figure 5.2: Accommodation Mitigation Actions

What and Why	Who	Dependencies	When
Delivery of temporary worker accommodation campuses for up to 2,400 non-home-based workers, to reduce the impact on the local accommodation and housing markets	EDF Energy	N/a	After the Final Investment Decision and before non-home-based workers start to arrive on the site. Late delivery will lead to adverse impacts on the local accommodation sector
Worker accommodation management service is needed to enable non-home-based workers and landlords of other accommodation to efficiently find each other	EDF Energy	N/a	As soon as a project start date is known, to enable workers to find appropriate accommodation

Supporting local businesses to access the supply chain

- 5.3.25 At present there is no Supply Chain Strategy for Sizewell C, and one needs to be developed in order to maximise the local supply chain impact.
- 5.3.26 A supply chain strategy will set out the procurement requirements for the construction (and eventual operation) of Sizewell C, and show how local businesses can help to deliver these requirements. This will help to maximise spend in the local area and benefit to the local economy during the construction process, and it will also show how the development of local businesses will lead to legacy benefits, as these businesses are able to export goods and services to other markets after their involvement in the Sizewell C construction project. This will lead to both growth in the short-term, and longer-term sustainable growth, which will help to avoid a ‘boom and bust’ scenario as the construction project comes to an end.

5.3.27 A supply chain strategy should include:

- A procurement plan for the construction of Sizewell C, which shows all of the procurement requirements of the project i.e. the work packages required
- An assessment of which opportunities could possibly be met by local businesses
- An assessment of local businesses' and the local economy's current ability to meet these requirements
- Mapping of the supply chain potential in the local area, which also helps to identify any gaps that could be filled
- A portal which shows local businesses the opportunities that are available, i.e. awareness raising, and helps to link them to these opportunities
- An assessment of areas of mismatch and development needs
- A plan to support local businesses to develop the capability and capacity to access the supply chain opportunities that have been identified, i.e. reaching the accreditation and quality standards that are needed to operate in the supply chain
- A long-term plan for local businesses after the Sizewell C construction is completed, identifying further markets and the support that businesses will need to access these

5.3.28 In an early investment towards maximising local supply chain engagement, a supply chain portal has already been established in the local area, run by Suffolk Chamber of Commerce on behalf of EDF Energy.

5.3.29 This needs to be followed with business support provision to:

- Identify suitable supply chain opportunities for local businesses
- Review the potential of local businesses to access these opportunities, and identify any mismatch in the demand and supply
- Provide support to local businesses to help them to address any weaknesses, enabling them to make credible bids for supply chain opportunities at Sizewell C

5.3.30 A broad range of supply chain support is being delivered by Somerset Chamber of Commerce at Hinkley Point in partnership with EDF Energy, and this is a useful model for supply chain support in Suffolk. A Supply Chain Portal and website has been established, to engage with local businesses that want to be part of the Hinkley Point C supply chain – in this case businesses in Somerset and the South West. A separate website is operated by EDF Energy to advertise all procurement opportunities, with this being aimed at a national and global market rather than focusing purely on local businesses.

5.3.31 The local supply chain website captures details of businesses that are interested in working on the project, then maps their core competencies against the project requirements. These businesses are then kept informed of supply chain requirements and news. Potential suppliers are matched against the known requirements of EDF Energy and its Tier 1 and 2 suppliers. Potential suppliers are made aware of business support that can help them to meet the quality and safety standards that are needed to become part of the nuclear supply chain. The supply chain service works with a number of business support organisations that can help potential suppliers, including the Somerset Chamber of Commerce, the Manufacturing Advisory Service South West, Business West, the Nuclear Advanced Manufacturing Research Centre, the Construction Industry Training Board, the Heart of the South West Growth Hub, other Growth Hubs, chambers of commerce and local authorities.

Figure 5.3: Supply Chain Mitigation Actions

What and Why	Who	Dependencies	When
Development of a supply chain strategy to set out the procurement opportunities of Sizewell C, and show how local businesses can access these opportunities	EDF Energy, working with Suffolk Chamber of Commerce and local authorities	It may be possible to learn lessons from Hinkley Point C and apply them to Sizewell C	An initial draft can be prepared immediately, and refined as the Sizewell C project is developed, and more information is made available from Hinkley Point C
Mapping of the local business community to identify businesses that could possibly engage in the supply chain	Local authorities and Suffolk Chamber of Commerce	N/a	Immediately
Development of the portal that has already been established, to ensure that businesses are aware of the opportunities, and register in order to be able to bid for them	EDF Energy and Suffolk Chamber of Commerce, with upper tier suppliers engaged as they are appointed	N/a	Portal has already been set up. Ongoing development as the project proceeds. Upper tier suppliers to engage as soon as they are appointed
Assessment exercise to see what matches there are between EDF Energy's/suppliers' requirements and local businesses' capabilities, and what actions are needed to bridge these gaps	EDF Energy, Suffolk Chamber of Commerce and Local Authorities	Dependent on EDF Energy completing the procurement plan, and local stakeholders completing the mapping of the local business community	This can take place once the procurement requirements have been identified, and local business mapping has been completed
Plan to provide support for local businesses, to help them to meet the standards and competencies needed to engage in the supply chain	Suffolk Chamber of Commerce, Local Authorities, New Anglia LEP, Growth Hub, FE Colleges, Universities, other training providers	See above	This can start immediately as some development requirements are known, and will need to be refined as the procurement requirements and gaps become more evident

Innovation and collaboration

- 5.3.32 Increased innovation and collaboration as a consequence of the construction of Sizewell C will be supported through the supply chain strategy.
- 5.3.33 There needs to be investment in support to promote greater innovation in local businesses, to meet the procurement needs of the Sizewell C project. This could involve direct business support, and initiatives to help local businesses to engage with further and higher education institutes to support them with innovation. This will form part of the supply chain strategy.
- 5.3.34 There is a need for support to encourage collaboration between local businesses, so that working together in consortia they are in a better position to bid for opportunities on the project. Support should also be provided to help local businesses to collaborate with upper-tier suppliers, again to help them to access opportunities on the project. This will form part of the supply chain strategy.
- 5.3.35 A dedicated innovation centre and business support service has been delivered in Somerset, to provide a focus for both innovation and collaboration. A location or locations in which support can be provided and in which businesses can meet and collaborate will be important in Suffolk. This does not need to be a new building if existing premises are already available and usable (e.g. the Leiston Enterprise Centre). An assessment of the availability of space should be carried out, to determine if there is suitable space available or whether something new is needed.

Table 5.4: Innovation and Collaboration Mitigation Actions

What and Why	Who	Dependencies	When
Innovation and collaboration support should form part of the plan to develop local businesses, set out as an action for supply chain development	Suffolk Chamber of Commerce, Local Authorities, New Anglia LEP, Growth Hub, FE Colleges, Universities, other training providers	This will be driven by the supply chain strategy set out as an action for supply chain development	This can start immediately as some development requirements are known, and will need to be refined as the procurement requirements and gaps become more evident
Ensure that business space is available in the local area, so that businesses and support agencies can meet and collaborate. This space may already exist, in which case it should be advertised to businesses and other agencies. If it does not exist, then new	Local Authorities, New Anglia LEP, FE Colleges	Assessment of existing space, to consider availability and suitability, should be carried out	Immediately, as any further provision will take time to deliver

What and Why	Who	Dependencies	When
provision should be considered			

Inward investment

- 5.3.36 Attraction of, and support for, inward investment will form part of the supply chain strategy. Any inward investment support strategy must be aligned to the priorities set out in the Economic Strategy for Suffolk and Norfolk.
- 5.3.37 As well as marketing and support to potential inward investors, it will be important to ensure the availability of suitable sites and premises, to accommodate inward investors. This means ensuring sufficient allocation of sites and premises in the Local Plan process. Any employment land review and Local Plan development carried out by Suffolk Coastal and Waveney District Councils will need to take account of the needs of the Sizewell C supply chain as well as baseline demand.
- 5.3.38 EDF Energy should be encouraged to invest in a presence as close to the site as possible, within reason, i.e. at Ipswich

Figure 5.5: Inward Investment Mitigation Actions

What and Why	Who	Dependencies	When
Marketing and support for inward investors should be considered in the supply chain strategy. Where possible, this should be part of the marketing of and support for key sectors set out in the Economic Strategy for New Anglia	Suffolk Chamber of Commerce, Local Authorities, New Anglia LEP, Growth Hub, EDF Energy	Particular opportunities for inward investment should be considered within the supply chain strategy	Actions to support the development of the key sectors can take place immediately
A review of the availability of sites and premises to accommodate inward investors should be undertaken, to ensure that there is sufficient availability to accommodate the potential level of inward investors. If there is insufficient availability, then further allocations	Local Planning Authorities	This issue needs to be considered as part of the Local Plan development process	Immediately

What and Why	Who	Dependencies	When
need to be considered in the development of future Local Plans			

Marketing and business support for tourism

- 5.3.39 One of the most significant initiatives to mitigate the potential negative impact on the tourism sector will be delivery of a temporary worker accommodation campus, ahead of when it is needed, to avoid any negative impact on the tourist accommodation and residential accommodation stock if temporary workers take up accommodation that would otherwise be used by tourists and residents.
- 5.3.40 There are already a number of tourism development strategies in place, covering the area that will be impacted by Sizewell C¹⁴. Mitigation of adverse impacts on the tourism sector will involve support to help deliver these strategies, with the aim of increasing visitor spend and maintaining the value of the sector rather than just increasing visitor numbers/addressing loss of visitor numbers. Factors that will discourage visitors are likely to include traffic congestion, disruption (e.g. noise or visual), and the lack of tourist accommodation. These factors will need to be addressed by these strategies.
- 5.3.41 It will be important to invest in tourism marketing, to counter any negative perceptions of the construction project and impacts on the local tourism brands. This is best delivered through enhancing the marketing carried out by the Suffolk Coast DMO and Visit Suffolk. A dedicated visitor centre for the construction process could help to enhance the visitor offer in the local area.
- 5.3.42 It will also be necessary to invest in business support for the tourism sector. This could mean additional resources for the New Anglia Growth Hub to provide dedicated support to the tourism sector. Investment in training may also be needed, to help to backfill any vacancies that emerge if workers move from the tourism sector to the Sizewell C project. This could form part of the workforce development strategy and approach that is developed.
- 5.3.43 Action should be taken to raise awareness of local leisure and tourism opportunities to non-home-based workers who are staying in the local area. Workers will have some leisure time, and it will be a boost to the tourism sector if they make use of local facilities and services.
- 5.3.44 Any investment in mitigation should be made in advance of tourists being lost to the local area. There has been early investment in support for the tourism sector in Somerset, related to the potential impact of Hinkley Point C. Anecdotal and qualitative evidence suggests that this has been successful and there is no indication of negative impacts on the local tourism sector so far.
- 5.3.45 Whilst the tourism sector is likely to be most affected during the construction period rather than during operation, it is worth considering the potential long-term consequences. Concerns have been raised that tourist accommodation providers may rely on achieving high occupancy levels by accommodating workers during the construction period, and either decide not to invest in the maintenance of their property, or even seek to exit the business after the construction project has

¹⁴ Suffolk Coastal and Waveney District Councils (2017) East Suffolk Tourism Strategy 2017 to 2022; URS for Suffolk Coast & Heaths AONB and the Suffolk Coast DMO (2013) The Suffolk Coast Tourism Strategy 2013 to 2023; Suffolk County and District Councils (no date) Suffolk Growth Strategy

completed. This could lead to a longer-term degradation in the quality and quantity of tourist accommodation stock that is available. Monitoring is needed to see if this is happening, and if it is then action should be considered.

Figure 5.6: Tourism Mitigation Actions

What and Why	Who	Dependencies	When
Ensuring the timely delivery of the temporary worker accommodation will help to minimise any adverse impact on the tourist accommodation stock,	EDF Energy	N/a	After the Final Investment Decision and before non-home-based workers start to arrive on the site. Late delivery will lead to adverse impacts on the local accommodation sector
Support existing tourism development strategies to raise awareness of leisure and tourism opportunities through increased marketing, increase visitor spend and maintain the value of the sector to the local economy	Funding from EDF Energy to support the delivery of strategies by the Suffolk Coast DMO, Visit Suffolk, and possible involvement of the local authorities	N/a	Immediately, to tackle any adverse perceptions of the construction process early on
Possible investment in a visitor centre related to the construction and operation of Sizewell C	EDF Energy	N/a	Immediately
Business support for the tourism sector, to help existing businesses to capture any positive impacts and react to any adverse impacts	Funding from EDF Energy, channeled through the Growth Hub, FE Colleges and other training providers as part of a business support service to all relevant sectors	N/a	Immediately

5.4 Gaps in Information and Data

5.4.1 There is a need for more information on the construction project in order to develop a better understanding of the possible impacts, and the mitigations needed to maximise the local economic benefits. The main gaps in the data are set out in the tables below.

Figure 5.7: Gaps in Information on Employment and Workforce

Gap	Benefit of Filling the Gap
Baseline	
Need for more data on how many people in the local area are available, want to work on the project, and have the required skills and experience necessary to do this.	Understanding the potentially available workforce will give a better idea of the likelihood of meeting local recruitment targets, and informing mitigations to minimise the negative displacement impact on other local businesses
Impacts	
Need for breakdown of the 25,000 work opportunities into skill areas and type of jobs	This will help with understanding the potential for local residents to engage in the project, and identify what skills and experience they will need in order to do so
Confirmation of total number of workers on the project. Are the 25,000 opportunities based on the main site only, or do they include opportunities on associated development sites?	Understanding the total number of opportunities in the local area will help with understanding the potential for local residents to engage in the project, and identify what skills and experience they will need in order to do so
How long will these roles last, and what is the equivalent total employment in construction worker years?	This will help in determining the opportunities for local residents, and also in assessing the potential local economic impact of non-home-based workers' spend in the local economy
Greater clarity on when roles will be available and what skills are needed to fill them?	This will help with understanding the potential for local residents to engage in the project, and identify what skills and experience they will need in order to do so
Consideration of whether there is scope to employ more local people in higher value areas of the project without causing displacement in local businesses, and the negative impacts of this?	This will help with understanding the potential for local residents to engage in the project, and identify what skills and experience they will need in order to do so. It will also help to ensure that displacement of workers from local businesses is minimised
How many home-based workers are expected to be previously unemployed, economically inactive, apprentices, and new entrants to the labour market? Therefore, how many are likely to be displaced from other local businesses?	This will help with understanding the potential for displacement of workers from local businesses, and ensuring that this is minimised

Gap	Benefit of Filling the Gap
Proper consideration of the potential negative impacts of displacement	Avoiding negative impacts of staff displacement from local businesses is critically important to maximising the local economic impact of the project. This is a high risk given the 'tightness' of the local labour market
How much are non-home-based workers expected to spend in the local area? On what?	This will help to inform a calculation of the potential economic impact of non-home-based workers in the local area, and could help to shape mitigations to maximise this economic impact
Mitigation	
Need to agree what should be included in the economic strategy for the development	The detail of the economic strategy will be important for understanding what mitigations will be delivered to help to maximise the local economic impact
Need to agree what should be included in the construction workforce development strategy	The detail of this strategy will be important for shaping the potential for local residents to obtain a job on the project
Need to agree what should be included in the skills, employment and education strategy	The detail of this strategy will be important for shaping the potential for local residents to access employment opportunities on the project

Figure 5.8: Gaps in Information on Supply Chain

Gap	Benefit of Filling the Gap
Baseline	
Review of the capabilities and potential of the local businesses which have registered on the Sizewell Supply Chain portal	It will be important to understand the current level of engagement in the supply chain portal, and to consider how this can be maximised
How many of these have the necessary skills, experience and accreditation to be able to win some work on the project?	It will important to understand how many local businesses have the potential to win supply chain contracts, and what they need to do in order to be able to do this
How many businesses are capable of developing the skills, experience and accreditation to be able to win some work on the project?	It will important to understand how many local businesses have the potential to win supply chain contracts, and what they need to do in order to be able to do this
Have any local businesses undertaken any work at Hinkley Point C or any other nuclear new build projects?	This will give an idea of how many local businesses are already in a strong position to win supply chain work
Impacts	

Gap	Benefit of Filling the Gap
Need to identify how much supply chain spend there is likely to be in the local area that is distinct from the spend on local labour? Is it possible to identify the spend on local goods and services?	In assessing the local economic impact of the project, and considering what mitigation can be put in place to maximise this, it will be important to avoid double-counting potential local impacts
What is the local area of impact for the projected local supply chain spend? Is it Suffolk, Norfolk, or the entire East of England?	It is important to understand how much benefit is likely to accrue in East Suffolk, the county of Suffolk, and further afield. This will help to shape mitigation actions to maximise the local impact
How much inward investment is expected in the local area as a consequence of the project?	Understanding the potential for inward investment will help to shape the actions that are needed to maximise the attraction of inward investors and local economic impact of their activity
Mitigation	
What actions is EDF Energy undertaking to maximise the supply chain spend in the local area?	Understanding what EDF Energy is currently proposing to do will inform the further mitigation activity that is needed
What actions are proposed to help local businesses to develop in order to access supply chain opportunities?	Seeing the detail of EDF Energy's proposals will be important for shaping the case for further actions and mitigation

Figure 5.9: Gaps in Information on Tourism

Gap	Benefit of Filling the Gap
Impact	
Further details are needed on EDF Energy's proposals for a visitor survey. We understand that EDF Energy is planning a visitor survey in 2019	Given the sensitivity of the tourism offer in East Suffolk, it will be important to understand the actual impact on visitor numbers, and consequently the economic impact on the tourism sector. Data being reported in Somerset is not particularly helpful in assessing the actual local economic impact
Mitigation	
What proposals does EDF Energy have for mitigating any negative impact on tourism in the local area? Is EDF Energy proposing to mitigate any negative impacts on tourism?	Given the sensitivity of the local tourism offer, there needs to be a mitigation proposal in place to avoid adverse local economic impact
More detail needed on the potential for the use of caravans to accommodate non-home-based workers. What impact will this have on the existing capacity to accommodate visitors	Understanding the use of caravans will help to understand the impact on other types of tourist accommodation, and also the risk of displacement of existing visitors in caravans

Gap	Benefit of Filling the Gap
in the local area e.g. will these displace tourists, or are the proposals additional?	
More detail needed on the proposals for a visitor centre at Sizewell C	A visitor centre could lead to additional visitors and local economic impact. More detail will help to inform an assessment of this impact

5.5 Next steps

This report has been prepared in response to EDF Energy's Stage 2 Consultation and the supporting documents that were produced in advance of that. Given the limited information available about the local impacts of the project, proposals for mitigations to enhance the local economic impact of the project are not yet fully worked up. As more information to inform the local economic impact is made available, more detailed responses can be developed. This is an iterative process, which will be continued throughout the Stage 3 Consultation.

Appendices

Appendix 1: Local Economic and Planning Context

Appendix 2: Lessons from Other Projects

Appendix 3: Expected Areas of Local Economic Impact

Appendix 4: Employment and Skills Baseline

Appendix 5: Employment and Workforce

Appendix 6: Supply Chain

Appendix 7: Tourism

Appendix 8: Impact of Cumulative Projects

Appendix 9: Local Economic Impact Scenarios