

Summary Economic Statement Response

Written Representation Stop Sizewell C

In summary the report by Development Economics <https://developmenteconomics.co.uk/> “reveals multiple areas where EDF’s claimed benefits are over-optimistic, unproven or misleading, frequently omitting evidence to support its figures or relying on “erroneous analysis”. It concludes, critically, that EDF’s Economic Statement “fails to meet the minimum requirements of the legislation”, with no serious attempt to measure the deterrent effect on tourists and their expenditure, traffic congestion or competition for skills and labour. The National Policy Statement EN-6 requires that applicants for major nuclear energy projects take into account ‘*potential pressures on local and regional resources, demographic change and economic benefit*’. [paras 3.11.3 and 3.11.4]¹

Key findings:

Employment: the report states that EDF’s claim of up to “2,410 jobs for Suffolk residents” in fact includes those travelling from up to 90 minutes away, which covers large population centres in Norfolk and Essex. These “local” workers will be the overwhelming source of lower skilled roles, expected to fill 90% of roles in “Site Support” eg cleaners, bus drivers and security guards, compared to only 8% of roles in “Professional and Management’. At peak construction 76% of the workforce will come from further away still, so will have to be accommodated in the area.

EDF intends to recruit up to 725 workers from existing businesses in the area, dismissing this as “normal labour market churn”. The report says that this ignores the negative impacts on local businesses, “threatening both profitability and, in some cases, viability of these businesses.” Sizewell C is unlikely to have a significant impact on local unemployment. Development Economics believes that targets of hiring “up to 480 unemployed or economically inactive workers” locally are over-ambitious. Based on the lack of success at Sizewell C’s twin project at Hinkley Point C, where EDF has barely reached a quarter of the target, the consultancy believes “recruitment of the unemployed will struggle to reach 125”.

Tourism: The report points out that EDF’s own studies show that 29% of visitors are less likely to return to the area if Sizewell C goes ahead and 39% would visit the area less

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/47859/2009-nps-for-nuclear-volume1.pdf

often, but EDF has not attempted to assess the impact of these reductions. Even allowing for a curious 13% of potential visitors who say they might visit more often, EDF's surveys suggest a net 16% loss in visitors. 2019 tourism figures for the Suffolk Coast & Heaths AONB published on 3 September 2020 record growth in overnight stays, numbers of jobs and an increase in the value of tourism to over £228m/year. These figures suggest that the findings of the DMO survey in 2019 – that predict losses of £24-40 million/year and 400 jobs – will if anything be an underestimate of the true impact on tourism; with EDF's estimate of £2 million a year in income from workers staying in tourist accommodation during the build insignificant by comparison.

Supply chain opportunities: The report finds that EDF's claims that £125 million per annum of project spend will benefit local Suffolk and Norfolk suppliers, as has been the case at Hinkley Point C, "*simply does not stand up to scrutiny*". The Hinkley figures cover the whole of the South West of England and much of South Wales, with five times the number of businesses and workforce of Suffolk and Norfolk combined.

The report also points out that EDF intends to re-deploy Hinkley's established nuclear supply chain to save time, money and to minimise risk, so "Suffolk and Norfolk businesses are at an immediate disadvantage when bidding for... contracts since EDF will rely on its [Hinkley] contractors who have the experience to build Sizewell C". These findings were consistent with the Nuclear Industry Association's report published 2 September 2020² that stated "*The supply chain that is serving Hinkley Point will also be in a strong position to bid for and win work with other developers in the UK*".

Traffic: The report is scathing about how EDF's Economic Statement does not even consider, let alone estimate, the effect of the huge and well-known increases in truck and car traffic and congestion caused by up to 12,000 extra vehicles a day will have on business deliveries, journeys to work and customer access. EDF claims to have adopted the "integrated" transport strategy in response to feedback at Stage 4 consultations, but in fact predicted HGV numbers are as high as under the "road led" strategy.

Development Economics concludes that the lack of any serious attempt to quantify the financial consequences of Sizewell C's impact on tourism means that EDF's assessment of this sector is totally insufficient and fails to meet the Government's minimum requirements in its National Policy Statement EN-6.

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