

## 18.0 SOCIO ECONOMIC

### Introduction

- 18.1 This Chapter has been produced to provide a complete assessment of the impact of the Proposed Development on the human population that live and work within, or in close proximity to the Application Site. The Application Site falls within the County of North Yorkshire and crosses the boundaries of the North York Moors National Park and Ryedale District. The purpose of this Chapter is to identify the existing social and economic conditions in proximity to the proposed development and to assess the scale and significance of any resultant socio-economic impacts of the proposed development on North Yorkshire as a whole as well as the North York Moors National Park and Ryedale.
- 18.2 This analysis not only considers the existing socio-economic conditions but also the potential of the Proposed Development to facilitate both direct and indirect employment in the local area. The following analysis seeks to measure the impact of the proposals on the economy and on employment, as well as the more indirect social impacts on the local community. The methods used to assess the likely significant effects are described within this Chapter including: the baseline conditions currently associated with the proposed development site and surrounding area; the likely significant effects of the proposals; the mitigation measures required to prevent, reduce or offset the likely significant effects; and the likely residual effects.

### Planning Policy Context

- 18.3 The planning policy context is set out in national, regional and local planning policies, the main elements of which are summarised below. A more detailed assessment of the planning policy is set out in the Planning and Sustainability Statement which accompanies the planning application.

### National Energy Policy

- 18.4 The Energy White Paper, *Meeting the Energy Challenge – A White Paper on Energy* (2007) sets out the UK Government's current international and domestic energy strategy for the country. The Paper seeks to respond to the two long term energy challenges, namely tackling climate change by reducing carbon emissions and ensuring secure, clean and affordable energy as the UK becomes increasingly dependent on imported

fuel. To manage the potential risks associated with higher imports of fossil fuels, the White Paper stresses the need to maximise the economic production of the UK's domestic energy sources.

- 18.5 Chapter 4 of the White Paper outlines the Government's strategy for the improvement of the regulatory and policy framework to ensure the economic recovery of the UK's fossil fuel reserves. This strategy seeks to maintain the competitiveness of the UK's gas and oil production by encouraging a high level of investment in new infrastructure and to maintain a supportive environment that attracts a wide range of companies to exploit existing and prospective fields.

#### *National Planning Policy*

- 18.6 Relevant national planning policy is set out in the various Planning Policy Guidance (PPG) notes, Planning Policy Statements (PPS) and Mineral Policy Statements (MPS).
- 18.7 In regard to proposed minerals applications, MPS1 stresses that in the short-medium term the aim should be to 'maximise the potential of the UK's conventional oil and gas reserves in an environmentally acceptable manner'. MPS2 reemphasises the importance of environmental protection and advises effects on local communities, environmental damage or loss of amenity must be kept to an acceptable minimum through design proposals.

#### *Regional and Local Planning Policy*

- 18.8 The Regional Economic Strategy (RES) sets out the economic vision for Yorkshire and the Humber which seeks to achieve the goals of sustainable development. In order to realise this vision one of the Strategy's objectives for the Region is to 'enhance transport, infrastructure and the environment'. Paragraph 3.110 of the RES states that to ensure effective energy investment regional solutions should include 'localised generation, storage and distribution'. Policy ENV 4 of the Regional Spatial Strategy (RSS) also seeks to promote energy security through the encouragement of plans, strategies, investment decisions and programmes that safeguard mineral deposits and provide for a steady supply of minerals

#### *Baseline Socio-Economic Conditions*

- 18.9 North Yorkshire is England's largest rural county with a population of approximately 599,000 covering 7,770sqkm. The County is characterised by a varied landscape which

includes two National Parks and approximately 75km of coastline which borders the North Sea. Outside the major urban centres of York, North Allerton, Whitby and Harrogate the County is predominantly rural and the local settlement pattern comprises of a network of towns, villages, remote residential properties and farmhouses linked by classified roads, minor roads and tracks.

- 18.10 Like many counties, North Yorkshire has felt the effects of the recent recession with a decrease in Gross Domestic Product (GDP) and a rise in unemployment. However during this economic downturn North Yorkshire performed well in comparison to other areas of the country with the rate of unemployment remaining at 4.5% between 2008 and 2009 which is approximately 2.1% below the national average. This relatively strong economic position is attributed to a number of factors including growth in industries such as digital media, the financial services and a well established tourism sector.
- 18.11 The District of Ryedale lies to the north of York and is one of the largest districts within North Yorkshire covering approximately 1490sqkm. The District is mainly a rural area but includes market towns such as Pickering and Malton with good public transport links to larger urban centres via buses and the local railway network. In contrast to these larger settlements, it is recognised at both the local and regional level that rural areas have poorer transport links and greater levels of infrastructure investment is required.
- 18.12 According to the Office for National Statistics (ONS) Mid-Year Population Estimates (2007), the District has a population of approximately 53,000 of which a high percentage comprises older people over the age of retirement. In terms of the local economy, the district has traditionally focused on agriculture. However, the food and drink industry, engineering and tourism sectors are now highlighted as major employers. According to the adopted Ryedale Local Plan it is this diverse employment base which helps to maintain the District's relatively low unemployment levels. The District ranks as 255<sup>th</sup> out of the 354 in England in the Indices of Multiple Deprivation 2007 (Department for Communities and Local Government, Index of Multiple Deprivation 2007).
- 18.13 Although unemployment is consistently low in the District, a number of issues are highlighted as areas of concern for Ryedale's local economy. The Ryedale Annual Monitoring Report (AMR) 2009 indicates that the main challenges facing the District are an aging population, declining agriculture and manufacturing sectors, below average household incomes and low educational attainment. Despite the wards of Malton and Norton West having high levels of income, in 2003 the Regional Intelligence Network found the average household income in Ryedale to be the second lowest (£24,035)

across the sub-region of York and North Yorkshire. Recent census data has also highlighted concerns over education with findings showing that in Ryedale 30% of people aged between 16 and 74 did not possess any qualifications.

- 18.14 The North York Moors National Park covers an area of approximately 1,436sqkm. The Park was designated for its 'intrinsic merits as an area of beautiful and unspoilt country and magnificent coast with a wealth of architectural interest', (Hobhouse Report 1947). The North York Moors National Park is characterised by the largest tract of open heather moorland in England. According to the 2001 Census 23,939 people live within the Park boundary, which is made of 112 parishes. In similarity to Ryedale, the National Park has an ageing population with the 2001 Census data showing an imbalance between older and younger generations. The age structure of the populations of North Yorkshire, Ryedale and the North York Moors National Park are shown in **Table 18.1**.

**Table 18.1: Age Structure of Population (%) 2001**

	North Yorkshire	Ryedale	North York Moors National Park
0-15	19%	19%	17%
16-29	14%	13%	11%
30-44	22%	20%	19%
45-59	21%	22%	26%
60-74	15%	17%	18%
75-89	8%	9%	8%
90 +	0.8%	0.9%	0.7%

(Source: ONS, 2001 Census)

- 18.15 With the exception of the recent economic downturn over the past decade, the National Park has experienced very low levels of unemployment. The National Park's socio-economic structure is very much tied to the landscape with farming and forestry playing a significant role in the local economy, although tourism is now the largest employment sector. Like Ryedale, one of the main economic challenges facing the National Park, will be in the context of an ageing population and the need to encourage sustainable employment opportunities.

#### *Current Population Situation*

- 18.16 The County's population increased by 27,900 between 1991 and 2001 with the 2001 Census figure standing at 569,660. According to the ONS 2007 Mid-Year Population

Estimates, Ryedale has a population of 53,300, which accounts for approximately 9% of North Yorkshire's total population.

- 18.17 The North York Moors National Park covers areas also falling with the following Districts and Local Authorities: Scarborough; Ryedale; Hambleton; and Redcar and Cleveland. Although the Park covers a vast area, it is sparsely settled and therefore the 2001 Census figure stands at 23,939 (ONS, 2001 census).
- 18.18 The proposed development falls within the ward of Thornton Dale. The total population and the percentage of males and females within Thornton Dale and the adjoining wards are detailed in **Table 18.2**

**Table 18.2: Ward Population Information for 2001**

Ward	2001 Population	Males	Females
Thornton Dale	3,311	1,595	1,761
Derwent Valley	4,529	2,180	2,349
Rillington	1,734	874	860
Pickering East	3,335	1,558	1,777
Amotherby	1,809	896	913
Pickering West	3,511	1,655	1,856
Cropton	1,502	758	744
Esk Valley	4,271	1,983	2,234
Fylingdales	2,252	1,083	1,169
Scalby, Hackness & Staintondale	3,953	1,879	2,074
Sherburn	1,882	955	927

(Source: ONS, 2001 Census)

- 18.19 According to the ONS Mid-2007 to Mid-2008 Population Estimates, the population of England grew by 0.7% (equivalent to an increase of just over 354,200 people). Out of all the English regions Yorkshire and the Humber experienced the 4<sup>th</sup> highest population increase in percentage terms with a similar 0.7% rise in population (equivalent to an additional 36,000 people). In contrast to the metropolitan counties of South Yorkshire and West Yorkshire, North Yorkshire experienced the lowest level of population growth at 0.6 percent. Being a largely rural District, Ryedale in comparison to neighbouring authorities such as York also experienced a relatively low percentage increase in population at 0.4% (equivalent to an additional 100 people). However this relatively slow rate of growth is predicted to change with the ONS Mid 2006 Based Population

Estimates indicating a percentage increase of 21% in Ryedale between 2009 and 2031, in comparison to the 19% increase as provided for in Yorkshire and the Humber as a whole. With the statistics indicating that Ryedale will experience an increase in the rate of population growth, which will exceed regional growth, spatial plans and strategies at both the regional and local level highlight the need to encourage the development of a diverse economic base which is able to support future populations.

- 18.20 In terms of age structure the ONS Mid Year Population Estimates indicate that Ryedale experienced a 9.9% rise in people over the age of 60 between 2001-2007, whilst in contrast, the proportion of people below 15 years of age declined by 2.1%. In comparison to other districts across the region, the rural districts of Craven, Hambleton Scarborough and Ryedale have the highest percentage of older people and, according to population projections, this age imbalance is set to increase. The age structure of the North York Moors National Park is also characterised by a high proportion of people over the age of retirement, and like Ryedale District Council the North York Moors National Park Authority is trying to develop spatial strategies that will address the socio-economic challenges associated with an ageing population, such as the provision of new infrastructure.

#### *Current Employment Situation*

- 18.21 With the exception of the recent economic downturn, in the last decade North Yorkshire has been characterised by a period of significant growth. This growing economy has been signified by increases in the Total Gross Value Added (GVA), one of the standards measures used to calculate the total size of the economy. According to the ONS Mid Year Population Estimates in North Yorkshire, GVA increased by 46.3% between 1998 and 2006, reaching £9.2 billion. This percentage increase is just lower than national growth (49.7%) but higher than regional growth as a whole (43.9%).
- 18.22 The data obtained as part of the 2009 ONS Annual Population Survey indicates that Ryedale has a current working population of approximately 30,800 of whom approximately 24,600 are economically active, which is above the regional average. Despite the current economic context, over the last decade Ryedale and the North York Moors National Park has been characterised by low levels of unemployment. As demonstrated by **Table 18.3**, these unemployment figures are well below both the national and regional average.

**Table 18.3 Headline Unemployment Rates 2008 - 2009**

Area	Rate (%)
Craven	3.9
Hambleton	4.1
Harrogate	4.3
Richmondshire	4.3
Ryedale	4.2
Scarborough	6.7
Selby	5.9
North Yorkshire	4.8
Yorkshire and the Humber Region	7.6
Great Britain	6.9

(Source: ONS, Labour Market First Release)

- 18.23 The labour market profiles for Ryedale available from Nomis indicate that 72.7% of the work force is employed on full time basis which is above both the regional and national levels. The 2001 Census demonstrates that the North York Moors National Park is in a similar position to Ryedale in that the numbers of full time workers are well above the national average. The only noticeable difference is a higher percentage of part-time workers in the North York Moors National Park at 29.2%, which according to in the North York Moors National Park Core Strategy is partly attributed to a 'pattern of seasonal employment' with more jobs in the tourism sector during the summer months.

#### *Sectoral Structure of the Economy*

- 18.24 In 2003, the York and North Yorkshire Inward Investment Board reported that there were approximately 2,569 businesses operating in Ryedale of which 86% employ 10 people or less. However the same survey indicated that some 2% of organisations employ 50 or more people, accounting for 41% of total employees within Ryedale. Although the area has traditionally focused on agriculture the largest single sector in both Ryedale and the North York Moors National Park is tourism related and is defined by Nomis as distribution, hotels and restaurants. This sector is especially important to the North York Moors National Park with 9.3 million visitor days spent in the Park in 2005 when expenditure reached £298m (North York Moors National Park Core Strategy and Development Plan Policies, 2008). Within the Park tourism is largely based on the natural attractions including the scenic views and walks, the natural amphitheatre of the Hole of Horcum and the coastal villages such as Robin Hoods Bay and Staithes.

18.25 In addition to tourism, other major employment sectors in Ryedale include manufacturing, logistics & transport and the public services sector. At both a regional and local level it has been recognized that the area as whole is benefiting from being one of the country's fastest growing digital industries generating nearly £3bn for the regions economy and employing nearly 80,000 people. Furthermore this specialist cluster is predicted to grow by nearly two thirds by 2012. Figures indicating employment by sector at a national, regional and local level are provided in **Table 18.4**.

**Table 18.4 Persons Employed by Broad Industrial Sector (%) 2007**

	England	Yorkshire and Humber	North Yorkshire	Ryedale
Agriculture and Fishing	0.2	0.2	0.7	1.0
Energy and Water	0.5	0.5	1.0	0.3
Manufacturing	10.7	13.7	13.7	17.5
Construction	4.8	5.4	5.4	5.6
Distribution, Hotels and Restaurants	23.6	23.5	27.7	20.3
Transport and Communications	6.0	5.7	5.6	20.9
Banking, Finance and Insurance	22.5	17.9	15.3	9.6
Public Administration, Education and Health	26.4	28.7	25.3	16.9
Other Services	5.2	4.4	5.3	7.9

(Source: ONS, Annual Business Inquiry 2008)

18.26 A major area of concern, which is highlighted in the most recent AMR (2009), is that across Ryedale the workforce employed within manufacturing and agriculture is well above the national average and these sectors are forecast to decline in the future. Altogether the energy, water and construction industries only account for 5.9% of the employment sector there is a need to diversify the economy of the district by stimulating new and existing growth sectors.



*Promoting Economic Development*

- 18.27 Yorkshire Forward is the regional development agency for the Yorkshire & Humber region. Assisted by bodies such as the Yorkshire and Humber Learning and Skills Council, Yorkshire Forward is charged with the task of promoting economic development across the region.
- 18.28 In 2006 the Regional Development Agency published the Regional Economic Strategy (RES) which covers the period up to 2016. This document provides a common set of priorities for the region which is to help businesses, public agencies, voluntary groups and communities to focus their investment and effort on what will really make a difference for Yorkshire & Humber. It explains what the region needs to do to grow its £87bn economy, how this will be done, and who will be responsible for making it happen.
- 18.29 Whilst the economy of North Yorkshire has a fairly prosperous profile with low unemployment and a preponderance of small to medium sized businesses, it is recognised that the world economy and the rest of the UK has continued to grow, actually widening the gap between the English regions. At district level an area of concern for Ryedale is the obvious bias towards a declining manufacturing sector, which is making communities increasingly susceptible to macroeconomic changes in the global economy. Accordingly the Regional Economic Strategy has ten economic targets which are summarised below:
- 1) Increase GDP faster than main competitors;
  - 2) Raise the Employment rate from 74.4% in 2004 to 78%-80% - equating to around 155,000 – 200,000 net extra jobs;
  - 3) Raise GVA per worker by 25-30% from £28,300 in 2003 to between £35,000 - £37,000 (GVA per workforce job);
  - 4) Increase total business stock by 25%;
  - 5) Raise % of people with NVQ level 2 or equivalent or higher to 80%;
  - 6) Achieve real terms increase in transport investment in the region;
  - 7) Raise total private sector manufacturing and services investment by 50% from £5.3bn in 2002 to £8bn;
  - 8) Significantly above trend improvement in regional quality of place index for renaissance cities and towns;
  - 9) Reduce greenhouse gas emissions (CO<sub>2</sub> equivalent) by 20-25% over 1990 baseline; and

10) Cut the % of local 'super output areas' in the region in the 10% most deprived nationally from 16% (in 2004) to 13% - halving the gap to national average.

18.30 The Yorkshire and Humber Learning and Skills Council (LSC) are also committed to promoting economic growth and prosperity through effective training and enterprise. LCS's role is focused upon the County's ongoing economic development, in partnership with other organisations, to strengthen the skills base in Yorkshire and assisting local business to expand and increase their competitiveness.

18.31 In 2008, the LSC published their Annual Plan for North Yorkshire in which they defined the major challenges faced in the area in learning and skills. Although the County's attainment levels at NVQ Level 2 and above are better than national comparators the Annual Plan stresses that a significant 13% of the working age population have no qualifications. To raise the skills set of the residents in North Yorkshire the Annual Plan set out four priorities which are outlined below.

- Raise the quality and improve the choice of learning opportunities for all young people;
- Raise the skills of the nation, giving employers and individuals the skills they need to improve productivity, employability and social cohesion;
- Raise the performance of a world class system that is responsive provides choice and is valued and recognised for excellence; and
- Raise the contribution to economic development locally and regionally through partnership working.

#### *Predicted Socio-Economic Impacts*

18.32 The Ryedale Gas Project represents a major development with a construction period of approximately 18 months and an operational life of approximately 20-25 years. The capital cost of the project is over £50million and incorporates all of the proposed elements which broadly consists of the two underground pipelines, the Gas Processing Facility and AGIs. In light of this scope of works, the proposed development will have significant local economic benefits via direct employment during the construction period and indirect employment in servicing and maintenance of plant machinery when the various sites are in operation. From a wider perspective the proposed development will also contribute to national and regional energy needs whilst also helping to reduce the national dependency on imported fuel.

*Gas Supply*

18.33 Security of supply is becoming more important as the UK becomes increasingly reliant on the importation of gas from overseas to meet national demand. In the context of increased competition for energy resources, the exploitation of reserves within the UK will have the following significant national benefits for domestic, commercial and industrial gas:

- Security of supply especially during periods of peak demand;
- Maximising economic production from the UK's domestic fossil fuel reserve to help reduce the dependency on energy imports; and
- Investment in new gas infrastructure which will provide national benefits that will also be shared by all localities.

18.34 A more detailed explanation of 'need' is set out in Chapter 5 of this ES and in the Planning, Sustainability and Need Statement that accompanies the planning application. It is considered that the Proposed Development would have strategic, long term benefits to industrial, commercial and domestic gas and electricity consumers through improved security and reliability of gas supplies.

**Direct Employment***Construction Workers*

18.35 The construction period for the proposed development would last approximately 18 months with peak activity occurring after 6 months of commencement. During this peak period of construction it is estimated that the development would provide direct employment for up to 150 construction workers.

18.36 The building of the proposed development would be overseen by specialist contractors who would be fully responsible for the supply, erection and commissioning of the Proposed Development. Moorland Energy operates a non-discriminatory employment policy but will seek to recruit suitably skilled and qualified local staff where appropriate available for the construction and maintenance of the Proposed Development. Where appropriate, the main construction contractor would also encourage and assist its subcontractors in the promotion of relevant training where this would help to advance the employment prospects of local workers.

18.37 In terms of local employment generation an analysis of baseline data indicates that the Proposed Development is likely to reduce Ryedale's dependency on the manufacturing industries through the stimulation of other sectors such as construction and engineering. Given the continuing long term decline in the numbers of job opportunities in manufacturing and agriculture there is likely to be a growing pool of indigenous labour supply available in Ryedale for these semi-skilled activities, whom may otherwise need to travel outside of the district and county for such employment. This suggests that potentially a significant percentage of employees can be recruited locally.

#### *Operational Staff*

18.38 On completion, operation of the development would generate employment for approximately 20 workers, including a site manager. Maintenance of plant machinery, the pipeline and associated elements including roads, fences and landscaped areas would also generate employment on a regular basis throughout the lifetime of the development.

18.39 Moorland Energy plans to introduce an apprenticeship scheme at its proposed Gas Processing facility. Discussions will be held with local technical colleges to design and implement such a scheme. Moorland Energy anticipates that each working shift would require at least one apprentice.

#### *Indirect Employment*

18.40 In addition to the direct employment of construction workers and site operatives, the Proposed Development would provide additional employment opportunities through the use of local suppliers for construction and process materials, plant and equipment and service and/or facility maintenance contracts. It is envisaged that this potential benefit could be maximised by utilising local companies whenever practicable for the supply of construction and process materials, non-specialist plant and equipment and service and plant maintenance. With regard to ongoing expenditure for the maintenance of the development, those companies and local firms supplying materials and services would also potentially experience an increase in demand for their various outputs and may need to take on additional staff as a result. The additional income produced would in turn give rise to further contributory expenditure within the locality.

*Local Economy*

- 18.41 In addition to the above direct and indirect effects, the project would also have significant benefits to the local economy.
- 18.42 The tourism industry is of great importance to the local economies of Ryedale and the North York Moors National Park. In the summer months the area is particularly popular with walkers exploring the countryside and network of rural villages. Where practically possible, construction works will be carried out over the autumn and winter months to avoid peak tourist seasons. For technical and health and safety reasons there is a requirement that some construction works are undertaken in the spring and summer months. To prevent and minimise any effects experienced by the local tourism industry during the construction period, this ES makes a number of recommendations and a comprehensive programme of mitigation.
- 18.43 Consideration has also been given to the potential impact on key transport routes as a result of traffic generated during the construction period. It is not anticipated that the additional construction traffic will have a detrimental impact on the local and strategic road network. To minimise the use of local roads the 42m pipeline easement includes proposals for temporary access routes, whilst the proposals for the two gas handling facilities incorporates a lay-down area for construction equipment and plant machinery which will limit unnecessary trips. In addition to these proposals, where the pipeline route crosses existing roads a directional drill will be used to avoid any significant disruption to the local road network. For a detailed report of the potential traffic impacts associated with the Proposed Development, please see Chapter 11 of the ES.
- 18.44 When in operation the above ground elements of the development would be landscaped and well screened from sensitive receptors in the surrounding countryside, such as Public Rights of Way, residential properties and the National Park. The proposed development would also result in positive benefits for the local economy as it is anticipated that construction workers would use local services including retail and leisure facilities. In addition to any passing trade from local construction workers, specialist contractors and engineers who live outside the county are likely to require temporary accommodation in the form of hotels and Bed & Breakfast accommodation. For these local businesses the Proposed Development will result in an increase in revenue outside of the peak tourist seasons.

*Significance of Impact*

- 18.45 The Proposed Development would have a positive impact in terms of contributing to national energy needs, therefore, helping to reduce the UK's dependency on energy imports. Exploitation of the UK's domestic fossil fuel reserve forms a crucial part of the Government's energy strategy and fundamentally the proposed development will provide both national and regional benefits.
- 18.46 The Proposed Development would have a positive socio-economic impact in terms of creation of direct and indirect, short and long term employment opportunities and diversification of the local economy is a major priority when considering proposals for future development. Therefore in the context of declining manufacturing and agricultural sectors, the Proposed Development would help to boost the local economy by providing new job opportunities in other sectors such as construction and energy.
- 18.47 For both Ryedale and the National Park, the tourism industry is crucial to the prosperity of the local economies. However, this sector is vulnerable to the fact that the industry can be greatly affected by often unpredictable factors such as the weather, overseas travel and economic instability. The proposed development would have a positive impact on the local economy as is it likely to result in an increase in revenues for local businesses outside of peak seasons, as well as employment opportunities, skills training and the use of local resources.
- 18.48 Many of the likely social impacts experienced by the local community as a result of the proposed development have been considered in other Chapters of this ES. In terms of protecting local amenity the Hurrell Lane Gas Processing Facility has been sited away from settlements on land which is well screened from the surrounding countryside. When in operation most of the development will not be visible. To assist mitigation, a comprehensive Landscape and Visual Assessment has been undertaken to identify sensitive receptors and to ensure that where necessary appropriate measures are in place. It is anticipated that many of the concerns associated with this type of development relate to issues concerning health and safety. To ensure that the health and safety of the local community is not being compromised, a comprehensive and robust health and safety report has been prepared for the proposed development. This report covers areas such as the identification of potential risks, health and safety procedures and the maintenance and monitoring of all plant machinery. In light of the proposed mitigation measures and the implementation of an agreed health and safety strategy the overall social impact of this development is considered to be low.

18.49 In summary it is considered that the proposed development would have a broadly neutral social impact on the surrounding communities and a positive economic impact, particularly in the local area.