

14.0 ECONOMICS

Introduction

- 14.1 This chapter of the ES assesses the likely significant effects of the Proposed Development in terms of economics. It is supported by **Appendix 14.1**.
- 14.2 The chapter describes: the assessment methodology; the baseline conditions currently existing at the Assessment Site and surroundings; the likely significant economic effects; the mitigation measures required to prevent, reduce or offset any significant adverse effects; and the likely residual effects after these measures have been employed. This chapter of the ES has been prepared by Barton Willmore LLP.

Planning Policy Context

- 14.3 The planning policy context is set out in national, regional and local planning policies which are covered in detail in the accompanying Planning Statement. However, a brief summary of the policies is provided below.

National Energy Policy

Energy White Paper – “Our energy future – creating a low carbon economy” (Ref. 14.1)

- 14.4 The Energy White Paper was published by the Department for Trade and Industry (DTI) in February 2003 (Ref. 14.1). Its purpose was to generate a debate about a new energy policy for the UK. It states that the government's goal is for people and businesses to be able to rely upon secure supplies of energy, including gas, at predictable prices through the market. Reliable energy supplies are an essential element of sustainable development (paragraph 6.1).
- 14.5 To achieve this, the White Paper states that the UK needs a resilient and diverse energy system based upon a mix of fuel types and back up facilities. Paragraph 6.37 states that:

“[the Government] is committed to maintaining an active and successful oil and gas industry in the UK, and to promoting future development of the nation's oil and gas reserves. The sector is and will remain important to the wider UK economy in terms of jobs, investment and its contribution to the national income. We are keen to continue to encourage investment in both existing and new fields.”

Ministerial Written Statement "Energy Statement of Need for Additional Gas Supply Infrastructure" (Ref. 14.2)

14.16 The Secretary of State for Trade and Industry published a Statement on 16 May 2006 (CDA18) about the interaction between Government policy and planning procedures in respect of the need for additional gas infrastructure. Those parts of the Statement that are particularly relevant for this assessment are as follows:

- Securing the reliability of energy supplies is integral to UK energy policy;
- The Government warmly welcomes all solutions, large and small, onshore and offshore, which help to maintain and improve the reliability of energy supplies;
- A balance must be struck between meeting the concerns of local authorities and those they represent, and national need for infrastructure that will provide us with secure energy supplies;
- Whilst new energy infrastructure projects may not convey any particular local benefit, they provide crucial national benefits, shared by all localities;
- They add to the reliability of national energy supplies from which every user of energy benefits;
- It is all too easy to suggest that need can be met in some other way, or that the project could be located elsewhere. All localities have a part to play in energy policy;
- Developers are best placed to make a judgement about the technical feasibility and economic viability of individual projects;
- The role of planning authorities is to ensure that the local environmental effects of new supply infrastructure are minimised and, if appropriate, put forward suggestions for local variations; and
- Due weight needs to be given to the crucial national benefits of such projects, which all localities share, and the importance of ensuring that infrastructure is in place in time to meet demand.

14.17 The Statement is summarised at the end:

"We need timely and appropriately sited gas supply infrastructure to be delivered by the market, because:

- *Great Britain is becoming increasingly dependent on gas imports, and requires new gas supply infrastructure to help ensure security of supply;*
- *new projects enable extra supply and storage options if they proceed without avoidable delays;*
- *new energy infrastructure projects provide national benefits, shared by all localities."*

The Energy Challenge (Ref. 14.3)

- 14.6 The Energy Challenge (Ref. 14.3) was published by the DTI in July 2006. It forms a review of the UK's future energy needs with particular focus upon ways to save energy, make energy cleaner and reduce carbon dioxide emissions and have greater security over energy supplies.
- 14.7 The review re-iterates the point made in the 2003 White Paper (Ref. 14.1) about the need for a diverse energy system based upon a mix of fuel types and back up facilities such as storage (paragraph 4.3). Paragraph 4.14 states that

"Making efficient use of the UK's own energy reserves brings obvious benefits both in the contribution it can make to a diverse UK energy mix but also to the economy in terms of jobs, investment and national income generated by the sector."

- 14.8 Chapter 7 focuses on the need to speed up the planning system for large-scale energy infrastructure. It notes at paragraph 7.6 that there are several specific factors that contribute to the difficulties for developers in securing planning permission.

- ***"Individual energy projects are part of large national systems that provide benefits enjoyed by all communities. The areas in which they are located share in these benefits – and may also gain some economic advantage, for example, in terms of employment. But the benefits to society and the wider economy as a whole are much larger. These larger, wider benefits are not always visible to the specific locality in which energy projects are sited. Therefore, local opposition can often be strong."***
- ***"Without a clear Government policy highlighting the strategic national need of a particular type of development, it is difficult for an inspector to give sufficient weight to the national benefits when balancing these against local views. As a result, public inquiries can become embroiled in debates about national issues, rather than focusing on local issues relating to siting of the proposed development."***

- 14.9 Paragraph 7.49 states that as the production of indigenous supplies of gas continues to decline and the UK becomes more reliant on imported gas, there is an increasing need for gas supply infrastructure. Paragraph 7.50 goes on to emphasise that new gas supply infrastructure will play an important role in maintaining a reliable supply of energy for the UK. Securing consent is a key factor since delays in securing consent can lead to price rises and price volatility.

Meeting the Energy Challenge – A White Paper on Energy (2007) (Ref. 14.4)

- 14.10 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 Paper stresses the need to maximise the economic production of the UK's domestic energy sources.
- 14.11 Chapter 4 of the White Paper outlines the Government's strategy for the improvements 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.

Government Response to Malcolm Wick's Review of International Energy Security, 'Energy Security: A national challenge in a challenging world' (Ref. 14.5)

- 14.12 Mr Wick's Review, 'Energy Security: A national challenge in a changing world' (Ref. 14.6) was an independent review on the likely future international energy security and its implications for the UK, published in August 2009. It looked in detail at energy security issues, with a strong international focus. The Government's response was published in April 2010 by the Secretary of State for Energy and Climate Change.
- 14.13 Paragraph 66 gives the Government's response to the need to reduce risks associated with hydrocarbon importation. Even with the development of low carbon technologies, the UK for many years to come will continue to require both oil and gas to meet its needs in transportation, industry, heating and power. UK production will continue in decline to 2020, increasing the proportion of gas which the UK will need to import. "*In this context, it is very important for the UK's security of supply that we maximise economic production from our own reserves.*"

Gas Security of Supply (Ref. 14.7)

- 14.14 The Department of Energy and Climate Change (DECC) published a policy statement, Gas Security of Supply, in April 2010, setting out the UK's approach to gas security of supply. As

the cleanest and most reliable fossil fuel, the Statement makes clear that gas is likely to continue to be a central part of the UK's energy mix in the long term. Paragraphs 2.10 and 2.11 state that:

"The UK has a liberalised, competitive energy market, which operates within a strategic framework set out by the Government. This approach ensures that commercial incentives combine with efficient processes to mitigate against and manage the risks of any interruption.

The key elements of this overall framework are:

- *Economic production from indigenous resources is maximised;*
- *A well-functioning commodity market delivers a high quality, reliable and competitive service to consumers;*
- *A well-functioning capital market works with the Government to provide necessary levels of investment in energy infrastructure;*
- *An enabling regulatory framework is set by the Government, in areas where the market acting alone might not achieve adequate levels of security; and*
- *Strong and diverse markets are promoted both within the EU and internationally."*

14.15 In referring to the reform of the planning and consents regime, the policy statement states in paragraph 2.27 that gas infrastructure projects are capital-intensive, with major economies of sale.

Gas Generation Strategy (Ref. 14.8)

14.4 The Gas Generation Strategy was presented to Parliament in December 2012. It recognises the role that gas will continue to play within a competitive, diverse, low-carbon energy mix required "to keep the lights on at affordable prices, while moving towards a sustainable low-carbon future". It also recognises that new gas plants, which are relatively cheap and quick to build, will be needed in the future, providing significant power while greater amounts of renewable technologies are deployed. The Strategy sets out the Government's response to concerns and barriers to investors in new gas plants to help build investor confidence and encourage the new capacity needed over the coming years. It also sets out the Government's work to maintain the security of the gas supply to ensure that best use is made of the natural resources.

National Planning Policy

National Planning Policy Framework (NPPF) (Ref. 14.9)

- 14.18 The NPPF was published in March 2012 and sets out the new approach to streamlining the Planning System and encouraging growth. All previous Planning Policy Guidance (PPGs) and Planning Policy Statements (PPSs) listed in Annex 3 of the NPPF are replaced by the NPPF.
- 14.19 Fundamental principles underpinning the NPPF are the need to deliver sustainable development and build a strong, competitive economy nationwide. The Government's overall commitment is to secure economic growth aimed at the creation of jobs and prosperity, building on the country's inherent strengths and meeting the twin challenges of global competition and providing a low carbon future. To achieve this, the Government is committed to ensuring that the planning system encourages sustainable economic growth and does not impede it.
- 14.20 To ensure that the planning process supports growth of a prosperous rural economy, paragraph 28 of the NPPF states that:

"Planning policies should support sustainable economic growth in rural areas by taking a positive approach to new development. Planning strategies should maintain a prosperous rural economy including policies to:

- *Support the sustainable growth and expansion of all types of business and enterprise in rural areas, both through conversion of existing buildings and well designed new buildings; and*
- *Promote the development and diversification of agricultural and other land-based rural businesses"*

- 14.21 Chapter 13 of the NPPF sets out the Government's policies specifically relating to facilitating the sustainable use of minerals. Paragraph 142 states that:

"Minerals are essential to support sustainable economic growth and our quality of life. It is therefore important that there is a sufficient supply of material to provide the infrastructure, buildings, energy and goods that the country needs. However, since minerals are a finite natural resource and can only be worked where they are found, it is important to make best use of them to secure their long-term conservation."

14.22 Paragraph 144 makes clear that, when determining planning applications, local planning authorities should *"give great weight to the benefits of the mineral extraction, including to the economy."*

14.23 The NPPF further states that local planning authorities should ensure that their Local Plans are based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. Local planning authorities should ensure that their assessment of and strategies for employment and other uses are integrated and take full account of relevant market and economic signals. In specific reference to Minerals, the planning authorities should:

"...work with other relevant organisations to use the best available information to:

- *Develop and maintain an understanding of the extent and location of mineral resource in their areas; and*
- *Assess the projected demand for their use, taking full account of opportunities to use materials from secondary and other sources which could provide suitable alternatives to primary materials."* (NPPF, paragraph 163)

Circulars

English National Parks and the Broads: UK Vision and Circular 2010 (Ref. 14.10)

14.24 This Circular, published by the Department for the Environment Food and Rural Affairs (Defra) in March 2010, applies only in England and is to provide updated policy guidance on the English National Parks and the Broads. The Circular states in Paragraph 68 that communities are a fundamental part of the Parks' character and that authorities must ensure that they give sufficient weight to socio-economic interest in order to fulfil their duties appropriately to sustain strong communities. The Circular notes that authorities can play a catalytic role by achieving this, through fostering an appropriate planning regime encouraging new development to broaden the economic base and fostering more diverse and higher value local employment opportunities. Authorities should look to achieve a sectoral mix which could include high value, knowledge-intensive jobs, which are likely to attract and retain people of all ages, but are particularly intended to appeal to young people. Authorities therefore need to consider carefully how to support appropriate development and seek to foster economic activity which will strengthen the sustainability of Park communities and businesses.

14.25 In relation to mineral working in the Parks, paragraph 141 acknowledges that the Parks are a vital source of some of the minerals that society and the economy needs. It is therefore important that the need for minerals and the impacts of extraction and processing on people and the environment are managed in an integrated way.

Regional Energy Policy

The Regional Energy Infrastructure Strategy for Yorkshire and Humber (Ref. 14.11)

14.26 The Regional Energy Strategy was published jointly by the Government Office for Yorkshire and the Humber, Yorkshire Forward and the Yorkshire and Humber Assembly in February 2007 (CDB4). It is an Action Plan to 2010 for achieving three objectives within the region:

- Leading the way in delivering secure regional and national energy supplies;
- Promoting a reduction in energy demand through efficiency in supply and transmission; and
- Maximising low carbon energy generation.

14.27 Yorkshire and Humber presently contributes 17-18% of the UK's electricity production whilst consuming 7-8%. The area is therefore key to the UK's energy supply infrastructure. To align with the Government's goals and build upon the region's role within the UK, the vision is:

"Yorkshire and Humber will continue to be a primary energy provider for the UK while achieving low carbon energy targets."

14.28 The Strategy states that natural gas contributes 16% to the regional energy mix, most of which is used within the boundaries of the region. Natural gas is the third most significant contributor to the region's energy balance after oil refineries and coal. The Strategy acknowledges that relatively little is known about gas infrastructure in the region and the plans for the future. *"Given the importance of gas in the provision of our energy needs, this shortcoming has to be addressed in order to position the future of gas both regionally and nationally."*

Regional Economic Policy

A Flourishing Region – Regional Economic Strategy for Yorkshire and the Humber 2006 – 2015 – Progress Update (Ref. 14.12)

- 14.29 The Regional Economic Strategy for Yorkshire and the Humber (CDB5) identifies six strategic objectives for the economic development of the region, one of which is Transport, Infrastructure and the Environment. This objective is to be achieved by four specified deliverables, the most relevant of which is to *"ensure effective energy, utilities and broadband investment"*. Work to promote energy security and reduced fossil fuel dependency is a stated action.
- 14.30 Annex 1 sets out regional outcome targets for 2006 – 2015. In 2004, the region had just over 3 million people of working age, of which 74.4% were in employment. The Regional Economic Strategy (RES) has a target to raise the employment rate to 78-80%, equating to around 155,000 – 200,000 net extra jobs. By early 2007, however, the employment rate had fallen to 73.4%. In order to achieve the RES target, the region needs to attract an additional 139,200 – 200,400 people to employment by 2015.
- 14.31 Since 2007, the unemployment rate has continued to fall. The Regional Labour Supply Headline Indicators for Yorkshire and Humber, published in January 2013 by ONS (Ref. 14.13), states that the employment rate in the three months to November 2012 was 57.6%. The Skills Priority Statement of 2011/12, published by Yorkshire Forward in August 2011 (Ref. 14.14), forecasts that the region is expected to create 57,000 new jobs by 2015. The Statement states that *"job opportunities are likely to be in a range of sectors and occupations which raise issues of skills levels in Yorkshire and the Humber as the majority of those jobs will be driven by a demand for higher skills"*.

Local Planning Policy

NYMNPA Local Development Framework

- 14.32 Mineral planning within the National Park comes under the jurisdiction of the North York Moors National Park Authority (NYMNP). Under the Planning and Compulsory Purchase Act 2004 (Ref. 14.15), all local plans have to be replaced by a Local Development Framework (LDF).

14.33 The Framework consists of a number of different documents to guide future development whilst ensuring that the National Park's special qualities are conserved and enhanced. The Core Strategy and Development Policies document, adopted in November 2008 (Ref. 14.16), is key to the NYMNPA Local Development Framework. It sets out a spatial vision for the future of the National Park and provides Core Policies guiding a strategic framework for the scale and location of all types of new development and detailed development policies against which individual proposals such as waste and minerals will be assessed.

14.34 Core Policy H (Rural Economy) states that the total economy will be strengthened and supported by providing local communities with a range of opportunities. Traditionally, farming, forestry and tourism have dominated the economy of the National Park. Paragraph 8.4 notes that access to a range of high quality and long term employment opportunities is a key factor in encouraging young people to stay and maintain sustainable rural communities. The NYMNPA is committed to encouraging and promoting opportunities for new employment in the National Park.

NYMNPA Annual Monitoring Report 2012 (Ref. 14.17)

14.35 The Annual Monitoring Report (AMR), published in December 2012, assesses the extent to which planning policies are being implemented between 1 April 2011 and 31 March 2012 within the National Park boundary and is a useful source of data in identifying trends in the economy. The AMR states that the local economy of the National Park underpins its character and social structure. It notes that unemployment rates in the Park are relatively low although they have started to rise over the past twelve months. Tourism is the largest employment sector, although farming and forestry continue to play a significant role in the economy.

"The seasonality and low paid nature of tourism together with changes to farm incomes contributes to income levels in the North York Moors being below the regional average. One of the challenges of the LDF is to continue to encourage a range of employment opportunities in the Park..."

14.36 One of the six themes contained in the Core Strategy and Development Policies Document (Ref. 14.16) is to support the rural economy. The two spatial objectives are to:

- support the tourism and recreation industry by ensuring that development contributes to the local economy and provides opportunities for enjoying the Park's special qualities; and
- strengthen and diversify the local economy by supporting a range of opportunities for employment and training particularly in sustainable locations.

- 14.37 The NYMNPA seeks to broaden the range of opportunities for employment and carry out its duty to foster the economic and social well being of local communities.
- 14.38 In 2011/12, the total amount of additional employment floorspace (B1, B2 and B8 uses) increased by 500 sqm. However, the total amount of employment floorspace on previously developed land has not increased for two years running and there are no employment sites currently allocated within the National Park.
- 14.39 The AMR states that the National Park has had historically low levels of unemployment. In recent years, however, this has risen from 1.2% in 2007, 1.8% in March 2011 and 1.9% in March 2012.

Ryedale Local Plan, March 2002 (Ref. 14.18)

- 14.40 The Ryedale Local Plan was adopted in March 2002 and sets out a vision of a "*strong and prosperous community enjoying and maintaining a high quality environment*". To help achieve this vision RDC set itself overall service objectives including:

"... to establish and maintain the necessary conditions and infrastructure to provide an environment in which a strong, diverse and expanding local economy can flourish."

- 14.41 Chapter 6, Industrial and Business Development, and specifically Saved Policy EMP6 – Expansion of Existing Businesses, states that:

"The continued viability of existing businesses is vital to the economy of the area and their development and expansion will be encouraged. This can strengthen the economy and increase job opportunities. The expansion or redevelopment of firms at their existing locations or on adjoining land will normally be permitted provided that the development would not cause unacceptable environmental problems either in its own right or by the increased levels of traffic that may be generated ..."

The Ryedale Plan – Local Plan Strategy May 2012 (Submission Document) (Ref. 14.19)

- 14.42 The Ryedale Plan – Local Plan Strategy (LPS) was submitted for examination in May 2012. The Inspector published his interim conclusions on the soundness of the LPS in December 2012. Further consultation on amendments to the Local Plan was undertaken by the Council in February 2013.

- 14.43 In Section 5 (Economy), the Plan acknowledges that agriculture is a traditional sector of the economy while tourism is particularly strong in the north of the district. However, the District's economic base is dependent on traditional sectors or a small number of large businesses. Consequently, the LPS seeks to diversify the District's economy in order to reduce dependence on vulnerable sectors and widen the choice of employment opportunities.
- 14.44 Policy SP6 (Delivery and Distribution of Employment/Industrial Land and Premises) indicates an intention to continue expansion of existing businesses.

"The intention is to support established sectors in the local economy and provide opportunities for diversification which, over the plan period, will enable a step change in business growth, improved skills and a more sustainable local economy. This will include the provision of higher quality employment sites and premises which will ...

- *Offer opportunities for specialist sectors including precision engineering and advanced manufacturing and existing key businesses. This will include expansion space for existing businesses, new sites and premises for move on accommodation to support business growth and growing these key clusters...*

Significant Industrial Processes in Open Countryside Locations

Major industrial processes involving the extraction, utilisation, working or harnessing of natural materials or land assets will be supported where:

- *They are required in that location and no other suitable sites are available in the locality*
- *They can be satisfactorily accommodated on the highway network and will not lead to significant adverse highways impacts*
- *They do not adversely affect the amenity of neighbouring occupants of the site ...*
- *They can be satisfactorily accommodated in the surrounding landscape ...*
- *The economic benefits to the District outweigh any adverse impacts."*

- 14.45 The Inspector's interim conclusions acknowledge that the LPS sets out a clear economic vision for Ryedale, encouraging sustainable economic growth in line with national policy.

Assessment Methodology

- 14.46 The assessment focuses on those elements of the Proposed Development that are expected to give rise to significant effects and will, therefore, examine changes in labour supply and

employment and gas supply, these comprising the economic elements. As the Proposed Development relates to industrial use only, social or community elements such as housing, education and health will not be assessed within this Chapter.

Study Area

14.47 The Assessment Site is located partly within the North York Moors National Park and partly within Ryedale District in North Yorkshire (see **Figure 14.1**). As stated in Chapter 1 NYMNPA and NYCC are the two mineral planning authorities that will determine the planning application. Therefore North York Moors, North Yorkshire and Ryedale district administrative areas are considered in assessing local baseline conditions. Furthermore, as the Proposed Development covers an extensive distance, from Ebberston (north) to Knapton (south), and across a primarily rural area, it is not deemed pertinent to assess demographics at ward level.

Sources of Information

14.48 To establish baseline conditions, information has been obtained from the following sources:

- National Parks 2011 Census Statistics (Ref 14.20);
- ONS 2001 and 2011 Census Statistics (Ref 14.21);
- ONS 2010-based Sub-National Population Projections (Ref 14.22);
- NOMIS Official Labour Market Statistics, including ONS Annual Population Survey Data (Ref 14.23);
- Ryedale District, Annual Monitoring Report, 2010 – 2011 (Ref 14.24);
- Business Register Employment Survey (BRES) (NOMIS) (Ref 14.25);
- ONS Annual Survey of Hours and Earnings – Resident Analysis (Ref 14.26);
- ONS Annual Population Survey based Job Densities (Ref 14.27); and
- Experian based Distance of Travel to Work data (2001 Census) (Ref 14.28).

Determining Significance of Effects

14.49 Where an economic effect is considered to be significant, the significance has been classified as either:

- Major – an effect which in isolation could have a material influence on the decision making process;

- Moderate – an effect which on its own could have some influence on decision making particularly when combined with other similar effects; or
- Minor – an effect which on its own is likely to have a minor influence on decision making but when combined with other effects could have a more material influence.

14.50 In this assessment, the significance matrix set out in **Table 14.1** has been used to define the level of significance of effects:

Table 14.1: Significance Matrix

Sensitivity/ Value of Receptor	Magnitude of Effect		
	High	Medium	Low
High (UK)	Major	Major/Moderate	Moderate
Medium (County, Region)	Major/Moderate	Moderate	Moderate/Minor
Low (Local, District)	Moderate	Moderate/Minor	Minor

14.51 Effects are also described as:

- Adverse – detrimental or negative effects to an environmental resource or receptor; or
- Beneficial – advantageous or positive effect to an environmental resource or receptor.

14.52 Where an effect is considered to be not significant or have no influence, irrespective of other effects, this is classified as 'negligible'.

Baseline Conditions

14.53 The baseline economic conditions with regard to population compares statistics from the 2001 and 2011 Census years and employment levels are investigated based on recent ONS labour market statistics provided via NOMIS.

Population

14.54 In 2001 the population of the North York Moors National Park was 23,939 and that of Ryedale District, 50,872. By 2011 the population of the North York Moors National Park had decreased slightly, by 0.4% to 23,380 (Ref. 14.20). Ryedale District had, by contrast, increased in population by 1.6% to 51,700 (Ref. 14.21).

14.55 In 2011 the working age population¹ in the North York Moors National Park equated to 61.0% of the overall population. In Ryedale District this equated to a similar 60.2%. Both

¹ 2011 census data equates to Ages 16 to 64

areas demonstrated a similar working age population profile to North Yorkshire overall which, in 2011, equated to 63.3%² of the overall population.

- 14.56 From 2001 to 2011, the age profiles of the North York Moors National Park, Ryedale District and North Yorkshire each demonstrated significant increases in the elderly population and decreases in the percentage of young since 2001. Consistently across all three areas, increases were experienced in the age bands: 15 to 24; 45 to 64; 65 to 74 and 75+, whilst decreases were seen in age bands 0 to 4; 5 to 14 and 25 to 44. The trend therefore indicates that, as with the Nation overall, the Assessment Site is located in an area demonstrating an ageing population.

Population Projections

- 14.57 Whilst the ONS do not produce population projections for National Park Authority areas, the ONS 2010-based population projections for Ryedale District and North Yorkshire, as provided in **Table 14.2**, demonstrate that between 2010 and 2035, the population of Ryedale District, and North Yorkshire overall, is set to increase 5.7% and 9.6%, respectively over the 25 year period (Ref 14.22).

Table 14.2: Quinary Population Projections – Percentage Change from 2010

	2010 - 2015	2010 - 2020	2010 - 2025	2010 - 2030	2010 - 2035
Ryedale District	0.0%	1.9%	3.8%	5.7%	5.7%
North Yorkshire County	1.9%	4.0%	6.2%	8.1%	9.6%

Source: ONS, 2010-based sub-national population projections (Ref 14.22)

- 14.58 By 2035 it is anticipated that there will be approximately 56,000 people resident in Ryedale District and 650,000 in North Yorkshire. There are no population predictions available specifically for the North York Moors National Park, although North Yorkshire encompasses the area within the National Park.

Economic Profile

- 14.59 As demonstrated in **Table 14.3**, in 2001 the population of the North York Moors National Park comprised 17,806 residents between the ages of 16 and 74, 66.2% of whom were economically active. By comparison, this demographic equated to 68.4% in Ryedale District and 69.4% in North Yorkshire. In the same year, the UK equivalent was 66.5% demonstrating that both Ryedale District and North Yorkshire experienced above national averages for levels of employment.

² 2011 census data equates to Ages 15 to 64

14.60 Correspondingly, levels of unemployment in the area were not only relatively level across the study areas (from 2.1% to 2.4%) but were consistently lower than the national average recorded by the 2001 Census (3.4%).

Table 14.3: Economic Activity of Residential Population @2001 Census (%)

	North York Moors National Park	Ryedale District	North Yorkshire County
Total working age population (WAP) (between 16 – 74)	17,806	36,536	410,583
% of total WAP who are economically active (incl. unemployed)	66.2%	68.4%	69.4%
% of total WAP who are economically inactive	33.8%	31.6%	30.6%
% of total WAP who are unemployed	2.2%	2.1%	2.4%

Source: 2001 Census data via NYMNP and NOMIS, (Ref. 14.20 & 14.23)

14.61 The progress of unemployment can be tracked through the number of residents claiming Job Seeker Allowance (JSA) over time³ although data specifically for North York Moors National Park is unavailable. Data supplied by the ONS (via NOMIS) demonstrates that in Ryedale District, and across North Yorkshire generally (including the North York Moors National Park), levels of benefit claimants experienced minor fluctuations but have remained below the levels seen in 2001. However, since the current recession commenced in 2008, claimant levels have remained considerably higher than those of 2001, albeit with an improving picture across Ryedale District (see **Figure 14.2**).

14.62 Examination of JSA statistics by occupation demonstrates that in April 2012, 20 residents of Ryedale District were seeking employment in skilled construction and building trade occupations and a further 25 in process, plant and machine operative occupations, within which energy plant operative occupations are categorised. In North Yorkshire (including the area within the North York Moors National Park), 420 residents are in search of construction related employment and a further 270 require employment in the process, plant and machine operative occupations.

Employment by Industry

14.63 As demonstrated in **Table 14.4**, the local economy within Ryedale District is primarily driven by agriculture and manufacturing industries, a feature which Ryedale District perceives as subject to vulnerability. In the Ryedale District Annual Monitoring Report (AMR), 2010 – 2011 (Ref. 14.24) it states that:

³ Data unavailable at National Park Authority level.

“Within Ryedale the proportion of the district’s workforce employed within agriculture is over five times that of the national average, and manufacturing is over 50% greater than the national average, however, these sectors are forecast to become vulnerable. Therefore, there is a need to diversify the economy of the District by stimulating new and existing growth sectors.” (Page 7 & 8, Paragraph: Employment)

14.64 No data is available specifically for the North York Moors National Park. Therefore the data for North Yorkshire County Council is provided in **Table 14.4**, which includes the North York Moors National Park area.

Table 14.4: Main Sectors of Employment @2010

	Largest Employment Sector	Second Largest Employment Sector	Third Largest Employment Sector
Ryedale District	Manufacturing (16.7%)	Health (9.9%)	Accommodation & Food Services (9.8%)
North Yorkshire County	Health (13.7%)	Manufacturing (10.4%)	Accommodation & Food Services (10.3%)

Source: ONS (BRES) Employment Survey, 2010 Data (Ref 14.25)

Average Earnings

14.65 The AMR goes on to state that there is a pressing need to diversify the economic base of Ryedale District, within which they would include the need to increase wage levels (AMR, Page 8, Ref. 14.24). Data provided at Local and County Authority level within the ONS, Annual Survey of Hours and Earnings demonstrates that whilst the average weekly wage across North Yorkshire has steadily increased, levels in Ryedale District have fluctuated (see **Table 14.5**).

Table 14.5: Average Earnings, 2008 to 2011

	Average Weekly Pay	Average Annual Pay
Ryedale District		
2008	£394	-
2009	£385	£22,446
2010	£416	£20,711
2011	£388	-
North Yorkshire		
2008	£455	£23,103
2009	£466	£24,668
2010	£472	£24,835
2011	£480	£24,638

Source: ONS, Annual Survey of Hours and Earnings (via NOMIS) (Ref 14. 26)

14.66 Average weekly earnings in Ryedale District demonstrated a 1.5% decrease from 2008 to 2011 whilst North Yorkshire (including the North York Moors National Park) experienced a 5.5% increase over the same period; statistics which substantiate Ryedale District's stated

need to stimulate local economic viability through diversification and move away from over-dependency on agriculture and manufacturing.

Availability of Employment

- 14.67 Job density levels (that is the number of workplace jobs per population aged 16 and 64) in Ryedale District have traditionally been comparatively high. Over the ten year period 2001 to 2010, job densities in Ryedale District remained consistently above those of North Yorkshire, and in 2005 reached a peak density of 1.02 (see **Appendix 14.1**, Ref. 14.27).
- 14.68 However, despite the high levels of job density in Ryedale District there were, by 2010, a total of 2,000⁴ fewer jobs in Ryedale District than in 2001 and a drop in job density from 0.91 (2001) to 0.81 (2010), indicating that job availability at District level has not kept pace with population increases.
- 14.69 By comparison, job densities within North Yorkshire (including North York Moors National Park) experienced less fluctuation and culminated in a slight increase from 0.83 in 2001 to 0.84 in 2010. An increase of 18,000 jobs over the ten year period and a relatively consistent job density level indicates that North Yorkshire overall has kept pace with population increases more successfully.
- 14.70 This disparity in economic fortunes could, in part, be attributable to the high concentrations of manufacturing within Ryedale District and, if sustainable economic viability is to be achieved within Ryedale District, increased local provision of appropriate employment opportunities needs to take place to avoid a) a further drop in job density and b) the need for increased long-distance commuting.

Commuting Patterns

- 14.71 As demonstrated by **Table 14.6**, at the time of the 2001 Census, nearly a quarter of residents within the North York Moors National Park worked at or from home. This unusually high volume is most likely attributable of the high concentration of agriculture present within the National Park. Within Ryedale District and North Yorkshire, whilst large numbers also work from home, there is a greater trend towards commuting up to 2 km from home.

⁴ Rounded by ONS

Table 14.6: Distance of Travel to Work @2001 Census (%)

	North York Moors National Park	Ryedale District	North Yorkshire County
Less than 2km	13.0%	25.5%	26.2%
2km to less than 5km	8.1%	8.3%	12.2%
5km to less than 10km	11.9%	10.1%	11.1%
10km to less than 20km	17.0%	15.1%	14.6%
20km to less than 40km	12.4%	12.5%	12.0%
40km to less than 60km	3.1%	2.5%	2.4%
60km and over	4.0%	3.0%	3.5%
Working at or from home	24.6%	18.1%	13.5%
Other	5.8%	4.9%	4.5%

Source: Experian derived 2001 Census Statistics (Ref 14.28)

14.72 As previously determined, agriculture and manufacturing are primary employers within the North York Moors National Park and Ryedale District and are likely to account for the majority of the respective 37.6% and 43.6% of residents either working from home or commuting less than 2 km. These industries, however, are also facing vulnerable futures and, if local and sustainable economic viability is to be achieved and a temptation to commute to larger employment areas such as Scarborough, Whitby and Middlesbrough be avoided, increased employment opportunities closer to home will be required.

Economic Characteristics of the Assessment Site

14.73 There are no employment opportunities currently on Eberston Moor 'A' Well Site, although once the exploratory drilling has commenced later this year under planning permission NYM/2013/0068/FL, 30 short-term temporary jobs will be provided. If the Eberston Moor EDS is granted planning permission and developed prior to this Proposed Development, then there will be three jobs created which will be fulfilled by the Applicant's employees to oversee the operations at the Assessment Site and site management for the operational lifespan of Eberston Moor EDS. There are also approximately 20-30 people currently employed at KGS.

Economic Profile Summary

14.74 Whilst availability of jobs within Ryedale District has traditionally been comparatively high and levels of unemployment low, the pattern is turning in more recent years. With local high employing industries such as agriculture and manufacturing demonstrating downturns nationally, it will be important to ensure that there is a sufficient supply of new employment opportunities, across a range of economic uses to enable the economy of Ryedale District, North York Moors National Park and North Yorkshire to expand and diversify.

Likely Significant Effects

Construction Phase

Effects on Population

- 14.75 It is anticipated that the construction phase of the Proposed Development will occur between 2015 and 2016, regardless of whether the Ebberston Moor EDS is in place or not prior to construction commencing on this Proposed Development. It is not expected that construction workers will have a need to relocate to the area as it is conceivable that labour during the construction phase will be drawn from the local area within North York Moors National Park and Ryedale District. However there will be a requirement for people with specialist skills to be employed who may need to temporarily be brought in from outside these areas. Overall there will be a temporary effect of small magnitude and negligible significance on population during the construction phase.

Effects on Employment and Local Economy

- 14.76 It is anticipated that approximately 50 workers will be employed across the diverse range of construction trades required during the construction of the Proposed Development as described in Chapters 4 and 6 regardless of whether the Ebberston Moor EDS is in place or not prior to construction commencing on this Proposed Development
- 14.77 The construction of the Proposed Development will be overseen by specialist contractors. The Applicant operates a non-discriminatory employment policy but will seek to recruit suitably skilled and qualified local staff during the construction period. Where appropriate, the main construction contractor will also encourage and assist the subcontractors in the promotion of relevant training where this will help to advance employment prospects of local workers.
- 14.78 Given the long term decline in the number of job opportunities in manufacturing and agriculture, there is likely to be a growing pool of indigenous labour supply available in the North York Moors National Park and Ryedale District for these semi-skilled activities.
- 14.79 In addition to the direct employment generated during the construction phase of the Proposed Development, there will also be an indirect effect on employment and the local economy through the use of local suppliers for construction and process materials, plant and equipment. Local services such as restaurants, cafes and petrol stations are also likely to experience a temporary boost through the provision of meals, refreshments and fuel to the short-term workforce.

- 14.80 Finally, should it transpire that specialist contractors or engineers who live outside North Yorkshire are required on a temporary basis during the construction phase, this will potentially lead to additional custom for local hotels and Bed & Breakfast establishments resulting in a short-term boost to local business.
- 14.81 The introduction of approximately 50 direct jobs and the spin-off indirect employment and boost to local economy, regardless of whether the Eberston Moor EDS is in place or not prior to construction commencing on this Proposed Development, is considered to have a short-term, temporary, minor beneficial effect on employment.

Operation

Effects on Population

- 14.82 It is envisaged that the majority of those employed at the Proposed Development during operation will be drawn from the Applicant's current employees. Should any specialised engineering roles require the relocation of appropriately qualified staff, these will be minimal. Overall there will be a long-term, negligible effect on population.

Effects on Employment

- 14.83 The Proposed Development will if the Eberston Moor EDS is not operational prior to this Proposed Development create three jobs to oversee the operations at Eberston Moor 'A' Well Site and site management for the operational lifespan of the Proposed Development, which will be fulfilled by the Applicant's employees. If the Eberston Moor EDS is operational then the three jobs anticipated for the operation of development will be retained creating a negligible effect. It is also anticipated that indirect employment will grow as a result of: deliveries to and from the well site; and the need for maintenance of plant machinery, the pipeline and associated elements including roads, fences and landscaped areas. Such maintenance will generate employment on a regular basis and throughout the lifetime of the Proposed Development.
- 14.84 The addition of both direct and indirect employment growth to the local area during the operational phase of the Proposed Development, which will last up to 15 years, is considered to have a long-term, minor beneficial effect on employment.

Gas Supply

14.85 The extraction of natural gas is becoming more important as the UK becomes increasingly reliant on the importation of gas from overseas to meet national demand. The Proposed Development, through the production of natural gas to be used as a fuel-gas to generate power for up to 15 years, will help to facilitate the UK's ability to manage fluctuations (daily, weekly and seasonally) which occurs in gas supply and demand. It will also provide the following significant national benefits for industry, commerce and domestic gas and electricity consumers through:

- Lower costs for householders;
- Lower costs for commercial and industrial companies, with resulting improved competitiveness, job security and creation and attraction of inward investment; and
- Improvements to the security of supply for domestic and industrial electricity consumers.

14.86 Overall there will be long-term effect of major beneficial significance on gas supply.

*Decommissioning and Restoration**Effects on Population*

14.87 It is anticipated that the decommissioning and restoration phase of the Proposed Development will employ up to 10 workers. Similarly to the construction phase, it is not expected that the workers will have a need to relocate to the area. It is conceivable that labour during the decommissioning and restoration phase will be drawn from the local area within Ryedale District and North York Moors National Park. However there may be a requirement for people with specialist skills to be employed who may need to temporarily be brought in from outside the area. Overall there will be a temporary effect of small magnitude and negligible significance on population during decommissioning and restoration whether or not future development is secured on the well site as outlined in Chapter 6.

Effects on Employment

14.88 It is anticipated that up to 10 workers will be employed during the decommissioning and restoration phase, if future development is not secured on the well site, which will include the dismantling of all plant, equipment, pipes, cables, buildings, security fencing and surface installations and with all concrete installations being broken up and removed along with access roads and tarmac wearing and base course within the Ebberston Moor 'A' Well Site.

Restoration of trees and hedgerows within Eberston Moor 'A' Well Site will also take place during this phase. There will be no decommissioning and restoration works occurring along the length of the pipeline between Eberston Moor 'A' Well Site and KGS or at the KGS itself as described in Chapter 6.

14.89 Any future use of the well site beyond the life of this Proposed Development will be assessed as part of a separate planning application and is not considered further in this ES.

14.90 It is, therefore, considered that the demolition and restoration phase will temporarily have a minor beneficial effect on employment.

Mitigation Measures

Construction Phase

14.91 No mitigation measures for population and employment are required during construction of the Proposed Development as there will be no significant adverse effects.

Operation

14.92 No mitigation measures for population, employment and gas supply are required during operation of the Proposed Development as there will be no significant adverse effects.

Decommissioning and Restoration

14.93 No mitigation measures for population and employment are required during construction of the Proposed Development as there would be no significant adverse effects.

Residual Effects

Construction Phase

14.94 During the construction phase, the Proposed Development is likely to generate approximately 50 direct job opportunities and further indirect job opportunities which is considered to represent a temporary effect of minor beneficial significance regardless of whether the Eberston Moor EDS is in place or not prior to construction commencing on this Proposed Development.

Operation

- 14.95 The Proposed Development will assist in helping to meet future demand and secure energy supplies in the UK by the production of gas to be used as fuel-gas to generate power at KGS for up to 15 years. The region already contributes to production of more energy to the UK than is consumed. The Proposed Development will help ensure that the region remains a major energy provider and prudent user of natural resources in the Ebberston Moor gas field. In addition the operation of the Proposed Development will create three jobs for the Applicant's employees relating to the management of operations at Ebberston Moor 'A' Well Site and site management along with indirect jobs.
- 14.96 Overall the gas supply will create a long term effect of major beneficial significance and the job creation will create an effect of minor beneficial significance.

Decommissioning and Restoration

- 14.97 During the decommissioning and restoration phase, the Proposed Development is likely to generate approximately 10 direct job opportunities and further indirect job opportunities which is considered to represent a temporary effect of minor beneficial significance.

Cumulative Effects

- 14.98 In the assessment of socio economic effects of the Proposed Development, due consideration has been given to the cumulative schemes referred to in **Table 2.2**, namely the Ryedale Gas Project (NY/2010/0159/ENV) and Ebberston Moor EDS (NYM/2013/0477/EIA).

Population

- 14.99 There will be negligible effects resulting from the three development schemes during construction, completed development and decommissioning and restoration as the majority of the employees for the development schemes will already live in the Ryedale District or North York Moors National Park. It is envisaged that very few specialist contractors or engineers will need to permanently move into the area.

Employment

Ryedale Gas Project and Proposed Development

- 14.100 The primary cumulative effect will be in relation to the additional employment generated above that of the Proposed Development. It is anticipated that the Ryedale Gas Project will provide direct employment for up to 150 construction workers during the construction phase and indirect employment through the use of local suppliers for construction and process materials, plant and equipment and service and/or facility maintenance contracts. During the operational phase it is envisaged that 20 workers, including site management, will be employed. In addition, maintenance of plant machinery, the pipeline and associated elements including roads, fences and landscaped areas will also generate employment on a regular basis throughout the lifetime of the development.
- 14.101 The Ryedale Gas Project will provide similar numbers of jobs during decommissioning and restoration as for the construction phases which will create similar indirect employment opportunities for the local supplies.
- 14.102 The cumulative employment will, therefore, be in the region of 200 short-term, temporary jobs during construction and restoration and decommissioning and 22 long-term jobs during operational phases. It is, therefore, considered that there will be a minor beneficial effect on employment.

Ebberston Moor EDS and the Proposed Development

- 14.103 During construction of the Proposed Development, there will be two people employed by the Applicant to operate Ebberston Moor EDS which in conjunction with the 50 workers associated with the construction of the pipeline will result in 52 jobs in the short term which is considered a temporary minor beneficial effect.
- 14.104 During operation of the Proposed Development, there will be up to 10 workers employed to decommission and restore the Lockton Compound and flare in addition to the two people employed by the Applicant to operate the Proposed Development. This will result in 12 short term temporary jobs during the decommissioning and restoration activities which will reduce to two once completed. This is considered to be a long term temporary minor beneficial effect.
- 14.105 There will be no combined effects during decommissioning and restoration of the Proposed Development.

Summary

14.106 Overall during construction of the Proposed Development there will be in the region of 200 short-term, temporary jobs during construction and restoration and decommissioning and 32 long-term jobs during operational phases while the Ebberston Moor EDS is being decommissioned and restored reducing to 22 during the remainder of the operational phase of the Proposed Development. It is, therefore, considered that there will be a minor beneficial effect on employment.

Gas Supply

14.107 There will be the cumulative effect resulting from increased gas production during operation of both development schemes which combined will cause a major beneficial effect on national energy supply. At no time will both the Ebberston Moor EDS and the Proposed Development be operational providing gas to both the NGN LTZ pipeline and NGS.

Summary

14.108 The Proposed Development is anticipated to generate short-term, temporary employment for approximately 50 workers during construction and up to 10 workers during decommissioning and restoration and long-term employment for three workers (already employed by the Applicant), in trades likely to have a readily available, local labour force. In addition, considerable indirect economic vitality will be introduced to the North York Moors National Park, Ryedale District and North Yorkshire through local procurement of supplies and services.

14.109 Once operational, the Proposed Development will help deliver secure supplies of energy through the production and use as a fuel-gas to generate power. The gas supply infrastructure will add to the reliability of national energy supply from which every user of the system benefits creating long-term major beneficial effects.

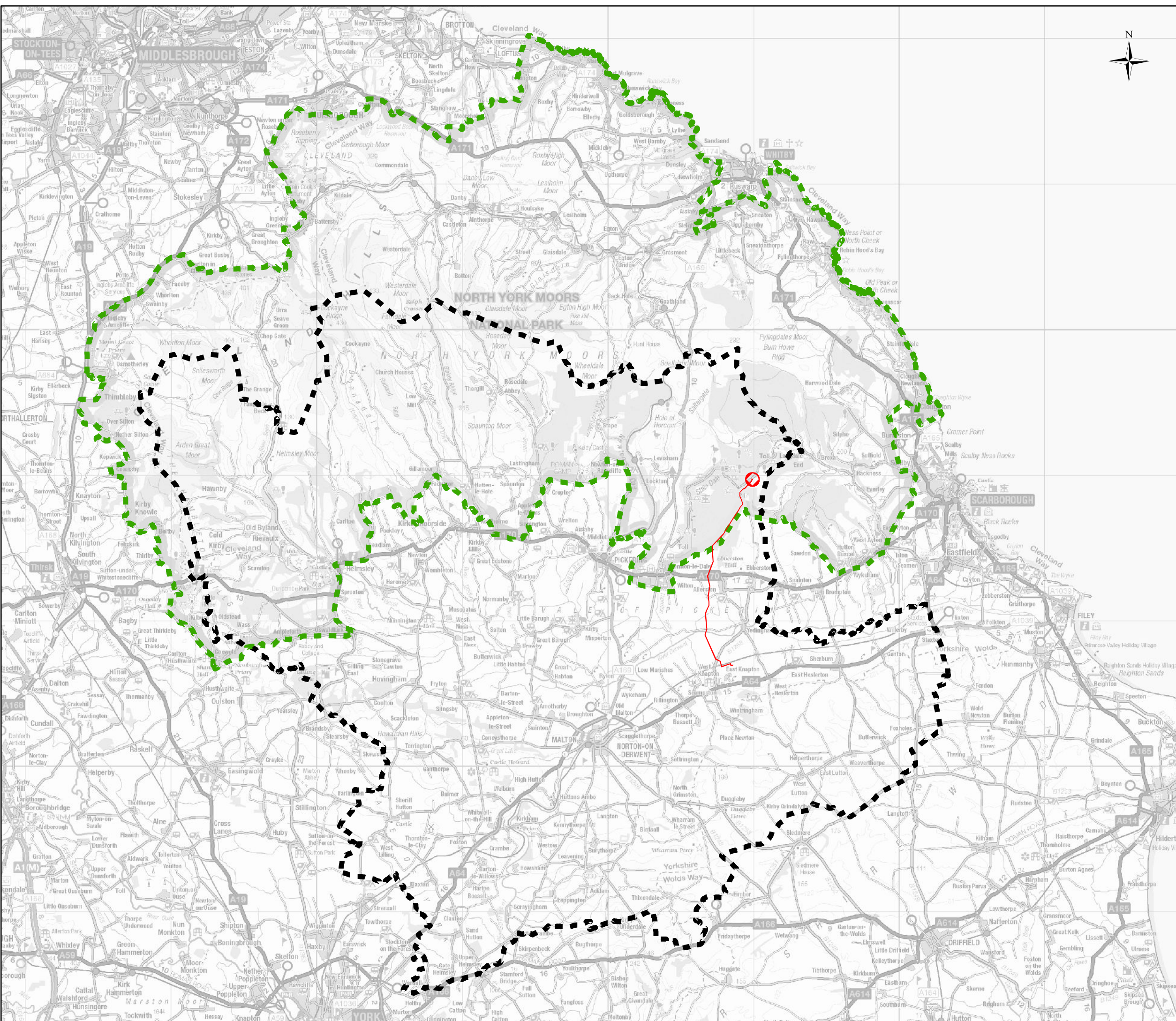
14.110 **Table 14.7** provides an overall matrix of the likely significant effects of the Proposed Development.

Table 14.7: Table of Significance –Economics

Potential Effect	Nature of Effect (Permanent/ Temporary)	Significance (Major/Moderate /Minor) (Beneficial/Adverse/ Negligible)	Mitigation / Enhancement Measures	Geographical Importance*							Residual Effects (Major/Moderate/ Minor) (Beneficial/Adverse/ Negligible)
				I	UK	E	R	C	D /N P	L	
Construction Phase											
Effects on Employment	Short term temporary	Minor Beneficial	None Required					*	*	*	Minor Beneficial
Completed Development											
Effects on Employment	Long term temporary	Minor Beneficial	None Required					*	*	*	Minor Beneficial
Effects on Gas Supply	Long term temporary	Major Beneficial	None Required		*						Major Beneficial
Demolition and Restoration											
Effects on Employment	Short term temporary	Minor Beneficial	None Required					*	*	*	Minor Beneficial
Cumulative Schemes											
Effects on Employment	Long term temporary	Minor Beneficial	None Required					*	*	*	Minor Beneficial
Effects on Gas Supply	Long term temporary	Major Beneficial	None Required		*						Major Beneficial

* Geographical Level of Importance

I = International; UK = United Kingdom; E = England; R = Regional; C = County; B = Borough; D = District; NP = National Park; L = Local



- ### Legend
- Assessment Site
 - Pipeline Western Route
 - North York Moors National Park
 - Ryedale LA

Figure 14.1

Project
 Gas Production and Processing Facility,
 Knapton, North Yorkshire

Drawing Title
 Boundaries Plan

Date	Scale	Drawn	Checked
31.05.12	NTS	VL	PF
Project No	Drawing No		Revision
19819	GIS01		-

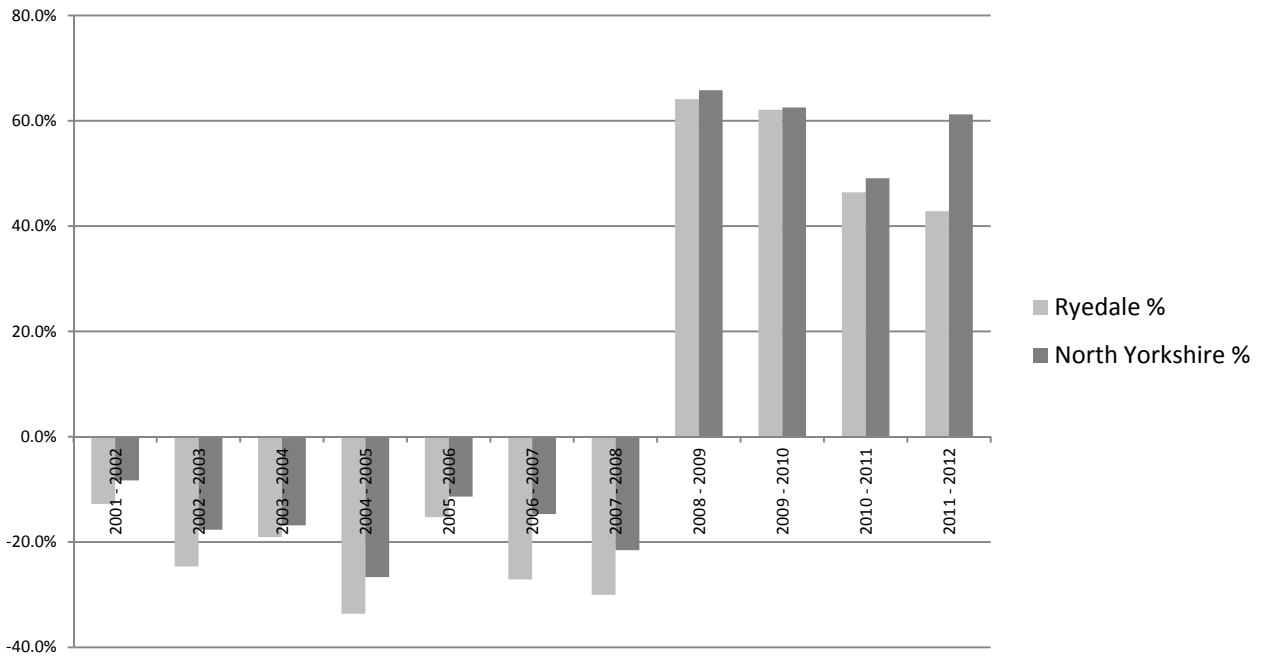


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Figure 14.2: Percentage Growth in JSA Claimants – 2001 to 2012



Source: ONS Job Seeker Allowance Claimant Count (via NOMIS) (Ref 14.23)