CONTENTS

18 SOCIO-ECONOMICS

18.1 Introduction

This section assesses the potential effects arising from the construction, operation and decommissioning phases of the Thanet Offshore Wind Farm (Thanet) project on the socio-economic environment.

18.2 Assessment Methodology

Information on the existing socio-economic environment has been collated through data and literature review including the following sources:

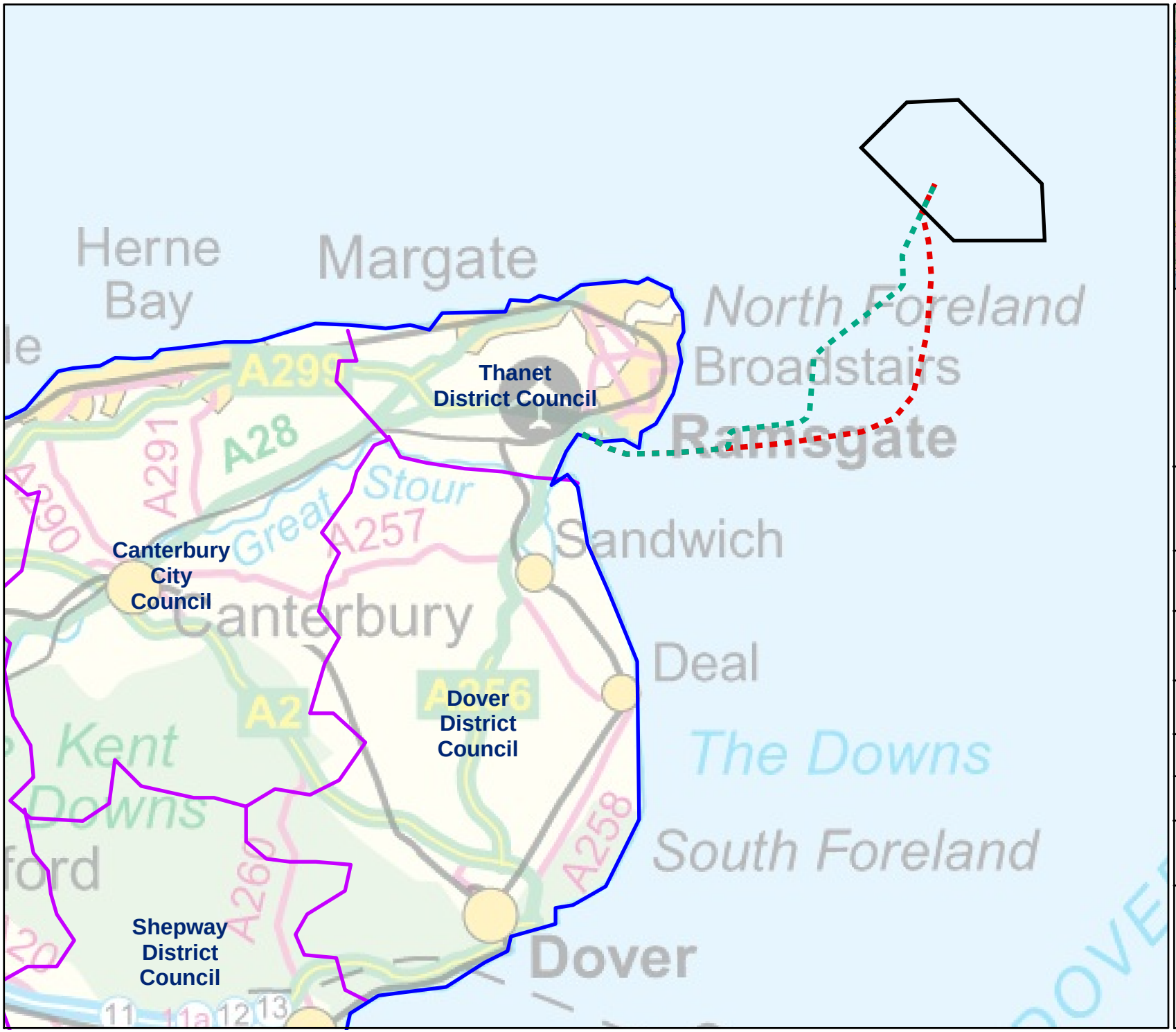
- Regional Intelligence Unit, Office for National Statistics;
- Thanet District Council website;
- Dover District Council website; and
- Kent County Council website.

The socio-economic impact assessment has been based on the recently published studies analysing the supply chain and the economic effects of wind farm developments. Key studies that have been used are:

- Scroby Sands – Supply Chain Analysis, a report to Renewables East (Douglas-Westwood and ODE, 2005);
- Windfarms in Thanet – Important issues and opportunities for Thanet, Kent and the Region (Canterbury Christ Church University College, 2005);
- POWER – Offshore Wind Supply Chain Study for the East of England, a report to Suffolk County Council (Douglas-Westwood, 2005);
- Renewable Supply Chain Study (DTI, 2004a); and
- Offshore Wind Onshore Jobs – A New Industry for Britain (Greenpeace, 2004).

In particular, the Scroby Sands Supply Chain Analysis provides the most recent quantitative analysis of the socio-economic effects of a UK offshore wind farm. The Scroby Sands figures have been utilised to estimate the potential employment effects for the Thanet project. Such estimates have then been compared with the figures provided by Canterbury Christ Church University College (2005) for the Thanet project. It is acknowledged that the local and regional socio-economic environment of the Scroby Sands and Thanet projects is different. A key differentiating factor is that infrastructure and support services for the oil and gas sector were already locally available to the Scroby Sands project and that it was relatively easy to transfer the skills and technology base. Therefore, the figures presented in this report for Thanet should be treated as best estimates.

The study area includes the jurisdiction areas of Kent County Council, Thanet District Council and Dover District Council (see **Figure 18.1**).



Legend:

- Wind Farm Site Location
- Proposed Cable Route 1
- Proposed Cable Route 2

Council Boundaries (Indicative)

- District Council Boundary
- County Council Boundary

Title:

COUNTY AND DISTRICT COUNCILS

Project:

THANET OFFSHORE WIND FARM

Source:

Inset Map & Main Chart -
Derived from MiniScale by Ordnance Survey.

Client:

THANET OFFSHORE WIND LTD

Drawn by:	Checked:	Drawing No:
SMG	FR	9P5164/06/802
Date: 17/10/2005		Figure: 18.1
Scale: 0 1 2 3 4 Kilometres		Revision No: 002

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18.3 Existing Environment

18.3.1 Kent County

Population characteristics

Kent has a population of 1.3 million (Office of National Statistics, 2002 data). The county experienced an increase in population of 4% between 1991 and 2002, which is above the national average of 3%, but below the South East average of 5.3%.

Economic activity, employment and labour market

The Kent economy is relatively prosperous within the national context, however it is behind the growth and development of the South East as a whole (Kent Economic Report, 2004). In recent years, the knowledge based economy and associated activities have become increasingly important as key drivers of future prosperity, however, other sectors remain important for the local economy and include precision engineering, manufacturing, financial services, tourism and retailing (Kent Economic Report, 2004).

Significant housing growth, commercial development and community infrastructure are planned over the next 20 years in Kent and Medway. These developments, supported by additional funding from the Office of the Deputy Prime Minister (ODPM), are taking place in the two 'growth areas' of Ashford and Thames Gateway in Kent.

Key figures for the Kent socio-economic environment and the corresponding figures for the South East and the UK are presented in **Table 18.1**.

Table 18.1 Key socio-economic figures for Kent

Indicator	Kent	Government Office of the South East	UK
Gross Value Added (GVA) per head (£)	12,074	15,880	14,798
Disposable household income per head (£)	10,173	11,055	10,142
Gross average weekly earnings	453	505	476
Qualifications: those with no qualification (%)	14.6	12	16
Qualifications: those with NVQ 1 & 2 (%)	34.7	31.8	30.4
Qualifications: those with NVQ 3 or above (%)	41.9	48.1	44.4
Employees (000s)	629	3,673	25,548
Unemployment rate (%)	1.8	1.6	2.8
VAT Registrations as % of stock	10.5	10.2	10
Business survival rates, after 3 years (%)	68.3	69.7	66.5

Source: DTI, 2004 from Kent Economic Report, 2004

The Department of Trade and Industry's (DTI) competitiveness indicators provide a view on Kent's economy and how it compares to the regional and national performance. The DTI key indicators (DTI, 2004b) highlight the following:

- Kent is the 12th largest economy out of the 53 British sub-regions;
- Kent is below the national rate on economic productivity, however, the rate of change (14.6%) in Gross Value Added (GVA) from 1998 to 2001 suggests that Kent is moving towards the national benchmark;
- Kent had a 10.8% increase in employment between 1998 and 2002;
- Kent has an industrial structure with a lower proportion of the workforce (20%) employed in knowledge-intensive sectors, however, from 1998 to 2002, the number of people employed in these sectors increased by 19%, faster than nationally (10.4%) and across the South East (13.2%);
- The number of VAT registered businesses grew by 9.7% from 1994 to 2003, better than the national rate (8%) but below the South East (13.8%);
- A higher proportion of the working population than the national average was qualified to less than NVQ level 2 and a lower proportion to above NVQ level 4; and
- Kent's employment rate in 2002-2003 was higher than the national rate and lower than the South East rate.

Unemployment

The 2004 unemployment rate is below the national average, but above the South East rate. Unemployment in Kent was 1.8%, compared to 2.8% in the UK and 1.6% in the South East (Kent Economic Report, 2004).

Deprivation

There are continuing disparities between the more prosperous parts of west Kent and the disadvantaged communities and areas of east Kent. The most disadvantaged part of the county is Thanet, which scores highest in the region, using the National Indices of Deprivation (ODPM, 2004).

The Kent Economic Report (2004) confirms that regeneration remains a pressing priority in places like east Kent and the coastal towns.

18.3.2 Thanet District

Population characteristics

Thanet District has a population of 128,000, equivalent to 9.5% of the total Kent population. Approximately 24.4% of the population is of pensionable age, which is well above the national average of 18.4%. Approximately 55.6% of the population is between 16 and retirement age, whilst 20.0% is under 15 years old, compared to the national average of 61.7% and 19.9% respectively (Office of National Statistics, Regional Unit, 2002). This seems to indicate that a higher proportion of young people leave the area to find employment elsewhere.

The economically active population for those of working age was 76.0% in 2001-2002, which is below the national average of 78.4% (Office of National Statistics, Regional Unit, 2002).

Economic activity

The Thanet economy is highly dependent on very small traditional businesses. There were a total of 2,345 registered businesses with a turnover exceeding £50k in 2002 (www.thanet.gov.uk, 2005). The Thanet Local Plan (Thanet District Council, 2003) recognises the weakness of overdependence on very small businesses and seeks to diversify its economic base, attract medium sized companies and expand the potential growth sectors in the area. The Local Plan recognises that Thanet has many strengths, including its proximity and excellent transport links to mainland Europe, its physical environment including an international airport and a developing and expanding seaport, and attractive and available land for development.

Employment and labour market

Figures on the labour market are provided in **Table 18.2**. The highest level of employment is provided by Wholesale and Retail Trade, the Health sector, and Manufacturing.

Table 18.2 Employment by key sectors

Sector	Percentage
Agriculture, hunting, forestry and fishing	1.50
Mining and quarrying	0.07
Manufacturing	13.98
Energy and water	0.50
Construction	8.72
Wholesale and retail trade	16.50
Hotels and catering	5.55
Transport, storage and communication	7.85
Banking and finance	2.09
Real estate	9.00
Public administration and defence	5.09
Education	9.70
Health and social work	14.05
Other	5.40

Source: 2001 Census data

The average weekly earnings and Gross Value Added per head are below the Kent and national levels (Kent Economic Report, 2004).

Unemployment

Thanet has seen a decline in unemployment numbers, but rates are still higher than for Kent and the South East. August 2005 data indicate that the unemployment rate in Thanet was 3.7%, compared to the national rate of 3.1%, the South East rate of 1.4% and the Kent rate of 2.0% (www.thanet.gov.uk).

Deprivation

The Indices of Deprivation are a method of calculating deprivation in areas of England and how the 354 Local Authorities in England compare. Each Local Authority is given a score, derived from a number of different statistical sources, and a rank. Thanet District was ranked the 85th most deprived District in the 2004 Indices of Deprivation (ODPM, 2004). This indicates that Thanet has a level of deprivation significantly higher than the English average.

18.3.3 Dover District

Population characteristics

Dover District has a population of 105,000, equivalent to 7.8% of the total Kent population. Approximately 21.6% of the population is of pensionable age, which is well above the national average of 18.4%. Approximately 58.4% of the population is between 16 and pensionable age, and 20.0% is under 15 years old, compared to the national average of 61.7% and 19.9% respectively (Office of National Statistics, Regional Unit, 2002). The percentage of people of working age is lower than the UK average, while the percentage of people of retirement age is higher. Proportionately more elderly people live in the coastal wards in Dover District (Dover District Council, 2001).

Dover has experienced a very low population change of 2% between 1992 and 2002, in comparison to 5.3% for the South East and 3.0% nationally (Office of National Statistics, 2002).

The economically active population between 2001-2002 was 81.2%, higher than the Kent and UK average of 80.7% and 78.4% respectively (Office of National Statistics, Regional Unit, 2002).

Economic activity

The adopted Dover District Local Plan (Dover District Council, 2002) reports that compared to Kent and Great Britain, the District's industrial structure has:

- A higher proportion than the national and county averages employed in agriculture;
- A very low proportion employed in manufacturing;
- A very high proportion employed in transport; and
- A low proportion in banking/financial services.

Dover District is well represented in the 'knowledge based industries', which are nationally and regionally identified as key sectors for employment and economic growth, with high technology, manufacturing and Research and Development (R&D). However, it has a relative lack of financial and business services and information economy businesses (Dover District Council, 2001).

Employment and labour market

The local economy has been weakened by declining agricultural employment, the closure of the east Kent coalfields, and the impact of the Single European Market on customs clearance companies and H.M. Customs, as well as the effects of the Channel Tunnel on the Port of Dover (Dover District Council, 2002). The Local Plan reports that jobs lost in coal mining and port and port related employment are reflected in the relatively high unemployment figures for the District.

Figures on employment by key sectors are provided in **Table 18.3**.

Table 18.3 Employment structure by key sector

Sector	Percentage
Agriculture and fishing	3.9
Energy and water	*
Manufacturing	16.0
Construction	4.4
Distribution, hotels and restaurants	20.4
Transport and communications	14.7
Banking, finance and insurance etc	13.4
Public administration, education and health	23.5
Other services	*

Note: *Data suppressed

Source: ABI 1999 (Dover District Council, 2001).

The average weekly earnings and Gross Value Added per head are below the Kent and national levels (Kent Economic Report, 2004).

Unemployment

Unemployment in Dover District has fallen rapidly between 1996 and 2001. However, the unemployment rate of 3.9% is still higher than both the Kent and the South East average of 2.7% and 1.7% respectively in 2001 (Dover District Council, 2001).

Deprivation

Dover District was ranked the 154th most deprived district in the 2004 Indices of Deprivation, out of the 354 Local Authorities in England. This indicates that the District's level of deprivation is comparable to the English average (Kent Economic Report, 2004).

18.4 Impacts during Construction

18.4.1 Introduction

The potential beneficial impacts from the construction of the Thanet project would depend to a large degree on the location of the construction and prefabrication activities. In particular, the main beneficial effects are likely to concentrate in the region where the port and laydown areas are to be located.

At this stage, it is not known which port would be utilised or which contractors and suppliers would be selected. Decisions on these issues would be subject to competitive tendering under European procurement legislation, following the receipt of the required consents and approvals. However, because of the location of the Thanet project, the areas of Kent, Dover District and in particular Thanet District have been considered relevant to this study and Thanet Offshore Wind Limited (TOW) is committed to working closely with the Local Authorities to help maximise the local content of the project, as far as practicable.

A DTI study (2003) identifies Thamesport on the Isle of Grain as one of the main options as a construction port for the Thames Estuary Round Two offshore wind farm developments.

The Canterbury Christ Church University College study (2005) identifies the Port of Ramsgate as "*in a strong position to secure contracts, with its geographical position at the mouth of the Thames Estuary, and giving easy access to the coasts of France, Belgium and the Netherlands, all of which will probably become sites for continental wind energy generation in the foreseeable future*".

Thanet District Council is currently considering an extension to the facilities offered by the Port of Ramsgate in order to diversify its activities and respond to the wind energy sector's requirements (Canterbury Christ Church University College, 2005), and an unpublished feasibility study into the development of an 'Alongside Quay Facility' within the Port of Ramsgate has recently been undertaken (Jacobs Babtie, 2005). Higher socio-economic benefits would be obtained within the local area should the Port of Ramsgate be utilised as a construction base for the Thanet project.

The project has the potential to generate the following key socio-economic impacts:

- Direct effects on local employment: Staff that would be employed directly by the operator, contractors and manufacturers of the Thanet project.
- Indirect or supplier effects: The Thanet project would require man hours directly employed by the operator, the contractors and manufacturers of the equipment, and local goods and services, which would be delivered by local businesses, such as security, catering, hotel facilities or maintenance.

- Induced effects: Namely the social and economic impact that relates to the new spending power generated from direct and indirect employees. A significant amount of the earning capacity of these individuals would be expected to be spent locally, for example shopping, housing, leisure and local taxes, which would in turn support more local jobs and more local wealth, the so called induced effect.
- Impacts on commercial fisheries would result from access restrictions to the Thanet site.
- Indirect impacts on tourism and recreational activities: Some minor disruption to tourism may occur during construction.

18.4.2 Impact on direct employment

The development phase has been considered together with the construction phase for consistency with the rest of the Environmental Statement. Key components of the development phase are:

- Development design;
- Environmental monitoring and surveys;
- Insurance/legal;
- Physical surveys;
- Public relations; and
- Other miscellaneous activities.

Key components of the construction phase are:

- Detailed design;
- Procurement and manufacture;
- Transport and delivery;
- Onshore pre-assembly;
- Onshore installation;
- Offshore installation;
- Commissioning;
- Environmental monitoring and surveys;
- Physical surveys;
- Insurance/Legal;
- Project management;
- Public relations; and
- Other miscellaneous activities.

Key components of the decommissioning phase would essentially be the same as for the construction phase.

The range of skilled personnel that would typically be required includes project management teams within the developer and contractor organisations, wind turbine manufacturers, steelwork fabricators, offshore construction contractors, subsea cable suppliers, onshore installation contractors, port operating staff, vessel operators, back-up services staff, financiers, insurers and underwriters (Greenpeace, 2004).

An estimate of the generated man years during these phases of the project has been provided on the basis of the figures and the methodology presented in the Scroby Sands Supply Chain Analysis (Douglas-Westwood and ODE, 2005) in **Table 18.4**. In particular, the findings of Scroby Sands are extrapolated for the Thanet project using the number of turbines as a starting point (Scroby Sands 30 turbines; Thanet 60 to 100 turbines) rather than the installed capacity (Scroby Sands 60MW; Thanet 300MW). The figures provided in this assessment should be treated as best estimates due to the differences between the two projects such as location, available expertise etc. In particular, the Scroby Sands project benefited from the existing oil and gas expertise and infrastructure available locally, therefore, the proportion of local man years in **Table 18.4** is likely to be an overestimate.

Table 18.4 Estimated man years equivalent and their distribution

Activity	Man years equivalent	% Local	% UK	% non UK
Development and Construction				
Development Design	31 - 52	13%	56%	31%
Environmental Monitoring	4 - 6	91%	9%	0%
Insurance/Legal	2 - 4	20%	80%	0%
Surveys	3 - 5	95%	5%	0%
Project Management	109 - 181	40%	56%	5%
Detailed Design	33 - 55	16%	14%	70%
Procurement and Manufacture	160 - 267	0%	70%	29%
Transport and Delivery	8 - 13	6%	23%	70%
Onshore Pre-Assembly	45 - 75	65%	22%	13%
Onshore Installation	41 - 69	100%	0%	0%
Offshore Installation	86 - 143	8%	23%	69%
Commissioning	52 - 86	41%	28%	31%
Other Miscellaneous Activities	17 - 29	25%	45%	29%
TOTAL	**592-986**	**30%**	**40%**	**30%**

The equivalent for the development and construction phases is estimated to be between 592 and 986 man years, with the construction phase expected to last over a one to two season period. This broadly compares with the estimate of 1,438 man years, which has been calculated utilising the above methodology, but on the basis of the development figures for Thorntonbank (Canterbury Christ Church University College, 2005), which is an offshore wind farm project being developed close to the coast of Belgium.

In addition, the estimates provided in **Table 18.4** are in line with those calculated using the DTI (2004a) methodology, which uses employee/MW as a basis. This method produces an estimate of the employment involved in construction and operation and maintenance of 912 man years (Canterbury Christ Church University College, 2005).

It is not possible to estimate how many of these man years would correspond to new jobs, as it is possible that consulting/contracting organisations would be able to undertake the work without increasing employment. However, the man years required for the development and construction of the Thanet project are anticipated to be beneficial in sustaining, and possibly, increasing, the level of local and national employment.

Overall, it is anticipated that the impact that the Thanet project would have on national and local employment in terms of creating and/or maintaining jobs is of temporary **minor beneficial** significance.

18.4.3 Impact of indirect effect

The purchase of materials, equipment and services during the construction phase would have an effect on the creation of temporary and permanent jobs within the local and national environment. It is anticipated that a substantial part of the required materials and especially services such as security, accommodation, transport, contracting would be sourced locally, where available.

The Scroby Sands Supply Chain Analysis (Douglas-Westwood and ODE, 2005) highlights that the UK has the capabilities to support the majority of the activities inherent within the development and construction phases of an offshore wind farm. However, significant gaps remain, mainly in the areas of manufacture and installation of turbines, blades and nacelles.

It is not possible to provide precise financial figures at this stage for the local and national indirect spend, however given the total project investment, which is in excess of £300 million, the effects to the local and national economy is expected to be of **minor beneficial** significance.

18.4.4 Impact of induced effect

The induced effects on the local and national economy relates to the new spending power generated from the direct and indirect employment as a result of the Thanet project. It is expected that the earning capabilities of these employees would be spent within the local economy, thus supporting more local jobs and more local wealth.

Based on an average local multiplier in the UK of between 1.05 and 1.15 (English Partnerships, 2004), every £1 that is locally spent might be expected to have an impact on the local economy of between £1.05 and £1.15. The regional multiplier varies between 1.3 and 1.7 (English Partnerships, 2004). In other words, every direct or indirect job that is created by the Thanet project would create more employment and jobs elsewhere in the local and regional economy.

At this stage, it is not possible to provide precise financial figures for the local spend, however, given the total project investment of in excess of £300 million, the effect on the local economy is expected to be **beneficial**.

18.4.5 Impact on commercial fisheries

Given an assumed 500m Safety Zone around all offshore structures during the construction phase (see **Section 14, Shipping and Navigation**), access to the fishing grounds would be reduced at various times throughout the construction phase of the Thanet project. The impact of such restrictions on commercial fisheries has been estimated to be of **negligible** to **moderate** significance, depending on the fishing methods deployed (see **Section 12, Commercial Fisheries**).

18.4.6 Impacts on tourism and recreational activities

Disruption to tourism and recreational activities during construction could occur, as the Thanet site would not be accessible and there would be a higher number of vessels transiting between the construction port and the site (see **Section 23, Coastal Tourism and Recreation**). Disruption to traffic may also be experienced during the onshore works (see **Section 24, Traffic and Access**). However, given the temporary nature of the activities and the limited area affected, the impact on tourism and recreational activities is anticipated to be of **negligible** significance.

18.5 Impacts during Operation

18.5.1 Introduction

Once operational, the Thanet project would have less significant socio-economic impacts in terms of generated man years and supply chain. However, a number of jobs are likely to be created for the operational and maintenance phase. Indirect adverse effects would continue to impact on certain commercial fishery activities (see **Section 12**) and possibly also on tourism (see **Section 23**).

18.5.2 Impact during operation

The range of skilled personnel contributing to the operation and maintenance (O&M) phase typically includes port staff, vessel operators, O&M staff, and offshore construction contractors for possible major refits (Greenpeace, 2004). It is anticipated that most employment would be related to the O&M of the wind turbines.

An assessment of the potential employment generated during the O&M phase has been undertaken in accordance with the figures presented for the Scroby Sands offshore wind farm for the first five years of operation (Douglas-Westwood and ODE, 2005). The results of the assessment are presented in **Table 18.5**.

Table 18.5 Estimated man years equivalent and their distribution

Activity	Man year equivalent	% Local	% UK	% non-UK
Operation and Maintenance	39-66	76%	6%	18%

The O&M phase is expected to generate the equivalent of 39 to 66 man years of work each year. This compares with the estimate of 30 jobs for O&M calculated using the DTI methodology (DTI, 2004a) of 0.1employee/MW. It is anticipated that up to 20 new full time jobs would be created for the operational phase and employed within the Thanet local area, and it is considered most likely that an O&M base would be established at the Port of Ramsgate.

Non-routine O&M activities are likely to be undertaken by various survey and support companies. Therefore, local employment may not be generated directly for these activities, however, it is likely that the work required for the Thanet project would maintain, if not increase, these companies' employment levels.

Overall, the great majority of the work related to the O&M of the wind farm would be beneficial to the local and national economy, with a small proportion of work required from non-UK sources.

Overall, the expected employment generation or support is considered to be of **minor beneficial** significance to the local, regional and national economy.

18.5.3 Impacts on commercial fisheries

The most significant effect of the Thanet project on commercial fisheries would be associated with access restrictions to the wind farm site. Once operational, access to the wind farm site would be restricted to certain activities, however, this is only likely to impact on a very small number of fishermen (see **Section 12**). The impact on commercial fisheries has been estimated to be of **negligible** to **moderate adverse** significance depending on the method of fishing.

18.5.4 Impact on tourism

The impacts on tourism during the operational stage of the Thanet project would be associated with the visibility of the wind turbines and perception of them. The wind turbines would be visible along much of the east facing coastline of the Thanet and Dover Districts (see **Section 13, Seascape and Visual Character**).

The visual perception of a wind farm is highly subjective and its setting is a key factor in relation to its impact on tourism. For example, a wind farm offshore from a well developed seaside resort would potentially add interest to the beach experience, while the same development offshore of a remote, undeveloped coastline may be significantly detrimental.

A recent survey carried out by Greenpeace regarding the Scarweather Sands wind farm proposal off Porthcawl demonstrated that offshore wind farms are not likely to have detrimental effects on tourism (Greenpeace, 2004). Of the 650 tourists visiting Porthcawl who were asked whether the proposed wind farm would make them more or less likely to return, 83% of the respondents said it would make no difference, 13% said more likely and just 4% less likely. This is reinforced by a MORI survey of visitors conducted in Argyll in Scotland in 2002. The survey found that 91% of the respondents said the presence of wind farms would make no difference to their decision to visit the area again (Sustainable Development Commission, 2005).

Overall, no significant adverse effect on tourism is anticipated and no significant reduction in local tourism revenues is expected. On the contrary, **minor beneficial** effects may arise, as the wind farm could become a local attraction. It is possible that interest in the Thanet project would encourage local charter boats to provide sightseeing trips to the wind farm.

18.6 Impacts during Decommissioning

All offshore structures would be decommissioned at the end of the 40 year lifespan of the Thanet project. At this stage, it is not known exactly how the decommissioning would be undertaken, however, it is anticipated that a range of specialist contractors would be necessary. The wind farm components would be reused, recycled or disposed of at suitable facilities.

It is not possible to estimate the number of man years that would be required for the decommissioning phase, however, it is anticipated that it would be significantly less than those generated during the development and construction phases. Likewise, the supply chain effect is likely to be of less significance than for the construction period.

Overall, the socio-economic impact is anticipated to be of **minor beneficial** significance for the local and national economy.

18.7 Cumulative Impacts

As a result of national strategies, wind energy is an important emerging sector for the UK, with three Round One wind farms currently in operation, one under construction and a number of other Round One and Round Two wind farms at the development/planning stage, of which the Thanet project is one. The economic development potential of this sector is likely to have significant regional and national socio-economic benefits in terms of job creation and diversification, supply chain effect and induced effect.

A report commissioned by Greenpeace (2004) foresees the following scenarios:

- 10% of the electricity from offshore wind by 2010 would create approximately 25,000 new jobs by 2010;
- 20% of the electricity from offshore wind by 2020 would create approximately 49,000 new jobs by 2020; and
- 30% of the electricity from offshore wind by 2030 would create approximately 76,000 new jobs by 2030.

The DTI recognises that the development of the offshore wind sector in the UK should create world class capabilities, with potential beneficial effects on export jobs and export economic returns (DTI, 2004a).

Key benefits for the UK are however dependent on its capacity to attract manufacturers to the country and develop a competitive supply chain. The POWER Study on Offshore Wind Supply Chain (Douglas Westwood, 2005) reports that at present, there are difficulties in entering the offshore wind sector and that despite the opportunities identified by regional companies, there is currently an acknowledged imbalance between risk and reward. In particular, the UK suppliers *are "struggling to compete with*

their European counterparts who are believed to be benefiting from a larger quantity of repeat business, in some cases due to existing relationships from well-established onshore wind supply chains."

Analysing the opportunities presented by the offshore wind energy's emerging sector is outside the remit of this Environmental Statement, however, it is considered that the Thanet project, together with other Round One and Round Two projects, represents a significant step in stimulating the development of a renewable market, its supply chain and relative national employment. It is clear that the development of more offshore wind farms in the Thames Estuary area and in other locations in the UK would foster continuity in the demand for services and would help to attract investments and long term commitments from the business community.

18.8 Summary

A socio-economic desktop study has been undertaken for the Thanet project. Recently published studies that have been used in the assessment include:

- Scroby Sands – Supply Chain Analysis, a report to Renewables East (Douglas-Westwood and ODE, 2005);
- Windfarms in Thanet – Important issues and opportunities for Thanet, Kent and the Region (Canterbury Christ Church University College, 2005);
- POWER – Offshore Wind Supply Chain Study for the East of England, a report to Suffolk County Council (Douglas-Westwood, 2005);
- Renewable Supply Chain Study, for the DTI (DTI, 2004a); and
- Offshore Wind Onshore Jobs – A new Industry for Britain (Greenpeace, 2004).

Kent is a relatively prosperous sub-region within the national context, however, it lags behind the growth and development of the South East as a whole. Kent is the 12th largest economy out of the 53 British sub-regions. It has an industrial structure with a lower proportion of the workforce (20%) employed in knowledge intensive sectors than elsewhere. However, the number of people employed in these sectors increased faster in recent years than nationally and across the South East.

The unemployment rate is below the national average but above the South East rate. There are continuing disparities between the more prosperous parts of west Kent and the disadvantaged communities and areas of east Kent. The most disadvantaged part of the county is Thanet, which scores highest in the region using the National Indices of Deprivation.

Thanet District has a population of 128,000, and the economically active population of 76% for 2001-2002 is below the national average. The Thanet economy is highly dependent on very small traditional businesses. The average weekly earnings and the Gross Value Added per head are below the national levels (Kent Economic Report, 2004).

Thanet District has seen a decline in unemployment numbers, but rates are still high in comparison to Kent and the South East. In addition, Thanet District has a level of deprivation significantly higher than the English average.

Dover District has a population of 105,000, and the economically active population of 81.2% for 2001-2002 is higher than the Kent and UK averages.

The Dover District economy has a higher proportion employed in agriculture than the national and county averages, a very low proportion employed in manufacturing, a very high proportion employed in transport, and a low proportion employed in banking and financial services (Dover District Council, 2002).

The average weekly earnings and Gross Value Added per head are below the Kent and national levels (Kent Economic Report, 2004). Unemployment in Dover District has rapidly fallen between 1996 and 2001. However, the unemployment rate is still higher than the Kent and South East averages (Dover District Council, 2001). The District's level of deprivation is comparable to the English average (Kent Economic Report, 2004).

The project has the potential to generate the following key socio-economic impacts during construction:

- Direct effects on local employment;
- Indirect or supplier effects;
- Induced effects;
- Direct effects on commercial fisheries; and
- Indirect effects on tourism.

The potential for direct employment has been estimated to be between 592 and 986 man years, with the construction phase expected to last over a one to two season period. It is not possible to estimate how many of these man years would correspond to new jobs, however, the man years required for the development and construction of the Thanet project are anticipated to be beneficial in sustaining, and possibly, increasing, the level of local and national employment. Overall, it is anticipated that the impact on national and local employment would be of temporary **minor beneficial** significance.

It is anticipated that a substantial part of the required materials and especially services such as security, accommodation, transport, contracting would be sourced locally or nationally through the existing supply chain within the UK. It is not possible at this stage to provide precise financial figures for the local and national indirect spend, however, given the total project investment is likely to exceed £300 million, the effect to the local and national economy is expected to be of **minor beneficial** significance.

The induced effects on the local and national economy relates to the new spending power generated from the direct and indirect employment as a result of the Thanet project. Again, it is not possible to provide precise financial figures for the local spend, however, given the total project investment of in excess of £300 million, the induced effects to the local economy is be expected to be **beneficial**.

Access restrictions to the construction site would have an impact on commercial fisheries, which has been estimated to be of **negligible** to **moderate** significance, depending on the fishing methods deployed.

Indirect impacts on tourism due to temporary disruption during construction are considered to be of **negligible** significance.

Once operational, the wind farm would have less significant socio-economic impacts in terms of generated man years and supply chain. However, up to 20 full time jobs are likely to be created at the onshore operation and maintenance base, which is likely to be located at the Port of Ramsgate. It is estimated that the operation and maintenance phase is expected to generate the equivalent of 39 to 66 man years of work each year. Of these jobs, it is anticipated that most of these would be employed within the Thanet local area. Overall, the expected employment generation or support is considered to be of **minor beneficial** significance to the Thanet and Kent areas and the national economy.

The impact on commercial fisheries during operation has been estimated to be of **negligible** to **moderate adverse** significance, depending on the method of fishing deployed.

The impacts on tourism during the operational stage of the wind farm would be associated with the visibility of wind turbines and perception of them. Given the well developed nature of the majority of the Thanet and Dover coastline, it is considered that the wind farm would be acceptable to visitors. A recent survey carried out by Greenpeace regarding the proposed Scarweather Sands offshore wind farm at Porthcawl (Greenpeace, 2004), reported that 83% of the interviewed visitors said that the wind farm would make no difference to them returning to the beach. In conclusion, **no impact** on tourism is anticipated and **no impact** on local tourism revenues is expected.

It is not possible to estimate the number of man years that would be required for the decommissioning phase, however, it is anticipated that it would be significantly less than those generated for the development and construction phases. Likewise, the supply chain effect is likely to be of less significance than for the construction period. Overall, the socio-economic impact is anticipated to be of **minor beneficial** significance for the local and national economy.

In terms of cumulative effects, it is considered that the Thanet project, together with other Round One and Round Two projects, represents a significant step in stimulating the development of a renewable market, its supply chain and relative national employment. It is clear that the development of offshore wind farms in the Thames Estuary area and in other locations in the UK would foster continuity in the demand for services and would help to attract investments and long term commitments from the business community.