

## Appendix 14.1

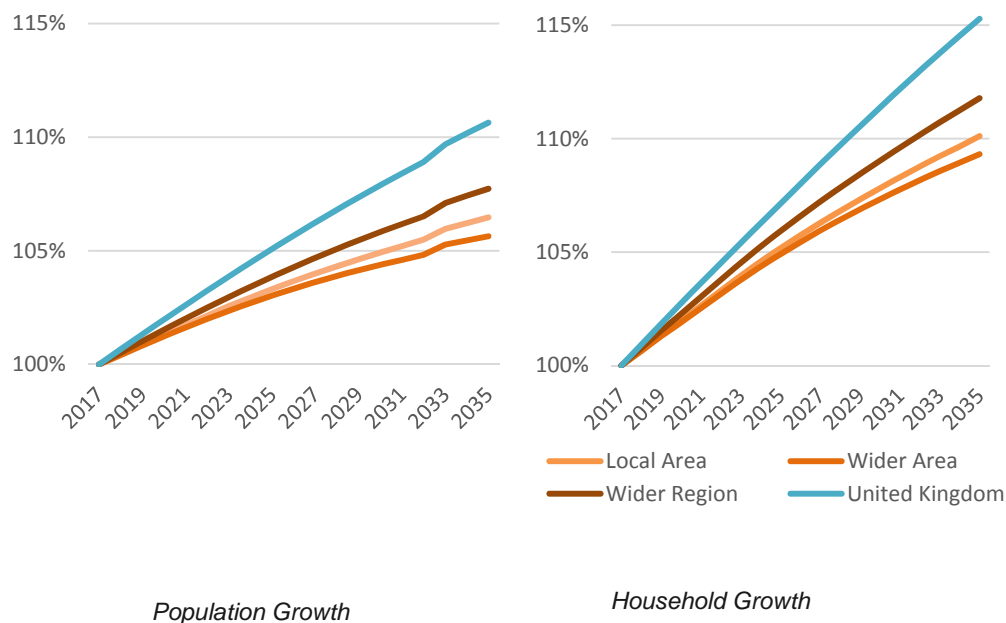
### Socio-Economic Technical Baseline

# Appendix 14.1 Socio-economic Technical Baseline

14.1.1 The socio-economic profile sets a context for the assessment and highlights key socio-economic issues. The indicators are also used to determine the overall sensitivity of the labour market (socio-economic receptor).

14.1.2 As indicated in Table 14.8, all areas have experienced population increases since 2001, a trend which is expected to continue to 2035. Over the same period the population of the UK has increased and is expected to rise further at a greater rate than the local area, wider area and wider region. The local area population is expected to grow at a lower rate in the future than that experienced between 2001 and 2017. Population growth in the wider area and wider region is expected to be below that of the UK. Across the local area, wider area, wider region and comparator area, household growth is expected to exceed population growth (See Figure 14.1).

**Figure 14.1 Population and Household Growth (2017=100%)**



**Table 14.8 Population**

	Study Area			Comparator
	Local Area	Wider Area	Wider Region	United Kingdom
Population (2001)	475,569	757,894	1,581,828	59,113,045
Population (2017)	516,977	826,469	1,728,578	66,118,137
Population (2035)	550,440	873,096	1,862,234	73,152,330
<b>% change</b>				
2001-2017	8.7%	9.0%	9.3%	11.9%
2017-2035	6.5%	5.6%	7.7%	10.6%

Source: Experian 2016, Census 2011

14.1.3 Current population data indicates that the proportion of potentially economically inactive residents (i.e. those aged between 0-16 and over 65) make up 36% of the population locally. This is consistent with the wider area and UK average. Projections for the region indicate that there will be a reduction in the working age population and increases in their dependency ratio<sup>1</sup> which is likely to put additional pressure on services in the local and wider areas and wider region. By 2035 nearly a quarter of the regional population<sup>2</sup> is expected to be of retirement age. This is greater than the projected UK average.

14.1.4 Table 14.9 below sets out the age structure in the vicinity of the Project Site.

**Table Error! No text of specified style in document..9 Age Structure**

	Study Area			Comparator
	Local Area	Wider Area	Wider Region	United Kingdom
Children (0-15)	17.7%	18.0%	18.3%	18.8%
Working age (16-64)	63.7%	63.5%	64.4%	64.8%
Retirement age (65+)	18.6%	18.5%	17.3%	16.4%

Source: Experian 2017

14.1.5 Age band projections are not available for the local area. However, projections for the administrative areas (i.e. the county of Swansea and the West Wales

<sup>1</sup> The dependency ratio (or proportion of working age people) is significant as it measures the relationship between the productive element of a population and the economically dependent. In Swansea there is to be a reduction in the proportion of working age population from 63% to 62%. In West Wales, it will decrease from 62% to 58%.

<sup>2</sup> Age band projections not available on local level. Experian estimate that the proportion of residents at retirement age will be 24% in Swansea and 28% in West Wales

region) coinciding with the study area indicates a reduction in the working age population between 2017 and 2035. This is shown in Table 14.10.

**Table 14.10 Working Age Population**

	Swansea		West Wales		United Kingdom	
	2017	2035	2017	2035	2017	2035
Working Age (Ths)	154.1	162.5	468.2	468.3	41360.22	44330.91
Working Age (%)	63.1%	62.1%	60.7%	58.4%	62.6%	60.7%
Total population (Ths)	244.2	261.5	771.7	801.3	66030.7	73043.6

Source: Experian Local Market Forecasts 2017

14.1.6 The economic activity rate is a useful measure of the labour market opportunities available in the area<sup>3</sup>. As Table 14.11 shows, economic activity in the local area, wider area and wider region is significantly lower than the national average.

**Table Error! No text of specified style in document..11 Economic Activity**

	Study Area			Comparator
	Local Area	Wider Area	Wider Region	United Kingdom
Total population (16-74)	369,408	589,384	1,235,391	46,410,512
Economically Active (%)	63.1%	63.6%	64.9%	69.5%
Economically Inactive (%)	36.9%	36.4%	35.1%	30.5%

Source: Experian 2017

14.1.7 The local area, wider area and wider region are all characterised by marginally lower levels of unemployment compared to the national average. However, each area has a higher proportion of people who are permanently sick/disabled than the UK average. This is summarised in Table 14.12.

<sup>3</sup> The economic activity rate measures the percentage of the population, both in employment and unemployed that represent the labour supply regardless of their labour status. The figure represents the degree of success of the area in engaging people in productive activity.

**Table Error! No text of specified style in document..12 Economic Activity by Type**

	Study Area			Comparator
	Local Area	Wider Area	Wider Region	United Kingdom
<b>Economically Active</b>	<b>233,189</b>	<b>375,114</b>	<b>801,976</b>	<b>32,268,551</b>
Employees Part-time (%)	22.4%	22.1%	21.0%	19.7%
Employees Full-time (%)	55.3%	55.4%	55.5%	55.3%
Self – employed (%)	0.5%	0.5%	0.5%	0.5%
Unemployed (%)	2.3%	2.5%	2.5%	2.7%
Full-time student (%)	2.4%	2.5%	2.6%	3.5%
<b>Economically Inactive</b>	<b>136,221</b>	<b>214,269</b>	<b>433,413</b>	<b>14,141,961</b>
Retired (%)	45.3%	46.3%	43.8%	45.6%
Student (%)	17.0%	15.5%	18.4%	19.0%
Looking after home/family (%)	10.7%	10.7%	11.2%	14.0%
Permanently sick/disabled (%)	21.2%	21.4%	20.3%	14.2%
Other (%)	5.8%	6.2%	6.3%	7.2%

Source: Experian 2017

14.1.8 The primary industries of employment in the local area include retail, human health and social work, education, and public administration/defence. Together these industries account for just over half of local employment. This is comparable to the wider area and wider region but higher than UK levels. Construction and manufacturing employment accounts for almost a fifth of all jobs in the study area. These industries make up a higher proportion of employment than in the UK. This is summarised in Table 14.13.

**Table Error! No text of specified style in document..13 Employment Structure**

	Study Area			Comparator
	Local Area	Wider Area	Wider Region	United Kingdom
Agriculture, forestry and fishing	0.6%	0.9%	0.8%	1.0%
Mining and quarrying	0.4%	0.4%	0.2%	0.3%

	Study Area			Comparator
	Local Area	Wider Area	Wider Region	United Kingdom
Manufacturing	10.1%	10.7%	9.9%	8.9%
Electricity, gas, steam and air conditioning supply	0.5%	0.5%	0.8%	0.6%
Water supply; sewerage, waste mgt. and remediation	0.9%	0.9%	0.9%	0.7%
Construction	8.0%	8.3%	8.0%	7.7%
Wholesale and retail; repair of motor cycles and vehicles	16.3%	16.0%	15.5%	15.9%
Transport and storage	4.1%	3.9%	3.9%	4.9%
Accommodation and food service activities	5.6%	5.6%	5.7%	5.6%
Information and communication	2.3%	2.2%	2.5%	3.8%
Financial and insurance activities	3.1%	3.0%	3.5%	4.3%
Real estate activities	1.2%	1.2%	1.2%	1.4%
Professional, scientific and technical activities	3.6%	3.7%	4.4%	6.4%
Administrative and support service activities	3.9%	3.9%	4.1%	4.8%
Public administration, defence, compulsory social security	9.6%	9.2%	8.7%	6.1%
Education	10.2%	10.0%	10.3%	9.8%
Human health and social work activities	15.2%	15.3%	14.9%	12.8%
Industry: Other	4.4%	4.3%	4.5%	5.0%

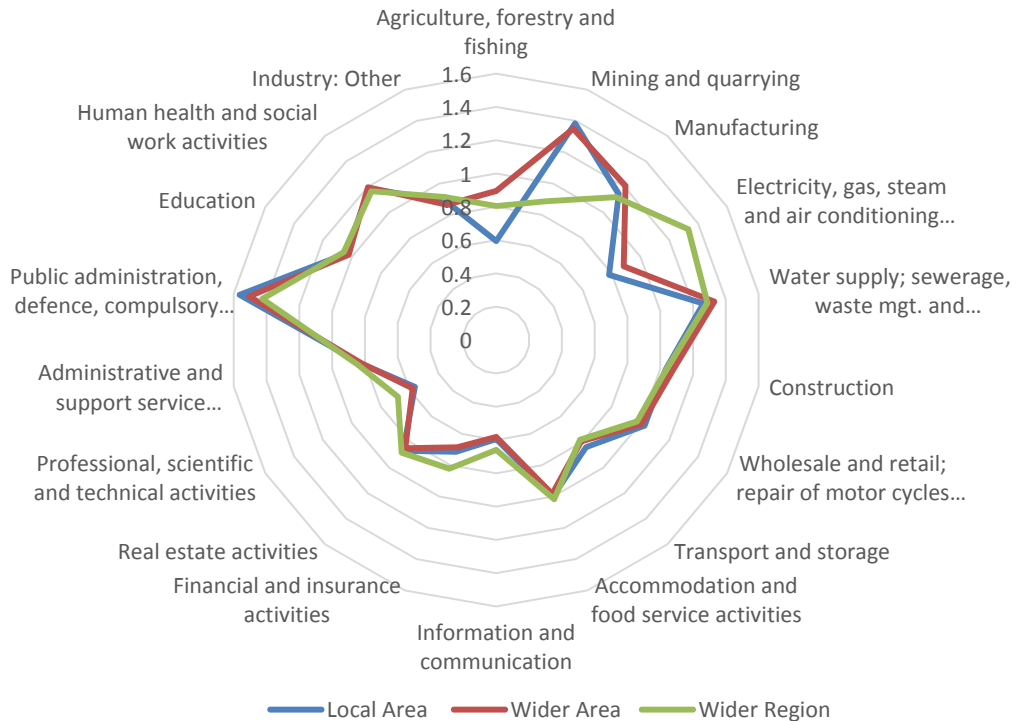
Source: Experian 2017

14.1.9 Location Quotients for the Study Area shows how they differ in relation to national averages for employment.<sup>4</sup> On this measure, the local area, wider area and wider region have particular concentrations in public administration/defence and water supply, sewerage, waste management & remediation. The local and wider area also indicates the importance of mining

<sup>4</sup> The Location Quotient quantifies the concentration of an industry in a geographical area compared to a wider reference area. A value of '1' indicates parity in terms of the proportion of jobs in that industry compared to the national average, whilst the values below/above indicate a smaller/greater proportion of local jobs in that industry compared to the national average.

and quarrying, owing to proximity to sites at Felindre, Caerbont, Merthyr Tydfil, and Aberdare.

**Figure 14.2 Location Quotient for Study Area**



Source: Experian 2017, PBA Calculations.

14.1.10 National Readership Survey (NRS) social grades are a system of demographic classification widely used in market research<sup>5</sup>. The NRS social grades provide an insight into the skills profile of a population.

14.1.11 As shown in Table 14.14, the local area, wider area and wider region each have a lower than average proportion of people in the highest and second highest social grades (AB and C1). Each area also has a higher proportion of people in the lowest social grades (DE). The wider region is slightly more skilled than the immediate local area.

**Table Error! No text of specified style in document..14 National Readership Survey (NRS) Social Grade**

	Study Area			Comparator
	Local Area	Wider Area	Wider Region	United Kingdom
Highly skilled professional <sup>6</sup>	16.0%	16.4%	18.1%	22.2%

<sup>5</sup> Originally developed by the National Readership Survey (NRS). Now used by many other organisations for wider applications and a standard for market research.

<sup>6</sup> AB - High/intermed mgr/admin/prof

	Study Area			Comparator
Semi-skilled professional <sup>7</sup>	30.1%	29.3%	30.4%	30.8%
Skilled manual <sup>8</sup>	22.4%	22.7%	21.5%	20.9%
Semi-skilled manual <sup>9</sup>	31.5%	31.5%	30.0%	26.1%

Source: Experian 2017

14.1.12 Educational attainment rates in the local area, wider area and wider region are generally lower than UK levels, with a higher proportion of people achieving no qualifications across the Study Area, and a lower proportion achieving Level 4+ qualifications. This is summarised in Table 14.15.

**Table Error! No text of specified style in document..15 Qualifications<sup>10</sup>**

	Study Area			Comparator
	Local Area	Wider Area	Wider Region	United Kingdom
No qualifications	27.0%	27.5%	26.6%	23.2%
Level 1 qualifications	13.3%	13.3%	13.1%	14.1%
Level 2 qualifications	15.8%	15.8%	15.3%	15.2%
Apprenticeship (not counted as separate variable in Scotland)	4.6%	4.3%	3.9%	3.3%
Level 3 qualifications	12.4%	11.8%	12.3%	12.1%
Level 4 qualifications and above	22.6%	23.1%	24.6%	27.0%
Other qualifications	4.2%	4.2%	4.3%	5.1%

Source: Experian 2017

14.1.13 The socio-economic study area<sup>11</sup> surrounding the Project is characterised by:

- An increasing population (2001-2017);
- Projected population increase of c.7% between 2017 and 2035;

<sup>7</sup> C1 - Supervisor/clerical/Jnr. mgr/admin/prof

<sup>8</sup> C2 - Skilled manual

<sup>9</sup> DE - Semi-skilled/unskilled manual/State benefit/unempl/lowest grade

<sup>10</sup> Level 1: qualifications cover: 1+'O' level passes; 1+ CSE/GCSE any grades; NVQ level 1; or Foundation level GNVQ.

Level 2: qualifications cover: 5+'O' level passes; 5+ CSE (grade 1's); 5+GCSEs (grades A-C); School Certificate; 1+'A' levels/'AS' levels; NVQ level 2; or Intermediate GNVQ.

Level 3: qualifications cover: 2+ 'A' levels; 4+ 'AS' levels; Higher School Certificate; NVQ level 3; or Advanced GNVQ.

Level 4: Qualifications cover: First Degree, Higher Degree, NVQ levels 4 and 5; HNC; HND; Qualified Teacher Status; Qualified Medical Doctor; Qualified Dentist; Qualified Nurse; Midwife; or Health Visitor.

<sup>11</sup> Defined as the area within a 60-minute drive time. Comparisons are made relative to national averages.



- Slightly lower levels of unemployment comparable to the UK average;
- A higher proportion of people working in construction and manufacturing jobs;
- Above average levels of employment in electricity and gas related occupations;
- A lower proportion of people working in high value professional, scientific and technical activities, and finance & insurance occupations;
- A higher proportion of people employed in semi-skilled/unskilled jobs and lower proportion of people in highly skilled jobs; and
- A higher proportion of people achieving no qualifications and low level qualifications compared to the UK average.

14.1.14 In summary, the socio-economic study area exhibits some characteristics consistent with a low sensitivity labour market (i.e. increasing population and above average levels of construction and electricity and gas workers).

14.1.15 It is unlikely that the Project will lead to undue labour market pressure or distortions (i.e. wage inflation, skills and capacity shortages, import of labour).