

Matter 6, Action 24

BRIEFING NOTE: COPELAND ECONOMIC NEEDS ASSESSMENT (2021)

1.0 How the projected additional jobs growth forecast arising from the potential increased jobs capture from the Sellafield Supply Chain has been arrived at

1.1 Overview

1.1.1 The Copeland Economic Needs Assessment (ENA) includes five growth scenarios, set out in Section 8 of the ENA. One of these growth scenarios considers the additional impact of the increased local capture of Sellafield's supply chain. This is set out in ENA Section 8b (pages 71-77). This scenario considers the implication of a number of policy interventions and planned developments (set out at para 8.31) which could improve the local retention of supply chain jobs from Sellafield.

1.1.2 The analysis considers the main sectors within the Sellafield supply chain in Copeland and assesses how these sectors are forecast to perform over the Plan period as shown in the adjusted baseline forecast¹. This is compared to previous performance in Copeland, as well as sectoral performance regionally and nationally. The analysis (summarized in Table 38) shows that the supply chain sectors in Copeland have been performing strongly over the past decade (2009-19) compared to the other sectors in Copeland, and compared to the same supply chain sectors performance across wider geographies.

1.1.3 However (as shown in Figure 26) the Experian baseline forecast does not reflect this strong performance. This means that despite the various policy interventions and planned developments, the baseline forecast shows a considerable decline in growth in the supply chain sectors in Copeland from an annual growth rate of 4.1% per annum seen from 2009-19 to 0.8% per annum over the Plan period. This indicates that an uplift to these sectors might be justified to support these planned interventions.

1.2 Calculating an Uplift

1.2.1 The main supply chain sectors are identified in The Economic Impact of Sellafield report (Oxford Economics (OE), June 2017). These are set out in Table 35 and 36 of the ENA.

1.2.2 Some of the main supply chain sectors comprise whole sectors in the Experian baseline forecast. These sectors can be uplifted directly. Some of the main supply chain sectors comprise sub-sectors of larger sectors in the Experian baseline forecast. These sub-sectors are uplifted on a pro-rata basis relating to their proportionate size within the sector based on BRES data averaged for 2015-19, as set out below:

Main Supply Chain Sectors in the Experian Forecast

Main Supply Chain Sectors (OE)	Experian Sector	Main Supply Chain Sector % of Experian Sector
25 Manufacture of fabricated metal products, except machinery and equipment	Metal Products (manufacture of)	100%
26 Manufacture of computer & electronic products	Computer & Electronic Products (manufacture of)	100%
28 Manufacture of machinery and equipment n.e.c.	Machinery & Equipment (manufacture of)	100%
41 Construction of buildings	Construction of Buildings	100%
42 Civil engineering	Civil Engineering	100%
43 Specialised construction activities	Specialised Construction Activities	100%
46 Wholesale trade, except motor vehicles	Wholesale	100%
61 Telecommunications	Telecoms	100%
62 Computer programming and consultancy	Computing & Information Services	100%
70 Activities of head offices	Professional Services	10%
71 Architectural and engineering activities	Professional Services	66%
74 Other professional, scientific and technical	Professional Services	5%
78 Employment activities	Administrative & Supportive Services	9%
82 Office administrative and business support	Administrative & Supportive Services	16%
84 Public administration and defence	Public Administration & Defence	100%

1.2.3 The forecast growth in each of these sectors was then identified using the 10-year trend in Copeland over the period 2011-2021. This reflects the last full market cycle in Copeland. Where sectoral growth was higher than the baseline forecast, the additional growth for that sector was added.

1.2.4 This identifies the 10-year trend for these sectors (on a pro-rata'ed basis for the sub-sectors). However, some of these sectors include jobs unrelated to the Sellafield supply chain and the 10-year trend will reflect these too. These need to be discounted as the planned interventions will not affect these jobs. Growth in

each of the sectors has therefore been adjusted using estimates of the proportion of jobs in that sector in Copeland which are within Sellafield’s supply chain, again estimated by OE (2017).

1.2.5 *“Finally, the share of sectoral jobs in Copeland which can be apportioned to Sellafield (as set out in Table 37) is applied to each sector in order to account for the proportion of jobs in each sector in Copeland which are not within the supply chain and should therefore not be uplifted.” (para 8.35)*

1.2.6 Table 37 from the ENA is shown below:

Table 37. Copeland sectoral impacts (sectors employing 100 or above), 2016/17

	Sellafield Share of sectoral jobs in Copeland
Computer programming, consultancy	100.0%
Architectural and engineering	100.0%
Specialised construction activities	100.0%
Office administrative, office support	100.0%
Manufacture of basic metals	100.0%
Public administration and defence	100.0%
Other personal service activities	88.2%
Other professional, scientific	78.3%
Civil engineering	50.1%
Manufacture of machinery and equipment	42.4%
Total	58.7%

Source: Oxford Economics 2017

1.2.7 For example, 100% of the jobs growth in the Computer programming and consultancy sector in Copeland are within the Sellafield supply chain. Therefore 100% of the growth trend is applied to this sector within the Growth Scenario. Conversely, only 42.4% of jobs in the Manufacture of machinery and equipment sector in Copeland are within the Sellafield supply chain so the growth trend is reduced by 57.6%.

1.2.8 The Growth Scenario calculation and outputs are summarized in the table below. This shows the basis of the Growth Scenario being the annual growth for the period 2011-21. Two pro rata adjustment (as detailed above) are made to each sector. This ensures that the uplifts only apply to the elements of each sector relating to jobs within the Sellafield supply chain.

1.2.9 The adjustments mean the uplifts relating to Sellafield’s supply chain total 193 jobs per annum. This is roughly half the level of annual growth seen over the 2011-21 period if these adjustments were not made.

Sellafield Supply Chain Growth Scenario Calculations by Sector

	Copeland Growth Per Annum 2011-21	% of Experian Sector comprising Supply Chain Sectors	% of sector jobs in Copeland in Sellafield Supply Chain	Growth Scenario – Jobs per annum	Growth Scenario – Jobs 2021-38
Administrative & Supportive Services	220	25%	100%	55	927
Civil Engineering	-9	100%	50.1%	-5	0
Computer & Electronic Products (manufacture of)	0	100%	58.7%	0	0
Computing & Information Services	0	100%	100%	0	0
Construction of Buildings	64	100%	58.7%	37	635
Machinery & Equipment (manufacture of)	0	100%	42.4%	0	0
Metal Products (manufacture of)*	0	100%	100%	0	0
Professional Services	34	81%	88.2%	24	409
Public Administration & Defence	45	100%	100%	45	773
Specialised Construction Activities	36	100%	100%	36	618
Telecoms	0	100%	58.7%	0	0
Wholesale	0	100%	58.7%	0	0
Growth Sectors Total	390	-	-	193	3,362

1.2.10 It should be noted that the Manufacture of Metal Products sector actually shows a growth of 245 jobs per annum over the 2011-21. The ENA found that in Copeland jobs in this sector were 99.6% located at the Sellafield site. The ENA therefore made an adjustment to this sector which seroed job growth (and loss) in this sector, in accordance with feedback received from Sellafield themselves. (See ENA paras7.42-7.51 for further details). A consistent approach has been taken in this growth scenario, and any potential uplift (which would only apply to jobs at the Sellafield site in any case) has been zeroed off.

1.2.11 The table below shows a comparison of annual growth rates for each sector. The Growth Scenario column shows the total growth for each sector once the Growth Scenario uplifts are added (i.e. Experian adjusted baseline + Growth Sector uplifts). The table shows that the Growth Scenario falls between the historic 10-year trend and the Experian adjusted baseline forecast.

Comparison of Growth Rates by Sector

	Growth Scenario (2021-38)	2011-21 Annual Growth Rate	Experian Baseline Adjusted (2021- 38)
Administrative & Supportive Services	2.2%	3.4%	0.8%
Civil Engineering	0.0%	-2.2%	0.0%
Computer & Electronic Products (manufacture of)	-	-	-
Computing & Information Services	-	-	-
Construction of Buildings	2.2%	7.2%	0.0%
Machinery & Equipment (manufacture of)	-	-	-
Metal Products (manufacture of)	0.0%	1.8%	0.0%
Professional Services	0.8%	1.2%	0.2%
Public Administration & Defence	2.1%	3.3%	0.3%
Specialised Construction Activities	2.5%	2.9%	0.5%
Telecoms	-	-	-
Wholesale	0.0%	0.0%	0.0%
Growth Sectors Total	0.8%	2.2%	0.2%