22 SOCIO-ECONOMICS

1. A detailed economic impact assessment of the proposed development has been undertaken by Roger Tym & Partners (Appendix 11). This section provide an overview of the existing socio-economic state of the region and discusses issues such as population and labour force, skills, unemployment and the economic context for the assessment.

2. The proposed development is predicted to have an impact on the socio-economic situation of the area. These impacts can be categorised as either direct (e.g. increased employment during the construction and operational phases) or indirect (e.g. benefits to the local economy (e.g. expenditure on materials). The multiplier effect also creates indirect economic benefits as recipients of direct and indirect increases in local income spend a proportion of their income on additional goods and services.

22.1 EXISTING ENVIRONMENT

22.1.1 National economic context

1. The reconfiguration of Felixstowe South is proposed within an expanding market for port services. UK container port traffic has almost doubled since 1990 with UK major ports handling 5.59m TEUs of container traffic in 2001. Of this around 68% was accounted for by direct deep-sea shipments. The biggest growth market has been in the far-east trade whose share of deep-sea throughput has increased from 30.5% in 1990 to 47.2% in 2001. Ocean Shipping Consultants project continued growth in the demand for major port capacity, and on the basis of a GDP growth rate of 2.3% p.a., forecast an increase in demand from 5.59m TEUs in 2002 to 8.69m TEUs in 2010 and 14.15m TEU by 2020.

22.1.2 Sub-regional economic context

1. The Port of Felixstowe lies within the East of England region. The economic performance of the region is quite varied although there is a general tendency for indicators to demonstrate a worsening economic situation when moving north and east in the region. As an example, there is generally higher unemployment to the East in port towns such as Lowestoft and Great Yarmouth, in contrast to the major growth centre of Cambridge, and to a lesser extent Norwich. Analysis of average house prices indicates a similar pattern with decreasing prices indicative of weaker economies towards the north and east of the sub-region.

The Haven Gateway

2. Port-related industry is important to the towns in the Haven Gateway (the Stour and Orwell Estuaries), and is generated through the port activities of Felixstowe, Harwich and Ipswich, and the small quay at Mistley. According to the Haven Gateway Partnership, in 1998 this group of ports moved 37.16 million tonnes of cargo, some 14% of the total UK non-bulk fuel shipments, and a 50% increase on a decade earlier. Within the total tonnage are 43.6% of the container movements nationally; and 12.7% of the Ro-Ro movements.

Suffolk

3. Suffolk had a Gross Value Added (GVA) (i.e. wealth generated) per head of £13,143 in 1998, which was greater than the East of England and United Kingdom levels for per head GVA (£12,973 and £12,548 respectively). However, the county had a below average household income in comparison to the regional and national figures. Household income over a three year average (1997-1999) was 95 on an index compared to 105 for the East of England (UK benchmark figure was 100). Within the sub-region only Luton and Norfolk had lower household incomes over the three year average (Luton was 88 and Norfolk was 94), compared to Suffolk when all the county and unitary areas are considered across the Eastern region.

Population and labour force

4. Suffolk had a population of 669,000 persons according to the 2001 Census. The population is projected to grow to 692,000 people by 2006 based on 1996 sub-national projections produced by the then Department for the Environment. The projections forecast an approximate 2.0 per cent growth in the population for Suffolk over the five year periods 2006 to 2011, 2011 to 2016 and 2016 to 2021. In common with national trends, the population in the county is forecast to age with an increasing proportion of people aged over sixty years.

5. There were about 337,000 people of working age who were economically active in Suffolk in 2001 amounting to 82.9 per cent of the working age population in the county.

Skills and unemployment

6. The working age population in Suffolk had a marginally poorer rate of persons with no formal qualifications (16.7 per cent) compared to the East of England (15.1 per cent) and Great Britain (16.4 per cent) according to the 2001 Local Area Labour Force Survey.

7. Unemployment amongst residents of working age in Suffolk stood at 4.0 per cent in the quarter December 2002 to February 2003 which was a little higher than the rate in the same quarter in the previous year (3.7 per cent). The claimant count rate for the county at April 2003 was 2.9 per cent compared to 2.6 per cent for the East of England and 3.9 per cent for Great Britain.

22.1.3 Local economic context

Suffolk Coastal

1. The Suffolk Coastal area (one of the districts within Suffolk county) is largely rural in character with the principal towns of Woodbridge and Felixstowe located in the south of the district. The northern half of the district is covered by Rural Development Area status until 2004. The RDA programme has both social and economic aims and objectives, and recognises the importance of agriculture as the mainstay of the rural economy with additional support to help diversify and develop rural businesses. Some parts of the district are beneficiaries of Single Regeneration Budget (SRB) funding until 2005 and transitional funding under Objective 2 that will also cease in 2005.

The labour force

2. Data from the Local Area Labour Force Survey indicate that about 61,000 persons of working age were economically active in Suffolk Coastal in 2001, amounting to 84.0 per cent of the resident working age population. The level of economic activity in the district compares favourably with the rates for Suffolk (82.9 per cent), East of England (82.1 per cent) and Great Britain (78.6 per cent).

Unemployment

3. Suffolk Coastal has a lower rate of unemployment when compared to county, regional and national rates. The highest levels of unemployment at March 2003 were found in the wards of Felixstowe South (5.2 per cent) and Felixstowe Central (3.7 per cent), which are also amongst the wards identified as demonstrating the highest levels of deprivation in the district. All other wards have an unemployment rate of three per cent or less, with four wards in the district achieving a rate below one per cent.

Industry and the economy

4. A significant proportion of jobs in the Suffolk Coastal district (26.7 per cent) are in the transport and communications sector. This sector accounts for a far larger proportion of jobs in Suffolk Coastal district than in the East of England (6.6 per cent) and Great Britain (6.1 per cent). The sector includes major employers such as Port of Felixstowe, BTexact Technologies (with their headquarters in Martlesham) and Sizewell Nuclear Power Station. The concentration of jobs in transport and communications is contrasted by a lower than average proportion of jobs in manufacturing (7.2 per cent), banking, finance and insurance (9.1 per cent) and the public sector (16.9 per cent) when compared with regional and national figures.

5. The average gross weekly wage in Suffolk Coastal was £364.38 in 2002, the highest level amongst the seven districts in Suffolk. However, the average wage in the district was lower than the regional and national rates. The higher wage levels found in Suffolk Coastal compared to the county are a reflection of the higher paid employment opportunities to be found in the district including the energy sector (Sizewell Nuclear Power Station) and communications sector (part of the district is in the Cambridge to Ipswich high technology corridor).

6. Although earnings in Felixstowe were lower than the district average in 1999, there has been a higher rate of increase in the intervening years and by 2002, average wages in the town are higher than the district, county and regional averages (the lower sample size at this geographic level necessitates some caution over the accuracy of these figures).

22.1.4 Current port workforce profile

1. The current UK ports workforce is characterised by:

- A vocational level 2 workforce. Most employees are at the vocational level 2 (the “operative” level). Highly skilled people are employed in occupations such as crane drivers but they are perceived to be at Level 2, rather than the more technical Level 3;

- An older age profile. This factor points to potential problems in the future in finding suitable replacements; and,
- A male dominated environment. An industry wide survey in September 1998 found that only 10% of the workforce was female.

2. These issues will need to be addressed if the forecast expansion within the Ports industry is going to be sustained. In addition the future skills needs of the sector are likely to change radically if passenger and freight handling is expanded.

Skills demands of the port industry

3. The industry requires a wide range of skills, not only in the core activities of cargo handling and marine operations, but also in other areas such as engineering maintenance, administration and general management. The two dominant port activities are cargo handling and marine operations. Notwithstanding ongoing safety improvements this remains work with serious attendant risks and dangers. As a result, port operators demand employees with a mature attitude together with basic literacy and numeracy skills. In addition, Information Technology (IT) skills are becoming necessary given the increasing use of hand held computers.

4. In the past, previous seagoing experience was considered crucial for marine management posts such as harbour masters, marine pilots, and land and mooring operations. Traditionally, core skills (for example driving) have been in constant local supply within the normal travel to work area. This has not been the case with higher level skills. If rapid expansion takes place the higher level skills shortages may be exacerbated, especially as skill level requirements within the industry are rising.

5. There are Government-sponsored attempts to fill these skills shortages at a national level. British Ports Industry Training (BPIT) recently published research into this issue.

The supply of labour

6. The Ipswich travel-to-work area (TTWA) (in which Felixstowe lies) possesses a large number of individuals (some 18,300) in the transport, storage and communications sector which make up 14.4% of the jobs in the area as opposed to 5% in Colchester. While this sector accounts for 31.0% of employees in the Harwich TTWA, this is a much smaller TTWA than Ipswich in terms of overall numbers of jobs and thus represents only some 1,800 employees. Whilst this does not necessarily mean that the labour demands of the FSR proposal can be easily accommodated, it does suggest that there is a relatively large existing labour supply available to the area which could be attracted to work at the site.

Employment at the Port of Felixstowe

7. There are currently over 2,500 workers employed at Felixstowe. Most of the workforce lives in either Felixstowe or Ipswich. Around 1,200 workers live in Felixstowe, just under half of the total workforce, whilst a further 1,020 (40%) live in Ipswich and the

remaining 290 live in Woodbridge and elsewhere. The workforce profile is therefore very local. The location of Felixstowe with a coast and estuary limiting its catchment is a major contributory factor in this.

8. Analysis of recent recruitment information shows a change in the profile of employee residence, with only 30 per cent originating from Felixstowe, 35 per cent from Ipswich, 3.5 per cent from Woodbridge while 31 per cent came from other locations. Over time the area of residence for the new recruits may converge with the pattern shown by existing employees, as some individuals will seek to move to locations closer to their place of work, and even now the effect on the overall picture is small as the tranche of new recruits is relatively small in comparison to the established workforce. But it remains a significant change from the established pattern which may impact on the workforce catchment for the Felixstowe South operations.

9. It would be expected that a similar profile would be reflected across the expanded Port of Felixstowe workforce once the proposed development is operational. However, should the recent recruitment pattern continue over a period of several years, this profile could be subject to considerable change.

22.2 POTENTIAL IMPACTS DURING THE CONSTRUCTION PHASE

1. The construction of the proposed development is currently estimated to cost in the order of £191 million (£112 million during Phase 1 and £79 million during Phase 2). This investment will generate direct construction jobs as well as indirect employment through the purchase of materials and further induced employment.

22.2.1 Increased construction employment

1. The construction phase of the proposed scheme is estimated to generate some 1,900 construction person years, based on revenue per employee data for the construction sector. The standard approach to estimating a full time equivalent job (FTE) within the sector is that 10 person years of employment can be assumed to equal one FTE. Thus the work at Felixstowe South is expected to generate 190 FTE direct construction jobs.

2. Not all of this expenditure would be retained within the Haven Gateway economy. Cambridge Econometrics have modelled the Haven Gateway economy using data provided by Hutchinson ports and data on employment statistics. Their model has indicated a high degree of retention of the expenditure on Felixstowe South within the Haven Gateway economy. It has therefore been assumed that some 70%, 130 FTE, would be retained in the sub-region, as shown in Table 22.2.1.

3. Table 22.2.1 also provides data on the number of indirect jobs that are likely to be generated from the proposals, this is discussed in more detail in the following section.

Table 22.2.1 Jobs generated by construction expenditure at Felixstowe South

	Person years	FTE
Phase 1	1,100	110
Phase 2	800	80
TOTAL	**1,900**	**190**
Retained within Haven Gateway (70%)	1,300	130
Indirect + Induced Jobs	400	40
TOTAL	**1,700**	**170**

4. As the construction phase is anticipated to last 3 years the increased direct construction employment represents a temporary impact of **minor beneficial significance** for the Haven Gateway economy.

Mitigation and residual impact

5. No mitigation is required and the residual impact would be of **minor beneficial significance**.

22.2.2 Indirect effects on the local and national economy

1. Capital expenditure on the construction materials and the costs of labour required for construction would inject income into the economy. Further income and employment would then be generated in the local economy by the multiplier process. The indirect multiplier arises as a result of the capital expenditure with suppliers in the local economy, who then distribute part of this income on purchasing goods and services through their supply chain and on wages. Recipients of the direct and indirect income spend a proportion of their income on additional goods and services (the induced multiplier).

2. The effect of the multiplier depends on size of the area that is being considered, the local supply linkages and income leakage from the area. The latest Treasury Green Book refers to guidance produced for English Partnerships as a source for such multipliers[1]. This provides a ready reckoner of composite multipliers – the combined effect of the supply chain and income multipliers.

3. This states that where there are average supply linkages the composite multiplier is 1.1 at the neighbourhood level and 1.5 at the regional level. Using these parameters we have assumed that the appropriate multiplier for Suffolk Coastal (local) would be 1.2 and for Haven Gateway it would be 1.3.

[1] Additionality: A Full Guide – English Partnership and the Regional Development Agencies (2001)

4. Table 22.2.2 shows the indirect (supply chain) and induced (income) multiplier impact on jobs as a result of the construction expenditure. Thus 10 jobs would be generated in Suffolk Coastal district as a result of the multiplier effects, a further 30 jobs in the Haven Gateway area (giving an overall total in the sub-region of 40) and a further 55 jobs elsewhere in the region. The aggregate multiplier impact is, therefore, estimated to be in the order of 95 jobs.

Table 22.2.2 Total direct, indirect + induced (I+I) jobs estimated to accrue to the local, sub-regional and regional economy during construction

	Local		Haven Gateway		Regional		Overall regional impact	
	Direct	I+I	Direct	I+I	Direct	I+I	Direct	I+I
Jobs	40	10	95	30	55	55	190	95

5. The total investment expenditure during the construction phase of the proposed development (which is expected to last for 3 years) is anticipated to be in the order of £191million. This expenditure is made up of wages for construction workers (approximately £14.3 million or 7%) and purchase of equipment and construction materials (approximately £176.7 million or 93%).

6. Using assumptions regarding the share of expenditure retained within the local, sub-regional and regional areas and the multiplier effects (set out above), the financial impacts of the construction investment as a result of the Felixstowe South proposals have been estimated. Table 22.2.3 indicates that there could be an indirect and induced benefit in the Haven Gateway region of £40.1 million (including the local area component), with an overall regional benefit in the region of £95.6 million due to the construction phase of the development. These figures represent a **moderate beneficial impact** on the Haven Gateway economy.

Table 22.2.3 Total direct, indirect + induced (I+I) economic benefits estimated to accrue to the local, sub-regional and regional economy during construction

	Economic benefits (£ million)							
	Local		Haven Gateway		Regional		Overall regional impact	
	Direct	I+I	Direct	I+I	Direct	I+I	Direct	I+I
Labour	2.9	0.6	7.2	2.4	4.3	4.2	14.3	7.2
Non Labour	35.3	7.1	88.4	30.0	53.0	51.2	176.7	88.4
All	38.2	7.7	95.6	32.4	57.3	55.4	191.0	95.6

7. The results shown in Table 22.2.3 indicate that there may be a total of 95 indirect and induced jobs generated by the scheme. This represents an additional impact of **minor beneficial significance**.

8. In addition to the direct and indirect job creation that would result from such a major construction project, the level of investment anticipated represents a considerable commitment to maintaining the economic infrastructure of the area and the wider region.

Mitigation and residual impact

9. No mitigation is required. Residual impacts of **moderate beneficial significance** (indirect economic benefit) and **minor beneficial significance** (indirect jobs generated) would arise.

22.3 POTENTIAL IMPACTS DURING THE OPERATIONAL PHASE

22.3.1 Increased direct employment

1. Direct employment at the reconfigured Felixstowe South facility would build up over time with the proposed expansion of berths and operations. Table 22.3.1 below shows the anticipated build up of activity until 2015 when four berths are operational and the port is fully staffed. At that point there are expected to be 823 workers employed directly at Felixstowe South.

2. There are currently (2003) 186 people already working at the Landguard Terminal. Thus the total additional direct employment at Felixstowe South would be in the order of 621.

Table 22.3.1 Time profile of capacity and jobs at Felixstowe South

Year	Capacity (millionTEU)*	Jobs
2007	4.53	291
2008	5.49	387
2009	5.55	631
2010	5.60*	715
2011	5.60	735
2012	5.60	795
2013	5.60	795
2014	5.60	819
2015-2021 (per annum)	5.60	823

*** Figures are rounded**
Source: Hutchison Ports (UK) Ltd.

3. Of the increased workforce of 621, the majority would be in operative occupations and be employed directly. It is envisaged that management of the facility would largely be undertaken from within the existing staff complement at the Port. Table 22.3.2 sets out the employment profile by jobs type. The main occupations are the RTG drivers, who account for 42% of the new jobs, and Berth Operators, who would make up 24% of the jobs.

Table 22.3.2 Direct employment at Felixstowe South by occupation

Occupation	2003	2015 onwards	Increase	Share of increase (%)
Quayside Gantry Crane drivers	20	60	40	6
Rubber Tyred Gantry (RTG) Crane Drivers	35	296	261	42
Berth Operators	51	200	149	24
Internal Movement Vehicle (IMV) Drivers	53	164	111	18
Fork Lift Drivers	8	24	16	3
Other	35	79	44	7
TOTAL	**202**	**823**	**621**	**100.0**

Source: Hutchison Ports (UK) Ltd.

4. The creation of around 620 jobs as a direct result of the scheme constitutes an impact of **moderate beneficial significance.**

Mitigation and residual impact

5. No mitigation is required. The residual impact would be of **moderate beneficial significance**.

22.3.2 Multiplier effects

1. Directly employed workers at Felixstowe South would spend a proportion of their income in the local area, which would in turn support other jobs in the local economy. How much of this further expenditure leaks out of the local economy depends on where the workers live and where they spend their money.

2. In addition, money is passed through the local economy through supply linkages (as the port and its users buy goods and services from other local businesses).

3. A small proportion of income would be spent on 'at work' expenditure on local goods and services such as food, leisure and some convenience goods. This would be captured by the local Felixstowe economy. There would be successive rounds of the multiplier effect through induced expenditure as the expenditure of workers and further purchasing of goods and services work through the local economy.

4. Cambridge Econometrics have modelled the Haven Gateway economy reflecting data provided by Hutchinson Ports on the existing supplier purchasing patterns at Felixstowe. Using this and the data on employment estimates set out in Table 22.3.2 above, Roger Tym and Partners estimated the expected impact on the Haven Gateway economy from Felixstowe South. By 2015 when the port is fully operational, and the multiplier effects have worked through to the local economy, the result would be to raise Gross Value Added (GVA), or output, in the Haven Gateway economy by just under £41m (at 1995 prices). By 2021, productivity improvements would result in an overall increase in output to some £44m.

5. As can be seen from Table 22.3.3, which summarises GVA by industry, the largest impact is on the transport and communications sector, as would be expected. However, there are also consequential impacts that raise GVA by around £3.5m in each of the manufacturing and 'distribution and hotels' sectors by 2021.

Table 22.3.3 GVA by industry generated in Haven Gateway by Felixstowe South

	2015	2021
Agriculture, etc	0.0	0.0
Mining and quarrying	0.0	0.0
Manufacturing	3.5	3.8
Utilities	0.4	0.5
Construction	1.3	1.4
Distribution and hotels	3.1	3.4
Transport and communications	28.5	30.8
Other market services	2.9	3.1
Non-market services	1.2	1.3
TOTAL	**40.9**	**44.3**

Source: Cambridge Econometrics/RTP estimates

6. Table 22.3.4 shows that the multiplier impact of the proposed Felixstowe South expansion is expected to result in an additional 1,050 jobs in the Haven Gateway economy. Of these, 621 are the direct jobs required at Felixstowe South, whilst the remaining 429 jobs are generated by the multiplier effects and would be created across the Haven Gateway economy as a whole.

7. Two-thirds of the jobs would be in the Transport and Communications sector, with some 15% in the distribution and hotels sector, and the remainder in manufacturing, construction, other market services and non-market services.

Table 22.3.4 Total employment by industry generated within Haven Gateway (direct + multiplier)

	2015	2021
Agriculture etc	0	0
Mining and quarrying	0	0
Manufacturing	70	70
Utilities	0	0
Construction	40	50
Distribution and hotels	140	150
Transport and communications	630	680
Other market services	50	50
Non-market services	50	50
TOTAL		**1,050**

Source: Cambridge Econometrics/RTP estimates

8. Indirectly the proposed scheme would have an impact of **moderate beneficial significance** on the local economy through the increased GVA output and the creation of additional jobs.

Mitigation and residual impact

9. No mitigation is required. The residual impact would be of **moderate beneficial significance**.

22.3.3 Increases in associated port activities

1. In addition to direct employment at the port itself and the multiplier effects of this, we also anticipate that there would be a corresponding rise in associated activity. This would include regulatory activity, associated warehousing and haulage, and freight forwarding activity. At Felixstowe, the extent of such associated employment is likely to be lower than in the case of an entirely new facility (such as is proposed at London Gateway). Expanding existing operations to accommodate the increased throughput would generate incremental growth at a lower level than would be generated by the establishment of an entirely new operation.

2. Whether these jobs are physically located in Felixstowe depends in part on the capacity and infrastructure of the local economy to provide for such jobs. Noted in Appendix 11 (Section 3), there is provision for the development of 'employment space' at sites adjacent to the Port at Felixstowe. In any event, if these jobs are not located in Felixstowe they would be located elsewhere in the Haven Gateway economy.

3. Using estimates of the profile of employment provided at the Dibden Bay inquiry, (see Appendix 11), Roger Tym and Partners estimate associated employment to account for 430 jobs, of which we have assumed 200 would be based at Felixstowe, with the remainder distributed across the Haven Gateway districts. This constitutes an additional impact of **minor beneficial significance**.

Mitigation and residual impact

4. No mitigation is required. The residual impact would be of **minor beneficial significance**.

22.3.4 Increased visitor expenditure

1. The Port would generate a certain amount of visitor related expenditure, which would be pumped into the local economy. This would include business visitors to the Port and the expenditure of ships' crews. In 2001 there were 1,370 business related visitors to the Port of Felixstowe. Unfortunately, there was no data available on how many of these were overnight stays, generating demand for hotel accommodation as well as generating a higher level of expenditure on other local goods and services.

2. Data on the expenditure of ships crews in the area was also not available, however, it is assumed that there would be expenditure on local goods and services from this source. Given the localised nature of this demand, income generated through

visitor expenditure would provide additional income to the Felixstowe economy and would constitute a **minor beneficial impact**.

Mitigation and residual impact

3. No mitigation is required and the residual impact would be of **minor beneficial significance**.

22.3.5 Effect on the labour market

1. Table 22.3.5 sets out the impact on the labour market by occupational sector from direct port jobs and multiplier effects. The distribution of jobs resulting from the multiplier effects is expected to be fairly evenly distributed across the range of occupations, however, the occupational profile of the direct employment is weighted towards elementary and operative jobs. It is therefore expected that the majority of the workforce for the Felixstowe South operation, especially amongst the lower skilled and lower paid occupations, will be drawn from Felixstowe and Ipswich as occurs currently.

Table 22.3.5 Employment by occupation in Haven Gateway Area (direct + multiplier)

	2015	
Managers and senior officials	60	70
Professional occupations	60	60
Associate professional and technical occupations	50	50
Administrative clerical & secretarial occupations	30	30
Skilled trades occupations	80	85
Personal service occupations	30	30
Sales and customer service occupations	30	30
Process plant & machine operators	460	500
Elementary occupations	180	195
TOTAL		**1050**

Source: Cambridge Econometrics/RTP estimates

2. Table 22.3.6 shows in more detail the projected location of jobs resulting from the Felixstowe South scheme (direct, multiplier jobs and jobs resulting from associated activities). To arrive at this distribution it has been assumed that all direct jobs are located in Suffolk Coastal district (i.e. at Felixstowe), the multiplier jobs are distributed throughout the Haven Gateway in proportion to current employment by district (taken from the Annual Business Inquiry data, 2001), and that 200 associated jobs are located within Felixstowe, with the remainder distributed throughout the Haven Gateway in proportion to current employment by district.

Table 22.3.6 Location of jobs by District

	Direct	Multiplier	Associated	All
Babergh	0	50	30	80
Colchester	0	120	65	200
Tendring	0	60	30	100
Ipswich	0	120	65	200
Suffolk Coastal	620	80	240	900
TOTAL FOR HAVEN GATEWAY	**620**	**430**	**430**	**1,480**

Source: RTP estimates

3. Table 22.3.7 outlines the residence of the workforce by district. In order to estimate where the workforce is likely to be resident several assumptions have been made:

- The distribution of the direct employment workforce follows that of the current Port of Felixstowe workforce profile;
- The multiplier employment workforce is assumed to follow that indicated by labour Force Survey (LFS) data on place of residence and place of work (2001/2002);
- The associated employment is assumed to be focused on Felixstowe (as indicated in Table 21.3.6), thus we have adopted the port distribution for part and the LFS distribution for the remainder.

Table 22.3.7 Residence of workforce by District

	Direct	Multiplier	Associated	All
Tendring	30	70	45	145
Colchester	10	100	50	160
Babergh	10	50	35	95
Ipswich	220	70	110	400
Suffolk Coastal	320	90	150	560
Other	30	50	40	120
TOTAL	**620**	**430**	**430**	**1,480**

Source: RTP estimates

4. In the longer term, the spatial balance of both workplace and resident employment may change. This would in part be dependent on the changing relative balance between jobs and housing in the sub-region, though increasingly a complex range of factors influences household behaviour.

5. To summarise, the benefits of the direct and associated jobs would be predominantly found in Suffolk Coastal District, whereas jobs resulting from the multiplier effects are likely to be more evenly spread throughout all districts in the Haven Gateway area. Similarly with respect to the residence of the workforce per district, many

of the workers performing direct and associated jobs would reside in Suffolk Coastal District and Ipswich. Workers employed through the multiplier effects are anticipated to inhabit each of the districts in similar numbers.

6. The additional jobs within the Haven Gateway area would constitute an impact of **moderate beneficial significance.**

Mitigation and residual impact

7. No mitigation is required and the residual impact would be of **moderate beneficial significance**.

22.3.6 Improved competitive advantage

1. Direct advantages would arise from the role of an enhanced port at Felixstowe in providing much improved operational efficiency for those industrial sectors making use of the Port. The upgrading of Port facilities becomes part of the basic infrastructure of the local economy, contributing both to the competitiveness of existing firms in the area and to Felixstowe's attractiveness to potential inward investors. This increases economic activity of residents in the area, induced by additional infrastructure, inward investment and the improved competitiveness of the area.

2. The benefits of competitive advantage are difficult to quantify. They are best assessed against the do-nothing scenario. As places strive to increase their competitive advantage, areas that do not invest will find themselves falling behind. In the international market, within which the Port of Felixstowe operates, this becomes even more important.

3. The growth in scale of operations and the way this may be used to project the image of the wider Felixstowe and Haven Gateway area to the outside world, is a potential regeneration benefit which should not be overlooked. Not only does new vibrancy and activity change the external attitude through place marketing and image profiling, there is an increased sense of confidence which improves internal attitudes.

4. The raised profile of the area, and increased competitive position indirectly linked to the Felixstowe South development, would contribute to the growth potential within the A14 Corridor and Haven Gateway area. Again, the extent of this impact is difficult to quantify, but regeneration and image effects may further enhance the economic activity and employment generation impacts of Felixstowe South.

5. As shown in Appendix 11, the Index of Multiple Deprivation does not indicate widespread problems in Suffolk Coastal District, with only one ward falling within the worst 25% of wards in England and only 9 within the worst 50%. However, Felixstowe does contain two of these 9 worst affected wards, Felixstowe South (which contains the Landguard Terminal and Peninsula) and Felixstowe Central. Improving employment opportunities available within areas suffering from multiple deprivation is seen as one means of addressing their needs as deprivation is often linked to unemployment and thus to poor income levels. Expanding employment at Felixstowe South should have a positive impact on these areas, if the jobs are accessible to the local population (in terms of proximity and skills).

6. The improved competitive advantage and reduction in deprivation offered to Felixstowe due to the proposals would represent an impact of **moderate beneficial significance** locally.

Mitigation and residual impact

7. No mitigation is required; the residual effect would be of **moderate beneficial significance.**