

Appendix 6

Community and socio economics

Proposal

The applicant has undertaken an assessment of the community and socio-economic effects of the proposal and in particular on:

- Population;
- Wealth and deprivation;
- Industrial structure;
- Community infrastructure;
- Housing;
- Education and skills;
- Crime and public safety;
- Public rights of ways;
- Employment (socio-economic factor);
- The wider economy (socio-economic factor);
- Public access (community factor); and
- Crime and public safety (community factor).

The assessment identifies that the proposal would have a number of community and socio-economic effects consisting of:

- Temporary loss of local amenity value through site activities, traffic and influx of population area.
- Employment generation, with direct employment for initial exploration wells predominantly drawn from beyond the local area, but with indirect and induced effects from local spending and the influx of population on Site (local supporting industry, hotels and subsistence for example⁹³).
- Increased spending in the agriculture sector from increased landowner income.
- Opportunity costs from loss of in use agricultural land.
- Community disturbance from any protest activities, or Site works.
- Effects of increased local spending from the community benefit payment from the applicant via the Community Foundation for Lancashire to local communities (although the applicant acknowledges that such payments are not a material consideration in deciding whether to grant planning permission and are not presented as such, but arte of the view that they would be a positive effect flowing from the development).

The area of the proposed works is situated in the east of the Fylde borough, mainly rural in character with various different types of farming activity, including intensive market gardening and extensive arable and dairy farming. The site is surrounded by open farm land and a number of small businesses within 1km of the site including a garden centre, catteries and a caravan park. The area is relatively affluent and is in a low population density area. It is considered that the growing population will necessitate employment opportunities into the future, particularly in the context of increasing levels of employment benefit claimants. The major existing and potential

employment land areas in the borough are located away from the site. The ward has limited provision of community infrastructure due to the small size of the population and the agricultural nature of the area. The local area does not contain any of the existing or potential housing supply identified in the Five Year Housing Supply Statement. Although the proposal is a temporary exploration project lasting six years the applicant considers it has the potential to have the following beneficial effects:

- Direct, indirect and induced job creation in the local Lancashire area;
- Opportunities for local businesses to provide services to the project (e.g. construction of the well pad and access track; transportation of materials and equipment and site welfare facilities);
- Expenditure in local hotels and restaurants by people working on the project but do not live locally; and
- Community benefit payments for each well that is hydraulically fractured. (It is acknowledged that such payments are not a material consideration in deciding whether to grant planning permission and are not presented as such, but they would be a positive effect flowing from the development which is properly to be assessed when considering the socio-economic effects).

The applicant's recent experience has shown that drill sites can attract public attention and a degree of protest. The risk of criminal activity is thought to be minimal, although should this occur, it is assumed that public order and people management will be maintained by the local police. The assessment concludes that the proposal would not have any significant adverse effects on community and socio-economic effects.

Policy

National Planning Policy Framework (NPPF)

Paragraphs 11-14	Requirement for Sustainable Development
Paragraph 17	Core Planning Principles
Paragraph 144	Environment and local communities

Joint Lancashire Minerals and Waste Local Plan – Site Allocation and Development Management Policies – Part One (LMWLP)

Policy NPPF 1	Presumption in favour of sustainable development
Policy DM2	Development Management

Fylde Borough Local Plan

Policy SP2	Development in Countryside Areas
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Summary of consultees and representations

There are no specific consultees on community and socio economic issues.

Westby-with- Plumptons Parish Council: recommends the application should be refused for a number of reasons including the following in respect of community and socio economic issues:

- The proposed development would introduce an industrial form of development into a rural setting which will be of detriment to resident's quality of life.
- The value and saleability of properties will drastically diminish.
- The proposed development is located too close to some resident's properties.
- Noise pollution day and night from the 24hour operation.
- No evidence is given regarding compensation availability for damage occurring due to the fracking process, including structural damage, long-term land side effects and flooding.
- Inconvenience of anti-fracking protestors, affecting resident's quality of life and in turn the need for and cost liability of extra policing.
- Parishioners feel they are 'guinea pigs' in a fracking trial that is being rushed through without guarantees regarding environmental effects, safety precautions and compensation for affected people, properties and the environment.

The Parish Council has requested that if planning permission is granted that the site and process is policed at all times; that residents are kept informed of all processes; emergency contingency plans are made public; compensation guarantees are put in place; access to land is pre-approved by landowners and a liaison committee is established to with representatives from the applicant, neighbouring properties, police, planning and environment officers from Lancashire and Fylde councils.

Medlar-with-Wesham Parish Council and Kirkham Town Council objects to the proposal for a number of reasons including the following in respect of community and socio economic issues:

- Detrimental impact on property values and insurance premiums.
- Concern regarding future site expansion for production following exploratory phase. An increase in well heads will lead to further noise, traffic and pollution.

Friends of the Earth: have made representations objecting to the proposal and which include objections relating to community and socio economics and which have been summarised as follows:

- The analysis of socio-economic impacts is probably unlawful because it takes account of economic impacts which are not related to environmental consequences of drilling and fracking.
- Strongly disagree that shale gas will make a positive contribution to economic growth at a local and national scale.
- There is no explanation of local expenditure and its calculation.
- Job creation effects are highly limited. There will be low job creation with no guarantee of jobs for local people given the specialist nature of the jobs
- Strongly disagree that there will be no significant effects for wider economic effects as potential adverse effects have been disregarded. Economic costs of the development will be detrimental to the local economy.
- There is no assessment of impacts to residents in the immediate vicinity and impacts on tourism and agriculture.

- Several years of disruption to the local community with 14 months of drilling 24hours a day, 8 months of hydraulic fracturing and 12 months of flaring with dust, light and noise emissions.
- Unprecedented levels of public opposition / concern about the impacts.
- Inaccuracies in the site description and proximity to residences with failure to mention Foxwood Chase and Carr Bridge Residential Caravan Park.
- No consideration of impacts on schools, caravan parks, kennels, catteries, farm nurseries and national cycle infrastructure located 1-2km from the site.
- Fracking could adversely affect house prices.
- No consideration of impacts on Blackpool and tourism.
- US evidence linking fracking to harmful effects on livestock and farming.
- No mitigation measures for impacts on agriculture, tourism, loss of amenity for local residents.
- A Human Rights Impact Assessment has not been conducted.

Representations objecting to the proposal include reasons which could be considered to relate to community and socio economic issues and which have been summarised as follows:

- No economic benefit. The number of jobs to be created are exaggerated
- Only jobs for outside specialists, so no local benefit.
- More job opportunities in renewable green energy, which are also sustainable.
- DECC report that job creation in fracking will be approximately 24,300 yet 400,000 could be created in clean energy. Fracking is not sustainable, whereas sun, wind and tidal resources will not run out.
- Shale gas creates bad press which has a negative impact on the Northwest economy particularly if the industry were to escalate in scale.
- Impact on coastal settlements from potential loss of jobs in tourism/farming
- Tourism in Blackpool, Lytham St Annes and the Fylde could be seriously affected /harmed, with reduced visitors and trade due to industrialisation, toxic rivers, dead wildlife, gasfield landscape and HGV traffic.
- Cannot sacrifice food growing, need to keep prime farming land safe for food production, for local economy and to avoid world food shortages.
- Impact on local dog boarding kennel from dog owner's perception of risks.
- Impact on Maple Farm Nurseries from impacts to trees and shrubs.
- The damage to communities will be irreparable and not good for wellbeing.
- Massive impact on rural community from the 24hr operation will be like living on a heavy industrial site.
- Rapid industrialisation of small isolated rural communities leading to industrial and population growth will put stress on services and infrastructure.
- An influx of gas workers and families could lead to over building and an increase in rental values. Baseline data is needed to compare the effect.
- The application is incorrect with regard to number of residences/people in close proximity to the site that will be unavoidably impacted by the development. There are 10 not 1 residences at Staining Wood Farm.
- Need a 2km buffer zone from residential areas for unconventional gas well pads (like in Australia). It's irresponsible to locate an unsafe development

near to (densely) populated areas including Staining Wood/Foxwood Chase which is within 300m of the site.

- Contrary to Policy EMP5 as residences at risk from hazardous installation.
- An unsafe development should not be located near to villages and schools.
- Impact on communities at Foxwood Chase, Little Plumpton, Great Plumpton, Carr Bridge, Westby, Wrea Green.
- People will leave the area, take children out of schools and it will be ruined
- The development site is too close to large urban communities.
- Need to consider the impact on residents of drilling and fracking for 24/7 for 2-3years, and if viable for 10-15yrs with 20-30wells on the site.
- Concern about hydraulic fracturing for 12hrs a day 7-7pm is far too long and will disturb too many people. No restriction on how many 2-3hr durations during a 12hr day.
- Any disaster will affect the local community for generations. People in local area do not want this forced on them.
- Impact from protests and cost of policing them.
- Proposal is contrary to NPPF Paragraph 144 on grounds of unacceptable adverse impact on the environment and local communities.
- Home insurance premiums may increase, or insurance refused due to risks of subsidence.
- If house is undermined who will be responsible? Will the applicant pay/ be made to pay for repairs to damaged property?
- Residents have paid a premium to live in a rural area and planning applications have already had a detrimental impact on housing and land value
- House valuations in area will depreciate further if proposal is approved and this will lock people into possible negative equity.
- Will applicant pay for compensation for loss in house value?
- Who wants to buy a house with 24hr drilling on the doorstep?
- Need a fund to compensate residents for damage caused by any earthquakes during works and for several years after abandonment.
- Local residents and people of Lancashire should receive significant financial benefits over and above taxation/employment.
- No assurance that Cuadrilla will accept liability for any damage to properties and the environment. The local authority and the community will have to pay for any damage caused by Cuadrilla
- Will applicant be accountable for damage to the environment, housing, roads, health? Who will foot the bill?

Representations have been received in support of the proposal in respect of socio economic benefits from the North and Western Chamber of Commerce on the basis investment in Lancashire could create thousands of well paid jobs in the local economy directly through the supply chain and spread beyond that, through inward investment and spin off technologies rebalancing the local economy and generate wealth; shale gas in Lancashire would establish Lancashire at the heart of a successful UK and European industry; Lancashire's Strategic Economic Plan, prepared by Lancashire Enterprise Partnership (LEP) and endorsed by Lancashire County Council, acknowledged that shale gas sector may play an important economic role in Lancashire within the timeframe of the Growth Deal and the

locating of an elite institution in Lancashire for shale gas would be important in establishing the sector both locally and nationally.

The Chamber of Commerce East Lancashire maintains the proposal is important to the local and national economies and for international competitiveness to have energy supply, security, price and supply chain opportunities and that Lancashire's wellbeing and prosperity can benefit

Up to the end of December 2014 a total of 200 representations supporting the proposal both in principle and in respect of the specific benefits that the proposal would generate in the locale. Representations in support have continued to be received the final number of which will be reported when the application is presented for determination.

The reasons for supporting the proposal in respect of socio economic effects have been summarised as follows:

- Need to determined whether or not the gas is in commercial quantities.
- Shale gas development will bring economic growth, wealth and prosperity to the UK, Northwest and Lancashire economies and to local communities.
- It's vital to the country's prosperity to exploit our natural reserves and to benefit future generations.
- Energy from a local source will be good for the local economy and could attract high gas consuming businesses to relocate in the region.
- SME business failure may be avoided by stabilising energy costs and by providing new business opportunities as part of the supply chain - energy services, components, education/training, hospitality, property.
- Shale gas exploration will provide increased potential for local business growth and revenues and provide employment for local people.
- Shale gas could be a catalyst bringing in inward investment and regenerating Lancashire and Blackpool.
- This opportunity should be welcomed and not lost to other counties and countries. Shale gas could transform Lancashire like North Sea oil/gas has done for Aberdeen and how shale gas has done for small towns in the US.
- Fylde Borough Council and Lancashire County Council will benefit from tax revenues, which could help pay for public services and infrastructure.
- Investigation works have already provided significant business to the accommodation sector in and around Blackpool with knock on impacts.
- This is an opportunity to change the region from high unemployment and no industry, to an innovative area that supports new industry and is a leader of new technology within the energy sector.
- Without shale gas, what is the economic future for Lancashire and Blackpool, Blackpool has high levels of deprivation, child poverty, poor health, benefits dependency and youth unemployment.
- Fylde coast has an over dependence on declining agriculture and tourism sectors with a transient, seasonal, low paid, unskilled, migrant workforce.
- Shale gas provides economic diversity through new industrial activity, generating skilled permanent jobs and youth employment opportunities, directly or indirectly through the supply chain including engineers, apprentices

- Reports suggest that a shale gas industry could be responsible for a supply chain spend of over £300 billion and support 60,000-74,000 jobs.
- If shale gas development is not allowed in Lancashire, but develops elsewhere, Lancashire will miss out on revenue and employment generated by supply chain businesses.
- New jobs essential for the prosperity of the UK and the Northwest area.
- Job prospects for future generations will help stop them having to move away and will improve the local skills base.
- UCLAN and Blackpool & the Fylde College can train local people in skills to ensure jobs can go to local people.
- Every aspect of the community will benefit, including people struggling to pay gas bills through cheaper gas prices.

Assessment

An assessment of the potential community and socio economic impacts has been carried out. This is a temporary project but it has the potential to have impacts that may impact on community, social and economic factors particularly relating to the temporary loss of local amenity value through site activities, traffic and influx of population area; community disturbance from any protest activities; impacts on tourism and agricultural production. However, there would also be opportunities for employment generation, with direct employment for initial exploration wells predominantly drawn from beyond the local area, but with indirect and induced effects from local spending and the influx of population on site such as local supporting industry, hotels and subsistence; increased spending in the agriculture sector from increased landowner income although these are difficult to quantify; and whilst it is not a material consideration for planning purposes, the opportunity for community benefit payments.

Many of the representations received strongly refute the findings of the assessment on community and socio economic impacts, most particularly the employment benefits the industry would bring to the area and highlight the negative impacts it would have on agriculture, tourism, property values, community cohesion and the industrialisation of rural areas both as part of the current proposals and any future proposals. It is maintained existing businesses would be impacted including the established market garden economy and tourism and that investment in renewables would lead to more sustainable investment and long term environmental and economic benefits. The concerns are understandable but are not necessarily expressed with foundation. Equally, whilst it is acknowledged that some local economic benefits could be generated by the proposal, it is difficult to quantify the scale of such and whether they would counter the impacts.

The proposal is for exploration and appraisal, a temporary operation, albeit for a development period of two years. Throughout that period there would be both disturbance and a potential negative impact on the nearest residents at Staining Wood and Foxwood Chase although it is questionable what impact it would have on wider communities, if any at all. There would be some economic benefits in the use of local services and industry and where specialist services are drawn in from elsewhere, they would generate income in the local economy in some form. The use of such a small area of agricultural land would not have a negative effect on agriculture nor, subject to the regulatory regimes that would be in place, would there

be any detriment to agricultural land or practices elsewhere in the locale. Whilst fracking would be carried out over a much wider underground area, as projected to the surface, it has the potential to affect properties most particularly in terms of vibration and which is considered in the seismicity section. However, again, subject to the adherence to regulatory requirements such impacts could be kept to a minimum. In the event there were to be disturbance leading to damage, the applicant has committed to investigating complaints and has demonstrated insurance would be in place if damage is proven to be attributable to their operations. It is not possible to quantify what impacts a proposal of this nature would have on either property values or the market, but these are not material planning considerations.

The Tourism Board have publically countered the view that the site would adversely affect tourism and is of the view that the hospitality industry would benefit. There are no statistics that support either view.

In terms of community cohesion, recent experience has shown that drill sites can attract public attention and a degree of protest and environmental extremist activities may also occur. The Lancashire Constabulary have been consulted on the proposals and have not objected. It is right to assume that public order would be maintained by the police although there would inevitably be costs associated with such as has been evidenced by other sites elsewhere in the country.

Conclusion

It is concluded that whilst there would be some localised impact on residents in the community at the nearest properties, the project would not have a significant effect on wider communities or socio economic factors, particularly in groups with protected characteristics. There would not be an impact on agricultural land or practices and there would be some economic benefits during the exploration stage to the local economy. It is therefore considered that the proposal would not have an unacceptable impact on communities or the economy and would not be in conflict with the policies of the NPPF or the development plan policies.