

Socio-Economic Impact Assessment

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Appraisal and Auditing Module

Presented by:

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**AVISON
YOUNG**

Agenda

- Introduction
- Institute of Environmental Management and Assessment (IEMA)
- What is Socio-Economic Impact Assessment (SEIA)?
- Current status of UK SEIA
- Assessment methodology
- International SIA: comparison of status and approach
- Key differences between UK and international assessment
- Case Studies
- Technical difficulties and future challenges
- References
- Q&A

Introduction

Laura Day, Associate Environmental Consultant

Education:

- BA(Hons) Geography, University of Nottingham, 2003-2006
- MA Environmental Impact Assessment and Management, University of Manchester, 2006-2007

Career to date:

- Graduate Environmental Consultant with SKM Enviro (6 years)
- Senior Environmental Consultant with RSK (3.5 years)
- Associate Environmental Consultant with Avison Young (4.5 years)

Key Experience:

- EIA project manager for developments in range of sectors including residential, commercial and retail, renewable energy, and oil and gas
- Socio-economics assessor for same range of sectors
- Projects spanned local planning and NSIPs, as well as international regulatory frameworks

Professional Accreditation:

- Practitioner Member of Institute of Environmental Management and Assessment (PIEMA)

Institute of Environmental Management and Assessment (IEMA)

Professional Accreditation Association

Knowledge and resource sharing association intending to instil best practice in the sector and embed sustainability into all activities

Highly regarded in the UK; becoming more widely recognised internationally – other bodies have historically had a more prominent international presence, e.g. IAIA

Corporate membership available to consultancies and developers who coordinate EIAs and produce associated Environmental Statements (ES)

Professional, individual membership available to those acting in the sector

- Membership grades available from Student – Fellow
- Varying application requirements dependent on grade
- Viewed as a necessary affiliation by vast majority of firms



See IEMA website here for more information: <https://www.iema.net/>

What is Social Impact Assessment?

SIA...

"...is an instrument to identify and assess the potential...social impacts of a proposed project, evaluate alternatives, and design appropriate mitigation, management and monitoring measures" (IFC, 2016)

"...includes the processes of analysing, monitoring and managing the intended and unintended social consequences, both positive and negative, of planned interventions...and its primary purpose is to bring about a more sustainable and equitable biophysical and human environment" (IAIA)



In the UK, requirement to cover effect on population in UK EIA regulation, transposed from Directive 2014/52/EU Schedule 4 of 2017 EIA Regulations indicates that we must provide...

*"...A description of the **factors...likely to be significantly affected by the development: population**, human health, biodiversity (for example fauna and flora), land (for example land take), soil (for example organic matter, erosion, compaction, sealing), water (for example hydromorphological changes, quantity and quality), air, climate (for example greenhouse gas emissions), impacts relevant to adaptation), material assets, cultural heritage, including architectural and archaeological aspects, and landscape..."*

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Definition from IFC guidelines but applies to both UK-based and international SIA – principle the same

Also definition provided by IAIA: notable additional points made are reference to potential for both positive and negative effects, and the fact that it is a key consideration in striving for sustainability and reaching a balance between the biophysical and human environment

Need to assess population specified in 2017 EIA Regulations, transposed from the EU Directive. Population is commonly accepted as being both social and economic impacts from UK EIA perspective, albeit it is not specifically defined

For the moment, focus on UK – cover international in more detail later on

Current Status of SEIA in the UK

- Historically often given lip service
- No formal UK standards or guidance in terms of methodology
- More recent demand for greater robustness
- Approach informed by range of guidance documents including (but not limited to):
 - The Economic Impact of Development Investment in Birmingham 1998-2010 (Birmingham Economic Information Centre)
 - Additionality Guide (DCLG)
 - Employment Density Guide (HCA, 2015)
- Consultancies using variety of approaches; benchmarking common and approaches are evolving over time
- Work within client and regulator expectations; different levels of detail for different application routes and by each case

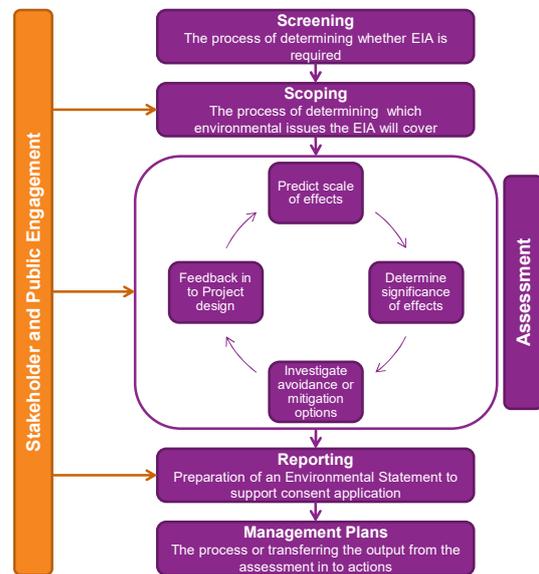
Lip service – often seen as a way of presenting the benefits, particularly economic – rather than an objective form of assessment which would provide a solid evidence base for the impacts to be assessed, and justification for measures proposed to address any adverse impacts identified. Reason why not been considered as important as other topics linked to fact there's no standardised methodology so arguably more open to risk of challenge

More recent robustness:

- Localism - pressure on public consultation being more meaningful
- NSIPs – Planning Act 2008 reformed planning application process for major development projects, detailed examination of approach to assessment, conclusions reached and influence on project design – helped to evolve best practice

Assessment methodology

- EIA methodology: SEIA follows same steps
- In undertaking SEIA, key stages as follows:
 - Stage 1 – Identification of study area
 - Stage 2 – Baseline review
 - Stage 3 – Impact assessment
 - Stage 4 – Identification of mitigation measures
 - Stage 5 – Residual effects
 - Stage 6 – Cumulative and effect interaction



This is same process as you would do for any topic assessed as part of an EIA / ESIA

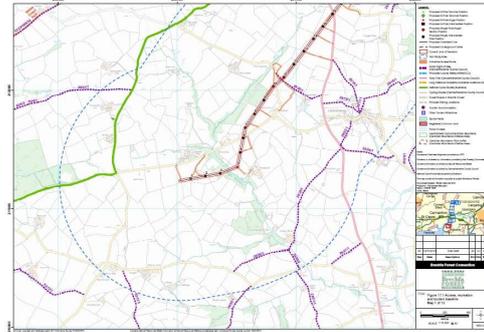
Stages 3 and 4 often result in issues that need raising with the client / design team to ensure proposed development design evolves as required to ensure no significant adverse residual effects, or indeed can maximise the potential for significant beneficial effects

We will go over stages 1-5 in a little more detail in the subsequent slides

Note, an assessment of social and economic aspects can be undertaken outside the scope of an EIA as a standalone study and submitted in support of a planning application, but the approach is slightly different for that purpose – not as objective, often focusing on the benefits only, and does not require use of standard methodology and terminology as you would expect to use in the technical chapters of an Environmental Statement

Stage 1 – Identification of study area

- Appropriate to the scale and location of proposed development
- Account for spatial geography on which baseline data is focused
- Potentially different for different impacts being assessed within the scope
 - Economic impacts: local district vs regional scope
 - Social impacts: often more localised (e.g. 1-5km) and no comparison with regional scope
- Aim to agree with regulatory/stakeholders



Certain impacts always use same study area no matter what the project type, e.g. job creation, workforce expenditure, housing provision – largely dictated by the fact the baseline information is available for specific spatial geographies

Other impacts, notably social, specific to the project, location, and sensitivities – case by case basis

Comment on difference between linear projects and centralised site

Stage 2 – Baseline Review



- Uncommon to do primary data collection
- Process of triangulation using secondary data sources/consultation
- Latest census data, supplemented with interim data sources and reports
- Common data topics include but not limited to:
 - Population and demographics
 - Economics and employment
 - Deprivation
 - Education and skills
 - Social amenity provision
 - Recreation and tourism
 - Access

Only ever done one project in 12 years which has included primary data collection for a UK-based socio-economic assessment when part of an EIA. Generally sufficient information is available from secondary data sources, and observational information can be obtained from other consultants who definitely need to attend site, e.g. LVIA consultants, noise consultants. It would be helpful for some sites at least, but most of the time the fee that can be obtained for a socio-ec assessment wouldn't cover the cost

Secondary data extremely important – using internet searches and through direct consultation

Consultation – identify potential relevant issues / organisations and engage with them to obtain comment for consideration. Feasible/necessary for bigger projects (NSIPs) or projects where there are issues that are often qualitatively assessed such as tourism and recreation

Census data can be used as a basis for a baseline – because presented at a really small spatial scale, covers the entire UK, and presents such a huge range of datasets. However, data becomes outdated very quickly, i.e. 2011

census latest available published data but 10 years old. In other topic areas, anything over 3 years is considered to trigger resurveys, e.g. ecology. Situation changing even more quickly in terms of socio-ec, therefore must supplement this with other interim data sources and datasets. Present trends and comparisons of datasets for a fuller, more up to date picture. Better to have too much than not enough and risk comeback from stakeholders / regulators as they consider it to be irrelevant / misrepresentative of the true baseline

In addition to multiple sources, must undertake regular data searches during project lifetime (e.g. scoping / before send out letters to consultees for secondary data / before formal consultation / before final submission), to ensure information remains up to date and relevant

Topics that can be covered in baseline are listed – this is not exhaustive and can include others if a particular issue is raised, e.g. land use / agriculture

Generally, the topics covered in the baseline would mirror those scoped into the impact assessment, e.g. Brechfa Forest, only access, recreation and tourism scoped into the assessment, therefore only information relating to these topics collated for the baseline

Be careful to ensure using latest publicly-available information

Stage 3 – Impact Assessment

- Methodology worked up through combination of various related guidance notes / review of best practice
- More defined guidance for economic assessment
- Guidance for primary data collection of user surveys, if required
- Help to define the sensitivity, impact magnitude and significance, as well as potential effects to consider
- Regulators generally comfortable with their use to date
- Opportunity for links to be made with other topics, where relevant, e.g. landscape, cultural heritage, noise and AQ, traffic and transport

Great benefits in linking with other assessment chapters:

- 1) effect on social and economic receptors is so closely linked to other issues that it is imperative that conclusions to impacts are informed by other relevant issues
- 2) interrelation between topics is requested for in the updated EIA regs – best practice is to do this wherever applicable, e.g. consider specific elements of risk to human health in AQ and in ground conditions, and therefore should consider whether there is scope and/or need to do this in the socio-economic assessment to aid robustness. Key is to ensure the methodology is clear in how it is undertaken and remains objective and useful to identification of mitigation and residual effects

Stage 3 – Impact Assessment continued...

– Identify relevant receptors and define sensitivity

Receptor sensitivity / importance	Description
High	Change related to the receptor accorded a high priority in local, regional, or national economic regeneration policy. Evidence of direct and significant socio-economic challenges including: <ul style="list-style-type: none"> • Areas with levels of unemployment well in excess of regional / national averages and high levels of relative deprivation (i.e. top 10%); • Areas with an acute housing shortage; • Areas within which social and community infrastructure (e.g. education, healthcare and community facilities) have no capacity / are over-subscribed; and • Areas with a considerable shortfall of open and recreational space / poor-quality resources, or tourist attractions of national importance, national cycle routes and national trails and no potential for substitution.
Medium	Change relating to the receptor has medium priority in local, regional, and national economic and regeneration policy. Some evidence of socio-economic challenges, including: <ul style="list-style-type: none"> • Areas with levels of unemployment above regional / national averages and levels of relative deprivation (i.e. top 50%); • Areas with a moderate housing shortage; • Areas within which social and community infrastructure (e.g. education, healthcare and community facilities) have limited capacity; and • Areas with a shortfall of open and recreational spaces / moderate-quality resources, or tourist attractions / recreational provision of regional importance and limited potential for substitution.
Low	Change related to the receptor is accorded a low priority in local, regional, and national economic and regeneration policy. Little evidence of socio-economic challenges, including: <ul style="list-style-type: none"> • Areas with levels of unemployment in line with regional / national averages and levels of relative deprivation (i.e. bottom 50%); • Areas with a limited housing shortage; • Areas within which social and community infrastructure (e.g. education, healthcare and community facilities) have some capacity; and • Areas with a surplus of open and recreational space / high-quality resources or recreational provision of local importance only.
Negligible	The receptor is not considered a priority in local, regional, and national economic development and regeneration policy. No socio-economic issues relating to a receptor, including: <ul style="list-style-type: none"> • Areas with levels of unemployment less than regional / national averages and low levels of relative deprivation (i.e. bottom 10%); • Areas with a minimal housing shortage; • Areas within which social and community infrastructure (e.g. education, healthcare and community facilities) have substantial surplus capacity; • Areas with a considerable surplus of open and recreational space / high-quality resources, or, conversely, no provision of any tourism or recreational facilities to be considered as sensitive

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Identify relevant receptors based on the social and economic make up of the study area and the proposed development being considered, e.g. existing residents, future residents, existing business owners / local workers, recreational users, vulnerable groups using local amenities, local and regional economy, housing supply and quality

These definitions cover for all main impacts that could be assessed within scope of a UK-based socio-ec assessment

Potential effects that should be considered for relevance include, but not limited to:

- Job creation (direct, indirect and induced)
- Economic activity
 - workforce expenditure
 - household spend
 - GVA

- Business rates
- Housing provision
- Social amenities
- Recreational amenity and tourism

Stage 3 – Impact Assessment continued...

– Define magnitude

Magnitude	Definition
Substantial	Proposed development would cause a large change to existing socio-economic conditions in terms of absolute and / or percentage change, such as: <ul style="list-style-type: none"> • Greater than 5% increase / decrease on existing baseline levels of employment; • Greater than 5% increase / decrease of housing stock in relation to contribution to planning policy targets • Greater than 5% increase / decrease in provision of open and recreational space • Considerable increase / decrease in quality of open and recreational space • Considerable increase in demand on social and community infrastructure with no capacity / decrease in demand on social and community infrastructure with ample surplus capacity • Adverse or beneficial irreversible, permanent change to tourist attractions of national importance
Moderate	Proposed development would cause a moderate change to existing socio-economic conditions in terms of absolute and / or percentage change, such as: <ul style="list-style-type: none"> • 1% - 5% increase / decrease on existing baseline levels of employment • 1% - 5% increase / decrease of housing stock in relation to contribution to planning policy targets • 1% - 5% increase / decrease in provision of open and recreational space • Moderate increase / decrease in quality of open and recreational space • Moderate increase / decrease in demand on social and community infrastructure with limited capacity • Adverse or beneficial medium term change to tourism attractions of regional importance
Minor	Proposed development would cause a minor change to existing socio-economic conditions in terms of absolute and / or percentage change, including: <ul style="list-style-type: none"> • 0.1% - 0.99% increase / decrease on existing baseline levels of employment; • 0.1% - 0.99% increase / decrease of housing stock in relation to contribution to planning policy targets; • 0.1% - 0.99% increase / decrease in provision of open and recreational space; • Limited increase / decrease in quality of open and recreational space impacts • Limited increase / decrease in demand on social and community infrastructure with surplus capacity • Adverse or beneficial short term change to tourism attractions of local importance
Negligible	No discernible change in baseline socio-economic conditions.

Magnitude of effect includes of both positive and negative changes

Again, no standardised definition for magnitude in socio-ec assessments.

Stage 3 – Impact Assessment continued...

- Compare the two to identify significance of effect
- Shaded items denote significant effect

	Magnitude of impact				
		Substantial	Moderate	Minor	Negligible
Receptor sensitivity	High	Major	Major	Moderate	Negligible
	Medium	Major	Moderate	Minor	Negligible
	Low	Moderate	Minor	Minor	Negligible
	Negligible	Negligible	Negligible	Negligible	Negligible

Clarity in definitions of sensitivity and receptor and magnitude required

Case of ensuring there is as much transparency and objectivity and sense in definitions presented

In the impact assessment section of a chapter, need to explain how you have come to the ranking for sensitivity and magnitude to fully justify the significance ranking

Stage 4/5 – Mitigation and Residual Effects

- Mitigation measures applied with applicant commitment
- Typical mitigation measures for UK projects are high level and limited spend committed to
 - Secure local skills apprenticeship contract as part of planning consent
 - Contribution within S106 agreement to provide for additional school places in the wider borough; exact contribution to be agreed with council during determination
 - Diversion of footpath xx to xx
- Mitigation measures should sufficiently reduce any adverse effect to Not Significant, or otherwise weighed in the planning balance

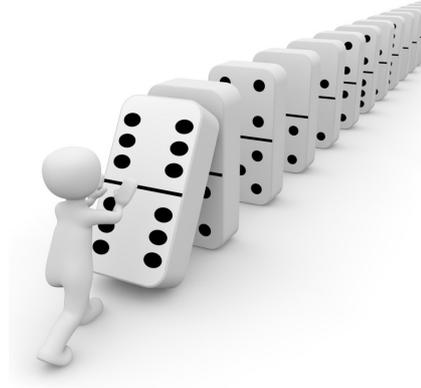


Significant adverse residual effect – e.g. HS2 – removing people from housing may result in significant social impacts as a result of CPO – however greater good for community (e.g. easier connections between regions, knowledge sharing, beneficial economic impacts at the national scale etc.)

Stage 6 – Cumulative and effect interaction

- Where the result has potential to increase in strength or importance each time more of something is added
- EIA Regulations, Regulation 4(2) and Regulation 5 make specific references to considering effect interaction and cumulative consideration
- Reference to cumulative and interrelated impacts by **Renewable UK (2013)**:

"Those that result from additive impacts caused by other past, present or reasonably foreseeable actions together with the plan, programme or project itself and Synergistic Impacts (in-combination) that arise from the reaction between impacts of a development plan, programme or project on different aspects of the environment."



International SIA: status and approach

- SIA normally undertaken as a fully integrated and extremely important part of the wider project assessment = Environmental and Social Impact Assessment (ESIA), although can be separate
- Highly regulated:
 - International Finance Corporation (IFC) Sustainability Framework (2012) includes range of Performance Standards
 - IFC Guidance Notes (2012)
 - Plus other international, regional and national standards and guidelines, specific to the country / project type
- Themes assessed under SIA banner include, but not limited to:
 - Gender
 - Human Rights and Security
 - Cultural Heritage
 - Labour
 - Economics
 - Land Resettlement
 - Indigenous People
- Also linked to Biodiversity

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International SIA: status and approach continued...

- Projects often very large scale, e.g. oil and gas pipelines, hydropower facilities, mines, etc
- Process very similar to UK-based assessment, with some additional, more involved steps:
 - Defined and involved stakeholder engagement
 - Preparation and implementation of detailed management plans related to mitigation measures
- Engagement must show involvement of both genders and all vulnerable groups
- Likely use of in-country subconsultants
- Definitions of receptor sensitivity and magnitude to be aligned with an international project requirements



Key differences between UK and International SIA / EIA

UK SEIA	International SIA
The EIA system is based on clear and specific legal provisions	Process tends to be clearly defined and understood by country regulators
All significant impacts to be assessed including cumulative impacts	Significant impacts often covered but not always fully defined/understood. Some direct and cumulative impacts not (sufficiently) covered
Scoping reports need to be produced and consulted on	Scoping (may be referred to as a different term), covered but focus tends to be on engaging with government agencies). Terms of reference may need to be included for the main EIA and these will need to be approved before the EIA can proceed. Can be long process
Reports need to meet prescribed content requirements	EIA reports to meet local requirements but also to meet the lender's requirements – can be extremely long and detailed
The EIA report is a critical part of the decision making process associated with the project	Although the EIA theoretically influences the decision, in practice this is rare. Decision-making often political with minimal reference made to evidence base presented in the assessment work
Monitoring of impacts suggested but not imposed	Usually required. Difference between level of monitoring undertaken by Lenders and Regulators
Systems in place to ensure implementation of mitigation and management systems beyond EIA	The implementation of mitigation measures is often unsatisfactory except where Lenders are involved
Consultation and participation occurs prior to and following the EIA report publication, regulated but often limited	Consultation and participation occurs during and after submission of the ESIA – highly regulated but sometimes inconsistent in its implementation / efficacy

Technical Difficulties and Future Challenges

- Standardisation of approach for social and economic assessment
- Minimising subjectivity in definitions of significance and magnitude
- Changes to baseline and data availability
- Access to consultation information
- Identification of all relevant potential stakeholders and understanding their perspective
- Client expectations

Case Study 1

Stretford Mall, Trafford, UK

Bruntwood Trafford (Stretford Mall) LLP

Hybrid application for the demolition of specified buildings, and outline planning with all matters reserved except for access for a mixed use development comprising commercial business and services, public house or drinking establishment, learning and non-learning institutions, local community uses up to 800 residential dwellings, public realm, landscaping, highways improvements and associated infrastructure.

- Baseline: existing, dated mall, oversized for demand, in need of regeneration
- Varied study area:
 - Economic impacts: local and sub-regional
 - Social impacts: 1-5km study area dependent on impact
- Receptors included:
 - Existing workers and businesses
 - Existing residents
 - Future residents
 - Existing community provision
- Significant beneficial residual impacts identified relating to construction jobs, housing provision, impacts on local economy, and provision of new, quality open space and public realm
- Significant adverse effect on long term employment – net loss job creation – considered in terms of existing context, and balanced with significant beneficial effects



Provide detail on impacts assessed – by construction / operational stage

Give more context re significant adverse effect

Thank you

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