

TOWN AND COUNTRY PLANNING ACT 1990

**Application by West Cumbria Mining Ltd
Development of a new underground metallurgical coal mine and associated development
at Former Marchon Site, Pow Beck Valley and area from Marchon Site to St Bees Coast**

Planning Inspectorate Reference: APP/H0900/V/21/3271069

Local Planning Authority Reference: 4/17/9007

Date of Inquiry: 7th September 2021

REBUTTAL PROOF OF EVIDENCE

AND APPENDIX

OF

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31 August 2021

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1. INTRODUCTION

- 1.1. In this rebuttal evidence I respond to the aspects of Proof of Evidence and Appendices of Mark Kirkbride [WCM/MK/1 and WCM/MK/2] which relate to the purported local economic benefits of the proposed development, and particularly the extent of any claimed local employment and investment benefits. This rebuttal should be read together with my Proof of Evidence [SLACC/RD/1].
- 1.2. Except where I indicate to the contrary, the facts and matters contained in this Proof of Evidence are within my own knowledge. Where facts and matters are not within my own knowledge, I have identified my sources of information or understanding.

2. UNSUBSTANTIATED EMPLOYMENT FIGURES

- 2.1. At paragraph 8.1 of his Proof of Evidence, Mr. Kirkbride makes reference to the purported “significant employment benefits to the local area” that the proposed development will provide.
- 2.2. He goes on to assert that the project will create “up to” 532 permanent staff positions. As noted in my Proof of Evidence (at paragraph 2.1-3), the Applicant provided no clear methodology for those employment numbers during the course of the application process.
- 2.3. The Independent Economic Assessment (Appendix 1 to Mr. Kirkbride’s Proof of Evidence) upon which Mr. Kirkbride now relies is itself based on information provided by the Applicant. Again, it contains no methodology for calculating the number of jobs. The information on the “Yearly Number of Jobs Sustained by the Project by Category of Job (Figure 2.7 in Appendix 1) lists as its source “West Cumbria Mining Financial Model” (pg 19) and the authors of Appendix 1 make it clear that they have relied on the WCM financial model as the starting point for their analysis, without verifying that information independently (section 3.4.1, pg 23 of 79, and pg 68 of 79). The criticism which I made at paragraph 2.4 of my Proof of Evidence also remains apt: there is no detail on how long each activity takes in order to provide any robust or realistic

estimate of the number of people that would be required to perform tasks at the mine. It follows that any conclusion as to the total number of jobs available at the mine remains speculative and poorly evidenced.

- 2.4. I note that Mr. Kirkbride includes an ‘organogram’ at Appendix 4 to his Proof of evidence. This is a diagrammatical depiction of how WCM’s proposed workforce could operate at the site from an organisational perspective. It offers no insight as to how tasks at the mine would actually require the level of employment claimed. Whilst the organogram refers to some positions which are legal requirements under the Mines¹ Regulations 2014 or The Management and Administration of Safety and Health at Mines Regulations 1993 it is noted that a large number of the proposed jobs at the site (e.g. ‘Bolter Miner Production Support x 20’ or ‘Continuous Miner SC Operator x 10’) are not mandated by statute. The true number of employees that will be required during operation therefore remains opaque.
- 2.5. Mr. Kirkbride claims that the development will result in the offer of 50 apprenticeships at paragraph 8.2 of his Proof of Evidence. Again, the details in respect of the proposed apprenticeships are scant. It is not clear, for example which “local educational providers” have actually developed training course curricula or will do so. The Lakes College at Lillyhall is given as an example only, and it is not understood that there are any concrete arrangements in place. Mr. Kirkbride does not confirm when, during the lifetime of the mine, the apprenticeships will be offered.
- 2.6. Even more importantly, Mr. Kirkbride notes that the apprenticeship training course curriculum will be “based on WCM’s future needs” (at his paragraph 8.2). In the context of a development which is necessarily limited to 2049 and a technology which appears, already, to have been rendered redundant due to the need for urgent GHG emissions reductions,² it is difficult to see how such apprenticeships offer any

¹ For reference, note the correct regulations are The Mines Regulations 2014 not the Mine Regulations as apparently suggested within Appendix 4.

² See Section 7 of the Proof of Evidence of Professor Ekins [SLACC/PE/1], Section 3 (and particularly paragraphs 3.25-30, and 3.34-4) of the Proof of Evidence of Professor Nilsson [SLACC/LN/1], and Section 5 of the Proof of Evidence of Sir Robert Watson [SLACC/BW/1].

meaningful long-term benefit to local young people. Much as the mine itself is likely to become a stranded asset,³ the proposed apprenticeships will leave young persons in the local area stranded in terms of future employment prospects. I address the s.106 obligation apparently designed to secure the apprenticeships and other claimed employment benefits in the following section.

3. LIKELY HIGH LEVEL OF NON-LOCAL EMPLOYMENT

- 3.1. Mr. Kirkbride makes reference to a s.106 agreement proposed by WCM which he claims commits WCM to filling 80% of the available jobs at the site with people from within 20 miles of the mine (at his paragraph 8.2). Yet Mr. Kirkbride himself confirms that this will be complied with only “wherever possible,” and the language of the draft s.106 agreement is similarly vague.
- 3.2. The Glossary section of the draft s.106 agreement currently refers to the above commitment to employ local staff as a “target” only. Further details are provided at Paragraph 15 of Schedule 1 of the draft s.106 agreement which is headed ‘Training and Employment Management Plan’ (**‘TEMP’**). This requires WCM only to exercise “all reasonable endeavours” to comply with the TEMP (its §15.3). Further, the proposed TEMP is also to be subject to a review every five years following commencement (its §15.4) in the light of a number of factors including “in the context of current commercial business practices.” The s.106 agreement provides no sanction which would befall WCM in the event they under-delivered (or indeed dramatically under-delivered) the claimed number of jobs to local people.
- 3.3. Far from providing a firm, concrete commitment to providing a high level of local jobs, the s.106 agreement as drafted therefore sees 80% local job delivery as a ‘target’ at which it may aim and preserves the opportunity for WCM to renegotiate employment at the mine every five years on the basis of what is commercially convenient. WCM will not incur any penalty in the event it fails to deliver its claimed level of employment. WCM has therefore not committed to filling 80% of the positions at the

³ See paragraph 2.10 of the Proof of Evidence of Professor Nilsson [SLACC/LN/1].

mine with local staff but effectively stated that this may be possible and will be attempted.

- 3.4. In paragraph 3 of my Proof of Evidence, I explained in detail how local skills shortages mean that WCM would need to employ a significant number of non-local staff and likely look beyond the UK for appropriately skilled mine workers. Mr Kirkbride, however, simply asserts that he is “confident the pre-application process” recently implemented demonstrates “significant interest and demand for new employment at the mine” (his paragraph 8.3). That confidence does not overcome the analysis I provided at paragraphs 3.1-3 of my Proof of Evidence which highlighted that only 3% of the respondents to WCM’s local labour survey would be realistically capable of working at the mine.
- 3.5. This point is further emphasised by Mr. Kirkbride’s reference to “significant interest” in new employment at the mine (his paragraph 8.3). Whilst there may be a desire by local workers to take up employment at the mine, the fact is that this may translate into the mine receiving many applications from local residents, but it does not mean that there will be a lot of jobs for them. As I set out in my Proof of Evidence and summarise above, the vast majority of the local workforce lack previous mining experience and WCM would likely be required to recruit a non-local workforce whatever the level of local interest in employment for WCM may be.
- 3.6. This must be a factor which Mr. Kirkbride is aware will inhibit local people from taking up jobs: at his paragraph 8.16 (and 8.20) he claims “educational attainment” is poor in the local area: at paragraph 8.18 he notes that 27% of Copeland residents hold no qualifications (below the national average of 22.5%), and he notes that roles at the nearby Sellafield nuclear waste reprocessing and storage site “are skilled and require specific qualifications and educational needs” (his paragraph 8.14). Mr. Kirkbride is therefore aware that specialist industrial infrastructure like mines or nuclear waste processing plants need highly trained staff, and notes that few local people possess the relevant qualifications, but he does not explain how this problem will be overcome such that local persons will be able to take up jobs at the proposed mine.

- 3.7. I further note that whilst Mr. Kirkbride says that WCM currently have “no intention of recruiting” overseas employees (his paragraph 8.3), this is not a commitment to employing only local domestic employees. The simple point is that for the reasons set out above, and as explained in my Proof of Evidence (particularly in my section 3) it is difficult to see how the proposed mine could be operated without a significant non-local and potentially international workforce.
- 3.8. Mr. Kirkbride claims that Appendix 1 to his Proof of Evidence “clearly demonstrates the significant benefits the scheme will deliver to employment locally” (at paragraph 8.6 of his Proof of Evidence). However, Appendix 1 bases its analysis of the local benefits on the assumption, which it takes from the Applicant, that direct employee miners and underground workers, and 90% of management, are expected to live locally (section 2.1.2.2 pg 18 of 79). There is still no evidence that, given existing skills shortages, most of the jobs will not be filled by people from outside the area or that those jobs that are filled by people who live in Copeland or the wider region will not be displaced or ‘poached’ in the Council’s own terms⁴, from other employers, resulting in no net increase in employment.
- 3.9. In paragraph 8.4 of Mr Kirkbride’s Proof of Evidence, he says that the ‘independent economic assessment’ (Appendix 1) shows that the proposal will result in “more than 1,077 indirect and induced jobs during its operation”. Firstly, it is not clear where this figure comes from, as it is not in any of the tables in Appendix 1. Secondly, the projected local and regional figures for indirect and induced jobs in Appendix 1 are significantly lower than the national number, with 102 indirect and 44 induced jobs (average per annum) for the whole of Cumbria between 2023 and 2049 (Table 7.2 pg 54 of 79; compare the national impacts claimed at Table 7.1, pg 53 of 79). Moreover, the analysis of the economic impact is based on the Applicant’s own financial models and assertions that it intends to source labour, goods and services as locally as

⁴ See the concerns of the Council’s Economic Development Team regarding the proposed development causing a “high level of poaching” from other employers at paragraph 4.3 of my Proof of Evidence, and Appendix 4 to my Proof of Evidence [SLACC/RD/2].

possible, which is not a binding commitment or a robust basis for assessment, for the reasons explained above.

- 3.10. At paragraphs 8.7-8.10 of his proof, Mr Kirkbride argues that because the salaries at the mine will be higher than the national average, they are equivalent to a greater number of jobs than the actual number of jobs created by the mine. This appears to be a non-standard approach designed to inflate job numbers. The reality is that the mine will not produce the number of jobs cited as “direct job equivalents”, and indeed this highlights that another investment of a similar size could produce more jobs if salaries were more in line with the national average.

4. DEPRIVATION AND UNEMPLOYMENT

- 4.1. At paragraph 6.1 of my Proof of Evidence, I explained how the Applicant’s own assessment of the relevant data demonstrated that the area local to the mine did not suffer from particularly high levels of deprivation and unemployment as claimed, but was rather in line with national figures generally, and outperforming the national average in a number of respects. There are, of course, pockets of deprivation but the Applicant offers no evidence that the mine will ameliorate the various dimensions of poverty and unemployment in particular areas.
- 4.2. At paragraphs 8.12-8.20 of his Proof of Evidence, Mr Kirkbride continues to press the case that the local area suffers from significant deprivation and would benefit from the proposed development. For the reasons set out in my Proof of Evidence at section 6, and the reasons that follow, I consider that this assessment is inaccurate.
- 4.3. At paragraph 8.13, Mr. Kirkbride implicitly claims that there are significantly fewer jobs than required within Copeland by comparing its population with its number of inhabitants. That is a misleading and simplistic analysis because it does not consider the number of working age people within Copeland, merely its population. I note that the source (Mr. Kirkbride’s endnote 3,) used to justify Mr. Kirkbride’s analysis discloses that the employment rate for Males aged 16-64 in Cumbria is 80.2%, which exceeds the same rate for the North West (77.6%) and England generally (79.1). Similarly, the

employment rate for Women aged 16-64 in Cumbria (74.6%) outperforms that in the North West (70.9%) and England (72.3%).

- 4.4. At his paragraphs 8.15-16, Mr. Kirkbride claims that “as a result” of the fact that there are only five large business in Copeland with more than 250 employees, “there remain significant clusters of very low-income households [...] with high proportions of NEETs” with no explanation of or evidence to support how these statements are linked. He then makes a number of statements, some of which do not cite a data source, about unemployment, crime rates and wellbeing, with no explanation of how these indicators would be ameliorated by the proposed mine. I repeat my analysis that the mere fact that a new potential “large business” in the area will not necessarily benefit these ‘clusters’ of low-income households due to the likely need to import the majority of the employees at the mine from beyond the local area.
- 4.5. At paragraph 8.17 of his Proof of Evidence, Mr. Kirkbride provides a figure for unemployment among young adults without specifying the locality for this figure or its data source. This renders it impossible to scrutinise the proposed figure in any detail. However, I note that ONS unemployment figures for 2020 show that the unemployment rate in Cumbria was in fact 3.7%, which is significantly lower than the Great Britain average of 4.6% (see the Nomis Official Labour Market statistics on employment and unemployment in Appendix R1 to this rebuttal).
- 4.6. As I explained in paragraph 4.1 of my Proof of Evidence, on the County Council’s own analysis, a large proportion of those who are unemployed in the local area have been out of work for over six months, indicating they are not immediately ready for work. Neither Mr. Kirkbride’s statement nor his supporting evidence suggests the Applicant plans to target this group specifically, and there is no suggestion as to how such a workforce might be targeted. The same may be fairly said of the 27% of Copeland residents who hold no qualifications (that Mr. Kirkbride identifies at paragraph 8.18 of his Proof of Evidence): there is simply no indication from WCM that any of these people will benefit from the proposed mine in employment terms.

4.7. As such, as explained above, there is little evidence to justify Mr. Kirkbride’s claim at paragraph 8.19 of his Proof of Evidence that “the local area would benefit immediately as a result of the investment and use of local products and services.” Further, there are a number of negative effects of the proposed mine which Mr. Kirkbride overlooks. As I explain in section 5 of my Proof of Evidence, one of the key obstacles to meeting Cumbria’s climate targets is appropriate investment in green skills. Clearly, the development of skills in the local area in respect of a project with a lifetime shorter than the average career (if the mine is operational 2024-49) which could otherwise be focussed on alternative low-carbon jobs will only intensify the local green skills shortage.

5. UK ECONOMIC IMPACT

5.1. I have had the opportunity to read the Rebuttal Proof of Professor Ekins [SLACC/PE/3] in respect of Paragraphs 9.1 – 9.19 of Mr. Kirkbride’s evidence. I agree with the conclusions Professor Ekins draws and rely on his analysis Section 6 of his Rebuttal Proof.

Declaration

The evidence which I have prepared and provide for this appeal reference APP/H0900/V/21/3271069 in this Rebuttal Proof of Evidence is true, and I confirm that the opinions expressed are my true opinions.

6. APPENDIX R1 - Nomis Official Labour Market Statistics for Unemployment (Cumbria, 2020)

nomis

official labour market statistics



local authority profile

Labour Market Profile - Cumbria

The profile brings together data from several sources. Details about these and related terminology are given in the definitions section.

All figures are the most recent available.

- ▶ Resident population
- ▶ Employment and unemployment
- ▶ Economic inactivity
- ▶ Workless households
- ▶ Employment by occupation
- ▶ Qualifications
- ▶ Earnings by place of residence
- ▶ Out-of-work benefits
- ▶ Jobs (total jobs / employee jobs)
- ▶ Civil Service jobs
- ▶ Businesses



Resident Population

Total population (2020)

	Cumbria (Numbers)	North West (Numbers)	England (Numbers)
All People	499,800	7,367,500	56,550,100
Males	246,300	3,640,300	27,982,800
Females	253,500	3,727,100	28,567,300

Source: ONS Population estimates - local authority based by five year age band

Population aged 16-64 (2020)

	Cumbria (Numbers)	Cumbria (%)	North West (%)	England (%)
All People Aged 16-64	294,500	58.9	62.1	62.3
Males Aged 16-64	145,900	59.2	62.6	63.0
Females Aged 16-64	148,600	58.6	61.5	61.6

Source: ONS Population estimates - local authority based by five year age band

Notes: % is a proportion of total population

Labour Supply**Employment and unemployment (Jan 2020-Dec 2020)**

	Cumbria (Numbers)	Cumbria (%)	North West (%)	England (%)
All People				
Economically Active†	242,400	80.3	77.6	79.5
In Employment†	233,500	77.4	74.2	75.7
Employees†	190,900	63.5	65.1	65.4
Self Employed†	42,100	13.7	9.0	10.1
Unemployed§	8,900	3.7	4.2	4.6
Males				
Economically Active†	128,300	84.9	81.4	83.4
In Employment†	121,500	80.2	77.6	79.1
Employees†	93,800	61.8	65.2	65.9
Self Employed†	27,400	18.1	12.3	13.0
Unemployed§	6,700	5.3	4.5	5.0
Females				
Economically Active†	114,100	75.8	73.8	75.6
In Employment†	112,000	74.6	70.9	72.3
Employees†	97,100	65.1	65.0	64.8
Self Employed†	14,600	9.3	5.7	7.2
Unemployed§	#	#	3.9	4.2

Source: ONS annual population survey

Sample size too small for reliable estimate (see definitions)

† - numbers are for those aged 16 and over, % are for those aged 16-64

§ - numbers and % are for those aged 16 and over. % is a proportion of economically active

Economic inactivity (Jan 2020-Dec 2020)

	Cumbria (Level)	Cumbria (%)	North West (%)	England (%)
All People				
	Cumbria (Level)	Cumbria (%)	North West (%)	England (%)
Total	57,100	19.7	22.4	20.5
Student	8,700	15.2	25.5	27.1
Looking After Family/Home	9,200	16.1	20.3	20.9
Temporary Sick	!	!	1.5	2.0
Long-Term Sick	17,400	30.4	26.8	22.8
Discouraged	!	!	0.7	0.7
Retired	13,900	24.3	13.9	13.5
Other	6,700	11.8	11.3	13.1
Wants A Job	9,200	16.0	20.9	22.6
Does Not Want A Job	47,900	84.0	79.1	77.4

Source: ONS annual population survey

! Estimate is not available since sample size is disclosive (see definitions)

Notes: numbers are for those aged 16-64.

% is a proportion of those economically inactive, except total, which is a proportion of those aged 16-64

Workless Households (Jan-Dec 2019)

	Cumbria	North West	England
Number Of Workless Households	22,400	364,000	2,356,700
Percentage Of Households That Are Workless	13.7	15.6	13.3
Number Of Children In Workless Households	#	165,600	1,013,600
Percentage Of Children Who Are In Households That Are Workless	#	11.5	9.3

Source: ONS annual population survey - households by combined economic activity status

Sample size too small for reliable estimate (see definitions)

Notes: Only includes those households that have at least one person aged 16 to 64.

Children refers to all children aged under 16.