A19.0 Socio-economics and local community

A19.1 Methodology

A desk-based socio-economic assessment has been undertaken to inform the understanding of the baseline environment and to qualitatively assess potential impacts during the construction and operational phases. The assessment has been informed entirely by publicly available information online, as well as the outputs from a Demand Study undertaken specifically for the proposed scheme (**Ref. 2**).

The Demand Study (**Ref. 2**) was undertaken to verify and build on available knowledge of past and current uses of FIPASS, gain a full view of existing and potential future users and identify opportunities to maximise the potential of the proposed scheme. It has comprised a review of demographic and economic developments on a sectoral level to fully understand the dynamics of the local economy and identify potential opportunities for the Islands.

As proposed and agreed during the environmental scoping process, the assessment has not sought to further justify the socio-economic need for the proposed scheme; rather it has provided a high level, qualitative overview of the socio-economic impact of the proposed scheme in light of the existing baseline conditions.

A19.1.1 Approach to impact assessment

Since there are no generally accepted criteria for assessing the significance of socio-economic impacts, they have been assessed based on the scale of change relative to the baseline position, as well as the nature and context of their impacts. Where relevant, the location of the impact and its likely duration has been taken into account. In some cases, this cannot be quantified or measured, so the nature and context of the impacts are considered more generally, taking account of qualitative factors.

The socio-economic impacts of the proposed scheme are identified as 'beneficial', 'negligible' or 'adverse' (see **Table 19.1**). The terms presented in **Table 19.2** are used to define the significance of the potential impacts which have been scoped into the assessment.

Table 19.1 Definition of impacts

Effect	Definition
Beneficial	A positive and/or advantageous effect to a minor, moderate or substantial magnitude
Negligible	No obvious significant effect to a receptor or the environment
Adverse	A negative and/or disadvantageous effect to minor, moderate or substantial magnitude

Table 19.2 Definition of the significance of impacts

Significance	Definition
Substantial	Where the proposed scheme could be expected to have considerable effects (by extent, duration or magnitude) or of a more than local significance on the existing population, levels/types of employment and economic characteristics of the area.
Moderate	Where the proposed scheme could be expected to have a noticeable effect which may be considered significant on the existing population, level/types of employment and economic characteristics of the area.
Minor	Where the proposed scheme could be expected to result in a small, very short or highly localised effect on the existing population, level/types of employment and economic characteristics of the area.

Significance	Definition
Negligible	Where no discernible effect is expected as a result of the proposed scheme on the existing population, level/types of employment and economic characteristics of the area.

The duration of the socio-economic impact is considered in the context of whether it is temporary or permanent. Due to their nature, all operational phase impacts are considered to be permanent unless otherwise stated. In terms of temporary impacts, the duration can be determined as short term (less than five years), medium term (five to ten years) and long term (more than 10 years).

The sensitivity of receptors is also considered. Sensitivity varies between receptors and in, some instances, qualified judgement is required to establish where receptors place on a scale from low sensitivity (easily adapt to change) to high sensitivity (do not easily adapt to change). In identifying sensitivity, factors including capacity to accept or respond to change and the local position, local needs and priority groups are taken into account.

A matrix identifying the significance of the potential impacts is set out in **Table 19.3**. Any impacts assessed as being moderate or substantial are classified as 'significant' in EIA terms.

Table 19.3 Matrix for determining the significance of impacts

Magnitude of change / impact	Sensitivity of receptor / environment to change or impact			
	High	**Medium**	**Low**	**Negligible**
High	Substantial	Moderate to substantial	Minor to moderate	Negligible
Medium	Moderate to substantial	Moderate	Minor	Negligible
Low	Minor to moderate	Minor	Negligible to minor	Negligible
Negligible	Negligible	Negligible	Negligible	Negligible

A19.2 Baseline conditions

A19.2.1 Population and local community

The total resident population of the Falkland Islands was 3,200 in 2016 according to the 2016 population census (F.I.G., 2017), with people from over 60 nations living in the Islands (F.I.G., 2012). Comparison with the 2006 census shows that recent trends are towards an ageing population with people over the age of 65 (11% of the overall population) having increased by almost 14%, whilst the numbers under the age of 15 have remained constant (F.I.G., 2015b).

Alongside the resident population, there an approximately 360 civilian contractors who work and reside at the Mount Pleasant Complex (MPC) (the joint army, air force and navy complex operated by the UK Ministry of Defence at Mount Pleasant). Serving members of the armed forces are not included in the census statistics; however, the working age population is bolstered by the additional of temporary residents.

The Falklands is a diverse but well-integrated community; most of the population describe their nationality as Falkland Islander or British, but with significant minority groups from Chile and St. Helena. Crime and anti-social behaviour are very low, reflecting the small population which has high levels of familiarity and a strong sense of community (F.I.G., 2015a).

The majority of the population of the Falkland Islands live in Stanley (approximately 77%). The population of Stanley as detailed within the 2016 census is reported to have grown by approximately 16% since 2012 (Premier Oil, 2018).

The remaining residents can be categorised as 11% living in Camp (defined within the Falkland Islands Development Plan as everywhere in the Islands outside of the Stanley Town Plan area) and 11% (non-military personnel) at the MPC (Premier Oil, 2018). The economic and social pull of Stanley has led to depopulation of Camp settlements in recent years (F.I.G., 2015a).

The schooling system in the Falkland Islands is free of charge and compulsory for children between five and 16 years of age. There is a primary and a secondary school in Stanley and three small settlement schools operating on large farms (F.I.G., undated).

The Falkland Islands economy (discussed in **Section A19.2.4**) provides its residents with excellent health services and education provision, with Falkland Islanders studying for A-levels and degrees overseas (funded by F.I.G.) (F.I.G., 2012).

Whilst one of the smallest capitals in the world, Stanley provides a variety of amenities, including supermarkets and gift shops, restaurants and hotels and leisure facilities including swimming pool, gym and golf course (F.I.G., 2012). All medical, dental and community health services are based at the King Edward VII Memorial Hospital in Stanley, the Islands' only hospital (F.I.G., undated).

A19.2.2 Accommodation

Housing in Stanley mainly comprises low density detached homes, and few are reported to be unoccupied. There are approximately 50 names (i.e. heads of household) on the housing waiting list in Stanley, and the reported trend is for reducing average occupancy levels within households (F.I.G., 2015a).

The 2016 census recorded a total of 1,189 resident households within the Falkland Islands, of which 1,026 (86%) are located within Stanley. The 2016 census also confirmed that approximately 57% of the houses in Stanley were mortgaged or owned outright, with 32% of properties held under rental and a further 9% provided rent free as part of an employment package.

Hotel accommodation within Stanley is currently around 50 rooms, with an additional 38 rooms planned (F.I.G., 2015b). The main hotel in Stanley is the Malvina House Hotel which has 35 rooms, followed by the Waterfront Hotel (eight rooms) and Shorty's Motel (six rooms) (Premier Oil, 2018). Additionally, there are several small Bed and Breakfast establishments in Stanley (Premier Oil, 2018).

A19.2.3 Employment

Throughout the Islands, the largest proportion of all workers are employed by F.I.G. (29%) (Premier Oil, 2018). Agriculture (12%), retail (11%) and construction (10%) are the next largest primary employment sectors (Premier Oil, 2018). The character and charm of Stanley plays a vital role in tourism, which is one of the main industries of the Falklands (F.I.G, 2015a).

Residents are hard-working and resourceful, with a working age employment rate of approximately 90% (F.I.G, 2015). There is virtually no spare capacity in the labour market and approximately 25% of the population supplement their income with a second job (F.I.G., 2015a). The economy relies heavily on in-migrant workers, with approximately 17% of the workforce on temporary work permits (F.I.G, 2015a).

A19.2.4 Economy

The Falkland Islands has a unique economy, where the combination of an abundance of natural resources and a very small population has led to nearly full employment and relatively high welfare (**Ref. 2**). The presence of natural resources (mainly fish, but also wool and meat) has led to large exports and robust government finances. As well as exports, the Falkland Islands has a strong reliance on imports of products such as consumer goods, industrial inputs and fuels (**Ref. 2**).

Over the last two decades, the Gross Domestic Product (GDP) of the Falkland Islands has increased with a geometric compound annual growth rate (CAGR) of 3.7%, although the underlying yearly GDP is very volatile. The main reason for this is fluctuations in both yearly fish catch and economic activity from oil exploration. An issue that arises when considering the Falkland Islands GDP is the distorting influence of (net) income earned by foreign workers. Income earned by foreign residents is sizeable given the presence of several large multinationals operating in the Falkland Islands, wholly or partly owned by overseas shareholders (mainly fishing activities).

The Falkland Islands economy was almost exclusively based around agriculture prior to the mid-1980s, mainly sheep farming and the export of wool. The economic activity in the Islands changed following the establishment of the Falkland Islands Conservation and Management Zones (FICZ) in 1986 and the creation of a 200 nautical mile Exclusive Economic Zone (EEZ) in 1990. The economic activity shifted from predominantly agriculture to the sale of fishing licences to foreign vessels operating within the Falkland Islands EEZ. Income generated from licence fees is reported to contribute approximately 50-60% of the Government's revenue (Premier Oil, 2018), with tourism and agriculture being the other main contributors.

The proposed scheme footprint is located within and adjacent to areas of agricultural land, as well as industrial land to the south-east and the SSL fuel farm. The agricultural land is owned by F.I.G. but is operated under secure lease by Stanley Growers Ltd, which is reported to have 18 employees and produces a range of seasonal fruit and vegetables (MercoPress, 2019). Stanley Growers grows produce within 44 polytunnels and 15 acres of agricultural land (MercoPress, 2019).

A19.2.5 Nature and leisure tourism

The Falkland Islands attracts many visitors from a nature tourism perspective, with the number of visitors growing substantially over the past two decades (**Ref. 2**). The tourism sector is mentioned in the Economic Development Strategy as a key sector to enhance the economic diversification of the Falkland Islands. There are a number of important wildlife sites in the area which contribute towards the nature tourism value of the area, including:

- Stanley Common NNR.
- Surf Bay.
- Gypsy Cove.
- Cape Pembroke.
- Volunteer Point.
- Murrell farm.
- Kidney Island.
- Long Island.
- Bluff Cove.

Stanley Common is an area of public land surrounding Stanley which was set aside for the benefit of the community. In recent years, the use of Stanley Common has shifted from predominantly grazing opportunities for people in Stanley to being used mainly for recreational purposes. Recreational activities undertaken on the Common include:

- 'Passive activities' as referred to within the Management Plan for Stanley Common (F.I.G Policy and Economic Development Unit, 2019), such as wildlife watching, walking, running, playing, photography, cycling, beach-combing and camping.
- Flower and berry picking (being focussed predominantly at Cape Pembroke peninsula).
- Dog walking (being focussed predominantly at Cape Pembroke peninsula as well as Eliza Cove).
- Off-roading by car, motor bike or quad bike (off-roading by car is the most popular activity across the Common with hot spots in the hills to the west of Stanley, along the southern coastline and on Cape Pembroke).

According to the Falkland Island Tourist Board, approximately 30-40% of the total cruise passengers to the Falkland Islands arrive in Stanley. The typical season for cruise passengers and leisure tourism runs from October to March. The number of cruise passengers has increased significantly over the last two decades (**Ref. 2**). The number of

visitors to the Falkland Islands reached a peak in the 2019/2020 season; however, due to the effects of COVID-19, tourism within the Falkland Islands has significantly declined since March 2020.

A19.2.6 Future evolution of the baseline in the absence of the proposed scheme

The economy of the Falkland Islands depends on a port facility, with FIPASS being the main commercial port facility for the Islands. The condition of FIPASS is currently deteriorating and it is nearing the end of its operational life. It is considered that vessels would no longer be able to safely berth at FIPASS in the short-term; this would result in difficulties with the import and export of products to and from the Falkland Islands, resulting in significant disruption to the socio-economics of the area.

A19.3 Potential impacts during construction

A19.3.1 Creation of employment and provision of opportunities to up-skill locals

As noted in **Section A4.2.17**, it is envisaged that the construction phase would require a peak workforce of approximately 70 personnel. It is proposed that construction personnel would travel to the Falkland Islands and live in the temporary accommodation facilities to be constructed as part of the proposed scheme. Subcontracts and local labour opportunities will be advertised locally in an effort to encourage utilisation of the local supply chain for site works.. Consultation with F.I.G and local business representatives and stakeholders will be undertaken in order to highlight opportunities where subcontracts can be filled by local businesses and all opportunities will be advertised via F.I.G procurement portals and local radio and the Penguin News. The extent to which construction subcontracts created by the proposed scheme will be taken up by local businesses (and consequently the beneficial economic effects to the Islands) cannot be estimated with any certainty until contracts have been let.

BAM have liaised with F.I.G and the Chamber of Commerce early in Stage One B to discuss subcontract conditions such as training requirements and other upskilling opportunities which will also provide long term benefits to the local workforce as well as meet contract requirements. Every effort will be made to liaise with tenderers from the Falkland Islands to give support around training options to meet the demands of the proposed scheme. For example, BAM may be able to provide CSCS approved trainers for example to support numerous local companies on plant certification schemes. BAM have also met with FI College to progress joint planning of apprentice opportunities on the proposed scheme. The details of this are being worked through and all parties are confident there will be a specific solution to encourage young people to apply for this opportunity.

The beneficial impacts from this would manifest following completion of the construction works and this impact is therefore considered in **Section A19.4**.

The population of the Falkland Islands is small at approximately 3,200; as a result, making use of local suppliers (e.g. hauliers of materials) and providing the opportunity for local college students to learn construction skills could consequently impact a relatively large percentage of the Falkland Islands population in a beneficial manner. The nature of the impact is therefore expected to have a noticeable (beneficial) effect which may be considered significant on the existing population.

Based on the information above, it is predicted that the proposed scheme would have a **moderate beneficial** impact in terms of creation of employment and provision of opportunities to up-skill and or re-train some of the local population.

A19.3.1.1 Mitigation and residual impact

No mitigation measures are required. The residual impact would be of **moderate beneficial** significance.

A19.3.2 Generation of income to the local area through employee related expenditure and purchase of construction materials

Construction typically involves purchases from a range of suppliers, who in turn purchase from their own suppliers further down the supply chain. The relationship between the initial direct and total economic effects is referred to as the 'multiplier effect'. It demonstrates that an initial investment can have much greater 'spin-off' effects as it works through the economy. The construction sector is recognised as being a part of the Falkland Island economy (approximately 10% of employment based around construction) where there is a particularly large domestic effect in the supply chain.

In this context, it is anticipated that businesses in Stanley would benefit from supply chain linkages and trade connections established during the construction phase. This may create additional indirect jobs in suppliers of construction materials and equipment. An example of a supplier for the construction phase is Pony's Pass quarry which will be used to source the rock required for causeway and quay infill. Given the volumes of rock required, it is envisaged that production rates at the quarry will need to increase to meet the demand.

In addition to sourcing material from local suppliers, local businesses would be expected to benefit from a temporary increase in expenditure by direct and indirect workers during construction. This could be expected to include wage spending of workers in shops, bars, restaurants and other services and facilities and helps to create additional induced jobs.

As there is a shortage of housing with Stanley for the local population, the contractor is proposing to create an accommodation area adjacent to the proposed scheme footprint for use by the employees; this approach is intended to minimise any impact of the proposed scheme on housing stock in Stanley. As a result, beneficial economic impacts due to income generated from employees renting rooms in hotels or rental properties is therefore not envisaged.

The nature of the impact is expected to be short-term, for the approximately 2.5 year construction phase, and localised to the businesses surrounding the construction area in Stanley. Therefore, the impact is determined to be of **moderate beneficial** significance.

A19.3.2.1 Mitigation and residual impact

No mitigation measures are required. The residual impact would be of **moderate beneficial** significance.

A19.3.3 Disruption to amenity value

The proposed scheme is likely to disrupt the amenity value of the area as a result of the following:

- Odour generation due to the bioremediation of surficial silt at the coastline (noting that very minimal odour is predicted to be released whilst the surficial silt remains in the bag – see **Section A4.2.6.8**).
- Temporary diversion of the coastal footpath.
- Presence of construction plant and personnel, especially when cruise vessels arrive at FIPASS creating a potential overcrowding risk.
- Use of land currently classified as open space for placement of the geotubes and construction of the new access road.

The potential environmental impacts as a result of the above are considered below.

As detailed in **Section A4.2.8**, the proposed scheme will involve the bioremediation of surficial silts currently on the bed of the harbour, within an area of land adjacent to the coastline, east of the TDF (shown on **Figure 4.1**). The surficial silts were found to be very soft / low density and were noted to have a strong sulphur and hydrocarbon odour during ground investigation work undertaken in 2020.

As detailed in **Section A8.2**, an assumption has been agreed with F.I.G. that the surficial silts are biologically contaminated (as a result of untreated sewage disposal into the harbour). The proposed bioremediation of biologically contaminated silts therefore has potential to generate nuisance to users of the local area in the form of odour generation. However, as noted in **Section A4.2.6.8**, the surficial silts will remain in the geotubes until there is

a planned use for the material (which may comprise disposal into the megabid landfill site or re-use as fertiliser, should the material be suitable for such use following laboratory analysis). As detailed in **Section A4.2.6.8**, the geotubes are very effective at containing the gases which are likely to generate odour, and therefore whilst the material is contained in the bag no significant odour issue is predicted.

The dominant wind direction in the area is from west to east, and therefore generally speaking any limited gases not contained in the bag will be blown in an easterly direction away from the residential areas of Stanley. However, the commercial / industrial receptors in the area as well as recreational users of the coastal path and coastal areas to the east would likely notice any limited gases released from the silts. Based on the above, and in light of the fact that any residual and very minimal odour release would be very short term (essentially comprising the duration between opening the bag and transporting the material to its end location), an impact of **minor adverse** significance is predicted.

In order to limit the potential for health and safety impacts to recreational users, the coastal footpath will need to be diverted for the duration of the construction phase (approximately three years). The proposed route of the diversion is shown on **Figure 4.1.** A length of footpath approximately 1km long is proposed to be diverted up to 250m inland; in the context of the overall length of the coastal footpath available, this is a relatively small-scale diversion.

The temporary presence of construction plant and personnel (including the presence of geotubes on open space land to the east of the TDF) has potential to influence the amenity value of the area. This however will be a temporary impact only until the construction works have been completed, as is an unavoidable consequence of such a large-scale construction project.

Large scale construction projects can often become of particular interest to local residents and recreational users, and therefore the contractor is proposing to install a viewing area into the route of the diverted path. The diversion will be clearly signposted and construction team members will ensure that the route of the diversion remains clear and well-maintained throughout the works. Based on the small scale and temporary diversion of the footpath required during construction, an impact of **negligible** significance is predicted.

A19.3.3.1 Mitigation and residual impact

No mitigation measures are required. The residual impact would be **minor adverse** significance (due to odour generation) and **negligible** (due to temporary diversion of the coastal path).

A19.3.4 Loss of agricultural land from the proposed access road

As shown on **Drawing PB7829-RHD-CE-LS-DR-C-0028**, construction of the proposed access road will require the removal of some of the polytunnels at the Stanley Growers site (up to seven polytunnels are predicted to be lost, at least in part), as well as the loss of approximately 6,200m^2 of agricultural land. This would reduce the area within which crops could be grown in the area and provide a physical segregation of land within the Stanley Growers site, which would likely have an adverse economic impact to Stanley Growers through a reduction in annual revenue.

As detailed in **Section A4.1.17**, discussions are ongoing between F.I.G. and Stanley Growers in relation to this, with F.I.G.'s intention being to ensure that any loss of land (either temporarily during the construction stage or long term when the new port becomes operational) can be offset by the offer of provision of alternative land at a suitable nearby location, and assist with re-siting or re-provision of polytunnels. In addition, it is proposed to offer to enhance agricultural areas on the remaining Stanley Growers land through the relocation of peat and topsoil generated from excavations to construct the access road.

On this basis, while acknowledging that there will inevitably be disruption and an impact on local business Stanley Growers, with F.I.G.'s intention to offset this disruption by the provision of alternative land at a nearby location and support in re-provision of polytunnels as required, the impact on the wider community is predicted to be of **negligible** significance

A19.3.4.1 Mitigation and residual impact

No mitigation measures are required. The residual impact would be of **negligible** significance.

A19.4 Potential impacts during operation

A19.4.1 Long-term increased revenue and economic growth from the proposed scheme

The economy of the Falkland Islands depends on FIPASS; this is the current main commercial port facility for the Falkland Islands. As FIPASS is nearing the end of its operational life, the proposed scheme is required to serve the needs of the traditional industries and to support economic growth by the early 2020s. It is predicted that approximately 490 vessels will arrive at the quay during 2025 (i.e. the assessed year of operation); this is larger than the average of approximately 300 vessels per year for the last few years.

Based on the increase in vessel numbers entering Stanley Harbour and docking at the proposed new quay, it is anticipated that there will be an increase in revenue and economic growth to the Falkland Islands (and Stanley in particular), due to an increase in businesses entering the harbour and operating within the Falkland Islands. For example, an increase in yachts and cruise vessels docking at the proposed scheme will lead to an increase of tourists visiting the Falkland Islands. This would then lead to an increase in expenditure at hospitality and leisure venues such as shops, bars, restaurants and other services and which will increase revenue and potentially create additional induced jobs.

Based on the information above, it is predicted that the proposed scheme would result in **major beneficial** impacts from a socio-economic perspective.

A19.4.1.1 Mitigation and residual impact

No mitigation measures are required. The residual impact would be of **major beneficial** significance.

A19.4.2 Creation of employment and up-skilled workforce

The operational phase of the proposed scheme is envisaged to require the same number of direct employees as is currently required at FIPASS, and the proposed scheme will operate for 24 hours a day, as per FIPASS. The operation of the proposed scheme itself is not predicted to generate additional employment opportunities at the quay compared to those at FIPASS. **No impact** is therefore predicted from an operational workforce perspective at the quay.

As stated in **Section A.19.3.1**, the contractor is proposing to offer college students in the Falklands the opportunity to assist with the construction works in the form of apprenticeships or through the provision of training. Once the construction phase is finished, the legacy of an up-skilled workforce in the Falkland Islands will remain. The personnel that were trained and employed by the construction contractors will retain a number of construction skills, which could be of benefit for future construction projects in the Islands.

In addition, it is expected that the proposed scheme would result in beneficial indirect impacts to other businesses in the area, from business growth for SAAS / SSL / re-supply business / Stevedores etc.

Based on the information above, it is concluded that the proposed scheme will result in a **minor beneficial** impact (assuming the skills learned during the construction phase for the proposed scheme can be utilised during future construction projects in the Falkland Islands).

A19.4.2.1 Mitigation and residual impact

No mitigation measures are required. The residual impact would be of **minor beneficial** significance.

A19.4.3 Disruption to amenity value due to diversion of the coastal footpath

The proposed scheme will require the permanent diversion of a short length of coastal footpath immediately inland of the proposed quay. The route of the proposed permanent diversion is shown on **Drawing PB7829-RHD-ZZ-ZZ-DR-Z-0016.** Overall, a length of footpath approximately 100m in length will need to be realigned slightly further inland in order to cross the proposed access road inland of the security gatehouse. Given the very minor nature of the proposed diversion, an impact of **negligible** significance is predicted.

A19.4.3.1 Mitigation and residual impact

No mitigation measures are required. The residual impact would be of **negligible** significance.