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Planning Services  
Department for Development and Regeneration  
Plymouth City Council  
Civic Centre  
Plymouth  
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Dear Sirs

**Energy from Waste Combined Heat & Power Facility – Devonport**

I am writing further to Babcock's recent submission to Plymouth City Council, dated 2 September 2011, in connection with the Energy from Waste (EfW) plant that is the subject of a current planning application by MVV for construction within Devonport Naval Base. This letter is intended to provide a broader indication of the importance and relevance of this investment to Plymouth and its surrounding area, whilst re-stating some of the points made previously.

The activities of the co-located Naval Base and Dockyard together represent a major centre of industrial activity that generates important economic benefits for Plymouth and the wider sub-region within this part of Devon and Cornwall. The most recent independent study available to Babcock found that the overall Devonport site generated an annual "domestic product" or income for the sub-region in excess of £350m. It also found that the average per capita income on the site was approximately 40% higher than the Plymouth norm, an indicator of the relative economic impact of employment across the Devonport site.

This year's Western Morning News Annual Business Survey once again confirmed that Babcock is the largest private sector employer in Devon and Cornwall by a significant margin with just under 4,000 permanent employees, typically supplemented by between 200 and 400 fixed term workers and contractors at any given time. The Naval Base employees, both Service and civilian, are in addition to these numbers.

Maximising efficiency and cost effectiveness are a fundamental aspect of ensuring that the scale and range of activities, and hence employment levels and resultant socio-economic benefits, are maintained at Devonport. Value for money is especially important given the financial pressures that the Ministry of Defence currently faces.

Energy costs represent a significant part of the Dockyard and Naval Base's operating budgets, running at an annual level of approximately £12m. The EfW plant will offer the following benefits:

- it will obviate the need to purchase power from external generators and import it from the national grid – this electricity is essential in supporting engineering work within the Dockyard as well as providing services to RN and overseas warships
- it will reduce our electricity costs by approximately 20% over the planned 25 year life of the facility, with a major benefit to cost competitiveness



- it will provide large supplies of co-generated steam, a medium that is supplied and used across the Devonport site in a distributed heating system, further increasing the total thermal and economic efficiency of the installation
- it will reduce the need to burn gas within the site's boiler houses to provide supplementary heat at times of peak demand
- it will remove the need for significant quantities of self-generated waste from the Devonport site to be moved off-site for disposal as is current practice.

In summary, from Babcock's perspective the proposed EFW plant offers a number of important financial benefits in the supply of energy sources that will help to sustain the overall level of activity and hence employment across the site. These benefits are supplemented by other environmental advantages.

Overall, we believe that this particular technical solution for the future, sustainable disposal of the sub-region's waste constitutes a compelling case that should proceed to construction and full operation.

Yours faithfully

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encs.

• SOUTH WEST ECONOMY CENTRE •

**THE ECONOMIC IMPACT OF  
DEVONPORT NAVAL BASE AND DOCKYARD**

FINAL REPORT



## **EXECUTIVE SUMMARY**

- The Devonport Dockyard and Naval Base complex is estimated to have generated £359m of income for the Devon and Cornwall sub-region in 2004/05.
- The complex accounts for approximately 2% of the income (Gross Value Added) of the two counties.
- Every £1m of direct local income generated in the Dockyard and Naval Base provides an additional £300,000 of income for the economy of the two counties through multiplier effects.
- The complex directly or indirectly supports approximately 9,200 FTE (Full Time Equivalent) jobs in Devon and Cornwall and accounts for 8% of all FTE employee jobs in the Plymouth Travel To Work Area.
- The average wages paid to workers working directly for the Dockyard or Naval base are 40% above the average for Plymouth as a whole, reflecting the highly skilled nature of much of the work carried out in the complex.
- Over 420 local firms receive orders from the complex. The sectors receiving substantial direct purchases include various contract services, consultancy services, plant hire, utilities, engineering, electrical (services and materials) and tools and consumables.
- A range of consumer-related services including retail and financial services benefit considerably from the local expenditure of direct employees at the complex.
- The Devonport Dockyard and Naval Base complex continues to play a significant role in the sub-regional economy. The Dockyard is one of the few major private sector employers in the far South West generating a significant demand for highly skilled workers and local suppliers across a range of sectors.

## Top 150

2011 position (2010)	Company Name	Latest Turnover (£000's)	Employees in Devon & Cornwall	Type of organisation	Country of ownership	Area of activity
1 (1)	Babcock PLC	12883	4650	Public	UK	Manufacturing
2 (10)	Flybe Group PLC	570500	3000	Public	UK	Transport
3 (51)	CDS (Superstores International) Ltd	211681	2652	Ltd	UK	Wholesale and Retail Trade
4 (7)	Princess Yachts International PLC	213929	1800	Public	Luxembourg	Manufacturing
5 (76)	Milk Link Ltd	549684	1382	Ltd	UK	Food Production
6 (8)	Pennon Group PLC	1068900	1200	Public	UK	Water/Waste/Recycling
7 (12)	Imerys UK Ltd		1200	Ltd	Netherlands	Mining and Quarrying
8 (8)	Gregory Distribution (Hldgs) Ltd	148949	1181	Ltd	UK	Transport/Distribution
9 (11)	Percy R Brend & Sons (Hldgs) Ltd	30000	1100	Ltd	UK	Leisure and Tourism
10 (35)	Mole Valley Farmers Ltd	248130	1019	Ltd	UK	Wholesale and Retail Trade
11 (14)	St Austell Brewery Company Ltd	93338	987	Ltd	UK	Beverage Production
12 (13)	Howmet Ltd	123141	930	Ltd	US	Manufacturing
13 (46)	Gillett's (Callington) Ltd	54036	900	Ltd	UK	Wholesale and Retail Trade
14 (112)	Scot Group Southern Ltd	60166	851	Ltd	UK	Transport
15 (31)	Helston Garages Group Ltd	278138	781	Ltd	UK	Wholesale and Retail Trade
16 (15)	First Devon & Cornwall Ltd	29494	774	Ltd	UK	Transport
17 (25)	Centrax Industries Ltd	99198	730	Ltd	UK	Manufacturing
18 (20)	Cornwall Care Ltd	20564	718	Ltd	UK	Health and Social Work
19 (28)	Vospers Of Plymouth Ltd	156348	700	Ltd	UK	Wholesale and Retail Trade
20 (-)	Devon and Cornwall Housing		650	Charity	UK	Health and Social Work
21 (-)	Newcross Nursing Group	18100	636	Ltd	UK	Healthcare Recruitment Agency
22 (45)	Eden Project Ltd	18904	621	Ltd	UK	Leisure and Tourism
23 (-)	South West Highways Ltd	67788	612	Ltd	France	Construction
24 (43)	Infoteam International Services Ltd	39927	593	Ltd	UK	Business Services
25 (29)	Actavis Hldgs UK II Ltd		550	Ltd	Iceland	Manufacturing
26 (41)	The Pluss Organisation	21475	519	Charity	UK	Community Services
27 (-)	Hoopers Ltd	28900	518	Ltd	UK	Wholesale and Retail Trade
28 (38)	W.C. Rowe (Falmouth) Ltd	26173	502	Ltd	UK	Food Production
29 (46)	Axminster Carpets Hldgs Ltd	29526	500	Ltd	UK	Manufacturing
30 (65)	Wrigley UNO UK Ltd	220420	490	Ltd	US	Confectionery Production
31 (36)	John Fowler Holidays Ltd	21464	483	Ltd	UK	Leisure and Tourism
32 (93)	W T Warren & Son (Hayle) Ltd	13292	480	Ltd	UK	Food Production
33 (34)	John Heathcoat & Company (Hldgs) Ltd	40841	460	Ltd	UK	Manufacturing
34 (53)	Rittal-C S M Ltd	70000	450	Ltd	Germany	Manufacturing
35 (50)	Wrafton Laboratories Ltd	34022	450	Ltd	US	Manufacturing
36 (-)	Western Mortgage Services Ltd	17400	430	Ltd	UK	Business Services
37 (-)	Channel Housing Association Ltd		420	Ltd	UK	Community Services
38 (51)	Stovax Group Ltd	N/A	407	Ltd	UK	Manufacturing
39 (73)	Torquay Leisure Hotels Ltd	31588	407	Ltd	UK	Leisure and Tourism
40 (64)	Barden Corporation (UK) Ltd (The)	11283	405	Ltd	UK	Leisure and Tourism
41 (16)	Trago Mills Ltd	50000	402	Ltd	Germany	Manufacturing
42 (-)	Happy Days Consultancy Ltd	43958	400	Ltd	UK	Wholesale and Retail Trade
43 (77)	Pendennis Shipyard (Hldgs) Ltd		400	Ltd	UK	Business Services
44 (88)	The Seafood Restaurant (Padstow) Ltd	25388	370	Ltd	UK	Manufacturing
45 (63)	Mill Auto Supplies Ltd	14000	370	Ltd	UK	Leisure and Tourism
46 (69)	British Ceramic Tile Ltd	23000	368	Ltd	UK	Wholesale and Retail Trade
47 (74)	Foot Anstey	22460	360	Ltd	UK	Manufacturing
48 (-)	College Of St Mark & John	N/A	350	LLP	UK	Business Services
49 (75)	Swallowcourt Ltd	24350	350	Charity	UK	Education
50 (-)	J.A.N. Ltd	6320	350	Ltd	UK	Health and Social Work
51 (54)	West Pharmaceutical Services Group Ltd		350	Ltd	UK	Health and Social Work
52 (68)	Ashfords LLP	40000	342	Ltd	US	Manufacturing
53 (66)	Manor House Hotel (Okehampton) Ltd	24258	336	LLP	UK	Business Services
54 (57)	Fine Tubes Ltd	13500	330	Ltd	UK	Leisure and Tourism
55 (146)	B.A.I. (UK) Ltd (Brittany Ferries)	36312	320	Ltd	US	Manufacturing
56 (89)	Tdk-Lambda UK Ltd	15100	315	Ltd	France	Transport
57 (-)	Truro School Ltd	24453	300	Ltd	Japan	Manufacturing
58 (-)	Lang & Potter (Hldgs) Ltd	12000	300	Ltd	UK	Education
59 (-)	Blundell's School	11278	300	Ltd	UK	Manufacturing
60 (83)	Michelmores LLP		300	Charity	UK	Education
61 (85)	Exeter And Devon Airport Ltd	18982	289	LLP	UK	Business Services
62 (138)	Bott Ltd	16965	287	Ltd	UK	Transport
63 (58)	Dartington Hall Trust (The)	18114	274	Ltd	Germany	Manufacturing
64 (72)	Twofour Broadcast Ltd	15607	272	Ltd	UK	Community Services
65 (96)	Bandvulc Ltd	24366	269	Ltd	UK	Media
66 (120)	Stephens Scown	36885	267	Ltd	UK	Manufacturing
67 (95)	Kawasaki Precision Machinery (UK) Ltd	10700	260	LLP	UK	Business Services
68 (82)	Otter Nurseries Ltd	36237	259	Ltd	Japan	Manufacturing
69 (111)	Francis Clark	14016	254	Ltd	UK	Wholesale and Retail Trade
70 (92)	Jaspers (Treburley) Ltd	16870	251	LLP	UK	Business Services
71 (87)	Atlantic Inertial Systems Ltd	63000	250	Ltd	UK	Food Production
72 (108)	Riverford Organic Vegetables Ltd	41142	250	Ltd	US	Manufacturing
73 (-)	1ST Choice Sunshine Care Ltd	32667	250	Ltd	UK	Food Production/Supply
74 (-)	Greenacre Farm Communities Ltd	4000	250	Ltd	UK	Health and Social Work
75 (114)	Midas Group		250	Ltd	UK	Health and Social Work
		106503	242	Ltd	UK	Construction

