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Supplementary Socio-economic Assessment

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BANGOR UNIVERSITY

SUPPLEMENTARY SOCIO-ECONOMIC ASSESSMENT

FINAL REPORT

MARCH 2020

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1. INTRODUCTION

This report sets out the information required to support the Morlais energy development application located off Holy Island and builds upon the socio-economic assessment within Chapter 25 of the Environmental Statement (ES). The overall aim of the report is to;

- outline the likely impact of the Morlais energy development on the local economy,
- provide an action plan to reduce any skills gap,
- provide an action plan to maximise the benefits of the supply chain to local businesses,
- outline the Selkie project

The objective of the skills/training action plan and supply chain action plan presented in this report are to ensure economic benefits for the local area. By committing to these, Morlais ensures that there is a plan to allow those in the locality benefit from opportunities arising from the development that are detailed within the ES. As such, it is anticipated that the local Anglesey spend rates of;

- 15% (minimum) will be achieved during construction,
- 35% will be achieved during the operational phase, and
- leading to 22% jobs associated with the development being taken up locally on Anglesey.

2. ECONOMIC BENEFITS

In January 2017, Marine Energy Wales carried out a survey of the marine energy in Wales.¹ The analysis covers wave, tidal stream and tidal range energy.

In 2015, total direct investment in marine energy (wave, tidal stream and range) in Wales was £45.4M. In 2017, this has risen to £68.3M which represents an increase of over £23M. In 2015, the sector directly supported 36 FTE jobs but this had risen to 137 FTE jobs in 2017. These are direct impacts; the contribution is increased when total gross value effects are included from the wider supply chain. Developers also provided information on their future spending aspirations for the country, with a potential investment of over £1.4Bn over the next 5 years if market and development incentives are in place.

This increased spend and the significant rise in jobs created demonstrates the momentum with which the sector is developing in Wales. Clearly, marine energy is fast becoming a dynamic and exciting part of the Welsh economy with associated supply chain and employment benefits set to rise further as more public funding is accessed and used to leverage in private investment. The sector is also assisting in supply chain diversity, clustering and resilience. It is supporting peripheral economies where new innovation is creating jobs in areas that need them the most. It is driving investment into ports and infrastructure and linking academia with the private sector. It is also providing Wales with an opportunity to be a global leader in an export market worth an estimated £76Bn by 2050 contributing around £4Bn cumulatively to UK GDP.

Chapter 25 of the ES previously submitted identifies a total of 12 significant impacts as identified from the impact screening process and were subjected to further detailed assessment. We have detailed below the impacts from the ES that have been identified through consultation with IACC as requiring additional assessment in this report.

1. Impact 1: Social benefits - Decentralisation of economic growth;

The Morlais development provides an opportunity to support local economic growth by providing skilled employment opportunities (through its skilled/training action plan) and opportunities for local businesses (through its supply chain action plan)

2. Impact 2: Wellbeing of future generations - Green branding for locality;

¹ See <https://www.marineenergywales.co.uk/wp-content/uploads/2017/03/Marine-Energy-Wales-Investment-Jobs-Supply-Chain-2017.pdf>.

Through its objective of producing renewable energy from tidal power, the Morlais development will significantly contribute to the place branding of the area in renewable and clean energy.

3. Impact 3: Economic impacts - Direct and secondary income;

N/A for this report

4. Impact 4: Economic impacts - Accumulation of grant support;

N/a for this report

5. Impact 5: Level of commerce activity - Green cluster creation;

The Morlais development has the potential to become an anchor institution given its size and level of investment, which could support to the formation of a marine clean energy cluster in the area.

6. Impact 6: Job opportunities –Numbers;

It is anticipated a local Anglesey spend rates of 15% (minimum) will be achieved during construction, 35% will be achieved during the operational phase, and leading to 22% jobs associated with the development being taken up locally on Anglesey.

7. Impact 7: Job opportunities - Types, quality, skills areas;

The type, quality and skills of employment opportunities will be outlined during the implementation of the skills/training action plan.

8. Impact 8: Training Impacts - New skills and competence needs;

The type, quality and skills of employment opportunities will be outlined during the implementation of the skills/training action plan.

9. Impact 9: Training Impacts - Tertiary (Bachelor of Science (BSc), Doctor of Philosophy (PhD));

The type, quality and skills of employment opportunities will be outlined during the implementation of the skills/training action plan.

10. Impact 10: Additional local services - New technical skills, workboats, cranes, better marine knowledge;

N/a for this report

11. Impact 11: Energy security - More green electricity, local supply, diversity of supply; and

N/a for this report

12. Impact 12: Decarbonisation - Clean energy, balancing services, spin-off capacity.

N/a for this report

3. SKILLS/TRAINING ACTION PLAN

Morlais needs to have skilled workers who have been trained and are able to meet the challenge of rolling-out renewable energy from the sea. The challenge of getting these skilled workers isn't unique to Morlais; RenewableUK are active in providing industry perspective to Government on the sector's skills needs to help make sure there is an adequate talent pool of skilled and experienced recruits.² To complement its work, RenewableUK published a Skills Manifesto which set out skills policy recommendations from the wind and marine energy industries.³

Despite the work happening at a UK level, Morlais is determined to maximise the opportunities of a career in tidal energy to local people. To achieve this, it has developed the following action plan that takes into account feedback received from the Regional Skills Manager with North Wales Regional Skills Partnership.

- 1) Morlais to identify a schedule of work during its development and of its tenants,
- 2) Morlais to identify what skills will be required to complete this work and at what stage those skills will be required,
- 3) Work with the North Wales Regional Skills Partnership to identify what skills are available in the area, including what skills will becoming available in the future, and what opportunities there are for people with particular skills,
- 4) Based on this information, Morlais will identify gaps between the skills it and its tenants require and those available in the area, and when those gaps will occur.
- 5) Working with the North Wales Regional Skills Partnership, local Further Education and Higher Education (FE)/(HE) institutions (including providers of work-based apprenticeships), to initiate actions to reduce the skills gap. Such measures could include the offering of new courses or training opportunities.

A Training Task Group will be established to oversee and analyse the skills gap identified and agree on actions to reduce it. This Group will meet twice a year (preferably once in each half) and will be established in H2 2020. This Group should comprise of Morlais, Isle of Anglesey County Council, North Wales Economic Ambition Board, Grwp Llandrillo Menai and North Wales Regional Skills

² See <https://www.renewableuk.com/page/SkillsBase/Preparing-the-Skills-Base-for-Renewables.htm>.

³ See https://cdn.ymaws.com/www.renewableuk.com/resource/resmgr/publications/reports/Skills_Manifesto.pdf.

Partnership, Môn Communities First (Holyhead).⁴ The tenants will be represented in the Group through Morlais.

The Training Task Group is a key part of Morlais and its partners' plans to ensure the tidal energy project delivers, and is seen to deliver, benefits for local residents and especially those living closest to the site on Anglesey that have been identified in the ES. The Group would also look more broadly than the Morlais project at roles which may be created locally as a result of individuals taking roles on the Morlais project in preference to existing employment. In this respect, the Group is a key mitigation against wider labour market effects as it will be able to look ahead to ensure that, as far as possible, there is a pipeline of suitably qualified and skilled workforce to take up these existing roles thus minimising the socio-economic impacts of the Morlais project.

- 1) Each party will have shared goals to attract, maintain and develop the Group.
- 2) All parties will operate in an open and transparent environment wherever commercial considerations allow.
- 3) All parties will share knowledge, news, opportunities and market intelligence freely between all parts of the respective delivery service.
- 4) All parties agree to utilise their respective databases to ensure news and opportunities are widely distributed in a wide and timely manner and enable to promote relevant and appropriate business opportunities.
- 5) Regular meetings and communication will take place between the parties. The intention will be to have quarterly meetings to assess progress.
- 6) Develop a shared communications plan that will
 - a. Raise awareness of the project amongst local residents (including people who have left but may want to return home)
 - b. Ensure there are links with other relevant organisation (such as Careers Wales)
 - c. Where appropriate help all parties will highlight each other's involvement in events and projects via logos, web links and other appropriate marketing media.

Employment opportunities with Morlais and its tenants will be advertised by Morlais on its website and through local channels.

Further details will be detailed within the proposals for the Training Task Group that will be secured through a prior to commencement Planning Condition.

⁴ Môn Communities First (Holyhead) are invited to be part of this Group to provide local knowledge and ensure actions to reduce the skills gap are relevant and will have the desired action.

4. SUPPLY CHAIN ACTION PLAN

Following the success of Gwynedd County Council 'Cadw'r Budd yn Lleol' procurement strategy, Morlais intends to follow a similar action plan to ensure the benefits of the supply chain are maximised for local businesses.⁵ The 'Cadw'r Budd yn Lleol' strategy not only ensured businesses were able to tender for work with the Council but also allowed business to be successful in tendering for work with other institutions and companies.

Following a conference call with a Business Support Manager at Gwynedd County Council, the following action plan was developed by Morlais, which mirrors that of 'Cadw'r Budd yn Lleol'.

- 1) A regular review of work that Morlais and its tenants could tender for, including any specific credentials (e.g. ISO) needed to complete the work.
- 2) Advertisement of work that is tendered out including the specific credentials needed to complete the work and, where possible, future work that could come.
- 3) Establishment of a fund to support businesses that need to obtain specific credentials which would allow them to tender for work with Morlais and its tenants;
 - a. E.g. Gwynedd County Council provided funding to pay for consultants to work with the business or businesses to gain the required credentials. However, it was then the responsibility of the business to be audited by the appropriate institution to obtain the final credentials.

This fund would only be open to businesses on Anglesey.

- 4) Hold Meet The Buyers events and working groups to determine what credentials businesses are currently missing which would hinder them from tendering for work with Morlais and its tenants.

Further details on the Supply Chain Action Plan is secured through a pre-commencement Planning Condition.

⁵ See

<https://democratiaeth.gwynedd.llyw.cymru/documents/s2497/Strategaeth%20Caffael%20Cyngor%20Gwynedd%20-%20Rheolaeth%20Categori%20a%20Chadwr%20Budd%20yn%20Lleol.pdf?LLL=1>.

Case Study 1 - Danial Evans



After completing a Masters Degree in Environmental Science at Bangor University, Danial got the opportunity to stay local and work in the sector he's interested as part of the Morlais Team. His work makes extensive use of his university education, which includes his dissertation on "A Life Cycle Assessment on the proposed West Anglesey Demonstration Zone". Morlais will aim to offer more opportunities to people like Danial; opportunity to stay local and work in an advance industry.

Case Study 2 - FAUN Trackway



Orbital Marine Power Ltd, the world's leading developer of floating tidal stream turbines, has selected FAUN Trackway to manufacture the anchors for its new O2 tidal stream turbine.

Whilst these anchors are destined for Scottish waters, Orbital is also a berth holder at the Morlais tidal energy project venture off Anglesey. This is a good example of how the marine energy sector is providing supply chain companies across the UK with diversification opportunities, and the opportunity for local businesses on Anglesey.

5. MONITORING

Continued monitoring will be required of the success of the Skills/training action plan and Supply chain action plan to ensure the Morlais development deliver economic benefit to the area in line with the conclusions of the ES.

Skills/training

The Training Task Group will be responsible for monitoring those working for Morlais and its tenants to establish the results of actions to narrow the skills gap and the success of providing opportunities to local people. Monitoring will involve identifying those employed at the Morlais development (including if they are originally from Anglesey), their skills/experience, and the skills available in the region.

It is anticipated that the action plan will ensure the skills required to work for the Morlais development will be established and grown in the area. Therefore, the monitoring needs to analyse the growth of the necessary skills in the area and the opportunities taken by the local workforce with Morlais. In addition, there should be monitoring of the pipeline of skills in the area (e.g. when students with specific skills will become available to work for the Morlais development).

The Training Task Group will decide upon corrective actions if it has identified that the necessary skills are not being developed in the region and/or the local workforce with the necessary skills aren't getting opportunities with Morlais.

Supply chain

Morlais will monitor the performance of its supply chain action plan. This will be achieved by continually monitor the work that becomes available for tender and the locality of the companies that are successful in winning the contracts. In addition, Morlais will monitor the requirements of the work available for tender and the ability of local companies to tender for this work.

Next steps

Mitigation measures and monitoring procedures in Sections 3, 4 and 5 will be further detailed in the Training Task Group proposals, the Supply Chain Action Plan and the Skills and Training Action plan that will be secured through a prior to commencement Planning Condition. An outline Skills and Training Action Plan is included as document MOR/BAU/DOC/0003.

6. SELKIE

Marine Renewable Energy technology (wave and tidal) development is not progressing as rapidly as desired in Ireland and Wales, with funding for R&D and pilot demonstration been identified as a significant barrier to development. The Selkie project aims to develop a streamlined commercialisation pathway for the marine renewable energy industry, and is funded through the European Union's European Regional Development Fund (Ireland Wales Cooperation programme). More information can be found at www.selkie-project.eu.

The aims of the Selkie project are to:

- Establish a cross-border network of Ocean Energy SMEs and supply chain companies;
- Conduct industry-academic collaborative R&D projects;
- Transfer R&D knowledge to wave and tidal industry/SME stakeholders, thereby advancing the technology sector as whole;
- Assist Irish and Welsh SMEs to progress along the path to commercialisation.

The project aims to develop a cross-border supply chain (between Wales and Ireland) in the marine energy field. One of the important objectives for Selkie is to engage with SMEs and try to share information about opportunities that will arise in the field. The project wants to get businesses who are not currently in the field to get them into the sector. For example, during the Egni2020 event at M-SParc on 5 March 2020 local companies (FAUN Trackway, AMS and Bob Francis Crane Hire) presented their work in the marine energy supply. These companies were unique in that they had never worked in this sector before. These examples illustrate that some companies may not need to change their business model/practice to benefit from the marine energy supply chain. The next steps for Selkie is to explain the standards and certifications such as ISO 9001, and tell companies what they need to do to prepare for joining the sector. As part of that work, timelines will help explain how much time there is for companies to prepare before projects like Morlais start and want to do work.

Selkie is €5.27M (total project budget) cross-border project lasting 3 years (which was launched in October 2019), and brings together six partners; University College Cork, Swansea University, Marine Energy Wales, Menter Mon, DP Energy and Gavin & Doherty Geosolutions. Over 80% of the total

project budget is allocated to University College Cork and Swansea University, while only 4% is assigned to Menter Môn.⁶

While the involvement of Morlais (through Menter Môn) in the Selkie project is limited, it does ensure that Morlais will have knowledge of the latest developments and best practice within marine renewable energy industry that can be used to promote the industry on Anglesey.

⁶ See <https://irelandwales.eu/projects/selkie-development-streamlined-commercialisation-pathway-marine-renewal-energy-industry>.

APPENDIX A – MEETINGS

Date	Meeting
24/01/2020	Initial meeting with Isle of Anglesey County Council
30/01/2020	Meeting with Angharad Crump, Isle of Anglesey County Council.
05/02/2020	Meeting with Trefor Jones, TWJ Consulting.
06/02/2020	Interview with Bodwarren Farm, Penrhos Feilw, Holyhead, LL65 2LU.
06/02/2020	Interview with RibRide, Porth Daniel, Water St, Menai Bridge LL59 5DE.
06/02/2020	Interview with Anglesey Adventures, Ffordd Beibio, Holyhead, LL65 2EN.
07/02/2020	Interview with Trearddur Bay Hotel, Lon Isallt, Trearddur Bay, LL65 2UN.
07/02/2020	Interview with Catch 22 Brasserie, London Road Valley, LL65 3DP.
07/02/2020	Conference call with Hywel Roberts, Johnny Lewis, and James Orme (Morlais).
10/02/2020	Meeting with Angharad Crump, Isle of Anglesey County Council.
10/02/2020	Interview with The Black Seal, Lon St Ffraid, Trearddur Bay, LL65 2UP.
10/02/2020	Meeting with Sian Roberts, Regional Skills Manager with North Wales Regional Skills Partnership.
12/02/2020	Progress review with Morlais.
13/02/2020	Meeting with Michael Thomas and Angharad Crump, Isle of Anglesey County Council.
14/02/2020	Meeting with Angharad Crump, Isle of Anglesey County Council.
14/02/2020	Conference call with Colin Morris, Business Support Manager at Gwynedd County Council.
18/02/2020	Interview with William Stewart, Holyhead Breakwater Country Park, Holyhead, LL65 1YG.
19/02/2020	Meeting with (Jenny Wong) Snowdonia Canoe Club (www.snowdoniacanoecub.org).
05/03/2020	Presentation at 'Egni 2020: A Sea of Opportunities' event.