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Morlais Project

Proof of Evidence Dr Edward Jones – Tourism, Recreation and Socio-Economics

Applicant: Menter Môn Morlais Limited

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SECTION 1 - SUMMARY

1. INTRODUCTION

- 1.1 I am Dr Edward Thomas Jones and I am a Lecturer in Economics at Bangor Business School, Bangor University.
- 1.2 I obtained my BSc (Mathematics and Economics), MA (Banking and Finance), and PhD from Bangor University. I am also a Fellow member of the Royal Statistical Society and a member of the Chartered Management Institute.
- 1.3 As part of my role at Bangor Business School, I have led and delivered a number of high profile projects with external stakeholders. For example, I was appointed the Academic Lead of a two year project with the Welsh Government to provide independent scrutiny and assurance of their forecasts for devolved taxes for inclusion in the 2018/19 and 2019/20 Budget. Following this, I was appointed Expert Advisor to the Welsh Parliament Finance Committee in relation to its scrutiny of the Welsh Government's 2020/21 draft budget. In 2018, I was awarded a grant from the Economic and Social Research Council (ERSC) to support my research into North Wales' economy. This work supports the North Wales Economic Ambition Board (NWEAB) growth deal bid. The NWEAB was established as a collaborative group of private and public organisations in North Wales committed to promoting economic growth across the region. My work involved identifying industrial structure and competitiveness of North Wales, providing economic analysis to support the Board's ask for Government funding, and developing a methodology to support the selection of projects to be financed through the Growth Bid.
- 1.4 This proof of evidence has been prepared by myself and represents my true and professional opinion, based on my knowledge and experience in accordance with the guidance of my professional institute.
- 1.5 This evidence concerns the possible socio-economic effect of the Morlais Demonstration Zone and its associated landfall and cable corridor (MDZ or "the project"), focusing on the methodology for assessing the impact of the MDZ on the local tourism and recreation industry and the approach taken to ensure local economic benefits (i.e. employment and supply chain opportunities) are maximised.

2. BACKGROUND

2.1 For the purposes of the determination of the Transport and Works Act Order (TWAO), the monitoring and mechanism for mitigating socio-economic effects has largely been agreed with Isle of Anglesey County Council via the following planning conditions.

2.1.1 Condition 15 - At least six months prior to the commencement of construction of the development a Tourism and Recreation Monitoring Strategy, substantially in accordance with Chapter 10 of the Supplementary Tourism and Recreation Assessment, will be submitted to and approved by the Planning Authority.

2.1.2 Condition 16 - Prior to the commencement of construction of the development, proposals for a Promotion and Interpretation Strategy, substantially in accordance with the Outline Promotion and Interpretation Strategy, will be submitted to and approved by the Planning Authority.

2.1.3 Condition 17 - At least six months prior to the commencement of construction of the development a Skills and Training Action Plan, substantially in accordance with the proposals within Chapter 3 of the Supplementary Socio-Economic Assessment, will be submitted to and approved by the Planning Authority.

3. POLICY CONTEXT

3.1 Through its objective of producing renewable energy from tidal power, the Morlais project will significantly contribute to the place branding of Isle of Anglesey in renewable and clean energy.

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

3.3 Morlais recognises the importance of Isle of Anglesey as an Area of Outstanding Natural Beauty (AONB) and would contribute to the Isle of Anglesey County Council AONB Management Plan by:

3.3.1 Investing in low carbon energy production to help secure a stable energy future for Wales,

3.3.2 Establishing world-class facilities to place Anglesey as a leading location for low carbon energy innovation and demonstration,

- 3.3.3 Ensuring that local companies and people benefit and take advantage of opportunities from new renewable energy investments that seek to work with the local environment.
- 3.4 Morlais recognises the importance of Isle of Anglesey County Council Destination Anglesey Management Plan and help meet its objectives by:
 - 3.4.1 Promoting the Anglesey brand as a low-carbon, environmentally friendly destination that is contributing towards tackling climate change,
 - 3.4.2 Enhance the quality of Anglesey's tourism offering by supporting local businesses to introducing concepts from 'industrial tourism' and 'energy tourism',
 - 3.4.3 Invest resources to ensure that Anglesey can fully capitalise on the potential inward investment, contributing positively to the economic prosperity of Anglesey,
 - 3.4.4 Provide additional international exposure to Anglesey, given the contractors and engineers that will come to the area to work on the project and then return for a holiday with their family.

4. CONSTRAINTS

- 4.1 Covid-19 presents a risk to the work to be completed between July 2020 and March 2021 (as outlined in the 'Supplementary Tourism and Recreation Assessment' and 'Supplementary Socio-economic Assessment'). This evidence outlines the impact of these risks and how Morlais will address them.

5. THE PROJECT RESPONSE

- 5.1 An initial assessment was made by Morlais of the possible impact the MDZ could have on the local tourism and recreation sector. This assessment included: interviews with local tourism and recreation businesses, analysis of publicly available data, and desk-top research of the impact of marine energy production on tourism and recreation.
- 5.2 A process to establish a baseline of activities and identify key performance indicators of the tourism and recreation activities was agreed with Isle of Anglesey County Council (see Supplementary Tourism and Recreation Assessment report). This process, which will be used to prepare a baseline and ongoing monitoring of the impact the Morlais project has on tourism and recreation activities.

- 5.3 Whilst there is no evidence to suggest that the MDZ will have a significant adverse impact on tourism and recreation activities, the Morlais project recognises that there is a perception that it could have a negative impact on the tourism and recreation sector on Holy Island. If such attributable negative impacts were to occur then Morlais propose to implement mitigation actions to negate the effects of the development. Examples of possible mitigation actions includes: providing financial support to enhance the provision of Further Education (FE) (including work-based apprenticeships) courses specific to the tourism and recreation sector on the Island, improving the awareness of Holy Island as a tourist destination, including highlighting the activities in the area and the marine recreation activities, and investing in changing facilities and toilets on the beaches of Holy Island near the proposed Morlais project (see Section 9 of the Supplementary Tourism and Recreation Assessment report). However, the mitigation actions should be relevant to the tourism and recreation sector's need should the negative impacts occur.
- 5.4 An action plan was agreed to maximise the benefits of the Morlais project to the supply chain and local businesses.
- 5.5 The supply chain action plan was developed through discussion with Isle of Anglesey County Council and the Business Support Manager from Gwynedd County Council. The plan is based on Gwynedd County Council's procurement strategy 'Cadw'r Budd yn Lleol'.
- 5.6 An action plan was agreed to identify any skills gaps and maximise the benefits of the Morlais project to the local labour market.
- 5.7 The skills/training action plan was developed through discussions with Isle of Anglesey County Council and the Regional Skills Manager for North Wales Regional Skills Partnership.

6. RELEVANT REPRESENTATIONS

- 6.1 The relevant representations made relate to the possible adverse impact of the MDZ on tourism and recreation activities and argue that the MDZ is unlikely to deliver local economic benefits. There is no evidence to suggest that the MDZ will have a significant adverse impact on tourism and recreation activities. However, Morlais makes no assumption on the impact of the project on local tourism and recreation activities and will monitor activities and identify any effect it may have. Morlais has developed action plans to maximise the benefits of the MDZ to the local supply chain, businesses, and local workers.

- 6.2 There was no clear evidence in the initial assessment of the impact marine energy production has on tourism and recreation activities. Therefore, Morlais proposes to monitor the impact of the MDZ on tourism and recreation activities through annual interviews with local tourism and recreation businesses, the installation of counting solutions technology along the coastal path to monitor tourism activities, and ongoing analysis of publicly available data on trends in related activities.
- 6.3 Morlais is committed to maximising opportunities for the local supply chain and employment opportunities. To achieve this Morlais:
- 6.3.1 Developed an action plan to maximise the benefits of the MDZ to the local supply chain and businesses. This action plan was developed through discussion with Isle of Anglesey County Council and is based on the positive impact of Gwynedd County Council's procurement strategy 'Cadw'r Budd yn Lleol'.
 - 6.3.2 Develop a skills/training action plan to identify and address any local skills gaps and maximise employment opportunities for local people. This action plan was developed through discussion with Isle of Anglesey County Council and the Regional Skills Manager for North Wales Regional Skills Partnership.

7. STATEMENTS OF CASE

- 7.1 In Isle of Anglesey County Council's statement of case they have confirmed that the proposed monitoring and mitigation activities, in combination with the proposed planning conditions, has sufficiently addressed their concerns as demonstrated in 5.22 of their statement of case.
- 7.2 The relevant statement of case relates to the possible adverse impact of the MDZ on tourism and recreation activities, including how it can coexist with current offerings in the area. For the reasons outlined above, none of the objections raised by Isle of Anglesey County Council, Royal Yacht Club, and Snowdonia Canoe Club give reason to doubt the assessments already taken. To the extent that any risk remains, or that a more specialised assessment of (e.g. sea kayaking) needs to be undertaken, this can be done as part of the ongoing monitoring plan.

8. CONCLUSION

- 8.1 The MDZ provides a unique opportunity for the local economy through the creation of employment opportunities, upskilling of the workforce, and new and diversified opportunities for businesses through participation in the supply chain. Morlais is committed to maximising economic benefits through actions to reducing the skills gap and ensuring businesses have the

necessary accreditations to participate in the supply chain. Morlais completed an initial assessment of the tourism and recreation sector. This assessment concluded that there was no clear evidence of the significant adverse impact marine energy production has on tourism and recreation activities, however, if the MDZ is found to have an adverse impact on the tourism and recreation sector Morlais is prepared to provide mitigation actions.

SECTION 2 – PROOF OF EVIDENCE

1. INTRODUCTION

Experience and qualifications

- 1.1 I am Dr Edward Thomas Jones and I am a Lecturer in Economics at Bangor Business School, Bangor University.
- 1.2 I obtained my BSc (Mathematics and Economics), MA (Banking and Finance), and PhD from Bangor University. I am also a Fellow member of the Royal Statistical Society and a member of the Chartered Management Institute.
- 1.3 As part of my role at Bangor Business School, I have led and delivered a number of high profile projects with external stakeholders. For example, I was appointed the Academic Lead of a two year project with the Welsh Government to provide independent scrutiny and assurance of their forecasts for devolved taxes for inclusion in the 2018/19 and 2019/20 Budget. Following this, I was appointed Expert Advisor to the Welsh Parliament Finance Committee in relation to its scrutiny of the Welsh Government's 2020/21 draft budget. In 2018, I was awarded a grant from the Economic and Social Research Council (ERSC) to support my research into North Wales' economy. This work supports the North Wales Economic Ambition Board (NWEAB) growth deal bid. The NWEAB was established as a collaborative group of private and public organisations in North Wales committed to promoting economic growth across the region. My work involved identifying industrial structure and competitiveness of North Wales, providing economic analysis to support the Board's ask for Government funding, and developing a methodology to support the selection of projects to be financed through the Growth Bid.
- 1.4 This proof of evidence has been prepared by myself and represents my true and professional opinion, based on my knowledge and experience in accordance with the guidance of my professional institute.

Involvement with the project

- 1.5 I was appointed by the Morlais project in January 2020 to address the concerns raised by Isle of Anglesey County Council with respect to both the tourism and socio-economics sections of the Morlais planning application.

Topic of evidence

- 1.6 Tourism, recreation, and socio-economic.

What the proof deals with principally

- 1.7 This evidence concerns the possible socio-economic effect of the Morlais Demonstration Zone and its associated landfall and cable corridor (MDZ or “the project”), focusing on the methodology for assessing the impact of the MDZ on the local tourism and recreation industry and the approach taken to ensure local economic benefits (i.e. employment and supply chain opportunities) are maximised.

Any other witnesses whose evidence should be read in conjunction with this proof

- 1.8 *Navigation POE. Planning POE*

Key documents that should be read in conjunction with this proof

- 1.9 Supplementary Tourism and Recreation Assessment report (Reference: MDZ/H1).
- 1.10 Supplementary Socio-economic Assessment report (Reference: MDZ/H4).
- 1.11 Destination Anglesey Management Plan 2016 – 2020 (Reference: MDZ/H3).
- 1.12 The Isle of Anglesey Area of Outstanding Natural Beauty (AONB) Management Plan Review 2015 – 2020 (Reference: MDZ/D7).
- 1.13 Morlais Project Environmental Statement Chapter 25: Socio-Economics, Tourism and Recreation (Reference: MDZ/A25.25).

What the evidence addresses and confirms in support of the project

- 1.14 The evidence addresses:
- Concerns raised regarding the impact of the MDZ on the local tourism and recreation sector and opportunities for local employment and businesses.
 - The approach to monitor the impact of the MDZ on the local tourism and recreation sector.
 - Morlais’ strategy to maximise local supply chain opportunities.
 - Morlais’ strategy to maximise local employment opportunities.

2. STRUCTURE OF EVIDENCE

- Section 3 - Factual background
- Section 4 - Relevant legislation, policy and guidance to the subject matter
- Section 5 - Other relevant constraints
- Section 6 - How the project will monitor and provide socio-economic benefits
- Section 7 - Addressing representations made by interested parties and how the project has responded to the concerns raised
- Section 8 – Addressing Statements of Case made by Isle of Anglesey County Council, Royal Yachting Association, and Snowdonia Canoe Club
- Section 8 - Summary and conclusions

3. FACTUAL BACKGROUND

- 3.1 Isle of Anglesey County Council confirmed in their representation that following the Council's review of Chapter 25: Socio-Economics, Tourism and Recreation of the Morlais Transport and Works Act Order (TWAO) Environment Statement (ES), that they considered only a very limited assessment has been undertaken of the potential impacts of the project on tourism on the Island of Anglesey. It was noted that the initial work did not identify tourism as an area that is to be covered. Many of the objections submitted into the process have also identified concerns regarding the potential impacts of the project on the tourism sector.
- 3.2 As acknowledged in Chapter 25, paragraph 116, of the ES the reason why people visit this area is for its natural beauty, peace, tranquillity and therefore the impact on tourism (and in particular tourism perception during construction) should have been assessed. Although the ES contains limited baseline and contextual detail on tourism, the ES does not contain an assessment of the potential impacts of the project on tourism. Isle of Anglesey County Council have previously expressed their disappointment at this given the importance of the tourism sector to the local economy. The Supplementary Tourism and Recreation Assessment report and Supplementary Socio-economic Assessment report addresses the concerns raised by Isle of Anglesey County Council.
- 3.3 In addition, the potential benefits of the project to the tourism sector, including having the potential to attract additional and new types of visitors to the island, should be recognised and it should also be confirmed how the project will be promoted locally, including through the use of interpretation methods, which could in turn help mitigate (or in some cases enhance/compensate) the confirmed effect on seascape, landscape and visual impact. The Supplementary Tourism and Recreation Assessment report and Supplementary Socio-economic Assessment report addresses the concerns raised by Isle of Anglesey County Council.
- 3.4 In relation to the assessment of effects on socio-economics, Isle of Anglesey County Council as confirmed in its representation, required a better understanding of how Morlais as the Promoter and Developer will ensure that the mitigation and optimisation measures identified in the ES will be secured and implemented, including how future tenants will be required to support and promote training opportunities and the local supply chain opportunities.
- 3.5 Isle of Anglesey County Council asked for an Action Plan to be developed and approved in a timely manner which allows adequate time for the approved actions/ interventions to be developed and progressed before the project commences, e.g. for apprenticeships, training, skills to be developed in time for when they are required by the project.

- 3.6 For the purposes of the determination of the TWAO, the monitoring and mechanism for mitigating socio-economic effects has largely been agreed with Isle of Anglesey County Council via the following planning conditions.
- 3.6.1 Condition 15 - At least six months prior to the commencement of construction of the development a Tourism and Recreation Monitoring Strategy, substantially in accordance with Chapter 10 of the Supplementary Tourism and Recreation Assessment, will be submitted to and approved by the Planning Authority.
- 3.6.2 Condition 16 - Prior to the commencement of construction of the development, proposals for a Promotion and Interpretation Strategy, substantially in accordance with the Outline Promotion and Interpretation Strategy will be submitted to and approved by the Planning Authority. The development must be carried out in accordance with the approved strategy.
- 3.4.3 Condition 17 - At least six months prior to the commencement of construction of the development a Skills and Training Action Plan, substantially in accordance with the proposals within Chapter 3 of the Supplementary Socio-Economic Assessment, will be submitted to and approved by the Planning Authority.

4. LEGISLATION AND POLICY CONTEXT

Welsh Government Prosperity for All: Economic Action Plan

- 4.1 This Welsh Government Economic Action Plan is grounded on the principle that places matter and seeks to make real its ambition of delivering better jobs closer to home. The Plan has a bold vision of facilitating an economy that delivers sustainable and inclusive growth, opportunities for all and promotes individual and collective well-being.
- 4.2 The marine sector in North Wales provides a major opportunity for transformation growth, for both the local economy and communities, which Morlais is looking to secure. The project would play an important part in taking forward tidal stream technology and so accords with the plan to grow the economy in a sustainable manner through the generation of low carbon, renewable energy.
- 4.3 Through its objective of producing renewable energy from tidal power, the Morlais project will significantly contribute to the place branding of the area in renewable and clean energy.
- 4.4 The Morlais project has the potential to become an anchor institution given its size and level of investment, which could support the formation of a marine clean energy cluster in the area.

Isle of Anglesey County Council Area of Outstanding Natural Beauty (AONB) Management Plan

- 4.5 The Isle of Anglesey AONB Management Plan evaluates and determines what the special qualities of the AONB are, then determines what actions are required to ensure that these qualities are conserved and enhanced for future generations.
- 4.6 The AONB Management Plan also strives to manage the natural environment in a joined up way that delivers real outcomes for the environment, people, the economy and the communities both in the AONB and adjacent to it.
- 4.7 Morlais recognises the importance of Anglesey as an AONB and is represented on the Joint Advisory Committee, which oversees the administration of the AONB Management Plan, through Menter Môn.
- 4.8 In addition to the work done by Menter Môn in supporting Anglesey as an AONB, the project would contribute through:
 - 4.8.1 Investing in low carbon energy production to help secure a stable energy future for Wales,

- 4.8.2 Establishing world-class facilities to place Anglesey as a leading location for low carbon energy innovation and demonstration,
- 4.8.3 Ensuring that local companies and people benefit and take advantage of opportunities from new renewable energy investments that seek to work with the local environment.

Isle of Anglesey County Council Destination Anglesey Management Plan (DMP)

- 4.9 The Isle of Anglesey County Council DMP will help direct the development of tourism for the Isle of Anglesey for the period 2016 to 2020, with the aim of setting direction and laying the foundations for the future development of tourism on Anglesey beyond 2020.
- 4.10 DMP is a process of coordinating the management of all the aspects of a destination that contribute to a visitor's experience, taking account of the needs of visitors, local residents, businesses and the environment. Morlais shares the statement of intent to manage a destination over a period of time.
- 4.11 In addition to the work done by Menter Môn, the project will help Anglesey meet its objectives through:
 - 4.11.1 Promoting the Anglesey brand as a low-carbon, environmentally friendly destination that is contributing towards tackling climate change,
 - 4.11.2 Enhance the quality of Anglesey's tourism offering by supporting local businesses to introducing concepts from 'industrial tourism' and 'energy tourism',
 - 4.11.3 Invest resources to ensure that Anglesey can fully capitalise on the potential inward investment, contributing positively to the economic prosperity of Anglesey,
 - 4.11.4 Provide additional international exposure to Anglesey, given the contractors and engineers that will come to the area to work on the project and then return for a holiday with their family.

5. OTHER CONSTRAINTS

- 5.1 The outbreak of Covid-19 in the U.K. on 31 January 2020 and the policies enacted to reduce transmission of the disease have had, and continue to have, extraordinary negative impact on the economy, society, and human interaction.
- 5.2 Given the nature of the work to be completed between July 2020 and March 2021 (as outlined in the 'Supplementary Tourism and Recreation Assessment' and 'Supplementary Socio-economic Assessment'), there is a risk that:
 - 5.2.1 It will be difficult to establish a representative baseline scenario and trends for the tourism and recreation sector due to ongoing changes in the sector due to Covid-19. Comparison with other regional economies will be made to assess the impact of Covid-19 on the representative baseline scenario and extrapolate trends in the tourism and recreation sector.
 - 5.2.2 It will be difficult to identify opportunities for the local supply chain due to ongoing changes to the local economy as a result of Covid-19. Comparison with other regional economies will be made to assess the impact of Covid-19 and extrapolate opportunities for the local supply chain.
 - 5.2.3 There is a delay in engaging with stakeholders due to lockdown measures and social distance rules as a result of Covid-19 distancing rules. Where face-to-face contact is not possible, technology will be used to engage with stakeholders.

6. THE PROJECT'S RESPONSE

Tourism and recreation

- 6.1 An assessment was made of the possible impact the Morlais project could have on the local tourism and recreation sector. To provide a framework for analysing this impact the tasks were to:
- 6.1.1 Conduct interviews with local tourism and recreation businesses and analyse relevant data to establish the current situation of the sector on Holy Island,
 - 6.1.2 Complete initial desktop research on the likely impact the Morlais project could have on the local tourism and recreation sector,
 - 6.1.3 Propose an approach to establish a baseline of activities and identify key performance indicators of the tourism and recreation activities and an approach to monitor possible impact on these activities,
 - 6.1.4 Identify a mechanism to identify and agree actions to mitigate any negative effects Morlais could have on visitor's experience and activities.
- 6.2 Total employment on Anglesey in 2018 was 21,000, with 16.2% working in the tourism and recreation sector. This 16.2% cohort can be broken down geographically as; 3.0% on Holy Island, 0.8% in Holyhead, and 12.4% elsewhere on Anglesey.¹
- 6.3 There were over 113,000 visitors to the South Stack Cliffs Nature Reserve (near the proposed Morlais project) in 2014, which grew steadily to 117,989 by 2018 (an average annual growth of 0.9%). For comparison, the total number of visitors that visited the Amlwch Copper Kingdom, Newborough National Nature Reserve & Forest and Beaumaris Castle grew from 394,274 in 2014 to 582,831 in 2018²
- 6.4 Interviews were conducted with local tourism and recreation businesses between January 2020 and March 2020 (a summary of these interviews is given in the Supplementary Tourism and Recreation Assessment document). The main findings were:

¹ Data taken from NOMIS (www.nomisweb.co.uk), a service provided by the Office for National Statistics (ONS) on up-to-date UK labour market statistics from official sources.

² Data taken from the Welsh Government (see <https://gov.wales/sites/default/files/statistics-and-research/2019-05/visits-tourist-attractions-2017-summary.pdf> and <https://gov.wales/sites/default/files/statistics-and-research/2020-01/visits-to-tourist-attractions-in-wales-2018.pdf>).

- 6.4.1 The Morlais project could adversely impact the offering of the area to tourists. For example, through restrictions on kayaking routes, the impact on eddy currents, traffic congestion during the construction phase, access to the coastal paths, and the impact on the scenery,
 - 6.4.2 Businesses believe Morlais could have a positive impact on the local tourism sector, and there are businesses that have already experienced this. Contractors and engineers working on the development stay in the local area, which benefits local hotels and restaurants and this trend is only expected to grow as the Morlais development progresses. The importance of 'business tourists' was highlighted in the interviews (i.e. those who come to the area on business during the week will return on holidays with their family),
 - 6.4.3 There are businesses that believe tourists will be interested in seeing the tidal energy development (i.e. 'industrial tourism'), and that Morlais is a continuation of Anglesey's rich history of innovation and relationship with the sea. Experimentarium in Copenhagen was given as an example of how new technology and innovation can be used to attract visitors to the area.
- 6.5 Four case studies were prepared following desktop research on the impact of marine renewable energy projects on tourism and recreation. These case studies show:
- 6.5.1 The Orkney Islands are a popular tourist destination because of scenery and the history and culture. The development of renewable energy projects around the Islands has not deterred visitors from coming; a total of 174,273 visits were made to Orkney in 2017, with the total value of visits totalling £49.5 million, up from 142,816 and £31.1 million in 2013. With so many wave and tidal devices working in the waters, the Orkney Council has had to train local tour guides on marine renewables to help deal with questions from tourists and convert office space to help educate and inform the visitors,
 - 6.5.2 Research by Marine Energy Research Group (Swansea University) to assess the value of the marine environment around St. David's, Pembrokeshire, where a tidal stream turbine demonstration project is underway and larger array developments, both wave and tidal, are planned for the next few years. They found that the marine environment contributed, on average, to 78% of visitors' total enjoyment of the area and that only 3.5% would be put off visiting the area again due to marine renewable energy developments. The authors concluded that marine energy developments should not affect tourist revenue (see Appendix A),

- 6.5.3 Gwynt y Môr is a 576MW offshore wind farm located off the coast of North Wales and is the fifth largest operating offshore windfarm in the world, with 160 wind turbines of 150 metres height above mean sea level. Despite the size of the farm and height of the wind turbines, Gwynt y Môr appears to have had negligible impact on the tourism sector in Llandudno since becoming fully operational in 2015. A popular visitor attraction in Llandudno is the Great Orme Tramway, which takes passengers from Llandudno Victoria Station to just below the summit of the Great Orme headland. According to the number of visitors to the Great Orme Tramway increased by 7.4% between 2014 and 2018 (or 1.8% average growth per annum).
- 6.6 A process to establish a baseline of activities and identify key performance indicators of the tourism and recreation activities was agreed with Isle of Anglesey County Council (see Supplementary Tourism and Recreation Assessment report). This process, which will be used to prepare a baseline and ongoing monitoring of the impact the Morlais project has on tourism and recreation activities, is described below:
- 6.6.1 Ongoing analysis of the publicly available economic data presented to identify trends and unexpected changes in local tourism and recreation activities,
- 6.6.2 Install counting solutions technology along the costal path nearby the proposed energy project to determine trends in trail usage,
- 6.6.3 Continue with the interviews over the next two years to identify the performance and future expectations of the local tourism and recreation sector. These interviews will be conducted every year thereafter.
- 6.7 The Morlais project recognises that it could have a negative impact on the tourism and recreation sector on Holy Island. If such attributable negative impacts were to occur then Morlais propose to implement mitigation actions to negate the effects of the development. Examples of possible mitigation actions includes: providing financial support to enhance the provision of Further Education (FE) (including work-based apprenticeships) courses specific to the tourism and recreation sector on the Island, improving the awareness of Holy Island as a tourist destination, including highlighting the activities in the area and the marine recreation activities, and investing in changing facilities and toilets on the beaches of Holy Island near the proposed Morlais project (see Section 9 of the Supplementary Tourism and Recreation Assessment report). However, the mitigation actions should be relevant to the tourism and recreation sector's need should the negative impacts occur.

- 6.8 At least six months prior to the commencement of construction of the development a Tourism and Recreation Monitoring Strategy, substantially in accordance with Chapter 10 of the Supplementary Tourism and Recreation Assessment, will be submitted to and approved by the Planning Authority.

Supply chain

- 6.9 An action plan was agreed to maximise the benefits of the Morlais project to the supply chain and local businesses.
- 6.10 The supply chain action plan was developed through discussion with Isle of Anglesey County Council and the Business Support Manager from Gwynedd County Council. The plan is based on Gwynedd County Council's procurement strategy 'Cadw'r Budd yn Lleol'.
- 6.11 The action plan to maximise the benefits of the Morlais project to the local economy (supply chain) is outlined below:
- 6.11.1 Morlais and its tenants to identify work that could be tendered out, including any specific credentials (e.g. ISO) needed to complete the work,
 - 6.11.2 Morlais to advertise the work that is tendered out including the specific credentials needed to complete the work and, where possible, future work that could come,
 - 6.11.3 Morlais to hold 'Meet The Buyers' events and working groups to determine what credentials businesses are currently missing which would hinder them from tendering for work at the development zone,
 - 6.11.4 Morlais to support local businesses that need to obtain specific credentials which would allow them to tender for work with Morlais and its tenants.
- 6.12 Prior to the commencement of construction of the development, proposals for a Promotion and Interpretation Strategy will be submitted to and approved by the Planning Authority.

Skills/Training

- 6.13 An action plan was agreed to identify any skills gaps and maximise the benefits of the Morlais project to the local labour market.
- 6.14 The skills/training action plan was developed through discussions with Isle of Anglesey County Council and the Regional Skills Manager for North Wales Regional Skills Partnership.

- 6.15 The skills/training action plan to maximise the benefits of the Morlais project to the local labour market is outlined below:
- 6.15.1 Morlais and its tenants to identify a schedule of work during the development and operation of the demonstration zone (including analysing data already gathered by Morlais),
 - 6.15.2 Morlais to identify what skills will be required to complete this work and at what stage those skills will be required,
 - 6.15.3 Work with the North Wales Regional Skills Partnership to identify what skills are available in the region; including what skills will be available in the future, and what other opportunities (not related to Morlais) there are for people with particular skills,
 - 6.15.4 Identify gaps (if any) between the skills required by Morlais during the development and operation of the demonstration zone and those available in the region,
 - 6.15.5 Working with the North Wales Regional Skills Partnership (who will engage with local FE/HE institutions and providers of work-based apprenticeships), to initiate actions to reduce the skills gap.
- 6.16 At least six months prior to the commencement of construction of the development a Skills and Training Action Plan, substantially in accordance with the proposals within Chapter 3 of the Supplementary Socio-Economic Assessment, will be submitted to and approved by the Planning Authority.
- 6.17 Table 1 gives the mitigation relating to socio-economics and how these are secured.

Table 1

Reference	Mitigation	How is this mitigation secured?
a.	Analysis of impact on tourism and recreation sector on Holy Island and Anglesey.	Planning condition 15 and 16.
b.	Monitoring of the MDZ developers supply chain.	Planning condition 19.
c.	Setting developers installed at the MDZ a target of sourcing 50% of their supply chain from local businesses.	Planning condition 19.
d.	Monitoring of the MDZ developers labour supply.	Planning condition 17 and 18.
e.	Setting developers installed at the MDZ a target of using 50% of the local labour supply.	Planning condition 17.

7. RELEVANT REPRESENTATIONS

7.1 The following are the relevant representations made;

- 7.1.1 *S. Allen. Objection: Although this project would create employment opportunities in the short term, it is hard to see how the local population will benefit in the longer terms, once construction is completed.*
- 7.1.2 *Richard Sharp. Objection: I will not support the application on the basis that the project will bring badly needed work and jobs to the area as this devices are made elsewhere and only assembled at the point of use.*
- 7.1.3 *Victoria Evans. Objection: The new scheme will also adversely affect tourism by making that area less attractive for sailors, fishermen and possibly climbers. Anglesey is a very popular area for recreation and holidays and I fear this may discourage people from choosing Anglesey.*
- 7.1.4 *P Watterson. Objection: To consent and gamble with this unique and iconic AONB is simply not acceptable giving the sights value to tourism (Anglesey's #1 trade) and the potentially significant and irreversible destruction to the rich bio-diversity.*
- 7.1.5 *Eveline Clarke. Objection: Hundreds of visitors are attracted here each year to take in the views from the lighthouse. The cruise boats come into Holyhead Harbour and the passengers are ferried up in coaches. All this tourism will be lost if the view from there just consists of platforms which hold the turbines beneath as they do not look small from the picture I have seen. The loss in tourist money to the town of Holyhead and the charity which runs tours of the lighthouse will be tremendous and will have a knock on effect on the town.*
- 7.1.6 *Michael Davis. Objection: The installation of floating or surface emergent support structures within the development zone which will have an extreme adverse impact on the seascape.*
- 7.1.7 *Jaki Pariser. Objection: The development would have an adverse impact on tourism. Tourism is essential to the island economy. The local employment prospects of this scheme would be minimal as most of the structures would be shipped in as a modular kit for assembly on site; therefore minuscule job creation for the area.*

- 7.1.8 Mark Poulton & Kelly Poulton. Objection: The scheme brings little economic benefit & new jobs to the area in comparison with the overall schemes value, most of the structures are shipped to the island in kit form & just assembled in location by contractors not from the area.
- 7.1.9 Mick Milligan. Objection: South Stack is a magnet for tourism which would inevitably suffer if such a large and visually unattractive commercial project was allowed.
- 7.1.10 Joseene Davies. Objection: This project would have a very large impact on tourism. No-one will want to look out to sea. Tourists would miss all the seabirds and miss seeing marine mammals.
- 7.1.11 Philip Pariser. Objection: I object to the development as it would have an adverse impact on tourism. Tourism is essential to the island economy.
- 7.1.12 Gary Wilkes. Objection: The Risk assessment provided by Morlias itself states that there are impacts on marine and Mammals and the potential is unknown! not to mention the eye sore it would possibly have on the views for tourism trade.
- 7.1.13 Amy Doore. Objection: Apart from the obvious danger to nature the proposals also endanger the tourism sector. People visit Holyhead and the surrounding coastline because of its rugged beauty and the special species you find there. A colossal energy production plant is going to ruin that and also stop people using these areas to its potential for recreational pursuits.
- 7.1.14 Gwyneth Campbell. Objection: My tourist business is going to be damaged, people that come to stay, come for the peace and quiet, and the views of the sea, certainly not to look out at yellow big barges. Having spent so much money on the cottages and huts, this will have a great impact on the finances and survival of the business. Visitors come to South Stack to see the birds and sea life, and what about the effect on marine ecology. The visual impact on the area is going to ruin the tourist trade.
- 7.1.15 S & K Smedley. Objection: Concerns around the impact on 1. Eco System 2. The Economy 3. Light Pollution 4. Area of outstanding natural beauty 5. Protected RSPB Reserve.
- 7.1.16 E Lee. Objection: Concerns as the area is a tourist attraction.

- 7.1.17 *C Chinnian. Objection: I am also concerned about the visual impact this proposal will have on such a beautiful part of the country and the knock on effect this will have on tourism which is vital for the Anglesey economy.*
- 7.1.18 *M Blackburn. Objection: The visual impact of this project would also affect the local tourist industry between Trearddur Bay and South Stack, and the local economy would suffer greatly, as many people use this area for holidaying, kayaking, canoeing, pleasure boat cruises, diving, fishing etc.*
- 7.1.19 *D Shaw. Objection: It's a destination and I think that this going ahead at the scary scale proposed will kill that element of South Stack which is bound to effect visitor numbers and tourism for the local area. Many film companies film the scenery and wildlife of South Stack annually as well as organisations such as visit Wales to boost tourism to the local area. I have seen pictures of what this project will look like visually and I strongly believe that South Stack will no longer be the wild escape that so many people come here for.*
- 7.1.20 *S Hoare. Objection: There are surely better places to put it than where so many seabirds fish and breed, and so many visitors add to the local economy by coming to watch the birds.*
- 7.1.21 *Roger Chandler. Objection: I'm contacting you to express my concerns regarding the above proposed scheme and how it may effect business and hence tourism on Anglesey. I have run a successfully a small and dedicated sea kayaking since 2007 and with great access from the A55 over 10 companies sustain enough income to be viable, throughout the year. Individuals come from far and wide and its common to get individuals and groups from Finland, Sweden, Norway and Switzerland, due to easy plane connections, improving ferry and train links.*
- 7.1.22 *JR Lamb. Objection: I'm also concerned about the visual impact this project would have on an area that is designated as an AONB. South Stack and the coastal waters around it attract thousands of visitors each year who contribute to the local economy, this project would have a detrimental effect to the area.*
- 7.1.23 *P Parry. Objection: Employment - although this project would create employment opportunities in the short term, it is hard to see how the local population will benefit in the longer term, once construction is completed. Also, given the nature of the project, employees are highly likely to be sourced from elsewhere, due to the specialist nature of the works.*

- 7.1.24 *DW Rees. Objection: Who would want to visit the area to see these barges on the surface? So close to the shoreline? The knock - on effect could be for it to impact tourism and the number of people visiting to see the fore mentioned delights. Which then would impact the local businesses both small and large. Tourism has been built up over 30+ years and can be damaged in just a couple. The Energy Island initiative would be just that – nothing else!*
- 7.1.25 *Mr & Mrs Bangor-Jones. Objection: The economic benefits for projects such as these are often over-stated and the supporting arguments sometimes specious. Claims have been stated about the local employment this will generate but that seems very unlikely based on the details that have emerged. And on that point, we note that information from Morlais relating to the proposed tidal area and the types of equipment proposed to be used hasn't been nearly as comprehensive, specific or factual as should be expected of a scheme on a scale such as this. The irony is that the local economy may even experience a net loss as the result of the schemes impact on tourism over time.*
- 7.1.26 *M Shone. Objection: The area encompasses a number of protected zones which include SSSI, SPA, AONB. The area is of high tourist importance and receives, I understand, many hundreds of thousands of visits every year. I consider that this development will threaten the protected areas and will impair the general enjoyment of the area. The proposal includes the deployment of a large number of surface - mounted structures which will ruin one of the most important landscapes in the country.*
- 7.1.27 *S Dudley. Objection: As a result of damage to the visual amenity, damage to local tourist industry.*
- 7.1.28 *E Wagstaff. Objection: The whole area between Trearddur Bay and South Stack is one of prime tourism for the whole island of Anglesey: used by those on the water as well as those walking the coastal footpath or using the beaches. The attraction for these tourists is the sense of place, peace and beauty – not the sight of mechanical devices protruding from the surface of the sea.*
- 7.1.29 *C Bangor-Jones. Objection: The economic benefits for projects such as these are often over-stated and the supporting arguments sometimes specious. Claims have been stated about the local employment this will generate but that seems very unlikely based on the details that have emerged. And on that point, we note that information from Morlais relating to the proposed tidal area and the types of*

equipment proposed to be used hasn't been nearly as comprehensive, specific or factual as should be expected of a scheme on a scale such as this. The irony is that the local economy may even experience a net loss as the result of the schemes impact on tourism over time.

- 7.1.30 *K James. Objection: I am representing myself, Kathy James, as a conservationist and naturalist who has lived and worked onsite at South Stack RSPB, run a wildlife tourism business on the island of Anglesey, worked for various conservation bodies and who currently brings conservation issues to the attention of Welsh TV audiences.*
- 7.1.31 *Tom & Stacy Roberts. Objection: Anglesey has long been a favourite with tourists and the Isle of Anglesey County Councils own report on tourism from 2018 appears to be in direct conflict with projects such as this tidal energy project that will by MM's own impact assessment create an "Industrialization of our seascape". Anglesey county council's own 2018 report (based on Wylfa) is very critical of the risk to its 1.71 million annual visitors to the island and clearly highlights all of the risks that large scale energy projects pose to tourism and our natural environment. The same arguments apply so how the council can make such strong arguments against one project and then appear to support another that poses an even greater threat to an even more sensitive sea scape and natural environment are beyond me.*
- 7.1.32 *Ian Sims. Objection: The scale of the development and the proximity to the coast would have a serious visual impact on an area that is an iconic tourist attraction and an AONB. This is likely to effect tourism and have a direct economic effect.*
- 7.1.33 *Nigel Gill. Objection: The potentially serious consequences for the Sea Kayaking community have not been fully assessed, nor appreciated.*
- 7.1.34 *M Llewellyn. Objection: The conclusion that Morlais have made is unacceptable and unfounded and will detract from the wealth, health and well-being of the area as well as destroy valuable untouched and natural landscape.*
- 7.1.35 *R Williams. Objection: My second objection is on the grounds that it will drastically impair the iconic landscape and heritage coastline, which you will no doubt be aware is a designated AONB. The South Stack lighthouse and surrounding area always features prominently in Welsh tourism images and literature, and this area traditionally has a strong tourist pull. Therefore, there is also a very real likelihood*

of negative impact on the local economy, specifically tourism and future wildlife/conservation tourism due to loss of wildlife.

- 7.1.36 Paula Parry Avilion. Objection: *Employment-although this project would create employment opportunities in the short term, it is hard to see how the local population will benefit in the longer term, once construction is completed. The impact to the local economy is sure to be negative, given the potential impact on tourism, as well as negative environmentally to marine and coastal wild life.*
- 7.1.37 L Clark. Objection: *As a regular contributor to the tourist industry running wildlife photography courses and talks, and on the advice of the RSPB, I find it an incredibly insensitive area to be constructing such a site. There appears to be a huge risk to the seabird colonies at South Stack which use that precise area as a feeding ground, any visitor to the site would clearly see that.*
- 7.1.38 A Thomas. Objection: *There is also a concern over the visual impact these tidal energy devices will have. This impact will affect tourism, in turn affecting local businesses, from places to stay, attractions to visit, cafes, outdoor activities like kayaking, sailing, guided boat tours to view wildlife, fishing boat tours and scuba diving.*
- 7.1.39 T Kudelska. Objection: *South Stack is located within an AONB and is an iconic landscape which is used regularly to promote Welsh tourism, the proposed development will have a significant impact on the landscape of the area.*
- 7.1.40 S Wardle. Objection: *My final conclusion to all this is I can see massive knock on effect, tourism will suffer, which is Wales biggest income, there will not be employment for the local community, and wildlife in the area will have the most impact, seabird colonies will decline even more, the outlook is not good for this area if we can not protect it.*
- 7.1.41 L Kudelska. Objection: *Economic impact: Anglesey has approximately 2 million visitors a year, it brings in money to support and grow businesses which in turn create employment. Local outdoor pursuits such as kayaking, pleasure boat cruises to see the wildlife and views, fishing and fishing trips, diving, canoeing. The other businesses including accommodation, cafes, restaurants, visitor attractions etc. There are concerns on the potential decline in income from these due to the loss of wildlife and the visual impact of the project. This impact should be calculated to see if it would outweigh the potential employment from the demonstration zone.*

These are known business not hypothetical jobs created by the project. I don't believe the economic value of the project will out way these factors. The documents on this are using mitigation to 'encourage' suppliers and companies to bring business to Anglesey. As technologies are developed else where and the proposal is to use the demonstration zone for testing there is as much probability that they won't go to manufacture on Anglesey or Wales. I asked a member of staff at one of the open days about this and was told that there is a probable scenario once the companies that own the technology have used the test zone their requirements will be to sell the technology to a business that can manufacture. This will then be up to the owner as to which country in the world would be best suited with costing and skill sets. There is no plan on how to get them to come here just vague statements like 'encourage'.

7.1.42 *E Pearson. Objection: Potential impact on the local economy specifically tourism and future conservation tourism due to loss of wildlife and visual impact being negative. Less people visiting the area to stay, use cafes, buy form gift shops, take part in boat cruises, kayaking, canoeing, fishing trips and diving.*

7.1.43 *P Robbins. Objection: Human impact studies would highlight the effect the development will have on local people, they could take the form of visual assessments regarding the detrimental effect aesthetically, this would also affect people visiting the area, the relative lack of major employers on the island requires locals to open BB's, camp sites, tourist shops and cafe's, the reduction in vacationers to the area will have a massive effect on the local economy. In years gone by farming was the primary source of revenue and natives to the island generally stayed put through generations and farmed on a small scale, nowadays farming alone would not be enough for families to survive leading to migration to the mainland for work, it is obvious to anyone what effect this will have on the community. I cannot see how any of the jobs created by the development will be given to local people, these positions are generally very technical and the skill sets will not be readily available in the local market, those taking the jobs and salary will be more likely to export the money back to the mainland meaning that none of the revenue will reach the local populous.*

7.1.44 *P Stone. Objection: Sea kayaking is a significant activity around Anglesey with the waters around the tidal array being particularly popular. Many clubs both locally and from across the UK come to paddle in the area, and there is also a thriving*

guiding community taking groups out. It is highly likely that this development would have a significant impact on anyone wishing to kayak in that area.

- 7.1.45 *Robert Kenneth Fisher. Objection: The impact on tourism due to a change in the visual will effect multiple local buissness. From places to stay, attractions to visit, cafes, outdoor activities like kayaking, sailing, guided boat tours to view wildlife, fishing boat tours, diving.*
- 7.1.46 *Sam Measom. Objection: The impact on the local economy and tourism due to the visual/ physical impact will have a negative effect on multiple local businesses. South Stack is an adventure playground. From places to stay, attractions to visit, cafes, mountaineering, kayaking, diving, sailing, guided bird and wildlife tours, fishing boat tours.*
- 7.1.47 *Richard & Jemma Ward Davies. Objection: The disruption this would cause to the local area, residents, tourism and wildlife would be irreversible.*
- 7.1.48 *David Bellamy. Objection: These plans aim to industrialise a hitherto untouched landscape that attracts 180,000 tourists and year. Tourism is the mainstay of the Anglesey economy.*
- 7.1.49 *J Ainsworth. Objection: I am very concerned about the proposed tidal array referred to above, particularly with regard to its proximity to a vital seabird colony at South Stack and the devastating effect it is likely to have on both the birds themselves and the source of income that visitors to the site generate for the island.*
- 7.1.50 *C Pollitt. Objection: Regular visitor. Unsightly, and detrimental impact on marine wildlife. Affect tourism on the island.*
- 7.1.51 *A Bailey. Objection: Objects the eco-generating plant under the sea. Sees it ar odds to the conservation and preservation of marine life and the local community. Impact on recreational users and negative impact on tourism and local economy. Will only offer jobs in the short term during construction. Impact of heavy transport on the rural infrastructure, and disruption to residents and farmers. Noise pollution.*
- 7.1.52 *H Blain. Objection: Regular visitor. Unsightly, and detrimental impact on marine wildlife. Affect tourism on the island.*
- 7.1.53 *J Holland. Objection: Regular visitor. Unsightly, and detrimental impact on marine wildlife. Affect tourism on the island.*

- 7.1.54 *R Tuke. Objection: Detrimental impact on business. Impact on tourism due to visual impact. Impacts on wildlife - marine and on land.*
- 7.1.55 *E Rees. Objection: Visual impact. Impact on tourism. Impact on marine environment. Information provided more than lacking in scientific data in relation to marine environment - this is usually gathered by a professional organisation over many years enabling informed data driven discussions to be made.*
- 7.1.56 *D Roberts. Objection: Believes the project has taken advantage of the current climate under the corona pandemic to get the proposal through. Can't trust the organisation. Concerns on impact on birds, tourism and recreational users. Impact on changes in the tidal flow. Impact on AONB and road traffic. Impact on natural marine ecosystem. Member of the RSPB.*
- 7.1.57 *Katie-Jo Luxton. Objection: Tourism and Recreation Assessment.*
- 7.1.58 *Isle of Anglesey County Council. Objection: Securing local Socio-Economic benefits arising from the Project; Further awareness and understanding by the promoter of the value of tourism to the Island and the undertaking of a more detailed assessment of the potential impacts of the project on the Island's tourism sector, giving specific consideration to tourism within the project area; Consideration of compensation measures, including enhancement of features, to balance the effects of adverse impacts of the project as confirmed in the ES on Seascape, Landscape and Visual receptors.*
- 7.2 An initial assessment was made by Morlais of the possible impact the MDZ could have on the local tourism and recreation sector. This assessment included: interviews with local tourism and recreation businesses, analysis of publicly available data, and desk-top research of the impact of marine energy production on tourism and recreation.
- 7.3 There was no clear evidence in this initial assessment of the impact marine energy production has on tourism and recreation activities. Therefore, Morlais proposes to monitor the impact of the MDZ on tourism and recreation activities through annual interviews with local tourism and recreation businesses, the installation of counting solutions technology along the coastal path to monitor tourism activities, and ongoing analysis of publicly available data on trends in related activities.
- 7.4 The approach taken by Morlais to monitor the impact of the MDZ is suitable as it makes no assumption on the impact of the project on local tourism and recreation activities. The approach

identifies a baseline of tourism and recreation activities and the monitoring process will identify any deviation from this baseline due to the MDZ.

7.5 Morlais is committed to maximising opportunities for the local supply chain and employment opportunities. To achieve this Morlais:

7.5.1 Developed an action plan to maximise the benefits of the MDZ to the local supply chain and businesses. This action plan was developed through discussion with Isle of Anglesey County Council and is based on the positive impact of Gwynedd County Council's procurement strategy 'Cadw'r Budd yn Lleol'.

7.5.2 Develop a skills/training action plan to identify and address any local skills gaps and maximise employment opportunities for local people. This action plan was developed through discussion with Isle of Anglesey County Council and the Regional Skills Manager for North Wales Regional Skills Partnership.

7.6 Covid19 has had, and continues to have, and adverse impact on the local economy, in particular the tourism and recreation sector. Morlais is aware of this impact and is continuing to monitor local tourism and recreation activities and economic activities. Comparison is made with other regions within the UK to strip out the effect of covid19, so that only the impact of the MDZ is being monitored.

7.7 The relevant representations made relate to the possible adverse impact of the MDZ on tourism and recreation activities and argue that the MDZ is unlikely to deliver local economic benefits. There is no evidence to suggest that the MDZ will have a significant adverse impact on tourism and recreation activities. However, Morlais makes no assumption on the impact of the project on local tourism and recreation activities and will monitor activities and identify any effect it may have. Morlais has developed action plans to maximise the benefits of the MDZ to the local supply chain, businesses, and local workers.

8. STATEMENTS OF CASE

Isle of Anglesey County Council (IOCC)

8.1 In Isle of Anglesey County Council statement of case they have confirmed that the proposed monitoring and mitigation activities, in combination with the proposed planning conditions, has sufficiently addressed their concerns as demonstrated in 5.22 of their statement of case, subject to:

- 8.1.1 At least six months prior to the commencement of construction of the development a Tourism and Recreation Monitoring Strategy, substantially in accordance with Chapter 10 of the Supplementary Tourism and Recreation Assessment, will be submitted to and approved by the Planning Authority. The development must be carried out in accordance with the approved strategy.
- 8.1.2 Prior to the commencement of construction of the development, proposals for a Promotion and Interpretation Strategy will be submitted to and approved by the Planning Authority. The development must be carried out in accordance with the approved strategy.
- 8.1.3 At least six months prior to the commencement of construction of the development a Skills and Training Action Plan, substantially in accordance with the proposals within Chapter 3 of the Supplementary Socio-Economic Assessment, will be submitted to and approved by the Planning Authority. The development must be carried out in accordance with the approved plan.
- 8.1.4 At least six months prior to the commencement of construction of the development, proposals for the Task And Finish Group, substantially in accordance with the proposal within Chapter 3 of the Supplementary Socio-Economic Assessment, will be submitted to and approved by the Planning Authority. The development must be carried out in accordance with the approved proposals.
- 8.1.5 At least six months prior to the commencement of construction of the development a Supply Chain Action Plan, substantially in accordance with the proposal within Chapter 4 of the Supplementary Socio-Economic Assessment, will be submitted to and approved by the Planning Authority. The development must be carried out in accordance with the approved plan.

Royal Yacht Club

- 8.2 *The socio-economic value of recreational boating to the area has not been properly defined or considered.*
- 8.3 Response - The focus of the supplementary report were (land based) tourism and recreation enterprises and activities. Morlais propose to conduct additional monitoring of marine-related activities (including boating activities), in addition to the analysis of tourism and recreation activities. And the impact of the MDZ on marine-related activities will be monitored in conjunction to tourism and recreation activities. This will be completed in 2021.

- 8.4 *The effective loss of a recognised boating area (as set out in the Welsh Marine Plan) represents an additional loss of opportunities to the wider recreational boating economy, which will prevent successful implementation of Sector Supporting Policy T&R_01 b of the Marine Plan due to:*
- 8.4.1 *The lack of a positive contribution to recreational opportunities as a negative result of navigation restrictions causing the reduction in the size and/ or loss of the boating area.*
- 8.4.2 Response - The supplementary reports do not make any assumptions on the economic impact arising from the Morlais project but outline the approach for assessing the impact of the MDZ on the local tourism and recreation sector. Morlais propose to conduct additional monitoring of marine-related activities (including boating activities), in addition to the analysis of tourism and recreation activities. The impact of the MDZ on marine-related activities will be monitored in conjunction to tourism and recreation activities. This will be completed in 2021.
- 8.5 The economic analysis of the assessment (Chapter 4) is too general to distinguish maritime related recreation. The RYA would have expected the assessment to have defined the Gross Value Added, direct employment and trends within the recreational boating sector that uses the coastal and offshore waters of Anglesey. Similarly, we note that the Case Study areas (Chapter 6) are not within moderate inshore recreational boating areas, so are not a good comparison.
- 8.6 Response - There are challenges in calculating Gross Value Added (GVA) for a regional-level sector and the calculation of GVA for a regional-level sub-sector (such as boating activities near Holy Island) would not produce a reliable and significant measure of related economic activity. Therefore, Morlais propose to conduct additional monitoring of marine-related activities (including boating activities), in addition to the analysis of tourism and recreation activities. The impact of the MDZ on marine-related activities will be monitored in conjunction to tourism and recreation activities. This will be completed in 2021.
- 8.7 *A distinction should also have been made between maritime recreational users on Anglesey and those from other locations who visit or undertake cruising passages through the area. We also note that monitoring (Chapter 10) relies on publicly available data, which is not suitable for maritime recreation activity (see 12.3).* Response - The focus of the supplementary report were (land based) tourism and recreation enterprises and activities. Morlais propose to conduct additional monitoring of marine-related activities (including boating activities), in addition to the analysis of tourism and recreation activities. The impact of the MDZ on marine-related

activities will be monitored in conjunction to tourism and recreation activities. This will be completed in 2021.

~~8.8~~ RYA believes that Morlais has failed to consider the contribution of the wider recreational boating economy, with respect to employment opportunities and protecting and creating employment. The Supplementary Tourism and Recreation Assessment did not undertake interviews with RYA affiliated clubs. The clubs, and their membership, are significant recreational providers and economic drivers to the area. Given the designation of the MDZ as an “Area to Be Avoided” and the perception of boat clubs that the MDZ and Eastern Inshore Channel will be hazardous to navigation, the assessment should have considered recreational boating as an economic driver to the maritime sector and the implications of the MDZ (both within and outside the Anglesey) to: manufacture, distribution and servicing of recreational craft; suppliers of components, equipment and accessories; together with consumer services. The RYA recommends that the Supplementary Tourism and Recreation Assessment has insufficient information concerning the maritime recreation industry to enable a licensing decision and should not be used to demonstrate the benefit and/or disbenefit of the MDZ to this socioeconomic sector.

8.9 Response - Morlais propose to conduct additional monitoring of marine-related activities (including boating activities), in addition to the analysis of tourism and recreation activities. The impact of the MDZ on marine-related activities will be monitored in conjunction to tourism and recreation activities. This will be completed in 2021. RYA affiliated clubs can be included in the additional monitoring process of marine-related activities.

Snowdonia Canoe Club

8.10 SCC considers that the impact of the MDZ as currently proposed, particularly the risk to navigation by sea kayak and degradation of seascape is expected to have a detrimental impact on the local economy. The sea kayak community does not accept that the Supplementary socio-economic assessment and Recreation and tourism assessments adequately represent the potential negative impact of the Morlais scheme on the local sea kayak-based economy.

8.11 Response - Morlais propose to conduct additional monitoring of marine-related activities (including sea kayak enterprise and tourism), in addition to the analysis of tourism and recreation activities. The impact of the MDZ on marine-related activities will be monitored in conjunction to tourism and recreation activities. This will be completed in 2021.

8.12 *Chapter 25 of the ES prepared by Aquatera [11] devoted just one paragraph to the use of the MDZ for kayaking and gave the impression that the area is only for the use of experienced*

kayakers and that all that is required by Morlais is to keep the sea kayak community informed of the development of the site and for some signage. This is counter to good practice in socio-economic and recreational impact assessments in USA [14, 16] as recommended for surfing impacts [15] and in EMEC [47] and as recommended by international good practice guides e.g. the Ocean Energy Systems Environmental 2020 State of the Science Report [48]. These latter two omissions are particularly surprising given that Aquatera was the socio-economic consultant for EMEC and is a partner in OESEnvironmental.

- 8.13 Response - The references provided by Snowdonia Canoe Club are not peer reviewed with the exception of Voke et al. (2013) Economic evaluation of the recreational value of the coastal environment in a marine renewables deployment area, Ocean and Coastal Management, 78, 77-87. Findings and conclusions can have far-reaching implications for individuals and society, which is why academic studies undergo a process of quality control known as 'peer review' before they are published. The non-Voke et al. (2013) work relied on by SCC has not been peer reviewed and therefore there hasn't, as far as Morlais is aware, been any quality control of the conclusions made. Morlais has considered the contingent valuation method and travel cost methods used by Voke et al. (2013) to produce indirect valuations of the environmental ecosystem. The objective Morlais has is identify any changes in tourism and recreation activities due to the MDZ. Therefore the proposed survey approach, coupled with analysing publicly available data, and agreed with Isle of Anglesey County Council, is a more suitable approach to measure tourism and recreation activities. However, Morlais accepts the conclusion of Voke et al. (2013) that the "results show that only a small number of visitors, 3.5%, would be put off visiting the area again due to marine renewable energy developments" and that "marine energy developments should not affect tourist revenue."
- 8.14 SCC considers that greater consideration should be given to this recreational activity in terms of potential impacts from the proposal. They strongly recommend that engagement with these local recreational groups, and associated stakeholders, is initiated at the earliest opportunity while due recognition is given to the public representations received. SCC wishes to reiterate that it is not opposed to the development of marine energy or tidal turbines around Anglesey. Our interest is to ensure that the legitimate interests and concerns of the sea kayak community are properly represented in the consenting process for a Marine License and the TWA Order.
- 8.15 Response - Kayaking activities were not dismissed by Morlais; both Anglesey Adventures and Snowdonia Canoe Club were included in the supplementary tourism and recreation assessment. In its ongoing work on analysing socio-economic matters relating to the MDZ, Morlais recognise the importance of marine activities (including kayaking) and has agreed to conduct a survey of activities, in addition to tourism and recreation activities, as part of its

monitoring process. This will also involve producing a baseline of marine activities. Due to Covid-19 restrictions and subsequent uncertainty, this work will be completed in 2021.

- 8.16 The point was strongly made by SCC that any socio-economic assessment would require some estimation of the numbers and nature of current employment in kayak-based enterprises along with an assessment of the numbers of kayakers visiting Anglesey. Previous analysis were based entirely on national level standard industrial classification (SIC) based data, which is a very blunt tool to examine the operation of a micro-segment of the outdoor recreation and training sector. SCC offer to assist if further data were required. At the very least they expected the recreation and tourism report should provide a recognisable description of coastal and marine recreation.
- 8.17 Response - Voke et al. (2013) found "that only a small number of visitors, 3.5%, would be put off visiting the area again due to marine renewable energy developments" and that "marine energy developments should not affect tourist revenue." Therefore, there is limited impact expected on marine activities and Morlais initially concluded that there was not a need to produce a stand alone analysis of marine activities. However, its ongoing work on analysing socio-economic matters relating to the MDZ, Morlais recognise the importance of marine activities (including kayaking) and has agreed to conduct a survey of activities, in addition to tourism and recreation activities, as part of its monitoring process. This will also involve producing a baseline of marine activities. Due to Covid-19 restrictions and subsequent uncertainty, this work will be completed in 2021.
- 8.18 SCC considers that the sea kayak economy has not previously been described so they undertook two short surveys to back up claims made by the sea kayak community's representations of the international status of the Stacks as a premier paddling and training area. There were two online questionnaire surveys, the first, 'Paddler survey' was aimed at individual sea kayakers frequenting Holyhead and ran from 19 Aug to 11 Sept 2020 with 172 returns. The second, 'Guide survey' was directed to a list of local kayak companies and between 13 – 16 September with 15 responses. Overall, the paddlers spent 44% of their days on the water around the Stacks, though it seems that the Stacks are the main draw for visitors from further away and accounts for 64% of paddles by International visitors. A crude estimate of direct employment in sea kayaking related business would be around 80 with many of them self-employed or proprietors of micro businesses the largest of which might employ 20 people. There is a lot of collaboration with many guides sub-contracting to manage larger groups of clients or run events.

- 8.19 Response - Morlais welcomes the work done by Snowdonia Canoe Club and will look to incorporate the results of the 'Paddler survey' and 'Guide survey' in the production of a baseline of marine activities (including kayaking) that can be used as part of the monitoring process. In its ongoing work on analysing socio-economic matters relating to the MDZ, Morlais recognise the importance of marine activities (including kayaking) and has agreed to conduct a survey of activities, in addition to tourism and recreation activities, as part of its monitoring process. Both Anglesey Adventures and Snowdonia Canoe Club were included in the initial tourism and recreation assessment and will be invited to contribute to the assessment of marine activities. Sea Kayaking UK (based in Holyhead) was also invited to participate in the initial tourism and recreation assessment (and visited by Morlais) but did not provide any feedback. Due to Covid-19 restrictions and subsequent uncertainty, this work will be completed in 2021.
- 8.25 The relevant statement of case relates to the possible adverse impact of the MDZ on tourism and recreation activities, including how it can coexist with current offerings in the area. For the reasons outlined above, none of the objections raised by Isle of Anglesey County Council, Royal Yacht Club, and Snowdonia Canoe Club give reason to doubt the assessments already taken. To the extent that any risk remains, or that a more specialised assessment of (e.g.) sea kayaking needs to be undertaken, this can be done as part of the ongoing monitoring plan.

9. SUMMARY AND CONCLUSIONS

9.1 As set out at the beginning of this document my evidence is based on my work on the Morlais project since January 2020.

9.2 This evidence sets out the initial assessment of the impact the MDZ will have on local tourism and recreation activities, how Morlais will monitor the impact of the MDZ on the local tourism and recreation sector, and how the project will provide opportunities for local employment and businesses.

9.3 In my view, the project provides a unique opportunity for the locality through the creation of employment opportunities, upskilling of the workforce, new and diversified opportunities for businesses through participation in the supply chain. The Morlais project is committed to maximise socio-economic benefits through actions to reducing the skills gap, ensuring businesses have the necessary accreditations to participate in the supply chain, and by providing mitigation actions if the MDZ is found to have an adverse impact on the tourism and recreation sector.

9.4 Morlais made an initial assessment of the possible impact the MDZ could have on local tourism and recreation activities. This assessment included: interviews with local tourism and recreation businesses, analysis of publicly available data, and desktop research of the impact marine energy production has on tourism and recreation activities.

9.5 There was no clear evidence in this initial assessment of the significant adverse impact marine energy production has on tourism and recreation activities. Therefore, Morlais proposes to monitor the impact of the MDZ on tourism and recreation activities through annual interviews with local tourism and recreation businesses, the installation of counting solutions technology along the costal path to monitor tourism activities, and ongoing analysis of publicly available data on trends in related activities. In addition, comparison with other regions will be made to take account the effect of covid19. This proposed approach includes establishing a baseline of tourism and recreation activities and monitoring any movement away from this baseline due to the MDZ.

9.6 Morlais is committed to maximising the benefits of the MDZ to the local supply chain and businesses. To achieve this, Morlais developed an action plan through discussion with Isle of Anglesey County Council and Gwynedd County Council. This action plan is based on Gwynedd County Council's procurement strategy 'Cadw'r Budd yn Lleol' and is outlined below:

9.6.1 Morlais and its tenants to identify work that could be tendered out, including any specific credentials (e.g. ISO) needed to complete the work,

- 9.6.2 Morlais to advertise the work that is tendered out including the specific credentials needed to complete the work and, where possible, future work that could come,
 - 9.6.3 Morlais to hold 'Meet The Buyers' events and working groups to determine what credentials businesses are currently missing which would hinder them from tendering for work at the development zone,
 - 9.6.4 Morlais to support local businesses that need to obtain specific credentials which would allow them to tender for work with Morlais and its tenants.
- 9.7 Morlais is committed to maximising the benefits of the MDZ to providing employment opportunities to local people. To achieve this, Morlais developed an action plan through discussion with Isle of Anglesey County Council and North Wales Regional Skills Partnership. This action plan aims to identify and address any skills gaps and is outlined below:
- 9.7.1 Morlais and its tenants to identify a schedule of work during the development and operation of the demonstration zone (including analysing data already gathered by Morlais),
 - 9.7.2 Morlais to identify what skills will be required to complete this work and at what stage those skills will be required,
 - 9.7.3 Work with the North Wales Regional Skills Partnership to identify what skills are available in the region; including what skills will be available in the future, and what other opportunities (not related to Morlais) there are for people with particular skills,
 - 9.7.4 Identify gaps (if any) between the skills required by Morlais during the development and operation of the demonstration zone and those available in the region,
 - 9.7.5 Working with the North Wales Regional Skills Partnership (who will engage with local FE/HE institutions and providers of work-based apprenticeships), to initiate actions to reduce the skills gap.
- 9.8 The Morlais project aims to maximise the socio-economic benefits to the locality and the project has committed to via the following planning conditions:
- 9.8.1 Condition 15 - At least six months prior to the commencement of construction of the development a Tourism and Recreation Monitoring Strategy, substantially in

accordance with Chapter 10 of the Supplementary Tourism and Recreation Assessment, will be submitted to and approved by the Planning Authority.

9.8.2 Condition 16 - Prior to the commencement of construction of the development, proposals for a Promotion and Interpretation Strategy. Substantially in accordance with the Outline Promotion and Interpretation Strategy, will be submitted to and approved by the Planning Authority.

9.8.3 Condition 17 - At least six months prior to the commencement of construction of the development a Skills and Training Action Plan, substantially in accordance with the proposals within Chapter 3 of the Supplementary Socio-Economic Assessment, will be submitted to and approved by the Planning Authority.

9.9 The Supplementary Tourism and Recreation Assessment report is criticised for not fully consider the impact of the MDZ on marine activities. Both Anglesey Adventures and Snowdonia Canoe Club were included in the initial tourism and recreation assessment. In its ongoing work on analysing socio-economic matters relating to the MDZ, Morlais recognise the importance of marine activities (including kayaking) and has agreed to conduct a survey of activities, in addition to tourism and recreation activities, as part of its monitoring process. However, it is anticipated that this additional analysis will agree with that of Voke et al. (2013) that marine energy developments should not affect tourist revenue and that only a small number of visitors would be put off visiting the area again due to marine renewable energy developments.

9.10 In my view, the MDZ provides a unique opportunity for the local economy through the creation of employment opportunities, upskilling of the workforce, new and diversified opportunities for businesses through participation in the supply chain. Morlais is committed to maximising economic benefits through actions to reducing the skills gap and ensuring businesses have the necessary accreditations to participate in the supply chain. Morlais completed an initial assessment of the tourism and recreation sector. This assessment concluded that there was no clear evidence of the significant adverse impact marine energy production has on tourism and recreation activities, however, if the MDZ is found to have an adverse impact on the tourism and recreation sector Morlais is prepared to provide mitigation actions.



Economic evaluation of the recreational value of the coastal environment in a marine renewables deployment area

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ABSTRACT

Marine renewable energy generation (ocean energy) is a growing industry due to global demands for increasing power supplies and reduction in carbon emissions. Intrinsic assets associated with deployment environments and values associated with their existing use need to be established to ensure balanced decisions can be made regarding the sustainable development of marine areas.

This paper assesses the value of the marine environment around St. David's, Pembrokeshire, UK, where a tidal stream turbine demonstration project is underway and larger array developments, both wave and tidal, are planned for the next few years. It was found that the marine environment contributed, on average, to 78% of visitors' total enjoyment of the area.

A Contingent Valuation Method (CVM) and Travel Cost Method (TCM) used data collected from questionnaires at the case study site to produce cost and valuation results. The results showed there was a higher revealed preference average value of £148 per person attributed to the area through the Travel Costs incurred by visitors than their stated preference average valuation of £6.70 per person from a willingness to pay CVM contribution. Interviewees were also asked about the potential impact renewable energy generation in the area would have on their visit. Visual aspects of developments and the impact of wave height reduction were queried in particular. Using these responses from interviewees, the influence of marine energy generation in the case study area and the impact on the value of the marine environment was analysed.

The results show that only a small number of visitors, 3.5%, would be put off visiting the area again due to marine renewable energy developments. Underwater, non-visible devices were shown to have the least impact on people's enjoyment of the marine environment compared to surface based designs. These results suggest that marine energy developments should not affect tourist revenue.

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1. Introduction

Marine energy generation is an attractive option for many countries. Commitments to reduce carbon emissions and requirements to ensure energy security mean that renewable energy developments are increasing worldwide. Tidal energy, and to a lesser extent wave energy, have greater predictability than wind energy and solar photovoltaic. As technology develops and cost/kW reduces, marine energy is increasingly being seen as a viable part of flexible energy supply. The UK central government and the devolved administrations of Wales and Scotland all have released policy statements (WAG, 2010; Welsh Government, 2012) or introduced initiatives aimed at catalysing the marine renewables

industry. While larger incentives in Scotland have initially led to the majority of developments to date occurring off the north coast, the re-structuring of Renewable Obligation Certificates (ROCs) has stimulated increased interest in England and Wales (Pelmore and Nind, 2011). Marine energy sites often geographically coincide with important marine habitats. This is particularly the case for tidal stream sites where the high energy swept rock channels have important ecosystem functions.

The initial site selection for energy generation devices is a primary factor affecting the costs of installation and involves consideration of many criteria. Environmental baseline studies for potential sites is critical to establish the short term and long term impact new devices will have on the environment. Any construction for ocean energy needs to be considered in context with other uses of the site and coastal zones close by, both from human use (e.g. White et al., 2012) and existing ecological habitats. Conflicts may arise from common uses of the area such as recreation and

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