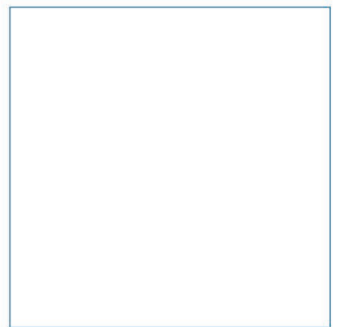
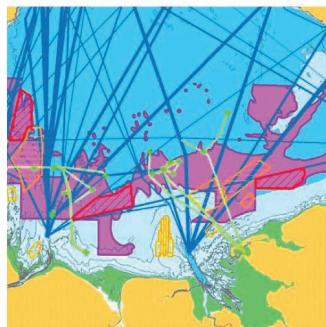
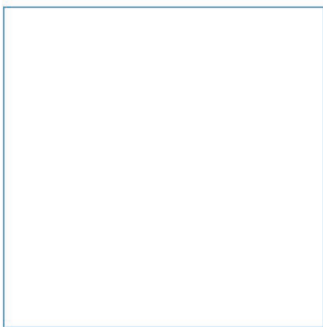
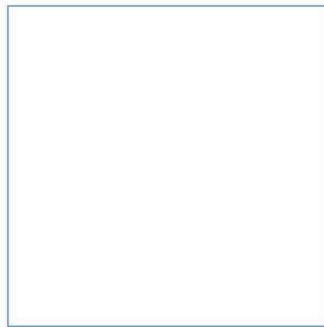


Welsh Government

Developing Strategic Resource Areas for Marine Planning
Sustainability Appraisal

June 2023



Innovative Thinking - Sustainable Solutions



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Developing Strategic Resource Areas for Marine Planning




Sustainability Appraisal

June 2023



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Summary

In line with the Welsh National Marine Plan (WNMP), Welsh Government is progressing the identification of potential Strategic Resource Areas (SRAs) and the activation of the WNMP policy (SAF_02) to safeguard the availability of areas of resources upon which a sector is dependent from significant adverse impacts from any new proposals that are being considered by other sectors within these areas. The Welsh Government anticipates introducing some SRAs in 2024 through Marine Planning Notices (MPNs) following public consultation.

The Sustainability Appraisal (SA) Report (this document) considers the potential environmental and socio-economic effects of the mapping work that has been carried out to identify potential SRAs and the activation of policy SAF_02. This will ensure that decision-making is informed by relevant environmental and socio-economic information. Once published for consultation, the SA will also provide opportunities for the public to consider this information and use it to inform their views.

Initial SEA and HRA screening concluded that both SEA and plan level HRA processes were not required in relation to resource safeguarding through SRAs and activation of SAF_02. These conclusions are being kept under active review by Welsh Government to reflect any changes once further information on the content of the SRA MPN is finalised.

The SA of the WNMP has already assessed the likely effects of the activation of SAF_02 and concluded that SAF_02 was considered to be a neutral policy which would not lead to significant socioeconomic or environmental effects (positive or negative). Positive effects of SAF_02 associated with the safeguarding of future low carbon energy resource and future resources, and the provision of jobs and contributions to the Welsh economy, as well as on governance were considered likely. However, the scale of all these positive effects are uncertain and therefore were not considered significant. No negative effects associated with SAF_02 were identified.

The sustainability effects of activating SAF_02 were considered and evaluated against the relevant WNMP policies, as well as the seven well-being goals of the Well-Being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016. An appraisal of the SRA mapping methodology and outputs was also undertaken against the [SRA Design Principles](#) that underpinned the development of potential SRAs. In summary, the activation of SAF_02 and the SRA mapping work is considered to support the sustainable development and use of Welsh waters and will not lead to any significant environmental, social or economic effects.

As no significant negative effects on sustainability have been identified, no mitigation or monitoring measures are considered necessary for the SRA mapping or activation of the policy SAF_02. A monitoring strategy may, however, be required to ensure the ongoing review of the effects of this policy via the already established iterative plan review (IPR) framework for the WNMP.

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1 Introduction

1.1 Overview

Welsh Government is progressing, in line with the Welsh National Marine Plan (WNMP), the identification of potential Strategic Resource Areas (SRAs) to safeguard, from significant adverse impacts from any future new proposals, areas of resources upon which a sector is dependent. This has involved Welsh Government undertaking a mapping project to identify potential SRAs to which the relevant WNMP safeguarding policy (SAF_02) could be applied.

The refined RA and SRA mapping project and activation of policy SAF_02 are the subject of this Sustainability Appraisal (SA) Report (this document). This SA has been undertaken in the context of sustainable development through the integration of environmental, social and economic considerations.

1.2 Sustainability appraisal

An SA is a form of assessment that considers the social, economic and environmental effects of a plan or programme in the context of sustainable development. Schedule 6 (Part 10) of the MCAA states that:

- "(1) A marine plan authority preparing a marine plan must carry out an appraisal of the sustainability of its proposals for inclusion in the plan.*
- (2) The authority may proceed with those proposals only if it considers that the results of the appraisal indicate that it is appropriate to do so.*
- (3) The marine plan authority must publish a report of the results of the appraisal.*
- (4) The report is to be published when the marine plan authority publishes the consultation."*

The WNMP guides the sustainable development of Welsh waters by setting out how proposals will be considered by decision makers, and by providing tools to facilitate spatial planning in the marine environment. Through an iterative approach, an SA of the Draft WNMP was carried out in 2019 to ensure that sustainability considerations were taken into account by the plan¹. The SA appraised the likely sustainability effects of implementing the following key components of the Draft WNMP:

- Vision;
- Plan objectives;
- Sector objectives;
- General cross-cutting policies; and
- Sector policies (including SRAs).

In addition, a reasonable alternative to the WNMP was appraised, namely a 'High level strategic WNMP' which provides a lower level of spatial specificity relative to the WNMP. The SA assumed that the high level strategic WNMP alternative would still provide sector-specific policy but would not include identifying SRAs.

Overall, the appraisal found that the implementation of the WNMP policies will have positive effects on the majority of the SA criteria.

¹ <https://www.gov.wales/welsh-national-marine-plan-sustainability-appraisal>

However, the SA acknowledged the diversity of marine habitats and species in Wales, the ecosystem services and benefits they provide, and their sensitivity to pressures resulting from new developments and activities, including from impacts associated with the development and use of the marine area that may be supported through the implementation of the WNMP, and in particular the sector policies. As such, some negative effects were identified, however, the general cross-cutting policies of the WNMP were found to provide a strong framework to manage such impacts, and it is against the provisions of these policies alongside a range of environmental regulatory controls that proposals are determined (as appropriate) under statutory regulatory processes.

The SA that has been undertaken of the refined RA and SRA mapping project and activation of policy SAF_02 (this document) will ensure that decision-making is informed by relevant environmental and socio-economic information. Once published for consultation, the SA will also provide opportunities for the public to consider this information and use it to inform their views.

1.3 Purpose of report

The overall aim of this SA is to indicate how the identification of SRAs and activation of SAF_02 for a given sector may contribute towards sustainable development. The SA process also identifies if there are any environmental or socio-economic effects and how significant adverse effects may be mitigated.

The sustainability implications of SRA development have been considered against the relevant sector and environmental, social and economic policies that are encompassed by the WNMP, as well as acknowledging the requirements of the Environment (Wales) Act 2016 and the Well-Being of Future Generations (Wales) Act 2015.

The main objectives of the SA are as follows:

- Test the mapping of potential SRAs and the activation of WNMP safeguarding policy SAF_02 against the SA framework that was applied to the SA of the WNMP;
- Develop options for SRA boundary setting and activation of safeguarding policy SAF_02, including reasonable alternatives within the set WNMP policy wording and agreed SRA Design Principles;
- Evaluate the likely sustainability effects (positive and negative) of SRA mapping, the activation and application of safeguarding policy SAF_02, and any alternatives – this has been guided by the SRA Design Principles, including consideration of spatial constraints and opportunities;
- Consider ways of mitigating adverse sustainability effects of resource safeguarding under Policy SAF_02 and maximising beneficial effects; and
- Propose measures to monitor the predicted significant effects of mapping SRAs and implementing policy SAF_02.

2 Strategic Resources Areas and Safeguarding Policy SAF_02

2.1 Background

The Marine and Coastal Access Act 2009 (MCAA)² provides the framework for marine planning in the UK. It provides for production of a Marine Policy Statement (MPS) for the UK, sets Welsh Ministers as the marine planning authority for Wales and requires the production of marine plans where an MPS is in place. The UK MPS³ provides the framework for preparing marine plans and provides the high-level policy context within which marine planning in Wales has been developed.

The WNMP⁴, which was adopted in 2019, provides a statutory policy framework to help guide the sustainable development of Welsh seas over the next 20 years. Decisions taken by public authorities need to be in accordance with the WNMP, unless relevant considerations indicate otherwise, while activities and proposals coming forward need to reflect WNMP policies.

The MPS requires marine plans to “**provide for greater coherence in policy and take a forward-looking, proactive and spatial planning approach to the management of the marine area, its resources, and the activities and interactions that take place within it**” (MPS Chapter 1, Section 1.1).

In order to understand future resource use opportunities and identify important resources upon which certain sectors may depend, the WNMP makes provision for the introduction and refinement of SRAs⁵ (WNMP, paragraphs 46-61).

The WNMP includes safeguarding policies that aim to facilitate compatibility between current sector activities and/or some potential future activities when considering new proposals. These policies largely formalise common planning practice (i.e., consideration of the potential tensions between sectors and the management of this) but ensure that these considerations are made in a structured and timely manner at an appropriate stage in the proposal development or determination process. There are four safeguarding policies in the WNMP:

- **DEF_01** safeguards activities related to the Defence Sector;
- **SAF_01a** and **SAF_01b** apply to the safeguarding of existing non-defence related activities (depending on whether the activity requires a formal authorisation (01a) or not (01b)); and
- **SAF_02** safeguards strategic resources that particular sectors may wish to utilise in the future and aims to ensure that these are not sterilised or otherwise significantly constrained by incompatible activities. This will be achieved by the identification of Strategic Resource Areas (SRAs) through Marine Planning Notices (MPNs) and will be supported by Implementation Guidance.

The introduction of any SRAs therefore effectively activates WNMP safeguarding policy SAF_02 for the related sector.

² <https://www.legislation.gov.uk/ukpga/2009/23/contents>

³ <https://www.gov.uk/government/publications/uk-marine-policy-statement>

⁴ <https://www.gov.wales/welsh-national-marine-plan>

⁵ An MPN will set out the scope and extent of the SRA(s), including details of the safeguarded area(s) of natural resource and the rationale for introducing resource safeguarding for those areas.

SAF_02: Safeguarding strategic resources

Proposals which may have significant adverse impacts upon the prospects of any sector covered by this plan to engage in sustainable future strategic resource use (of resources identified by an SRA) must demonstrate how they will address compatibility issues with that potential resource use.

Proposals unable to demonstrate adequate compatibility must present a clear and convincing case for proceeding.

Compatibility should be demonstrated through, in order of preference:

- **Avoiding significant adverse impacts on this potential strategic resource use, and/or**
- **Minimising significant adverse impacts where these cannot be avoided; and/or**
- **Mitigating significant adverse impacts where they cannot be minimised**

2.2 Definition and purpose of strategic resource areas

Resource Areas (RAs) as identified within the WNMP are broad spatial areas that describe the distribution of a particular natural resource that is, or has the potential to be, used by some sectors (in terms of technical feasibility) (WNMP, paragraph 44 and Figure 2). The WNMP recognises that these broad areas will change as understanding improves, further evidence becomes available and/or sector technology develops. RA boundaries have been refined to take account of technical considerations (e.g., water depth, distance to shore), hard constraints and soft constraints. SRAs essentially form a further spatial refinement of the RAs by identifying more targeted areas of resource of strategic importance to the sector, which could merit safeguarding through WNMP policy.

SRAs are intended to safeguard spatially defined areas of natural resource and facilitate proactive dialogue between sectors when planning future activities, ensuring any plans to expand resource use do not unnecessarily constrain either sector, while safeguarding the availability of key areas of strategic resource. As defined in WNMP (paragraph 47) SRAs are “...**a tool to improve the management of marine activities, space and resources, helping to support the management of sector-sector interactions and providing a focus for further strategic planning**”. They are discrete, delineated areas of natural resource with the potential to support future sustainable use by a specific sector. In other words, they represent a change in approach to resource management in certain areas, from a first-come first-served approach, to a plan led approach.

SRAs do not imply the acceptability or unacceptability of an area for specific developments. Paragraph 48 of the WNMP sets out the purpose of SRAs: “**SRAs, where introduced, will guide related sector safeguarding policy. SRAs do not necessarily confer development suitability nor do they sterilise an area from development by other activities. Unless specified, SRAs do not imply any particular scale or rate of development or resource use and certain human activity may not be appropriate in an SRA because of the requirement to protect MPA features. Areas safeguarded by an SRA may reflect the long-term potential for a sector over the lifetime of this Plan or beyond.**”

SRAs are simply intended to safeguard resources and facilitate proactive dialogue between sectors when planning future activities.

The WNMP specifies that, in deciding whether to propose the introduction of an SRA, the Welsh Government (as the marine planning authority) should have regard to the overall need for and benefit

of the approach, together with the extent to which technical considerations allow identification of a realistic, focussed and meaningful SRA (WNMP, paragraph 51). Table 4 of the WNMP describes the role of SRAs in underpinning the sustainable development of natural resources in terms of:

- Societal benefit;
- Resource distribution, including technical constraints;
- Sectoral ambition, capability and direction;
- Resource use constraints (environmental, economic and societal); and
- Resource value (environmental, economic and societal).

2.3 Marine planning notice and activation of SAF_02

SAF_02 safeguards strategic resources for future potential use enabled by the spatial mapping of the relevant natural resources. The supporting text to the policy (WNMP, paragraph 250) states the “**policy will apply to an SRA from the point at which it is introduced through the publication of a MPN**”. This is aligned to earlier text in the WNMP (paragraph 50) which states “...**the marine planning authority may introduce SRAs through the publication of a MPN**”. In other words, the MPN formally activates WNMP policy SAF_02 with regards to the relevant SRAs for the identified sector of interest. Thus, there will be a specific MPN for each SRA (sector) progressed.

The structure and content of the MPN is likely to include, but is not limited to, the following:

- A clear statement of the role and status of the MPN in decision making (referring back to the relevant provisions in the WNMP);
- The date from which this comes into force and the actions required from the different parties from this date i.e. all decision makers to apply WNMP policy SAF_02 in relation to the relevant sectors;
- The provisions under which the SRA has been identified and WNMP policy SAF_02 is activated;
- The rationale / justification for taking this action;
- A summary of the process by which the SRA has been identified and developed;
- The scope / extent of the activation of WNMP policy SAF_02 and the details of the SRA (the sector, the safeguarded area(s) of natural resource);
- Statement that SRAs do not guide development and all proposals coming forward within the SRA will need to follow normal authorisation and consenting procedures;
- Map(s) of the SRA safeguarded area(s) of natural resource –signposting to the Marine Planning Portal for ‘live’ detailed mapping;
- The provisions/arrangements for updating, reviewing and withdrawing an MPN / SRA; and
- Signposting to the underpinning evidence pack (maps, spatial evidence, impact assessments, Sector Locational Guidance, consultation responses etc.) and sources of further guidance e.g. the Implementation Guidance.

2.4 Development and implementation of strategic resource areas

Welsh Government is progressing, in line with the provisions set out in paragraphs 53-55 of the WNMP, the development of potential SRAs to safeguard, from significant adverse impacts from any future new proposals, areas of resources upon which a sector is dependent (ABPmer, 2023). This has involved undertaking an SRA mapping project to support identification of potential SRAs to which WNMP safeguarding policy SAF_02 could be applied.

The SRA mapping project was undertaken in line with the principles of Sustainable Management of Natural Resources (SMNR)⁶ and the design criteria set out in the WNMP (paragraph 55), namely:

- Apply technical criteria to best represent the resource most likely to be practically and economically viable given current technologies;
- Apply other sectoral spatial needs to refine the extent of the SRA, seeking to minimise or avoid conflict and encourage coexistence;
- Identify areas where consideration may need to be given to alternative options for resource use;
- Identify environmental constraints and opportunities relevant to the SRA;
- Identify social constraints and opportunities relevant to the SRA; and
- Consider the relationship between the SRA and the objectives and relevant general and sector policies of the WNMP.

In addition, Welsh Government has taken account of the following SRA Design Principles⁷ in mapping and developing potential SRAs:

- Be guided by relevant WNMP objectives and policies;
- Apply the best available evidence throughout the process;
- Apply technical criteria relating to sector-specific practical and economic considerations in order to understand the potential technical viability of resource use;
- Identify and exclude areas of sector-specific 'hard' constraints [for example, in relation to SAF_01a];
- Take account of 'soft' constraints and amend potential SRAs as appropriate [for example, considering existing activity (SAF_01b); environmental considerations (policies ENV_01, 02, 07); social/cultural considerations (policies SOC_05, 06, 07)];
- Seek to minimise conflict between sectoral opportunities;
- Seek to promote coexistence⁸ and optimise spatial planning for resource safeguarding;
- Incorporate 'adequacy of scale' considerations with respect to a sector's scale of operation and potential growth rate⁹ etc.;
- Avoid SRAs overlapping each other where coexistence between activities may not be possible; and
- Ensure clarity of safeguarding through avoiding disproportionately complex boundaries and disjointed or fragmented areas, where possible, in the final proposed SRAs.

2.5 Stakeholder engagement

Stakeholder input is integral to the SRA mapping project and key to identifying areas of resource with the potential for future sustainable use. Thus, the application of evidence and mapping of the SRAs was shaped by the feedback of stakeholders throughout the process. Furthermore, discussions with stakeholders have included, but not been limited to, discussions around positive sustainability outcomes, and assurance as to the absence of significant negative effects on sustainability from the implementation of a SRA.

⁶ See Table 3 in the WNMP.

⁷ <https://www.gov.wales/welsh-national-marine-plan-strategic-resource-area-identification-design-principles>

⁸ The WNMP defines coexistence as when multiple developments, activities or uses can exist alongside or close to each other in the same place and/or at the same time. Co-location is a subset of coexistence and is where multiple developments, activities or uses coexist in the same place by sharing the same footprint or area. (WNMP paragraph 98).

⁹ Incorporating consideration of factors such as, for example, maturity of the sector and proximity to market, potential demand/markets, government policy, supporting infrastructure and supply chains.

Invitations to engage with and input into the SRA mapping project were sent out to a varied technical stakeholder group, encompassing developers, academics, NGOs, regulators and industry bodies. These stakeholders were selected by Welsh Government and represented a diverse range of backgrounds and experience relevant to the project.

A combination of feedback requests, interactive workshops and presentations have been used to facilitate engagement. This included five stakeholder events, one of which was spread over a series of workshops specific to the focus sectors in June 2022. Feedback was requested and acknowledged both through direct requests, sent out to stakeholders, and the collation of comments received during and post events. Mindful of stakeholder feedback and given the adaptive and iterative approach which was taken, the mapping project evolved substantially from its initial inception to delivery of the final outputs (the refined RA maps) to Welsh Government in early summer 2023.

The Welsh Government anticipates consulting on potential SRAs in Autumn 2023 and introducing any identified SRAs during 2024.

3 Approach to the Sustainability Appraisal

3.1 Scope of the plan and assessment

The scope of the SRA mapping project and thus this document, the associated SA, covers several sectors. Referred to as the 'focus sectors' within the SRA mapping project, these sectors are all considered to have the potential to sustainably expand activity footprints over the period covered by the WNMP (up to 2040 or beyond):

- Aquaculture;
- Aggregates;
- Floating Offshore Wind (FOW);
- Tidal Range;
- Tidal Stream; and
- Wave Energy.

The SRA mapping project has resulted in the production of a Derivation Report, along with refined RA mapping outputs informed through spatial analysis, evidence review and stakeholder input for all of the focus sectors (ABPmer, 2023). The project has also involved the preparation of an SA (this document). This SA is intrinsically linked to other key elements of the SRA mapping project (spatial analyses and stakeholder engagement), which together have combined to facilitate potential development of SRAs (see Figure 1).

For this SA, the SRA MPN is considered a plan or programme. The SA has, therefore, appraised the socio economic and environmental effects of the identification and mapping of SRAs in relation to the focus sectors and the activation of the WNMP safeguarding policy SAF_02.

To meet the aims and objectives of the SA as set out in Section 1.3, the appraisal has focussed on the process that was involved in refinement of the RAs and thus development of the potential SRAs (see Section 2.3), and identified, described and evaluated the likely environmental, social and economic effects of the SRA mapping while concurrently appraising the effects of any reasonable alternatives.

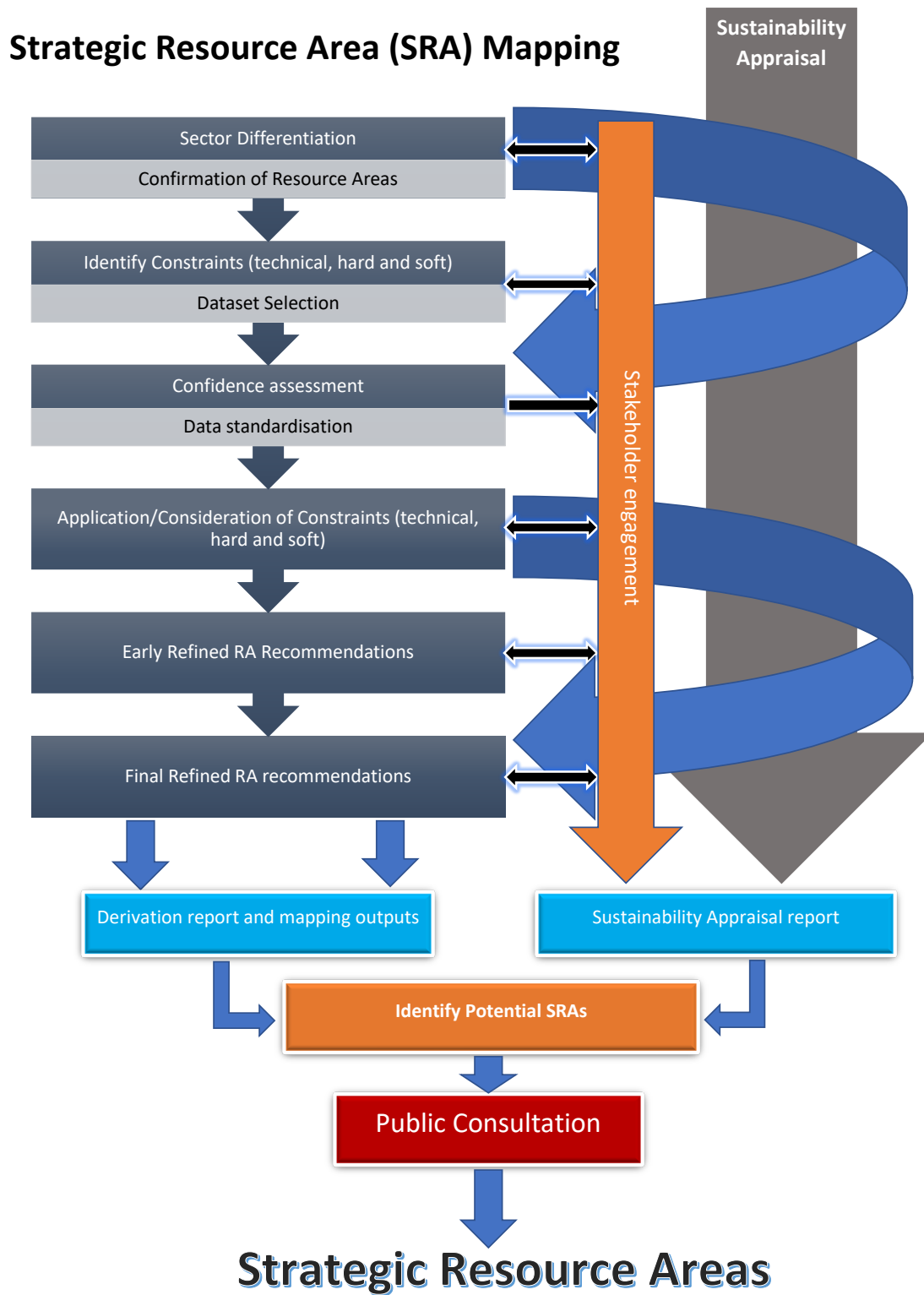


Figure 1. The SRA mapping process

3.2 Assessment methodology

The SA has reviewed whether the development of the SRAs and activation of policy SAF_02 aligns with the relevant policies that underpin the WNMP and wider relevant legislation. This has involved a number of separate processes and considerations which are set out in the following sections:

- SRA activation (Section 3.2.1); and
- SRA mapping methodology and potential outputs (Section 3.2.2).

3.2.1 Strategic resource area activation

Strategic environmental assessment screening

A draft Strategic Environmental Assessment (SEA) screening has been undertaken of the proposed SRA MPN that is being developed by the Welsh Government under the WNMP¹⁰. This was undertaken in fulfilment of Directive 2001/42/EC on the assessment of the effects of certain plans and programmes on the environment (the SEA Directive) which has been transposed into UK legislation as The Environmental Assessment of Plans and Programmes Regulations 2004 (Statutory Instrument 2004 No.1633) (the SEA regulations).

SEA is a systematic decision support process, aiming to ensure that the likely significant environmental effects of plans and programmes are identified, described and assessed to avoid, manage or mitigate any significant adverse effects and to enhance any beneficial effects. In this context, the purpose of SEA is to encourage relevant plan authors to integrate environmental considerations into the development of any plan or programme.

The SEA screening used information made available by Welsh Government and the likely contents of the SRA MPN, taking into account that at the time the screening was undertaken, the work on the MPN and SRAs was ongoing and yet to be completed and implemented.

As part of the SEA screening, the requirement to undertake an SA of the SRA MPN was also considered and it was concluded that an SA of the SRA MPN would not be required. However, Welsh Government decided that an SA be beneficial for the SRA process and inform the contribution of marine planning to the achievement of sustainable development and therefore an SA has been undertaken (this document).

Habitats regulations assessment screening

Welsh Government, as the marine planning authority and, therefore, the competent authority for the WNMP, has undertaken a Habitats Regulations Assessment (HRA) screening of the SRA MPN¹¹ to determine whether the SRA MPN will require an Appropriate Assessment in accordance with Regulation 63 of The Conservation of Habitats and Species Regulations 2017 (the 'Habitats Regulations') and Regulation 28 of The Conservation of Offshore Marine Habitats and Species Regulations 2017 (the 'Offshore Habitats Regulations')¹².

Whilst the SRA MPNs are not excluded or exempt from the relevant tests in the Regulations, they might be 'eliminated' from further consideration (in accordance with current HRA guidance and practice) if they meet certain criteria.

¹⁰ <https://www.gov.wales/strategic-environmental-assessment-screening-strategic-resource-area-marine-planning-notice>

¹¹ <https://www.gov.wales/strategic-resource-areas-and-marine-planning-notices-habitats-regulations-assessment>

¹² The Conservation of Habitats and Species Regulations 2017 were amended by the Conservation of Habitats and Species (Amendment) (EU Exit) Regulations 2019 to reflect the UK's exit from the EU.

Typically, such plans will either be “**general aspirations or expressions of political will**”; or will not contain “**...any strategies or policies, or make any proposals or provisions for any changes, that could conceivably affect a European site**”¹³.

Review against sustainability appraisal framework and criteria

The sustainability of the SRA MPN (and supporting Implementation Guidance) was tested against the framework set out in the SA of the WNMP¹⁴ to ensure that activation of SAF_02 met relevant SA criteria.

The 14 SA criteria broadly present the preferred social, economic and environmental outcomes:

1. To protect and enhance **biodiversity** (habitats, species and ecosystems).
2. To protect and enhance the quality of surface, ground, estuarine and coastal **water**.
3. To protect and enhance the **physical** features of the marine environment.
4. To protect and enhance **air quality**.
5. To protect and enhance **landscape and seascape** character and other protected features.
6. To limit the causes and effects of **climate change** and promote adaptation.
7. To protect and enhance cultural, historic and industrial **heritage** resources.
8. To support and enhance the **Welsh language** and culture.
9. To support appropriate **tourism** in Wales and protect and enhance opportunities for **recreation**.
10. To promote the sustainable use of natural **resources**.
11. To support sustainable development of marine and coastal **economy**.
12. To maintain and enhance the **well-being** of local communities.
13. To protect and enhance human **health** with special regard to vulnerable groups in society.
14. To promote good **governance**.

Evaluation of sustainability effects

Sustainability effects of activating SAF_02 were considered against the **SRA Design Principles** set out in Section 2.4 and evaluated against the relevant cross-cutting and safeguarding policies, and sector policies that are covered by the WNMP, recognising that these policies have previously been appraised within the WNMP SA. These policies include:

- GEN_01 and 02;
- P&S_01 and 02;
- ECON_01 and 02;
- AGG_01;
- CAB_01;
- AQU_01;
- T&R_01;
- D&D_01;
- SAF_01;
- O&G_01;
- FIS_01;
- ENV_01, 02 and 07;
- ELC_01, 02 03 and 04;
- SOC_05, 06 and 07; and
- GOV_01.

¹³ DTA (2021). The Habitats Regulations Handbook [online]. <https://www.dtapublications.co.uk/>

¹⁴ <https://www.gov.wales/welsh-national-marine-plan-sustainability-appraisal>

In addition, the requirements of the Well-Being of Future Generations (Wales) Act 2015 and the Environment (Wales) Act 2016 were also taken account of as part of the evaluation of the activation of SAF_02.

Uncertainties and assumptions

In appraising the sustainability effects of activating SAF_02, it was acknowledged that uncertainties exist, including:

- Whether any aggregates, aquaculture or low carbon energy projects will take place in any SRAs which may be identified;
- Unknown scale, type and location of activities that may take place in SRAs;
- Whether incompatible new activities present a convincing case for proceeding, which if accepted by the relevant public body, may give rise to negative effects on potential future activities in SRAs;
- Whether new activities which are not permitted as a result of the policy would proceed elsewhere or would not take place at all, which may have negative effects on the sector through limiting development in certain areas;
- Whether safeguarding of activities would arise in SRAs for the focus sectors, in which case some of the potential positive effects identified may not be realised.
- The scale of additional jobs created for Welsh communities; and
- Unknown proximity to markets of future aggregate activity in SRAs.

Despite these uncertainties, it was assumed that there was the potential for certain proposals to not be permitted if significant negative effects would arise and a case for proceeding could not be made, as the intent of SAF_02 is safeguarding of resource availability within SRAs.

3.2.2 Strategic resource area mapping methodology and outputs

Consideration was given to the SRA mapping project work carried out by Welsh Government and whether the process aligned with the policies and objectives which fundamentally underpin the SRA Design Principles (Section 2.4). An appraisal was carried out on the SRA mapping approach that was followed and the outputs i.e. the refined RAs and potential SRAs derived from the spatial analyses element of the SRA mapping project.

Acknowledging the SRA Design Principles the spatial analyses activities comprised a number of steps, the final step generating the refined RAs for a particular sector technology/activity:

- Identifying and agreeing how sectors will be differentiated;
- Confirmation of mapped resource areas;
- Identifying technical, hard and soft constraints;
- Selection, standardisation and confidence assessment of datasets;
- Application/consideration of constraints (technical, hard and soft);
- Early refined RA recommendations; and
- Refined RA recommendations.

3.3 Reasonable alternatives

Reasonable alternatives that fulfil the objective of the plan have been considered as part of the SA. In advance of the activation of policy SAF_02, reasonable alternatives are considered to be high-level considerations of alternative options that meet the aims of SRAs.

3.4 Mitigation

A key aim in mapping the SRAs and activating WNMP policy SAF_02 was to avoid potential negative environmental and socioeconomic impacts on marine sectors when planning future activities, by ensuring any plans to expand resource use do not unnecessarily constrain any sector, whilst also safeguarding the availability of key areas of strategic resource. Mitigation is, therefore, an integral part of the development of the SRAs and policy SAF_02. Any requirement for additional mitigation to avoid or minimise any potential adverse effects of resource safeguarding under policy SAF_02 and maximising beneficial effects was identified through the assessment process.

3.5 Monitoring

Measures to monitor any significant adverse effects of mapping SRAs and activating policy SAF_02, and on the implementation of any additional mitigation measures identified as a result of the SA, may be required. Where possible, monitoring proposals should be linked to relevant existing indicators and data sources in order to minimise resourcing requirements for additional data collection.

4 Results of the Sustainability Appraisal

4.1 Strategic resource area activation

4.1.1 Strategic environmental assessment screening

Theoretical pathways exist by which the implementation of SRAs might have indirect effects on certain future development e.g. planning intent, passive 'blocking effects' or through indirectly supporting a 'no alternatives' argument under the Habitats Regulations. However, these mechanisms are not considered to lead to effects, considering the marine planning policy framework provided in the WNMP, notably ENV_01 and ENV_02, the scope and wording of SAF_02 (specific to plan-level resource safeguarding only), the conclusions of the SA of the WNMP and the SRA Design Principles, notably, the need to:

- Take account of 'soft' constraints and amend a potential SRA as appropriate [for example, considering existing activity (SAF_01b); environmental considerations (policies ENV_01, 02, 07); social/cultural considerations (policies SOC_05, 06, 07)];
- Seek to minimise conflict between sectoral opportunities; and
- Seek to promote coexistence and optimise spatial planning for resource safeguarding.

In summary, the SEA screening has provisionally concluded that there is no formal requirement to complete an SEA¹⁵ (Figure 2). Whilst the SRA MPN qualifies as a relevant plan or programme and is within an appropriate sector, it does not set the framework for future development consent and will not have likely significant environmental effects on European sites necessitating assessment under the Habitats Regulations. This finding also reflects the screening for HRA of the MPN (Section 4.1.2).

This conclusion is being kept under active review by Welsh Government to reflect any changes once further information on the content of the SRA MPN is finalised.

¹⁵ <https://www.gov.wales/strategic-environmental-assessment-screening-strategic-resource-area-marine-planning-notice>

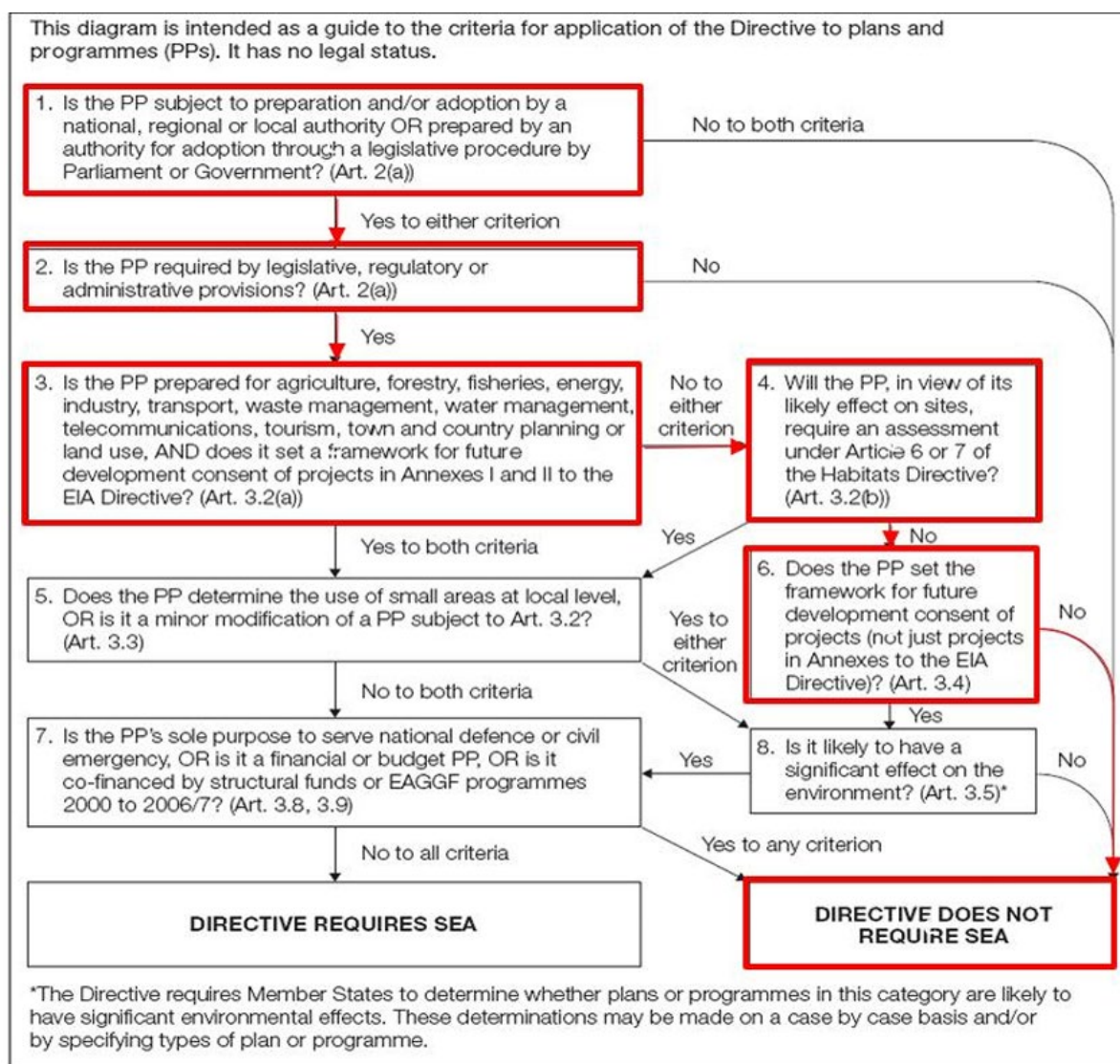


Figure 2. SEA screening process (red boxes apply to screening of SRA MPN)¹⁶

4.1.2 Habitats regulations assessment screening

The HRA screening identified four theoretical pathways by which the implementation of SRAs might alter the likelihood of European sites being affected by development:

- The act of defining an area on a plan might be interpreted as a representation of planning and permitting intent, similar to ‘areas of search’ that provide a focus for future development by particular sectors and which indicate the intent of the planning authority;
- An SRA might arguably introduce passive ‘blocking effects’ whereby the perceived complexity of siting ‘non-target’ development or activities within an SRA incidentally displaces such development to locations where the risk of conflict with European sites might be higher;
- An SRA might create a barrier for delivery of conservation management proposals, creating a potential conflict between safeguarding a resource against sterilisation, and the achievement (etc.) of favourable conservation status at a European site;

¹⁶ibid

- Safeguarding might be interpreted as providing a basis for a 'no alternatives' argument in the event of a development (etc.) having an adverse effect on a European site (either for target-sector activities within the SRA or non-target activities outside the SRA).

Regulation 63(1)(b) of the Habitats Regulations and Regulation 28(2)(c) of the Offshore Habitats Regulations provide exemptions for plans that are "**directly connected with or necessary to the management of**" the European site(s) affected by that plan. SRA MPNs are not intended to be plans "**directly connected with or necessary to**" the management of any specific European sites and the Regulation 63(1)(b) and 28(2)(c) exemptions do not therefore apply to the SRA MPNs.

In summary, the HRA screening concluded that an SRA MPN which is consistent with the policies of the WNMP does not introduce any mechanisms by which significant effects on any European sites would be likely, alone or in combination, due to the fundamental characteristics that will be common to SRA MPNs across all sectors¹⁷.

In particular, the SRA MPN will not contain "**...any strategies or policies, or make any proposals or provisions for any changes that could conceivably affect a European site**". Furthermore, the SRA MPN will only be used to implement Policy SAF_02 (itself considered a 'no significant effects' policy in the WNMP HRA¹⁸) and SRAs:

- Do not confer rights for use or development by any sector;
- Do not provide any direct or indirect support, or planning determination benefit, for development by a particular sector;
- Do not categorically prevent use of an area by other sectors or activities;
- Do not imply any scale or rate of development or resource use; and
- Will not result in indirect or secondary effects on European sites by creating a perception of support, inadvertently displacing activities, impeding conservation measures or by providing indirect support for development that might adversely affect a European site.

It is likely that the MPNs will signpost to implementation guidance for decision-makers who have to balance the interests of competing or non-compatible sectors or proposals when considering SAF_02 (Section 2.3). Such guidance does not introduce any new mechanisms for effects beyond those four theoretical pathways identified above, and would not alter the absolute likelihood of any proposal proceeding in 'its' SRA.

The HRA screening has suggested inclusion of some points of clarification in the SRA MPNs. These are not avoidance or mitigation measures (i.e. they are not included to manage or reduce an effect that would otherwise be 'significant'), and not including these clarifications would not alter the fundamental 'no significant effect' characteristics of the safeguarding policy SAF_02 and the associated SRA MPNs.

In summary, the HRA screening has provisionally concluded that there is no formal requirement to complete an HRA.

4.1.3 Review against sustainability appraisal framework

The WNMP SA¹⁹ assessed the effects of the activation of SAF_02 against the SA framework and each of the SA criteria (see Section 3.2.1). The outcomes of this assessment are summarised in Table 1.

¹⁷ <https://www.gov.wales/strategic-resource-areas-and-marine-planning-notice-habitats-regulations-assessment>

¹⁸ <https://www.gov.wales/welsh-national-marine-plan-habitats-regulation-assessment>

¹⁹ <https://www.gov.wales/welsh-national-marine-plan-sustainability-appraisal>

SAF_02 was considered to be a neutral policy which would not lead to significant effects (positive or negative) on SA criteria 1 to 5 (Section 3.2.1). However, acknowledging that the safeguarding of future low carbon energy resource is considered likely to result in a positive effect on climate change, a positive effect was identified for climate change. The safeguarding of future resource also led to a positive effect being identified on resources (aggregates, aquaculture and low carbon energy), and the provision of jobs and contributions to the Welsh economy were considered to be positive. The effect of SAF_02 on governance was assessed as positive as the policy will support the identification and development of SRAs that will, through an evidence-based approach, enable better understanding of the distribution of resources, together with associated constraints and opportunities, across the plan area. However, the scale of all these positive effects are uncertain and therefore were not considered significant. No negative effects associated with SAF_02 were identified.

Table 1. Appraisal of SAF_02 activation against SA framework criteria. Symbols denote neutral (0) and positive (+) effects. Uncertainty indicated by '?'

Policy	SAF_02
1. Biodiversity	0
2. Water	0
3. Physical Environment	0
4. Air Quality	0 (?)
5. Landscape and Seascape	0
6. Climate Change	+ (?)
7. Heritage	0
8. Welsh Language	0
9. Tourism and Recreation	0
10. Resources	+ (?)
11. Economy	+ (?)
12. Well-being	+ (?)
13. Health	0
14. Governance	+

4.1.4 Evaluation of sustainability effects

Activating WNMP safeguarding Policy SAF_02 in relation to an SRA aims to safeguard the opportunity for the relevant focus sector to pursue applications to access key areas of resource. It does this through ensuring new development by other sectors does not inappropriately and without careful consideration block the potential for a focus sector to submit a future application to seek consent to locate activity in these areas of resource.

Proposals from other sectors seeking consent for a development or activity within (or directly impacting on) an SRA will need to demonstrate how they will address compatibility with potential future resource use by that SRA's focus sector or, if this is not possible, present a clear and convincing case for proceeding. Discussions have been had by Welsh Government around the case for proceeding for mapping SRAs across the focus sectors. In all cases, the evidence suggested that the focus sectors have potential to sustainably expand activity footprints over the WNMP plan period (up to 2040). However, it is also recognised that the potential spatial extent of this expansion varies across the focus sectors and, for some sectors, any expansion of activity footprints may not be immediate, but might take place over a longer timescale up to 2040.

The Implementation Guidance that supports each SRA MPN will contain sector-specific SRA guidance which aims to minimise any issues for other sectors and sets out how to balance the interests of different sectors. Decision-makers will, therefore, need to balance and prioritise between the needs of different sectors. This will ensure that the future use of and development within each SRA is sustainable and is prioritised against environment, economic and societal resource use constraints.

The overall objective of SAF_02 is to introduce SRAs which will describe and safeguard key areas of natural resource with the potential to support future sustainable use. SRAs are also intended to facilitate proactive dialogue between sectors to ensure any plans to expand resource use do not unnecessarily constrain any sector. The following sections assess the sustainability effects of activating SAF_02 against relevant WNMP and other policies.

Cross-cutting and safeguarding policies

The [SRA Design Principles](#) that have been taken account of by Welsh Government in mapping and developing potential SRAs make specific mention of a number of general policies through the need for SRA mapping to account for hard²⁰ and soft constraints²¹, specifically SAF_01a; ENV_01, 02 and 07; and SOC_05, 06 and 07.

Of particular note, is the safeguarding of existing activities which are either subject or not subject to a formal application or authorisation (SAF_01a and 01b). These have been taken account of as part of the SRA mapping process.

Consideration of environmental factors was also key to the SRA mapping process, in particular to ensure that any plan-level resource safeguarding within SRAs is compatible with the need to conserve and enhance biodiversity (ENV_01) and to avoid adverse impacts on Marine Protected Areas (MPAs) (ENV_02), fish species and habitats (ENV_07).

Similarly, the potential to affect historic assets (SOC_05), landscapes (SOC_06) and seascapes (SOC_07) was acknowledged throughout the SRA mapping process, while allowing for sustainable economic growth (ECON_01) and opportunities for coexistence (ECON_02).

The SRA mapping process has also ensured that cumulative effects and compatibility issues in terms of minimising conflict between sectoral opportunities have been taken into account, as well as promoting coexistence and optimising spatial planning for resource safeguarding. This is considered to be in line with general policy promoting good governance GOV_01 on cumulative effects, and also general cross-cutting policies, GEN_01 and 02, which support sustainable development of the plan area and the application of a proportionate and risk-based approach to the application of relevant marine planning policies.

In summary, activating SAF_02 is in line with general cross-cutting and safeguarding policies and will, therefore, support the sustainable development of Welsh waters and will not lead to any significant environmental, social or economic effects.

²⁰ Hard constraint – a spatial consideration which means, for the lifetime of that constraint, new development for a particular sector is, in practice, not possible. For example, significant fixed infrastructure would be considered a hard constraint in relation to new aggregate extraction.

²¹ Soft constraint – a spatial consideration which relates to a particular sector. Soft constraints may have a varying degree of relevance to the prospects and nature of a new development. For example, a Marine Protected Area would be an important consideration for a new renewable energy development but does not necessarily mean new development cannot progress.

Sector supporting policies

The **SRA Design Principles** include the need to be guided by relevant WNMP objectives and policies. WNMP policies directly related to the focus sectors (AGG_01; AQU_01; ELC_01; ELC_02; ELC_03; ELC_04) were therefore considered as part of the process for developing SRAs and the activation of SAF_02. Each of these sector policies support planning, sustainable management and safeguarding of the relevant existing resource.

The relevant policies for the focus sectors (AGG_01; AQU_01; ELC_01; ELC_02; ELC_03; ELC_04) and other sectors that could be indirectly affected (P&S_01 and 02; CAB_01; T&R_01; D&D_01; O&G_01; FIS_01; provide the context for decision makers to consider environmental, social and/or economic effects upon each sector. These are individually assessed as having a positive effect on resources as each makes reference to compliance with safeguarding policies (SAF_01 and 02) of the WNMP, the sustainable use of resource and, for each of the focus sectors, the development and refinement of SRAs. The activation of SAF_02 is, therefore, considered to support the sustainable development and use of Welsh waters and will not lead to any significant adverse environmental, social or economic effects on any sectors.

Wider legislative and policy context

The activation of SAF_02 has also been considered and assessed against the seven well-being goals of the Well-Being of Future Generations (Wales) Act 2015 (WFGA) and the Environment (Wales) Act 2016.

The development of SRAs aims to support the marine economy to respond to societal needs in a sustainable manner, helping to meet long term resource requirements whilst ensuring the resilience of the marine environment. This process will therefore contribute to the seven well-being goals of the Well-Being of Future Generations (Wales) Act 2015 (see Table 2) and is underpinned by the five ways of working set out within the Act (Table 3).

Table 2. How SRA development contributes to the WFGA well-being goals

WFGA Well-Being Goal	SRA Development
A prosperous Wales	Forms part of an integrated, evidence-based and plan-led policy framework which guides fair, transparent decision-making by public authorities and balances environmental, social, economic and cultural considerations.
A resilient Wales	
A globally responsible Wales	Helps the marine economy to respond to societal needs in a sustainable manner through safeguarding resources with potential to support future sustainable use, including in relation to low carbon energy technologies.
A more equal Wales	Facilitates meaningful and integrated sectoral and environmental planning which balances biodiversity protection with ensuring other socio-economic interests are taken into account.
A healthier Wales	Considers, as part of SRA mapping, needs and interests holistically across a range of sectors.

WFGA Well-Being Goal	SRA Development
A Wales of cohesive communities	Facilitates cross-sector engagement to make sustainable use of natural resources and marine space by encouraging co-existence and avoiding conflict.
A Wales of vibrant culture and thriving Welsh language	Incorporates, within considerations supporting SRA mapping, recognition of the importance of our marine heritage and the significance of our seas, and the recreational opportunities they offer, to our health and well-being and the well-being of our coastal communities. SRA development is transparent and inclusive, with potential SRAs subject to public consultation.

As outlined in the proposed approach to developing SRAs to support implementation of WNMP safeguarding policy, the principles of SMNR, as set out by the Environment (Wales) Act 2016 also underpin SRA development (Table 3).

Table 3. The WFGA five ways of working and SRA development

Five Ways of Working	SRA Development
Look to the long term so Welsh Government does not compromise the ability of future generations to meet their needs.	By championing the sustainable use of the marine environment, SRA development focuses on managing activities over the long term. It aims to ensure, through mapping and safeguarding key areas of resource with potential to support future sustainable use, that marine sectors are able to meet their long term resource needs while ensuring the resilience of the marine environment.
Take an integrated approach by considering all Wales’ well-being goals	Welsh Government is taking an integrated and co-ordinated approach to SRA development, considering needs holistically across a range of sectors. SRA development takes account of the inter-relationships between sectors and brings together social, cultural, economic and environmental considerations.
Involve a diversity of the population in the decisions that affect them.	The SRA development process is transparent and inclusive, underpinned by stakeholder engagement. All potential SRAs will be subject to public consultation. Documentation will be clear and accessible and produced in appropriate formats.
Work with others in a collaborative way to find shared sustainable solutions.	The SRA development process is transparent and inclusive, underpinned by collaborative working across a range of policy areas and stakeholders. Welsh Government is working closely with stakeholders to test approaches and work collaboratively to develop and agree solutions.
Understand the root causes of issues to prevent them from occurring and examining whether how Welsh Government currently deploys resources should change.	The best available evidence is applied throughout the SRA development process, taking account of the inter-relationships between sectors and bringing together social, economic and environmental considerations. By identifying key areas of resource with potential to support future sustainable use, SRA development also seeks to optimise coexistence and minimise conflict between sectoral opportunities.

Table 4. Principles of SMNR and SRA development

Principles of SMNR	SRA Development
Adaptive management	The best available evidence is applied throughout the SRA development process. Welsh Government is working with stakeholders, to develop, test and, where appropriate, adapt approaches. Through identifying key areas of resource with potential to support future sustainable use, SRA development seeks to facilitate dialogue between sectors, with the aim of optimising coexistence and minimising conflict between sectoral opportunities.
Scale	Adequacy of scale' considerations are applied to SRA development, considering a sector's scale of operation and potential growth rate. To ensure clarity of safeguarding, the process avoids disproportionately complex SRA boundaries and disjointed or fragmented SRA areas, where possible.
Collaboration and engagement	The SRA development process is transparent and inclusive, underpinned by collaborative working across a range of policy areas and stakeholders
Public participation	All potential SRAs are subject to public consultation. Documentation is clear and accessible and produced in appropriate formats.
Evidence	The best available evidence is applied throughout the SRA development process. Welsh Government works closely with policy leads and stakeholders to ensure the best available evidence is identified and used to validate approaches and analysis.
Multiple benefits	An integrated and co-ordinated approach to SRA development is taken, considering needs holistically across and taking account of the inter-relationships between sectors, and bringing together environmental, social, economic and cultural considerations.
Long term	SRA development focuses on ensuring, through mapping and safeguarding key areas of resource with potential to support future sustainable use, that marine sectors are able to meet their long term resource needs while ensuring the resilience of the marine environment. SRA development also encourages dialogue between sectors on opportunities for co-existence to optimise the use of marine space.
Preventative action	
Building resilience	

4.2 SRA mapping methodology and outputs

The SRA mapping project has been considered and assessed against the SRA Design Principles. The development of SRAs has been primarily based on developing an understanding of the opportunities and constraints related to sustainable resource use, and taking an integrated and coordinated approach to SRA development, considering needs holistically across a range of sectors rather than progressing plans for an SRA on a standalone basis for an individual sector. To conclude, the SRA mapping project is considered to be in alignment with the SRA Design Principles (see Table 5).

In summary the SRA mapping methodology and outputs are considered to support the sustainable development and use of Welsh waters and will not lead to any significant environmental, social or economic effects on any sectors.

Table 5. The SRA Design Principles and SRA mapping project

SRA Design Principles	SRA Mapping Project
Be guided by relevant WNMP objectives and policies	Taking account of the relationship between the SRA and the objectives and relevant general and sector policies of the WNMP is an integral component of the SRA mapping project (see Section 4.1.4).
Apply the best available evidence throughout the process	<p>The SRA mapping project draws on a range of spatial evidence describing environmental, social and economic constraints and opportunities, including, from work streams by other bodies, e.g. The Crown Estate and environmental considerations from Natural Resources Wales (NRW).</p> <p>In addition, a key element that informed the rationale for proceeding with the SRA development process was the available evidence for each of the focus sectors from Sector Locational Guidance (SLG) and focussed studies, and whether that evidence was considered adequate to enable analysis of resources alongside other sectoral interests, and to enable identification of a realistic, focussed and meaningful SRA.</p> <p>During identification of suitable technical, hard and soft constraints (see below), the datasets considered most appropriate to inform these considerations were selected. Stakeholders were invited to review and feedback on the suitability of the datasets proposed to inform the constraints as well as to recommend any other suitable datasets.</p>
Apply technical criteria relating to sector-specific practical and economic considerations in order to understand the potential technical viability of resource use	The refined RA boundary for each of the focus sectors was attained through the identification and consideration of technical, hard and soft constraints. Where applicable, these constraints were used to define the boundary of potential SRAs. This involved taking account of environmental, socio-economic and sector-sector opportunities and constraints.
Identify and exclude areas of sector-specific 'hard' constraints [for example, in relation to SAF_01a]	In accordance with the SRA Design Principles and working with stakeholders, technical, hard and soft constraints were identified and acknowledged, as appropriate, to refine RAs and support development of potential SRAs for the differentiated sectors.
Take account of 'soft' constraints and amend potential SRAs as appropriate [for example, considering existing activity (SAF_01b); environmental considerations (policies ENV_01, 02, 07); social/cultural considerations (policies SOC_05, 06, 07)]	<p>Socio-economic constraints, covering both hard and soft constraints, specifically in relation to mapping an SRA were initially identified, in consultation with stakeholders. The agreed hard constraints were applied to refine RAs. This resulted in overlaying the hard constraints to the mapping outputs produced from the application of the technical constraints. Following development of early mapping outputs, and subsequent discussions with stakeholders, the hard constraints were revisited and several changes made</p> <p>Environmental and soft constraints were discussed with stakeholders at two separate events (see Section 2.5) and, due to the nature of SRAs, SAF_02 and resource safeguarding, the outcomes were that environmental considerations should not be used to refine RA boundaries and soft constraints should be included as contextual layers. Soft constraints will be explicitly signposted and clearly</p>

SRA Design Principles	SRA Mapping Project
	<p>presented alongside SRAs to facilitate their consideration by developers and decision makers.</p> <p>The SRA mapping process is considered to align with SAF_01a (Section 4.1.4).</p> <p>The SRA mapping process is considered to align with SAF_01b, ENV_01, 02, 07 and SOC_05, 06, 07 (Section 4.1.4).</p>
<p>Seek to minimise conflict between sectoral opportunities</p>	<p>The SRA mapping project has applied other sectoral spatial needs to refine RAs, seeking to minimise or avoid conflict and to encourage coexistence.</p> <p>The consideration of socio-economic soft constraints during the SRA mapping process involved, in consultation with sector specific stakeholders, the categorisation of risk of perceived constraint/conflict for the differentiated sector in question:</p> <ol style="list-style-type: none"> 1 - Very low risk of conflict and/or very good potential for coexistence. 2 - Low risk of conflict and/or good potential for coexistence. 3 - Medium risk of conflict and/or low potential for coexistence. 4 - High risk of conflict and/or very limited potential for coexistence.
<p>Seek to promote coexistence and optimise spatial planning for resource safeguarding</p>	<p>The outputs of the SRA mapping project will require some further consideration from a policy perspective against these specific SRA Design Principles. While minimising conflict between sectoral opportunities and promoting coexistence have, to some degree been considered within the SRA mapping process, these issues will need to be revisited as the mapping outputs evolve to align with these SRA Design Principles.</p> <p>Soft constraints, including those relating to other sectoral activity, will be presented alongside SRAs to facilitate cross-sectoral discussions to promote coexistence and avoid conflict.</p>
<p>Incorporate 'adequacy of scale' considerations with respect to a sector's scale of operation and potential growth rate etc.</p>	<p>Within the context of mapping SRAs and applying constraints, it was not possible to define anticipated individual project scales other than to assume that the development of the focus sectors would be at a commercial scale. Clearly, small scale research and demonstration level projects would experience different environmental, social and economic constraints and opportunities than those occurring at a full commercial scale.</p> <p>The outputs of the SRA mapping project will require some further consideration from a policy perspective against this specific SRA Design Principle. While this issue has, to some degree been considered within the SRA mapping process, it will need to be revisited as the mapping outputs evolve to align with the SRA Design Principles.</p>
<p>Avoid SRAs overlapping each other where coexistence between activities may not be possible</p>	<p>The SRA mapping process recognises that identifying SRAs for the focus sectors should enable and promote proactive dialogue and strategic planning particularly in areas of overlapping resource interest.</p>

SRA Design Principles	SRA Mapping Project
	<p>Focus sectors that utilise resource within the nearshore environment (e.g. Aquaculture, Tidal Range, Tidal Stream) are unlikely to overlap with sectors associated with more offshore environments (e.g. Wave Energy and FOW). Where other sector development is appropriate within an SRA, then a case for proceeding with other sector development within the SRA may be made under Policy SAF_02.</p> <p>The potential for the focus sectors to coexist with other sectors has been considered as part of the SRA mapping project, which has informed the potential for SRAs to overlap and coexist with other activities. For example, with appropriate mitigation and management measures in place there is potential for coexistence of aggregate activities with a number of sectors (commercial fishing, shipping, tourism and recreation) due to the flexibility in deciding timing and location of aggregate extraction.</p>
<p>Ensure clarity of safeguarding through avoiding disproportionately complex boundaries and disjointed or fragmented areas, where possible, in the final proposed SRAs</p>	<p>Following agreement that the best way to use soft constraints was as spatially informative contextual layers rather than within the refined RA boundaries, the refined RAs were finalised in discussion with Welsh Government to remove and/or smooth out complex, disjointed and fragmented boundaries.</p> <p>The outputs of the SRA mapping project will require some further consideration from a policy perspective against this specific SRA Design Principle. While avoiding disproportionately complex boundaries and disjointed or fragmented areas has, to some degree been considered within the SRA mapping process, it will need to be revisited as the mapping outputs evolve to align with the SRA Design Principles.</p>

4.3 Reasonable alternatives

An alternative option to progressing with potential SRAs for all focus sectors, is to take forward a pilot tranche of SRAs. Such an option would allow Welsh Government (and stakeholders) an opportunity to review how SRAs will work in practice and whether they continue to align with their objectives without unduly hindering sectoral operations at a broad scale across multiple sectors.

4.3.1 Pilot SRAs

Recognising that SRAs are a new and innovative marine planning tool, under this option Welsh Government would initially be proposing and piloting a limited number of SRAs (pilot SRAs). Welsh Government will work with regulators and industry to understand the effect of these pilot SRAs, the extent of any resulting benefit, whether there are any unintended consequences, and whether they impact on timescales, cost or complexity of consenting processes. This would enable informed decisions on the next steps for the SRA programme.

In considering whether to propose pilot SRAs for a specific sector, Welsh Government will be guided by the provisions of the WNMP regarding SRA development and by the SRA Design Principles. This will include consideration of:

- Whether there are realistic prospects of the loss or material disruption of a resource upon which a sector is dependent as a result of another activity;
- Whether the identification of an SRA can support meaningful forward planning by providing clarity on the distribution and availability of resources;
- The extent to which the benefit of identifying an SRA outweighs potential adverse impact upon other sectors;
- Whether technical considerations allow identification of a realistic, focussed and meaningful SRA;
- Minimising conflict between overlapping sectoral opportunities; and
- 'Adequacy of scale' considerations with respect to a sector's scale of operation and potential growth rate.

For example, under this option, potential pilots could be taken forward for sectors such as Aggregates and Tidal Stream. Aggregates is a mature sector, which does not involve fixed infrastructure (making compatibility with other activity/sectors easier). It is also dependent on fixed areas of resource, for which good evidence is available. Welsh Government are working with the sector to understand whether the extensive refined RAs for aggregates can be further focused.

Tidal Stream is a high-profile sector, with significant developer interest, and which is a key priority for Welsh Government. There is a good degree of confidence in the evidence for the resource. This sector is also dependent on small and discrete areas of resource, resulting in a strong case for safeguarding this resource against inappropriate sterilisation by other sectors.

Under this option, Implementation Guidance will be used to minimise any unnecessary effects for other sectors from these pilot SRAs, and to set out how to balance the interests of different sectors. Additionally, for all the focus sectors, Welsh Government will make available the extensive constraints mapping and associated evidence, via guidance and interactive mapping on the Wales Marine Planning Portal.

In summary, this reasonable alternative option presents some potential benefits in terms of the SA by allowing an incremental approach to the introduction of the policy to ensure no undesirable adverse environmental or socio-economic impacts occur.

4.3.2 Soft constraints

The refined RAs (and thus the potential SRAs) have been developed through consideration of technical and hard constraints (ABPmer, 2023). An alternative was to develop the potential SRAs based on soft constraints and/or environmental considerations. However, following stakeholder feedback (recognising the nature of SRAs, SAF_02 and resource safeguarding), this was not progressed as a preferred option for mapping.

Key challenges with this approach are focused on the nature of soft constraints as project-level considerations which, dependent on the exact nature, location, scale and methodology of a proposed activity (together with the nature of its interactions with other activity), may be addressed or mitigated at a project-level. It was therefore agreed that using soft constraints to refine RAs at a plan-level would not provide a meaningful consideration of these issues and would have the potential to result in areas being wrongly indicated as non-viable and/or non-sustainable for a given sector, even though these areas may potentially be sustainably used by the sector in question following assessment under the appropriate regulatory regime. Additionally, recognising that the nature, extent and relative importance of soft constraints for a given sector will vary over time and between projects, this approach would also involve the need to regularly reconsider the implications of a soft constraint based on new information and evidence. Given the nature of SRAs as plan-level resource safeguarding tools, whose introduction

is guided by specific provisions within the WNMP, this approach would potentially lead to SRAs which are not based on current or best available evidence and which are not reflective of actual soft constraint considerations. Conversely, using soft constraints for contextual purposes allows information relevant to users to be clearly signposted, and regularly updated, but makes no assumptions of their potential to affect project-level utilisation of resource.

In summary, the decision to not refine RAs based on soft constraints is considered to have a 'neutral' effect in terms of the SA. Whereas the option to refine RAs based on soft constraints at a plan-level is considered to have a potential negative effect in terms of the SA as it would not provide a meaningful consideration of project-level issues and would potentially lead to SRAs which are not based on the current or best available evidence.

Further details of the stakeholder engagement that has been integral to the SRA mapping process is provided in Section 2.5.

4.4 Mitigation

No significant negative effects on sustainability have been identified in this SA and therefore no mitigation measures are considered necessary for the SRA mapping or activation of the policy SAF_02.

4.5 Monitoring

No significant negative effects or requirements for mitigation have been identified in this SA and therefore measures to monitor the activation of policy SAF_02 are not considered necessary. A monitoring strategy may, however, be required to ensure the ongoing review of the effects of this policy via the already established iterative plan review (IPR) framework for the WNMP. Similarly, monitoring the implementation and operation of the pilot SRAs will allow Welsh Government to understand if there are any unpredicted negative effects on sustainability.

5 References

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<https://www.gov.wales/welsh-national-marine-plan-sustainability-appraisal>

<https://www.legislation.gov.uk/ukpga/2009/23/contents>

6 Abbreviations/Acronyms

Art.	Article
DTA	DTA Publications Limited
EAGGF	European Agricultural Guidance and Guarantee Fund
EC	European Commission
EIA	Environmental Impact Assessment
EU	European Union
FOW	Floating Offshore Wind
HRA	Habitats Regulations Assessment
IPR	Iterative Plan Review
MCAA	Marine and Coastal Access Act
MPA	Marine Protected Area
MPN	Marine Planning Notice
MPS	Marine Policy Statement
NGO	Non-Governmental Organisation
NRW	Natural Resources Wales
PP	Plans and Programmes
RA	Resource Area
SA	Sustainability Appraisal
SEA	Strategic Environmental Assessment
SLG	Sector Locational Guidance
SMNR	Sustainable Management of Natural Resource
SRA	Strategic Resource Area
UK	United Kingdom
WFGA	Well-Being of Future Generations (Wales) Act
WNMP	Welsh National Marine Plan

Cardinal points/directions are used unless otherwise stated.

SI units are used unless otherwise stated.

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