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Marine Planning: Maximising Benefits

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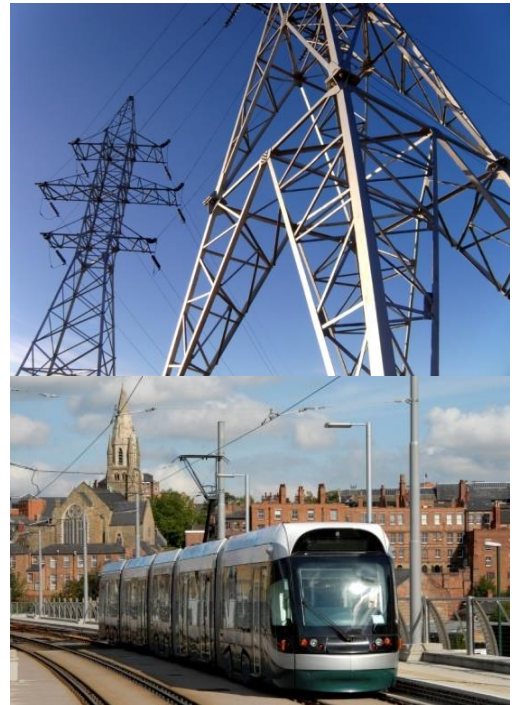
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Welsh Government

Marine planning: maximising benefits



Final Report

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Appendix 1 – Review of recent socio-economic literature on marine economic development

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1 INTRODUCTION

1. Wales has begun to develop its first marine plan. It is still early in that process.
2. We have been asked by the Welsh Government to examine how Wales might get the best out of the marine planning process, given previous experience elsewhere.
3. In this report, we show that maximising the opportunities for sustainable development will require Wales to create an innovative process around the design of the plan. This will allow the leveraging of the opportunities that exist to best effect.
4. **We do not deal with the details of the marine planning process or the production of an element of the evidence base. This is not our brief. Instead, our brief is more limited: we aim to recommend an overarching approach to the marine plan in Wales, firstly to creating the plan and then to translating the plan into real world benefits.**

2 GETTING THE RIGHT MARINE PLAN FOR WALES

Does Wales want a ‘deep blue’ marine plan? Or blue growth?

1. Marine policy academics report two different interpretation of the marine planning concept at European level.
 - EU draft directive: “public process for analysing and planning the spatial and temporal distribution of human activities in sea areas to achieve economic, environmental and social objectives”
 - EU Maritime Spatial Planning Directive (March 2013) says that marine planning is about ‘Blue Growth’ under the Integrated Maritime Policy. Blue growth is firmly about finding economic advantage: “Advances in technology mean that we are now able to relieve pressure on land and freshwater resources from a global population that is growing in numbers and expectations by harnessing the resources of the sea”.
 - EU Marine Strategy Framework Directive (MSFD) takes a harder edged pro-environment approach¹.
2. EU leaves that open: “Member States should develop their own national integrated maritime policies...one size does not fit all’.

Here, we assume Wales is going for ‘blue growth’

3. In order to allow us to make progress in this document, we need to assume that this question has been answered one way or another.
4. The answer might vary, depending on which part of the coastline is being dealt with. In some parts of the country, total protection will be the right answer. But it will be important to have a clear strategic direction outside those very highly defended areas.
5. We assume for the purposes of this paper that Wales has decided to go for ‘blue growth’. We think of ‘blue growth’ as being a pro-active search for ways in which the sea and coastal environments might be better harnessed to sustainably raise the welfare of the people of Wales and beyond.
6. We think that this is the likely answer for a series of reasons.
 - Marine planning is not a single-issue environmental strategy. It would be framed differently if it were. Instead, Welsh Government officers are following the MSFD and the Spatial Planning Directive’s requirements for sustainable development, meaning that they are looking for a way forward that holds environmental, social and economic considerations in tension.
 - Economically, Wales has performed worse than the UK average. If Wales is not to fall gradually further behind the UK, then it needs to raise its long term trend growth rates. It can only do this over the long term by raising productivity.

¹ Brennan, Fitzsimmons, Gray, Raggatt (2013) ‘EU marine strategy framework directive (MSFD) and marine spatial planning (MSP): Which is the more dominant and practicable contributor to maritime policy in the UK?’ Marine Policy

- The point is well recognised by Welsh ministers, and runs throughout the Programme for Government. A number of initiatives are already under way to see those ambitions realised.
- 7. This document will argue that the marine environment is a potentially major untapped resource that Wales might be able to leverage to its advantage. Indeed, Wales might see its first marine plan as a sustainable economic development strategy. The Marine Plan needs to be careful of the environment and, equally importantly, deliver real-world economic benefits. If it is nimble, and takes the opportunity, marine planning could be one of the ways in which Wales is able to steal a march on rest of UK, and allow the delivery of social and economic benefits that need not be at the expense of the environment.
- 8. Wales needs to find the potential advantages that marine planning offers, focus on them single-mindedly, and bring them to fruition.

Wales will publish a marine plan in 2015. This will be a challenge

- 9. Ministers have set an objective of publishing a marine plan in 2015. The deadline will undoubtedly be a challenge, for two reasons.
 - The task has proved very onerous in the English East area. That plan appears relatively modest: one commentator wrote that ‘the MMO have sought to manage expectations down. They face two major difficulties: serious information gaps and how to make choices between numerous policy goals and objectives. The Marine Policy Statement ducked setting policy and strategic choices. Without this planning is neutered.’² The English East marine plan has also been criticised for not requiring that specific linkages be made between marine activities and terrestrial socio-economic benefits.³
 - The MMO took around two and a half years to get a first draft of the East Marine Plan⁴; it had a much larger staff to produce the plan. By contrast, the team in Wales is very much smaller.
- 10. On the evidence base side, it might be most sensible to see the 2015 Marine Plan as a something of a prototype or proof-of-concept document: in the time available, Wales is unlikely to be able to address the information and evidence base gaps that bedevil the English East plan. It is not sensible to attempt a total solution here: Wales – along with England - is perhaps going to have to get used to the idea of an incomplete evidence base.

² Rodney Anderson, MPC Associate Consultant and Advisor to the North Sea Marine Cluster North Sea Marine Cluster *An update on Marine Policy* <http://www.nsmc.eu.com/An-update-on-Marine-Policy-August-2013.pdf>

³ North Sea Marine Cluster Response to the East Marine Plan Consultation 8th October 2013 <http://www.nsmc.eu.com/uploads/001.pdf>: ‘we would prefer that the link between economic and social benefits be made more explicit. We also suggest that there should be a specific and additional policy requiring proposals that affect activities in the marine area to take into account land based activities and vice versa’.

⁴ http://www.ukela.org/content/page/3606/130712_PG_UKELA_conference.pdf

Wales can write a pithy, useful plan if it focuses on the main issues

11. However, Wales may be able to turn these difficulties to its advantage, if Wales uses the discipline enforced by resource shortages to ruthlessly focus its efforts on what matters.
12. Wales should attempt to produce a pithy, direct, innovative marine plan that prioritises between policy goals and objectives. The real process to get right will be
 - setting up a set of strong conceptual foundations can be used to prioritise future work, and
 - create a policy network that can work together create an innovative and thoughtful plans, both by 2015 and thereafter.
13. A good Welsh marine plan would also
 - Have an ambitious vision for the future;
 - Integrate social, environmental and economic considerations sustainably;
 - Create palpable benefits - that will be minimally dependent on grant funding.
14. We argue below that how the plan is created matters. It could be a source of value in itself. It would
 - Create innovation
 - Create social capital; and
 - Perhaps even involve users in some aspects of delivery.

3 DEVELOPING A NETWORK TO DELIVER ‘BLUE GROWTH’

‘Blue growth’ will require a high capacity for innovation

1. Planning – whether marine or terrestrial – is experiencing a series of headwinds. Some believe that planning and its associated regulation strangle new policy initiatives.⁵ Some believe that the world is too chaotic for planning to be conceptually feasible.⁶ Some believe that planning, and its ‘interminable’ processes, might cause barriers to future economic innovation.⁷ And others point out that the rapid marine development that has taken place in the absence of a marine plan suggests that the costs of marine planning might outweigh the benefits.
2. These objections are not necessarily trivial or even ideologically driven. They stem from the fact that there is a great deal of doubt about the likely future socio-economic scenarios, and thus a doubt about how successfully long term plans can respond.⁸
3. Given these doubts, flexibility is going to be important. This flexibility is particularly important if we review how important innovation and change has been to most economically successful areas of the world. If they are to remain prosperous, all areas – whether coastal or inland – need to be able to adapt to economic change and deliver a swift response.⁹ If planning has to prove its worth, it needs to be able to demonstrate that it is able to combine this flexibility with an ability to provide better sustainable development outcomes than the available (frequently laissez-faire) alternatives. In writing the marine plan, Wales will not be determining what happens in future. Instead, Wales will be trying to create the conditions within which the future can happen in the most optimal way.
4. The question, then, is how to get flexibility and innovation into the planning process that allows it to keep up with a constantly changing social, economic and environment context, and maximise the positive impacts of the plan.
5. Below, we argue that the only way of getting the required innovation and new thinking into policy is by creating a very open policy network which allows different ideas to be combined in ways that work for Wales.

⁵ Boris Johnson Planning Magazine 22 May 2013

⁶ Nick Boles Ipsos MORI seminar December 7th 2010

⁷ National Endowment for Science and Technology and the Arts (2012) *Plan I* (39)

⁸ For example there are a huge number of scenarios of the future are available, from the pessimistic “great stagnation” view, to the ‘second economy’ view that sees us on the brink of an epochal change created by ICT deployment across the economy. National Endowment for Science and Technology and the Arts (2012) *Plan I* (14) has a good short summary.

⁹ The importance of economic adaption is dealt with, for example, in Simmie et al (2008) *History matters: Path dependence and innovation in British city-regions* (5). Simmie puts the role of innovation and change at the centre of explanations of why areas have performed in the way that they do. He suggests that the economic future of places rests to a certain extent on its historic economic “path”. Places are therefore said to be “path dependent”. But equally, there are points when places lose momentum as a result of rising external competition or an internal decline in dynamism. This is the “path decay” phase. One significant theme which emerges from reviewing the literature is that there are frequent calls for economic diversification in coastal economies.

Policy innovation will need the creation of a network

6. Innovation depends on the cross-fertilisation of ideas. New ideas very rarely arrive as a result of an individual operating alone.¹⁰ Instead, they most frequently arrive following communicating with others with different experiences and professional qualifications. Steven Johnson, for example, has claimed that the coffee shop is a common factor to a great number of eighteenth century financial and trade innovations: the social mix and quasi-business meeting space that the coffee shop provided created a crucible for new ideas.¹¹ The idea that face-to-face contact is important for innovation and knowledge transfer crops up frequently in various guises in economics from Alfred Marshall onwards, and has been an important driver of Welsh policy: for example, collaboration is key theme of *Innovation Wales*.
7. Wales will need to create a 'collective intelligence'. A report from NESTA (the National Endowment for Science, Technology and the Arts) states that

'In an age of "combinatorial" innovation – where major breakthroughs are likely to involve knowledge from different fields, and joint working between thinkers, doers and communicators - being good at collective intelligence will be a crucial determinant of success for businesses, for governments, and for countries. Understanding more about how collective intelligence happens, and devising and implementing effective tools for fostering it should be a major project for the UK in the next decade'.¹²
8. It could be argued that we are not yet near this point of 'collective intelligence' with marine planning. In fact, academic work has argued that marine planning has not shifted from being a 'modernist', closed, expert driven system. It contrasts this with terrestrial planning, which has moved from being a modernist system in which a policy elite made key decisions, to a 'postmodern' system, with a range of stakeholders making normative judgements about shared environments¹³. Previous marine plans elsewhere have tried to deal with this point, and EU policy papers repeatedly stress the value of stakeholder input,¹⁴ but criticisms of the English process has remained.¹⁵

¹⁰ Charles Leadbeater: *The Era of Open Innovation*

¹¹ Steven Johnson: *Where good ideas come from*

¹² National Endowment for Science and Technology and the Arts (2012) *Plan I* (73)

¹³ Brennan, Fitzsimmons, Gray, Raggatt (2013) 'EU marine strategy framework directive (MSFD) and marine spatial planning (MSP): Which is the more dominant and practicable contributor to maritime policy in the UK?' *Marine Policy* (6)

¹⁴ Brennan, Fitzsimmons, Gray, Raggatt (2013) 'EU marine strategy framework directive (MSFD) and marine spatial planning (MSP): Which is the more dominant and practicable contributor to maritime policy in the UK?' *Marine Policy*

¹⁵ 'The MMO has sought to engage with people and groups in the region. We acknowledge the efforts made and the difficulty of trying to reach everyone with a potential interest. Our impression is that the MMO has been more successful in reaching out to other public bodies, the larger institutions and those with a professional interest than the generality of individuals with a stake in the marine environment. It is possible that more could have been done to engage with small and medium businesses in ways that recognised their time pressures and costs.' Rodney Anderson, MPC Associate Consultant and Advisor to the North Sea Marine Cluster *An update on Marine Policy* <http://www.nsmc.eu.com/An-update-on-Marine-Policy-August-2013.pdf>

9. If these criticisms are fair, they mean that the marine plan suffers both by losing social and political legitimacy, but also by losing a capacity to innovate to create benefits.

The network should collaborate in policy design

10. This 'collective intelligence' approach suggests that marine spatial planning is not the sole responsibility of officers at the Welsh Government. It is not the case that marine planners need to emerge from a darkened room with a worked-up plan for public consultation. Instead, this 'collective intelligence' approach would see a more interactive process where officers would facilitate a series of conversations which are set up to find opportunities.
11. We are suggesting a process of policy co-design, which builds in the ideas of a broad base of users *from the very beginning* of the planning process, and then involved in the evolving thinking as the plan is shaped. This should be distinguished from the usual plan design process where a draft (but relatively finalised) plan is presented for public consultation.
12. This process of co-design can be seen as a somewhat less ambitious version of what is known as 'co-production', in which service users take responsibility for both design and delivery of policies.¹⁶ In practical terms, we cannot see users or communities being made responsible for the delivery of marine planning: we see Welsh Marine planning occupying the space marked on Figure 3.1 below.

¹⁶ "Co-production means delivering public services in an equal and reciprocal relationship between professionals, people using services, their families and their neighbours. Where activities are co-produced in this way, both services and neighbourhoods become far more effective agents of change." NESTA, NEF, The Lab (2009) The Challenge Of Co-Production How equal partnerships between professionals and the public are crucial to improving public services

Figure 3.1 Defining co-production (with co-design marked)

		Responsibility for design of services		
		Professionals as sole service planner	Professionals and service users/ community as co-planners	No professional input into service planning
Responsibility for delivery of services	Professionals as sole service deliverers	Traditional professional service provision	Professional service provision but users/communities involved in planning and design	Professionals as sole service deliverers
	Professionals and users/communities as co-deliverers	User co-delivery of professionally designed services	Full co-production	User/community delivery of services with little formal/ professional
	Users/communities as sole deliverers	User/community delivery of professionally planned services	User/community delivery of co-planned or co-designed services	Self-organised community provision

Source: NESTA, NEF, The Lab

Running the network

13. The process of co-design would need to be run with a great deal of thought and preparation if it is to be a success. NESTA cautions that

‘at its worst, public sector innovation is either famine or feast: either no innovation at all due to the pressures of day-to-day delivery, or innovation with no rules that fails to get traction in the system. The best innovation is not like this: it is disciplined, and draws on methodologies whether from within professions or from ideas such as design thinking or open innovation’.¹⁷
14. Various models could be used.
 - Face-to-face contact: ‘Hackdays’ are a software development idea where computer programmers and others involved in software development, including graphic designers, interface designers and project managers collaborate intensively for a period. We could imagine a similar process being a great success in marine planning.
 - Online contact: participation though a ‘wiki’ may be helpful. Wikis allow content to be generated from multiple users, rather than a central editor. The National Planning Policy Guidance (recently released in ‘beta’) is a tentative move in this direction.
 - Stakeholder days and public consultation. There remains a significant role for these types of event.

¹⁷ National Endowment for Science and Technology and the Arts (2012) *Plan I* (94)

Network membership

15. We understand that a number of partners and stakeholders are likely to be very interested in becoming involved in the policy co-design process.
 - University departments: One English marine academic pointed out that ‘Swansea, Aberystwyth, and Bangor have superb marine departments...you need to give them a reason to chat’.
 - Strategic Regeneration Area boards. These groupings will have a good view of the economic problems and possibilities of key coastal areas.
 - Fishermen’s associations, yacht clubs, ‘Friends Of’ groups, Coastal Fora want to get involved.
 - Marine industries (eg shipping, docks).
 - As a replacement to the Seafisheries Committees, the Welsh Govt now has three inshore fisheries groups and the Welsh Marine Fisheries Advisory Group (WMFAG) as umbrella group.
 - The Welsh Government Coastal Tourism Forum. This group meets twice a year and encompasses 40 different organisations from both public and private sector.
 - Local authority terrestrial planners and economic development officers. Welsh terrestrial planners already have a lot of experience on areas such as SEA and community liaison which could be useful to marine planner.
 - Welsh Government marine planners would need to co-ordinate the process.

The role for members of the policy network

16. More work would be needed on the way that the sessions were run, but important areas of investigation might be as follows

The network can find win-wins

17. Although it is a rather tired idea, the identification of win-wins are likely to be one of the main ways in which marine planning can prove its worth.
18. Win-wins appear to be potentially more available in the marine environment than the terrestrial environment. This is because the co-location of different activities is possible in the marine environment in a way simply impossible on land, because of the three-dimensional nature of the water column. (For example, a shipping lane can co-exist with a Marine Conservation Zone with no conflict. The terrestrial equivalent – which is simultaneously to use land as a motorway and SSSI – is unthinkable). In evidence to the Welsh Government Dr Peter JS Jones stated that “when people object to co-location, it is almost a symbolic issue. From a scientific perspective, I cannot see any reason why

windfarms and marine protected areas cannot be combined”¹⁸. There is cautious agreement on this point from the World Wildlife Federation¹⁹

19. We have listed a number of examples of potential win-wins in the text box. This, of course, is not any kind of definitive list of possible opportunities: the central point of this line of argument here is that we cannot successfully predict what possible wins might be available without talking to more people.

The network can inform and legitimise hard choices

20. It is clear that win-win outcomes are not always possible. At times, marine planning will be a zero-sum game, and so will need to prioritise certain activities over others.²⁰ Policy will need to be able to make settled and robust choices between different competing uses.²¹
21. Policy network members should be given shared responsibility for thinking about the mechanisms by which policy choices have to be made when some parties necessarily have to lose out. If that mechanism can be agreed, it can be applied in a variety of different circumstances. In this way, the creation of a policy network will bring legitimacy to the decision making process. When hard choices have to be made, they can be made with greater confidence.
22. The final decisions regarding priorities should rest with officers and elected politicians.

The network can help avoid unintended consequences

23. Some initiatives can inadvertently damage others. A collaborative approach would be able to minimise these potential problems. For example,
- PhD research work at Bangor University has interviewed fishermen to understand how much they catch, when, and where. The work split ICC areas into sub areas to identify hotspots of vessel fishing activity to sort more equitable management of marine resources, and showed that there was a large amount of activity in certain hotspots. This data might be used to better understand which areas might be classified as a Marine Conservation Zone - and which areas should be left unrestricted.

¹⁸ Dr Peter JS Jones oral evidence to the Welsh Government Environment and Sustainability Committee 4 Oct 2012 <http://www.senedd.assemblywales.org/documents/s10806/4%20October%202012.html?CT=2>

¹⁹ WWF (2013) *Co-location: Balancing the spatial demands on Welsh Seas*

²⁰ Dr Peter JS Jones oral evidence to the Welsh Government Environment and Sustainability Committee 4 Oct 2012 <http://www.senedd.assemblywales.org/documents/s10806/4%20October%202012.html?CT=2> ‘When we manage marine sites, we are often looking at restricting activities - so marine planning can be politically contentious’.

²¹ North Sea Marine Cluster Response to the East Marine Plan Consultation 8th October 2013 <http://www.nsmc.eu.com/uploads/001.pdf>: the draft marine plans build on the Government’s long standing vision for the marine environment of clean, healthy, safe, productive and biologically diverse oceans and seas. The description offered in the draft plans of how the plan areas will look in 2033 conforms to this vision and paints a positive picture. However, it side steps the trade-offs and choices that will need to be made and which are, in fact, discussed later in the marine plans. The draft vision for the plan areas appears to assume or imply that co-existence will always be possible and that displacement will not be a difficult issue.

- Marine aggregates extraction is an essential input to the Welsh building industry. There is a risk of unintended consequences on other areas if this activity is unduly restricted. A network will be more likely to spot these risks.
- One policy can at times frustrate another. The network might be able to spot these problems coming. For example, at Swansea Bay has seen a new visitor centre, watersports facilities, access improvements, and the construction of a new training facility. However, the forthcoming EU Bathing Water Directive means will require very expensive water quality improvements. NRW are monitoring and are responsible for this work. £2m going in to stop pollution in area, but the investment remains at risk.

Win wins: some real-world examples

- Whilst there is a complicated story regarding compensation to fishermen, the Atlantic Array and a Marine Conservation Zone have been combined – **meaning that fishing grounds elsewhere will be under less pressure from MCZ designations.**²²
- The North Hoyle **windfarm and shellfish co-location trials** found that ‘seabed mussel cultivation can be carried out without any negative impacts on Wind Farm Operators’, and cautiously concluded that ‘a phased programme of adaptive management will provide both sectors with the experience and confidence to make co-location possible and with clear demonstrable benefits for all parties’.²³
- Extended scour protection at the footings of wind generators means that **carbon reduction projects could also provide ecology and static fishing benefits.**²⁴
- Coastal defence projects might **better combine tourism, ecology, education benefits if they were redesigned.** Currently, rock groynes are highly effective at slowing down longshore drift and sedimentation of beaches. However, there is very little living on them. If added softer rocks to big boulders, could in create strips of intertidal rocky shore. This would create no financial savings to beach defence budgets, but there would be opportunities for schools, tourism, and the creation of an interesting intertidal ecology.²⁵
- Borth Shoreline Management Plan has seen the creation of an **artificial reef which has released both surf tourism and coastal defence benefits.**²⁶
- HMS Scylla, sunk off Plymouth as a diving attraction, has **created habitats benefits and a reputed (although uncorroborated) tourism benefit of £1m pa to the local economy.** The replication of these benefits might be investigated in diving areas in Wales, such as Pembrokeshire and the Llyn Peninsula. For example, the Dorset Wrecks to Reefs project is seeking to simultaneously generate dive tourism benefits, lobster seeding and a new bio-diverse environment.
- There are concerns that in sinking a vessel we are losing valuable scrap metal which has a carbon saving if recycled. **Clean landfill – such building waste - might be used as an artificial habitat.** That way, we are ensuring that metal that can be recycled is recycled, reducing landfill charges, and creating a habitat.

²² Dr Peter JS Jones oral evidence to the Welsh Government Environment and Sustainability Committee 4 Oct 2012

²³ *Shellfish Aquaculture in Welsh Offshore Wind Farms* <http://www.shellfish.org.uk/readmore.php?newsid=51>

²⁴ Danish Energy Authority

http://188.64.159.37/graphics/Publikationer/Havvindmoeller/Offshore_wind_farms_nov06/html/chapter09.htm

²⁵ Semi-structured interview with Dr Antony Jensen, Senior Lecturer in Ocean and Earth Science, University of Southampton

²⁶ Greg Guthrie of Royal Haskoning presentation to the Marine Planning Conference DCLG London August 2013

4 DEVELOPING AND ALIGNING THE PLAN

Design principles for the plan

1. NESTA sets out some useful design principles for innovation policy.²⁷ We can usefully reframe these a little and apply them to marine planning.
 - Space for experimentation. Some ideas that come through an innovative process such as the one advocated here will fail. That is to be expected, and can be tolerated as long as failed concepts get quickly shut down, or fixed.
 - Bolstering entrepreneurship. Wales can use the marine planning process to improve connections between universities, companies, government and entrepreneurs. The marine planning process may generate information that could be of commercial value. For example, Swansea Docks are being used as oyster beds. The proprietor, Colin Thomas stated that “I discovered to my amazement that the docks which used to be black with coal and oil now has some of the purest water in Wales - pollution of 20 parts per million when the EU A-standard is 240 parts”.²⁸ There may be similar unlocked opportunities elsewhere. Insights like these should be freely disseminated in order to allow for innovative and entrepreneurial responses.
 - Openness. Openness should be maximised – because without this, we risk the intellectual capture of the process by incumbents.
 - Ambition. We are optimistic that an excellent plan can be achieved. Wales has a number of key advantages over (say) the English MMO that might mean that it is able to produce a different type of marine plan in a different way.
 - Wales has integrated control over a number of different policy agendas that will need to be brigaded for a successful ‘blue growth’ marine plan – including terrestrial planning, economic development, innovation policy and tourism.
 - Wales is of a useful spatial and political scale. It is big enough to take important decisions, but nimble enough to get close to users and to ensure delivery.
 - Wales is very coastal in nature. All its major cities are on the coast, and have a specifically marine economic history. Historic settlement pattern is predicated on marine activity. The influence of marine environment on settlements has not necessarily diminished, and the marine spatial plan may be important to the future development of communities. There are therefore important interests at stake, which can be marshalled in marine plan delivery.
 - Wales is cohesive enough to see through a national vision, and avoid a fractured, piecemeal response that is aimed at specifically at buying off individual areas and interest groups. Wales can set policy and make difficult strategic choices. These decisions are relatively cheap to make, but can be politically difficult.

²⁷ National Endowment for Science and Technology and the Arts (2012) *Plan I* (47)

²⁸ <http://www.bbc.co.uk/news/uk-wales-south-west-wales-24028982>; <http://www.bbc.co.uk/news/uk-wales-politics-24083032>

- Wales is able to learn from marine planning elsewhere in Scotland and the English East region.

The importance of prioritising effort

2. It is important that the Welsh Government has a clear sense of where to prioritise planning effort, management time, and evidence base development activity in order to make sure that the marine plan brings a real advantage over the previous system of marine management.
3. In line with our suggestions to the MMO²⁹, we believe that to prioritise properly, the Welsh Government might evolve a series of “tests” to judge the level of effort that needs to be devoted to different issues. Together, these would represent a “sieving” process, by which the key issues are identified. Whilst the following is not intended to be a fully worked up process, it might involve elements such as:
 - Need for planning intervention: is there a clear requirement for the Welsh Government and partners to get involved? The marine plan should address issues where it can make a change for the better (or, conversely, will change for the worse unless something gets done).
 - Impact of intervention: will the Welsh Government’s involvement create sufficient impact to justify its intervention? It has been observed that when pursuing sustainable socio-economic benefits, there needs to be a focus on big issues. As the Natural Environment White Paper acknowledges, “past action has often taken place on too small a scale. We want to promote an ambitious, integrated approach.”³⁰ On this basis, licensing time and research activity would best be focused on strategic, “game changing” opportunities for genuine, sustainable socio-economic benefit. There would be an important role for assessing alignment with other policy areas here. The Welsh Government and partners would need to concentrate on areas that can be translated into policy, actions, or licence decisions.
 - Location of intervention: can marine planning deliver positive impacts in areas that need it? Whilst the marine planning process is explicitly required to deliver socio-economic benefits in coastal communities of all types, the Treasury Green Book notes there is a reason to prioritise effort in deprived communities. These choices would need to be handled carefully.³¹

²⁹ RTP(PBA) & OCSI (2011) *Maximising the socio-economic benefits of marine planning for English coastal communities*

³⁰ Defra (2011) *The Natural Choice: securing the value of nature* (3)

³¹ The Treasury Green Book notes that equity objectives (ie, working to counter social inequalities) are one of the two major rationales for Government intervention in the economy. In the words of the Green Book, there is “a social welfare function that links personal utility (or satisfaction) to income....an extra £1 of consumption received by some earning £10,000 a year will be worth twice as much when it is paid to a person earning £20,000 pa.” HM Treasury (2003) *The Green Book: Appraisal and Evaluation in Central Government* (93)

Aligning the plan with other policies

4. Clearly, the marine plan will have the maximum positive impact if it reinforces, and is reinforced by, other plans and policies. The following text is intended to form a very rough outline only. Clearly, there is a very detailed European and UK policy and legal framework to follow which will need to be dealt with.

Broad economic development policy context

5. The general context for a proactive approach to 'blue growth' and marine planning is becoming more fertile.
 - In legislation terms, the Marine and Coastal Access Act 2009 specifically requires the maximisation of socio-economic impacts. Future marine plans are expected to deliver the vision set out in the UK Marine Policy Statement (MPS) of "clean, healthy, safe, productive and biologically diverse oceans and seas". The MPS requires this vision to be delivered sustainably – meaning that economic considerations need to be integrated with concerns for the marine environment. Marine planning is therefore required to have positive *terrestrial* as well as marine impacts, and deliver "a strong, healthy and just society" with marine development which is "benefiting society as whole, [and] contributing to resilient and cohesive communities".³² The MPS states that marine planning should contribute to sustainable economic growth "both in regeneration areas and areas that already benefit from strong local economies" through integrating with terrestrial planning and engagement with coastal communities.³³
 - In policy terms, senior civil servants at DCLG have stated that ministers are looking for transformational projects that focus on gains in economic growth and jobs, preferably within two years.
 - In institutional terms,
 - The Crown Estate has stated publically that they are looking for win-win solutions to questions of marine economic development.
 - Within BIS, it is now possible to use the previously highly controversial term 'industrial strategy'. As Lord Heseltine's report No Stone Unturned points out, the phrase has been controversial, but it is possible to see how Government procurement and investment decisions might be made to work better in the national interest. Lord Heseltine's report seeks an ongoing dialogue between industry stakeholders and Government, that 'should cover matters such as the drive to expand exports or attracting inward investment, workforce skills, the value of supply chains or industrial clusters, the relevance of standards, effective delivery of government services and the lessons to be learnt from overseas'. Government and industry partnerships for specific sectors and co-creating sector strategies have

³² HM Government (2011) *UK Marine Policy Statement* TSO London (10)
<http://www.defra.gov.uk/environment/marine/documents/interim2/marine-policy-statement.pdf> (11)

³³ HM Government/Northern Ireland Executive/Scottish Government/ Welsh Government. (March 2011) *UK Marine Policy Statement* (paragraph 2.5.5)

been created. The concept of a more managed approach to industrial strategy terms is now in common use in BIS.

Alignment with Welsh planning reform

6. Planning is fully devolved in Wales. Consultation on a Planning Reform Bill is coming out of the Welsh Government before Christmas. One of the areas addressed is about how planning system can be front loaded, and so create more investment certainty to deliver jobs. The reform also includes a national spatial framework for making large scale strategic decisions. This proactive approach should be adopted in the Welsh marine plan.

Alignment with Welsh tourism policy

7. Tourism is an important industry in Wales. West and North Wales can be areas which are tourism dependent – we understand that studies show that 6 in 10 jobs in some areas are tourism dependent.
8. Tourism officers are keen to ensure that the plan helps unlock the tourism potential of marine areas, and move from a highly defensive approach to one which strikes a balance between the economic, social and economic elements of sustainable development.
9. Tourism and marine policy can mutually reinforce one another in a number of ways.
 - The revised tourism Investment Framework could be a useful starting point for marine planning.
 - Destination Management Plans ensure that areas work together as a destination, across both public and private sectors. These could be reviewed for the marine plan³⁴ alongside Shoreline Management Plans.
 - Tourism funding could be used to reinforce the marine plan approach. Tender exercise has recently going now to develop a checklist for developing inland and coastal infrastructure which may be used to help prioritise activity in the marine plan.
 - Marine planners could use existing Coastal Tourism Forum. There is great potential to make sure that tourism investment reinforces marine plan, and vice-versa.

Alignment with Welsh regeneration policy

10. Wales has seven Strategic Regeneration Areas (Heads of the Valleys; Môn a Menai; North Wales Coast; Western Valleys; Swansea; Aberystwyth; and Barry). Most are coastal. Each area has a Board that could form a valuable input into the marine planning process.
11. Regeneration Areas are currently bidding for funding in a process that will close by 25 November 2013. This process will set funding for three years, and so there may be limitations in using this funding round to reinforce marine planning objectives.
12. Coastal Communities Fund (CCF) is available in Wales. It spends on projects between £50k--£300k and is focused on jobs and skills projects. The funding priorities are closely

³⁴ There are 22 areas with a Destination Management Plan in Wales; 13 are currently on the web at www.dmwales.com

controlled by the Treasury, and spent through the Big Lottery Fund.³⁵ There is evidence from Lincolnshire that state aid issues have slowed some projects, and that some entrepreneurs prefer not to use Government funding because it is time consuming and inefficient to access. This is particularly damaging, because funding shortages mean that the involvement of private sector non-state actors is critical³⁶. Given this central control, it may be relatively difficult to align CCF with Welsh marine spatial planning.

Potential policy conflicts

Alignment with Common Fisheries policy

13. The relationship between marine planning and the Common Fisheries policy is opaque
14. Common Fisheries Policy (CFP) has been called the 'elephant in the room'.³⁷
15. CFP takes no account of the Integrated Maritime Policy or the Marine Spatial Framework Directive. The CFP is about stocks and total allowable catches, and has little or no spatial dimension.
16. The proper relationship between the Common Fisheries Policy and the forthcoming Welsh Marine Plan is difficult to discern at this stage.

There is an emerging conflict between the efficient delivery of national policy objectives, and an equitable approach to local communities

17. Academic research has suggested that there are powerful political objectives for CO2 and energy security that are arguably overriding more local interests such as the fishing industry.³⁸ The delivery of marine renewables has been strongly 'top down', with local authorities and communities only consultees. The approach adopted in the Shetland case (1974) - where the community had share in oil revenues discovered in their waters - has not been carried through into marine planning so far.

³⁵ <http://www.biglotteryfund.org.uk/global-content/programmes/uk-wide/coastal-communities>

³⁶ Coastal Conference DCLG

³⁷ Semi-structured interview with Dr Peter JS Jones, University College London

³⁸ Johnson, Kerr, Side (2012) 'Accommodating wave and tidal energy – control and decision in Scotland' *Ocean & Coast Management* 65 (26-33) (29)

5 DELIVERING CHANGE

1. If Wales is to achieve 'blue growth', it will need to go beyond the 'plan-on-the-page'.
2. Instead, it will need a pro-active approach to development. This will need to be squared with limited funding and resources. Given the shortage of grant funding, the benefits of marine planning are likely to derive from an improved certainty of consent, and an approach which better integrates marine and terrestrial planning to attract investment and increase the 'velocity' of change.

Getting a delivery plan

3. Government policy and strategy suggests that the Welsh Government will best maximise socio-economic benefits if it adopts a particular approach to the way it does business.
4. Attempts are underway to create a fundamental cultural shift in planning which is likely to encompass marine as well as terrestrial planning. This is not an entirely new aspiration. For example, the Killian Pretty review of 2008 sought to deliver a more "a positive and proactive approach to shaping, considering, determining and delivering development proposals."³⁹
5. Planning has become increasingly concerned with questions of 'how' development can be delivered, and 'when' - rather than just 'what' development is *desired* and 'where'. With this shift comes a focus on the *means* of securing development rather than simply the ends, and an increasing focus on delivery issues. Wales may choose to study the English 'Coastal Concordat' to understand what might be usefully applied to the Welsh context. The Concordat provides a framework within which the separate processes for the consenting of coastal developments in England can be better coordinated.⁴⁰
6. The implications of this change should not be underestimated. Major marine activities that need pro-active involvement from all planning authorities must be actively viewed as projects in themselves – not as an application that will materialise at some point in future. Work must make clear what named organisations or individuals must do, by when, and with what results. In line with our suggestions to the MMO⁴¹, marine planners will need to
 - play an active role in enabling marine development and planning infrastructure, or research, or running applications more carefully to ensure that what is needed is provided when it is needed.
 - get an understanding of what investors need to see happen; and seek to understand, and then bring about the right marine planning response. That means a more proactive approach, working alongside developers to ask questions like:

³⁹ The Killian Pretty Review (2008) stated that planning and development process could be accelerated, and suggested that "there should be a clear statement by Communities and Local Government about the key principles underpinning a move from development control [seen as a passive process] to a development management approach."

⁴⁰ Department for Environment, Food and Rural Affairs (11 November 2013) *A Coastal Concordat for England* https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/256234/coastal-concordat-20131111.pdf

⁴¹ RTP(PBA) & OCSI (2011) *Maximising the socio-economic benefits of marine planning for English coastal communities*

how do we fix the barriers to positive change? What do we do next? When? Who is responsible? What is the right marine planning role? The right response might be to “do nothing” – but that needs to be a positive choice, rather than a default position.

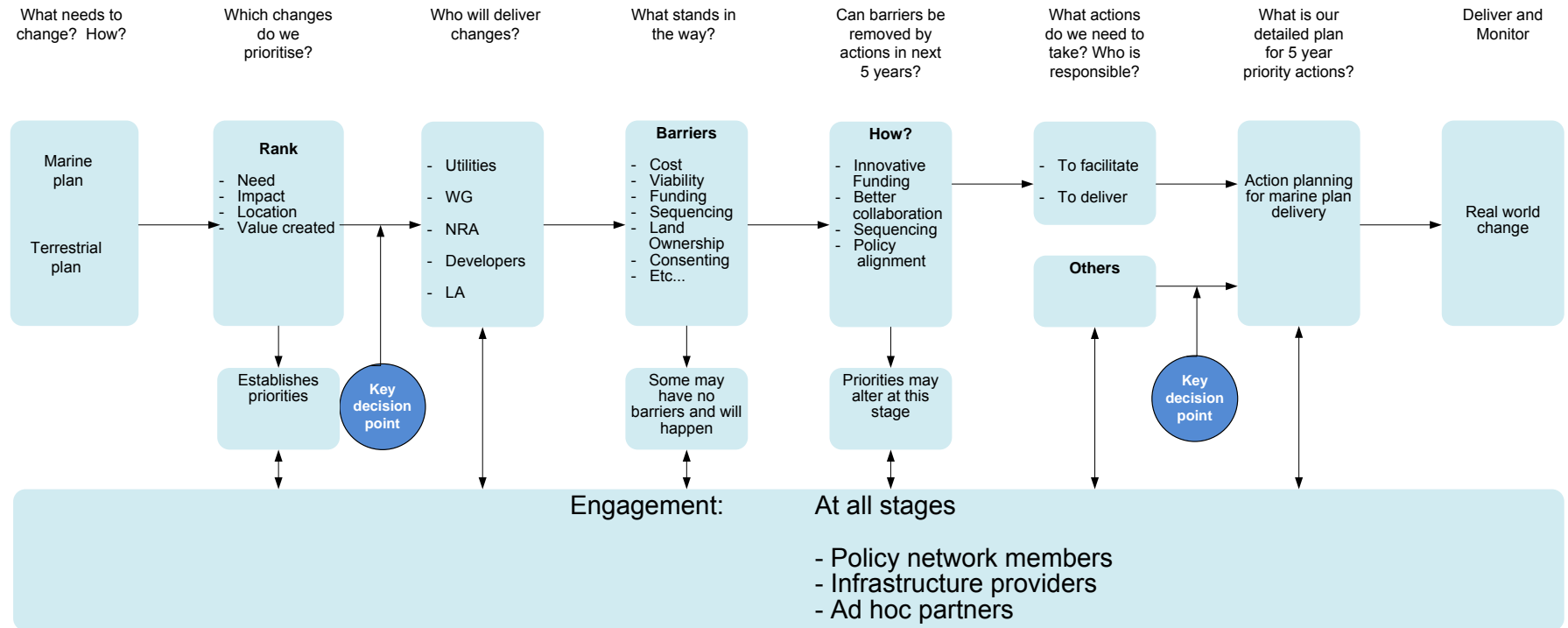
- Understand how to solve real-life issues on the critical path. The project management concept of the “critical path” is used to understand which issues form a barrier to progress on an individual project. The issues on the critical path are those which directly impact the planned project completion date. Management intervention and funding could be focused on these issues.

7. Should an active project management approach be adopted, this could include each “project” comprising the following.

- A project sponsor. This needs to be a senior officer who has the experience and line management authority to break through internal silos.
- A clearly defined project manager. This individual would be held responsible for project progress and delivery.
- A clearly defined project team and project management structures.
- Excellent links between the Welsh Government project team and developers/investors. Clearly, the Welsh Government and other stakeholders exist in order to further the public interest. We are not saying that any development should be waved through. But the public interest is not necessarily inimical to the private interests of the developers. The Welsh Government needs to operate as a joint delivery partner alongside the developer in assisting delivery.
- Excellent links between the project team and the wider public sector. The project team would be likely to include terrestrial planners and economic development officers, the Environment Agency, and Natural England.

8. Below, we set out a process by which a plan for marine delivery could be arrived at. This is intended to provoke thought about how change might be best operationalized. It will need further thought.

Figure 5.1 Potential delivery framework



6 MONITORING THE EFFECTS OF MARINE PLANNING

1. We have been asked to remark on how the effects of marine planning can be monitored. This is a subject fraught with methodological difficulty. In our work for the MMO, we explained the problem, and possible responses.

Difficulties in isolating the economic effects of marine planning

2. The argument for any type of planning are that
 - It (partly) corrects for what is known as market failure, which includes many kinds of externalities both negative and positive, as well as imperfect information and expectations.
 - It makes for more equitable (fairer) distribution.
3. The DEFRA Regulatory Impact Assessment (RIA) for the Marine Planning System⁴² identifies that the Marine Planning system will have various benefits which are justified by information market failures. Government intervention through marine planning will ameliorate this failure and reduce costs by improving co-ordination efficiency for government organisations; reducing transaction costs such as information, negotiation, monitoring and enforcement costs.
4. The RIA uses an EU study to assume that the Marine Planning process saves an assumed percentage of these costs, and arrives at a potential economic benefit. However, it accepts that this current analysis is “speculative”. Neither the costs nor the benefits of the terrestrial planning system have been quantified; nor can we see how they might be in future, given that impacts would be hard to denominate and notionally priced. Any attempts to isolate the exact economic impacts of marine planning would likely suffer from the same confounding problems.

Difficulties in monitoring impacts

5. Because there is little hard evidence of the impact of the marine plan itself, impacts are hard to ascribe directly to the marine plan process itself. In Treasury Green book parlance, there would be too much “deadweight” (deadweight measures what would have happened anyway) to reliably undertake this process.

A potential approach

Logic models

6. A “logic model” approach to the evaluation of the marine plan is likely to be necessary. This process provides some way of addressing the usual bugbear of attributing causality for positive outcomes to social and public policy interventions – in this case, marine planning.

⁴² DEFRA Impact Assessment IA No. DEFRA 1010 para 1.31 onwards

7. The logic model approach requires us to understand the sequence of events thought to bring about benefits or change over time. It portrays the chain of reasoning (or “theory of change”) that links investments to results. Having understood this theory of change, evaluation then tests to see if that process is in place, and whether it has been successful in delivering the change hoped for.
8. The ‘logic model’ approach is designed to go some way to solving the problem of demonstrating the linkage between policy actions to outputs on the ground. The attribution problem is in part solved because of the prior specification of the various links by the stakeholders in the intervention. This method allows us to focus not only on what works but why and how and for who – and it is this deeper understanding that will allow evaluators to make robust recommendations for future delivery.
9. An evaluation framework can be set up before the marine plan process begins. This would set out the changes sought, and so provide a stable basis for future evaluation against these targets.

7 SUMMARY AND CONCLUSIONS

1. In this report, we have assumed that the Welsh Marine Plan is going for ‘blue growth’ – a pro-active search for sustainable development opportunities resulting from a more efficient harnessing of the resources of the sea.
2. The marine plan is to be produced by 2015, which gives a very short period for production. However, we believe that Wales may be able to turn these difficulties to its advantage, if Wales uses the discipline enforced by resource shortages to ruthlessly focus its efforts on what matters, and create an innovative approach to the plan which brings in a wide range of perspectives and talents.
3. We believe that the successful delivery of ‘blue growth’ will require a high capacity for policy innovation. Mutually reinforcing win-wins are available from the sea to perhaps a greater extent than on land due to the three-dimensional nature of the water column. However, identifying these win-wins across different discipline areas will need marine planners to break down organisational silos to create an innovative policy network to create a ‘collective intelligence’ on the way forward. This ‘collective intelligence’ approach would see a more interactive process where officers would facilitate a series of conversations which are set up to find opportunities. In effect, we are suggesting a process of policy co-design, which builds in the ideas of a broad base of users *from the very beginning* of the planning process. The network is then involved in the evolving thinking as the plan is shaped. This should be distinguished from the usual plan design process where a draft (but relatively finalised) plan is presented for public consultation.
4. The process of policy co-design would need to be run with a great deal of thought and preparation if it is to be a success. Various models (some originating in software design) could be used, including ‘hackdays’, online wikis, and more traditional stakeholder days and public consultation. Conversations we have had in the course of this report suggest that there would be a wide range of parties interested in getting involved in these processes, including university departments, Strategic Regeneration Area boards, fishermen’s associations, yacht clubs, marine industry groups, Coastal Tourism Forums and the Welsh Marine Fisheries Advisory Group. Where ‘win-wins’ are not available – and it is certain that they will not always be available – then these networks will help inform decisions where hard choices between competing interests must be made. Final responsibility should always stay with elected members and their officials.
5. We looked at how the plan might be developed, prioritised and aligned. We set out some broad design principles for the marine plan, and the mechanisms by which effort might be prioritised. Prioritisation of effort will be very important. The Welsh Government might evolve a series of “tests” to judge the level of effort that needs to be devoted to different issues. This might involve elements such as: can the involvement of the marine plan make a change for the better? Will the Welsh Government’s involvement create sufficient impact to justify its intervention? Can marine planning deliver positive impacts in areas that need it?
6. We looked at how the plan might align with other Welsh Government policies. The general context for a proactive approach to ‘blue growth’ and marine planning is becoming

more fertile both within Wales and beyond. The approach described here – of a proactive search for sustainable growth – fits well with the Welsh Planning Reform Bill, and fits well with tourism and regeneration policy. However, the relationship between blue growth and approaches and a) the Common Fisheries Policy and b) particular local interest groups remains opaque. These questions, though, are precisely the areas that the policy networks might assist with.

7. Delivering changes will need more than a plan. Planning has become increasingly concerned with questions of 'how' development can be delivered, and 'when' - rather than just 'what' development is *desired* and 'where'. With this shift comes an increasing focus on delivery issues. Wales may choose to study the English 'Coastal Concordat' to understand what might be usefully applied to the Welsh context. The Welsh Government may also consider taking up an active role with the creation of a delivery plan to play an active role in enabling marine development and planning infrastructure. Planners are in a strong position to get an understanding of what investors need to see happen; and seek to understand, and then bring about the right marine planning response. That means a more proactive approach, working alongside developers to ask questions like: how do we fix the barriers to positive change? What do we do next? When? Who is responsible? What is the right marine planning role? The right response might be to "do nothing" – but that needs to be a positive choice, rather than a default position.
8. We were asked to remark on how the effects of marine planning can be monitored. This process is fraught with difficulty: the central problem is that it is very difficult to accurately ascribe impacts to the marine plan process itself, given background change that would have happened anyway. One solution to this would be to create a 'logic model' evaluation framework can be set up before the marine plan process begins. This would set out the changes sought, and so provide a stable basis for future evaluation against these targets.

APPENDIX 1

Literature review

Introduction

1. A considerable literature exists on the socio-economic conditions of coastal communities in the UK. It is not our intention to summarise this body of work, given that summaries of work up to 2012 exist elsewhere.⁴³ Instead, we aim to briefly review the new literature that has been published, and refer to emerging debates and themes which may be of help to the Welsh Government as it considers how to maximise the positive socio-economic impact of its marine plan.
2. The socio-economic consequences of climate change, environmental change and coastal change will not be covered within the scope of this specific piece of research. These factors will have socio-economic consequences, but they do not directly allow us to answer questions about how to maximise marine planning's socio-economic benefits. These issues are being dealt with separately.⁴⁴

Broad themes in the literature

3. Prof Fred Gray suggests that 'the dominant perspective to the recent history of British coastal towns has been to treat them as places in decline'.⁴⁵ Whilst there are a number of exceptions to this general rule, the ONS has pointed out that the decline of coastal towns was seen as significant enough to merit special attention in the manifestos of the parties in the UK General Election.⁴⁶ Equally, attention was paid to coastal economic development in the 2011 Welsh Government elections.
4. Some reports point out that coastal areas have significant potential (Beatty and Fothergill argued that "far from entering a spiral of decline caused by the loss of tourism business, the economy of Britain's seaside towns actually proved resilient"⁴⁷) there are often common themes in the literature, particularly in coastal communities that are deprived. When looking to explain coastal economic performance, there is usually some combination of:
 - Structural economic change
 - Adverse labour market effects, often with a demographic underpinning, and often involving seasonality
 - Weak housing markets, typified by low-cost and low-demand, and with a high prevalence of communal establishments such as care homes.
 - Unintended consequences of the benefit system

⁴³ see, for example Marine Management Organisation (2012) *Maximising the socio-economic impacts of marine planning* www.marinemangement.org.uk/marineplanning/key/.../se_national.pdf

⁴⁴ The MPS states that marine planning must take into account climate change adaptation and mitigation in Section 2.6.7, and coastal change and flooding in Section 2.6.8.

⁴⁵ David Powell, David Powell Associates Ltd with Professor Fred Gray, University of Sussex for South East Coastal Towns: *Economic Challenges and Cultural Regeneration* (7)

⁴⁶ ONS *A Profile of Deprivation in Larger English Seaside Destinations, 2007 and 2010* http://www.ons.gov.uk/ons/dcp171766_324196.pdf (1)

⁴⁷ Beatty and Fothergill (2003) *The Seaside Economy; the final report of the seaside towns research project*, CRESR, Sheffield Hallam University

- Effects of peripherality, limited infrastructure, and limited scope for expansion.⁴⁸
5. There was a considerable upswing in interest in marine issues following the House of Commons' 2007 report on Coastal Towns.⁴⁹ This report – and the Government's somewhat dismissive response – sparked significant controversy. The report generated significant research activity, and the formation of the independent but local authority focussed Coastal Communities Alliance.
 6. The DCLG's 2008 report *England's Seaside Towns - A 'benchmarking' study* was written by Beatty and Fothergill, an academic team from Sheffield Hallam University. It provided the first comprehensive examination of economic change in England's seaside towns, and follow-up reports were commissioned. No similar exercise was carried out specifically for Wales.
 7. Since 2010, there has been very little further literature formally commissioned by Government. Prof Chris Balch at Plymouth University runs the Marine Planning course, and thinks that the issue of marine planning and its socio-economic impacts represents a very significant gap in the knowledge base, and that research in this area is effectively at a halt. The research that has come forward recently is relatively small scale and piecemeal.
 - Coastal Communities Fund launched a 'Coastal Economy Toolkit' which sought to provide practical tips that authorities could adopt in order to 'coastal proof' economic development strategies.⁵⁰ This work was not geographically specific and could apply to any of the home nations. The toolkit is built around the three elements of understanding the dynamics of the coastal economy; identifying and engaging with business; and underpinning data & metrics.
 - In 2012, the DEFRA National Coastal Pathfinder funded Lincolnshire County Council to develop an evidence-based economic model and study of the Lincolnshire Coastal Economy with the intention that the methodology behind the model's development might potentially be rolled out to other coastal areas of the UK. The aim of the study was to establish why businesses are on the coast, and what it would mean to their business if economic development on the coast was substantially reduced, either as a result of coastal flooding, macro-economic conditions or other policy intervention. The study found that risks associated with coastal flooding have had much impact on economic behaviour, although this may begin to change.⁵¹
 - Recent work (August 2013) by the Centre for Social Justice has looked at problems of deprivation in coastal towns. Rhyl was of the five case studies chosen. Rhyl's problems

⁴⁸ David Powell, David Powell Associates Ltd with Professor Fred Gray, University of Sussex for South East Coastal Towns: *Economic Challenges and Cultural Regeneration* (7) state that 'in most UK coastal towns there are significant and seemingly intractable problems of economic decline, multiple-deprivation and a decayed environment'.

⁴⁹ House of Commons Communities and Local Government Committee (2006) Coastal Towns Second Report of Session 2006–07 (6) House of Commons HC 351, The Stationery Office, London; House of Commons Communities and Local Government Committee (2007) Coastal Towns: the Government's Second Response First Report of Session 2007–08 <http://www.parliament.the-stationery-office.co.uk/pa/cm200708/cmselect/cmcomloc/69/69.pdf>

⁵⁰ Coastal Communities Fund (2012) *Coastal Economy Toolkit* <http://www.coastaleconomytoolkit.com/>

⁵¹ Lincolnshire County Council (2012) *Coastal Pathfinder Economic Study* (67)

are ascribed to a vicious spiral of declining tourism, falling property prices, and a supply of cheap housing stock which has attracted people on low incomes and central and local government agencies looking for low cost accommodation. The presence of large numbers of people with high social needs has led to fragmented communities. The Chief Executive of Denbighshire County Council, Mohammed Mehmet is quoted as saying that 'Up until now the strategy has been about 'managing deprivation' and just supporting poverty. There is now a recognition that the town needs major structural changes and a different social mix to transform it'⁵².

- Recent work (August 2013) by the ONS has published analysis of the 2010 Index of Multiple Deprivation, focusing on coastal deprivation in larger English seaside destinations⁵³. Resorts were ranked on seven indices: income; employment; health and disability; education skills and training, barriers to housing and services; crime and living environment. The results showed that 25 of the 31 larger English seaside destinations had higher levels of deprivation than the measure for England on average. We are unaware of any equivalent work looking at Wales.
8. The Coastal Communities Fund is being extended to 2014-15. The allocation has risen from £25m to £29m.⁵⁴ The fund's objectives are to help coastal towns to create new business opportunities, jobs and skills. The fund uses revenues obtained from Crown Estate leases. Year One CCF money has been allocated to projects in Rhyl, Swansea, the Llyn Peninsula, Penarth, and Conwy.⁵⁵

⁵² Centre for Social Justice (2013) *Turning the Tide - Rhyl*

⁵³ ONS (2013) *A Profile of Deprivation in Larger English Seaside Destinations, 2007 and 2010*
<http://www.ons.gov.uk/ons/rel/regional-trends/area-based-analysis/a-profile-of-deprivation-in-larger-english-seaside-destinations--2007-10/sty-seaside-destinations.html>

⁵⁴ Wales Office (August 2013) *Wales' seaside towns urged to take a slice of coastal regeneration fund*
<https://www.gov.uk/government/news/wales-seaside-towns-urged-to-take-a-slice-of-coastal-regeneration-fund>

⁵⁵ Big Lottery Fund *Welsh CCF allocations* http://www.biglotteryfund.org.uk/-/media/Files/Programme%20Documents/Coastal%20Communities/prog_coastal_communities_fund_wales_yr_1_fundin_g.pdf

APPENDIX 2

Case studies

Applying best practice commercial development techniques to the marine environment

1. Twenty years ago, London's Regent Street was failing, home to airline offices, ticket agencies, and souvenir shops. It is now a major shopping destination and home to some of the highest retail rents in the world. This process of transformation has been achieved by the Crown Estate's control investment and portfolio management strategy that set the principles of their intended regeneration. This set out a tenant mix and investment strategy. The tenant mix was particularly important, because retail investors needed the comfort that their neighbours were not going to drag down their values; if investors could be sure of strong neighbours, then they themselves would be willing to invest. The Crown Estate was willing to move on poorer quality tenants in order to realise the bigger vision. In other words, the Crown Estate was creating win-win scenarios for itself and retail tenants, using its own land holdings to deliver change. These changes were accompanied by a broader investment strategy which saw capital investment in stock reconfigurations, better management and strategic marketing initiatives.
2. In Regent's Street, the improvements, and raised profitability, are palpable. The seas perhaps suffer in that opportunities are not immediately obvious and suffer from being less easily monetised. But Wales can apply the Regent's Street thinking to the marine economy, and use marine planning methods to create a new active-investment model towards the seas. Dr Anthony Jensen of Southampton University's School of Ocean and Earth Science has convincingly argued that there are potentially significant opportunities which might be explored from a genuinely cross-disciplinary approach which sees marine ecologists, planners and economists co-operate.
3. The objective will be to find the right, complementary mix of marine uses and activities that re-enforce each other.

Applying community funding techniques to the marine environment

4. Fairburn Wind Farm Extension – a terrestrial windfarm - shows how marine developers might begin to think about generating local community benefits that could incentivise local communities to accept development.
5. SSE Renewables has stated its commitment to providing a voluntary community benefit fund related to the wind farm if the project receives planning consent and becomes operational. The fund would be worth £5,000 per MW of installed capacity, which is in the upper range of community benefit funds currently on offer in Scotland. Based on the provisional 12 turbine layout, this would generate an income for the communities near the wind farm site of approximately £180,000 per year for the 25-year lifetime of the wind farm (a total of around £4.5 million). This income

would be added to the community benefit fund in place for the existing wind farm.

Understanding the potential scale of the benefits of marine developments: jobs growth, with low environmental impacts

6. We assessed the potential impacts on tourism and recreation that could occur as a result of the proposed West Islay Tidal Energy Project. We found that the project could have the potential to act as a catalyst to create a critical mass of marine energy activity on Islay, independently or in conjunction with the Sound of Islay Tidal Array. The key issue for the island is the provision of high quality and skilled jobs, which can provide permanent employment for the local population.
7. Of the 227 different tourism facilities within the local area, none will experience a significant negative impact. It can therefore be concluded that the impact of the Project on the recreation facilities in the local area will be limited and only of minor and not significant scale. As there are no assessed significant impacts no mitigation proposals are required, and as a result impacts and residual effects will remain at the same value and scale.