

NOT PROTECTIVELY MARKED

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24 February 2021

Dear Sir/Madam

East Anglia One North (EA1N) (Ref. EN010077) and East Anglia Two (EA2) (Ref EN010078) Offshore Wind Farm: Response to Examination Deadline 6

We write to you further in response to submissions received as part of Deadline 5.

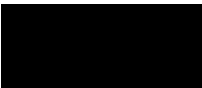
Response to SPR Submission of Oral Case: ISH5

In responding specifically to Section 3.2.1 and Section 3.2.2 of the SPR Submission of Oral Case: ISH5, we enclose a Response to SPR Submission Oral Case ISH (Tourism and Sizewell C) (**Appendix A**) and a HPC Tourism Dashboard (October 2019) (**Appendix B**) for reference.

Ongoing discussions with the Applicant

SZC Co. is in ongoing discussions with the Applicant regarding protective provisions and a side agreement.

Yours sincerely



Carly Vince
Chief Planning Officer

List of appendices:

Appendix A: SZC Co. Response to SPR Submission of Oral Case ISH5 (Tourism and Sizewell C)

Appendix B: Tourism Dashboard October 2019

Appendix A

SZC Co Response to SPR Submission of Oral Case: ISH5 3rd February 2021

1 Overview

- 1.1.1 This response refers specifically to Section 3.2.1 and Section 3.2.2 of SPR Submission of Oral Case: ISH5 3rd February 2021 (hereafter referred to as “The SPR Submission”). SZC Co:
- a) Supports SPR’s case that the DMO’s ex-ante stated preference survey – and indeed any such survey – would be a poor indicator for quantifying effects of loss of visitors and spend as a result of stated preference; and
 - b) Agree that the DMO’s survey additionally has methodological flaws that preclude its use for quantifying effects of loss of visitors and spend as a result of EA1(N)/2 and Sizewell C combined.
 - c) Has concerns about how SPR has interpreted SZC Co’s tourism survey
 - d) Believes evidence from Hinkley Point C is relevant and useful
- 1.1.2 The SPR Submission makes reference to the survey commissioned by SZC Co from Ipsos MORI, however, it draws incorrect conclusions from that work. The survey states in its methodology that *“the survey was not designed to measure or model the impact, financial or otherwise, of the construction of Sizewell C on tourism in Suffolk.”* It also has different stimulus materials, panel recruitment, and wording of questions from the DMO survey.
- 1.1.3 For these two reasons, it is impossible to draw the conclusion at Paragraph 85 of the SPR Submission that the findings of one survey can be subtracted from the other to remove the influence of one infrastructure project from another.
- 1.1.4 In any case, even if such combination or subtraction were appropriate, SPR has used factually incorrect figures from SZC Co’s survey that invalidates their case.
- #### 1.2 SPR’s case against the DMO Survey
- 1.2.1 SPR set out at Paragraphs 79 to 81 of the SPR Submission that (*precis*):
- Perception based ex-ante stated preference surveys about an individual’s future actions are poor predictors of future behaviour, citing academic studies, because of response bias and a focus on perceived deterrents;
 - The deterrents identified through the stimulus provided does not reflect the actual assessed significant effects of the Project; and
 - The stimuli themselves were incomplete and limited in terms of types of effect (i.e. they did not include visual or landscape changes) and geography (they only relate to a small area where impacts would occur).
- 1.2.2 SPR’s conclusions summarise that (para 81) *“any one of these three issues on their own would be enough to invalidate the conclusions of the DMO report with respect to the offshore wind farm. Therefore, the evidence presented in the DMO report does not support the conclusion that the construction of the wind farm would negatively impact visitor spending”*
- 1.2.3 SZC Co agrees with SPR that these methodological concerns preclude the survey’s ability to predict and then quantify changes in behaviour leading to financial cost, for one or both Projects combined. SZC Co note – as do SPR – that the DMO’s survey does include some relevant findings in terms of key sensitivities to change that may support the need for promotional and marketing activity.

1.2.4 SZC Co is engaging with the DMO and Councils to discuss these concerns and further detailed methodological concerns with the survey and its use to quantify effects with regard to Sizewell C.

1.3 SPR's Combination of Sizewell C and DMO Surveys

1.3.1 SZC Co notes that the SPR Submission states that (para 80, last bullet) *"The impacts from the construction of the offshore windfarms and the Sizewell C power station were grouped together, despite the impacts being significantly different. Potential visitors have been found to be more likely to avoid the area during the construction period of Sizewell C on its own than the combined potential impact of Sizewell C and the Projects"*.

1.3.2 SZC Co assumes that since the DMO survey does not draw this conclusion, it is drawn from SPR's understanding of SZC Co's (Ipsos MORI) survey. However, not only are the effects of the Projects different, but the surveys have a different design and methodology, different (stated) purpose, different target panel, different questions, different stated awareness of the Projects, and different visual and written stimulus. As a result – even if the surveys could be relied upon for quantitative outputs, it would be inappropriate to combine or subtract results from each other to disentangle the effect of individual Projects.

1.4 SPR's Interpretation of the Sizewell C Tourism Perception Study

1.4.1 In addition to the methodological challenges to SPR's approach, it also misinterprets the results of the Sizewell C Tourism Perception Study (correct reference is *Sizewell C: Suffolk Coast Visitors Survey (October 2019) – Appendix 9F to Volume 2, Chapter 9 of the Sizewell C EIA DCO submission*). The SPR submission states in paragraph 1.3.1 that:

- *"After being presented with details about the Sizewell C project and its construction, 39% said that they were less likely to visit the area during its construction and 8% say they were more likely to visit."*

1.4.2 This is not what the survey says. The SPR submission has confused Q42 of the Sizewell C: Suffolk Coast Visitors Survey (which measures stated intention of likelihood of visit) of the survey with Q46 (which measures stated intention to visit more or less frequently). Correct figures for the statement (first bullet point) above would be 29% and 13% respectively. However, as set out above, this is not a measure of the likely impact of the SZC project on tourism in Suffolk.

1.5 Evidence from Hinkley Point C (HPC)

1.5.1 SZC Co and SPR agree that surveys asking tourists whether they would change their hypothetical behaviour in several years' time are unreliable and cannot be used as a means of estimating impacts on tourism.

1.5.2 SZC Co's approach to estimating impacts has been to use actual evidence from the experience of Hinkley Point C (HPC) and to align that with surveys to understand the potential causes of an impact in Suffolk.

1.5.3 The HPC Examination received a lot of evidence on tourism impacts, including a survey of tourists undertaken on behalf of the local authorities which tried to forecast future impacts in a similar way to the DMO survey.

1.5.4 The HPC survey told tourists about the project and asked about its likely impact on four features – the natural environment; scenery views and unspoilt countryside; clean, fresh air; and, ease of travel/journey. They were then asked how that would affect their future likelihood to visit the area. These responses were then translated by the Councils into a potential loss of £47m in spending and 1,900 jobs.

1.5.5 The Panel did not agree that such a large impact was likely. The final report said:

- Impacts during operation would not be an issue (para 4.125)
- Construction impacts were a major area of concern and that the image of Somerset as peaceful/tranquil would be destroyed which would in turn cause irreparable harm and deter both day trippers and overnight visitors (4.126)
- Tourism would not be affected by severe traffic congestion of the type envisioned by Interested Parties and so tourism would not suffer as feared (4.128)
- Nevertheless, it welcomed provision in the S106 for funding to mitigate the potential impact on tourism through tourism officers, information centres, and marketing and promotional activities (4.129)
- Interested parties were concerned that workers would take tourist accommodation and deprive tourists of places to stay (4.136)
- The panel was not convinced this would happen for several reasons (4.137)
 - The price varies across the year and in the summer peak increased prices would deter workers
 - Construction workers would prefer single rooms whereas tourists would want family rooms
 - Demand from workers would generally be restricted to areas that were accessible to site (round the park and rides or bus routes) and so not have a significant impact on availability for tourists

1.5.6 The survey was conducted across five Districts – West Somerset and Sedgemoor (host authorities), and Taunton Deane, South Somerset and Mendip (adjacent authorities). The survey found similar responses on all five districts (approximately 5%) despite the fact that the actual impacts of the project were clearly concentrated in the host authorities. This reinforces the point made by SPR and SZC Co that these types of survey are poor predictors of behaviour. In the case of HPC, this is backed by evidence of what has actually happened.

1.5.7 Tourism impacts at HPC are monitored by the Socio-Economic Advisory Group (SEAG) and a quarterly dashboard is published on its website. This monitors three Key Performance Indicators (KPIs):

- Visitors recommending Somerset (based on a visitor survey)
- Growth on digital channels (based on use of the Visit Somerset and Visit Exmoor websites and social media platforms)
- Tourism business confidence (based on a business survey)

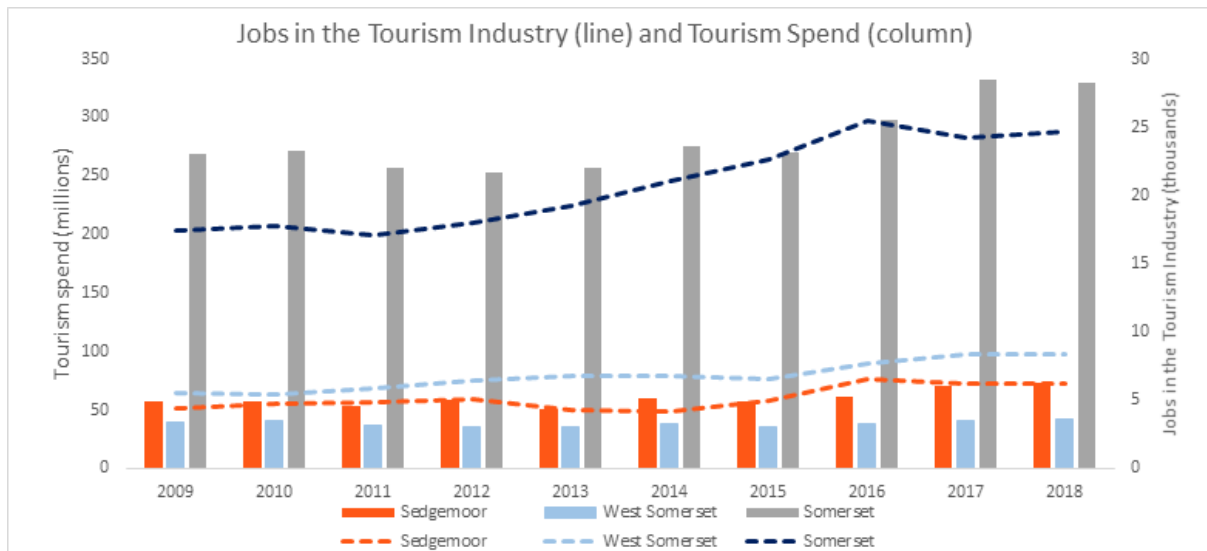
1.5.8 The latest dashboard is appended to this document¹ and it shows that in each case, the KPI is above the baseline level. It also reports on developing issues and concludes:

- *“No concerns to raise to SEAG at present. All metrics suggest continued growth and development and the tourism business survey shows no detrimental impact on visitor perception or business confidence as a result of HPC.”*

1.5.9 In addition, SZC Co has been monitoring what has actually happened to the level of visitor spend and number of jobs in tourism across the county. The following table shows that, rather than losing £47m and 1,900 jobs, the sector has grown since both the DCO consent and the start of the HPC works.

¹ This is from October 2019. Reports in 2020 were disrupted because of Covid-19.

Figure 1: Jobs and spending in the tourism sector in Somerset



Source: Business Register and Employment Survey (jobs) and Great Britain Tourism Survey (spending)

1.6 Conclusions

- 1.6.1 SPR is right to say that surveys of the type undertaken by the DMO are not a suitable basis for estimating likely impacts on the tourism sector.
- 1.6.2 SPR is wrong to try and undertake mathematical calculations by comparing the DMO and SZC Co surveys. The SZC Co survey is clear that it should not be used in that way. SPR has also misinterpreted the data.
- 1.6.3 SZC Co notes that similar issues were considered at the HPC examination and the panel concluded that the impacts were unlikely to be as significant as feared and the mitigation was welcomed.
- 1.6.4 SZC Co believes that the actual observed impacts at HPC are more relevant and demonstrate that rather than shrinking by £47m and losing 1,900 jobs, the sector has grown and the monitoring reports provided to the Socio-Economic Advisory Group shows that the industry is happy that there is no detrimental impact on visitor perception or business confidence.



Dashboard Sponsor: John Pingstone
Reporting Date: 03.10.19
Quarter: Q2 (Jul - Sept 2019)

Workstream



Tourism performance remains positive with an uplift digital channel growth and significant growth in social media channels (up 20% on Q1 19/20) - this is providing opportunity for Somerset Tourism as a whole. Overall, the Hinkley Tourism Action Partnership (HTAP) continues to deliver growth and resilience to the tourism sector across Somerset and is mitigating the potential negative impacts of the project through the development and growth shown within the indicators. Quarter 2 of 2019 was characterised by continued delivery of Phase 3. A full review of Phase 3 was undertaken by HTAP partners in July 2019 and planning started for Phase 4 delivery. Work undertaken during this period - our PR agency continued to promote positive perceptions of Somerset (& Exmoor) as a tourism destination; content for Visit Somerset's new website funded by HTAP -(visits to the new website have dropped slightly down 9.9%), this is not unusual when a new website is launched, visits to Visit Exmoor's website grew by 26% in Q2, continued to be developed ; and the agency procured to develop and provide support to tourism business clusters across the region continued delivery. Both Visit Somerset and Visit Exmoor are now working together more closely to promote the area as a whole. Both Visit Somerset and Visit Exmoor have reported significant increases across all of their social media channels; which should translate into an additional income stream to invest back into the tourism economy.

Ref	KPI	Metric	Baseline	Value	Variance from Previous Report	Owner	Status
1	Visitors Recommending Somerset	1.1 Net promoter score taken from the HTAP Somerset Visitor Survey (Visitors that would highly recommend - scores of 9 or 10, minus detractors - scores of 1-6)	70%	72%	0	WSC/HTAP	
2	Growth on Digital Channels	3.1 Minimum combined average growth % in user 'reach' and 'sessions' over past 12 months across Visit Somerset and Visit Exmoor websites and social media platforms.	10%	18%	-2%	WSC/HTAP	
3	Tourism Business Confidence	2.1 Confidence score taken from HTAP Somerset & Exmoor Business Survey (% of businesses scoring 7-10 = confident or very confident)	35%	46%	0	WSC/HTAP	

Key Targets Completed in Last Quarter

Full review of Phase 3 of the HTAP Strategy & Action Plan undertaken in July 2019. HTAP Away Day planning for Phase 4 of delivery undertaken at the end of Sept 19, this will cover the period 2020 to end of 2022. Proposals and funding allocations to be finalised by three local authorities before approval.

PR - HTAP procured the services of a professional PR agency Marr Associates to undertake PR activity for Somerset & Exmoor. Activity undertaken by the agency during the last quarter includes - preparation and organising of food based press trip (October 3 - 6), organised press trip for journalist from The Telegraph & Danish broadsheet Politiken, preparation for World Travel Market & responding to press enquiries - activity resulted in 50+ pieces of positive press relating to Somerset & Exmoor.

Visit Exmoor - continued support provided by HTAP enabled Visit Exmoor to run a campaign with BBC Countryfile magazine both in print and on-line -this resulted in increased website views, increase in social media followers, increase in visitors to Exmoor.

Visit Somerset - the Visit Somerset website funded by HTAP was launched in June 2019, new content for the website has also been developed (funded by HTAP). Visit Somerset has recently undertaken a full review of its membership strategy and developing new ways to increase their membership including development of a 'drop down menu' for the website.

Monitoring - a tender brief for the next Visitor Survey has been finalised and will be put out to the market in Winter 2019. Value of Tourism survey data has been funded for a further year providing economic impact information for the county.

Increased engagement with the Hinkley C and Hinkley B workforce through internal marketing, development of the Hinkley Leisure portal and new voucher booklets. - work on this is ongoing

Business Support & Development - An agency (Live Tourism) was procured by HTAP to develop significant tourism business clusters across the region. Live Tourism started delivery in May and have started to develop two clusters, around Food & Drink and Outdoor Activity, the concept is for the agency to work with interested (& motivated) businesses to develop 'bookable experiences'. The businesses will be provided with assistance in this and the chance to incorporate new software into their websites which will allow for direct booking of 'experiences'. This provides the opportunity for businesses to grow. During the last quarter Live Tourism identified 21 outdoor activity providers and 9 food and drink business recommended for an initial diagnostic. The diagnostic will identify the type of support required (online bookability, marketing support, product development & travel trade). Once the diagnostics have been completed full business support plans will be prepared and delivered for each business.

Developing Issues and Key Targets Planned for Next Quarter

No concerns to raise to SEAG at present. All metrics suggest continued growth and development with no detrimental impacts of the HPC development on tourism being reported to HTAP.

Finalise proposals and development of Phase 4 of the HTAP Action Plan - submit to Somerset West & Taunton Council for approval (& SDC, SCC) implement and delivery from February 2020.

Delivery of the core 'refreshed' strategy: 1. Generate positive perceptions, 2. Deliver an exceptional welcome, 3. Develop quality experiences, 4. Support industry growth - this will continue to be the focus over Phase 4 of the HTAP Action Plan

Phase 4 - will include allocations to provide match funding for legacy tourism projects - proposals have been received - funding to be finalised and approved by all parties

Visitor Survey - tender brief out to market in Winter 2019 - appointment of agency in January 2020, survey to be delivered spring/summer 2020

Continue to work to promote to Hinkley Workers and their friends & family, and encourage businesses to engage and provide offers for HPC workers

Continue to support Bath, Bristol & Somerset Tourism Awards to drive up tourism quality across Somerset & Exmoor.

Business Development/Support & PR work will continue to be delivered by Live Tourism & Marr Associates - performance will be monitored by HTAP on a bi-monthly basis. (Monthly monitoring undertaken by Local Authorities)