

14.1 INTRODUCTION

This section identifies the positive and negative social and economic impacts of the proposed port facility, and recommends appropriate mitigation and enhancement measures. The assessment focuses on the social-economic implications of moving Stena Line’s ferry operations from Stranraer to Old House Point.

14.1.1 Scope of Assessment

Five types of socio-economic impact have been considered; direct, indirect, demographic, socio cultural and regenerative. These are set out in *Table 14.1*, along with examples of issues.

Table 14.1 Issues covered in socio-economic assessment

Type of impact	Issue
Direct economic	Local and non-local employment The characteristics of employment
Indirect/expenditure	Business expenditure on goods and services Employees retail expenditure Wider multiplier effects
Demographic	Changes in population size or age structure.
Socio cultural	Lifestyles/ quality of life Social problems (eg divorce, stress) Community stress and conflict; integration and cohesion
Regeneration/catalyst	Opportunity for development of the Stranraer Waterfront Encouragement of further development in the Cairnryan area

14.2 ASSESSMENT METHODOLOGY

Current socio-economic baseline indicators have been identified in order to understand the local social and economic conditions. Data includes demographic data, employment statistics, economic expenditure and wages.

Establishing the baseline is primarily a desk based exercise, drawing on available national and regional economic data. Primary data has been collected in the form of consultation, through telephone calls and written communication, with relevant local authorities and organisations including Scottish Enterprise, Stranraer and District Chamber of Commerce and Dumfries & Galloway Council. Local and regional plans and strategies are also reviewed for their relevance, with focus provided by relevant local authority stakeholders.

The likely socio-economic changes are then presented. These have been identified through discussions with Stena Line and other key stakeholders. By comparing the baseline data with projected changes resulting from the relocation, it is possible to assess the impact of the proposed scheme.

The information gathered has been analysed to determine the significance of any impact. Potential mitigation measures are presented, where necessary, to reduce impacts.

14.3

NATIONAL, REGIONAL AND LOCAL POLICY REVIEW

The existence of the Loch Ryan ferry links serves long term economic development policy objectives in Scotland. With regards to the Framework for Economic Development in Scotland ⁽¹⁾ (FEDS), the ferry links support the aims of FED as follows:

- Achieving economic growth and productivity increases requires a range of factors to be in place and one of the key factors is the physical infrastructure. The services provide a vital part of the transport infrastructure which enables export oriented companies in Scotland (and the north of England) to access their markets in Ireland directly.
- Stranraer and Cairnryan are located within an area of relatively high unemployment and low wages. The ferry operations provide sustained employment opportunities (and relatively high wages) for the local population.

A number of strategies addressing socio-economic issues have been developed for the area of Wigtownshire and Stranraer. These have been produced by local partnership organisations including Dumfries and Galloway Council, Scottish Enterprise and Dumfries and Galloway Area Tourism Partnership. A number of these local and regional strategies make reference to the ports of Stranraer and Cairnryan.

Scottish Enterprise Dumfries & Galloway 5 year Strategy 2003-2008 ⁽²⁾ recognises the Loch Ryan ferry service as an intervention area which Scottish Enterprise must support and states '*...a positive reaction must be made to maintain and develop further the position of the Stranraer route (P27)*'. The strategy further recognises that the relocation of Stena Line's ferry operations from the Stranraer waterfront (whilst maintaining the Stena Line ferry service from Loch Ryan) is an important element of revitalising the Wigtownshire and south west Scotland economy.

(1) Scottish Enterprise, 2004.

(2) Driving Success, Driving Diversity 2003.

Policy 19 of the Dumfries and Galloway Structure Plan, adopted 1999, sets out the council's support of the Loch Ryan ports and states *'the Council will encourage and facilitate the necessary investment required in the Loch Ryan ports'*.

The economic importance of the ports is recognised in Policy 19 which claims *'The impact of the ferry operations, on Stranraer, and the rest of Dumfries and Galloway, cannot be overestimated as they provide a significant source of employment and income to the area.'*

This is reiterated by a further extract from Policy 19 *'Without continuing investment in harbour facilities and transport links the importance of the North Channel corridor could decline which would affect the economic viability of one or more of the existing ferry operators and have a knock on effect on the local economy which is so dependent on ferry operations.'*

Wigtown Local Plan, adopted 2006, stresses the importance of Loch Ryan Port facilities to the whole of Dumfries and Galloway. The contribution to direct and indirect employment in the region is recognised by the Dumfries & Galloway Council Regional Transport Strategy stating *'Maintaining Stranraer / Cairnryan as a competitive port is critical for the local economy, since port activity supports a large number of jobs (P16).'*

The relocation of Stena Line's operation would allow the redevelopment of the Stranraer waterfront. In the Scottish Enterprise Dumfries and Galloway 5 year Strategy (2003) the 26 acre site is identified as a key component of revitalising the Wigtownshire and South West Scotland's regional economy. The Stranraer and Loch Ryan development framework was issued on January 2006. It envisages the development of:

- a residential quarter;
- marina and marine leisure activities;
- a business and commercial area;
- a public transport interchange; and
- a mixed use commercial and residential area.

The development would provide:

- 21,500 sq ft of new business space ranging from offices to smaller workspace studios;
- 100,000 sq ft of commercial space; and
- new homes.

14.4 BASELINE

14.4.1 *The study area*

Stranraer and Cairnryan are situated on the shores of Loch Ryan in Dumfries & Galloway in the south west of Scotland. Stranraer is accessed from the south via the A75 and from the north via the A77, which passes through Cairnryan. Stranraer also has a rail link, being on the Glasgow south western line.

Stranraer is the second largest town in Dumfries and Galloway and is situated on the Southern shore of Loch Ryan. It was established in 1511 after the construction of Stranraer Castle. The town was created a Burgh of Barony in 1596 and obtained Royal Burgh status in 1617. Stranraer serves as one of the main ferry ports for sea passage from Scotland to Northern Ireland and at the last census (2001) had a population of 10,891 ⁽¹⁾.

Cairnryan is a linear settlement dominated by the P&O ferry port, which operates ferries to Larne in Northern Ireland. The village is situated approximately 9 kilometres North of Stranraer and has a small population of approximately 300 inhabitants ⁽²⁾.

14.4.2 *Demographic Structure*

The population of Dumfries and Galloway is approximately 148,000, while the population of Stranraer is 10,891 and the population of Cairnryan is around 300 (less than 100 households) ⁽³⁾. The population is relatively stable, with most inhabitants of both Stranraer and Cairnryan aged between 30 and 60. There is, however, a tendency to out-migration of young people and in-migration of older people approaching retirement ⁽⁴⁾.

The demographic structure of Stranraer, Dumfries and Galloway and Scotland is shown in *Figure 14.1* below. It is apparent that the percentage of people over 45 is higher in Stranraer and Dumfries and Galloway than the Scottish average. The percentage of people in the age group 16-44 is noticeably lower than the Scottish average.

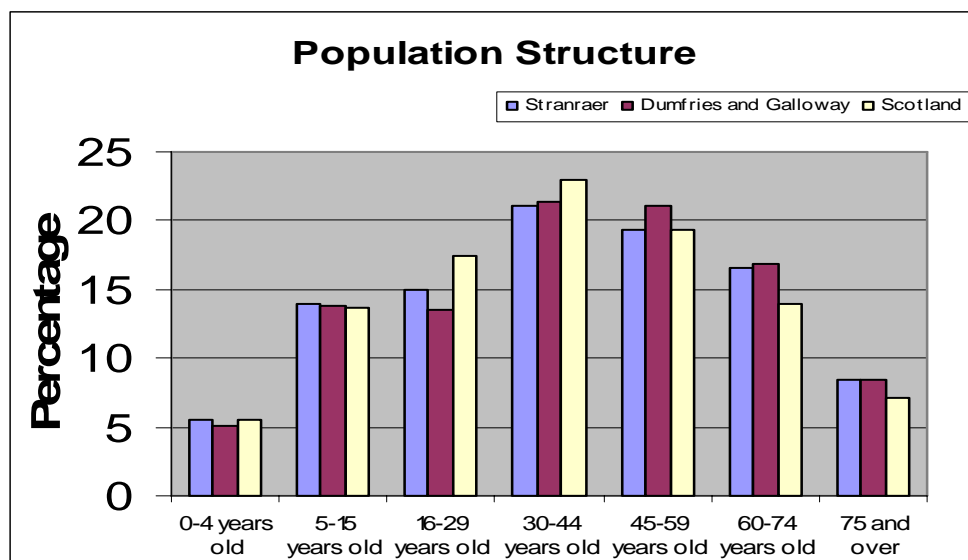
(1) 2001 census

(2) 2001 census

(3) 2001 census

(4) Dumfries & Galloway Economic Audit, 2004.

Figure 14.1 Demographic Structure



14.4.3 Economic Structure

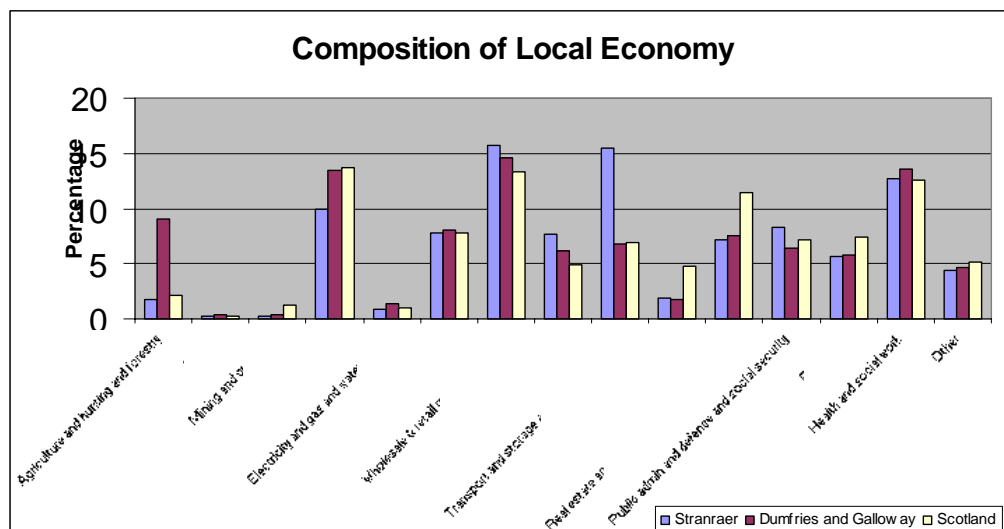
Figure 14.2 below shows the composition of the economy in Stranraer, Dumfries and Galloway and Scotland.

Stranraer is much more dependent on the transport and storage and communication industries with over seven percent more employment in these industries than the Scottish average. It is noticeable that Stranraer is less dependent on manufacturing and financial industries than the Scottish average.

There are a few manufacturing companies in the area. The rural areas outside of Stranraer and Newton Stewart are highly dependent on agriculture, forestry and tourism and the percentage of employment within Dumfries and Galloway associated with agriculture, hunting and forestry is higher than the Scottish average.

The ferry operations provide a significant source of direct employment and income to Stranraer and the wider Dumfries and Galloway area. There is also associated indirect employment, for example hauliers, hotels and restaurants to cater for tourists, although these facilities are limited in Cairnryan due to the size of the settlement. Direct employment in ferry operations represents 12% of all employment (as at the 2001 census) in the former Wigtown District (which includes Stranraer and Cairnryan) and 22% of direct employment in the Stranraer locality.

Figure 14.2 Composition of the local economy



14.4.4 Economic significance of the Loch Ryan Ferry services.

An economic study of the Loch Ryan ferry services was undertaken in 2001 by the North Channel Partnership ⁽¹⁾. The study was commissioned by the North Channel Partnership, a group of public and private sector concerns on both sides of the Irish Sea which aim to secure an adequate strategy, and investment programme, for the Irish Sea North Channel transport corridor. The study attempts to quantify some of the economic impacts associated with the Loch Ryan ferry services.

The study considered employment at four levels, described below.

Direct Employment – employment provided by the ferry operators (afloat and in the terminals), by local haulage companies which rely on the ferries for work, by companies providing support to the hauliers and by security and policing services at the ports.

Indirect Employment – employment and incomes which arise from the provision of goods to the ferry operators and the other businesses directly engaged in the operation of the port

Induced Employment – employment and incomes created by the spending of the directly and indirectly created incomes

Tourism Employment – the ferry routes between Loch Ryan and Northern Ireland provide a means of entry to Scotland for visitors from Northern Ireland.

The statistics presented in the North Channel report have recently been updated by Peter Wood of Tribal Consulting in his evidence to the Port of

(1) North Channel Economic Study, DTZ Pieda for the North Channel Partnership, 2001.

Cairnryan Public Inquiry, 2006 ⁽¹⁾. These updated calculations are now presented.

The numbers of people employed by the Loch Ryan ferry operations (Stena Line and P&O) are set out in *Table 14.2* below. It is apparent that a large number of jobs are supported by the Loch Ryan ferries, both directly and indirectly, in the local economy and Scotland wide. Stena Line accounts for over 75% of the local ferry related employment, with P&O making up the remaining percentage. Stena Line directly employs 446 people in the Stranraer area and a total of 558 on the Stranraer/Belfast route.

Table 14.2 *Levels of employment supported by ferry operations on Loch Ryan*

	Employment contribution to Local Economy	Employment contribution to Scotland
Total Direct Employment	800	835
Total Indirect and Induced	166	1784
Total Ferry Related Employment	966	2619
Total income generated ⁽²⁾	£22 million per annum	£38 million per annum

Figures quoted include both ferry operators.

Tourism Employment

In the North Channel Economic Study it was estimated that 50% of all Bed and Breakfast and Guest House accommodation was “ferry related”. Wood provides some analysis of this in his evidence to the Port of Cairnryan Public Inquiry. He calculates that this represents 16,000 bed nights which implies local spending of £896,000 ⁽³⁾ – enough to support 26 local jobs based on Scottish Executive figures for tourist spending and tourism employment.

The North Channel economic study estimated that 540,000 tourist trips are made to Scotland from Ireland via Loch Ryan. In his evidence to the Port of Cairnryan Public Inquiry, Wood multiplies the number of tourist trips with the average spend per trip for UK visitors to give an implied spending of £119 million, sufficient to support 3400 Scottish jobs ⁽⁴⁾. This is not to suggest that all 3400 jobs are dependent on the Loch Ryan ferries, as other routes between Ireland and Scotland are available. It does, however, give an indication of the importance of the ferry link to the Scottish tourism industry.

(1) Precognition of Peter Wood, Socio-economic Impact of the Development, Port of Cairnryan Harbour Empowerment Order, 11th November 2006

(2) Using average earning per worker in Dumfries and Galloway, as indicated in the Futureskills Scotland Local Labour Market Report 2005

(3) This assumes the Visit Scotland figure for average tourist spend by UK tourists in Scotland per bed night of £56

(4) based on Scottish Executive figures for tourist spending and tourism employment.

14.5 ASSESSMENT OF SOCIO-ECONOMIC IMPACTS

14.5.1 Introduction

This section sets out the likely impacts of the proposed scheme during construction and operation of the port facility. Impacts are assessed as being minor, moderate or major and beneficial or adverse. Significant impacts are those assessed as moderate or major.

14.5.2 Impacts during construction

There are three likely socio-economic impacts during construction, local employment opportunities, local expenditure and traffic related impacts.

The predicted construction workforce during peak construction is estimated to be 210 persons on site over the 14 month construction period. This will provide an opportunity for local people to gain employment during construction.

Local labour supply will not meet the demand for employment, so it will be necessary to employ many construction workers from further afield. The introduction of any construction workers to the local area will provide increased trade for local hotels, bed and breakfasts, shops and restaurants.

During construction there will be an increase in construction traffic, noise and dust, as discussed in detail in *Chapters 11 (Noise and Vibration), 12 (Air Quality) and 13 (Transport)*. This will create a temporary nuisance for the residents of Cairnryan and at other properties around the site.

A summary of socio-economic impact during construction is set out in *Table 14.3*.

Table 14.3 *Summary of socio-economic impacts during construction*

Item	Impact	Assessment
Direct Impact		
Direct employment during construction	Creation of 210 temporary jobs for 14 months, some of which will be taken up by local people.	Minor beneficial
Increased local expenditure (trade) from construction workers in shops, bed and breakfasts, hotels and restaurants in Cairnryan and Stranraer	Temporary increase in trade for local businesses	Minor beneficial
Increase in traffic, noise and dust during construction	Temporary nuisance and impact on quality of life due to increased construction traffic, noise and dust.	Minor adverse

Impacts During Operation

The socio-economic impacts of the operation of the port are varied and range from major beneficial to moderate adverse.

Stena Line's operation on Loch Ryan is important for the local economy of Stranraer, and the wider economy of Dumfries and Galloway and Scotland. This is widely recognised in the policy documents discussed in *Section 14.4*.

Direct employment

Stena Line currently provide approximately 530 jobs on the Loch Ryan to Belfast route, approximately 400 of which are based in Stranraer. The loss of these jobs would have a major adverse impact on the local economy, causing increased unemployment. This in turn would have a major adverse impact on local businesses due to a decrease in local expenditure, further threatening local employment. The protection of the majority of these 530 jobs, and the resulting expenditure and employment in local businesses, is considered to be a major beneficial impact.

Indirect employment

Furthermore, as demonstrated in *Section 14.4.4* the Loch Ryan ferry services indirectly support a large number of jobs across Scotland and contribute a significant amount to the Scottish Economy (£38 million). The loss of one of the Loch Ryan ferry services would have an adverse impact on the Scottish economy. Retaining indirect employment and income generation locally and nationally is considered to be a major benefit of the proposed new port development.

Trade in Stranraer

There is the possibility that businesses in Stranraer, particularly hotels, shops and restaurants, may lose some passing trade, as the majority of passengers would no longer need to pass through the town centre or stop in Stranraer town centre in order to travel on the ferry. As there are very few other locations offering these services in the local area, within 20 miles, and even considering the potential for such development in Cairnryan, the loss of trade is unlikely to be significant. For this reason this impact is considered to be minor adverse.

Trade in Cairnryan

Conversely, business opportunities may become viable in Cairnryan and around Old House Point, due to the increase in passing trade and the location of the port and employees. The small size of Cairnryan means that a large increase in service provision is unlikely. The impact is considered minor beneficial.

Commute

A small number of employees may experience a decrease in their commute if they currently commute from the north of Old House Point, or from Cairnryan. It is expected that the majority of Stena Line employees and those living in Stranraer will experience an increase in the distance they commute (10 km from Stranraer). Currently there is little data available on employee commuting habits, so the detail of the impact is unknown. For those employees without access to a car, it may become much harder to get to the workplace. Some context is provided by the 2001 census which indicates that in Dumfries and Galloway the average distance travelled to work or study is 14.88 km.

To minimise the impact on staff car sharing arrangements between staff will be encouraged. Once shift patterns are known in detail, discussions about providing a bus service will take place with a service provider to link in to ferry services and employee shift patterns. Providing that a regular or appropriately timed bus service will operate between Stranraer and Old House Point, and considering that the average commute is 14.88 km, this impact is considered to be minor adverse.

Employment characteristics

Staff shifts currently worked at Stranraer are set out in *Table 14.4* below.

Table 14.4 *Stena Line Employee Shifts*

Staff	Number of staff	Current Shift Pattern
Port Staff	16 per shift	0830 – 2030 or 2030 – 0830
Administrative Staff	26	0830 – 1700 Mon-Fri
Ship Staff	155 per crew	Caledonia - Week on week off Voyager - 12 hour shift

Various options for the fleet to be operated from the new port are currently under consideration. It is likely that both the HSS Stena Voyager and Stena Caledonia will be withdrawn and replaced with two ropax vessels. The change in shift pattern will be the subject of consultation with employees and relevant trade unions groups in due course when more detail is available.

Regeneration opportunities

The relocation of Stena Line's operation would allow the redevelopment of the Stranraer waterfront. As discussed in *Section 14.3*, the 26 acre site is identified as a key component of revitalising the Wigtownshire and South West Scotland's regional economy.

In his evidence to the Port of Cairnryan Public Inquiry, Peter Wood estimates this development could support 100 jobs in the office space and at least 300 jobs in the commercial development ⁽¹⁾. The development would also generate indirect and induced employment.

Table 14.5 below provides a summary of the assessment of socio-economic impacts during operation.

Table 14.5 *Summary of all socio-economic impacts during operation*

Item	Impact	Assessment
Direct Impacts		
Direct employment in Stena Lines operation	Protection of jobs on the route.	Major Beneficial
Indirect/expenditure impacts		
Indirect employment dependent on ferry operations	Protection of jobs locally and nationally.	Major Beneficial
Trade from ferry passengers and Stena Line employees in shops, bed and breakfasts, hotels and restaurants in Stranraer	There may be some loss of trade if passengers no longer need to pass or stop in Stranraer. This is unlikely to amount to much due to a lack of competition from Cairnryan and the distance of other local settlements from Old House Point.	Minor Adverse
Trade from ferry passengers and Stena Line employees in shops, bed and breakfasts, hotels and restaurants in Cairnryan	There is the potential for increased trade for businesses operating in Cairnryan	Minor beneficial
Socio cultural		
Commuting distance	Employees living in Stranraer, or south of Stranraer, will experience an increase in their commute.	Minor Adverse
Regenerative/catalyst effect		

(1) Based on development of 21,500 sq ft of new business space and 100,000 sq ft of commercial space.

Item	Impact	Assessment
Regeneration of Stranraer waterfront	Creation of up to 400 jobs directly. There would also be wider socio cultural benefits in terms of an improved landscape and facilities at the waterfront.	Major beneficial

14.6 MITIGATION AND BENEFIT MAXIMISATION MEASURES

14.6.1 Construction

Steps will be taken where possible to increase the ease and likelihood for local people to be employed during the construction phase where appropriate skills are available.

Measures to mitigate the impact of construction traffic, noise and dust are set out in *Chapters 11* (Noise and Vibration), *12* (Air Quality) and *13* (Transport).

14.6.2 Operation

The transport needs and provision between both locations will be assessed to make sure it is sufficient for those workers who will rely on public transport as a means of getting to work.

There will be a review of shift patterns when the ships configuration is known.

14.7 RESIDUAL IMPACTS

Residual impacts are those assessed as moderate or major, after the implementation of mitigation set out in *Section 14.6*. Residual impacts are set out in *Table 14.6*.

Table 14.6 Residual Impacts

Impact	Assessment
During Construction	
Creation of 210 temporary jobs for 14 months, some of which will be taken up by local people.	Minor - Moderate Beneficial
During Operation	
Protection of jobs on the route	Major Beneficial
Protection of jobs locally and nationally.	Major Beneficial
Creation of up to 400 jobs for the Stranraer Waterfront. There may also be socio cultural benefits in terms of an improved landscape and facilities at the waterfront.	Major Beneficial