

From: [James Harland](#)
To: [Wylfa Newydd](#)
Cc: [Peter Brown \(Reg Services\)](#); [Sam Parry](#)
Subject: FW: Registration for project Wylfa Newydd Nuclear Power Station with the Planning Inspectorate
Date: 04 December 2018 13:57:27
Attachments: [Wylfa Power Station - CCBC Local Impact Assessment FINAL .pdf](#)
[Appendix 1 Three Dragons Report .pdf](#)
[Appendix 2 Policy in Practice Welfare Reform - FINAL REPORT - Wylfa KSApdf](#)

Application by Horizon Nuclear Power Limited for an Order Granting Development Consent for the Wylfa Newydd Nuclear Power Station

Submission of Statement of Local Impact Report by Conwy County Borough Council

Please find attached the Statement of Local Impact Report by Conwy County Borough Council following initial summary representation (Identification Number: 20011598) submitted on 10 August 2018 and as detailed below.

The attached Local Impact Report is supported by the following appendices (attached separately):

Appendix 1: Wylfa Newydd – ‘Housing Evidence & Mitigation Costs Report’

(Please note that this document is still labelled as DRAFT. A final document has been sourced and will be sent by the deadline. If the final Report is not submitted by the deadline, the attached should be considered as the FINAL Report..

Appendix 2: Policy in Practice Report ‘The impact of the Wylfa power station on low-income private tenants’

Kind Regards

James

From: Planning Inspectorate Projects [mailto:donotreply@infrastructure.independent.gov.uk]
Sent: 10 August 2018 11:51
To: James Harland <James.Harland@conwy.gov.uk>
Subject: Registration for project Wylfa Newydd Nuclear Power Station with the Planning Inspectorate

Planning Act 2008: Receipt of Representations

Thank you for submitting your representation on the application for development consent by Horizon Nuclear Power for Wylfa Newydd Nuclear Power Station.

Your registration identification number is 20011598.

The next step is that Horizon Nuclear Power must certify to the Secretary of State it has complied with its notification obligations. After this the Secretary of State will appoint the Examining Inspector(s) responsible for examining the application ('the Examining Authority'). The Examining Authority will then carry out an

initial assessment of the principal issues arising on the application by 3 September 2018, which is 21 days after the last day for submitting representations.

Once that initial assessment of issues has been done we will write to you again. That letter will provide the name(s) of the Examining Inspector(s) appointed to be the Examining Authority and confirm (where relevant) your status as an interested party, unless exceptionally your representation has failed to comply with mandatory legal requirements. In the event that you are given Interested Party status, I can assure you that your representation will be considered by the Examining Authority. All Interested Parties will also be invited to attend the Preliminary Meeting and will have an opportunity to make representations about the procedure for the examination.

Please also note that the representations received will be published on the project page of the Planning Inspectorate's website as soon as practicable after the applicant has certified that it has complied with its notification obligations.

If you did not make this registration then please ignore or delete this email or call the Planning Inspectorate helpline on 0303 444 5000 for more information.

Yours sincerely

Planning Inspectorate

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BS1 6PN

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Summary of your details:

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Your representation:

Summary Response Only (subject to fuller written representations when the examination begins).

Conwy County Borough falls within the Daily Construction Commuting Zone (DCCZ) of 90 minutes. However, the application only explores in detail the Key Socio-Economic Study Area (KSA) of 60 minutes (Holyhead to Bangor), excluding the wider catchment. The application further states that there will be some impacts beyond the KSA, within the DCCZ. This raises concerns as to the potential impact and mitigation on a number of sectors within Conwy without mitigation and appropriate monitoring:

Housing Accommodation (including secondary impacts on Homelessness): The application further states that there will be some impacts beyond the KSA, within the DCCZ. However, the application does not consider the potential impact on Conwy's rental markets caused by the residing workforce, displacement and Welfare Reform. The capacity of the rental market in Conwy is strained and as such further impacts on demand may exacerbate stock levels and impact on homelessness. Access to the Accommodation Portal would go some way to mitigate these from workforce demand, but issues related to displacement, coupled with Welfare Reform, would require further mitigation and monitoring. The application further states that there will be some impacts beyond the KSA, within the DCCZ.

Tourism Accommodation: The application further states that there will be some impacts beyond the KSA, within the DCCZ. As with housing, the workforce demand and displacement impacts, coupled with Welfare Reform impacts, could place pressure on tourism accommodation and tourism economy without mitigation and appropriate impact monitoring.

END

**Application by Horizon Nuclear Power
Limited for an Order Granting
Development Consent for the Wylfa
Newydd Nuclear Power Station**

**Statement of Local Impact Report
by Conwy County Borough Council**

December 2018

1. Introduction

- 1.1 On 28 June 2018 The Planning Inspectorate confirmed that Application ref. EN010007 by Horizon Nuclear Power (Horizon) for Wylfa Newydd Nuclear Power Station had been accepted for examination.
- 1.2 Conwy County Borough Council (CCBC) has also been notified that as a local authority it does not fall within the categories of S102 (6&7) of the Planning Act 2008 given that the application site is not within its boundary nor, in the opinion of the Planning Inspectorate, is Conwy considered to have part of a boundary with the host authority.
- 1.3 Irrespective of its status under S102 (6&7) CCBC, based on its local knowledge and the information contained in the Development Consent Order Application, has considered the local impacts of the application upon the county, which are set out within this Statement of Impact Report.

Summary Response

- 1.4 CCBC acknowledge their support in principle for the Power Station (including construction) has the potential to bring positive economic and social benefits to the region. However, CCBC has consistently identified areas of concern over certain aspects of the development, especially relating to impacts and mitigation associated with the wider 'Daily Construction Commuting Zone' (DCCZ), which remain limited, especially with regards to regional jobs and skills supply chains, worker accommodation, tourism and rental markets and integrated traffic & transport. Horizon recognise that there will be some impacts beyond the Key Socio-Economic Study Area (KSA) of 60 minutes (Holyhead to Bangor). As such, CCBC consider that such unknown impact will require appropriate monitoring and mitigation and/or a precautionary approach requiring further discussion and agreement with relevant bodies reflected in the final proposals. In discussion with our partners, CCBC are not fully satisfied that significant issues related to accommodation, tourism, transport, skills and employment have been adequately examined and addressed. A comprehensive monitoring approach, supported by appropriate mitigation, will ensure mechanisms are in place to manage impact appropriately.
- 1.5 This Impact Assessment is supported by the following appendices:
 - **Appendix 1: Wylfa Newydd – 'Housing Evidence & Mitigation Costs Report'**
 - **Appendix 2: Policy in Practice Report 'The impact of the Wylfa power station on low-income private tenants'**

2. Proposals

- 2.1 The Applicant seeks a DCO to authorise the construction and operation of Wylfa Newydd, a new nuclear power station on Anglesey with a capacity of up to 3100 megawatts, and associated development ('Wylfa Newydd DCO Project'). The principal components of the Wylfa Newydd DCO Project are:
 - a) The Power Station which includes two UK Advanced Boiling Water Reactors, the Cooling Water System, supporting facilities, buildings, plant and structures, radioactive waste and spent fuel storage buildings and a connection to the national grid.

- b) Other on-site development including landscape works and planting, drainage, surface water management systems, public access works including temporary and permanent closures and diversions of public rights of way, new Power Station Access Road and internal site roads, car parking, construction works and activities including construction compounds and temporary parking areas, laydown areas, working areas and temporary works and structures, temporary construction viewing area, diversion of utilities, perimeter and construction fencing, and electricity connections.
- c) Marine Works comprising:
 - Permanent Marine Works including the Cooling Water System, the Marine Off-loading Facility, breakwater structures, shore protection works, surface water drainage outfalls, waste water effluent outfall (and associated drainage of surface water and waste water effluent to the sea), fish recovery and return system, fish deterrent system, navigation aids and dredging.
 - Temporary Marine Works including temporary cofferdams, a temporary access ramp, temporary navigation aids, temporary outfalls and a temporary barge berth.
 - Off-site Power Station Facilities: comprising the Alternative Emergency Control Centre, Environmental Survey Laboratory and a Mobile Emergency Equipment Garage.
 - Associated Development comprising:
 - the Site Campus for worker accommodation within the Wylfa Newydd Development Area;
 - temporary Park and Ride facility at Dalar Hir for construction workers;
 - temporary Logistics Centre at Parc Cybi;
 - the A5025 Off-line Highway Improvements;
 - Wetland habitat creation and enhancement works at Tŷ Du, Cors Gwawr and Cae Canol-dydd.

2.2 The DCO application also seeks various other powers including provisions permitting the compulsory acquisition of interests and rights in land, the temporary use of land, interference with rights and the closure or diversion of streets and other public rights of way including the permanent closure of Cemlyn Road.

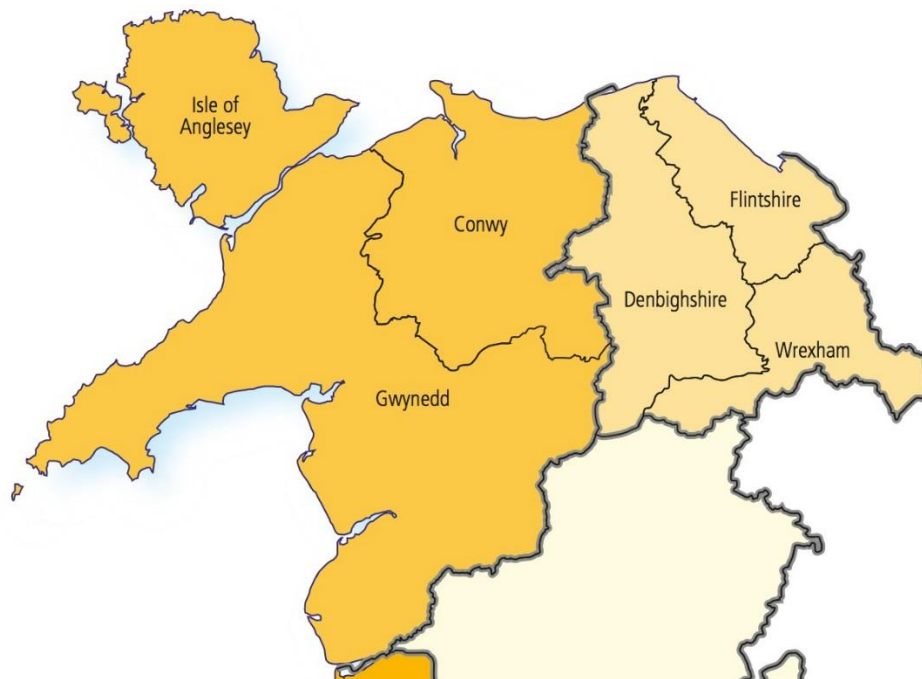
3. Conwy Profile

- 3.1 Conwy County Borough (CCB) is centrally located in North Wales, sitting adjacent Gwynedd County Borough (GCB) to the West and Denbighshire County (DC) to the East (Refer to Map 1). The County Borough has an area of 113,000 hectares² and a population of 116,850 residents (2017 mid-year population estimate). About 38% of its area and 4% of its population are within the Snowdonia National Park.
- 3.2 Conwy County Borough is an area of outstanding landscape ranging from extensive sandy beaches and headlands to sheltered valleys, open moors and rugged mountains. Not surprisingly, its economy relies heavily upon tourism. Rural areas and

their communities are dependent on agricultural and forestry activities, even though these sectors do not provide a high level of direct employment.

- 3.3 The narrow coastal belt contains over 85% of the County Borough's population with Llandudno and Colwyn Bay as the two main settlements in terms of population numbers. Rural Conwy is an attractive, mainly agricultural area with limited alternative employment and few development pressures. Its population is widely dispersed and is predominantly Welsh speaking.

Map 1: Administrative Boundaries



4. Power Station location in relation to Conwy

- 4.1 The Wylfa Newydd Power Station site and its associated development sites are located in the administrative area of the Isle of Anglesey County Council. The Power Station site is on land on the northern coast of the Island and is within the control of Horizon. The associated development sites are situated at various locations on the Island. The Menai Strait forms the boundary between the north-eastern boundary of the administrative area covered by Gwynedd Council and the southern boundary of the administrative area covered by the Isle of Anglesey County Council. Conwy County Borough administrative boundary falls to the West of Gwynedd County Council as shown at Map 1 above.
- 4.2 The Power Station site is approximately 35 miles (54 minutes travelling time) from Llanfairfechan Town Centre, which is the first town located within the Conwy's administrative boundary. Main vehicular access between Conwy and the Isle of Anglesey is provided by the A55 Dual Carriageway and Britannia Bridge and the Menai Suspension Bridge, with the former also providing a rail link.

5. Appraisal of planning policies and documents

- 5.1 CCBC acknowledges the nationally important role that low carbon energy generation plays as outlined in NPS EN-1, and that no part of the proposed Power Station or its

associated development would be physically located inside the administrative area of Conwy. It therefore also acknowledges that the impacts of the scheme fall entirely on the local communities of Anglesey, provided that the assumptions made by Horizon and their suggested mitigation and compensation measures are correct. EN-1 states that consent shouldn't be granted unless the Examining Authority is satisfied that the project will avoid significant adverse impacts on, for example, health and quality of life of communities. Based on concerns around matters highlighted above it is considered by CCBC that the adopted development plan as well as other documents and strategies produced by CCBC and partners should be included as material considerations when considering this application.

National Planning Policy

- 5.2 It sets out the land use planning policies of the Welsh Government. It translates the Government's commitment to sustainable development into the planning system so that it can play an appropriate role in moving towards sustainability. PPW, the TANs, circulars and policy clarification letters comprise national planning policy. National planning policy should be taken into account in the preparation of development plans. It may be material to decisions on individual planning applications and will be taken into account by the Welsh Ministers and Planning Inspectors in the determination of called-in planning applications and appeals.
- 5.3 Of particular relevance, PPW, underpinned by the Well-being goals, confirms the presumption in favour of sustainable development. It promotes places that promote economic, social, environmental and cultural well-being by:
- Providing well-connected employment and economic development in pleasant surroundings. These places are designed and sited to promote healthy lifestyles and tackle climate change by making them easy to walk and cycle to and around, access by public transport, minimising the use of non-renewable resources and using renewable and low carbon energy sources;
 - providing well-connected cohesive communities for all sectors of society, allowing everyone to have a good quality of life by living in strong and safe communities, improving access to services, cultural opportunities and recreation facilities to support people to adopt healthy lifestyles, securing socially inclusive development and more cohesive communities; and
 - valuing the quality of landscapes and historic environment, future proof economic assets both in response to the challenges presented by climate change and promote low carbon solutions, protecting landscapes and habitats, enabling opportunities for connecting with the natural environment and encouraging healthier lifestyles with the benefit of improving physical and mental well-being

Technical Advice Notes

- 5.4 As described above, TANs form part of national planning policy, and therefore may be material to decisions on planning applications. From CCBC's perspective, of particular relevance are: TAN 2: Planning and affordable housing; TAN 18: Transport; TAN 20: Planning and the Welsh language; TAN 23: Economic development.

Conwy Local Development Plan (2007 – 2022)

- 5.5 The following policies of the Conwy Local Development Plan (LDP) 2007 - 2022 are considered to be of relevance to Horizon's proposal from the perspective of the Council.
- 5.6 The Conwy LDP covers that part of the Conwy County Borough outside Snowdonia National Park (known as the Plan Area). The Plan Area is rich in historic assets, has a buoyant tourism industry, excellent transport links, good water and air quality and a high quality natural environment (including coast and countryside). However, population and household projections have demonstrated that the population of the Plan Area could increase by as much as 7,850 people by 2022 (subject to the review in preparation of the replacement LDP 2018 – 2033). The main characteristics of this population change and associated concerns are:
- The number of people within the 18-64 age group is declining resulting in a reduction in those of economically active age at the detriment to the economic performance of the Plan Area;
 - The number of people aged 65+ is increasing significantly resulting in increased pressure on social care, health facilities and services at the detriment to economic performance;
 - The number of children is projected to decrease significantly at the detriment to future economic performance, school pupil levels and community identity;
 - The number of people living together in households is projected to decrease resulting in a requirement for new housing to support the existing population and a decline in family sized homes;
 - The number of people in-migrating into the Plan Area far exceeds those out-migrating resulting in an increased need for more housing and employment opportunities and;
 - The number of people residing in the Plan Area who out-commute to work in locations outside of the Plan Area is unsustainable resulting in a need to increase local employment opportunities.
- 5.7 The impact of these population changes identified in the Adopted LDP creates a number of priority issues for the Council. There is a need to:
- Accommodate a sustained and deliverable level of housing and employment growth which reflects the principal natural population change, household size change and net in-migration;
 - Encourage a more balanced age structure and promote a more stable economic position through housing and employment offer, skills development, jobs creation and creative housing design. Whilst at the same time, adjusting to an ageing population in terms of health, social care, housing and employment need;
 - Contribute to the current requirements for Affordable Housing for Local Need (AHLN) and maximise future provision;
 - Protect Conwy's outstanding natural and built environment;

- Safeguard and promote the Welsh language and community identity;
- Encourage development which seeks to achieve the priority objectives of the Plan

Conwy Replacement Local Development Plan (2018 – 2033)

- 5.8 As section 38(6) of the 2004 Act requires all planning applications to be determined in accordance with the relevant adopted Development Plan unless material considerations indicate otherwise, the replacement LDP resulting from the LDP Review will have a high degree of influence in setting a consenting framework for all development activities within the extent of the CCBC area. In addition, the replacement LDP will be of particular importance in determining the acceptability, including in environmental terms, of the proposed location, nature, size and operating conditions of all development proposals. As explained within the Conwy LDP Review Report (April 2018), it is likely that the approach taken within a replacement LDP to plan for these factors in relation to at least some development types will differ substantially from the approach set out within the existing LDP to reflect changes in baseline conditions and in relevant higher level legislative and policy frameworks. Any such changes in policy within a replacement LDP could affect the distribution or key characteristics (design, physical, construction, operational characteristics, etc.)
- 5.9 The Authority are now embarking on a review of the Adopted LDP in anticipation of preparing a Replacement LDP (RLDP 2018 – 2033). Adoption of the RLDP is planned for September 2021. Various pieces of evidence base and Topic Papers have been completed or are underway to inform the Vision, Objectives, Growth Level and Spatial Distribution Options, which are relevant to the Power Station proposal and issues raised by CCBC, including the following:

Growth Level Background Paper

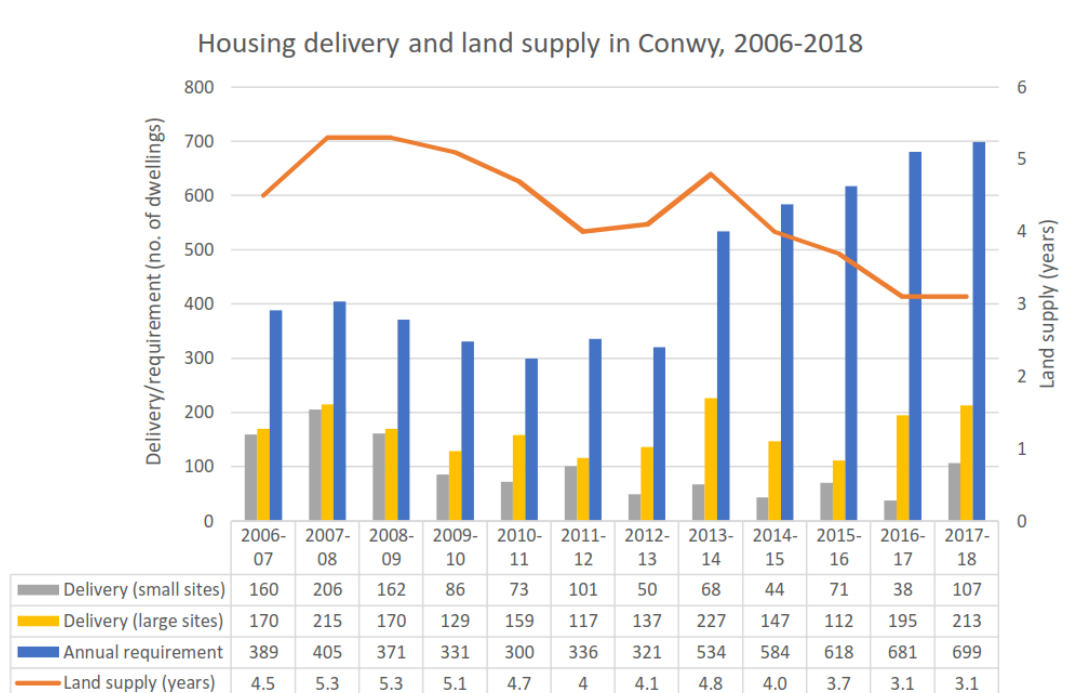
- 5.10 The size of the resident population in Conwy County Borough at 30 June 2017 was estimated to be 116,850 people. In the 15 years since 2002 the population of Conwy County Borough has increased by 6,250, which is 5.6% – an average of about 0.4% per year, though rates of change have not been evenly spread across the period. In the same period the population of Wales increased by 6.9% and the population of the UK grew by 11.2%.
- 5.11 The population of Conwy County Borough does not replace itself naturally as there are more deaths than births in the area every year. With deaths over a ten year period at an average of 1,500 each year and births at just 1,150 the population of Conwy County Borough would decrease by around 350 persons per year if there were no net in-migration into the area.
- 5.12 The age structure of Conwy County Borough is significantly older than that for Wales or the UK as a whole. Conwy County Borough's 27.2% of the population aged 65 and over compares to 20.6% in Wales as a whole and only 18.2% across the UK. The median age of the population in 2017 was 49.1 years (Wales = 42.5; UK = 40.1). The median age has increased from 45.5 to 49.1 years over the last decade.
- 5.13 The increase in the number of people aged over 65 is mainly due to two factors; firstly improvements in mortality rates mean people are living longer; and secondly the ageing on of the large 'baby boom' cohort born after the Second World War.

- 5.14 The number of children in the population has been declining steadily over the past decade or so, reflecting both the decline in number of babies born in the late 1990s / early 2000s, and a return to this lower birth rates trend in the past 5 years or so. Conwy County Borough's 16.2% of the population aged under 16 compares to 17.9% in Wales as a whole and 18.9% across the UK.
- 5.15 Conwy County Borough's 56.6% of the population aged 16-64 compares to 61.5% in Wales as a whole and 62.9% across the UK. This is relatively low, and leads to a high dependency ratio – that is, the ratio of people of working age to those who are theoretically 'dependent' on that working age population. In 2017 the dependency ratio in Conwy County Borough was 765 dependents for every 1,000 of working age. In Wales this was 625:1,000 (UK ratio is 590:1,000). A high dependency ratio can put strain on the local economy and on the resources needed to provide social care.
- 5.16 The number of people in the working age population group is particularly affected by the out-migration of young adults in the 18-24 age group and the large post-Second World War 'baby boomers' cohort moving out of the working age group as they reach retirement age.
- 5.17 Retaining young people within our area is a major issue, as the population estimates for Conwy County Borough show a big gap in the age structure between the ages of around 18 to 40. This is the age group which is most likely to be economically and socially mobile, seeking work, education and other social opportunities outside the area. Many young people have to leave the area for higher education and though this in itself is not an issue the failure to attract them back to the area after graduation leads to a generational imbalance. Appropriate housing and jobs also impact on the retention of the younger population. Taking on board the potential accommodation displacement issues related to the Power Station, coupled with stressed rental markets in Conwy and Welfare Reform impacts, the housing need situation in Conwy could be increased as a result of the Power Station proposal.

Conwy Joint Housing Land Availability Study

- 5.18 The 2018 JHLAS has now been published, which demonstrates that Conwy again has a 3.1 years supply. This represents a shortfall of 1357 dwellings. Meeting the LDP housing target requires 699 dwellings to be built each year over the next 5 years. Whilst there has been an encouraging rise in housing completions in 2017-18, to a total of 320 (the highest since 2008-09) it is too early to be sure whether this is a short-term blip, or an upwards trend in housing delivery. What is clear however is that the likelihood of Conwy achieving a 5 year supply prior to adoption of the RLDP is extremely low. As raised by CCBC to the Power Station PAC2 & 3 Consultations, the housing situation in Conwy is delicate and could be exacerbated as a result of housing displacement, sensitive rental markets and Welfare Reform, unless appropriate monitoring and mitigation is put in place.

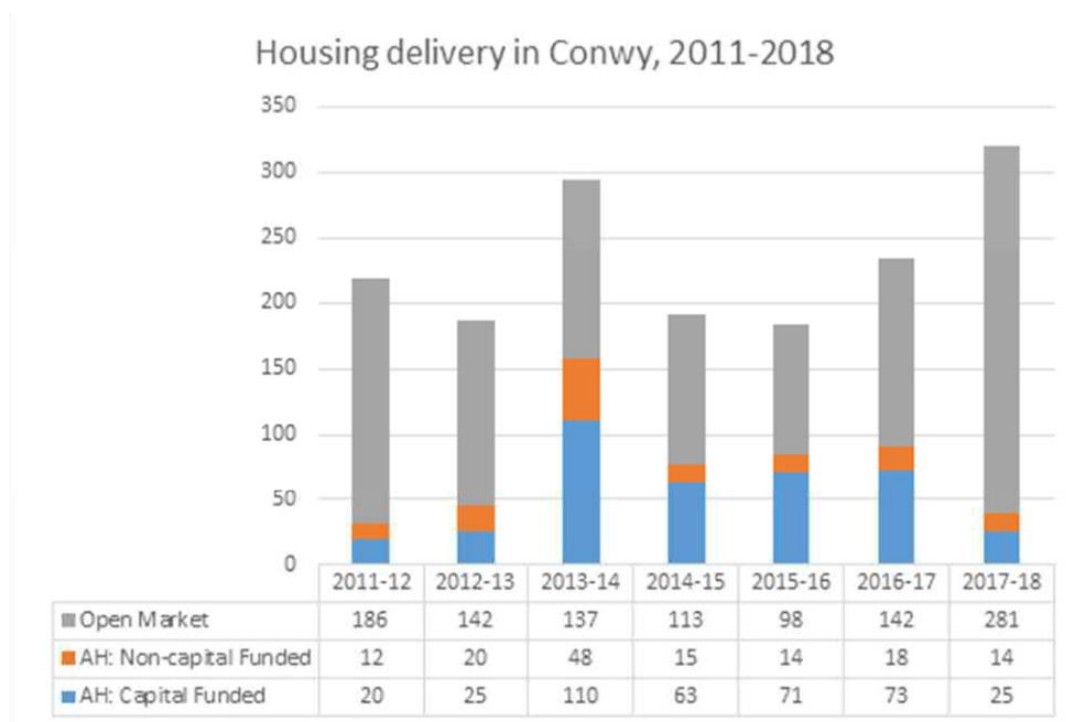
Figure 1: Housing Delivery and Land supply in Conwy



Local Housing Market Assessment 2016 - 2021

- 5.19 The Local Housing Market Assessment (LHMA) provides robust evidence base to inform the Local Housing Strategy (LHS) and the Local Development Plan (LDP) in Conwy. The LHMA assesses current and future housing need within Conwy and sets out the need for additional affordable housing in Conwy over the next five years (2016-2021), it also informs the provision of market housing in terms of the size and type to ensure there is an appropriate mix of housing on offer. The LHMA sets out a need of 236 units annually, which equates to 1180 units over the LHMA period of 5 years and 3540 units over the LDP period. The tenure required is split equally between social (50%) and intermediate housing (rental and low cost home ownership) (50%). Increases in pressure on the affordable market as a result of the issues raised to the Power Station requires careful monitoring and associated mitigation. The chart below provides a detailed breakdown of the affordable housing provision in Conwy over the last seven years.

Figure 2: Housing Delivery in Conwy



Housing Mix

- 5.20 2011 Census data also supports the notion that new provision should be concentrated on dwellings for smaller households, and not on larger dwellings, as the County Borough is already significantly over provided with larger properties that are under occupied. Using a very simplified measure of under occupation, in 2011 there were over 26,000 households living in accommodation that had more bedrooms than inhabitants. This was 50.8% of all households, and included 4,650 households containing only one or two residents who were living in dwellings containing four or more bedrooms. The potential impact from the Power Station proposal on smaller accommodation supply, could further exacerbate the overall shortfall in supply without appropriate monitoring and mitigation. In turn, impacts on supply could increase homelessness when the impacts of displacement and welfare Reform are considered.
- 5.21 Consideration also needs to be given to providing housing which is suitable to meet the needs of an ageing population, with particular emphasis on the needs of lone pensioner households. By 2033, around 55% of all one person households are expected to be pensioners living alone. In 2017 there were an estimated 7,800 lone pensioner households in Conwy County Borough – this was 18% of all households, and 51% of all one person households.
- 5.22 Concentrating new provision towards smaller dwellings also increases the potential to make more affordable housing available in the County Borough. Within the market, smaller properties are usually cheaper, and generally meet the needs of newly forming households/first time buyers better than larger dwellings. Within the social housing sector, providing smaller dwellings could help meet the needs of households who have faced cuts to benefits as a result of the introduction of the under occupancy charge (the so called bedroom tax) and thus need to move to smaller

accommodation. The Power Station proposal is likely to impact on this stretched resource of smaller properties when coupled with the Welfare Reform. Whilst it is accepted by CCBC that there will be phasing of the on-site accommodation monitoring and mitigation packages are required to manage impacts overall.

Economic Growth – Conwy Employment Land Review (2018)

- 5.23 A key piece of the evidence base is the Conwy Employment Land Review (ELR). The ELR looks beyond the boundaries of Conwy and examines national trends and regional drivers for economic growth up to 2033. The ELR produced seven economic growth scenarios based on labour force predictions, regional growth projects, local policy, population projections and past employment land take-up trends.
- 5.24 To ensure a holistic approach to delivering the ELR options, housing accommodation needs to be brought forward in the same sustainable locations. Additionally, as above, the younger population also require appropriate accommodation and community facilities, in addition to ensuring that the transport infrastructure has the capacity to deliver the strategy for Conwy. Impacts on these needs could potentially have implications on the Authority to achieve its strategy and, as such, appropriate monitoring and mitigation should be put in place to manage the delivery.

6 Conwy Corporate Plan

- 6.1 The purpose of the Corporate Plan is to present Conwy County Borough Council's Priorities for the five years from 2017 to 2022. The priorities are the areas that the Council want to focus special attention on in order to support the achievement of the citizen outcomes:

The outcomes are as follows:

- People are educated & skilled
 - People are safe and feel safe
 - People have access to affordable, appropriate, good quality accommodation that enhances the quality of their lives.
 - People are healthy & active
 - People live in a county that has a prosperous economy
 - People value and look after the environment
 - People live in a county where heritage, culture and the Welsh language thrive
 - People in Conwy contribute to their community. They are informed, included and listened to.
- 6.2 Conwy's Corporate Plan (2017 – 2022) focuses on a number of key priorities, that being Skills, Safety, Housing, Health, Growth, Environment, Culture and Voice. It is considered that the proposals as detailed under section 2 above, are likely to have an impact on accommodation, tourism, transport, skills and employment. The Council's priorities in relation to these impact matters are as follows:
- **Housing and Accommodation** *'People have good quality homes they can afford and that make their lives better'.*

Conwy will focus on:

- increasing the number of affordable houses available to buy and rent
 - planning the right accommodation in the right areas
 - stopping people from becoming homeless.
- **Growth** *'People live in a county which has a prosperous economy'*

Conwy is focussing on:

- encouraging new ideas and innovation
- encouraging new jobs and businesses
- developing winter tourism
- developing skills and apprenticeship opportunities
- working together with all business in the area.

7. Potential Local Impacts

- 7.1 This section provides further detail on the potential impacts, primarily on housing, tourism and transport, within Conwy County Borough. The severity of the impacts is also considered in addition to suggested monitoring and mitigation for consideration. CCBC consider that there are a number of unknown impacts on Conwy that can only be managed via a comprehensive Monitoring Framework and Mitigation Schedule.

Housing

- 7.2 The level of impact which Wylfa Newydd will have on the demand for housing in Conwy will be dependent upon the ability to absorb demand on Anglesey and or the containment of demand in close proximity to the site especially within the Temporary Workers Accommodation (TWA).
- 7.3 Wylfa Newydd is located close to the most Northerly point on Anglesey and Wales and has a significant exposure to the Irish Sea. The rurality and low population density may influence the distances people have to travel to reach their place of work and journey times. There is also a need to take account of local nuances and patterns of delivery. The level of existing latent housing capacity in the North West quarter of the island is insufficient to meet demand and will result in the distribution of demand to other communities. The cumulative impact of such demand patterns are likely to impact on Conwy, especially when bearing in mind Conwy's excellent road and rail connections and proximity to the A55, entertainment offer and attractions such as the Sub Regional Centre of Llandudno. Tourism accommodation is also in high abundance, which again could attract workers from the proposal. It is the opinion of the Council that Conwy is viewed as an attractive proposition to some worker groups, which in turn is likely to impact on stressed housing demand without appropriate monitoring and mitigation mechanisms in place. CCBC accept that the phasing of the worker accommodation and portal will go some way to mitigate and manage impact. However, there remains some uncertainty over impact as discussed further below.
- 7.4 The scale and length of the construction period of Wylfa Newydd and the level of preparatory works are unique and there are no meaningful comparators, which leads

to some nervousness and uncertainty from CCBC. Experience at Hinckley may help highlight demand patterns and identify good practice. Preliminary analysis suggests that people have initially favoured locations in close proximity to the build site however; patterns may evolve when demand becomes saturated. We are conscious that Hinckley is located much closer to Bridgewater and Taunton, which are able to offer support services. In light of this it is important there is sufficient contingency within existing arrangements to help respond to need and we will require reassurance that mitigation should follow demand. It is also necessary to ensure there is additional support or penalty if there is any deviation from the central business case presented by Horizon to ameliorate any negative housing impacts upon the residents of Conwy.

- 7.5 Even with a maximum provision of 4000 TWA there will be significant demand on local provision. North West Wales is predominantly a rural area with a sparse population and demand is focused on a very limited area. The business case presented by Horizon claims that it will be possible to meet demand and that it will be possible to minimise local impact. Challenges will arise if they are unable to adhere to the central business case and any degree of variance from that case. It is unclear as to the level of influence and control that Horizon will be able to exert on large number of sub-contractors and how behaviours can be controlled, modified or influenced via inducement. There is greater scope to monitor on site workers however, some support and contractor's roles may be more difficult to manage.
- 7.6 Our analysis of demand has been informed by the **Conwy Local Housing Market Assessment** and the **Conwy Homelessness Strategy**. Furthermore, CCBC support the evidence and proposed mitigation set out in the jointly commissioned **'Wylfa Newydd – Housing Evidence & Mitigation Costs Report'** (refer to Appendix 1), which reviews the robustness of the estimates put forward in the Workforce Accommodation Strategy prepared by Horizon Nuclear Power and the additional information they have provided through the Statement of Common Ground process - focusing on potential risks, consequences and mitigation measures. It also provides a first schedule of costs for proposed mitigation measures and a comparison with the note sent to WG from Horizon (Appendix 1 contains a copy of the Report).
- 7.7 Furthermore, the demand evidence is informed by the **Policy in Practice Report 'The impact of the Wylfa power station on low-income private tenants'** (refer to Appendix 2). This report details the findings of analysis on the impact of the Wylfa power station on low- income private tenants in North West Wales. The analysis is based on household level data that captures the income, employment and housing circumstances of 2,766 households living near the site of the Wylfa power station, in what the Welsh government has identified as the impact area. There is concern that demand for housing will increase during construction of the power station, which will impact vulnerable residents in the area. The cap on LHA rates, the benefits freeze and increasing inflation, in addition to increasing rents, mean that many private renters in the key impact area will find themselves in a situation of rising costs, without the resources to cover them.

Mitigation

- 7.8 The level and extent of mitigation available may have a positive influence on housing and could help improve the availability and standard of housing supply and stock thereby providing a positive legacy for the future. However, it is difficult to reach a

firm conclusion about the extent of benefit until the scale, or targeting of mitigation is clarified and we expect there will be a need for contingency to cover the construction period in full. As above, CCBC support the 'Wylfa Newydd – Housing Evidence & Mitigation Costs Report (Three Dragons Nov 2018). However the level and scale is a concern and, it is important that mitigation is sufficient to span the duration of the construction period and mitigation needs to be able to respond quickly to change. The workforce profile projects very high numbers of staffing levels of in excess of 6,500 for 3.5 years and high demand over 7 years. Attention has focused on addressing the peak demand; however, from a housing perspective increased levels of occupation over an extended period may have a more adverse impact due to the stranglehold on supply.

Legacy

- 7.9 The extent and nature of the housing legacy, which could be available, is yet unconfirmed and it is difficult to judge what contribution could be made locally however any additional investment which helps improve the quality, range or supply could have a lasting positive impact. Again, CCBC support the 'Wylfa Newydd – Housing Evidence & Mitigation Costs Report set out in Appendix 1.

Mitigation and Contingency Fund

- 7.10 The fund needs to have flexibility and needs to focus on areas which are impacted. As accepted by Horizon, Conwy is likely to experience increased demand and displacement if supply is delayed or does not materialise in the expected manner. This could arise from workers being unable to source suitable accommodation on the island and local people facing higher accommodation costs and who are unable to compete. Given the timeframe to deliver housing supply early confirmation of funding will maximise impact and benefit. Again, CCBC support the 'Wylfa Newydd – Housing Evidence & Mitigation Costs Report set out in Appendix 1.

Workforce Management and Accommodation

- 7.11 A lot of emphasis is placed on establishing a system to actively manage the workforce. Such an approach is welcomed as it allows an opportunity to respond, adjust and guide workers to certain types of accommodation or to different communities. The opportunity to participate is supported and it is hoped that Gwynedd can influence in a positive manner. The unknown element is whether it will be possible to identify any variances in demand patterns early and adapt quickly based on agreed triggers ahead of any adverse community or market impacts. The proposed model will be constrained if there is insufficient or limited capacity within the housing market, given that housing capacity has to be developed and planned well in advance and ramped up over time. In such cases there may be cumulative impact on the tourism accommodation provision in Conwy, which supports an all year round tourism industry.

Latent Capacity

- 7.12 Analysis suggests there is some latent capacity within the housing market however we are not convinced that it is available at the levels set out by Horizon and we are unsure whether all of the latent capacity is suitable (of sufficient quality) and available. Whilst some new opportunities may materialise prior and during construction it does not follow that the latent capacity identified will be released, and it is likely that significant investment will be required to upgrade some of the capacity

to a required standard. Work undertaken by **ARC4** on behalf of the 3 local authorities and Welsh Government questions the extent of local supply (refer to Appendix 2).

Baseline

- 7.13 The lack of recent comparators to establish a baseline to model demand creates challenges. It is unknown whether the length and scale of the development will impact on behaviours therefore additional contingencies or safeguards may be required. Will the workforce given the length of the build be more likely to bring dependents or settle locally as relationships form and impact on relocation decisions? Is there a correlation between the length of stay and resettlement? As a popular tourist destination there is also the possibility that families may be inclined to visit on an extended basis which could influence the choice of accommodation considered by construction staff. Will the remoteness of the location and the fact that property prices are generally lower than other parts of the UK influence decisions about the type and location of accommodation. As behavioural factors cannot be predicted at the onset, it will be important to monitor experiences in Hinckley and to ensure that there is sufficient contingency to cover the duration of the project.

On-site Campus

- 7.14 The development of an onsite campus is intended to contain and limit the impact of workers but is an acknowledgement that there is insufficient capacity locally to meet demand. Whilst the development of the TWA is viewed as an essential mitigation measure there are questions about the ability to deliver 4000 units of Temporary Workers Accommodation (TWA) on site and that these units will be available in advance of demand. Failure or a delay in securing such a supply could result in patterns of behaviour, which once established may be difficult to reverse. The delivery timeframe presented for the TWA is extremely tight and provides a minimal margin for adjustment and should be brought forward to ensure capacity is ready in advance of need. It appears that the first tranche of TWA will not be available for occupation until Q1 2021, when workforce numbers will have exceeded 5,000 and at a level which may potentially have significant local impacts. Whilst the campus accommodation as proposed is likely to appeal and be favoured by certain groups of workers, especially those resident for short periods, it is important to confirm how workers will be attracted and encouraged to use the facility and whether the level of occupancy can be maintained for the duration of the build. Consolidation on site will make it easier to manage certain elements, however there are questions as to the amount of units which will, or can be, delivered and that it will not be possible to constrain workers in one location. The type of accommodation also reduces the potential legacy to the region.

Displacement

- 7.15 Conwy Council has over 1000 households waiting on the social housing register and the homelessness service are already experiencing problems identifying suitable affordable private rented accommodation. The affordability is more acute in some areas of the Authority where the Homeless Service are already unable to source properties within the Local Housing Allowance levels. Even a minimal increase in demand is likely to exacerbate the problem and as such Conwy are likely to witness an uplift in rental values which will make it more challenging to identify and safeguard accommodation for vulnerable groups. Currently the average shortfall between rent and Housing Benefit is £30.70 per week. There are also concerns that vulnerable

families and individuals resident on the island could be displaced which would result in increased demand in Conwy. There could also be an internal drift within Conwy. The Conwy Homelessness Strategy highlights key pressure points within the existing market and the type and level of accommodation required to address the balance. Further competition and a reduced supply will exacerbate the challenge and as such appropriate monitoring and mitigation is required.

Housing and Affordability

- 7.16 The documents reference that workers will be able to claim a disturbance allowance of approx. £38 per night (at current rates) which would equate to around £266 a week. The existing Local Housing Allowance for Conwy North is £110 per week for a 3 bed family house which would mean that local people would find it impossible to compete as individual workers would be able to claim 241% more per week. There is a danger that this could significantly inflate the market and impact the availability of rented accommodation for local people. Information has not been forthcoming as to the level of rents payable at the Campus accommodation (will the TWA be provided below the daily allowance) nor have we seen unit cost of building the units to help compare with other alternatives which could potentially be delivered at a more economical cost or provide a long term legacy.

Adherence

- 7.17 The central business case indicates that local impacts can be managed, however minor variances from that case, arising from a range of factor e.g. an increase in staff numbers, delays in delivery or inability to employ locally can have disproportionate negative impacts and will require contingencies. It is essential that Horizon affirm the commitment to ensure that building work on site is conditional on securing an adequate supply of housing, in readiness and in advance of need.

Turnover

- 7.18 Information presented suggests that there will be around 30,000 different roles during construction, this will involve significant churn of individuals within the housing markets and level of turnover needs to be factored into the housing assumptions.

Latent Capacity

- 7.19 There are questions as to whether the latent capacity exists at the levels highlighted by Horizon which would impact on gravity models. Consideration needs to be given as to what triggers will be used to identify change in demand patterns and how additional supply will be delivered quickly.

Staff Numbers

- 7.20 Alongside the construction staff it is expected that there will be additional roles associated with, or required to serve, the workforce, these roles may be involved in building the TWA or off site roles e.g. in service industries, and could have a bearing on the demand for housing.

Cumulative Demand

- 7.21 There is a need to monitor demand levels and consideration could be given to the distribution of existing Wylfa staff. Given that other developments are expected to run concurrently with Wylfa Newydd it will also be necessary to consider the cumulative

impact of National Grid upgrade and the key infrastructure projects associated with Wylfa Newydd.

Highways and Transport

- 7.22 The Wylfa Newydd Project is located on the Isle of Anglesey and, as such, it is likely that the proportion of vehicular traffic will have to travel through CCBC's area of the highway network to access the site. This vehicular traffic will comprise:
- A proportion of the anticipated worker traffic during construction;
 - Heavy Goods Vehicles (HGVs) and Abnormal Indivisible Loads (AILs), during construction; and
 - A proportion of the anticipated operational traffic.
- 7.23 Of particular concern to CCBC are the flows of traffic during the construction period travelling through the area and associated, related effects. Additionally, the impact from commuting resulting from workers residing in Conwy is likely to impact on traffic flows, and on other key sectors, such as the tourism industry.
- 7.24 The main areas of the highway network of concern to CBCC are:
- The A55 is a trunk road linking Holyhead with the North Wales coast, including Conwy, via the Menai Strait Bridges. The A55 has two lanes in each direction except at the Britannia Bridge which has a single lane in each direction;
 - Local Highways in the County and roads in towns, such as Conwy, Llandudno Junction and towns to the West of the County Borough. The A470 junctions can suffer congestion in summer periods with tourism traffic. Some areas of the local highway network suffer from fly-parking and car-sharing (e.g. Llandudno Junction);
 - Internal congestion may also be increased during high demand and summer periods, which in turn could impact on other local businesses in Conwy.
- 7.25 CBCC is also concerned that because of workers gaining access to the site and the proposals to encourage use of shuttle buses and car-share, there could be an increase in fly-parking adjacent to the main routes through Conwy and in the main towns from Llandudno Junction to Llanfairfechan.

Local Impacts

- 7.26 CCBC appreciates the mitigation proposed to reduce traffic flows at source. It is considered that the following measures, if implemented and managed properly, may have positive benefits in reducing the potential traffic flows through Conwy Council area generated by the construction of the Wylfa Newydd facility:
- The Marine Off Loading Facility (MOLF), to reduce HGV traffic during construction;
 - Shuttle Bus services for workers to / from Bangor and Caernarfon, to reduce construction worker traffic. Operational from start of construction;
 - On-site workers campus, for 4,000 workers (at peak of construction when 9,000 workers forecast in total); and

- Car sharing through a programme of incentivising and management.

7.27 However, whilst the above measures will potentially reduce the development-generated traffic, they will not remove additional traffic completely. Therefore, there should be DCO obligations set out in the Code of Construction Practice, or other appropriate documentation, to ensure the traffic flows modelled in the TA and set out in the ES are not in excess of those modelled or last for a longer period of time than that set out in the construction programme and therefore cause prolonged/higher impacts than those forecast.

7.28 There should be further detail set out in any phasing of the development, to ensure that the facilities, such as the MOLF are built to the modelled programme timescales and, if not in place when set out, mitigation measures introduced to ensure that any early years impacts from the lack of the MOLF or any extensions to any construction programme are addressed and traffic flows limited.

7.29 Horizon have made assumptions around the following items, which underpin the transport assessment work:

- Workers accommodation locations, and hence route(s) they take to / from the Wylfa Newydd site;
- The split of workers that will be mainland based or Isle of Anglesey based, therefore providing a traffic flow volume from the mainland crossing the Britannia bridge;
- Level of car share assumed;
- Level of workers utilising the shuttle buses (Horizon have stipulated that workers have to live within 600 metres of a shuttle bus stop to qualify), and general shuttle bus strategy unclear;
- Shift patterns and hence travel times;
- Lack of park & ride and park & share on the mainland;
- Trip distribution; and
- Stock Piling at the Wylfa Newydd site, as the only contingency for delays to deliveries.

7.30 CCBC has concerns related to the above assumptions and include:

- Workers accommodation locations, and hence route(s) they take to / from the Wylfa Newydd site;
- The split of workers that will be mainland based or Isle of Anglesey based, therefore providing a traffic flow volume from the mainland crossing the Britannia bridge into/from Conwy;
- Level of car share assumed;
- Shift patterns and hence travel times;
- Lack of park & ride and park & share on the mainland and with Conwy;
- Trip distribution.

- 7.31 There are concerns that workers will not be able to find accommodation within the areas assumed within the Transport Assessment analysis work. Consequently, the assumptions on mainland / island split, and mode of travel will not be consistent with the modelling undertaken. CCBC recognises that a sensitivity test has been run in the model which doubled the amount of construction worker traffic from the mainland. However, the Council still has concerns about the baseline assumptions made by Horizon and potential changes to this resulting in negative impacts in the area that do not have a management or mitigation strategy agreed and set out in the DCO obligations. As such, there are potentially unknown impacts that require monitoring and mitigation for Conwy.
- 7.32 Travel Plans should be detailed and completed prior to any work being undertaken to ensure the enforcement action and limits of traffic are set out clearly ahead of any start on any site associated with the Wylfa Newydd development. These, for example, should clearly set out how the car share of 2 people per car, or workers utilising the shuttle buses, is going to be achieved throughout the duration of construction of the development, which are fundamental parameters underpinning the transport assessment work.

Economic Development including Tourism

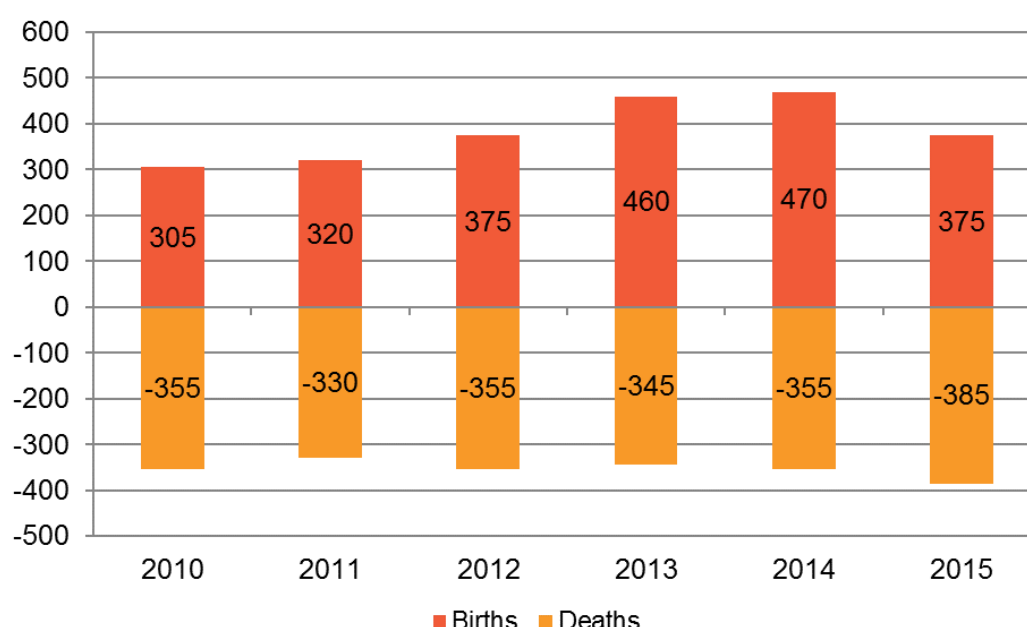
Context

- 7.33 The promotion of well-being, including the promotion or improvement of the economic well-being of their area (Local Government Act 2000), is a key part of a Local Authority's work, as underlined by the Well-being of Future Generations (Wales) Act 2015.
- 7.34 Although Wylfa Newydd and its associated developments are located on the Isle of Anglesey; Conwy has, from the outset, welcomed the opportunities for economic development which may arise and expressed a desire to engage with Horizon Nuclear Power to maximise the positive impacts.
- 7.35 Conwy Council is also a proactive member of the North Wales Economic Ambition Board and is mindful that the development of Wylfa Newydd may occur in parallel with a number of other major projects as part of the Growth Deal for North Wales which may enhance the positive impact of Wylfa Newydd or compound any negative impacts.
- 7.36 The Office for Budget Responsibility's latest economic outlook estimates Gross Domestic Product [GDP] growth of 1.5% in 2018 (revised upwards from 1.4% in November 2017) for the UK as a whole. Forecast growth is 1.4% on average per year for 2018-2022. Despite the Brexit-related uncertainties that continue to affect the economy, the upward revisions on GDP growth in the Office for Budget Responsibility's latest forecast provided good news for the Government.
- 7.37 Gross Value Added [GVA] is a measure of the total value of all goods and services generated by individuals and corporations within a given area. The latest data shows that Wales generated £59.8 billion of GVA in 2016; or 3.4% of the £1,747.6 billion generated in the UK. Conwy and Denbighshire generated 6% of Wales' total GVA in 2014, or £3.5 billion.
- 7.38 Between 1997 and 2016 the annual GVA generated by Conwy and Denbighshire increased by an impressive 107%, from a base of £1.7 bn. This is a compound

annual growth rate [CAGR] of 3.9%. This is comparable to the growth rate in Wales (4.0%) but lower than the UK's growth rate of 4.25%. However, the level of GVA growth between 2015 and 2016 in Conwy and Denbighshire (2.3%) was lower than Wales (4.1%) and less than half the growth in the UK (3.7%).

- 7.39 Conwy has around 4,400 businesses, and as is common across Wales and the UK in general, the vast majority of these are classified as Small and Medium Enterprises [SMEs] with up to 249 employees. Whilst the profile of businesses is similar across all areas, Conwy has proportionately more small-sized businesses with 10 - 49 employees.
- 7.40 Between 2009 and 2011 the stock of businesses in Conwy decreased each year until the trend began to reverse from 2012 onwards. This was caused by a greater number of business deaths than business births, resulting in a net decrease in these years. Figure 3 illustrates the number of business births and deaths in Conwy between 2010 and 2016.

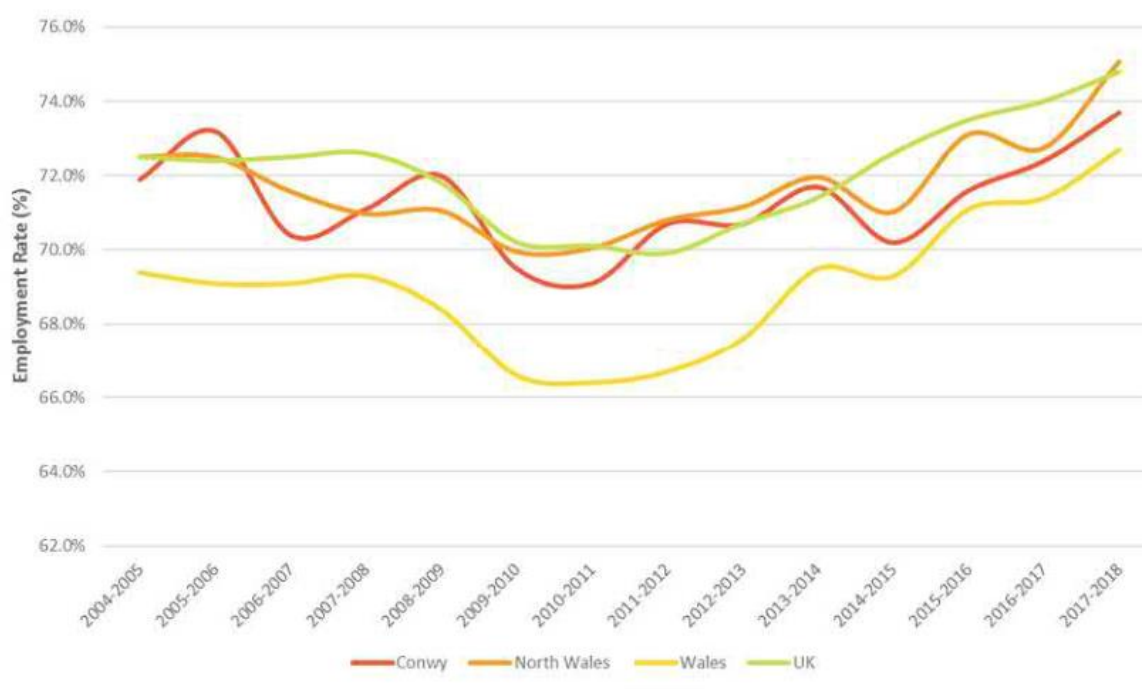
Figure 3: Business Births and Deaths



- 7.41 Between 2010 and 2016 Conwy's business stock grew at a smaller rate (4.7%) than Wales (8.9%) as a whole, and the UK (20.5%). Conwy's business stock increased between 2015 and 2016 by 70 businesses, or 1.8%. This level of growth was lower than North Wales (2.9%), the rest of Wales (3.6%) or the UK as a whole (6.1%).
- 7.42 Conwy's business composition is broadly similar sector to the rest of North Wales. For example, the agriculture, forestry & fishing sector is clearly an important component, whilst professional & other private services are underrepresented compared to Wales and the UK. Conwy differs from the rest of North Wales as it has a lower proportion of manufacturing businesses, and a higher proportion of accommodation, food services & recreation businesses.
- 7.43 The economic activity rate in Conwy is 77.2%, this rate is higher than the rest of Wales (76.5%). However, Conwy's current economic activity rate is lower than the rest of North Wales (78.0%) and the UK (78.3%). Over the last 13 years the economic activity rate was at its lowest (73.5%) in 2009/10.

- 7.44 The economically active population in Conwy has increased by 2.2% between 2004-05 and 2017-18. This is a similar level of increase to that experienced across North Wales (2.3%), but is lower than either Wales (7.0%) or the UK (10.0%). Most of those who are economically active in Conwy are also employed; the current employment rate is 73.7%. This is lower than the rest of North Wales (75.1%), Wales (72.7%) and the UK (74.8%).
- 7.45 Figure 4 illustrates the employment rates in Conwy and the comparison areas for the financial years 2004/05 to 2017/18. This suggests that Conwy has consistently had a lower employment rate than all the comparison areas, and is still below its pre-recession peak of 55.2% in 2005-06.
- 7.46 There are currently 2,300 people (4.4%) unemployed in Conwy. This is a higher rate than the rest of North Wales (3.3%), but lower than Wales as a whole (4.9%) and the UK (4.3%). The current 4.4% unemployment rate is significantly lower than the peak experienced in recent years, of 7.3% in 2011/12 when 3,800 local Conwy residents were unemployed.

Figure 4: Employment Rate (2004-05 to 2017-18)



- 7.47 Figure 5 shows the work-related benefits claimant rate for people aged 16 to 64 in Conwy and the comparison areas between January 2013 and June 2018. This data series counts people claiming Job Seekers Allowance as well as out of work residents claiming Universal Credit. The Figure promisingly shows that the claimant count rate has been decreasing in all areas, although in Conwy the rate remains slightly lower than the UK.

Figure 5: Work Related Benefits Claimant Rate (Population Aged 16 to 64)



- 7.48 There are approximately 54,100 jobs in Conwy. Conwy has experienced growth of 16,300 jobs (or 42.8%) between 1997 and 2018. This is comparable to the growth across North Wales (29.6%) but greater than the level of growth in either Wales (24.5%) or the UK (22.3%).

Occupations

- 7.49 In general Conwy has a similar composition of workforce occupations to the rest of North Wales, Wales and the UK. The main differences are that Conwy, North Wales and Wales have lower proportions of people employed in professional occupations, associate professional & technical occupations and skilled trades occupations than the UK. Reflecting the importance of tourism to Conwy's economy, it has a much higher proportion of people employed in caring, leisure and other service occupations than the other areas.
- 7.50 Conwy and North Wales have higher proportions of people employed in skilled trades occupations than the UK. Conwy is also over-represented in managers, directors and senior officials. There is a relatively high proportion of people employed in elementary occupations in Conwy, though this is similar to the rest of North Wales and Wales. On the other hand, Conwy has a much lower proportion of people employed in sales and customer service occupations than all the other areas.

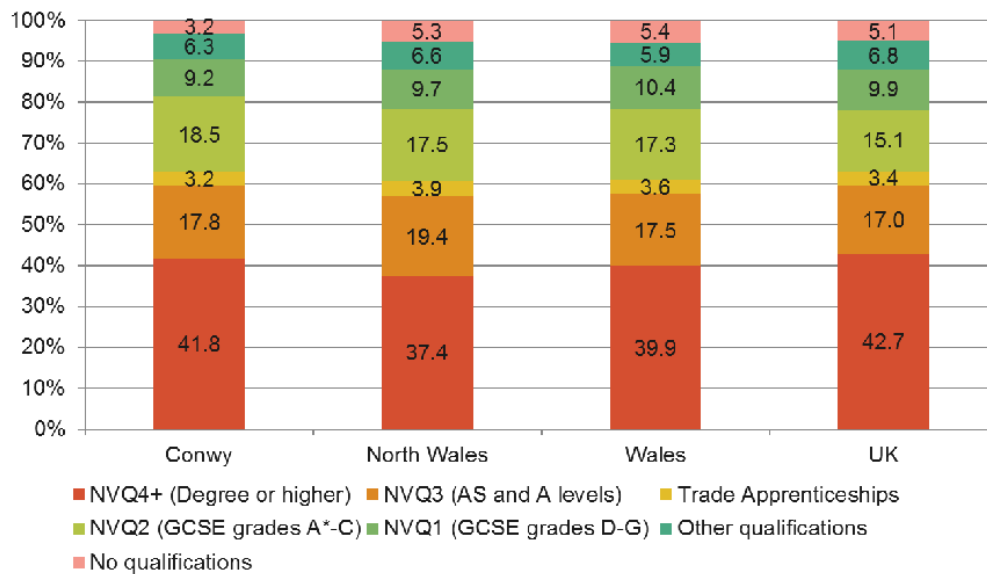
Future Job Growth Prospects

- 7.51 The June 2018 Experian econometric job growth projections for Conwy for the period up to 2038, state that Conwy projects to have negligible growth of just 400 workers between 2018 and 2038 (0.7%); in contrast, North Wales (3.8%), Wales (6.0%) and the UK (10.5%) are projected to have significantly higher growth levels. Conwy's flat job growth is due to projected decreases in manufacturing, education and air and water transport jobs which are offset by projected increases in retail, recreation and residential care and social work.

Skills and Qualifications

- 7.52 Conwy has a well-qualified workforce when compared to the rest of North Wales and Wales. However, the proportion of people in Conwy with degree-level qualifications still remains below the UK level. Conwy also has a lower proportion of people with trade apprenticeships and a much lower proportion of people with no qualifications. Figure 6 presents the qualification levels of economically active residents aged 16 to 64.

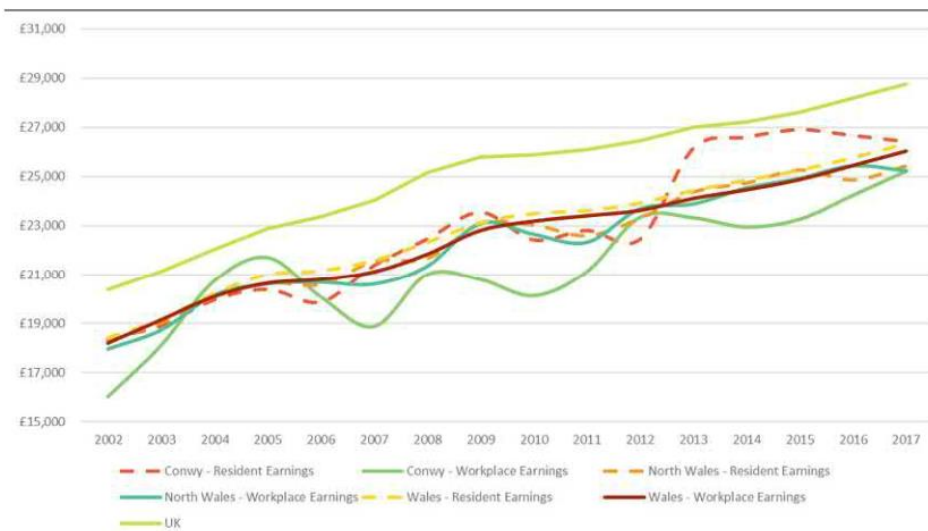
Figure 6: Qualifications of Economically Active People Aged 16 to 64 (2017)



Earnings

- 7.53 Figure 7 compares changes to the gross median annual earnings in Conwy, North Wales, Wales and the UK between 2002 and 2017. Earnings for Conwy's residents have been higher than both the North Wales and Wales average for the past five years. However they are still slightly below UK earnings. Workplace earnings are consistently lower than resident-based earnings in Conwy.
- 7.54 Whilst Conwy's workplace and resident earnings started on a lower base than the UK they have increased at a rate of 2.4% and 3.1% per year respectively. In comparison, Wales (workplace and resident) and UK earnings have only increased by 2.4% and 2.3% per year, respectively.

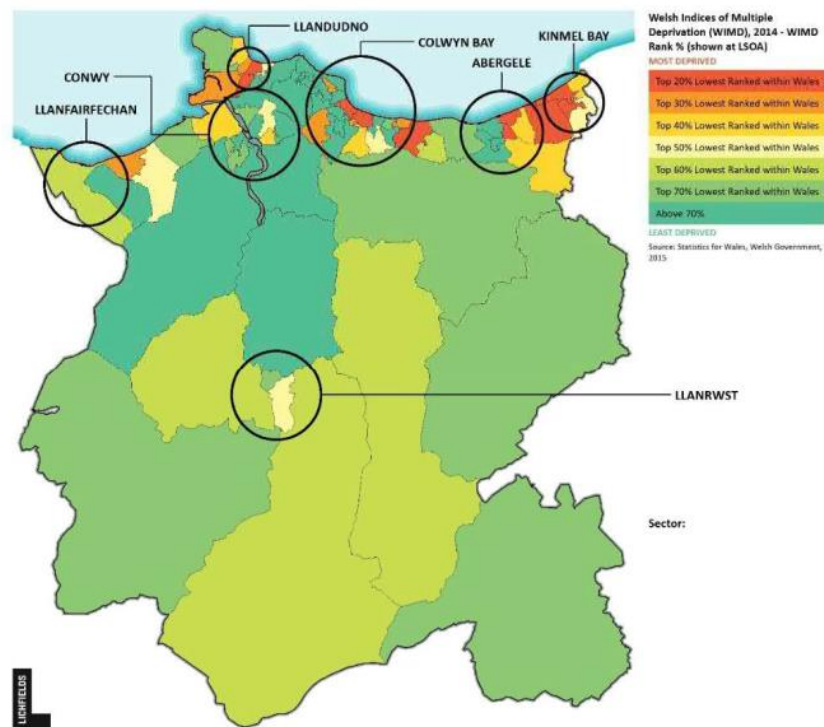
Figure 7: Resident and Workplace Gross Median Annual Earnings



Deprivation

- 7.55 Figure 8 shows hotspots of deprivation in Conwy using the latest data from the Welsh Indices of Multiple Deprivation [WIMD]. The WIMD ranks small scale geographical areas (Lower Super Output Areas) for their relative deprivation compared to other areas in Wales.
- 7.56 The indices take into account eight domains of deprivation, and derive an overall rank for each area after weighting each domain, including Income; Employment; Health; Education; Access to services; Community safety; Physical environment; and, Housing.

Figure 8: Rank of Welsh Indices of Multiple Deprivation in Conwy



- 7.57 In Conwy many of the areas along the coast feature in the 20% or 30% most deprived areas in Wales. In particular Colwyn Bay, Abergale and Llandudno have concentrations of deprivation. The domains driving deprivation in these areas are employment, income and community safety.
- 7.58 In contrast the rural areas of the County are typically in the 60% least deprived areas of Wales or higher. These areas are not ranked as negatively for income and employment, though access to services is an issue. The rural areas in the County are ranked much more positively than the coastal settlements for education, health and physical environment.

Conwy Economic Strategy

- 7.59 The Conwy Economic Strategy was agreed by the Council in February 2017. It considers the initiatives which can be undertaken to enable businesses within the county to grow, diversify, upskill and compete in UK and global markets. It identifies strategic opportunities which would both create new jobs and improve the quality of existing jobs within the local economy, moving from seasonal to year-round employment. The strategy recognises the regional ambition of delivering 120,000 jobs across North Wales and sets out goals for delivering 3,500 PAYE jobs to be located within Conwy County Borough by 2027. The strategy aims to make Conwy an international, vibrant and year-round tourism destination across all aspects of the visitor experience and recognises a need to develop a night-time economy to underpin further growth in the tourism market which contributes to high visitor spend.

Commuting

- 7.60 There is a net outflow of 4,784 residents who commute out from Conwy to work in other areas. Conwy has a lower job density ratio of 0.72 compared to the Welsh average of 0.74 and neighbouring authorities (0.78 in Denbighshire and 0.85 in Gwynedd). Rebalancing the land uses of the County to ensure that more (and better quality) jobs are provided could help to reverse this trend and 'claw-back' out-commuters, reducing net out-commuting rates. This scenario generates a higher requirement for B-Class employment land compared to all the other scenarios.

Conwy Commercial Market Analysis Background Paper 19

- 7.61 Conwy County Borough Council commissioned Lichfields to undertake a Commercial Market Analysis (BP19) to understand the demand relating to the type and location of employment sites/land. The key findings are as follows.
- 7.62 Conwy County represents a reasonably strong industrial location, with a mix of firms serving both indigenous needs in addition to a strong number of firms serving national and international markets.
- 7.63 Agents report a gap in supply for modern industrial units, particularly in the 2,000 sqm to 5,000 sq. ft. size bracket suitable for B1c, B2 and B8 uses. This is largely to accommodate indigenous firms' expansion. Although there is a continued demand from occupiers across a much broader range of sizes.
- 7.64 According to commercial agents and businesses demand is understood to be strongest in the A55 Corridor and in urbanised areas such as Llandudno Junction. There are implications here relating to the potential impact from traffic congestion related to the proposed Power station.

Labour Market

- 7.65 There are clear opportunities for the residents of Conwy to benefit directly from the job opportunities generated by Wylfa Newydd during its construction and subsequent operation.
- 7.66 CCBC welcomes Horizon Nuclear Power's target that 85% of the operational workforce of Wylfa Newydd should be recruited from the local area and Conwy would seek to work with Horizon to ensure that this target is reflected in all roles, including in managerial, technical and scientific posts. The Council seeks to work with Horizon and partners to ensure long term investment in engaging children and young people in Science, Technology, Engineering and Mathematics (STEM) and providing a clear learning and career path into the nuclear industry (including Wylfa Newydd and other relevant developments, and would like to see a clear commitment to this by Horizon as part of the consenting process and an increase in the scale and intensity of activity as soon as possible to progress the agenda.
- 7.67 In relation to the construction of Wylfa Newydd, CCBC welcomes Horizon Nuclear Power's forecast that 2,000 direct posts should be taken up by home based workers with a further 1,800 generated indirectly (subject to the comments below on the potential risks). The Council notes that this is a worst case (i.e. minimum) forecast; this may be an appropriate approach for the purpose of anticipating demand for accommodation etc., but is not helpful in anticipating and planning the demands of the construction phase on the local labour market. CCBC would like to work with Horizon Nuclear Power and partners such as the Welsh Government, the Isle of Anglesey County Council and the North Wales Economic Ambition Board to determine an optimal target for local employment – with a focus on higher value posts - which maximises local benefit and minimises any potential risks.

Supply chains

- 7.68 There are also clear opportunities for local companies to benefit directly from Wylfa Newydd by supplying goods and services. Given the volume and range of materials required to support the construction of Wylfa Newydd, CCBC accept that there will be limits in the ability to meet needs regionally. However, the Council wishes to see far greater engagement from Horizon Nuclear Power to define the opportunities for local suppliers, particularly in relation to higher value goods and services, set ambitious targets for local procurement for Horizon and its contractors and support local businesses to take advantage of the opportunities.
- 7.69 Again, CCBC would wish to see the development of local supply chains for Wylfa Newydd considered in the context of other developments in North Wales, which may make the provision of support to develop local suppliers of more specialist requirements viable.

Negative Impact

- 7.70 The Council has also been mindful that a development of this scale has the potential to generate some negative impacts upon the local economy. CCBC would like to work proactively with Horizon Nuclear Power and partners such as the Welsh Government, the Isle of Anglesey County Council and the North Wales Economic Ambition Board to identify, monitor and minimise / mitigate the risk of negative local impacts.

Labour Market

- 7.71 The potential direct benefit of the local employment to be generated by the construction and operation of Wylfa Newydd have been noted above.
- 7.72 The large number of posts to be created in the local labour market, particularly during the construction phase (a minimum of 2,000 directly and a further 1,800 indirectly), does pose a risk to the local economy should there be an insufficient supply of available labour to meet the demand.
- 7.73 An insufficient labour supply will lead to the displacement of posts from local businesses to Horizon Nuclear Power and its contractors and / or a degree of upward pressure on wages which may undermine the sustainability of local enterprises. Both these impacts would have a negative consequence on the local economy.
- 7.74 Horizon Nuclear Power's Jobs & Skills Strategy (Application reference number: 8.3) suggests that sufficient labour supply exists within the KSA / DCCZ to meet the anticipated demand. However the 'Assessment of the Risk of Displacement' commissioned by the Welsh Government from Hardisty Jones Associates suggest that there is a significant shortfall in the number of available workers to meet Wylfa Newydd's requirements, particularly in relation to the more highly skilled posts, which could lead to workers in these fields leaving local companies to work at Wylfa Newydd. Given its proximity to Wylfa Newydd, Conwy could be particularly vulnerable to these impacts.
- 7.75 In the Council's judgement, the risk of displacement may be compounded by the relatively low numbers of unemployed in the local labour market which suggests that a high proportion of those currently out of work require significant support if they are to enter employment; the high standards and particular requirements of the nuclear industry (vetting etc.) may preclude many of these individuals from gaining employment at Wylfa Newydd. It should also be noted that a lack of workers has already been cited by sectors such as tourism as a concern, particularly post-Brexit; the demand for workers generated by Wylfa Newydd will increase the challenge employers face in recruiting suitably qualified staff.
- 7.76 In light of the significant risks noted above, CCBC would wish to see efforts to minimise and mitigate the risks to the local labour market prioritised with sufficient resources allocated to monitor the impact of Wylfa Newydd and respond appropriately, including support for local businesses to 'backfill' posts where staff have been lost.
- 7.77 The Council supports proposals for the establishment of the Wylfa Newydd Employment and Skills Service (WNESS), provided the scope of its activities and geographical coverage is sufficient. CCBC wishes to be fully involved in the development and delivery of WNESS.

Tourism

- 7.78 Tourism is a major sector in Conwy as demonstrated in the Employment Review data detailed above. Tourism is an important part of the Conwy economy, supporting 10,820 full-time equivalent jobs directly or indirectly, bringing £559m revenue to the County's economy annually (25% of the All Wales total); and supporting 70,000 bed spaces (24% of North Wales stock). As such, it is one of the mainstays of Conwy's economy and is a major source of employment and revenue.

- 7.79 The potential risks to tourism from Wylfa Newydd relate to a potential adverse effect on the perceptions of the area as a destination and a potential impact on the availability of visitor accommodation if bed spaces are occupied by workers during the construction phase.
- 7.80 Research by Horizon Nuclear Power has already suggested that some tourists may reconsider visiting Anglesey as a result of the project and there is risk that Conwy will be impacted to a lesser degree. Horizon should ensure that sufficient resources are made available to mitigate these risks including upfront investment to market the area to tourists.
- 7.81 The Council considers that the availability of visitor accommodation to house temporary workers from Wylfa Newydd has been overstated and is based on dated information. Furthermore, the Council considers that the utilisation of this accommodation by temporary workers is incompatible with maintaining their use for tourists due to the differing needs of both groups. CCBC would ask that Horizon Nuclear Power ensure the availability of alternative accommodation and discourage the use of visitor accommodation.
- 7.82 Conwy Council requests that the authority is fully involved in the development and delivery of monitoring and mitigation measures relating to tourism.

Supply chains

- 7.83 As noted previously, CCBC believes that the opportunities for local businesses to supply goods and services to Wylfa Newydd should be encouraged and supported.
- 7.84 However, the Council also recognises that there is potential for a negative impact if the costs of goods and services in the region increase due to the additional demand generated, however due to the lack of information currently available on the requirements, the potential impact cannot be quantified.
- 7.85 Again the Council would request that it is fully involved in the structures to be developed to monitor and mitigate any impacts.
- 7.86 The DCO documentation is currently lacking in a lot of detail that would be required to allow CCBC to be satisfied that its concerns have / will be addressed. Notably, key documents such as the Supply Chain Action Plan are yet to be received.
- 7.87 CCBC requests that the following elements are set out and committed to in the DCO control documents e.g. the CoCP, as follows:
- That CCBC be fully involved in all relevant Monitoring and Engagement Sub Groups
 - That monitoring is undertaken early and is ongoing throughout the construction period
 - That mitigation should be undertaken proactively where appropriate
 - That mitigation should follow impact and consider direct, indirect and induced impacts.
 - Ongoing monitoring of the cumulative effects of Wylfa Newydd in view of the large volume of major projects potentially being implemented in North Wales as a result of the North Wales Growth Bid

Community Impacts

Impact on schools and pupils

- 7.88 A concern for CCBC is the possible impact of the development on schools, and as a result the influence on the language use of other children in the community. The baseline used in the socio-linguistic assessment (Environmental Assessment) to assess the effect on local schools is based on the number of empty places in said schools. While this is an adequate way of assessing the effect on the school as a spatial resource, it does not serve as well in trying to assess the effects on the community and language of the school and on the other users of the service and the community. Increasing or decreasing the immersion service in response to demand cannot work as we need the service to be ready to respond to the potential impact, rather than be reactive.
- 7.89 CCBC believes that there will be a particular impact on schools to the East of the County Borough, and is concerned about the lack of attention to such a risk. Evidence demonstrates that the capacity of schools within the area is stretched.

8. Conclusions

- 8.1 CCBC acknowledges that construction and operation of Wylfa Newydd have the potential to bring positive economic and social benefits to the Region. CCBC broadly agrees that there are unlikely to be any significant local negative impacts based upon the assumptions developed by Horizon. However, CCBC has highlighted its concerns about these assumptions in the sections above, which relate to the following topic areas: construction workers' accommodation, transport, skills and employment (including the tourism sector), and public services (education). These topics are inter-related, i.e. a potential impact in one topic area is likely to have an impact on other topic areas.
- 8.2 CCBC concerns are broadly based on potential/ probable gaps in information to inform Horizon's assumptions and a weak monitoring framework to identify and address circumstances that do not align with the original assumptions. Horizon seems to be of the view that local impacts can be managed. However, CCBC (and its partners) consider that minor variances from that case, arising from a range of factors, e.g. an increase in worker numbers, variation in origin of workers, delays in delivery of infrastructure, or inability to employ locally can have disproportionate negative impacts and will require contingencies. Failure or a delay in the supply of, for example, accommodation or park and ride facilities, could result in patterns of behaviour, which once established may be difficult to reverse. CCBC are concerned that it is likely to experience increased demand and displacement if supply is delayed or does not materialise in the expected manner.
- 8.3 The Council considers that there are aspects of the proposed development that justify a precautionary approach requiring further discussion and agreement between the developer and relevant bodies. The Council wishes to have an input into discussions and arrangements in relation to mitigation measures to avoid adverse impacts, as well as discussions and arrangements to facilitate positive impacts for Conwy and the North Wales Region.
- 8.4 With regards to mitigation measures, the Council considers that these could be provided through amendments to the key DCO control documents such as the CoCP and through a section 106 agreement.

- 8.5 CCBC has only had sight of the S106 Heads of Terms (HoTs). CCBC recognises that the majority of impacts are likely to be experienced on Anglesey, however, the scale of the project is such that it anticipates impacts and hence mitigations will also be required within its Council area. CCBC would therefore wish to see a mechanism within the S106 that allows for its involvement in housing/accommodation, tourism, skills and employment, transport and educations/schools.

END