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**To:** [Wylfa Newydd](#)  
**Subject:** RE: IACC Deadline 2 Submission : Local Impact Report - Economic Development - Local Employment (email 5)  
**Date:** 04 December 2018 20:12:22  
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Gweler ynghlwm cynrychiolaeth CSYM mewn perthynas â'r uchod / Please see IACC's representation in respect of the above.

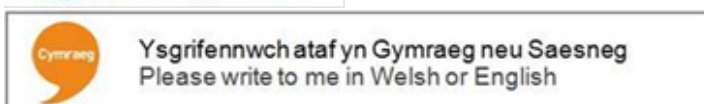
Bydd fersiwn Gymraeg yn cael ei ddarparu cyn gynted a phosib / A Welsh version of the submission will be provided in due course.

Cofion/ Regards,  
Manon

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Mae cynnwys y neges e-bost hon yn cynrychioli sylwadau'r gyrrwr yn unig ac nid o angenrheidrwydd yn cynrychioli sylwadau Cyngor Sir Ynys Mon. Mae Cyngor Sir

Ynys Mon yn cadw a diogelu ei hawliau i fonitro yr holl negeseuon e-bost trwy ei rwydweithiau mewnol ac allanol.

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# Social Care: Review of Displacement in the Local Labour Market

 ioacc

 @angleseycouncil

Final report, October 2018

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| Rev | Date       | Details            | Prepared by | Checked by  | Approved by |
|-----|------------|--------------------|-------------|-------------|-------------|
| 1   | 22/12/2017 | Emerging Findings  | Alex Heath  | Bob Perkins | Bob Perkins |
| 2   | 15/5/2018  | Final draft report | Alex Heath  | Bob Perkins | Bob Perkins |
| 3   | 30/10/2018 | Final report       | Alex Heath  | Bob Perkins | Bob Perkins |

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### 1. INTRODUCTION

AECOM was commissioned by Isle of Anglesey County Council (IACC) to undertake a piece of analysis to assess the potential impacts of labour displacement on the Social Care sector on Anglesey.

#### 1.1 Key Questions

The adult social care sector is understood to play a key role on Anglesey, owing to the Island's relatively high elderly population. Being a relatively low-paid sector, with a high proportion of workers earning just above the minimum wage, any displacement effects as a result of the Wylfa Newydd project could result in a significant shortage in social care provision which would stand to affect the most vulnerable people in Anglesey's society who depend on these services.

The objective of this study is to provide a detailed baseline position of the social care sector - both on Anglesey and at a national level – to ensure that the analysis is grounded in reality and that potential displacement issues are adequately assessed through the identification of sound and robust mitigation proposals. Such mitigation proposals include, where possible, benchmark costs for the identified intervention should the evidence show that displacement will occur.

In accordance with the Instruction for Work provided by Isle of Anglesey County Council, this study will focus on providing:

- A detailed baseline/profile of the social care sector (how many workers in the sector, demographics, profile, supply and demand of social care requirements etc.).
- A nuanced narrative on why displacement within the social care sector is a potential issue on Anglesey;
- A review of Horizon's draft Development Consent Order application to understand Horizon's perspective in relation to potential displacement effects, how these might impact the social care sector and whether these are sufficient;
- A detailed 'impact assessment' utilising a range of displacement scenarios.
- A set of evidence-based mitigation measures, based on the outcomes of the impact assessment, which can be used to underpin any Section 106 requirements with Horizon.

#### 1.2 Report Structure

The remainder of this report adopts the following format:

- Section 3 provides a Contextual Review of conditions in the social care sector across England and Wales;
- Section 3 provides the baseline of conditions locally on the Isle of Anglesey and surrounding areas;
- Section 4 reviews the DCO documentation and the impacts assessed on the social care sector as a result of the Wylfa Newydd development;
- Section 5 assesses the potential impact of the Wylfa Newydd project on the social care sector, based on a range of scenarios, and identifies potential mitigation to be pursued.

## 2. CONTEXTUAL REVIEW

This section of the report provides an overview of the overall scale and structure of the social care sector. Current and future conditions within the social care sector will be assessed, along with the relevant challenges and opportunities facing the sector.

### 2.1 Definition

While having no formal definition, social care is a term that generally describes all forms of personal care and other practical assistance for children, young people and adults. This report will consider the impact upon adult social care, which is normally considered to be the support provided to those with physical or learning disabilities, or physical or mental illnesses. This covers both personal care (such as eating, washing, or getting dressed) or for domestic routines (such as cleaning or going to the shops).

Using Standard Industrial Classification (SIC) codes, social care activities fall within 2 main categories. These are:

- Residential Care; and
- Social work activities without accommodation

A full breakdown is provided in Table 1:

**Table 1: Definition of Social Care**

| <b>SIC Level 2</b> | <b>87: Residential Care</b>                                                                       | <b>88: Social work activities without accommodation</b>                            |
|--------------------|---------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| <b>SIC Level 5</b> | 87.100 : Residential nursing care activities                                                      | 88.100 : Social work activities without accommodation for the elderly and disabled |
|                    | 87.200 : Residential care activities for learning disabilities, mental health and substance abuse | 88.910 : Child day-care activities                                                 |
|                    | 87.300 : Residential care activities for the elderly and disabled                                 | 88.990 : Other social work activities without accommodation n.e.c.                 |
|                    | 87.900 : Other residential care activities                                                        |                                                                                    |

### 2.2 Current Conditions across England and Wales

#### Demand

Demand for adult social care services has increased markedly due to the ageing population across Wales, owing to higher life expectancy and other demographic factors. This trend is set to continue as, although the total population across Wales due to increase by 2.9% between 2016 and 2025, over the same period the population aged 65+ is due to increase by 14.1% from 634,637 to 724,145. This will place increased demand on the sector, with older people more likely to suffer from chronic conditions which will limit their ability to look after themselves, whilst also requiring more complex care with conditions such as dementia on the rise.

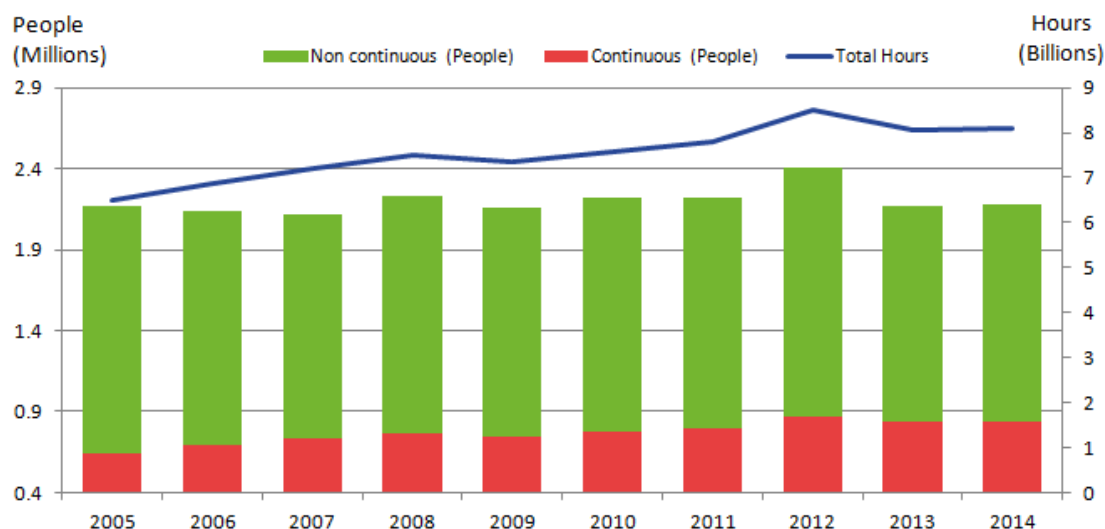
## Supply

The majority of care homes and domiciliary services in Wales are provided by the independent sector. In 2016/17 there were 1,568 settings providing adult social services across Wales with 25,753 places, a slight increase on the previous year though the amount of provision has remained reasonably static over the past 5 years against a backdrop of increasing demand. Approximately 51% of care home beds are filled by local authority placements<sup>1</sup> though, as local authorities are increasingly unable to meet demands for care, more people in Wales are responsible for arranging for their own care.

## Informal Care

Around 2.1 million people in the UK were estimated to have received some level of informal care in 2014, according to the Office for National Statistics. While the number of adults receiving informal care has remained largely static between over the 2005-2014 period, the total number of hours of care grew by 24.9% over the same period. The main contributor to this was the increasing proportion of those receiving continuous care (defined as receiving 168 hours per week) perhaps reflecting the increasing need, complexity of care and declining access to local authority care services.

**Figure 1: Informal Care in the UK**



Unpaid adult carers in the UK provide care worth an estimated £56.9 billion a year, in 2014, meaning it could cost this much to replace them with paid carers. Age UK2 suggests that “there are now serious questions as to whether we are reaching the practical limit of this informal capacity for caring” and therefore the figures regarding social care likely understate the true requirements for care.

## Employment/Workforce

The social care sector employed 87,500 employees across Wales in 2015, a fall of nearly 7.0% on the previous year. However this fall was due to an unusual spike in employment in 2014, with employment across the sector having been around the same level since 2010. Recruitment in the sector is challenging, owing to low pay levels and the tasks one is expected to perform, particularly for domiciliary and residential care staff. This is exacerbated by an ageing workforce within the profession.

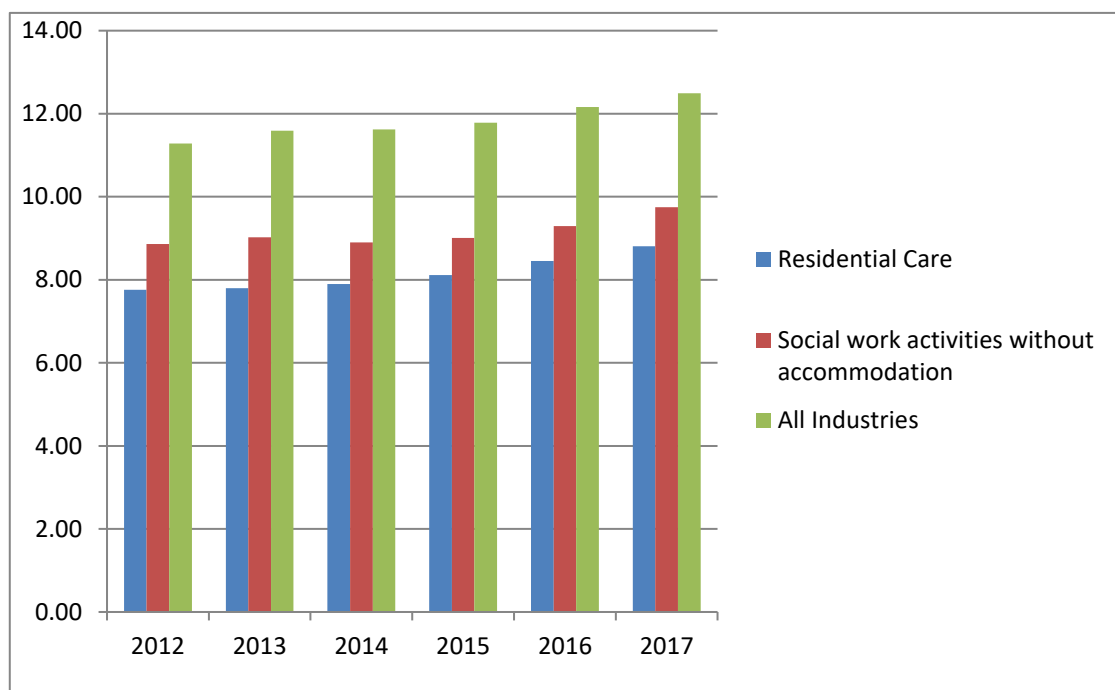
<sup>1</sup> Wales Parliamentary Review of Health and Social Care in Wales Interim Report

<sup>2</sup> [https://www.ageuk.org.uk/Documents/EN-GB/For-professionals/Research/The\\_Health\\_and\\_Care\\_of\\_Older\\_People\\_in\\_England\\_2016.pdf?dtrk=true](https://www.ageuk.org.uk/Documents/EN-GB/For-professionals/Research/The_Health_and_Care_of_Older_People_in_England_2016.pdf?dtrk=true)

## Earnings

Average earnings for the social care sector across the UK are shown in Figure 2. The median wage level for residential care was £8.81 in 2017 – 29.5% lower than the average hourly wage across all industries. A similar trend is observed for social work activities without accommodation though the wage divide is not quite as stark, averaging £9.75 per hour (or 21.9% below the average hourly wage across all industries).

**Figure 2: Average Hourly Earnings – Social Care vs. All Industries**



## Funding Social Care

The Welsh government's 2017/18 Main Expenditure Group (MEG) budget for Health, Well-being and Sport is £7.3bn, representing 2.3% real growth on 2016/17. However this followed an 8.2% real terms reduction in funds available for day-to-day expenditure in Wales on health and social care between 2009-10 and 2015-16. At a national level the 'gap' between the projected resources and cost pressures will reach £2.5bn by 2030/31 suggesting a significant pressure on the current system and resources.

In addition to public expenditure on social care, across Wales people are expected to contribute to the cost of care, based on an assessment of their financial means. For non-residential (domiciliary) care the cost to the individual is capped at £70 a week. For residential care, individuals with capital assets of £30,000 or more do not qualify for local council funded care and must pay for their own care.

<sup>3</sup> Wales Public Services 2025, (2017). A Delicate Balance? Health and social care spending in Wales. Available at:

[http://www.walespublicservices2025.org.uk/files/2017/03/Waleshealth-and-social-care-final\\_amended\\_04-2017.pdf](http://www.walespublicservices2025.org.uk/files/2017/03/Waleshealth-and-social-care-final_amended_04-2017.pdf)

Watt, T. and Roberts, A., (2016). The Path to Sustainability: Funding Projections for the NHS in Wales to 2019/20 and 2030/31. The Health Foundation. Available at: <http://www.health.org.uk/publication/path-sustainability>

## 2.3 Key Challenges Facing the Sector

There are a number of key challenges facing the social care sector across Wales and the wider UK.

### Workforce turnover

A key challenge facing the social care sector is the high levels of workforce turnover that have been recorded in recent years. Skills for Care<sup>4</sup> estimates that the staff turnover rate of directly employed staff working in the adult social care sector was 27.8%. The turnover rate was higher within registered nursing roles (32.1%) and care worker roles (33.8%) and the care worker turnover rate within domiciliary providers was 36.8%. Furthermore, a House of Commons Report into social care<sup>5</sup> found that 47.8% of care workers leave within a year of starting. The industry is forecast to require significantly higher number of staff to keep up with demographic changes, however in 2015, 6.8% of social care roles were vacant.

There are a number of contributing factors to the high levels of turnover registered in the social care sector:

- **Image** – The care sector has an issue in relation to its image – being perceived as low-skilled and low-paid, with responses to a House of Commons forum stating that “it is more often or not a job of last resort, rather than a job of choice”.
- **Pay** – The care sector is typified by low pay conditions, with the median annual salary for a care worker £14,085.00 (roughly £7.20 per hour) while the average hourly wage across all residential care roles came in at £8.81. Furthermore care worker pay decreased in real terms by around 6% between 2009 and 2016, suggesting that the impact of the funding pressures of social care budgets passed from councils to provider fees and onto staff wages.
- **Security** – In addition to the low pay levels, 24% of care workers were on zero hour contracts in 2015, compared with 2.9% of the workforce nationally. While being beneficial for some, this can exacerbate the effects of low wages by creating uncertainty in relation to the guaranteed number of hours that workers can secure. Moreover, payment of sick pay and pensions is not universal across the care sector, which can add to the lack of security for employees.

This suggests significant difficulty in recruiting the number of jobs required in the sector to keep up with the extra demands placed on it through demographic change.

### Funding

Social care services are under substantial pressure at present, because of a large demand for local authority funded care, at a time where there is significant pressures on funding at the local level. This has a disproportionate effect on small care homes in the independent sector, which dominate the landscape in Wales, as funding struggles to keep up with business costs and wage rates. This has led to challenges in recruiting and retaining staff. This all risks business failure and 13 of Wales' 22 (59%) local authorities have reported that they have had domiciliary care contracts handed back to them by the independent sector, compared to a UK average of 48%.

### Demographic change

Demographic change across Wales is expected to place further pressure upon the social care sector going forward. While the population of Wales is expected to increase by 3.8% between 2016 and 2030, the population in the 65+ age bracket is expected to increase from 634,637 to 792,257, representing growth of nearly 25% over the same period.

<sup>4</sup> xxxx

<sup>5</sup> <https://publications.parliament.uk/pa/cm201617/cmselect/cmcomloc/1103/1103.pdf>

Demand for care is therefore predicted to grow further in the future. The number of over 65s requiring local authority-funded domiciliary care or residential or nursing homes is predicted to rise by 47% and 57% respectively on 2013 levels by 2030<sup>6</sup>.

### **Ageing Workforce**

An ageing workforce could also exacerbate the issues seen through high levels of workforce turnover and vacancy levels. People under the age of 25 make up less than 10% of the adult social care workforce, according to Skills for Care, while more than one-third are over 50. In the NHS, one-third of nurses are due to retire in the next decade, according to the Institute for Employment Studies.

## **2.4 Summary**

The social care sector is therefore facing challenges on a number of fronts which are common in Wales as well as across the whole of the UK. These include funding shortfalls, high levels of workforce turnover, demographic change and an ageing workforce.

Taken together, these challenges have resulted in rising levels of unmet need; growing market instability; and persistent downwards pressure on the quality and adequacy of care provided to older people across the UK. Moreover, these impacts are likely to be understated due to the rising levels of informal care taken on by friends and relatives which can often put strain on these individuals and their families. The following chapter will assess conditions at the local level on Anglesey and understand if and how these issues are manifesting themselves on the Island.

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<sup>6</sup> Parliamentary Review of Health and Social Care in Wales (2017)

### 3. BASELINE PROFILE OF THE SOCIAL CARE SECTOR IN ANGLESEY

This section of the report sets a baseline profile of the social care sector workforce on Anglesey. The analysis is concerned mainly with conditions on Anglesey but the analysis has been divided into Anglesey, Bangor and Holyhead Travel to Work Area (comprising all of Anglesey and Menai Mainland), and Wales where data is available. It focuses on the demographic profile of Anglesey; earnings on the Island; and the employment and skills profile of the social care sector. It then turns to look at conditions facing the social care sector on Anglesey in more detail.

#### 3.1 Overview of the Social Care Sector and Workforce on Anglesey

##### Demographic Profile

The demographic data for Anglesey highlights that it has a higher proportion of elderly residents, with 22.4% of the population aged 65 or over. This is markedly higher than the average across Wales at 18.4%. The higher proportion is evident across all 65+ age brackets though particularly within the 65-74 age group, which accounts for 12.3% of Anglesey's population compared with 9.8% in Wales. As such, with regards to adult social care, it can be inferred that current demand for adult social care is higher on Anglesey relative to demand across Wales as a whole. Furthermore with 28.2% of the population aged between 45 and 64, compared with 26.6% across Wales, future demand for social care is also likely to be more intense than the national average.

**Table 2: Age Breakdown of the Population**

|                 | Anglesey | Bangor and Holyhead TTWA | Wales |
|-----------------|----------|--------------------------|-------|
| Age 0-15        | 17.0%    | 17.4%                    | 18.2% |
| Age 16-24       | 10.0%    | 13.9%                    | 12.2% |
| Age 25-44       | 22.4%    | 23.3%                    | 24.7% |
| Age 45-64       | 28.2%    | 26.0%                    | 26.6% |
| Age 65 to 74    | 12.3%    | 10.5%                    | 9.8%  |
| Age 75 to 84    | 7.2%     | 6.4%                     | 6.1%  |
| Age 85 to 89    | 1.8%     | 1.6%                     | 1.6%  |
| Age 90 and over | 1.1%     | 0.9%                     | 0.8%  |

##### Population Projections

Population projections for Anglesey show that, from a 2016 baseline position, demand for adult social care will increase at a greater rate, placing more pressure on the sector.

**Table 3: Population projection for Anglesey by age group**

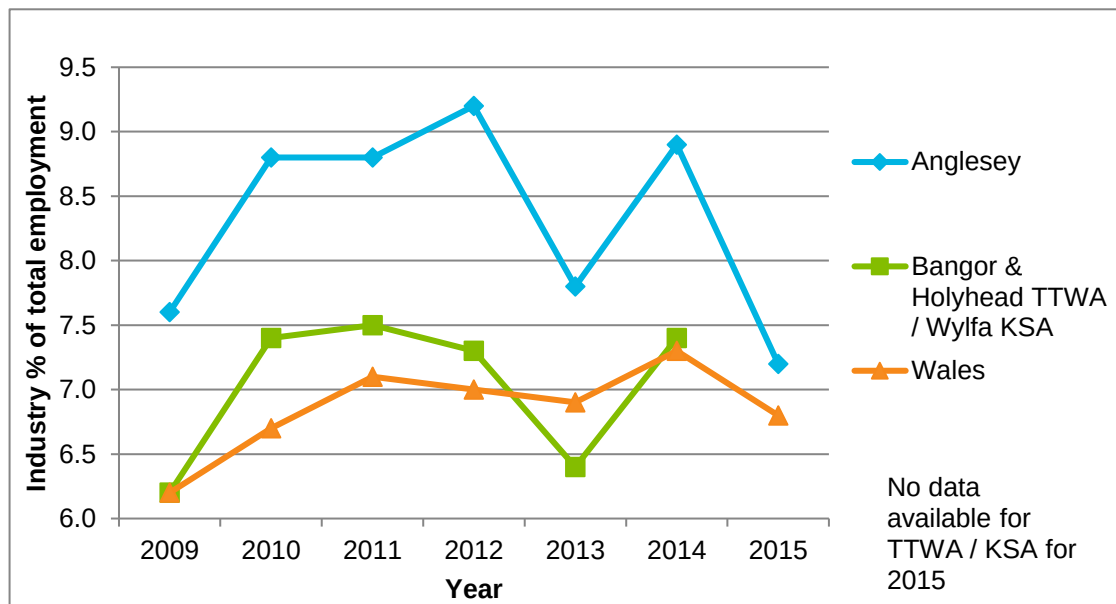
|           | 2016   |       | 2025   |       | 2035   |       |
|-----------|--------|-------|--------|-------|--------|-------|
|           | Number | %     | Number | %     | Number | %     |
| Age 0-15  | 12,133 | 12.2% | 12,427 | 12.2% | 11,572 | 11.3% |
| Age 16-64 | 70,170 | 70.3% | 70,045 | 68.5% | 68,950 | 67.2% |
| Age 65-74 | 9,808  | 9.8%  | 9,412  | 9.2%  | 9,960  | 9.7%  |
| Age 75-84 | 5,480  | 5.5%  | 7,368  | 7.2%  | 7,461  | 7.3%  |
| Age 85+   | 2,267  | 2.3%  | 3,019  | 3.0%  | 4,733  | 4.6%  |

Between 2016 and 2025 the Over 65 population across Anglesey is expected to rise from 17.6% to 19.4% of the population. This will be driven by growth in those aged 75+, with the proportion aged between 65 and 74 expected to fall over this period. By 2035 the population aged over 65 will account for 21.6% of the population. The population aged 85+ is expected to account for 4.6% of the total population on Anglesey by 2035 – double the percentage at the start of the forecast period.

### Employment, Skills and Earnings Profile of the Social Care Sector

On Anglesey, the social care sector makes up a greater percentage of overall employment than in both the Bangor & Holyhead TTWA<sup>7</sup> and Wales as a whole. As of 2015, the most recent data available, the social care sector employed 1,432 staff and made up 7.2% of employment in Anglesey, compared to 6.8% of employment in Wales. In 2014, this difference was more pronounced, with 1,750 staff employed representing 8.9% of employment in Anglesey, compared to 7.4% of employment in the TTWA and 7.3% in Wales. Employment in social care varied on a year-to-year basis for Anglesey. Starting in 2009, 7.6% of employment was in social care, before gradually increasing to a peak of 9.2% in 2012. This was followed by a sharp decrease to 7.8% in 2013 and a large increase to 2014. However the 2015 level is the lowest across the time period.

**Figure 4: Social Care Employment (SIC 87/88)**

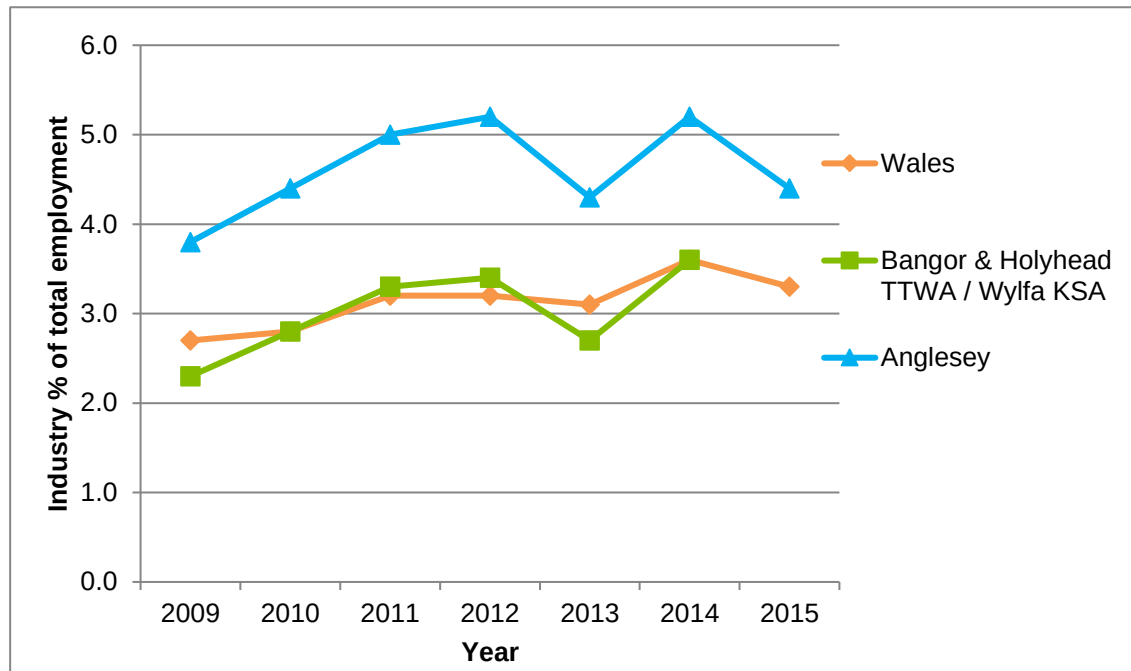


Turning to Residential Care, on Anglesey, it generated employment of 850 staff in 2015, accounting for 4.4% of total employment on the Island. This is greater than Residential Care's proportion of employment across Wales (3.3%). As shown in the graph below. The proportion of residential care employment on Anglesey is consistently above the wider Bangor & Holyhead Travel to Work Area (TTWA) over the 2009-2014 period<sup>8</sup>. In 2014 5.2% of the Anglesey workforce worked in residential care, compared to only 3.6% in the Bangor & Holyhead TTWA. Between 2009 and 2012, the percentage of individuals employed in the Residential Care sector increased in Anglesey and the wider TTWA, before a large fall of 0.9 percentage points was seen in 2013. The proportion of employment has thereafter fluctuated across all comparator areas.

<sup>7</sup> The Key Socioeconomic Area for the Wylfa Newydd Development is the same area as the Bangor & Holyhead TTWA, subsequently both areas have the same statistics.

<sup>8</sup> No data is available for the wider area in 2015.

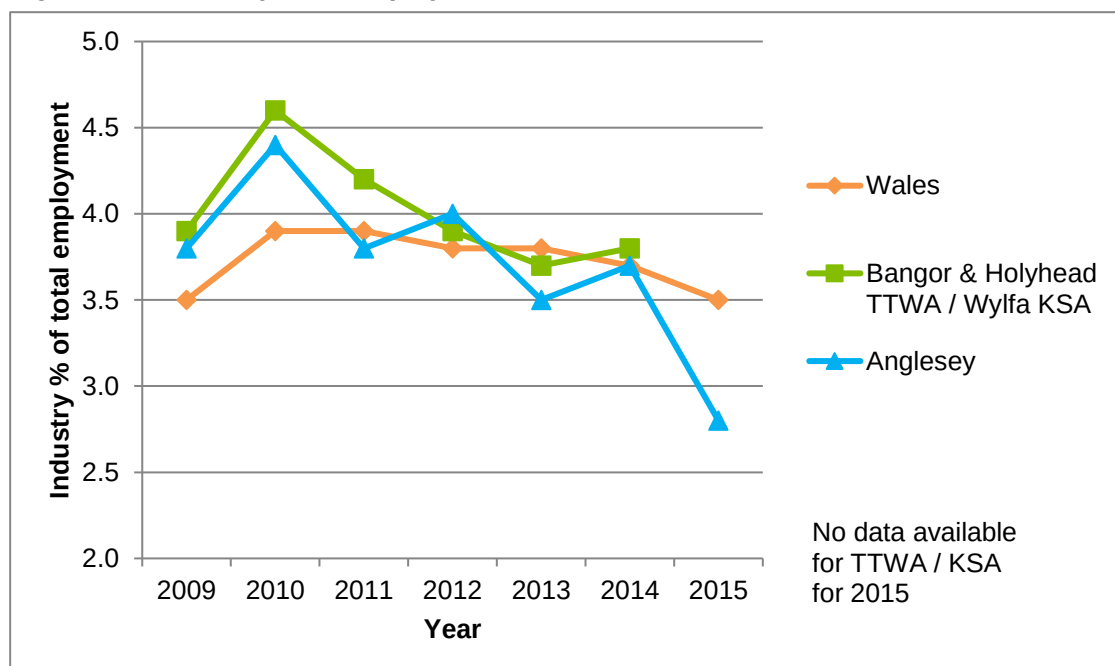
Figure 5: Residential Care Employment



Social work activities without accommodation include the visiting of the elderly and disabled and day-care activities for the elderly or for disabled adults. On Anglesey, this sub-sector has shown a staggered decrease between 2009 and 2015. In 2015, the sector employed 550 staff, representing 2.8% of all employment on Anglesey. This was down from a 2010 peak of 4.4% of total employment. A similar, but smoother, path was followed by social work employment in the Bangor & Holyhead TTWA, with the latest level (3.8% in 2014) being lower than the 2012 peak of 4.6%. The proportion of social work employment in Wales, relative to total employment, was broadly consistent from 2010 onwards (between 3.5 and 4.0%).

It is unclear what has driven this fall, particularly the marked decrease between 2014 and 2015. With care provision increasingly shifted to be performed in the home, to avoid costly treatment in the primary care setting, one would expect the downward trend to be reversed and could suggest greater pressure placed on staff members in the domiciliary care activities.

Figure 6: Domiciliary Care Employment



A more detailed breakdown of social care employment in Anglesey and the wider areas is presented in the table below. Anglesey registers notably higher employment in residential nursing care activities, at 1.6% of total employment, than the average across Wales at 0.9%. A significant difference is also evident in residential care activities for the elderly and disabled which account for 2.0% and 1.5% of total employment in Anglesey and the Bangor and Holyhead TTWA respectively, while only accounting for 1% of employment across Wales as a whole.

Conversely, the percentage of employment for residential care activities for learning disabilities, mental health and substance abuse and social work activities without accommodation for the elderly and disabled are notably higher across Wales than seen across Anglesey and the TTWA.

**Table 3: Breakdown of Employment in Social Care Activities**

| <b>SIC codes / Sector % of total employment</b>                                                  | <b>Anglesey (2015 level)</b> | <b>Bangor &amp; Holyhead TTWA</b> | <b>Wales (2015 level)</b> |
|--------------------------------------------------------------------------------------------------|------------------------------|-----------------------------------|---------------------------|
| 87100 : Residential nursing care activities                                                      | 1.6                          | 1.2                               | 0.9                       |
| 87200 : Residential care activities for learning disabilities, mental health and substance abuse | 0.1                          | 0.2                               | 0.5                       |
| 87300 : Residential care activities for the elderly and disabled                                 | 2.0                          | 1.5                               | 1.0                       |
| 87900 : Other residential care activities                                                        | 0.7                          | 0.6                               | 0.9                       |
| 88100 : Social work activities without accommodation for the elderly and disabled                | 0.7                          | 0.8                               | 1.3                       |
| 88910 : Child day-care activities                                                                | 0.9                          | 1.0                               | 0.5                       |
| 88990 : Other social work activities without accommodation nec                                   | 1.3                          | 2.0                               | 1.6                       |
| <b>Total</b>                                                                                     | <b>7.3</b>                   | <b>7.3</b>                        | <b>6.7</b>                |

### Skill levels

Skill levels amongst the working population of Anglesey are generally higher than the Welsh average, with 55.2% of the population at NVQ Level 3+ on Anglesey compared with 54.2% across Wales as a whole. Anglesey has a significantly lower percentage of the working population with no qualifications (8.3%) than the TTWA (9.2%) and across Wales (9.6%).

While data are unavailable for the whole of the social care sector, survey data from social care providers demonstrates that in the domiciliary care sector 37.5% of employees currently have NVQ Level 2 and 12.4% have reached NVQ 3 level. The percentage of NVQ Level 2 holders is higher than seen across England (24%) but lower at Level 3 (14%).<sup>9</sup> A further 16.9% of the workforce is working towards NVQ Level 2 or 3 qualifications at the time of writing.

<sup>9</sup> Skills for Care 2016

Table 4: Skills Breakdown of the Population

|                                                | Anglesey | Bangor & Holyhead<br>TTWA | Wales |
|------------------------------------------------|----------|---------------------------|-------|
| % with NVQ4+ - aged 16-64                      | 35.1     | 36.1                      | 35.1  |
| % with NVQ3+ - aged 16-64                      | 55.2     | 54.2                      | 54.3  |
| % with NVQ2+ - aged 16-64                      | 73.5     | 73.0                      | 73.4  |
| % with NVQ1+ - aged 16-64                      | 84.0     | 82.0                      | 84.3  |
| % with other qualifications (NVQ) - aged 16-64 | 7.7      | 8.8                       | 6.1   |
| % with no qualifications (NVQ) - aged 16-64    | 8.3      | 9.2                       | 9.6   |

Source: BRES 2017

### Earnings

At the local level, the average hourly wage for Anglesey across all industries was £12.16 in 2016, below the Welsh average of £12.68 (ASHE 2016). However, evidence suggests that average hourly earnings in the social care sector are significantly below this level. Wages for basic care staff averaged £7.23 per hour across all companies surveyed – 40.5% below the average hourly wage across the Island – though staff could see wages rise to between £9 and £10 over the weekend. The average hourly wage for senior care staff came in at £8.69 from companies surveyed, which is 28.5% than the average wage across all industries on Anglesey.

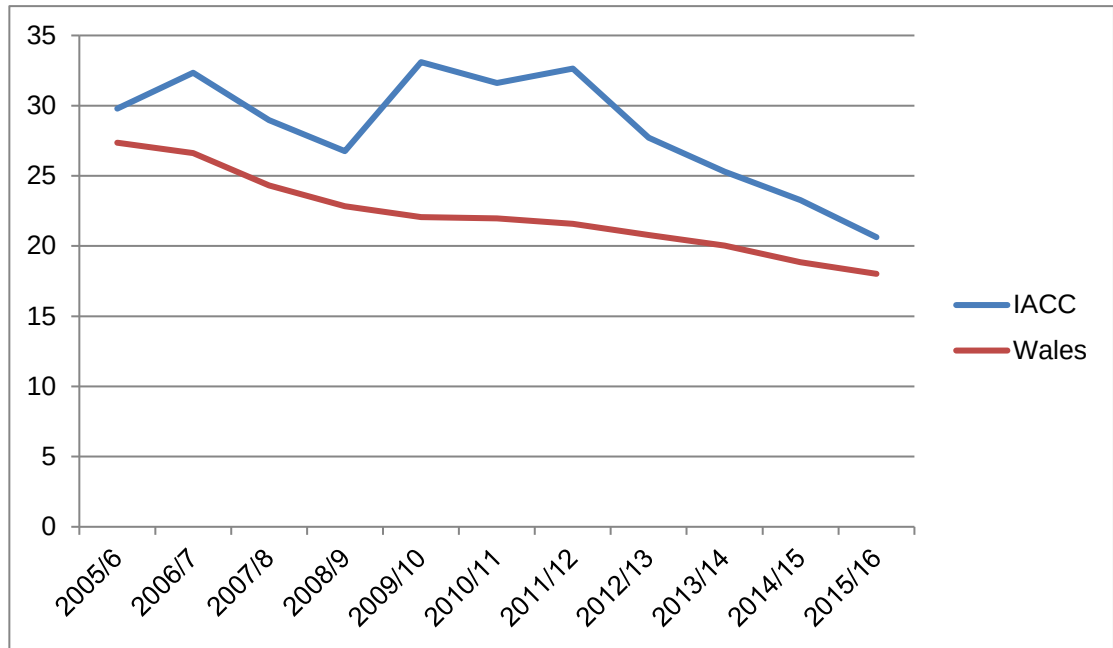
Average earnings for social care are therefore significantly lower than average levels across all sectors, particularly at the basic care worker level with wages on average falling below the UK Living Wage. This reflects wider arguments in the literature regarding increased competition for jobs, with staff able to earn similar wages working in supermarkets. With care for individuals has become harder over the years due to multiple illnesses and higher levels of dependency the attractiveness of social care as a career has been negatively impacted.

### Conditions in the sector locally

#### Residential Care

Anglesey has a greater proportion of its over 75 population in care homes than across Wales as a whole. However, this difference has narrowed in recent years – having reached 33.1 per 1000 residents aged 75+ in 2009/10 it fell to 20.6 per 1,000 in 2015/16. However this is still the 5th highest across all Welsh Local Authorities. This fall is likely driven by the shift in practice from residential to domiciliary care, to reduce costs and the aim to improve outcomes for care clients.

Figure 7: Over 75s per 1000 in Care Homes



With regards to the residential and nursing homes on Anglesey, staffing levels can differ markedly from as few as 3 employees up to 72 employees at Glan Rhos, the largest provider on the island.

Figure 8: Distribution of Residential Care across Anglesey



Pink = agewell centre  
 Blue = supported accommodation  
 Green = care homes  
 Red = residential care

Within the last 12 months, 51 staff had left their employers in the residential care and nursing homes segment. Reasons cited for leaving include a number of general factors such as relocation, ill health and pregnancy but also included repeat citations of:

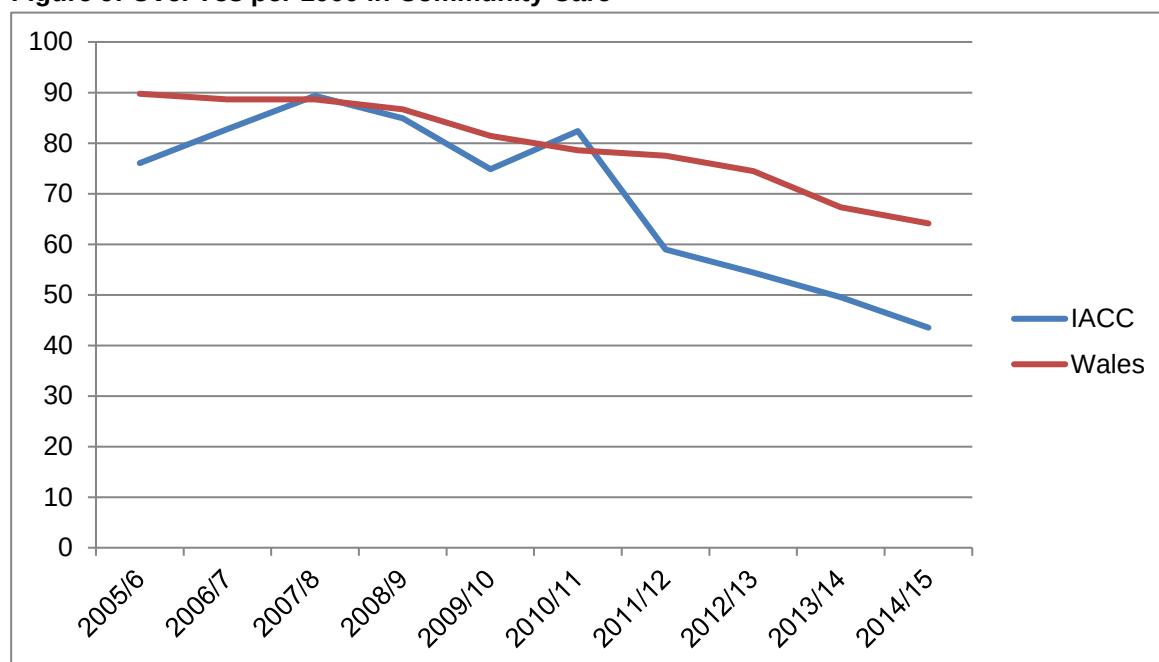
- Retirement
- Change of job
- More money (e.g. care in the community)
- Movement to nursing/NHS employment (upon receiving or in order to obtain higher qualifications)
- Transport (job closer to home/with lower transport costs)

This generally reflects the wider trends outlined in Section 3 in relation to low wages, skills, poor conditions and an ageing workforce. The movement to nursing and NHS roles may reflect the “lack of worth/status” attributed to care work. Moreover it has also previously been noted that social care providers in Wales were often described as being ‘in competition’ with the NHS for nursing and care staff, with the NHS in a position to offer better terms of employment (in terms of both pay and security)<sup>10</sup>.

### Community Care

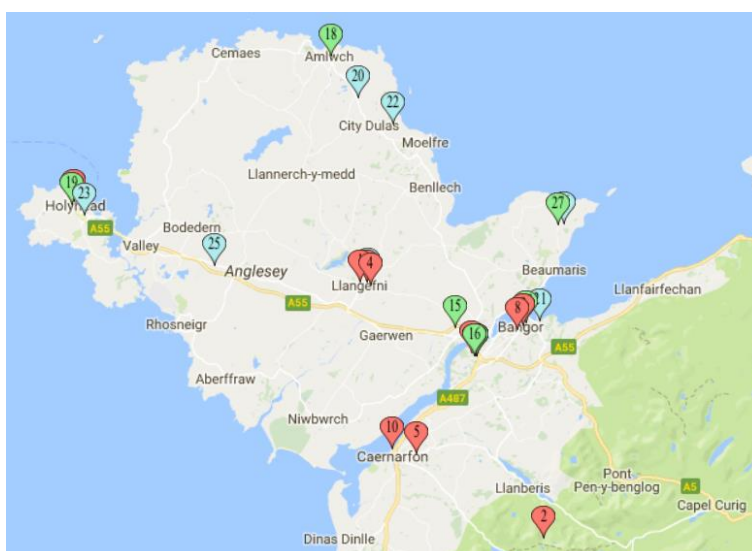
In terms of community care, Anglesey has seen a distinct drop in the number of residents supported in the community. Having remained around the Welsh average until 2010/11, it fell from 82.37 per 1,000 residents aged over 65 to 43.51 per 1,000 in 2014/15. While the Welsh average also fell over this period, the fall was more gradual. The reasoning behind this fall is unclear but could reflect improved general health outcomes for the elderly population, resulting in lower requirements for community care, or could reflect a rise in informal care which is borne out in national statistics as shown in Section 3.

**Figure 9: Over 75s per 1000 in Community Care**



Domiciliary Care is dominated by a small number of large providers on Anglesey such as Cymorth Llaw, Abacare and Môn Care which each have in excess of 70 employees.

<sup>10</sup> <https://beta.gov.wales/sites/default/files/publications/2017-07/170714-review-interim-report-en.pdf> - p45

**Figure 10: Distribution of Community Care Businesses across Anglesey**

Red = mental health, domestic abuse, substance misuse  
 Green = non-residential care  
 Blue = day care

A high proportion of employees engaged in Community Care are on zero-hours contracts with 56% of companies having staff on these types of contracts. Within the last 12 months, 39 staff had left their positions at the Domiciliary Care companies surveyed, an average turnover of 7.8 employees for each company that responded. As with residential and nursing homes, common themes were evident in employees' reasons for leaving:

- Better pay
- Change of career to one with more sociable hours / less responsibility
- Careers in nursing/childcare

Again, the reasons cited for leaving reflect the broader challenges facing the social care sector. However staff turnover levels in domiciliary care were significantly higher than seen across residential care. High levels of staff turnover, such as those outlined above, can have a negative impact in terms of the continuity of care offered to vulnerable individuals. It is widely accepted that continuity of care becomes increasingly important for patients as they age, develop multiple morbidities and complex problems, or become socially or psychologically vulnerable<sup>11</sup>.

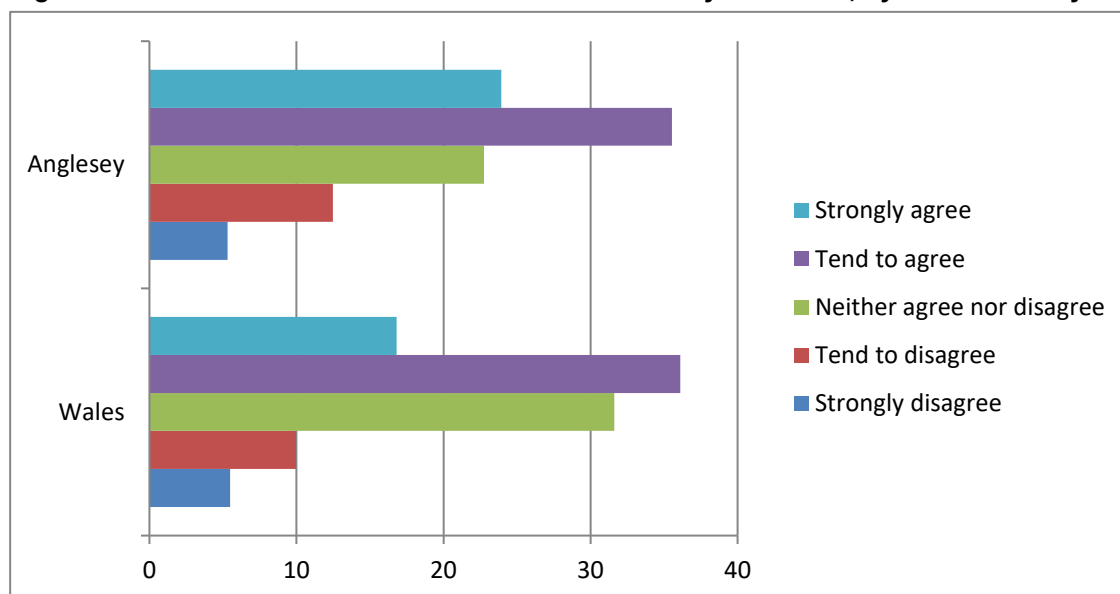
### Performance of the Care Sector in Anglesey

#### Standard of Social Care

The National Survey for Wales 2014-15 included a section on the standard of social care across Wales. Results for Local Authorities showed that social care on Anglesey was held in high regard by some, with 24% of respondents "strongly agreeing" that a good standard of social care was available in the area. This was the highest across all Local Authorities. However, Anglesey did have a 17% of respondents who tended to disagree or strongly disagreed with the statement – only Blaenau Gwent, Merthyr Tydfil and Powys reported a higher percentage. These results therefore show a polarised picture of social care on Anglesey.

<sup>11</sup> [https://www.kingsfund.org.uk/sites/default/files/field/field\\_document/continuity-care-patient-experience-gp-inquiry-research-paper-mar11.pdf](https://www.kingsfund.org.uk/sites/default/files/field/field_document/continuity-care-patient-experience-gp-inquiry-research-paper-mar11.pdf)

**Figure 11: Good social care services are available in my local area, by local authority**

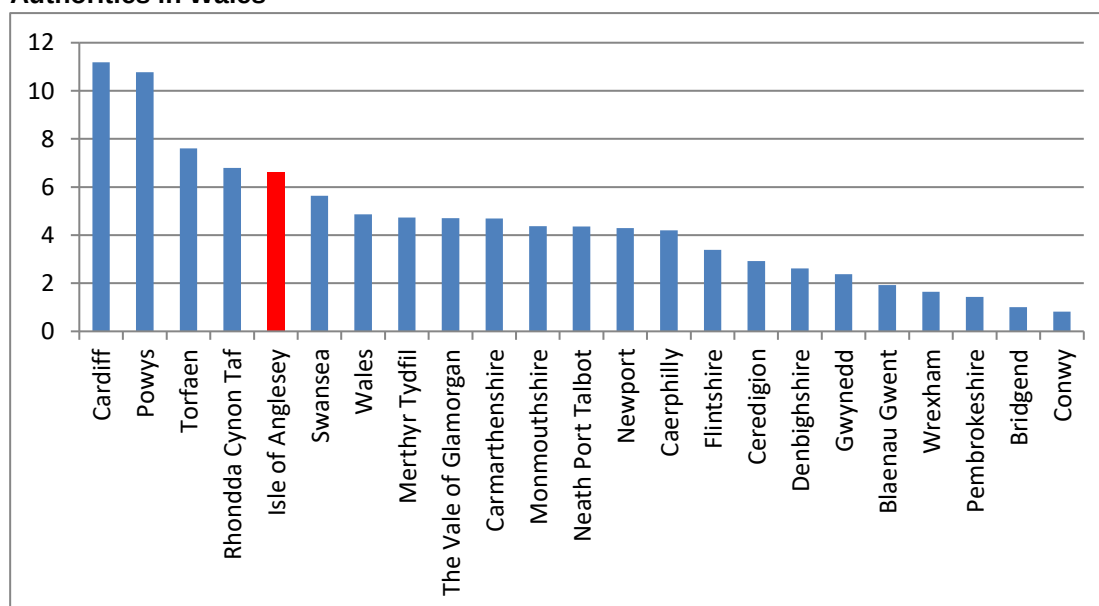


### Delayed transfers

In 2014/15 there were 6.63 delayed transfers per 1,000 of the over 75 population on the Isle of Anglesey compared with 4.87 per 1000 across Wales as a whole. Delayed transfers of care (DToCs) are generally associated with complex cases where patients need a care package or move to a different care setting such as a care home. These patients are more likely to be older, vulnerable people.

In relation to this measure, Anglesey was the 5<sup>th</sup> worst performing local authority across the whole of Wales. DToCs can harm the wellbeing of those who suffer them and can have a negative impact on their independence. It also has an adverse effect on the wider health and social care system as delays can potentially deprive others from receiving timely care.<sup>12</sup>

**Figure 12: Delayed Transfers per 1,000 of the Over 75 Population across all Local Authorities in Wales**



<sup>12</sup> <https://www.valeofglamorgan.gov.uk/Documents/Committee%20Reports/Scrutiny-HLSC/2017/17-01-16/WAO-Review-of-Delayed-Transfers-of-Care-Appendix-A.pdf>

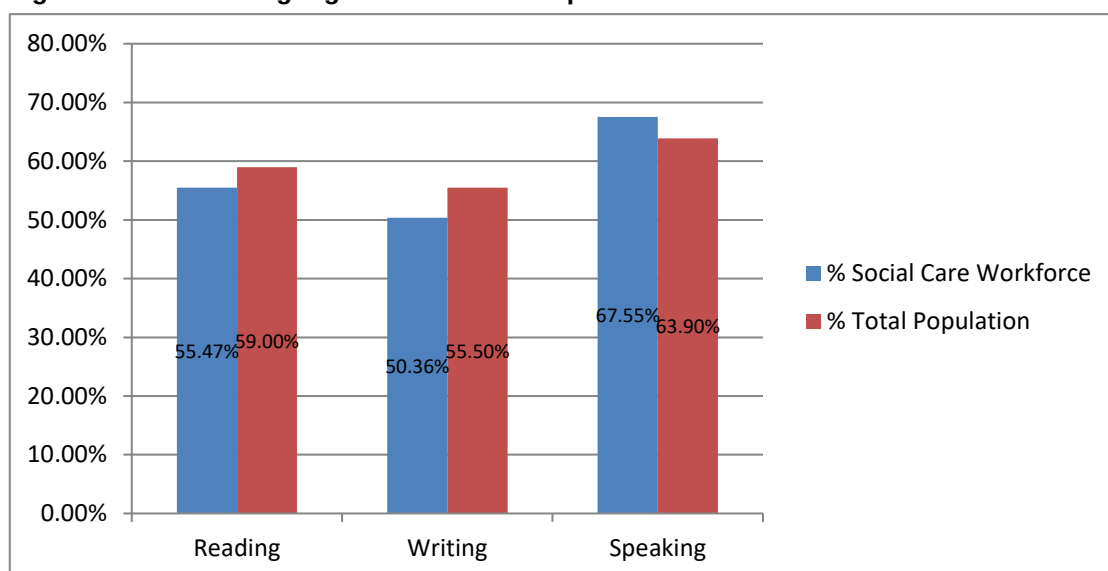
A national audit of intermediate care in England showed that for older patients, ‘a wait of more than two days negates the additional benefit of intermediate care, and seven days is associated with a 10 per cent decline in muscle strength’. This highlights the urgent need to ensure older patients do not stay in hospital for longer than needed. A prolonged stay may mean a patient admitted to hospital with simple discharge needs, which means not needing any or little onward care may leave a hospital needing a more complex care package.

### Welsh Language

An important aspect of the standard of care in Wales is the ability to communicate in the Welsh language. It is especially true for elderly people and those with dementia or who have experienced a stroke, and young children who only speak Welsh<sup>13</sup>.

67.6% of home care workers on Anglesey can speak Welsh, slightly higher than the average across the total population. This percentage falls for writing and reading, at 50.36% and 55.47% respectively, fall below the Anglesey average (55.5% and 59.0% respectively).

**Figure 13: Welsh Language Skills – Total Population vs. Social Care Sector Workforce**



In 2012 the Welsh Government published “More than Just Words” – a strategic framework designed to strengthen Welsh language services in health services, social services and social care. This sets out a commitment by the Welsh Government to help ensure Welsh speakers receive health, social and social care services in their first language. Building on More than Just Words, Welsh Government is focused on making an “Active Offer” in social care by providing a service in Welsh without someone having to ask for it thereby creating a change in culture that takes the responsibility off the service user to ask for a service through the medium. Welsh Language Standards have also been introduced across Wales, with a view to ensuring that people can engage with the organisation in their language of choice and to meet its goal of 1 million Welsh speakers by 2050.

The social care workforce across Anglesey is currently well-placed to deliver care for those with Welsh as a first language (albeit that demand, along with Gwynedd is the highest across Wales). However, staff turnover could affect the County’s ability to deliver against this policy backdrop if replacement skills are not secured which could be a concern in light of the labour demand associated with the Wylfa Newydd project.

### Travel to Work Patterns

Looking at Travel-to-Work patterns within the social care workforce on Anglesey, survey data

<sup>13</sup> <https://beta.gov.wales/sites/default/files/publications/2017-07/170714-review-interim-report-en.pdf>

suggests that the average distance to workers' first point of call is 6 miles suggesting that the vast majority of social care workers are based on the Island. This is to be expected, with the low wages across the sector limiting workers' willingness to travel significant distances to work in the sector and a limited ability to absorb the cost of travel. Workers complete, on average, 100 miles per week, and spend around 30% of their time travelling to clients, reinforcing the challenging nature of delivering social care services on Anglesey due to its rural, sparsely populated location and infrastructure in place across the Island.

### 3.2 Summary of Findings

The analysis has demonstrated that Social Care provides a significant role in terms of the level of employment it generates across Anglesey, owing to a large and growing proportion of elderly residents on the Island – particularly apparent in the area of residential care – and the challenge in delivering care activities in a rural, sparsely populated location.

Conditions facing the sector on Anglesey have been found to reflect wider the wider trends seen across England and Wales with workers' average earnings significantly below median levels across Anglesey as a whole. High levels of workforce turnover have been registered by most providers across the Island, particularly in the Community Care setting, with anecdotal evidence confirming that low pay, absence of "sociable hours", retirements and progression into other careers such as nursing (with the sector seen as a stepping stone) driving this turnover in staff.

Furthermore there are location-specific issues which make delivery of social care challenging on Anglesey such as delivering social care services in a rural, sparsely populated area and the need for Welsh Language skills to effectively communicate with clients. These conditions add to the complexity of delivery on the Isle of Anglesey.

As such, current conditions facing the social care sector have led to significant difficulties in attracting and retaining the right quality of staff in the local area. This suggests that alternate employment opportunities – such as those from the Wylfa Newydd project – have the potential to attract workers from the social care sector if they can address the issues (such as better pay, more sociable hours and less pressure) identified in this Chapter.

The following section looks at how the social care sector has been identified in the DCO documentation and the assessment of the impact the Wylfa Newydd project would have.

#### 4. REVIEW OF DCO DOCUMENTATION

This section of the report provides a review the relevant draft DCO documentation provided by Horizon to IACC. Through this we will look to understand what impacts have been identified in the context of the social care labour force and related matters.

##### 4.1 Overview

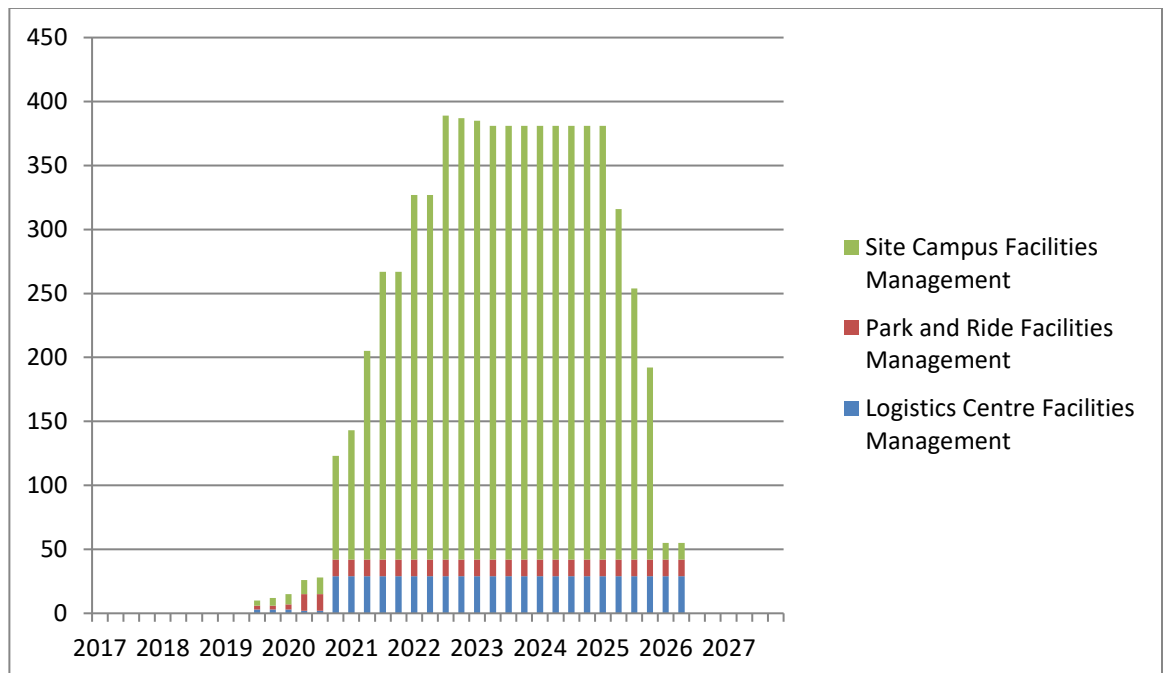
The Draft Wylfa Newydd DCO documentation contains a Health Impact Assessment which provides Horizon's assessment of the effects of labour churn as a result of the project's demand for labour. This assessment states that:

*"The Project may offer pay or working-hours that existing employers are not able to match. Some services may be particularly important for health (e.g. quality of health and social care community services) may decline if it is harder to retain or recruit staff, including Welsh speakers)."*

This is a potential adverse effect that can occur due to the local employment opportunities afforded to the local population as a result of the Wylfa Newydd project. As noted in the previous section, anecdotal evidence from social care providers suggests that there is already a shortage of workers in the social care sector. Moreover average wages in the sector were found to fall far below the average level registered across Anglesey. Employment opportunities associated with the Wylfa Newydd project may offer advantages to individuals in terms of higher levels of income. Furthermore, working at Wylfa Newydd may also afford workers regular/more sociable hours of work and security of employment that could not be matched by incumbent social care providers and have been found to contribute to high levels of workforce turnover in the sector.

The Wylfa Newydd project's requirement for a facilities management and on-site healthcare workforce suggests there is scope for these effects to manifest themselves due to the similar skills required in these roles that workers develop or obtain through work in the social care sector.

**Figure 14: Demand for facilities management and on-site healthcare workforce associated with the Wylfa Newydd project**



While no figures are available for the on-site healthcare workforce, facilities management (operational) demand is expected to peak at 389 in Q3 2022. This demand represents around 27% of the current social care workforce in place on Anglesey. Furthermore, on a broader

measure demand for site services, security and clerical staff is expected to peak at 499 in Q4 2023 which represents around 35% of the current social care workforce on Anglesey.

The current staff turnover rate of directly employed staff working in the adult social care sector is 27.8%<sup>14</sup> which is significantly higher than the UK average of around 15%<sup>15</sup>. Further labour churn in the social care sector, through people leaving the profession for jobs on the Wylfa Newydd project, could have an adverse impact on the sector, with further staff shortages resulting in lower service quality and availability of experienced/skilled staff, whilst also increasing costs (in terms of time to recruit and disruption of services) to local providers in the social care sector that they cannot absorb. The effects of labour churn will be explored further in the next chapter.

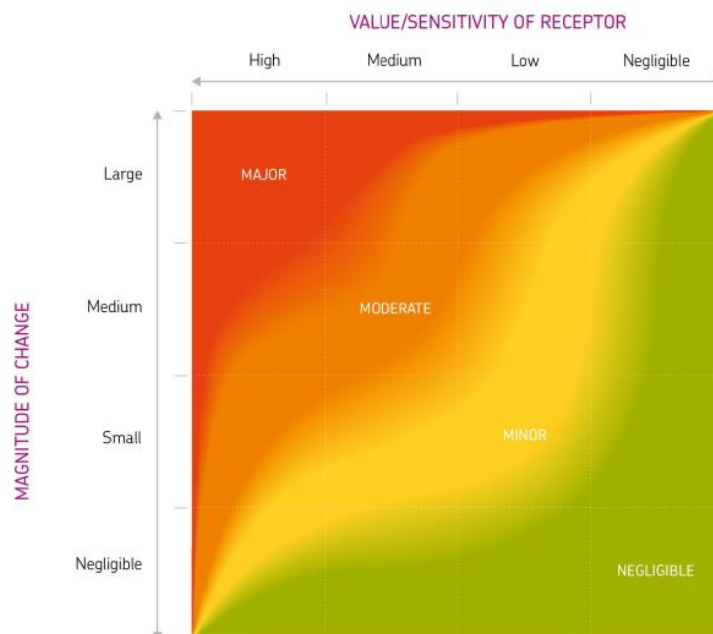
#### 4.2 Baseline

The DCO documentation identifies that on the Isle of Anglesey, there are approximately 2,095 people who describe themselves as being in a health or social care related occupation (health and social services managers and directors; managers and proprietors in health and care services; health professionals; therapy professionals; nursing and midwifery professionals; welfare professionals; health associate professionals; or welfare and housing associate professionals). In Arfon, the equivalent number of people identifying with these occupations is 2,160. For North Wales, the total number is 21,605. However, for social care workers alone the workforce is 1,432 (Nomis; 2017) according to the definition used by Skills for Care (outlined in Section 3).

#### 4.3 Assessment of Significance

The DCO documentation assesses the significance of the impact of the Wylfa Newydd project upon the social care sector by assessing the magnitude of the impact (i.e. the scale of the impact) and the sensitivity of receptors (i.e. the people who would be affected by the displacement of social care workers – i.e. some of the most vulnerable Anglesey residents). The significance is then determined using professional judgement according to the below matrix:

**Figure 15: Significance of Impact Matrix used by Horizon**



<sup>14</sup> Skills for Care

<sup>15</sup> <https://hiring.monster.co.uk/hr/hr-best-practices/workforce-management/employee-retention-strategies/what-is-the-ideal-employee-turnover-rate.aspx>

### Magnitude

The potential magnitude of effect is considered small, reflecting that, short-term vacancies in local health and social care community services may affect the quality of community services for people, with implications for quality of life or even risk factors for health and well-being outcomes.

### Sensitivity

Sensitivity is generally considered low, however for some groups there is the potential for higher levels of sensitivity. Vulnerability in this case relates to people and their dependants who are reliant on services potentially affected by labour churn, for example the reliance of older people or people with low incomes on health and social care community services (e.g. from fewer care home staff). Vulnerability may also extend to staff who become overworked. Even where there is no overall shortfall in numbers of staff, a shortage of Welsh-speaking staff could affect levels of care. For these populations, the sensitivity is considered high.

### Significance

For particularly sensitive groups within the affected population, the residual effect could range up to minor adverse. The scores reflect the potential for the Project to have an indirect effect on health and well-being through the quality of community services. For example, the quality of social care services, which include care homes, day centres, meals and home care, therapies, life coaching, personal assistants, emotional support, classes or courses, and carer respite.

The expected duration of effects would be medium term (throughout the 2019 to 2027 construction stage). This assessment is assigned a medium degree of certainty, which takes account of the timeframe for partners to develop the workforce strategy.

As a result, the DCO documentation notes a **potential adverse** effect due to labour churn in health and social care community services for the main site works, while the Off-Site Power Station Facilities are not expected to affect other caring services.

However, the results are open to interpretation. For instance although the magnitude of impact is considered low, the overall size of the social care workforce is lower than the more broad measure used by Horizon which will understate the magnitude of impact. The 389 facilities management roles available represent 27.2% of the social care workforce and it therefore could be argued that the magnitude of impact is understated.

It could also be argued that the social care workforce has the potential to take up wider roles than solely those in facilities management, such as within the site services, security and clerical staff occupational grouping, which again would understate the magnitude of impact. Of the known destinations of all social care workers on the Isle of Anglesey to leave commissioned care, nearly 60% left the sector entirely.<sup>16</sup> This suggests that – while still medium term in nature – the impact of displacement stands to affect the sector over a longer timeframe than just the construction period of the Wylfa Newydd Development without appropriate mitigation.

## 4.4 Summary

Overall, the DCO documentation does highlight the potential adverse effect on the social care sector as a result of the Wylfa Newydd Main Site development during the construction phase. This owes to the higher levels of income, regular/more sociable hours of work and security of employment that could not be matched by incumbent social care providers. However, it stops short of committing to this level of impact assessed and, it could be argued, understates the potential impact on the sector through its assessment of the magnitude of impact on the social care sector and the sensitivity of the social care sector to the effects of labour churn. The following section takes forward a range of scenarios to understand the potential impact of labour displacement on the sector.

<sup>16</sup> [Social Care Workforce Development Partnership \(2016\)](#)

## 5. IMPACT ASSESSMENT AND MITIGATION MEASURES

This section of the report takes the baseline position, labour market data and the conclusions gathered from the draft DCO documentation to understand what the potential impact will be on labour in the social care sector. Having assessed the potential impact of labour churn on the social care sector on Anglesey, potential mitigation measures are proposed which could be taken forward to address the impact of the Wylfa Newydd project and ensure that the social care sector is not adversely impacted as a result of the project.

### 5.1 Overview

The review of conditions within the social care sector on Anglesey highlighted a number of trends. These are outlined below:

- Ageing population & Getting Older
- Employment falling
- High staff turnover (particularly domiciliary)
- Low pay
- High proportion in residential care – suggests greater need/regular care
- Significant fall in community care
- Performance – 4<sup>th</sup> highest delayed transfers, falling

The delivery of social care services on Anglesey are also made more complex by specific delivery challenges:

- The need for social care workers to be able to communicate effectively in the Welsh language
- The complexity of delivering social care services in a rural, sparsely populated environment.

### 5.2 Evidence of Displacement

As highlighted in the DCO documentation, the Wylfa Newydd Project may offer pay or working-hours that existing employers are not able to match. This could result in social care services being affected, with higher wages on offer at Wylfa Newydd making it harder to retain or recruit staff, including Welsh speakers.

Pay conditions in the social care sector are already under significant pressure due to public sector funding cuts, which limit providers' ability to offer pay rises to keep pace with inflation and have led to an increasing reliance on zero-hours contracts which, while working for some, do not offer workers security in relation to their earnings. This has resulted in high levels of staff turnover across the sector, which at 27.8% across the UK far outstrips average labour churn rates.

The potential for large projects to pay a wage premium is apparent within the economic literature. Large firms have been found to have the ability to pay more, with the more productive nature of activity at Wylfa Newydd compared to wider economic activity locally suggesting that there will be a requirement to deliver higher wages. Furthermore, large companies such as Horizon have the ability to share excess profits with workers, hire more qualified workers and substitute high monitoring costs with wage premia.<sup>17</sup> Therefore, the existing evidence suggests that there is potential for the Wylfa Newydd project to attract workers based on the wage premia that it can offer – before taking into account the potential for more secure employment, sociable hours and reduced stress than workers would experience in the social care sector.

The effects of major projects displacing local workers is apparent in the example of Sizewell B, the most recently completed of the UK's nuclear power plants. A review of the economic benefits of the Sizewell B project undertaken by Glasson (2015) found that, during the early years of the project, approximately 600 employees annually were drawn to the site from local employers. Taking into account that the peak workforce associated with Sizewell B was just over 5,000 – compared with between 8,000 and 10,000 at Wylfa Newydd – and the more ruralised and

<sup>17</sup> The Establishment-Size Wage Premium: Evidence from European Countries (2005) - <https://www.econstor.eu/bitstream/10419/33633/1/485624524.pdf>

remote location of Anglesey (with a reduced latent supply of labour within commuting distance) the impact of displacement could be much higher in the case of the Wylfa Newydd project.

Should these displaced employees be skilled staff, local employers would stand to experience difficulties in finding suitable replacements, especially in areas where there are existing skills shortages. This is particularly applicable to the social care sector on Anglesey, in which providers are already experiencing a dearth of suitably qualified applicants, there is an ageing workforce in place and high levels of staff turnover prevail.

### 5.3

#### Impact of Displacement

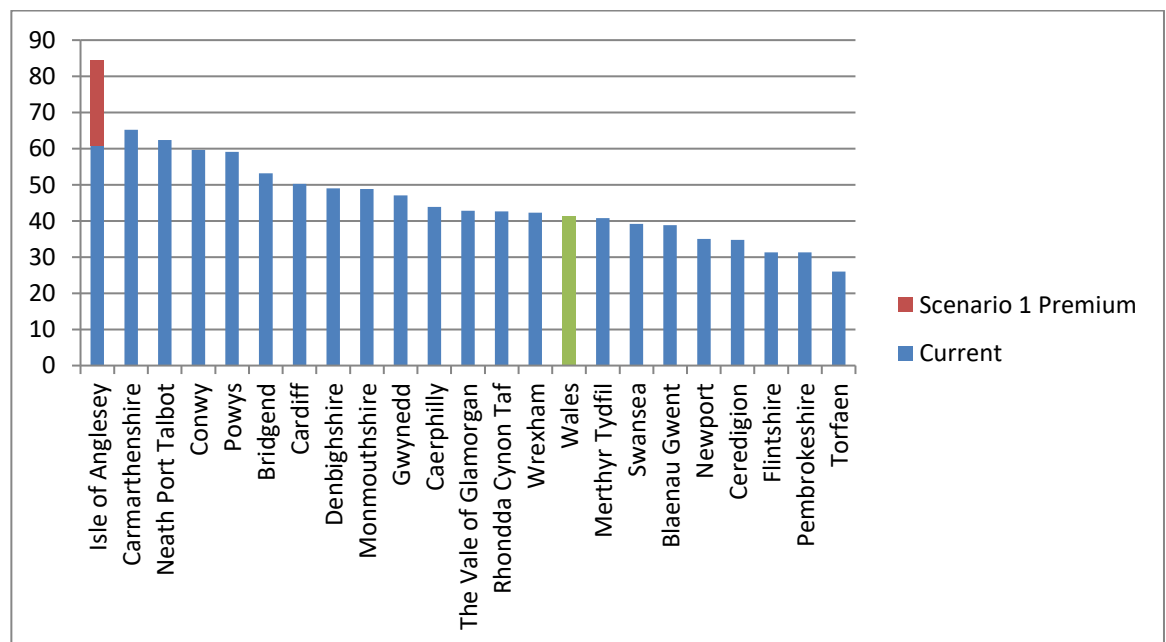
The DCO documentation references the potential adverse impact of facilities management and on-site healthcare job opportunities attracting workers from the social care sector. Facilities management (operational) demand is expected to peak at 389 in Q3 2022. This section provides some alternative scenarios to understand the impact that displacement within the social care labour market would have on the sector.

##### Scenario 1: 100% displacement of social care staff to facilities management roles at Wylfa Newydd

This scenario would see full displacement of social care staff (389) to facilities management roles on the Wylfa Newydd project, representing 27.2% of the social care workforce.

To place this in context, the current ratio of the number of the population aged 65 or over per social care worker on Anglesey is 61.0, the 3<sup>rd</sup> highest across the whole of Wales. Under Scenario 1, the displacement of the workforce would result in this ratio rising to 84.5, 29.5% higher than in Carmarthenshire and more than double the Welsh average ratio.

**Figure: Ratio of population aged 65 and over per social care worker**

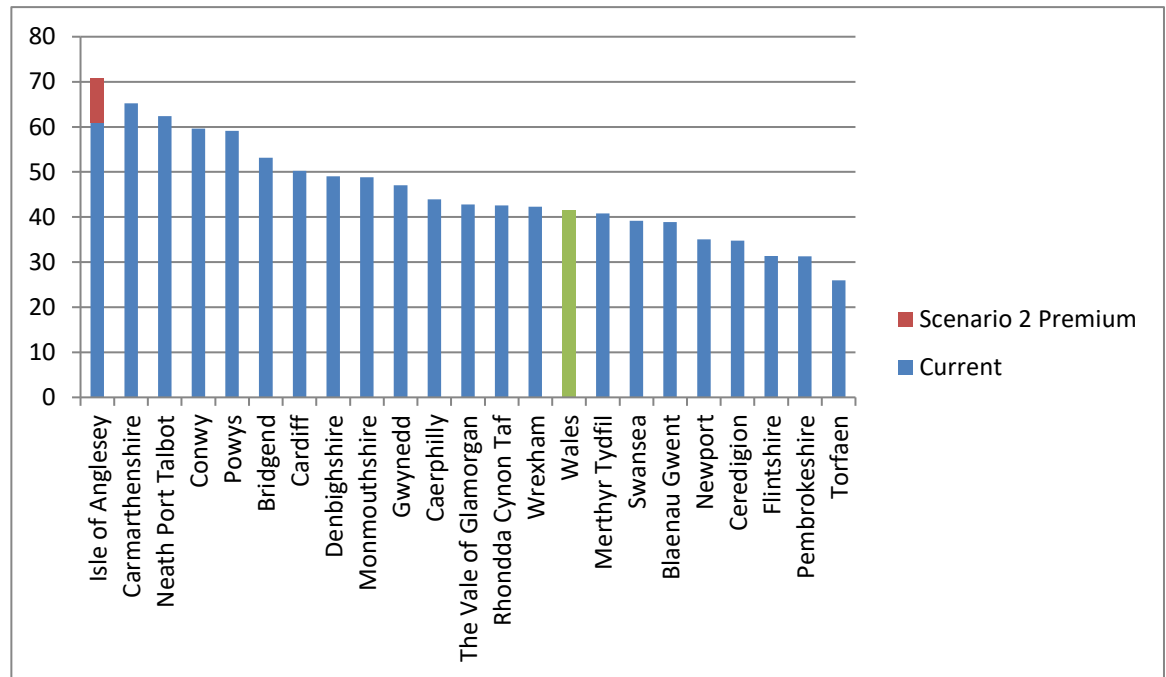


### Scenario 2: 50% displacement of social care staff to facilities management roles at Wylfa Newydd

Should social care workers move to take up 50% (195) of the facilities management roles on the Wylfa Newydd project, this would result in a reduction of 13.6% of the current social care workforce on Anglesey.

The current ratio of the number of the population aged 65 or over per social care worker on Anglesey is 61.0, the 3<sup>rd</sup> highest across the whole of Wales. Under Scenario 2, the displacement of the workforce would result in this ratio rising to 70.9, 71% higher than the Welsh average.

**Figure: Ratio of population aged 65 and over per social care worker**

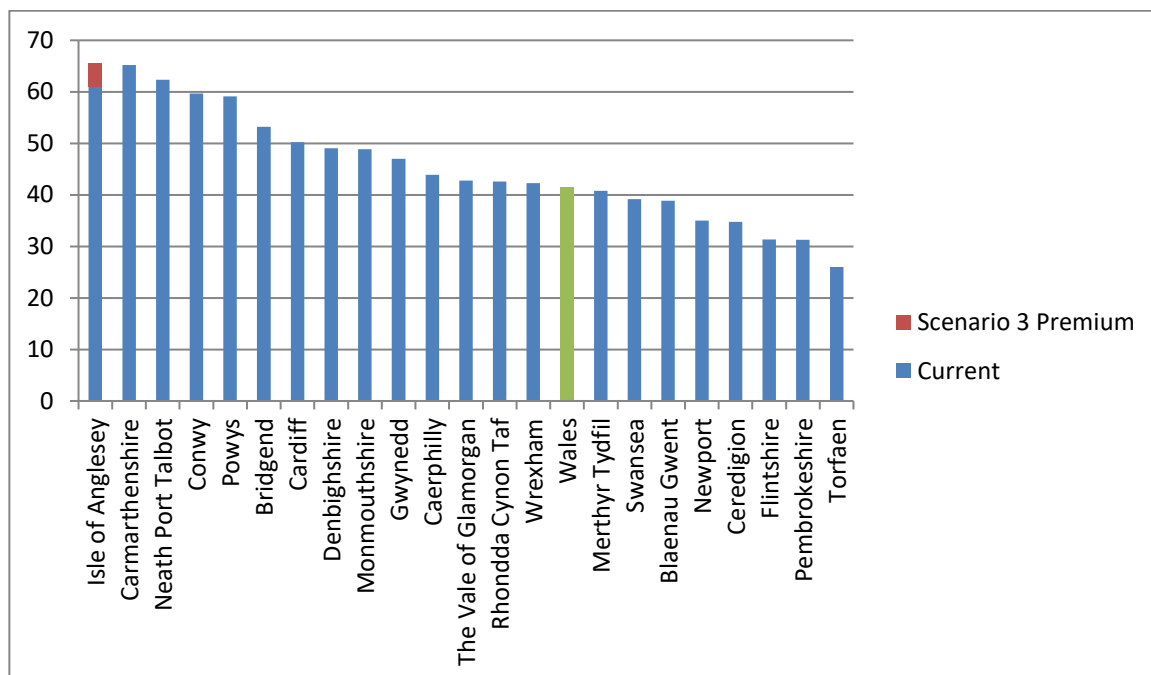


### Scenario 3: 25% displacement of social care staff to facilities management roles at Wylfa Newydd

Should social care workers move to take up 25% (97) of the facilities management roles on the Wylfa Newydd project, this would result in a reduction of 6.8% of the current workforce.

The current ratio of the number of the population aged 65 or over per social care worker on Anglesey is 61.0, the 3<sup>rd</sup> highest across the whole of Wales. Under Scenario 3, the displacement of the workforce would result in this ratio rising to 65.6, the highest across all Local Authorities and 58.3% higher than the Welsh average.

Figure: Ratio of population aged 65 and over per social care worker



## 5.4

### Mitigation Measures

The above scenarios demonstrate that Anglesey has a high ratio of the over 65 population to the social care workforce – 61.0 over 65s per social care worker compared with 41.4 for Wales as a whole – and that this gap stands to widen should the social care workforce be attracted to roles at Wylfa Newydd.

With pay conditions in the sector low and insecure, the ability of workers to travel long distances to work in social care roles on the Isle of Anglesey is uncertain (as reflected in the survey data). Therefore, the ability to replace displaced staff is difficult, suggesting the labour pool will be constrained within the local geography which is already faced with significant long-term workforce challenges. Furthermore, with 55% of staff that leave the sector not returning to roles in the social care sector in the future, there is potential for these impacts to extend further than the construction period (as outlined in the DO documentation).

With the sector under significant and growing pressure, further negative impacts could exacerbate existing problems affecting the sector in general which could lead to contracts undelivered, higher stress levels and staff turnover and an inability to provide effective care for the elderly population on Anglesey. To put this into context, the fiscal cost to be borne by the respective Local Authority from residential for older people was £359 per week per person in 2013/14<sup>18</sup>. Therefore, should shortfalls in care staffing as a result of the Wylfa Newydd project result in lower standards of community care and, as a result, a greater number of older people requiring residential care there is a significant cost associated with this impact for the Isle of Anglesey County Council.

As such, mitigation must be identified to address these issues upfront to allow experienced staff to be retained and to attract new workers to replace workers that have left to work on the Wylfa Newydd project. According to the trends observed across Anglesey, and wider trends across Wales and the UK, a number of measures are deemed worthy of consideration:

**Marketing and Outreach Fund** – While an age breakdown of the social care workforce on Anglesey is not available, under the reasons cited for leaving the social care workforce, retirements were one of the frequent responses and result in a permanent exclusion from the potential social care workforce. Moreover, according to Skills for Care people under the age of

<sup>18</sup> Personal Social Services: Expenditure and Unit Costs, England - 2013-14

25 make up less than 10% of the adult social care workforce. Attracting a younger generation of workers to the social care sector will therefore be required to replace workers attracted to the Wylfa Newydd project and afford the sector a pipeline of staff that can learn from the experience incumbent workforce and have the potential to commit to working in the sector over a number of years thereby providing a sustainable workforce.

In order to achieve this, efforts must be made to increase the attractiveness of the sector to younger generation through a concerted marketing and communications campaign. This should be focused on addressing some of the challenging negative perceptions of a career in social care such as that “it is more often or not a job of last resort, rather than a job of choice” and that it is low paid, low skilled work and negative coverage in the press. Instead, there should be a focus on promoting the value and rewarding nature of a career in social care through positive stories and accounts of real social workers and the range of rewarding job opportunities and routes for progression that exist within the sector.

This marketing campaign should be focused on early engagement with secondary schools, colleges and working closely with job centres. It should look to predominantly utilise social media (Facebook, Instagram, Snapchat), as well as more traditional marketing channels such as print alongside sessions delivered alongside real social workers within the educational environment.

**Access to HE (Nursing)** – The survey data gathered as part of this study has highlighted that turnover levels seen across the social care sector on Anglesey were in-part due to some workers progressing into nursing roles. Anecdotal evidence also suggested that social care is viewed by some as a “stepping stone” to nursing careers. This offers the possibility to offer entry-level staff the opportunity to work in the sector while undertaking an Access to Nursing qualification. This would allow entry-level staff to learn vital skills in terms of time management, communication skills, bed-side manner and administration skills and supplement this with the course content. While this would ultimately result in progression to nursing training it would allow an increase to the supply of labour and offers the possibility for workers to continue working in the social care environment.

Access to HE courses cost £3045.60<sup>19</sup>

**Health and Social Care Apprenticeships** – An alternative to this would be for Horizon to commit to fund social care apprenticeships. Grŵp Llandrillo Menai offers Health, Social Care and Childcare courses from Foundation Apprenticeship Level 2 to an Apprenticeship Level 3 and to a Higher Apprenticeship Level 5. Courses are on a part-time basis, allowing training to be delivered in the workplace with college-based session covering theory and tests.

IACC, as a provider of care services, could act as the employer who can cover the NVQ criteria, with funding provided through Horizon. In the social care sector, putting an apprentice through a formal training programme has been found to cost approximately £3,800<sup>20</sup>. This is based on an assessment of the costs incurred by the employer (including the wages of apprentices and trainees, the costs of training materials and courses, the costs of supervision whilst learning on-the-job, the costs of organising training, etc.) and the benefits the employer derives from taking the apprentice on (i.e. the productive contribution of the apprentice or trainee whilst training).

**Wage Premium Fund** – The evidence base developed through this study has identified that major projects and large companies have the potential to offer higher wages due to their scale and more productive nature, relative to existing economic activity within an area. This theory is borne out in practice, with the announcement that Hinkley Point C has signed a deal to pay its construction workforce 36% more than the minimum pay rates agreed by the Construction Industry and Joint Council<sup>21</sup>. As such there is a concern that employers in the care sector, which are already working within a constrained public funding environment, may not have the resources available to match these pay conditions - as noted by Horizon in the DCO documentation.

<sup>19</sup> <https://www.learndirectpd.com/courses/access-to-higher-education-nursing>

<sup>20</sup> BIS Research Paper Number 67 “Employer Investment in Apprenticeships and Workplace Learning: The Fifth Net Benefits of Training to Employers Study” May 2012

<sup>21</sup> <https://www.employeebenefits.co.uk/issues/october-online-2017/edf-energy-agrees-pay-deal-1000-hinkley-point-employees/>

Figure 14 demonstrates that facilities management roles – which are deemed to have the most potential for displacing social care workers – are concentrated between the years of 2021 and 2026. One potential mechanism to address the wage premium issue is for the allocation of a Wage Premium Fund from Horizon to Isle of Anglesey County Council to be allocated to allow the Isle of Anglesey County Council to cover the Wylfa Newydd Wage Premium over this period.

A concern in relation to providing wage top-ups over a defined period would be the ability to maintain this over the medium term when the project's construction is completed and labour demand has reduced. Therefore, to support the long-term health of the social care workforce it is proposed that the delivery mechanism should focus on the retention and attraction of staff to the sector. This could be achieved through channelling the Wage Premium Fund into "golden hello" payments for taking a job in the sector and "golden handcuffs" for experienced staff based on experience milestones (such as a bonus for 2 years in sector). This approach has recently been offered by the local council<sup>22</sup> in York, and follows similar approaches adopted in Sheffield, Rotherham, and Barnsley. The ability to offer such payments during the facilities management peak period would offer the potential to secure experienced social care workers and attract workers to replace employees attracted to work at the Wylfa Newydd project.

Taking the York example, the bonus payments were £2,500. Taking into account the wage differential between the two locations, a £2,000 is deemed appropriate.

**Social Care Service Delivery Innovation** –The rural nature of Anglesey and long-term workforce challenges have placed the local social care sector under significant strain over recent years. This has increasingly seen the service adopt an innovative approach to service delivery within the local setting, including the introduction of telecare, greater local area co-ordination as well as utilising volunteers. With the Wylfa Newydd project having the potential to exacerbate these workforce challenges, which are heightened within a rural setting, mitigation should be provided to allow IACC to increase the rollout of such initiatives locally.

Average weekly cost of telecare calculated at £6.25 per recipient<sup>23</sup>.

<sup>22</sup>

[http://www.yorkpress.co.uk/news/15374608.Social\\_workers\\_could\\_be\\_offered\\_2\\_5k\\_golden\\_hellos\\_and\\_golden\\_handcuffs\\_on\\_York\\_obs/](http://www.yorkpress.co.uk/news/15374608.Social_workers_could_be_offered_2_5k_golden_hellos_and_golden_handcuffs_on_York_obs/)

<sup>23</sup> [Investing to Save: Assessing the Cost-Effectiveness of Telecare Imosphere](#)