

From: [PMO](#)
To: [Wylfa Newydd](#)
Subject: RE: IACC Deadline 2 Submission : Local Impact Report - Introduction (email 3)
Date: 04 December 2018 20:37:35
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[Annex 1D-1O \(Batch 2 of 2\).zip](#)

Please note, a number of emails will follow in relation to the LIR – we will confirm the final e-mail.

Pnawn Da/ Good afternoon,

Gweler ynghlwm cynrychiolaeth CSYM mewn perthynas â'r uchod / *Please see IACC's representation in respect of the above.*

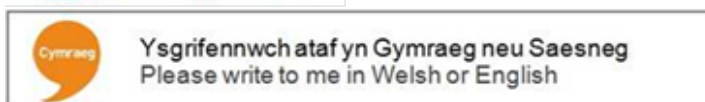
Bydd fersiwn Gymraeg yn cael ei ddarparu cyn gynted a phosib / *A Welsh version of the submission will be provided in due course.*

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 Môn. Mae Cyngor Sir Ynys Môn yn cadw a diogelu ei hawliau i fonitro yr holl negeseuon e-bost trwy ei

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Dyddiad / Date: 27/09/2018

Mr Kieran Somers
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Sent by Email

Dear Kieran,

OFFICIAL SENSITIVE

Review of Horizon's DCO Application (Local Employment, Skills, Displacement, & Supply Chain)

- 1.1 Following the submission of the Isle of Anglesey County Council's (IACC) Relevant Representations to the Planning Inspectorate and the SOCG workshop held on the 24th July 2018, the purpose of this letter is to provide Horizon with further detail and clarity on the IACC's position in relation to local employment, skills, displacement and the supply chain. The IACC is committed to discussing and agreeing as many issues as possible prior to the DCO Examination to ensure that the proposed development is acceptable and that the Examination hearings can be as focused and productive as possible.
- 1.2 Horizon's approach to mitigation based on monitoring and then dealing with impacts as and when they occur is wholly unacceptable. It is the IACC's stance that negative impacts should be avoided and where that is not possible mitigated through proactive and pre-emptive measures to protect and enhance the economic health of the Island. This principle equally applies to all thematic issues. This includes agreeing a suite of preventative measures, including up-front investment in education and skills training, working with local suppliers, companies and identifying measures to prevent and address displacement, DCO requirements, DCO obligations and changes to phasing / timing to avoid or minimise impacts where possible.
- 1.3 Where adverse impacts cannot be avoided, appropriate mitigation should be implemented to offset the identified adverse impacts. Compensation will be required in respect of residual impacts that cannot be mitigated. In addition, a flexible community resilience fund will be required to address impacts which exceed or are additional to those assessed and/or unquantifiable.
- 1.4 The aim of this letter is to outline these issues and to define the mitigation measures required to make the development's impacts acceptable in planning terms. However, given the complex

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topic area, we need to work with Horizon to fine tune mitigation measures.

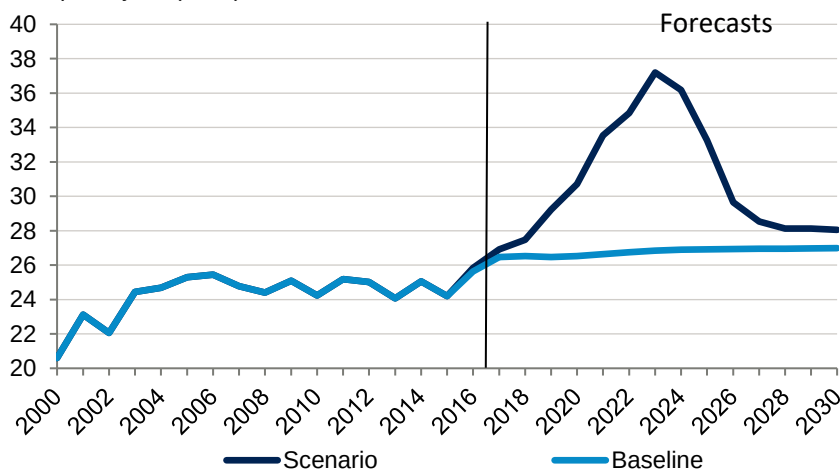
- 1.5 The matters raised below represent part of IACC's ongoing engagement with Horizon on the DCO application related to education, skills training, supply chain and labour displacement and are made in response to the application documents as submitted. The IACC reserves the right to add to or amend these issues (and raise new issues) as necessary in its Written Representations and Local Impact Report.

Context

- 1.6 The IACC recognise that the Wylfa Newydd project has the potential to offer huge opportunities for the local economy. Employment creation will have an immediate positive impact, while investment in skills and training could boost the supply side of the economy through an enlarged labour pool with higher levels of productivity and greater propensity to work.
- 1.7 The IACC has undertaken considerable research into the economic benefits that could arise from the Wylfa Newydd proposal. A study by Oxford Economics in 2016 showed that the local economy of Anglesey is about to enter a unique period of economic activity driven primarily by the construction of Wylfa Newydd. It is estimated that the volume of labour required to develop Wylfa Newydd will have a significant impact on headline economic variables (for example see Fig 1). Both workplace employment and GVA levels are dramatically higher from 2021 to 2024 and the profile of future workplace jobs and GVA in Anglesey is heavily influenced by the profile of labour required at the nuclear new build.

Fig 1: Workforce jobs estimates, Anglesey 2000-2030 (PAC 3)

Workplace jobs (000s)



Source: Oxford Economics

- 1.8 In addition, the ability for businesses and individuals to gain nuclear construction related experience should provide longer term opportunities to secure contracts for the maintenance of Wylfa Newydd once operational, and work on future nuclear new builds in the UK and elsewhere.

Maximising Local Jobs and Supply Chain Spending

- 1.9 The scale of labour required to deliver the nuclear new build is significant (9,000 at peak), however 7,000 of those jobs are expected to be taken by non-locals. Thus, a significant amount of the economic and labour market benefits arising from Wylfa Newydd will not be realised by Anglesey and North Wales residents and consequently there will be a substantial leakage of the construction phase wages and experience. In addition, it is presently assumed (given the lack of a Supply Chain Action Plan) that the bulk of supply chain contracts will be awarded outside

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of North Wales. Consequently, there is a risk that the project will not have the desired, sustainable transformational impact locally.

- 1.10 Consequently, the IACC are keen that all stakeholders make a joint effort to maximise the benefits for the local labour force and local businesses to help transform the local and regional economy. As such it is important that take-up of employment at Wylfa Newydd by local labour is encouraged, supported and maximised at both the construction and operational phases. Similarly, it is important that supply chain opportunities are promoted early in the project and widely amongst local firms and that support and training provision has an adequate number of spaces to meet demand from Anglesey residents and business in a timely manner.

Mitigating Against Possible Displacement

- 1.11 Clearly it is not as straight forward as offering all jobs to the workforce in North Wales. Skills and labour market capacity will dictate the share of construction and operational jobs that can be taken by local labour, whilst ensuring sustainable local economies.
- 1.12 The Oxford Economics' 2016 study noted that unemployment in Anglesey was already close to record low levels and their baseline (business as usual) forecasts did not suggest this would change. Given the limited spare capacity locally and the scale of well-paid construction jobs that will be created at Wylfa Newydd, the Council are concerned Anglesey businesses (and those across North Wales) could experience displacement of labour. This loss of experienced labour could be compounded by higher costs (through recruitment) and a deterioration in competitiveness. This is a worry echoed by many local businesses.
- 1.13 The fear of displacement is not unfounded. We have seen survey evidence (provided by Jacobs) from Sizewell B that showed one in ten responding firms reported the nuclear new build left them with hard to fill vacancies. The survey was however based on a relatively small sample of 159 firms and we don't know if the sample was focused on large or small firms, or on a specific sector. Regardless, the level of displacement in Anglesey is likely to be higher given the size of the economy, its peripheral and rural characteristics and limited access to alternative job markets. As such, this would indicate that there could be higher levels of displacement in Anglesey.
- 1.14 It has to date been difficult to gauge the level of displacement that is likely to arise from the project. Insight into the demand and supply of skills locally would enable adequate training programmes to be provided. By extension this would help maximise local take up of jobs at Wylfa Newydd and success in securing supply chain contracts whilst minimising the risk of displacement. Whilst IACC have commissioned analysis on the demand and supply of skills in Anglesey and Gwynedd to 2030, further information on the required qualification levels of construction phase jobs and the planned increase in training is critical (and it is very disappointing that it has not been addressed in the DCO documents).
- 1.15 In summary, the IACC have consistently raised the importance of maximising local employment, mitigating against potential displacement and maximising supply chain opportunities from PAC1 in 2014 through to PAC3 in 2017 and we continue to do so following the submission of the DCO. It is disappointing therefore, that employment at the construction phase and displacement of labour has not been given the prominence and protection it deserves in the DCO documentation, given that this has been repeatedly stated by the IACC and other key stakeholders (formally and informally) to be absolutely essential to making the impacts of the proposal acceptable and capturing all of the claimed benefits over a number of years. The way to overcome the risk of displacement is through investment in education, skill and training to increase the local labour pool and the competitiveness in the local market. IACC require clarity and certainty that Horizon

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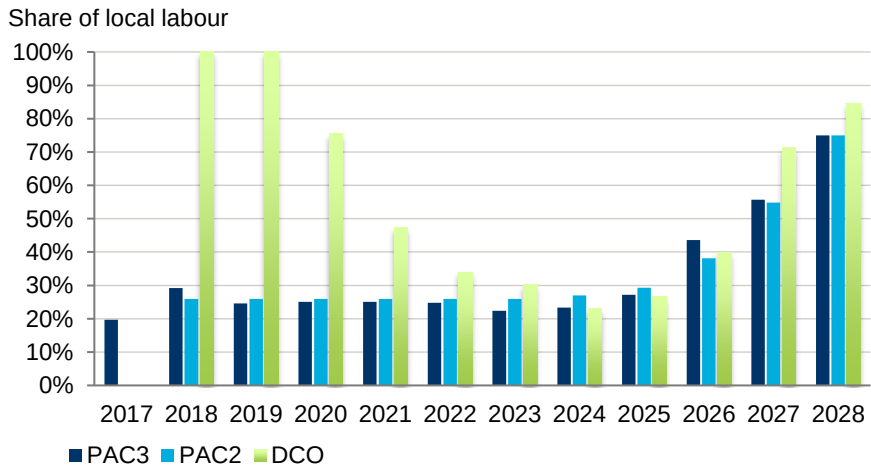
will provide this mitigation early in the process to minimise to maximise the potential for local jobs, and minimise the risk of displacement.

Summary of Main Issues

Construction Phase

- 1.16 The IACC’s support for Wylfa Newydd has been predicated on the creation of a broad range of sustainable direct and indirect jobs, from support services to highly skilled technical and professional roles for local people currently in work, underemployed, leaving school, college and university, prospective returnees, the long term unemployed and young people ‘Not in Education, Employment or Training’ (NEETs). However, there was a major change in the expected construction phase labour force from PAC2 to PAC3. Peak demand for labour fell from 10,700 to 8,500. Horizon however assumed a peak of 9,000 for assessment purposes. The revised workforce profile (provided in 2016) also meant a change to peak demand, (which moved to 2023 rather than 2022)¹.
- 1.17 The share of Wylfa Newydd jobs expected to be taken by local labour also contracted. The revised data suggested there would be around 800 less resident jobs in 2022 and over 500 less jobs per year from 2023 to 2027.
- 1.18 The DCO documents suggest a slightly different profile of labour demand. It is encouraging to see that the share of local labour is much higher in early years and during peak construction (where it reaches 30%). However, the revised data suggest there would be around 680 less resident jobs in 2023 and over 500 less jobs per year in 2022 and 2024 when compared to the PAC 2 estimates.

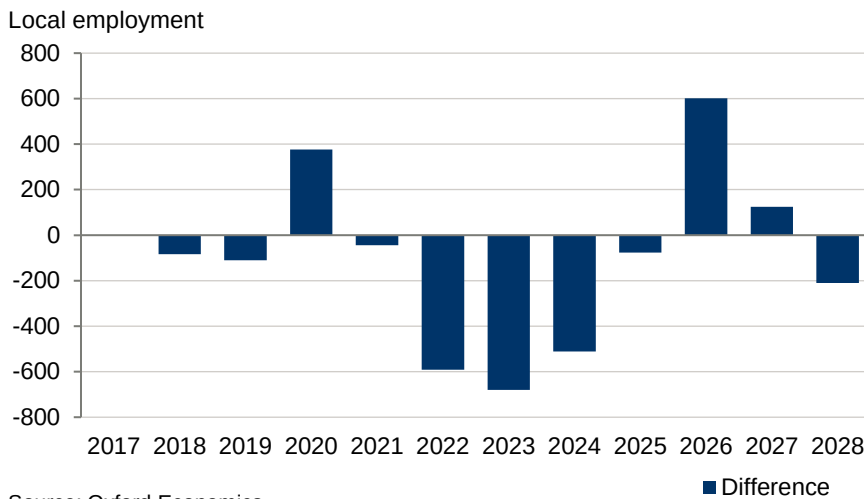
Fig 2: Share of Wylfa Newydd employment taken by locals



Source: Oxford Economics

¹ This is likely to have changed again given the DCO examination timetable.

Fig 3: The change in resident jobs arising from the altered workforce profile



Source: Oxford Economics

- 1.19 Given IACC had hoped to push local involvement in the construction phase above that planned in PAC2 the IACC were very disappointed that local employment during the construction phase subsequently decreased.
- 1.20 The DCO application (Community Impact Report and Planning Statement) provides more information on the local job opportunities. It suggested that the local labour rate for those living within 60 minutes to site (i.e. within the Key Socio-Economic Area of Anglesey and Menai Mainland), is only 17% (1,521) and the figure for Anglesey residents is even lower at 14% (1,256). The IACC believes that these figures are unacceptable and does not secure delivery of the potential transformational economic benefits for the wider region.
- 1.21 Given our background work on the demand for and supply of skills in Anglesey and Gwynedd, the IACC believes that with adequate investment in education, skills and training across all levels that between 2,000 – 2,250 (22% - 25% of total) local jobs could be secured within the Anglesey and Menai Mainland area alone, without significantly increasing the risk of labour displacement. However, this is dependent on the breakdown of skills / trades required by Horizon and the potential for local people to secure these roles (some of which are highly specialist). This breakdown would also enable the IACC (and Coleg Llandrillo Menai) to target intervention to the sectors that we believe could be achieved and undertaken by local people.
- 1.22 Based on existing evidence base and information, the IACC believe that Horizon's current figure of 17% local labour (Mon and Menai) is too low and does not ensure that local people, businesses and supply chains can fully capitalise on the job opportunities presented by Wylfa Newydd. Consequently, we feel the measures Horizon are proposing are not ambitious enough and takes for granted the local support for the project (i.e. to create local employment).**

In addition to the above, information provided by Horizon during PAC 3 suggested that the bulk of jobs going to non-locals will be the higher skilled and higher paid engineering and managerial jobs. Whereas, over a third of 'local' jobs at peak construction will be in site services, security and clerical staff. IACC would like to see more of the higher skilled roles made available to local workers, and by extension measures put in place to help achieve that. This might mean additional places being made available (and funded) at Bangor University, Glyndwr University or Grwp Llandrillo Menai (we discuss in this in more detail later). It might also mean designing intervention to attract North Wales residents who are studying STEM related subjects in the rest of the UK back to Anglesey post-graduation. Upskilling of local people who may be

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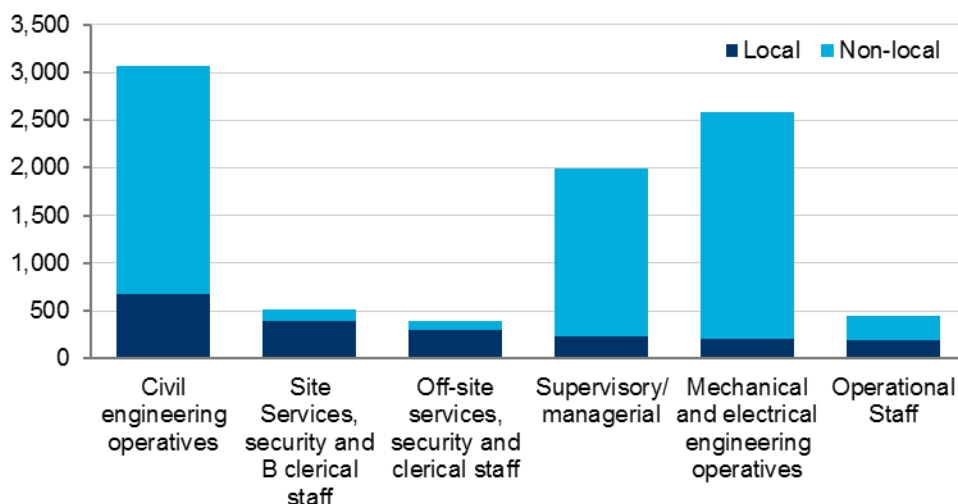
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'underemployed' (e.g. skilled workers who were made redundant due to closure of Anglesey Aluminum or Wylfa Magnox) could ensure that local people take up some of these higher skilled jobs. This could lead to transferable skills for the operational phase of Wylfa Newydd.

1.23

Fig 4: Local vs non-local jobs at peak construction (taken from PAC 3)

Construction jobs at peak



Source: Jacobs

1.24 The IACC believes that the 'local' labour should be retained for as long as possible after 'peak' construction (2024) and that the 'local' labour percentage should be measured against the total construction period and not the peak year alone. This will ensure that local participation in the project is maximised for as long as possible. For example, there is likely to be more interest in engineering or construction related careers if young people and local residents can be shown that employment opportunities are available throughout the construction phase (not just for the few years early side of peak activity). Additional interest in these careers would also assist in minimising potential impacts in other areas particularly housing and Welsh Language.

Considering the demand vs supply of skills

1.25 After receiving the PAC3 document, the IACC requested that further work be undertaken by Horizon on the supply and demand for skills to better assess the number of local people who could participate in working on this major energy development. To our knowledge that has not been undertaken. This would have informed our understanding of displacement and we believe would be instrumental in determining the training requirements of the local labour force.

1.26 Linked to the above, whilst the construction workforce profile data helpfully splits out jobs by broad category, by site, and trade breakdown, it does not set out qualification levels required for all jobs. For example, the IACC are uncertain how the future demand for labour would look if split by qualification level and subject (e.g. X number of STEM graduates, y number of electricians at NVQ level 3, etc). Consequently, we do not feel there is a clear understanding of what additional training is required from higher education, and further education to meet demand by Horizon. By extension we are also not aware of the requirement for additional skills in the immediate supply chain (perhaps more detail on the contracts available to local business might help and we touch on this later).

1.27 Nonetheless, Oxford Economics undertook a study in late 2016 / early 2017 to better understand the likely demand for, and supply of, skills in Anglesey and Gwyndd. The IACC and Oxford Economics concluded that when considering qualification requirements, the supply of labour at

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each qualification level (regardless of type of skill) across Môn a Menai is sufficient in most instances to meet Horizon's current level of 'local' labour demand (i.e. 2,000 jobs). The work assumed that construction phase jobs created in each sector, would have the same occupational profile and skills levels as those currently in the economy.

- 1.28 However, when considering the type of skills, Oxford Economics concluded that depending on the actual skill sets required by Horizon, there is likely to be a shortfall in STEM related skills at NVQ 4 and there could be a shortfall in construction / engineering related skills at NVQ 3 level if current student / graduate numbers remained unchanged.
- 1.29 The IACC is aware that Horizon is working in collaboration with education providers in North Wales, however we are unsure how many new places will be made available in subjects related to the construction of Wylfa Newydd, as Horizon builds local skills. Consequently, we would like confirmation that additional construction and engineering places (and other related subject) will be made available in Grwp Llandrillo Menai (further education) to address any shortfall in local skills. We would also like to see additional STEM related places made available in Bangor University and Glyndwr University.

Local Employment (Operation)

- 1.30 The IACC supports Horizon's commitment to achieving 85% local employment when Wylfa Newydd is operational. As previously stated, the IACC believes this should be a minimum target. IACC's support for Wylfa Newydd has been predicated on the creation of these highly skilled, well-paid, long-term jobs for local people. The success of the project locally will be determined on whether this is achieved.
- 1.31 Further detail is required however on how this target is to be achieved, by when, and what strategies need to be implemented to ensure this is delivered. We note that operational jobs are created over the construction period and therefore the capability and skills are gradually built up. We would like to understand what is required to achieve this build up. For example:
- Do new courses need to be designed and delivered in Grwp Llandrillo Menai and or Bangor University?
 - How many places will be made available each year? and
 - How long will training take and therefore when does the training need to commence?
- 1.32 The County Council also requires clarification on how a person will be defined as local. For example, would the non-local migrant workforce that move temporarily to Anglesey during the construction phase classify as local given they have lived locally for a few years? Obviously the IACC wish to ensure that the 85% target during operation is taken up by current residents of North West Wales (or expats attracted back).
- 1.33 This principle also applies to the additional 1,000 workers required at outage periods once the plant is operational. There is currently very limited information on the skill-set required to undertake these posts to understand whether the local population has the capacity and capability to fill the roles. We would like to see a breakdown of the occupations and skill sets required for these 1,000 jobs. We would also like to understand if the local economy has the skills to take the jobs, and the associated investment in training to maximise local uptake. We would also like clarity on if these 1,000 jobs are only required at outage periods, if they are temporary in nature, part-time or full-time.

Jobs & Skills Strategy

- 1.34 In the Strategy, Horizon notes its approach to skills planning will be demand led, focusing on employment opportunities and drawing on up to date labor market forecasting. However, it goes

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on to say that the requirements of the project are still being worked through. Therefore the Strategy doesn't provide the level of detail and certainty that IACC were expecting at this stage of the project. Consequently, there is not enough clarity to determine the scale of training that will be offered to the local labour force.

1.35 While IACC are encouraged by the operation of the apprenticeship programme, the £1m investment in the new Engineering Centre at Grwp Llandrillo Menai (along with donation of heavy plant equipment and power tools), up to £500,000 committed to Cwmni Prentis Menai, the sponsoring of courses for the long-term unemployed and engagement with schools, the IACCI would like to see evidence of how the training will build over time to meet labour demand (during construction and operation). The IACC would expected the Jobs & Skills Strategy to have specific targets on, for example:

- The number of apprenticeships each year to 2030;
- The annual change in available places in construction and engineering courses in Grwp Llandrillo Menai and the cumulative impacts; and
- The annual change in the number of places in STEM related courses in Bangor University and cumulative impacts.

1.36 In addition, the IACC was expecting that the Jobs & Skills Strategy would set out a programme of training that would address pre-identified skills gaps. We were also expecting that the Strategy would have considered how sectors outside engineering and construction would be affected by Wylfa Newydd. For example, there is likely to be significant demand for catering and security staff. All sectors could be adversely affected and sufficient and targeted intervention is required to address the balance of supply and demand.

Displacement

1.37 As noted above, the IACC wish to maximise local take up of Wylfa Newydd jobs but are mindful that there could be a trade off with potential displacement, unless appropriate steps are taken to boost the supply side of the economy. As noted earlier there is evidence from other major infrastructure projects which demonstrates that the higher salaries paid and better working conditions by such projects will attract labour from local employers who can subsequently experience difficulties with staff recruitment, retention and artificial wage inflation. Indeed, the Hinkley pay offer represented a 36% premium on the minimum pay rates of the National Agreement for the Engineering Construction Industry (NACEI), which was already above average Anglesey earnings for four out of the six pay grades².

1.38 The risks of displacement are not consigned to construction related jobs. Wylfa Newydd will absorb local tradesmen, as well individuals that could, or do work, in other sectors (e.g. catering). The workforce will also draw social care workers, amongst other professions, which could have a detrimental effect in this particular sector. Furthermore, with limited spare capacity in the local labour market (without intervention), and Anglesey's peripheral and rural location and relatively low-wage economy (and seasonal in the tourism sector), these effects will be magnified. Consequently, we feel Horizon's Environmental Statement underestimates the risks of displacement and as such the limited mitigation measures are wholly insufficient.

1.39 Although the IACC recognise that local companies may lose experienced and skilled staff to Wylfa Newydd (and sub-contractors), the IACC want to see as many local people as possible

² A study by AECOM showed that a top skilled craft worker (Grade 6; Skilled Working Chargehand) consistently working 48 hours a week would earn £45,000 a year before bonus and allowances under the new pay agreement at Hinkley Point C1. This is within the top 10% of average wages across Wales as a whole (ASHE 2017) and suggests average hourly wages across all grades of £17.32 per hour which would represent a 44% premium to average wages on Anglesey

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be given the opportunity to work at Wylfa Newydd (directly or in-directly). This will increase their wages, which in turn will improve their quality of life, their health, wellbeing, and prosperity in accordance with the wellbeing goals. It could also provide legacy benefits as those with experience of working in nuclear could sell their experience elsewhere.

- 1.40 The negative impact of this labour displacement will be dilution of labour, skills and experience in existing businesses. This loss of labour could also affect the ability of local businesses to apply for, secure and deliver supply chain contracts for Wylfa Newydd. These businesses will also incur costs in recruiting and training.
- 1.41 There is a need to recognise that displacement is going to be an issue during the construction phase. Although the IACC recognises that labour churn can be positive, in certain spatial areas and skill groups this will be identified locally as ‘poaching’. The IACC requires confirmation that Horizon has an agreed approach to the early implementation of their Jobs and Skills Strategy and the monitoring and mitigation of displacement effects during the construction phase. There should also be an explicit estimate of the likely displacement in the local economy. Linked to Point 1.36, clarity on wage rates is immediately required to understand the potential displacement effects. As wages on Anglesey are already low, the risk of displacement is significant, and remains of concern to the Council and local businesses.
- 1.42 There could also be product displacement. The Wylfa Newydd project will require considerable amounts of raw materials such as sand, concrete and bricks. It will also require equipment and tools. Further discussion is required with Horizon on how demand for construction related projects might affect the supply across North Wales.

Supply Chain

- 1.43 One of the primary reasons for the IACC supporting the Wylfa Newydd development is so that businesses can upskill, secure contracts and provide long-lasting local employment opportunities. Without a clear ‘roadmap’ on this it is difficult to fully ascertain the benefits for the host area.
- 1.44 The IACC have raised concerns over the lack of development on the Supply Chain Action Plan from before the PAC3 process. Having sight of Horizon’s Supply Chain Action Plan is critical, as the North Wales region could then understand the procurement pipeline and expectations. This would be invaluable to plan which areas require up-skilling / re-skilling and allow businesses to invest in technology and people. This would also set-out the fundamentals as to how Horizon will deliver the scheme and how businesses wishing to be part of the supply chain can play a role.
- 1.45 The IACC are eager to engage with Horizon following receipt of the Supply Chain Action Plan to ensure that the supply chain opportunities available for local and regional companies meet the community’s expectations.
- 1.46 In addition, the recent figures from the Hinkley Point C project – where £1.5bn is expected to be spent with the South West economy during construction³ – demonstrates the local commitment elsewhere. The figure quoted by Horizon for local spend (£200m-£400m over the length of the contract) is therefore disappointing and there is clearly room for significant improvement on this.

³ Sourced from the Department for Business Energy and Industrial Strategy “Hinkley Point C Wider Benefits Realisation Plan”, July 2018. This includes the spend on land, leases, the legal agreements between Local Authorities and the developers that are linked to the Development Consent Order s106 commitments and through the tiered supply chain spend.

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- 1.47 It will be critical that the respective Tiers within the supply chain adopt supportive procurement policies and enable the ability of local businesses to compete effectively for the contracts available. Appropriate monitoring and reporting arrangements will be critical from the onset to demonstrate commitment and build trust. Local spend must be reported on a regular basis.
- 1.48 There will be a need for continuous review of the Supply Chain Action Plan including all supply chain related activities to ensure it remains fit for purpose for all stakeholders.

Mitigation Measures

- 1.49 Mitigation is required in the form of investment in education, skills and training to increase the local labour pool to ensure that if any worker is employed by Horizon (or one of their sub-contractors), that these 'displaced' jobs/ vacancies are taken up by local people. It is important to recognise that training is required across the economy (not just in STEM subjects) and across skill levels, as Horizon will require a wide variety of different roles and services. The IACC require funding to invest in education, skills and training across a variety of different subjects to increase the local labour pool and minimise the impact of displacement. If this isn't achieved, there is a risk that Wylfa Newydd will not transform the local/ regional economy as the benefits of employment at Wylfa Newydd could cause problems elsewhere in the economy resulting in the project not delivering the overall benefits claimed and the project being a false positive. However to do this and ensure that intervention is targeted, a breakdown of the roles / skills required is essential and which of these roles is likely to be taken up by local people.
- 1.50 The IACC is also mindful that there are a range of construction projects planned or on-going in North Wales (e.g. housebuilding, schools improvements, Bluestone, National Grid, Menai 3rd Crossing, etc.). Therefore, the potential for skills gaps during the construction period of Wylfa Newydd will be greater than if the nuclear new build was built in isolation. We are unaware of Horizon having assessed the cumulative effects of these projects on the demand for and supply of labour. Clearly the risk of labour displacement is greater once we consider these additional projects and as such skills gaps and hard to fill vacancies could adversely impact the delivery and costs of other construction projects. This has been overlooked in Horizon's Environmental Statement/ assessments.
- 1.51 The IACC requires that interventions (such as additional construction and STEM related places in Grwp Llandrillo Menai and Bangor University) are put in place prior to these potential displacement impacts occurring as otherwise it will be too late to overcome the adverse impact and the economy will suffer.
- 1.52 Figure 5, provides specific measures that IACC believe would build capacity in the local economy and mitigate against possible adverse impacts from labour displacement.

Fig 5: Specific mitigation measures

Areas	Mitigation measures funded by Horizon
Monitoring the capacity and hard to fill vacancies in the labour market	We would require that Horizon and its education partners set up a system for monitoring skills gaps and hard to fill vacancies in the local economy and North Wales so that education providers can react accordingly, and young people are given timely advice on labour market opportunities. Horizon could consider monitoring where recruits have come from. So, for example education, employment or unemployment. In the case of employment, which company and sector they have left. A

Areas	Mitigation measures funded by Horizon
	subsequent survey of these companies would go some way toward identifying the presence (or not) of hard to fill vacancies.
Knowledge exchange / careers advice	The IACC should work with key stakeholders to ensure school children, parents, teachers and careers advisors have as much information as possible on future career opportunities in Anglesey. A better understanding of the future demand for labour could help push up demand for STEM (and other) places in Higher Education and, STEM and construction related places in Further Education. Linked to the above information through marketing, social media and school visits by professional and sector skills bodies could also highlight future and current job opportunities and the training path required.
Additional places in education	To facilitate the desired outcome of the above and to address undersupply of skills, there is a need to increase STEM places at Higher Education and Further Education institutes. However, it is worth noting that degrees take a minimum of 3 years (postgraduate conversion courses could be a quicker option) and therefore additional places will only be effective at NVQ 4 level if introduced in 2019/20 academic year. In addition, any additional places in proceeding academic cohorts will be graduating post the peak level of demand.
Tracking school leavers and graduates	A tracker system for school leavers along similar lines of Llwybro / Routes could be useful. This would help track individual's careers and development, and could help identify possible candidates for hard to fill vacancies. It could also help identify future ex-pats that might be open to return to North Wales for the right employment opportunity. Facebook adverts can assist hugely on this. In the interim, if possible, it would useful to understand the education and career paths of recent school leavers in Anglesey and Gwynedd. For example, how many entered further education, higher education, employment, and apprenticeship programmes versus how many are unemployment and inactive. Such information might help formulate additional targeted training programmes to meet the specific requirements of NEETS.
Maximising local employment at Wylfa Newydd	Beyond peak labour demand in 2023, demand for labour will fall in Anglesey. This will have implications for residents who have trained, upskilled and graduated in the skills needed to fill jobs in Anglesey pre-2023. To mitigate against post-2023 job loss and to maximise employment for these individuals, Horizon should consider maintaining residents on site rather than the transient labour who are due to take the 7,000 non-local jobs at peak. A commitment to such objectives might also encourage more residents to pursue a career in these areas and as such push up demand for STEM and construction related courses.
Reaching out to ex-Pats	Given the scale of labour market opportunities, Horizon should support the Council in reaching out to ex-Anglesey residents by sharing some of the known forth-coming opportunities. Social media and articles in the local news, along with a dedicated resource for

Areas	Mitigation measures funded by Horizon
	sharing current and upcoming opportunities could be enough to encourage skilled people back.
Sequencing infrastructure and energy investments	We are aware that Wylfa Newydd is not the only planned investment for North Wales or Anglesey. Given the demand for construction related labour for other projects we would suggest the Councils in North Wales work together with the Welsh Government and Horizon to sequence future infrastructure and energy investments to avoid putting further pressure on the sector and pushing up construction costs. If this not feasible given the volume of private sector led investment, it is important that stakeholders understand the likely demand for skills in the area, and are capable of responding to supply side issues.
Promoting return to work projects	The extent to which the local population can meet labour demand is partially subject to the number of unemployed and economically inactive residents who are able to take up these positions. While many of the residents will have the requisite skills and employment experience to reenter the workforce, others – especially the long-term unemployed – may not. There may be a need to support projects and programmes that ensure that those out of work are aware of the opportunities available in the labour market. Assistance may also be needed to support those seeking to return to the labour market, who may lack some of the skills and competencies required to do so. This could take the form of interventions such as supporting residents in filling out application forms and gaining interview practice, in order to maximise the opportunities to return to work.
Supply Chain Portal	Establish, maintain, and require where possible contractors and major sub-contractors to use online Supply Chain Service Portal to engage with local supply chain and maximise opportunities for local businesses and people. Provide support to local small and medium enterprises in accessing contract opportunities through the portal.
Supply Chain Officer	Supply chain officer role based in IACC to work alongside Horizon to promote, engage and support local firms to qualify and bid for Wylfa Newydd contract opportunities. Officer would also have responsibility over monitoring and reporting contract values and spends.
Supply Chain Fund	Supply chain investment fund to support accreditation requirements of local businesses either for the companies or individuals, develop premises, purchase of machinery for expansion and occupation by supply chain companies.
Local Contracts	Design and procure contract opportunities at a range of sizes and values to increase opportunities for local small and medium enterprises to win contracts. Also support the formation and tender submissions from local companies acting as Consortia's.

Conclusion

- 1.53 Whilst the IACC is supportive of the Wylfa Newydd project and the opportunities it brings, this support does not come at any cost. Maximising local employment at the construction and operational phases and supply chain opportunities for local and regional companies provides the platform for transformational change to the regional economy and are the primary benefits of hosting the project for Anglesey's residents. Should these opportunities not be realised, or for a high level of labour displacement and skills gaps to occur, then clearly the local economy will have missed out on a once in a generation opportunity to transform the local economy, boost prosperity, and secure a faster sustainable future rate of economic growth.
- 1.54 Without agreeing a suite of mitigation measures, which includes up-front capital investment, agreement on phasing and timing, monitoring and resilience funding, the development will not be acceptable. The current proposal by Horizon to 'monitor and mitigate' as and when impacts arise (e.g. displacement) is unacceptable and substantial further progress needs to be made if we are to reach common ground before the DCO Examination.

Yn gywir / Yours sincerely



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