

**From:** [PMO](#)  
**To:** [Wylfa Newydd](#)  
**Subject:** RE: IACC Deadline 2 Submission : Local Impact Report - Housing (email 10)  
**Date:** 04 December 2018 20:53:26  
**Attachments:** [image001.png](#)  
[image002.png](#)  
[image003.png](#)  
[Housing.pdf](#)

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**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.*

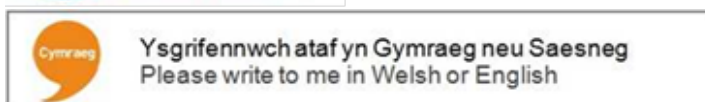
Bydd fersiwn Gymraeg yn cael ei ddarparu cyn gynted a phosib / *A Welsh version of the submission will be provided in due course.*

Cofion/ *Regards,*  
Manon

Swyddfa Rhaglen Ynys Ynni /  
Energy Island Programme Office  
01248 752435 / 2431  
[PMO@ynymon.gov.uk](mailto:PMO@ynymon.gov.uk)



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Mae'r neges e-bost hon a'r ffeiliau a drosglwyddyd ynghlwm gyda hi yn gyfrinachol ac efallai bod breintiau cyfreithiol ynghlwm wrthynt. Yr unig berson sydd i'r hawl i'w darllen, eu copio a'u defnyddio yw'r person y bwriadwyd eu gyrru nhw ato. Petaech wedi derbyn y neges e-bost hon mewn camgymeriad yna, os gwelwch yn dda, rhowch wybod i'r Rheolwr Systemau yn syth gan ddefnyddio'r manylion isod, a pheidiwch datgelu na chopio'r cynnwys i neb arall.

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

rwydweithiau mewnol ac allanol.

Croeso i chi ddelio gyda'r Cyngor yn Gymraeg neu'n Saesneg. Cewch yr un safon o wasanaeth yn y ddwy iaith.

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# Ynys Môn

## THE ISLE OF Anglesey

### Wylfa Newydd Local Impact Report

#### Chapter 8: Housing

December 2018

PINS Ref: EN010007



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## 1.0 Housing

### 1.1. Overview of Impacts

- 1.1.1 This chapter of the LIR assesses the impact of 3,000 Wylfa Newydd construction workers in new / existing accommodation across Anglesey's communities. This chapter does not include the on-site campus. The on-site campus is dealt with in a separate chapter.
- 1.1.2 Housing and construction workers accommodation is one of the most important topics in the DCO Examination, beyond the main site. Where workers will live will determine where the impacts will be felt across each of the other topics (i.e. Welsh language, tourism, traffic, cumulative etc.). Given the importance of this topic (and its cross cutting nature) identifying, assessing and mitigating these impacts is of critical importance to the IACC. **The aim of IACC is to seek a viable solution to housing the incoming construction workforce that enables the local housing market, and the local tourism economy, to continue to function normally throughout the construction period, with as little disruption as is practicable.** This will be a substantial challenge because of the numbers involved, especially for neighbouring communities and North Anglesey.

Below is a very brief overview of the impacts (list not exhaustive).

- 1.1.3 ***Horizon's Demand for Accommodation*** - would place an unacceptable stress on both the housing market and the tourism economy. The lack of detail and clarity on the Housing Fund (in terms of its scope, value and delivery) means that the IACC currently objects to Horizon's Workforce Accommodation Strategy.
- 1.1.4 ***Supply of Housing*** – There are clear differences between Horizon and the IACC positions in terms of available supply of housing to meet this significant increase in demand. The IACC's evidence indicates that **520 new build units** are required to create sufficient supply during the build-up of numbers in the incoming Wylfa Newydd workforce.
- 1.1.5 ***Timing of Delivery*** - The analysis of the timing of demand for private market accommodation suggests that this can only be met, without disrupting the normal functioning of the housing and tourism markets, by a planned increase in supply (i.e. 520 units) between **Y3Q1 and Y4Q4, and particularly during the six months of Y4Q3 and Y4Q4.**
- 1.1.6 ***Demand from Professional, Managerial and Supervisory Staff*** - professional, supervisory and managerial staff will total 2,000 out of the 9,000 total, or 22%. Only 12% (237 workers) of the 2,000 home based workers are predicted to be professional, supervisory or managerial staff. The IACC assume that the 1,750 non-home based professional, supervisory or managerial staff are likely to prefer their own, independent, accommodation rather than to live in the Temporary Worker Accommodation (TWA) campus on site, and judged likely to prefer permanent accommodation rather than caravans. This places

additional stress on the owner occupation, PRS, self-catering and tourism markets.

- 1.1.7 **Affordability** – Based on their daily allowance (of £39.37 per night), Wylfa Newydd workers can afford to buy or rent almost any property on Anglesey and could afford much of the tourism accommodation. This will result in higher rents, house prices and displacement if there is not a commensurate increase in supply of housing to meet the demand.
- 1.1.8 **Phasing & Delivery of On-Site Campus** - The phasing and delivery of the on-site campus will have a significant impact on the local housing market and the availability of tourism accommodation. Horizon's proposed phasing and delivery for the on-site campus is unacceptable as it will place significant stress on the local housing market, particularly during the early-mid years of the project (years 4, 5 and 6). The site campus must be operational earlier.
- 1.1.9 **Tourism Accommodation** – Horizon have significantly over-estimated 'spare capacity' in the sector by using all-Wales occupancy data, which is lower than that for Anglesey. This is compounded by the failure to apply an access moderator to the self-catering sector, which has the highest peak-period occupancy rates (88%). Additionally, construction workers will not necessarily want to stay where there is 'spare capacity'. Evidence suggests that workers prefer accommodation near the main construction site or the Park and Ride site at Dalar Hir.
- 1.1.10 **Caravan Accommodation** - Horizon's proposal to accommodate 650 workers in caravans is unacceptable and does not conform to Policy TAI14 of the JLDP. To make this acceptable, Horizon will need to identify suitable sites (new or existing) which the IACC can assess and approve via a DCO Requirement.
- 1.1.11 **Risk of Homelessness** – From the IACC's evidence and evidence obtained from Somerset, there is a significant risk of increased homelessness due to rental increases and tenants (potentially vulnerable tenants) being evicted by landlords in favour of the higher rents that could be achieved from Wylfa Newydd workers. This displacement could impact the Menai Mainland as the displaced from Anglesey could reside in Gwynedd.

## 2.0 Preparation of this Chapter

- 2.1 This opening section addresses the difficulties IACC have had to deal with in preparing evidence and submissions on one of the most important topics in the examination. In essence, Horizon's proposals have been continuously evolving and even at a late stage underwent significant changes. Despite these challenges, IACC has developed a robust evidence base from reputable sources to support its position.
- 2.2 In March 2011, the IACC adopted a *Construction Worker Accommodation Position Statement*<sup>1</sup>. In summary, this Position Statement concluded that one-

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<sup>1</sup> IACC Construction Worker Accommodation Position Statement (March 2011) ([Link](#))

third (1/3) of the non-home based construction workers should be housed in purpose built temporary workers accommodation, 1/3 in private rented and/or owner occupied accommodation and 1/3 in tourism accommodation. However, this Position Statement was based on a different reactor technology, a different construction profile and on a lower number of peak construction workers (6,000).

- 2.3 Given the changes to Horizon's project (and the increase in peak construction workforce from 6,000 to 10,500 at the time), the IACC needed to update this Position Statement. In 2016, the IACC commissioned Amec Foster Wheeler (now Wood) to review and update this Position Statement. This revised Position Statement would inform the IACC response to Horizon's pre-application consultation and would provide sound and robust evidence base to underpin the IACC's Local Impact Report.
- 2.4 To ensure that the review was as robust as possible, Amec Foster Wheeler firstly updated the Local Housing Market Assessment (LHMA), originally published by the IACC in April 2013. The LHMA update report was produced for two reasons; firstly because the Welsh Government require the LHMA outputs to be updated and secondly, to provide evidence to inform the IACC's Housing Strategy. Essentially, the study provides the baseline 'without Wylfa Newydd' scenario against which 'with Wylfa Newydd' scenarios can be assessed. The updated LHMA was adopted by the IACC on the 18<sup>th</sup> July 2016<sup>2</sup>.
- 2.5 In addition to the LHMA, and in order to inform the revised Position Statement, Amec Foster Wheeler produced an Evidence Base Report<sup>3</sup>, a Modelling & Scenario Assessment Report<sup>4</sup> and a Revised Position Statement<sup>5</sup>. In summary, the Revised Position Statement (Scenario 3 being the preferred option) concluded that (at peak) 4,000 - 4,500 workers should be accommodated in purpose built temporary workers accommodation, 500 - 550 workers accommodated in tourism accommodation, 550 – 600 in latent accommodation, 500 - 550 in owner occupation and 800 – 900 in the Private Rented Sector (PRS).
- 2.6 This revised Position Statement however, is based on a 'mitigated scenario' where a number of measures must be in place to make it acceptable. This includes earlier delivery of the Temporary Workers Accommodation (and for longer), increasing supply of housing (particularly 1 bed social rented and intermediate housing to meet local demand), bringing empty properties back into active use and encourage/incentivise latent accommodation. The mitigated scenario requires that Horizon should act proactively not reactively. A reactive approach will see serious harm to the islands economy and wellbeing.
- 2.7 Although Horizon have committed to providing a Housing Fund<sup>6</sup> which could be used to increase the supply of housing, bring back empty homes into use,

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<sup>2</sup> IACC Executive Committee Report 18<sup>th</sup> July 2018 ([Link](#))

<sup>3</sup> IACC Construction Workers Accommodation Evidence Base Report (May 2016) (Annex 8A)

<sup>4</sup> IACC Construction Workers Accommodation Modelling & Scenario Report (May 2016) (Annex 8B)

<sup>5</sup> IACC Construction Workers Accommodation Position Statement (June 2016) (Annex 8C)

<sup>6</sup> Examination Library Reference (APP – 406) (para 6.2.38 and 7.4.60)

incentivise latent accommodation etc. the IACC's evidence demonstrates that the scale/value of the Housing Fund is unlikely to be sufficient to mitigate against the adverse impact of Wylfa Newydd on the local housing and tourism markets. It will be too little too late. The lack of detail and information in the Code of Construction Practice (COCP) combined with the lack of commitment on the mitigation measures (and how these will be secured, delivered and monitored), provides the IACC will no confidence that the housing impacts will be appropriately mitigated. There is simply no mechanism which is being put in place which will ensure that harm does not arise or that if it does it will be fully and effectively mitigated.

- 2.8 The revised Position Statement was utilised to inform the IACC's response to Horizon's PAC2 consultation (August – October 2016). However, given further changes to Horizon's project proposals after PAC2, the revised position was never formally adopted by the IACC. The Position Statement, and the evidence base underpinning it, was nevertheless utilised to inform the Joint Local Development Plan, the IACC's revised Wylfa Newydd Supplementary Planning Guidance (2018) and therefore this LIR.
- 2.9 Horizon have referred to the IACC's estimate of capacity / position in their Construction Workforce Accommodation Strategy<sup>7</sup> (APP-412). As mentioned by Horizon<sup>8</sup>, the IACC needed to update this baseline assessment following changes to the project (i.e. since the Amec Foster Wheeler Report in 2016), changes to planning policy and to reflect latest baseline information (e.g. Tourism Bedstock Survey 2018<sup>9</sup>). These would then be discussed and documented in the Statement of Common Ground.
- 2.10 To provide this further evidence base and analysis, the IACC commissioned Cambridge Centre for Housing & Planning Research ('Cambridge University') to independently assess and validate the IACC's Position Statement (and supporting documentation) together with Horizon's Workforce Accommodation Strategy. The outcome of this assessment, together with the baseline reports prepared by Amec Foster Wheeler, has informed this chapter of the LIR.
- 2.11 The IACC has also been working closely with the Somerset Authorities learning from their experiences of dealing with Hinkley Point C and the Hinkley Point Connection Project. Mr. Andrew Goodchild<sup>10</sup> has been working with the IACC since January 2017 on the Wylfa Newydd project, with particular focus on housing and workers accommodation. Mr. Goodchild was the Lead Planning Manager for both the Hinkley Point C Nuclear Power Station and the Hinkley Connection Project so his knowledge, experience and input into this LIR has been extremely valuable.

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<sup>7</sup> Horizon Workforce Accommodation Strategy (Table E-1 page 3) Examination Library Reference (APP – 412)

<sup>8</sup> Horizon Workforce Accommodation Strategy (section 6.6.3) Examination Library Reference (APP – 412)

<sup>9</sup> IACC undertook Tourism Bedstock Survey (published June 2018) which had Wylfa Newydd specific questions (See Part B of Annex 8D).

<sup>10</sup> Assistant Director for Place and Energy Infrastructure, West Somerset Council and Taunton Deane Borough Council until June 2018. Has since moved to work for EDF as their Planning Manager.



### 3.0 Context

- 3.1 The Local Housing Market Assessment (2016) and the Baseline Report prepared by Amec Foster Wheeler (May 2016) provides a detailed analysis of the local housing market on Anglesey. However, in order to assist the Examining Authority the below provides a summary of the key matters in relation to the local housing market:
- a) Resident Population of Anglesey in 2011 was 69,751, representing an increase of 4.4% from 2001.
  - b) Household growth has risen faster than population growth showing a 7.7% rise in the same period.
  - c) The island's population is accommodated in 34,183 dwellings and the size of the housing stock has increased by 10.1% since 2001 (over 3,100 properties).
  - d) The most common property type on Anglesey is detached dwellings (49%) followed by terraced housing (24%) and semi-detached (20%). Flats / Apartments accounts for 6.7% of the dwelling stock.
  - e) In 2011, 68.8% of households in Anglesey were identified as being owner occupied with 14.6% residing in social rented accommodation and 14.1% renting in the private sector. The private renter sector has grown by over 60% between 2001 and 2011.
  - f) According to data from the Land Registry, the mean house price in the Isle of Anglesey in the first quarter of 2015 was £186,229 (compared to £162,904 for Wales as a whole) rising to £188,737 by August 2017 (compared to £176,632 for Wales as a whole).
  - g) Entry-level property prices on Anglesey range from £80,000 for a two bedroom home in the Holyhead price market, up to £312,500 for a four bedroom property in the Menai Straits price market. Entry-level rents range from £350 per month for a one-bedroom home in Holyhead price market up to £675 per month for a four-bedroom property in the Menai Straits price market (2015).
  - h) The demographic projections for the Isle of Anglesey indicate significant increases in particular age cohorts of the population, including those aged 90 and over. Overall this scenario suggests that the household population will rise by 2,420 by 2026 and by 3,960 by 2033, which equates to 220 households per year.
  - i) Population projections indicate that the population aged 65 or over in the Isle of Anglesey is going to increase notably from 17,512 in 2015 to 20,947 in 2026, a rise of 19.6%.
  - j) There was a 60% increase in the private rented sector in Anglesey between 2001 and 2011. 16.8% of the population are currently estimated to live in the private rented sector.
  - k) There are currently 779 empty properties on the Isle of Anglesey (October 2018). The IACC succeeds in bring back some 80 empty properties per annum<sup>11</sup>.
  - l) The JLDP sets a requirement for 7,184 housing units between 2011 and 2026 (this is for the Isle of Anglesey and the Gwynedd Planning Area). This equates to 479 dwellings per annum (dpa). The most recent Welsh Government forecasts<sup>12</sup> for household growth show that between 2014 and 2023, household

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<sup>11</sup> Further detail on Empty Homes is contained in the IACC's Empty Homes Strategy 2017 -2022 ([Link](#))

<sup>12</sup> Welsh Government Population Projections ([Link](#))

growth in Anglesey is forecast to be 514 dwellings (i.e. 51dpa) However this assumes no in-migration. However, recognising the economic opportunities on Anglesey post 2018 (Wylfa Newydd and other major infrastructure proposals) and taking into account other factors, the Joint Local Development Plan (JLDP) set a target of 7,184<sup>13</sup> dwellings for the Plan period (3,472 on Anglesey and 3,712 in Gwynedd).

- m) Current housing completion rates delivered for the period 2011 to 2018 is 2,564 units, which equates to 366 units per annum (Anglesey & Gwynedd).
- n) At the end of Quarter 2 2018/19, there are currently 2,627 second homes on the Island (Annex 8E for breakdown by Ward)
- o) According to Council Tax records, there are currently 596 self-catering holiday units on the Island. To qualify as holiday lets, the taxpayer must prove to the Valuation Officer that the dwelling is available for let for 140 days and has actually been let for 70 days in a 12 month period.
- p) There are approximately 380 people / families on the IACC's waiting list for a house.

## 4.0 Policy Position

### 4.1 Joint Local Development Plan (JLDP)

#### 4.1.1 TAI14 – Residential Use of Caravans, Mobile Homes or other forms of Non-Permanent Accommodation

4.1.1.1 Policy TAI14 of the JLDP deals with residential use of caravans, mobile homes or other forms of non-permanent accommodation. This policy deals with both **new** caravan or other forms of non-permanent accommodation sites for temporary residential use and the use of **existing** holiday caravans or other forms of non-permanent holiday accommodation for the same purpose.

4.1.1.2 For **new** caravans, the policy states that *“proposal for a new site involving the siting of caravans or other forms of non-permanent accommodation for the purpose of temporary residential use will be granted planning permission, provided it conforms to all the following criteria:*

- a) *The siting is for a limited period of time, and is required to accommodate temporary workers during construction of a specific approved building project; or*
- b) *There is a proven need for a single caravan or other form of non-permanent accommodation in connection with the establishment of a new rural based enterprise, in line with national planning policy and guidance”.*

4.1.1.3 In the case of scenario 1 above, the policy states:

- a. *the siting of temporary residential caravans or other forms of non-permanent accommodation will be subject to the same locational considerations as set out in Policy TWR 3; and*

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<sup>13</sup> JLDP Topic Paper 4B: Describing the Housing Growth (February 2016) ([Link](#))

- b. *the site is located so as to minimise the need to travel and promotes the use of sustainable transport modes to the approved building project site or a park and ride facility provided by the building project promoter; and*
- c. *it can be demonstrated that the accommodation facilitates the delivery of the building project's construction workers' accommodation strategy.*

4.1.1.4 With regards to use of **existing** holiday caravans or other forms of non-permanent holiday accommodation the policy states "A *proposal involving occupation of existing holiday caravans or other forms of non-permanent accommodation outside the usual occupancy season or the extension of existing sites for the purpose of temporary residential use will be granted planning permission, provided they conform to all the following criteria:*

- a) *There is a proven need for temporary residential accommodation in association with an approved building project; and*
- b) *The site is located so as to minimise the need to travel and promotes the use of sustainable transport modes to the approved building project site or a park and ride facility provided by the building project promoter; and*
- c) *It can be demonstrated that the construction worker accommodation facilitates the delivery of the building project's construction workers' accommodation strategy; and*
- d) *It can be demonstrated that the proposal would not have a significant detrimental impact on the tourism industry;*
- e) *The proposal is appropriate when considered against Policy TWR 3.*

4.1.1.5 Given that Horizon are not proposing new caravans as part of their DCO application, this section of the policy does not apply. In terms of use of existing holiday caravans, Horizon have not specified where this site is (i.e. in order to assess the traffic and transport impacts as specified in criteria 4 above). They have not specified what the facilities will be (to conform to criteria 5 above) and as a result, they cannot demonstrate that the proposal would not have a significant detrimental impact on the tourism industry. **Without this level of detail, the proposal to accommodate 650 workers in existing caravans linked to a 'specific approved building project' is contrary to policy TA14 and is therefore unacceptable to the IACC in policy terms.**

4.1.1.6 The primary purpose of this policy is for the use of caravan accommodation in connection with an approved building project (e.g. for a temporary, time restricted period whilst building a new house). However, the policy does state that for major proposals<sup>14</sup> "*there may be a short term requirement to use existing holiday caravan sites or non-permanent holiday accommodation. In such cases evidence is required over the need for the temporary residential use and how it would facilitate sustainable transport provision to and from the workplace*". **Again, as the IACC do not know where these caravans will be, it is not possible to assess the impacts on the local highway network, local**

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<sup>14</sup> Section 6.4.92 of the explanatory text in the JLDP. (page 152) ([Link](#))

**facilities, Welsh language, the tourism sector etc. which is unacceptable.** Horizon must identify suitable sites (new or existing) so that the IACC can assess and monitor the impacts and enforce where necessary (i.e. unapproved sites).

- 4.1.1.7 Policy TWR3 of the JLDP deals with the provision of new static caravan and chalet sites and permanent camping accommodation. Again, as Horizon are not proposing any new static caravans as part of their application, this policy does not apply. However the policies which apply specifically (and only) to Horizon are policies PS9-12 (including the supporting text). Policy PS9 specifically states that in responding to proposals forming part of a Development Consent Order application to the Secretary of State, the IACC will take the same considerations into account in the preparation of a Local Impact Report.
- 4.1.1.8 Paragraph 6.3.18 of the JLDP states that *“the construction workforce should be accommodated via various means, including the existing housing stock (to buy or rent), holiday accommodation, and new purpose built permanent or modular accommodation provided by Horizon or through a third party. Such use should not however result in an unacceptable impact on availability of housing (owner occupied and private rented), **or on the availability of tourist accommodation.** The impacts should be made acceptable. Tourism is a key economic sector and requires to be given specific consideration and assessment in finalising the construction workers accommodation strategy”.*
- 4.1.1.9 This is further supported in Policy PS9 (criterion 5) where the policy states that *“the accommodation requirements of construction workers should be met in a way that minimises impact on the local housing market, including the ability of those on low incomes to access the private rented sector, affordable housing and other housing services (taking account of the published Local Housing Market Assessment), and not **result in unacceptable adverse economic (including the tourism sector), social, linguistic or environmental impacts**”.*
- 4.1.1.10 Based on the evidence of existing capacity, the inappropriateness of caravan accommodation for all round occupancy, the lack of detail on where the workers will locate their caravans (or which static sites) and the inability of the IACC to be able to assess this impact given the lack of detail (on traffic, local facilities, welsh language etc.) means that the impact of accommodating Wylfa Newydd construction workers in caravans will be a **negative impact**. To mitigate this, Horizon will need to identify suitable sites (new or existing) which the IACC can assess and approve. This could be a list of 3 - 5 existing sites for example, which could be an approved list of caravan accommodation providers, a new dedicated site (or sites) for construction workers, or both.
- 4.1.1.11 If Horizon proposed specific site(s) (either existing or new) to accommodate the workers (either as the applicant or in conjunction with a third party) then the IACC would be able to assess the impact of this

proposal in accordance with the policies as set out above and against the wider context of Horizon's Workforce Accommodation Strategy (APP – 412). As currently proposed, 650 workers in existing caravan accommodation dispersed across the Island with no detail on how these workers are going to be managed, what the impacts will be on existing facilities & services and how the workers going to be monitored (including enforcement action where necessary) is wholly unacceptable.

- 4.1.1.12 The IACC accept that given the transient nature of major project construction, the use of caravans is inevitable. The IACC also appreciate the economic benefit to some accommodation providers of accommodating construction workers (particularly during the 'shoulder months'). However, given the scale of the project and the numbers involved, the IACC believe that suitable provisions should have been made by Horizon, as described above, instead of leaving it to the tourist sector.

## 4.2 Wylfa Newydd Supplementary Planning Guidance (SPG) (May 2018)

- 4.2.1 Section 4.4 of the Wylfa Newydd SPG<sup>15</sup> '*Accommodation for Construction Workers*' outlines the IACC's policy position and expectations in relation to housing the Wylfa Newydd construction workforce. The IACC have also produced a Housing Topic Paper as evidence base to support this SPG<sup>16</sup>. This draws upon the evidence of the Local Housing Market Assessment and the Evidence Base Reports / Position Statement produced by Amec Foster Wheeler (now Wood) as described at the beginning of this chapter. **This section of the SPG does not include the Site Campus.** The Site Campus is included in 'Main Site' Chapter of the SPG under Guiding Principle GP28b<sup>17</sup>. In the same manner, the Site Campus is dealt with separately in this LIR.

- 4.2.2 Section 4.4 of the Wylfa Newydd SPG contains the following Guiding Principles:

- a) GP 10a – Permanent Housing;
- b) GP 11 – Latent Supply;
- c) GP 12 – Tourism Accommodation;
- d) GP 13a - New Caravan or Other Forms of Non-permanent Accommodation Sites for Temporary Residential Use; and,
- e) GP 13b - Use of Existing Holiday Caravans or Other Form of Non-Permanent Accommodation.

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<sup>15</sup> Wylfa Newydd SPG (May 2018) (Page 69) ([Link](#))

<sup>16</sup> Wylfa Newydd SPG Topic Paper 3: Housing ([Link](#))

<sup>17</sup> Wylfa Newydd SPG GP28b (page 140) ([Link](#))

4.2.3 Section 4.3 of the Wylfa Newydd SPG 'Population and Community' is also relevant to housing and construction worker accommodation impacts, and contains the following Guiding Principles:

- a) GP 6 - Maintaining and Enhancing Community Facilities and Services;
- b) GP 7 - Protecting Health;
- c) GP 8 - Supporting Healthy Lifestyles; and,
- d) GP 9a - Maintaining and Creating Cohesive Communities;

4.2.4 Each of the 'Location Guidance' chapters of the SPG also contains guidance on housing. However, given these are location specific guidance (i.e. for potential future applications) they will not be discussed in this chapter. This policy review will therefore focus on the Guiding Principles in section 4.4 '*Accommodation for Construction Workers*' and section 4.3 '*Population and Community*' of the Wylfa Newydd SPG as listed above.

#### 4.2.5 GP 10 – Permanent Housing

4.2.5.1 GP 10 is extremely important in the context of this LIR chapter. It not only outlines the IACC's expectations in terms of Horizon's Workforce Management Strategy, but it also defines how the distribution of the workforce should be managed (through the Workforce Accommodation Management Service) and what measures the Housing Fund should deliver to avoid, mitigate and compensate for any adverse impacts.

4.2.5.2 With regards to Horizon's Workforce Accommodation Strategy (and in particular the implications on the local housing market) GP 10 states that the strategy should deliver a legacy use by promoting permanent new accommodation that addresses local needs including for social, affordable, elderly and special needs housing beyond the construction period. Proposals should also contribute to the creation of vibrant communities, be well designed and should not have other unacceptable transport, environmental and social impacts.

4.2.5.3 GP 10 states that when seeking to accommodate construction workers within private rented accommodation, and in order to address issues of potential displacement, the project promoter must establish the Worker Accommodation Management Service (WAMS) to help facilitate the development of new houses to buy and to co-ordinate the best use of private rented sector accommodation and measures to avoid displacement.

4.2.5.4 Although the IACC welcome the principle of the WAMS, it does have concern that the use of the WAMS is not mandatory for construction workers and as a result local people may be displaced. **The IACC will therefore, (through DCO requirements and obligations) be seeking to link potential mitigation proposals to the WAMS to ensure the impacts on the housing sector are appropriately managed.** For example, any financial contribution a homeowner / developer would

receive to provide latent accommodation, empty homes or bring forward a stalled site must be let to a worker through the WAMS as a condition of receiving the funding. This will ensure that appropriate controls are implemented and can be monitored more effectively.

- 4.2.5.5 GP 10 also states what the Housing Fund should deliver in terms of mitigation. This includes measures such as incentivising new housing (including affordable and social housing), bring empty homes back into active use and encouraging more latent demand to be utilised. Although Horizon have committed to providing a Housing Fund, there is no firm commitment on the value of this Fund, how it will be delivered and whether the delivery mechanisms proposed through the COCP and monitoring framework enables this fund to be utilised. Horizon's approach of 'monitor, manage and mitigate' is unacceptable, particularly for housing impacts, given the long lead-in time for these mitigation proposals.

## 4.2.6 GP 11 – Latent Supply

- 4.2.6.1 The workforce associated with the construction and operation of the Wylfa Newydd Project will provide existing communities with economic opportunities in the form of demand for accommodation. Latent housing supply includes, for example, spare rooms available for rent and which could be made available to construction workers, helping to supplement householder incomes. In order to enable communities to take advantage of these opportunities (and to reduce impacts on other accommodation sectors – particularly the PRS and tourism), Horizon should proactively support, monitor and report on the uptake of latent supply through the WAMS. GP 11 encourages the use of latent accommodation and requires support to prospective landlords through training and monitoring.
- 4.2.6.2 Following a latent accommodation survey undertaken by Horizon in 2015, Horizon's Workforce Accommodation Strategy proposed to accommodate 400 workers in latent accommodation. However, there is no detail in the Workforce Accommodation Strategy or the Housing Fund of how this is going to be achieved. From research undertaken by the IACC in preparing the Local Housing Market Assessment, its evidence suggests there could be greater capacity as 743 respondents said they would be willing to accommodate a lodger.
- 4.2.6.3 The IACC fully recognise that this survey did not ask specifically whether people would be willing to house 'Wylfa Newydd construction workers' (e.g. they may be willing to let to a student or a female lodger, for example). The actual number of people willing to let to Wylfa worker may be less than 743, but could equally be more than 400. To reduce impacts on the other accommodation sectors, **the IACC, as part of the Housing Fund, will seek financial contribution to incentivise homeowners to let a 'spare room' to Wylfa Newydd workers.** However, recognising the potential sensitivities of this (e.g. impacts on more vulnerable

residents, the elderly and potential safeguarding concerns) this will need to be very carefully managed and monitored. The IACC will need to approve the criteria of who would be eligible to register their property on the WAMS.

#### **4.2.7 GP12 – Tourism Accommodation**

- 4.2.7.1 When accommodating the non-homed based construction workforce within the tourist accommodation sector, the IACC will require Horizon to ensure that there are no unacceptable adverse economic (including on the tourism sector), social, linguistic or environmental impacts in accordance with JLDP Policies PS 9 and PS14 of the JLDP. GP 12 sets out a number of measures that Horizon should implement to prevent adverse impacts on the tourism sector. However, Horizon's approach to tourism accommodation has been to assess existing capacity and identify a number (of workers) that they believe could be absorbed into this sector without having an adverse impact. If through monitoring, an unacceptable impact is identified then Horizon propose for this to be mitigated. This reactive approach is unacceptable and is discussed in detail in the introduction chapter of the LIR.

#### **4.2.8 GP13a and GP13b – Use of New and Existing Caravans**

- 4.2.8.1 The use of new and existing caravan and other forms of non-permanent accommodation is outlined in detail above (TA14 of the JLDP). These Guiding Principles are consistent with this policy so will not be repeated here.

#### **4.2.9 GP 6 - Maintaining and Enhancing Community Facilities and Services**

- 4.2.9.1 With Horizon proposing to accommodate 3,000 non-home based workers in existing accommodation, maintaining and enhancing community facilities is essential. GP 6 states that Horizon must ensure that community services and facilities, including education, healthcare, IT communications/broadband, leisure facilities and emergency services are in place to accommodate the construction and operational phases of the project.
- 4.2.9.2 Given the lack of detail on proposed mitigations for impacts on community facilities and services, Horizon do not comply with this Guiding Principles. Detail is required on the impacts on existing services and facilities (particularly leisure, healthcare and IT communications /broadband) as these facilities and services should not be adversely impacted as a result of the Wylfa Newydd project. Again, mitigating impacts through monitoring is unacceptable as impacts on these services is unavoidable given the scale of the project.



## **4.2.10 GP 7 – Protecting Health**

- 4.2.10.1 The Well-being of Future Generations (Wales) Act 2015 includes seven well-being goals. The well-being goal ‘A healthier Wales’ aims to deliver *“A society in which people’s physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood”*. NPS EN-1 (para. 4.13.3) highlights that the construction and operation of energy infrastructure may have a range of direct impacts on health including in respect of increased traffic, air or water pollution, dust, hazardous substances and waste and noise. It requires that such impacts are assessed and mitigation implemented to address adverse effects where they may arise.
- 4.2.10.2 The importance of health and well-being also extends to the workers employed in the construction and operation of the Wylfa Newydd Project, particularly if health problems or a lack of well-being results in greater demand for the Island’s existing health services. Without adequate investment, an increase in demand will have implications for existing communities in terms of service availability. This Guiding Principle aims to ensure that these facilities and services are not adversely affected and that the health of the workforce and existing residents is protected and enhanced.
- 4.2.10.3 Whilst recognising this is a critical issue, the IACC will defer comment on health issues to the expertise of the Betsi Cadwaladr University Health Board and Public Health Wales. The IACC meet with these organisations on a monthly basis as part of Team Wales and are aware that they will be making written representations into the DCO Examination process.

## **4.2.11 GP 8 - Supporting Healthy Lifestyles**

- 4.2.11.1 In accordance with NPS EN-1, Planning Policy Wales, TAN16: Sport, Recreation and Open Space and JLDP Policy ISA 2: Community Facilities, the County Council will resist the loss or damage to existing open space and recreational facilities, walking and cycling routes or impacts on the connectivity of green infrastructure unless appropriate replacement provision is made. The IACC have undertaken a Social Infrastructure Study<sup>18</sup>, a North Anglesey Study<sup>19</sup> and a Leisure Study for Amlwch and Holyhead Leisure Centres<sup>20</sup>. These studies conclude that existing facilities and services are already beyond capacity and the demand on Wylfa Newydd will be unacceptable without mitigation.
- 4.2.11.2 This is important in the context of housing, as where the workers are going to live will dictate what the level of impact will be and where. Horizon states that the on-site campus will be available for use for all

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<sup>18</sup> IACC Social Infrastructure Study (Annex 8F)

<sup>19</sup> North Anglesey Study by Wood (Annex 8G)

<sup>20</sup> Leisure Report by AECOM (Annex 8H)

non-home based workers, but the IACC's assessment concludes that it is not sufficient for 4,000 never mind 7,000.

- 4.2.11.3 Further detail is required from Horizon on the proposed mitigation for leisure and health facilities as the current level of information is unacceptable.

#### **4.2.12 GP 9a - Maintaining and Creating Cohesive Communities**

- 4.2.12.1 Horizon must take full account of the potential for the construction and operation of the project, to affect community cohesion, safety and social inequalities. It will also be essential that they take full account of the cultural diversity of the construction workforce in order to ensure that effective cohesion and integration is achieved.

- 4.2.12.2 Informed by an assessment of socio-cultural impacts and consultation with the Island's communities, the IACC will expect Horizon to avoid large concentrations of construction worker accommodation unless significant socio-economic benefits can be delivered to the host community. The spatial distribution of workers must be managed through the Workers Accommodation Management Service (WAMS) and acceptable thresholds to be agreed with the IACC.

- 4.2.12.3 The IACC have had no detail on the profile of the construction workforce and therefore cannot assess the impacts of the incoming construction workers on the Island communities in terms of community cohesion, safety and social inequalities. Having this level of detail and understanding is critical to prevent impacts on the Welsh language and culture and over concentration of workers should be avoided through appropriate distribution through the WAMS.

### **5.0 Impacts & Evidence Base**

#### **5.1 Horizon's Demand for Accommodation**

- 5.1.1 This Chapter takes as its starting point the proposal by Horizon for an overall workforce number of 8,500, with a potential maximum of 9,000, divided between:

- a) 2,000 'home based' workers living within reasonable travelling distance of the site and continuing to occupy their current accommodation.
- b) 3,000 'non home based' workers occupying a variety of private market accommodation within Anglesey and Menai Mainland, ranging from owner occupation, renting in the private rented sector (whether in whole properties or rooms within local homes), and in different types of tourist accommodation.
- c) 4,000 'non home based' workers accommodated in purpose built temporary accommodation on (or close to) site.

- 5.1.2 It is recognised that these three divisions are clearly very broad, and to some degree arbitrary, at a stage when no main contractors have yet been appointed, and where no detailed programming of the construction phases is yet available.
- 5.1.3 The figures that are derived from these broad numbers (for example, estimates of the likely number of non home based workers who might occupy latent accommodation, or the geographic location of home based workers, are in turn very detailed and may appear precise, but are all constrained by the need to add up to the round numbers in each broad division. It is therefore sensible to treat the detailed estimates as indicative of the possible order of magnitude involved, rather than as precise estimates of the unknown future.
- 5.1.4 The focus of this LIR is therefore primarily on the proposal by Horizon that 3,000 non home based workers can be accommodated within the housing and tourist markets on the island, and analyses the potential impact of this upon the housing market, the tourist economy, and the wider communities of the island.
- 5.1.5 Anglesey is a relatively remote, peripheral economy, with a small population, but one with a strong and unique cultural identity. The potential disruption to the local housing market by the influx of construction workers, and to the long-term economy if tourist accommodation is diverted to housing the construction workforce, will cause irreparable damage to the community on the island if appropriate mitigation measures are not implemented.
- 5.1.6 The evidence from Horizon's gravity modelling, and experience from Hinkley Point C, is that the incoming workforce will seek to live as close to site as is practicable<sup>21</sup>; that rents in the affected areas will rise; and that existing owners will sell to realise gains in prices, often to buy-to-let landlords.
- 5.1.7 If existing owners and tenants move away from the area, and are replaced by temporary lettings to the incoming workforce, then long-standing community relationships will be weakened, and the Welsh speaking population dispersed and diluted which is unacceptable.
- 5.1.8 **The aim of IACC is therefore to seek a viable solution to housing the incoming construction workforce that enables the local housing market, and the local tourism economy, to continue to function normally throughout the construction period, with as little disruption as is practicable. The current Workforce Accommodation Strategy proposed by Horizon would place an unacceptable stress on both the housing market and the tourism economy.**

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<sup>21</sup> Presentation by Andrew Goodchild to Wylfa Newydd Strategic Housing Partnership (November 2017) (Annex 8I)

5.1.9 The Horizon strategy is that:

- a) *“The...3,000 non-home-based workers would be accommodated in a combination of existing capacity sources, including the private rented sector, tourist accommodation, the owner occupied sector and ‘latent accommodation’ and that this “can provide the opportunity for local economic benefits from workers using existing accommodation where there is spare capacity”.*

5.1.10 The Horizon proposal would require 3,000 bedspaces to be provided from the private sector (from the housing and tourism markets):

- a) 450 bedspaces in the hotel and B&B sector
- b) 650 bedspaces in caravans
- c) 400 bedspaces in latent accommodation
- d) 900 bedspaces in the private rented sector
- e) 600 bedspaces in the owner occupied sector

5.1.11 Horizon calculate that some 9,715 bedspaces are potentially available across Anglesey and Menai Mainland:

**Table 3-12 Analysis of bed spaces by sub area<sup>33</sup>**

Sub areas	Tourism	Caravans and camping	Owner	PRS	Latent	Total
Anglesey North	200	502	106	145	153	1,106
Anglesey South	559	991	250	354	332	2,486
Anglesey West	936	457	171	312	258	2,134
Menai Mainland	1,407	1,323	422	837	0	3,989
Total	3,101	3,273	949	1,649	743	9,715

Source: 6.3.9 ES Volume C: Project-wide effects: Appendix C1-2 Technical Appendix Socio economics, Table 3-12, p48

- 5.1.12 The Horizon gravity model suggests that just over a third of all bedspaces required would be found in Anglesey North, and just under a third in Anglesey West:

**Table 8.2 Sub-Regional Summary of Accommodation Demand and Supply**

Area	Available bed spaces	Demand from non-home-based workforce
Anglesey North	1,105	1,024
Anglesey South	2,485	633
Anglesey West	2,135	892
Menai Mainland	3,990	451
<b>Workforce totals</b>	<b>9,715</b>	<b>3,000</b>

Source: 8.4 Workforce Accommodation Strategy, p42

- 5.1.13 Horizon's proposals would lead to an excessive concentration of the non-home based workforce in Anglesey North and West:

**Table 1: Utilisation of available stock**

% utilisation of available stock						
	Hotel	Caravan	Owner occupied	PRS	Latent	Total
Anglesey North	45%	55%	222%	165%	119%	93%
Anglesey West	21%	25%	97%	88%	52%	42%
Anglesey South	13%	20%	12%	45%	25%	25%
Menai Mainland	6%	4%	20%	27%	n/a	11%
Total	15%	20%	63%	55%	100%	31%

Source: by calculation from: 6.3.9 ES Volume C: Project-wide effects: Appendix C1-2 Technical Appendix Socio economics, Table 3-6 and 3-12

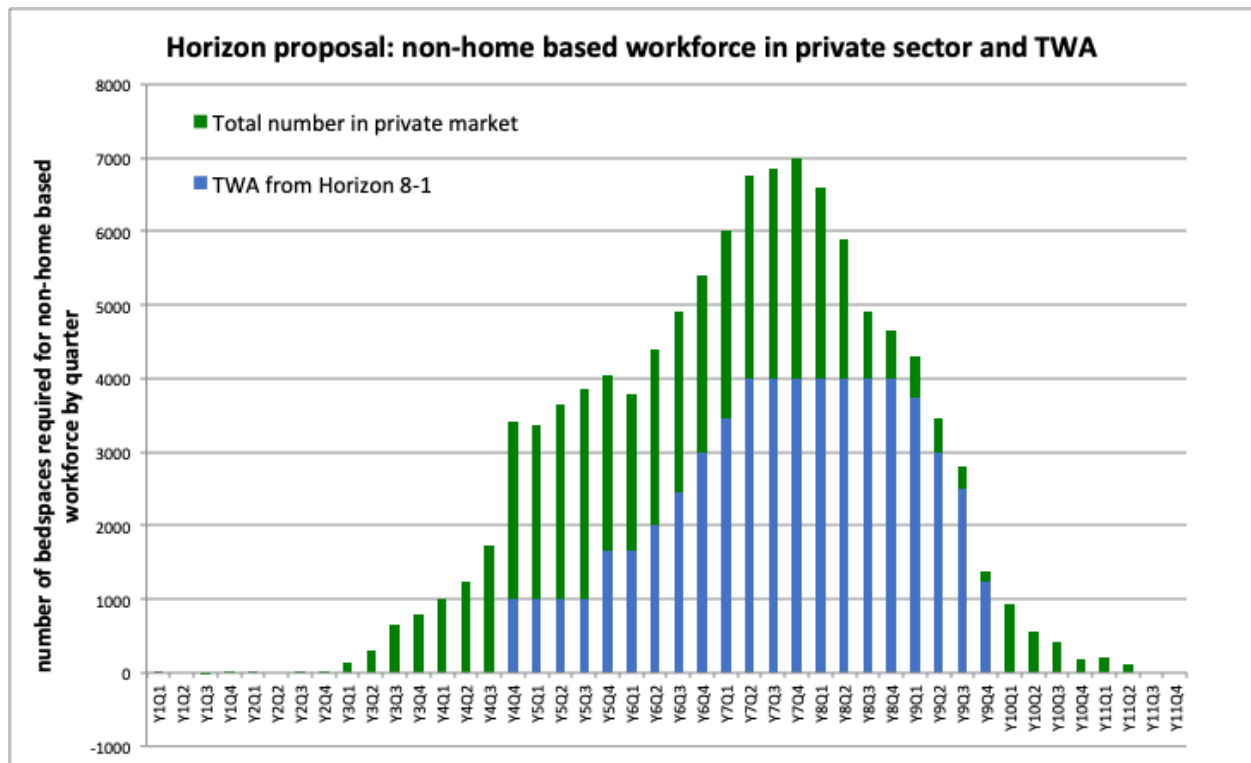
- 5.1.14 The table shows that Anglesey North would have the highest proportionate take up of bedspaces across all tenures, and that demand would exceed estimated supply in the owner occupied, PRS and latent tenures. Half of all tourist accommodation in North Anglesey would be utilised on a year-round basis for non-home based workers.
- 5.1.15 If supply in North Anglesey is to increase to match anticipated demand, it would require a sufficient increase in local prices to incentivise a more than doubling in sales by owner occupiers, a two thirds increase in turnover within the PRS, and a one fifth higher proportion of existing

home owners willing to rent rooms (latent demand) than elsewhere on the island.

- 5.1.16 To the extent that supply fails to rise in North Anglesey, demand would spill over into Anglesey West and South, raising prices in these areas sufficient to bring supply into balance with demand.
- 5.1.17 **The Worker Accommodation Strategy proposed by Horizon essentially relies upon absorbing all available capacity within the private market during the first four years of construction, with the first TWA only coming on-stream from Year 4 Q4. This is unacceptable and requires mitigation in the form of the supply of new units and bringing forward the delivery of the on-site campus.**
- 5.1.18 TWA is then run down from its peak after Year 8 Q4 at a rate faster than the decline in workforce numbers, requiring an increased supply from the private market during the last three years of construction (See Annex 8J).
- 5.1.19 **Based on the IACC's evidence and analysis, the IACC believes that Horizon's Workforce Accommodation Strategy is flawed in that it:**
- a) Requires too high a proportion of private sector accommodation, disrupting the normal working of the housing and tourism markets;
  - b) Is too concentrated in Anglesey North and West, disrupting and displacing local people and communities in those areas;
  - c) Too reliant on private sector providers in the early, rapid build-up of the workforce, absorbing 500 bedspaces in three months in Y4Q3 and a further 700 in the next three months in Y4Q4 before TWA comes on-stream.
- 5.1.20 This chapter will look at each of the points outlined above (plus other impacts such as affordability) and will provide evidence as to why the IACC objects to the Workforce Accommodation Strategy proposed by Horizon.
- 5.1.21 Estimating what proportion of vacancies on the island can be absorbed by the incoming Wylfa Newydd workforce without disrupting the normal functioning of the housing and tourism markets is a matter of judgement. IACC takes the view that up to **10% of the total available market could be absorbed by Wylfa Newydd workers without seriously disrupting their normal functioning.**
- 5.1.22 The proposal by Horizon relies upon housing over 2,400 non home based Wylfa Newydd workers over a two year period (Y3Q1 to Y4Q4) before any TWA comes onstream. The housing and tourism markets are expected to bear the brunt of this pressure, with numbers in the private sector rising to 2,855 by Y5Q3, and then fluctuating until the peak at 3,000 two years later in Y7Q4.

5.1.23 Figure 1 below shows the rapid absorption of vacancies in the private sector that is proposed by Horizon up to Y4Q3 and continuing until Y5Q3 to total 2,855.

**Figure 1: Non-home based workforce in private sector and TWA**



5.1.24 The proposal by Horizon also concentrates simply on whether there is enough stock to meet the peak demand for 7,000 non-home based workers. It does not take any account of the pressures on the market during the rapid build-up of the workforce (some 1,175 workers are projected to arrive and find accommodation in the market in the six months of Y4Q3 and Y4Q4).

## 5.2 Estimate of Supply of Accommodation

5.2.1 A considerable number of differing estimates have been produced of the potential, or likely, or affordable, supply of accommodation to meet the needs of the 3,000 non-home based workers likely to live within the KSA. The latest available figures are summarised in Table 2 overleaf:

**Table 2: Comparison of Estimates of Supply (bedspace)**

<b>Estimates of available supply (bedspaces)</b>			
	Horizon estimates of supply in KSA	IACC/Wood estimates of supply in Anglesey	Of which, in North Anglesey
<b>Permanent accommodation</b>			
Owner occupied	600	550	110
Private rented sector	1,650	800	180
Latent demand	740*	700	150
Empty homes	not assessed	520	
<b>Tourist accommodation:</b>			
Hotels, guest houses and B&B	470	500	130
Self catering	2,630		
Caravan and tourer	3,275	200	nil
Subtotal tourist accommodation	6,375	700	130
<b>Total</b>	<b>8625</b>	<b>3270</b>	<b>570</b>

Sources: Horizon estimates from: Wylfa Newydd Project 8.4 Workforce Accommodation Strategy, Table 6.5, p37, Horizon, May 2018

- 5.2.2 IACC/Wood estimates from: *Isle of Anglesey CC Construction Workers Accommodation. Draft Position Statement*. May 2017
- 5.2.3 Note: Horizon does not estimate latent demand independently, but adopts the IACC estimate from the Local Housing Market Assessment (2015).
- 5.2.4 These bedspace estimates are translated into numbers of properties (accommodation that could be occupied by more than one person) and rooms (single person occupancy only) in Table 3 overleaf:



**Table 3: Estimates of available supply (properties and rooms)**

<b>Estimates of available supply (properties and rooms)</b>			
	Horizon estimates of supply	IACC/Wood estimates of supply in Anglesey	Of which, in North Anglesey
Owner occupied	600	550	110
Private rented sector	825	400	90
Empty homes		320	
Self catering	1,315		
Caravan and tourer	1,638	100	nil
<b>Subtotal properties</b>	<b>4378</b>	<b>1370</b>	<b>200</b>
<b>Workforce numbers in properties</b>	<b>8155</b>	<b>2070</b>	<b>290</b>
Latent demand		700	150
Hotels, B&B and self catering	470	500	130
<b>Subtotal rooms</b>	<b>470</b>	<b>1200</b>	<b>280</b>
<b>Total workforce accommodated</b>	<b>8625</b>	<b>3270</b>	<b>570</b>

Source: calculation from table above.

Notes:

- a) Owner occupied properties are assumed to be occupied by only one workforce member, whether or not there are other family members.
- b) In the case of empty homes, IACC estimate a lower incidence of sharing, with 320 empty homes capable of housing 520 workers (1.6 people per home).
- c) In the private rented sector, self-catering and caravans, on average two workers are assumed to share each unit.

5.2.5 There are clearly very significant differences between the estimates of availability produced by Horizon and IACC/Wood in 2016 (formerly Amec Foster Wheeler). This was one of the reasons why the IACC commissioned Cambridge University so that estimated supply and demand could be independently assessed and validated. This will then inform the IACC of the measures required to ensure that the impacts on the housing and tourism sectors are sufficiently mitigated by Horizon. A key component of this is the supply of housing to meet this significant future demand.

5.2.6 The IACC's evidence shows (See Annex 8K) that in order to deliver Horizon's Workforce Accommodation Strategy, and not to significantly impact the housing sector, 520 additional units will be required in the owner occupied and the PRS. This does not include latent supply.

- 5.2.7 The Spreadsheet (See Annex 8L) shows that over the two years between Y3Q1 and Y4Q4, there would be a total demand for around 750 self-contained homes across the owner occupied and private rented sectors.
- 5.2.8 There are roughly 1,000 homes sold each year in Anglesey, and roughly 165 of these are bought by private landlords. Turnover in the existing PRS stock adds around a further 235 lettings. Annual sales and letting therefore total around 1,240 per annum.
- 5.2.9 It might be reasonable to assume that the housing market could absorb 10% of sales and lettings to the incoming workforce, or some 124 per annum or 30 per quarter, without interrupting its normal functioning.
- 5.2.10 This would supply around 250 units over the two-year period, requiring an **increase in the dwelling stock of 520 units over the two years, of which 310 would be required over the last two quarters, Y4Q3 and Y4Q4.**
- 5.2.11 Whilst the IACC obviously does not expect Horizon to build 520 new units<sup>22</sup>, a combination of measures will be required through the Housing Fund to deliver these additional units to avoid significant adverse impacts on the housing and tourism accommodation sectors. These measures include bring empty homes back into active use, provide financial contribution for the IACC to build new permanent housing and providing a financial contribution to implement a 'Stalled Sites Fund' which will stimulate housing development on sites with extant planning permission. Further detail on mitigation proposals in contained in section 7.0 of this Chapter.
- 5.2.12 The policy of IACC is that the provision of accommodation for the incoming non-home based Wylfa Newydd workforce from existing resources in the private housing and tourism markets should not disrupt the normal functioning of these markets. Existing residents, and those wishing to move to the island to live, together with the economically vital tourist market, should be able to continue in a normal manner throughout the eleven year construction period of Wylfa Newydd.

### 5.3 Owner Occupation / New Build Housing

- 5.3.1 Both the IACC's position and Horizon's Strategy are based partly on the effects of adding to the housing stock through the achievement of the new build supply targets set out in the JLDP. However, the achievement of these targets is largely dependent upon the actions of housing developers, whose assessment of the profitability of development over the next few years is unknown.
- 5.3.2 Horizon refer to the possibility that the Housing Fund could:
- a) *Incentivise provision of new housing, including affordable housing, both to meet*

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<sup>22</sup> The overall number of units (not bedspaces) required by Y4Q4 is 1,600, of which 778 would be from the OO&PRS stock – 520 of these would need to be net additions in excess of the 32 per quarter that are assumed to be available without damaging impacts.

*increased demand and provide a legacy*<sup>23</sup>. However, there is no detailed commitment to how this incentivisation might work, or how much it might cost. The following section will analyse the housing targets in the JLDP and how the policy has been developed to meet this significant increase in housing demand (as a result of Wylfa Newydd and other major projects).

#### **5.4 Housing targets in the JLDP**

- 5.4.1 The JLDP identifies a total provision of new housing in Anglesey over the plan period from the beginning of 2015/16 to 2026 of 3,186 dwellings, representing an average output of approximately 320 per annum. (The construction of Wylfa Newydd is programmed to take eight years: assuming a start on site at the beginning of 2020, completion would not be until 2028, two years beyond the current JLDP.)
- 5.4.2 The JLDP identifies six sites totalling 225 dwellings under Tai 5, and a further 105 dwellings in rural clusters under Tai 6, to be developed with 100% affordable housing. A further 354 affordable dwellings are planned to be provided on mixed sites using S106 agreements, or 11.6% of the remaining 3,029 dwellings.
- 5.4.3 In the urban service centres, most of the local service centres (with the exception of Beaumaris and Rhosneigr), and in the service villages, affordable housing does not have any local connection requirement, providing 345 dwellings. The remaining 340 affordable dwellings all have a local connection requirement.
- 5.4.4 The underlying population trends in Anglesey imply a falling population to 2026, with the number of dwellings required increasing by around 50 per annum as the number of households increases slightly faster than the fall in the population.
- 5.4.5 The JLDP 'jobs led' scenario would require an annual increase in dwelling numbers of some 270 per annum in addition to the 'natural' growth in household numbers. However, the 'jobs led' scenario would have the effect of increasing the number of people commuting out of Anglesey to work in Gwynedd, Conwy and elsewhere: the number of dwellings required to meet any growth in the workforce on Anglesey itself would be less than 270 per annum.
- 5.4.6 Although an increase in the housing stock could provide a theoretical balance between existing supply and the increased demand created by Wylfa Newydd, there is no guarantee that either the owner occupied or private rented markets will not be affected by other factors. For example, a change in prices resulting from the increased demand and spending power of non-home based workers may give an incentive to existing owners to sell, or for existing landlords to obtain possession and relet at higher rents. In both cases, this may result in supply being sold or let to workers at Wylfa Newydd, but might equally lead to sales or lettings to increased numbers of incomers, leaving existing households

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<sup>23</sup> Examination Library Reference (APP – 412) para 3.1.12, (p10).

unable to compete in the market. This is particularly concerning when considering more vulnerable tenants / residents and the risk of homelessness.

- 5.4.7 This is clearly unacceptable and requires **proactive mitigation** to prevent the risk of this impact from occurring. As outlined above, the IACC's aim is for a viable solution to be implemented that avoids, mitigates and compensates for potential impacts to allow the housing market to function normally. To achieve this, a range of mitigation measures are required.
- 5.4.8 To avoid impacts for example, the IACC would encourage (in discussion with the Welsh Government) the suspension of s.173 of the Renting Homes Wales Act 2016 in order to prevent the eviction of private sector tenants without due cause (particularly more vulnerable tenants). Another avoidance measure would be to keep rents low and occupation rates high in the TWA to make it more attractive than owner occupation and PRS. To mitigate impacts, the IACC would require the increased supply of homes to meet demand to prevent house price increases and to ensure that local people are not 'priced out' of the market. This is particularly important in terms of Welsh language and culture. Further detail on these mitigation proposals is contained in section 7.0 of this chapter.
- 5.4.9 At present, the new build housing targets in the JLDP are mainly dependent upon private sector activity, by housing developers or landowners. The supply of affordable housing is delivered either as a proportion on an open market site or on 100% schemes by Registered Social Landlords. The IACC has also been granted permission to build Council houses and will also be delivering additional affordable units in the future. Since 2011, there have been 220 affordable units completed on Anglesey.
- 5.4.10 A review of the published Joint Housing Land Availability Studies (JHLAS) for Anglesey for the period since 2011 up to 2017 reveals that 908 units have been completed at a rate of 151 dwellings per annum.

## **5.5 Demand from Professional, Managerial and Supervisory Staff**

- 5.5.1 The current Horizon planning assumption is that professional, supervisory and managerial staff will total 2,000 out of the 9,000 total, or 22%. Only 12% (237 workers) of the 2,000 home based workers are predicted to be professional, supervisory or managerial staff. It would appear to be quite possible that the 1,750 non-home based professional, supervisory or managerial staff are likely to prefer their own, independent, accommodation rather than to live in the Temporary Worker Accommodation (TWA) campus on site, and judged likely to prefer permanent accommodation rather than caravans.
- 5.5.2 If the judgements made on accommodation preference are correct (or probable), then nearly 60% of the 3,000 non-home based workforce (1,800 people) seeking accommodation in the private market are likely to prefer individual (rather than shared) accommodation, in permanent accommodation rather than caravans. Not all these would necessarily be looking for self-contained accommodation: rooms offering B&B style accommodation (including latent accommodation), or rooms in hotels and guesthouses would

probably be attractive to white collar staff who are only on site for short periods. This type of accommodation is termed 'serviced accommodation' in Table 4 below, which compares the IACC January 2017 estimate of the possible accommodation/tenure split of the white collar staff (prepared by Amec Foster Wheeler in 2016) with an alternative estimate of tenure preference prepared by Cambridge University.

- 5.5.3 The numbers of professional staff have been adjusted pro rata to the current Horizon planning assumption of a total professional staff number of 1,998, of whom 1,761 would be non-home based. The proportions by length of stay, and the proportions of staff by year of construction, have been kept the same as those estimated in the IACC January 2017 paper<sup>24</sup>. The estimates of staff numbers in each year of construction result in significantly more professional staff on site in the final two years of construction than has been allowed for in the current Horizon workforce estimates. This is because the IACC believe that many of these professional and managerial roles will transition into operational roles following the final two years of construction, testing and commissioning.

**Table 4: Professional, managerial and supervisory staff: tenure estimates**

<b>Professional, managerial &amp; supervisory staff: tenure estimates (%)</b>									
	<b>IACC/AMEC estimates 2016-17</b>					<b>Alternative estimate (Cambridge University)</b>			
	TWA	Owner occupation	Private rented	Tourist accommodation	Latent accommodation	TWA	Owner accommodation	Private rented	Serviced accommodation
Up to 6 months	60	0	0	15	25	75	0	0	25
7 to 42 months	42.5	10	30	7.5	10	0	25	50	25
Over 43 months	27.5	30	38	7.5	5	0	66	33	0

*Note: 'Serviced' accommodation might be in Hotels, Guesthouses, B&B or latent accommodation.*

- 5.5.4 The alternative estimate presented by Cambridge University (right side of above table 4) assumes that professional staff on-site for more than seven months at a time will prefer not to use TWA. It is assumed that a higher proportion of staff who are on site for longer periods will prefer to buy rather than rent (this is probably particularly the case for those staff who are likely to continue working at Wylfa Newydd in ongoing operational roles).

- 5.5.5 It is unlikely that these roles will be for less than 6 months; however, it assumed

<sup>24</sup> IACC Construction Workers Accommodation Position Statement (Annex 8C)

that 75% of professional staff on-site for less than 6 months will stay at the TWA or (25%) will be in serviced accommodation. They will not purchase or rent a property for such a short period of time. The estimated numbers of professional staff, by type of accommodation and tenure that result from the two estimating approaches are set out in Table 5 below. The IACC accept that some professional, managerial and supervisory staff may occupy the TWA for longer period than 6 months (e.g. 8 – 12 months, for example), but the IACC believe it's highly improbable that managerial staff who will be employed for longer periods will stay in the TWA when they can easily afford other types of individual accommodation (see affordability section below).

**Table 5: Professional Staff – tenure estimates compared**

Professional etc staff group: tenure estimates compared												
	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11	Peak
<b>IACC/Wood estimates</b>												
TWA	2	2	8	7	100	332	585	642	590	359	182	<b>642</b>
OO	1	1	4	4	109	277	328	334	323	283	198	<b>334</b>
PRS	2	1	5	5	109	323	478	494	463	342	198	<b>494</b>
Tourist	0	0	2	2	27	81	128	141	131	86	50	<b>141</b>
Latent	0	0	2	2	18	66	132	151	137	72	33	<b>151</b>
<b>Total</b>	<b>5</b>	<b>4</b>	<b>21</b>	<b>19</b>	<b>362</b>	<b>1079</b>	<b>1650</b>	<b>1761</b>	<b>1645</b>	<b>1142</b>	<b>662</b>	<b>1761</b>
<b>Housing Review estimates</b>												
TWA	1	0	6	4	0	36	171	236	206	46	1	<b>236</b>
OO	2	1	10	10	272	668	746	754	738	678	495	<b>754</b>
PRS	2	1	4	4	91	293	473	491	456	315	165	<b>491</b>
Serviced	1	1	1	1	0	81	261	280	245	103	0	<b>280</b>
Tourist	0	0	0	0	0	0	0	0	0	0	0	<b>0</b>
<b>Total</b>	<b>5</b>	<b>4</b>	<b>21</b>	<b>19</b>	<b>362</b>	<b>1079</b>	<b>1650</b>	<b>1761</b>	<b>1645</b>	<b>1142</b>	<b>662</b>	<b>1761</b>

5.5.6 Table 5 shows that a change in the assumptions on accommodation type and tenure would result in a shift between tenures. The altered assumptions in the 'alternative' estimate would result in less use of TWA by professional staff, an almost identical use of the PRS and of tourist/latent accommodation, but a **significant increase in owner occupation**. A shift towards owner occupation would result in a greater number of properties being occupied, if it is assumed that professional staff would prefer not to share accommodation. This is considered to be more probable as professional staff (i.e. managers and supervisors) will not want to share with workers they are potentially managing and they will be able to afford virtually any property on Anglesey (again see section on Affordability below). Horizon estimate that 25% of professional staff will bring partners and dependents, and this group is highly unlikely to wish to share accommodation<sup>25</sup>.

5.5.7 These results do not imply that there would be any reduction in the number of bedspaces required in TWA: the 400 bedspaces in TWA not occupied by professional staff would become available for other workers. The possible split

<sup>25</sup> Further detail on families and number of dependants is included in section 5.7

between tenures is compared in Table 6 below, which include the Horizon proposed tenure split for the 3,000 non-home based workers.

**Table 6: Summary of estimates for different tenures**

Summary of estimates for different tenures			
	Horizon estimate for 3,000 workers	IACC/Wood estimate for 1,761 professional staff	Alternative estimate for 1,761 professional staff
Caravan	650	141	0
Hotel and B&B	450		280
Serviced accommodation			
Latent	400	151	
Owner occupied	600	334	754
PRS	900	494	491
TWA	n/a	642	236
Total	3000	1762	1761

5.5.8 This assumption that professional, managerial and supervisory staff would prefer individual accommodation rather than shared accommodation is critically important as it will place greater stress on the local housing market. This includes smaller 1 and 2 bed properties for single occupancy as well as larger 3 and 4 bed properties for workers who will bring families.

5.5.9 In terms of impact, based on the above evidence and assumptions, the IACC believe that there will be a significant **negative impact** on the local housing market and tourist accommodation (serviced accommodation) if there is not a commensurate increase in the supply of available housing. The scale and scope of the proposed Housing Fund does not provide the confidence to the IACC that these impacts will be appropriately managed and mitigated.

5.5.10 **The IACC would require a flexible Housing Fund to mitigate the impacts on the housing sector on Anglesey.** Although some flexibility is required (i.e. to account for land prices, stalled sites not coming forward or being available etc.) this Housing Fund would enable the delivery of the additional units required to mitigate the impacts on the housing and tourism sectors.

## **5.6 The impact of the rundown of construction activity**

5.6.1 The increase in the construction workforce creates an increase in demand for housing, but the decline in the workforce as construction comes to an end is likely to have a very significant impact on the housing market in the island.

5.6.2 Between the peak year of construction in Y7Q4 and Y9Q3, eighteen months later, some 900 homes will be vacated by the outgoing workforce. This would

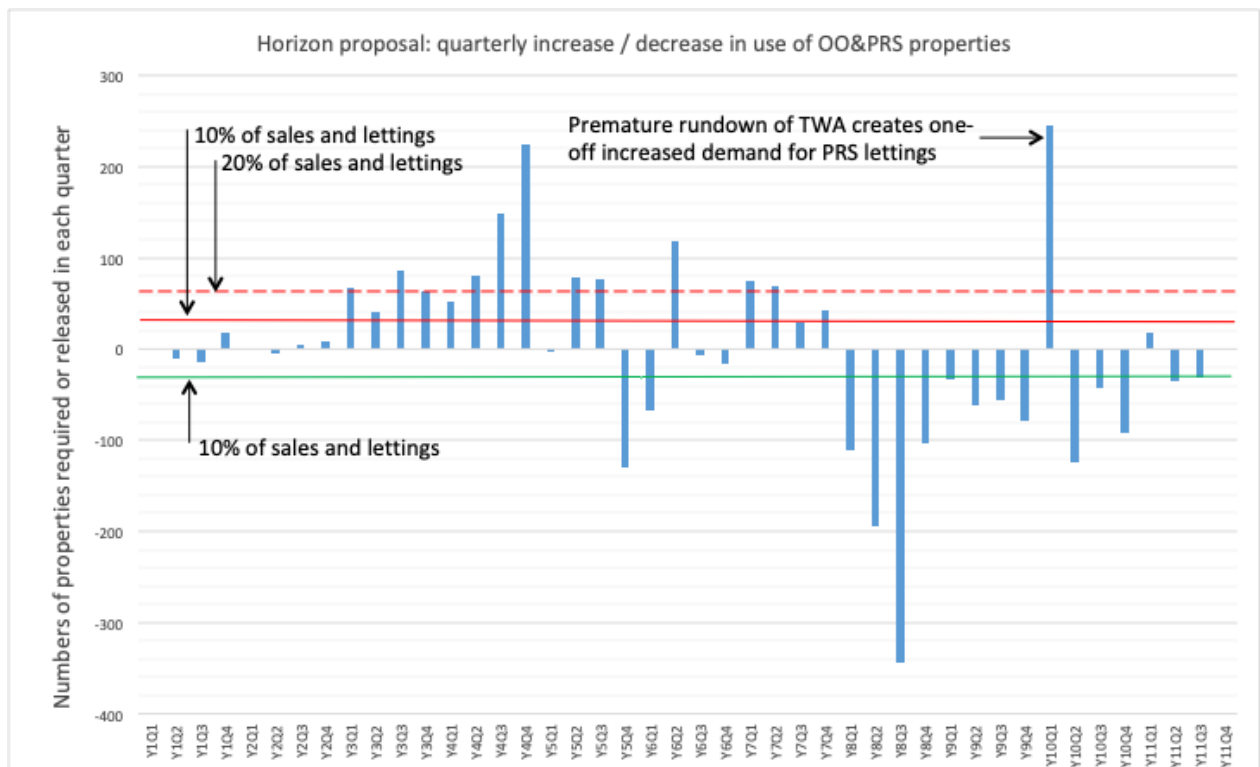


represent virtually nine months' worth of supply, or a 50% increase over the eighteen months. This will create excess supply and depress prices until the excess is absorbed by the market. If the housing market can absorb a 10% increase in supply in any quarter (around 30 sales and lettings), it would take 30 quarters, or over seven years, for this excess supply to cease affecting prices.

5.6.3 Whilst the IACC recognise that 520 additional units are required to meet the demand at peak, the risk to the housing sector after peak is also of significant concern. **The IACC would require that measures are put in place to ensure a smooth rundown of construction workers utilising private accommodation and these units are sold on the open market and / or transferred to the IACC/RSL in a phased approach to manage the impacts on the housing sector.**

5.6.4 Figure 2 below shows that in the case of self-contained properties in the owner occupied and private rented sectors, the rate of increase from one quarter to the next exceeds 10% of available vacancies in the market in fourteen quarters between Y3Q1 and Y7Q4.

**Figure 2: Horizon proposal: quarterly increase/decrease in use of OO and PRS properties**



5.6.5 Figure 2 above also shows the reverse problem: as the workforce declines from its peak in Y7Q4, 650 properties are projected to come back onto the market in the three quarters from Y8Q1 to Y8Q3, or half a year's normal supply of vacancies for sale or letting added to the normal housing market turnover within a nine month period.



5.6.6 This is likely to depress prices in the market for a considerable period, possibly years, until this excess supply is cleared.

5.6.7 The following sections of this Answer give detailed estimates of supply in the key areas of the private rented and tourism sectors.

## 5.7 Non-Home Based Workforce Household Composition (Number of Partner and Dependents)

5.7.1 Estimates of the likely household composition of the non-home based workforce are provided in the impact assessment on public services in ES Volume C Chapter 1. Section 1.5.48 states that:

- a) *“The assessment presented below is informed by the non-home-based population and the additional population which could reasonably be expected to arrive with workers. The breakdown of the additional population during main construction is shown in table C1-14. This is calculated based on benchmarking information that 25% of non-home-based professional workers, 4% of operatives (for example civils; and mechanical and electrical workers) and 60% of operational workers (arriving during construction) would bring families into the area. The average family composition data of these types of workers were used to determine the average number (based on English and Welsh data) of partners and dependants. A more detailed description of these assumptions and the approach is provided in chapter B2 (Application Reference Number: 6.2.2). These figures represent the worst case and are used throughout the public services assessment.”*

Table C1-14 provides a breakdown of non-home based workers and dependants during peak construction. It shows that:

<b>Additional population</b>	<b>Number of people</b>
<b>Non-home-based workers</b>	<b>7,000</b>
<b>Estimated partners</b>	<b>285</b>
<b>Estimated dependants</b>	<b>220</b>
<b>Total</b>	<b>7,505</b>

5.7.2 However, applying the percentages estimated by Horizon (in 1.5.48 above) to the workforce numbers results in a much higher number of families and dependents generated by the non-home based workforce, as shown in Table 7 overleaf:

**Table 7: Household composition of workforce: % with families**

Household composition of workforce: % with families						
	Number	of whom, home based	Non home based	% estimated to bring families	Number of family households	Number of dependent children
Professional staff	2,000	237	1,763	25	441	339
Operatives	7,000	1572	5,428	4	217	167
Subtotal	9,000	1,809	7,191		658	507
Operational staff	850	191	659	60	395	304
<b>Total</b>	<b>9,850</b>	<b>2,000</b>	<b>7,850</b>		<b>1,053</b>	<b>811</b>

Note: Numbers of home based professional staff from Horizon Table 3-3, Appendix C1.2, p C1-37: numbers of home based operational staff from Horizon Table 2-8, Appendix C1.2, p C1-23

5.7.3 These apparent discrepancies have a very significant effect, not only on the numbers of family homes required, but also on education, health and other services. The IACC wrote to Horizon on the 24<sup>th</sup> August 2018<sup>26</sup> requesting urgent clarity on this issue. Horizon responded by email on the 5<sup>th</sup> October 2018<sup>27</sup> but the IACC are still not satisfied that the assessment to determine the number of dependent children is accurate.

5.7.4 Horizon's response was broken down into three sections as follows (Italics):

- a) ***Inclusion of Site Campus workers in estimating numbers of dependants*** - *The 4,000 site campus workers should not be included in the calculation of dependants as they are assumed not to bring family with them and therefore will not burden public services e.g. schools. The figure used in the calculation should be 3,000 non-home-based workers as seen in Table 3-16 from Section 3.5 of C1-2 Technical appendix.*
  - i. Whilst the IACC fully agree with Horizon's assumption that the workers in the site campus will not bring families, this is not compatible with Table C1-14 and the figures in 6.3.9 ES Volume C Chapter 1 para 1.5.48, which clearly (and incorrectly) apply 4% to the whole non-home based workforce of 7,000. The IACC's table (Table 7) above applies the percentages given in para 1.5.48 to the non-home based workforce. It is assumed that any member of the manual workforce who brings a partner and/or dependants will not live in TWA but will be part of the 3,000 non-home based workers in private sector accommodation.
- b) ***Inclusion of Operations Period workers in estimating numbers of dependants*** - *The 850 workers that are classed as "Operational staff" in the*

<sup>26</sup> Letter to Horizon on Non-Home Based Household Composition (August 2018) (Annex 8M)

<sup>27</sup> Horizon's response to IACC's letter on Non-Home Based Household composition. (Annex 8N)

*calculation are not operations workers that will be present during the construction period of the power station; they are the 850 workers present during the Operation period of the power station. This is reflected in the separation of the analysis in C1 between the two different periods given they represent different magnitudes of workers (refer to paragraph 1.4.3 from C1 showing 9,000 as the peak during Construction period and refer to paragraph 1.4.33 from C1 showing 850 during Operation period) and different time periods (refer to Figure C1-4 from C1 showing around 10 years for Construction period and refer to 1.4.41 showing 60 years for Operation period).*

- i. The IACC assume that the operational staff will arrive gradually over Years 10 and 11, and therefore will overlap with the declining construction workforce. It is reasonable to assume that members of the construction workforce who bring partners, and particularly children, are likely to be those who expect to be on site for several years, rather than for months, and therefore some of them will overlap with the arriving operational workforce. The IACC still require clarity on whether there will be overlap between construction and operational staff at the end of the project as this could have impacts on housing, education, healthcare etc.
  - c) ***Methodology of calculating the number of families and dependents -***  
*Taking the above points into account, using a figure 7,850 non-home-based workers as the basis for calculating numbers of dependants (as suggested in your letter) would be incorrect. In addition there is an additional step in the estimation process whereby different probabilities are estimated of different types of “family” households occurring based on household and occupational data and then applied to the number of non-home-based workers assumed to bring family (i.e. 3000 as noted in point 1 above).*
  - i. The correct proportions estimated to bring partners and/or dependents, given in para 1.5.48, have been applied to the different occupational groups (professional, manual and operational). The IACC therefore still require clarity on this issue.
- 5.7.5 The number of dependent children that are likely to come with non-home based construction workers is of significant concern to the IACC. The IACC are currently undertaking a review of schools in the Amlwch area<sup>28</sup> (public engagement process closes 14<sup>th</sup> December 2018) therefore ensuring that adequate capacity is available in North Anglesey for the additional children is of critical importance. The IACC’s decision on the future of schools needs to be informed by sound and robust evidence and information, which is why it is important to clarify this position as soon as possible.
- 5.7.6 The number of families / dependant children will obviously have an impact on the amount of family homes required. It is therefore important that the IACC fully understand this demand to ensure that future supply is commensurate with this need.

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<sup>28</sup> Public Engagement – Review of Schools in the Amlwch Area ([Link](#))

## 5.8 Affordability

- 5.8.1 Most of the non-home based workforce at Wylfa Newydd will be eligible for the standard accommodation allowances agreed by the National Joint Council for the Engineering Construction Industry. The allowances for 2018 are £39.37 per night, or £275.59 per week.
- 5.8.2 Table 8 below shows that the accommodation allowances gives Wylfa Newydd workers very significant spending power within the housing market. 'Affordable' rents are currently considered to be no more than 30% of net income (after tax and National Insurance), and the NJC allowances give workers around £866<sup>29</sup> to spend per month on accommodation (assuming 22 shifts per month – i.e. two cycles of 11 shifts on / 3 days off every 14 days). This would amount to 30% of a net monthly income of £2,886, which is a gross annual income of £34,632 (this is based on their expenses allowance alone and excludes their actual wages). The average income by residence on Anglesey by contrast is £498.30 per week or £25,912 per annum.
- 5.8.3 Even if it assumed that workers will seek to spend no more than £25 per night from the allowance on accommodation, they will be able to spend £550 per month: the spending power of someone with an annual income of £22,000.

**Table 8: NJC Accommodation Allowances and Spending Power**

<b>NJC Accommodation Allowances and Spending Power</b>				
<b>Daily Accommodation Allowance</b>	<b>Weekly (7 days) Equivalent</b>	<b>Monthly Equivalent (22 Shifts)</b>	<b>Equivalent to 30% of net monthly income</b>	<b>Implied Gross Annual Earnings</b>
£39.37	£275.59	£866.14	£2,886	£34,632
£25	£175	£550	£1,833.33	£22,000
£20	£140	£440	£1,466	£17,600
£15	£105	£330	£1,100	£13,200

- 5.8.4 If two workers share accommodation such as a 2 bedroom house, then they will be able to afford to pay between £1,732 per month (at £39.37 per night for 22 nights) or £1,100 per month (at £25 per night for 22 nights), as shown in table 9 overleaf.

<sup>29</sup> £39.37 x 22 shifts = £866.14. It is likely that construction workers will work more than 22 shifts per month (i.e. 24-25 shifts in some months on this cycle). However, the IACC believe this to be a sensible assumption. 25 shifts would give a Wylfa construction worker £984.25 allowance per month, equivalent to someone with gross annual earnings of £39,370.

**Table 9: Affordable Rents for 2 Sharers**

<b>Affordable Rents for 2 Sharers</b>		
<b>Daily Accommodation Allowance</b>	<b>Weekly Spending Power for 2 Sharers</b>	<b>Monthly Spending Power for 2 Sharers (22 shifts)</b>
£39.37	£551	£1,732.28
£25	£350	£1,100

- 5.8.5 Spending power at these levels would clearly enable Wylfa Newydd workers to afford to rent virtually any property on the island: As at 29<sup>th</sup> October 2018, there are only 30 properties advertised for rent on Anglesey on Rightmove.com. Only two of these are priced at more than £1,100 per month (one being a 7 bedroom luxury house priced at £2,950pcm, and the other a 4 bed detached property in the highly sought after area of Beaumaris, priced at £1,300pcm).
- 5.8.6 Given the limited number of properties available at any one time, this implies a very strong likelihood of a significant rise in rent prices across the PRS due to increased demand and the higher spending power of incoming workers over the average income of residents. Evidence from Hinkley shows that rents in some 'Hinkley Hotspots' has increased by £200 a month for 1 bed accommodation (see section 5.9.3 below for further detail). This will have an unacceptable negative impact on local people's ability to afford homes in their communities and in particular on vulnerable tenants at risk of homelessness.

**Table 10: Private rented sector: average rents by bedsize**

<b>Private rented sector: average rents by bedsize</b>	
	<b>Average monthly rents in 2016</b>
<b>1 bedroom flat</b>	<b>£446</b>
<b>2 bedroom house</b>	<b>£498</b>
<b>3 bedroom house</b>	<b>£550</b>
<b>4+ bedroom house</b>	<b>£799</b>

*Source: Review of the Private Rented Sector in North West Wales, Arc4, 2017*

- 5.8.7 In the tourist sector, any Wylfa Newydd worker would be able to rent any caravan (average maximum price per night £39.28), and any two Wylfa Newydd workers would be able to share in much of the self-catering market (average minimum price per night £76.07), as shown in Table 11 overleaf.

5.8.8 Given average occupancy levels in the self-catering market (particularly off-season (Nov – March) with average occupancy of approximately 46%), many owners may find an all year let to Wylfa Newydd workers an attractive proposition. Two Wylfa Newydd workers, using the midpoint of their spending power (e.g. £25 per person per night), could afford an annual rent of £13,200 for a 2-bedroom let).

**Table 11: Average Price per Night by Accommodation Type**

	Serviced, rooms and hostel	Caravan and Camping	Self Catering and alternative
Average minimum price per night	£60.80	£23.48	£76.07
Average maximum price per night	£102.40	£39.28	£145.91
Range for minimum price per night	£12 - £110	£8 - £80	£7 - £948
Range for maximum price per night	£20 - £350	£10 - £172	£10.50 -£993
Base / Average (£)	80	73	113

*Source: Accommodation Bedstock Survey, p14, Strategic Research and Insight, 2018*

5.8.9 What this demonstrates is that **Wylfa Newydd workers can afford to buy or rent almost any property on Anglesey** and could afford much of the tourism accommodation. The adverse impact of Wylfa Newydd workers outspending local people, will result in higher rents, house prices and displacement if there is not a commensurate increase in supply of housing to meet the demand. This is unacceptable and requires appropriate levels of mitigation, which is not currently provided in the Housing Fund.

5.8.10 Although it is unlikely that Wylfa Newydd construction workers will spend more than their daily allowance on accommodation; professional, managerial and supervisory staff may choose to spend more on accommodation to secure individual accommodation (as opposed to shared accommodation). A 1 bed or 2 bed house in the PRS at £450-£500pcm is easily achievable for a workers with accommodation and subsistence allowance of £866 per month.

5.8.11 Wylfa Newydd construction workers' spending power will have a **negative impact** on the local housing market if measures are not put in place to increase supply of housing. Increased house / rental prices will have a significant negative impact on the ability of local people to be able to afford housing which

in turn could have a negative impact on the Welsh language & culture (i.e. as local people will not be able to afford to stay in their own communities). The potential for landlords evict existing (potentially vulnerable) tenants in preference for the higher rental income from Wylfa Newydd construction workers could also increase the risk of homelessness. This would place a significant impact on IACC's already strained capacity and resources to deal with this impact as there are approximately **380 people/families** already on the IACC's housing waiting list.

## 5.9 Risk of Homelessness

- 5.9.1 From data obtained within Local Housing Market Assessment (2015), Amec Foster Wheeler (with support from housing experts HDH Planning) assessed the risk of homelessness with a 10%, 20% and 30% increase in rental prices. The results are contained within Table 12 below.

**Table 12: Risk of Homelessness**

	<b>At risk of price increase</b>		
<b>Household flow type</b>	<b>10%</b>	<b>20%</b>	<b>30%</b>
Newly forming households	15.2%	28.9%	37.8%
Existing households moving within Anglesey	2.3%	8.7%	18.5%
In-migrant households	9.7%	12.5%	24.4%
Total	8.9%	16.1%	26.5%
<b>Profile of private rented sector - all households currently resident</b>	<b>At risk of rent increase (includes those on LHA)</b>		
<b>Household type</b>	<b>10%</b>	<b>20%</b>	<b>30%</b>
Single pensioners	73.5%	81.1%	93.6%
2 or more pensioners	52.8%	58.7%	65.5%
Single non-pensioners	34.8%	39.6%	47.5%
2 or more adults, no children	15.9%	22.7%	33.9%
Lone parent	75.9%	80.4%	85.6%
2+ adults, 1+ child	25.1%	31.3%	40.2%
other	37.1%	41.6%	46.1%
Total	38.9%	44.5%	52.7%
<b>Employed person in household</b>			
Employed resident	23.6%	28.5%	36.9%
No one in employment	84.1%	88.6%	93.1%
Total	38.9%	44.5%	52.7%

- 5.9.2 What this demonstrates is that it is the most vulnerable in society who are the most at risk to increase in rental prices (i.e. single pensioners, lone parent, not

in employment). This is a significant concern to the IACC as rental prices could quite easily go up with the predicted future demand in the PRS as a result of Wylfa Newydd. Horizon argue that ONS data from Somerset shows that there has not been any increase in rental prices over the past 4 years. However, figures obtained by the IACC (see section 5.10 below) show a dramatic increase in homelessness.

- 5.9.3 Evidence from Somerset Officers dealing with the Hinkley Point C also suggest rental increases of some £200 a month in 1 bed 'Hinkley Hotspots' (i.e. Nov /Dec 2016 £460pcm average compared to October 2017 £647pcm)<sup>30</sup>. This is a 40% increase in some of the 'Hinkley Hotspots' in Somerset. Workers are apparently willing to pay a premium to be closer to the site, which again raises concerns for North Anglesey, particularly when considering the spending power of Wylfa Newydd construction workers compared to local residents.

## **5.10 Evidence from Hinkley Point C (on homelessness)**

- 5.10.1 This evidence relates to publically available information obtained for Sedgemoor District Council, where Hinkley is located. The data on homelessness and temporary accommodation was obtained from the Ministry of Housing, Communities and Local Government (MHCLG).

## **5.11 Homeless, and in 'priority need'**

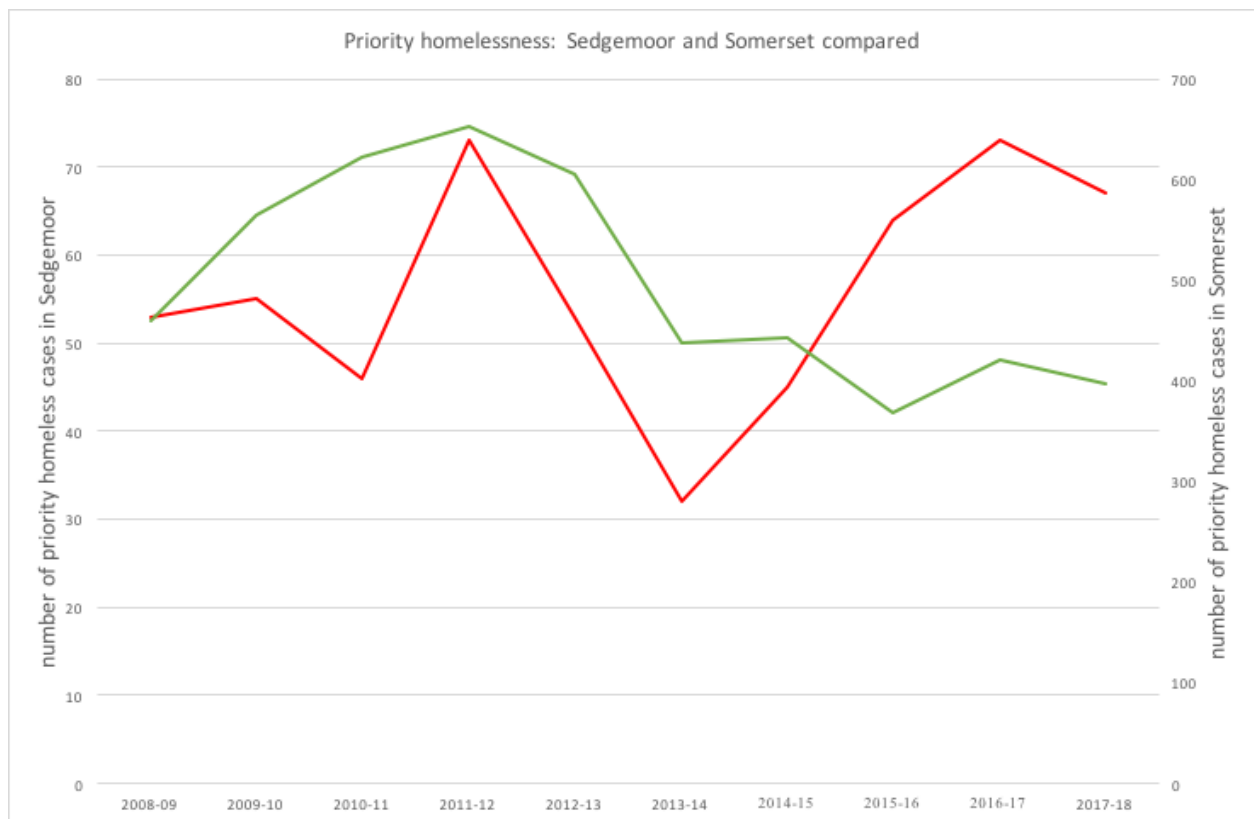
- 5.11.1 Figure 3 below shows that while both Somerset and Sedgemoor had experienced an increase in homelessness from 2008/09 to 2011/12, followed by a decline to a low point in 2013/14, priority homelessness in Somerset continued to fall slowly from 2013/14 to 2017/18, in contrast to Sedgemoor where priority homelessness increased sharply from 32 cases in 2013/14 to a new peak of 73 in 2016/17, an increase of 128%.

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<sup>30</sup> Presentation given by Andrew Goodchild to Wylfa Newydd Strategic Housing Partnership 23 November 2017 (Slide 24 of Annex 8).

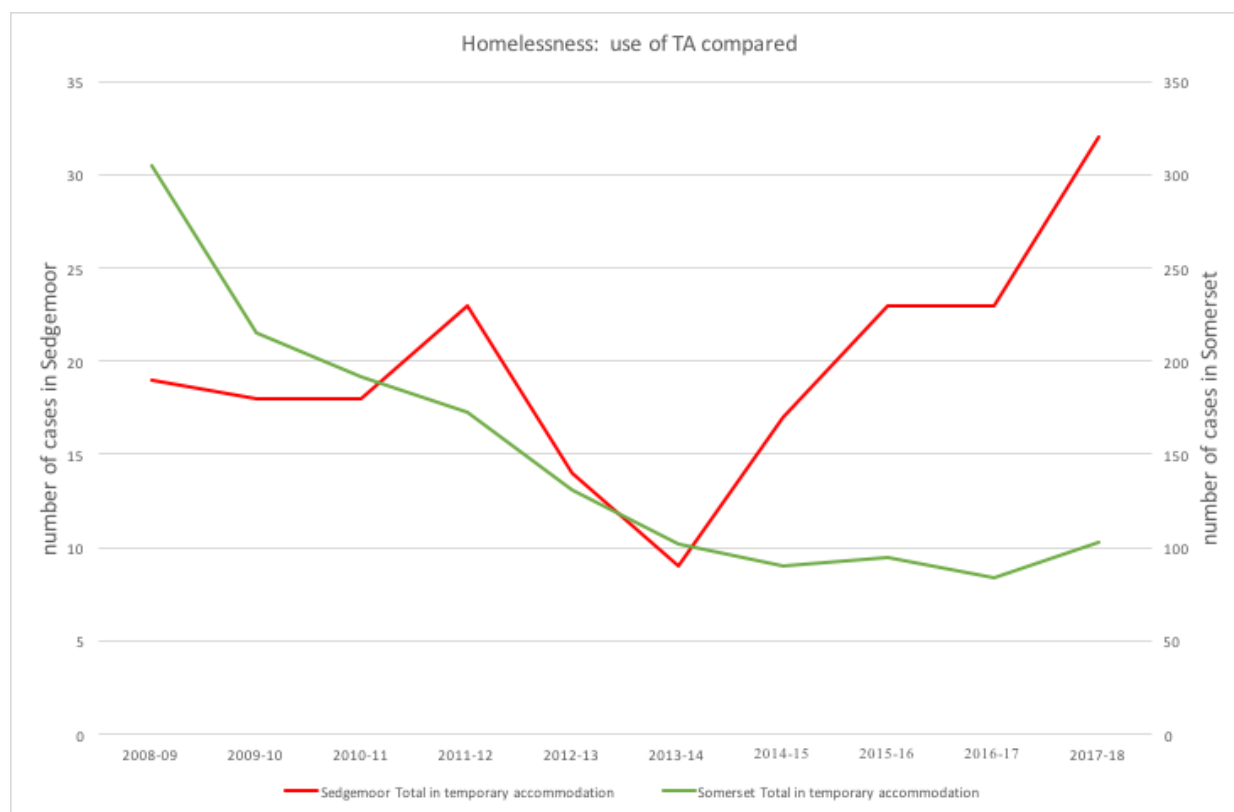


**Figure 3: Number of Priority Homeless in Sedgemoor**



5.11.2 As a consequence of the sharp increase in priority homelessness, Sedgemoor has also experienced a similar increase in the number of families in temporary accommodation (TA), as shown in the figure 4 below.

**Figure 4: Number of Homeless Cases in Sedgemoor**



5.11.3 Figure 4 shows that both Somerset and Sedgemoor had experienced a decline in the use of TA between 2008/09 and 2013/14, but that while the use of TA continued to decline across Somerset as a whole, its use in Sedgemoor more than trebled (from 9 cases to 32) between 2013/14 and 2017/18.

5.11.4 The homelessness statistics record the 'reason for loss of last settled home', although the numbers for Sedgemoor are patchy, because numbers less than 5 are suppressed for privacy reasons. Nevertheless, the data for recent years shows that 'termination of an assured short hold tenancy' had increased as a proportion of reasons for losing a home from around a quarter to over a third in 2016/17 and 2017/18, compared to 'parents no longer willing or able to accommodate' which has remained stable at around a fifth of all cases.

## 5.12 Homeless, but not in 'priority need'

5.12.1 There has also been a sharp jump in homelessness among households who are not in 'priority need', and to whom the local authority has no statutory duty (mainly childless single people and couples).

5.12.2 There were 59 cases of people who were eligible, homeless but not in priority need reported in the three years 2015/16 to 2017/18 (an average of 19.7 per annum), compared to 50 cases in the previous seven years 2008/09 to 2014/15

(an average of 7.1 per annum), an increase of 175%. Non priority homelessness in Sedgemoor averaged 6.75% of the total cases of non priority homelessness in Somerset over the seven years 2008/09 to 2014/15, but 28.5% over the three years 2015/16 to 2017/18.<sup>31</sup>

## 5.13 Empty Homes

5.13.1 There are currently some 779 empty properties on the Island (as of 1<sup>st</sup> October 2018). The Empty Homes Officer successfully bring back around 80 properties per annum, mainly through the implementation of a grant for first time buyers and the Houses into Homes loan scheme by the Welsh Government. Empty homes are a wasted housing resource, when many people and families are in need of good quality housing. The geographical distribution of the empty properties are as follows:

- a) North Anglesey 188
- b) Holyhead 104
- c) Rest of Anglesey 471

5.13.2 The data shows a significant concentration of empty properties in Holyhead, the remaining empty properties are generally dispersed between the town and villages and individual plots across the island. Further detail can be found in Annex 8O.

5.13.3 Horizon, as part of their Housing Fund, have committed to fund the bringing back of empty homes to meet the increased demand for housing. Although the number of properties, the value of the grant (and over how many years) is yet to be agreed, the principle is welcomed by the IACC.

5.13.4 Although bringing empty homes back into use is clearly a desirable policy objective<sup>32</sup>, the number of homes which become newly empty each year beyond the accepted six month period for active transactions remains at around 80 properties per annum. This is a problem with diminishing returns: to raise the number of properties brought back into use from 80 per annum (current rate) is likely to take a much larger increase in officer time, legal actions and grant aid than that required for the first 80.

5.13.5 A number of empty properties prove to be very problematic (e.g. probate issues, long-term derelict, require considerable capital and resources to bring them back into use etc.). Although there are a significant number of empty properties on the Island, given the significant increase in housing demand as a result of Wylfa Newydd and the tight timescale to achieve this, bringing 'more' empty properties back into active use it is not a solution which will mitigate the adverse impacts on the local housing market.

5.13.6 With the demand from Wylfa Newydd (in addition to existing demand) the IACC believe that a proactive, 'interventionist approach' is the only viable solution to

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<sup>31</sup> Note there are 6 properties that the IACC could not plot due to postcodes not being recognised.

<sup>32</sup> Further detail can be found in IACC's Empty Homes Strategy 2017-2022 ([Link](#))

mitigating the impact of Wylfa Newydd. As previously described, this includes a range of **pro-active / pre-emptive** measures to increase housing supply (e.g. building new housing, incentivising latent accommodation, bringing back empty properties and incentivising stalled sites) as there is not one single solution to mitigating the impact. The IACC therefore require a flexible Housing Fund, of sufficient scope and value, in order to deliver this solution. See section 7.0 for further detail on mitigation required.

5.13.7 Therefore in terms of impact, although the IACC welcome the principle of bringing back empty properties into use, in isolation it will have a **neutral impact** in terms of mitigating the housing impact of Wylfa Newydd (i.e. as more properties become vacant it does not have a net gain in terms of available properties). However, in combination with other measures to increasing housing supply and to mitigate impacts, it would have a **positive impact**.

## 5.14 Turnover in the Private Rented Sector (PRS)

5.14.1 In estimating the potential of the private rented sector to accommodate non-home based workers, there is a fundamental difference in approach between Horizon and the IACC in assessing the potential capacity of the sector. The difference in the estimates results from different interpretations of the limited data available on turnover within the private rented sector.

5.14.2 Horizon interpret the available data, indicating a turnover rate around 35% per annum, combined with a vacancy rate at any one time of over 10%, as indicating that there is some spare headroom within the sector. The IACC have assessed the existing data on void periods and turnover rates in the PRS, and the likelihood of spare capacity within the sector as indicating that there is no excess capacity in the sector to accommodate the increase in demand.

5.14.3 A survey in 2010 by ARLA<sup>33</sup> (previously known as the Association of Residential Letting Agents) suggested that the average void period for landlords in Wales/Scotland/Northern Ireland was 3.7 weeks, with 23% of landlords outside London and the South East experiencing void periods of 5-6 weeks or more.

5.14.4 A 2015 survey<sup>34</sup> by the insurance company Direct Line found that while void periods averaged 20 days in London, the average for northern cities such as Liverpool or Sheffield was 31-33 working days. No figures were given for more rural and peripheral areas such as Anglesey or Gwynedd, but it would not be unreasonable to assume that PRS properties outside the student market of Bangor will experience longer void periods before re-letting.

5.14.5 Horizon quote the 2011 Census finding that 35% of PRS properties in Anglesey, and 42% in Gwynedd had a different tenant one year previously. This would imply that the average tenancy length in the PRS in Anglesey is

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<sup>33</sup> ARLA Members Survey of the Private Rented Sector, Second quarter 2011 ([Link](#))

<sup>34</sup> Tenancy voids cost landlords £500 every 18 months as renters move on ([Link](#))

just under three years ( $1/0.35 = 2.86$  years)

5.14.6 In practice, it is unlikely that all PRS properties turn over at the same average rate: it is in landlords' interest to minimise void periods, because of the cost of rent loss, cleaning and repairs between tenancies, and in the interest of the tenant to remain in the same property. The correct interpretation of the data is therefore based on a smaller percentage of the PRS stock turning over at a faster rate than the average.

5.14.7 If the 35% of the PRS stock that has a new tenant compared to twelve months previously turns over twice a year, rather than once a year, taking advantage of the minimum six month period for an Assured Shorthold letting (in Wales, since 1 April 2017, these are known as Periodic Standard Contracts), then the average void period will be 7.4 weeks, and 10% of the stock will be void at any one time.

5.14.8 As an illustrative example, if a landlord has 20 properties, and 7 of them (35%) are re-let twice a year, then the average void period would need to be 7.5 weeks if 10% of the 20 properties are to be vacant at any one time. An average void period of 7.5 weeks would not seem unreasonable in a rural, sparsely populated area like Anglesey. (The report by Arc4<sup>35</sup> suggests that the average time to re-let property in the KSA was around 7 weeks over the three years 2014-17.) In practice, the actual operation of the PRS market is likely to be somewhere in between the two extremes.

5.14.9 Therefore, the normal operation of the market means that a turnover rate of 35% per annum, with 10% of the PRS stock vacant at any one time, is compatible with the normal voiding and reletting process. Therefore, for every PRS property rented by incoming workers at Wylfa Newydd, there will be one less property available for the local market.

5.14.10 Cambridge University conclude that there is no 'spare headroom' in the private rented sector: every property that becomes void is re-let in the normal way. Property let to non-home based workers will interrupt the normal workings of the private rental sector throughout the construction period, and across the whole island. This position differs significantly from Horizon's position, where it is submitted that there is sufficient headroom capacity in the PRS to absorb workers into this sector without impact adversely on existing tenants or people wishing to enter the PRS. The below section provides further detail and clarity on the turnover and lettings in the PRS.

## **5.15 Turnover and lettings within the private rented sector**

5.15.1 Turnover within the PRS stock, and the availability of net lettings for new tenants, can be estimated from the number of households who were living in the PRS at Census 2011 but who were living at a different address twelve months earlier.

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<sup>35</sup> *Review of the Private Rented Sector in North Wales*, Arc4, June 2017

The data for Anglesey is shown in Table 13 below:

**Table 13: Private rented sector: households who lived at a different address twelve months previously**

Private rented sector: households who lived at a different address twelve months previously						
	Total		Private landlord or letting agency		Other private rented or living rent free	
Total	3526	% of total	2407	% of total	1119	% of total
Wholly moving households in Anglesey in 2011	1056	29.95%	886	36.81%	170	15.19%
Moved within Anglesey	664	18.83%	561	23.31%	103	9.20%
Moved into Anglesey	392	11.12%	325	13.50%	67	5.99%

Source: Table UKMIG011, Household migration by tenure, Census 2011

5.15.2 Table 13 shows households who were living in the private rented sector on Census day. It shows the total number of households living in the private rented sector in Anglesey, divided between those who were renting from a private landlord or a letting agency and those who had some other form of landlord (such as tenants in tied accommodation) or who were living rent free.

5.15.3 Households who moved within Anglesey are most likely to have moved within the PRS, but a proportion will have moved from owner occupation or social renting, or be newly formed households. The English Housing Survey 2016/17 estimated that 18.3% of lettings in the PRS in that year were to existing PRS tenants moving within the sector, and that 7% had moved from other tenures.

5.15.4 The table shows that 18.8% of PRS tenants had lived at a different address within Anglesey twelve months previously, although they might have been living in a different tenure, and that 11.1% of PRS tenants had moved into Anglesey from elsewhere.

5.15.5 354 households had moved away from Anglesey at least twelve months previously, and were living in the PRS elsewhere in the UK on Census day, although some may have been living in other tenures when living in Anglesey. An unknown, but small, number of former tenants would have moved abroad during the twelve months prior to the Census, but these are unable to be counted.

5.15.6 The table shows the total of households who had lived at a previous address twelve months earlier, and who were living on Anglesey, in the PRS, on Census day.

5.15.7 The table shows that tenants with 'non-commercial' arrangements are much

less likely to have been living elsewhere twelve months previously, compared to tenants who are renting from private landlords or letting agencies.

- 5.15.8 Not all of the 561 tenants of private landlords or letting agents who had moved within Anglesey will have been tenants in the PRS twelve or more months previously, but the number of moves from other tenures into the PRS on the island is likely to be minimal. Some of the 561 will also be new households that did not exist twelve months previously.
- 5.15.9 It might be reasonable to assume that around 500 PRS tenants in the open market will have moved within the PRS from another address within the previous twelve months. Moves within the PRS itself are self-balancing: no net vacancy is created.
- 5.15.10 The number of net vacancies in the PRS is the total of vacancies created by tenants leaving the PRS in Anglesey, plus vacancies created by the death of a sole tenant, plus new supply acquired by landlords, less sales by landlords of previously tenanted properties becoming vacant.
- 5.15.11 The table above suggests that 'commercial' vacancies amount to the 325 vacancies occupied by tenants who had moved to Anglesey, plus a number (perhaps 60) of vacancies occupied by households already living in Anglesey but in different tenures, or newly forming.
- 5.15.12 It is not clear whether any of the vacancies that occur within the 'non-commercial' sector would be available to potential tenants moving to Anglesey and seeking to rent in the open market.
- 5.15.13 An estimate that there are around 400 net vacancies per annum and that are available in the open market in the PRS, or 11.3% of the total PRS stock, appears reasonable.
- 5.15.14 Horizon proposes (Table 2-3 Worker accommodation by construction year) to absorb 330 PRS lettings in Y4 and 297 in Y5, or over three quarters (78.4%) of all net vacancies in the PRS in those years. Horizon also proposes to release 375 PRS properties back into the market in Y8 and 369 in Y9, almost doubling the supply of PRS lettings in those two years.
- 5.15.15 In both cases, absorbing and releasing such a high proportion of PRS vacancies is likely to disrupt the operation of the normal housing market to an unacceptable degree.

## **5.16 Phasing & Delivery of On-Site Campus**

- 5.16.1 The phasing and delivery of the on-site campus will have a significant impact on the local housing market and the availability of tourism accommodation. Horizon's proposed phasing and delivery for the on-site campus is unacceptable as it will place significant stress on the local housing market, particularly during the early years of the project. To minimise the pressure on the private market the IACC requires the delivery of the TWA earlier (e.g. more

workers accommodated by Year 4 Q4) and the subsequent phases also to be delivered earlier, rising to the planned peak of 4,000 by Year 5 Q4.

- 5.16.2 Horizon's current proposal of having 1,000 bedspaces available by Q4 Year 4 building gradually up to a peak of 4,000 by Q2 Year 7 **is not acceptable**. This places significant and unjustified stress on the local housing market and tourism sectors, particularly in the early to mid-stages of the project (Years 4, 5 and 6). Horizon must mitigate the impacts of its project by ensuring that more of the on-site campus is ready and available by Year 4 Q4 and the site campus is fully completed and operational by Year 5 Q4 to meet this significant demand for accommodation.
- 5.16.3 The IACC also require the on-site campus to be available for longer, declining more gradually from Year 8 Q4 to Year 10 Q1. This will reduce the pressure on the private housing market during Year 9 and the first two quarters of Year 10 as the non-home based workers would otherwise have to be accommodated in the PRS or in tourism accommodation, displacing local residents and tourists. Horizon's current proposals (see Annex 8J<sup>36</sup>) of removing all the TWA by Q4 Year 9 will result in a significant increase in the use of PRS and other accommodation sectors in Q1 Year 10, which is unacceptable. The removal of the TWA will need to correlate with the decline in construction worker numbers and 'smoothing out' of this decline is required to prevent any adverse impacts on the housing and tourism sectors towards the end of the project.
- 5.16.4 Horizon's accommodation strategy proposes that the TWA will only be fully occupied (i.e. 4,000 workers) for just over 18 months (7 quarters), from Year 7 Q2 to Year 8 Q4. It will then decline quite rapidly the following year to 1,250 by Year 9 Q4 and '0' (zero) by the following quarter.
- 5.16.5 The IACC have discussed the potential to bring forward the delivery of the site campus with Horizon. However Horizon have indicated that due to commercial and procurement reasons, and due to the time it would take to prepare the site, bringing forward the delivery of the first 1,000 bedspaces will not be achievable (i.e. before Year 4 Q4). Horizon have however indicated that the subsequent phases could potentially be brought forwards and they are working on a revised Phasing Strategy (The IACC have not seen this revised Phasing Strategy before the preparation of this LIR).
- 5.16.6 In terms of impact, the IACC believe not bringing forward the delivery of the on-site campus earlier and in greater numbers will have a significant **negative impact** on the local housing and tourism markets. Not having the TWA in place earlier will result if 1,200 properties (including caravans) being let to incoming construction workers in less than two years at the beginning of the project (See Annex 8J). This is clearly unacceptable. Although the IACC acknowledge that Horizon will not be in a position to commit to procuring the on-site campus until DCO is granted, there are pre-emptive measures which can be implemented to

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<sup>36</sup> IACC breakdown of Horizon's Construction Worker Accommodation Strategy by number of workers in each accommodation type per quarter of the build period.



mitigate this impact of effectively ‘flooding’ the housing and tourism markets in the early years. This includes preparing for the delivery on new housing units.

5.16.7 By Year 4 Q3 (i.e. 1 quarter before the TWA is available) there will be approximately 1,700 non-home based construction workers seeking accommodation in existing accommodation (or caravans). If there is a delay in the delivery of the TWA (as experienced in Hinkley Point C), this impact could be significant. Even a delay on 1 quarter would see an additional 500 workers seeking accommodation in the private market, which again is clearly unacceptable. **The IACC will therefore seek a DCO requirement limiting the amount of construction workers on-site until each stage of the TWA is available (thresholds to be agreed). This will ensure that the build-up of workers on-site corresponds with the number of TWA bedspaces available to prevent ‘overspill’ into other accommodation sectors.**

## 5.17 Tourism Accommodation

5.17.1 Whilst the JLDP recognises that some of the 9,000-construction workforce should use accommodation on the Island (including holiday accommodation), it clearly establishes that this ‘should not result in an unacceptable impact on [the] availability of... tourist accommodation.... Tourism is a key economic sector and requires to be given specific consideration and assessment in finalising the construction workers’ accommodation strategy’.<sup>37</sup> These ‘Proposals for accommodation should minimise the impact on... the tourism sector.’<sup>38</sup>

5.17.2 Evidence from the development of HPC shows that, although there may be some short-term economic benefit for individual accommodation providers, there will be a reduction in available tourism bed-spaces for use by visitors to the area. This will lead to increased difficulties in accessing or finding available accommodation and a mismatch between worker and visitor behaviours, needs and expectations.

5.17.3 The experience of other NSIPs highlights how this can exacerbate weaknesses in a destination’s tourism economy and destabilise it through visitor displacement and anti-social behaviour.<sup>39</sup> Moreover, these projects (e.g. Channel Tunnel, Heathrow Terminal 5 and Sizewell B), consistently underestimate the numbers of workers they require, which has serious implications for Wylfa Newydd’s accommodation calculations.<sup>40</sup>

5.17.4 Anglesey’s accommodation stock is concentrated along the coast. Serviced accommodation is limited in scale, range and quality, lacking the ‘attractive,

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<sup>37</sup> Anglesey/Gwynedd LDP 2011-2026, Joint Written Statement 31 July 2017 ([Link](#))

<sup>38</sup> Anglesey/Gwynedd LDP 2011-2026, Joint Written Statement 31 July 2017 ([Link](#))

<sup>39</sup> Somerset Council, 2012. Local Impact Report, p.237; Somerset Council, 2012. Local Impact Report, paragraph 6.3.17 and 6.3.18. ([Link](#))

<sup>40</sup> Hay, A., Meredith, K. and Vickerman, R. 2004. The Impact of the Channel Tunnel on Kent and Relationships with Nord-Pas de Calais. Final Report by Centre for European, Regional and Transport Economics, University of Kent, [Online]. Online at: ([Link](#))

boutique hotels found in other coastal/rural destinations.’<sup>41</sup> Self-catering stock is generally of high quality and is high performing, whilst the caravan sector dominates and is generally buoyant. The proportion of static caravans available to let is problematic given worker preferences for this accommodation and low levels of interest from this sector.<sup>42</sup>

- 5.17.5 Tourism industry representatives have voiced strong concerns that workers will fill the holiday accommodation stock over the 10-year build programme. Current estimates suggest that 4,000 workers will be accommodated in a purpose-built site campus adjacent to Wylfa Newydd and 3,000 workers will be housed in existing accommodation, including tourism or rental accommodation. Any failure to release ‘latent’ accommodation will exert more pressure on tourism accommodation and the private rented sector. Evidence from other NSIPs suggests that the demand for tourist accommodation may increase by as much as 15% in response to this.<sup>43</sup>
- 5.17.6 The Island already has a shortage of affordable housing for residents and this is likely to lead to further pressure on the holiday accommodation stock amid concerns over increased homelessness on the Island. Rents are expected to increase because of the demand from Wylfa Newydd construction workers and IACC housing services have identified that there are insufficient properties on the Island to cope with the expected influx.
- 5.17.7 Experience elsewhere shows that to ‘squeeze as much out of allowances... [as] part of the compensation for working away from home’ construction workers want the cheapest housing available, booking up low rent and caravan accommodation.<sup>44</sup> Interest in housing workers is limited, with just over a half (56%) of providers expressing an interest. Interest varies depending on accommodation type with the small serviced sector (particularly B&Bs) exhibiting the highest levels of interest (82%) compared with 55% of self-catering and only 35% of the caravan and camping sector.<sup>45</sup> Many of the latter sites thus may well be unavailable to workers due to preferences, availability or licensing restrictions.
- 5.17.8 The Accommodation Bedstock Survey 2018 suggests that there will be a transference of accommodation out of the tourism sector, which will have negative consequences for the overall visitor economy, leading to job losses. Over three-quarters of those who are interested are interested in providing all-year round accommodation. Transference of tourism stock is expected to extend beyond the serviced sector. Horizon assert that self-catering is likely to be very important since some properties might ‘...act more like private rented service stock,’<sup>46</sup> offering long-term lets to workers. This change of use would

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<sup>41</sup> Anglesey Destination Management Plan 2012-2016. ([Link](#))

<sup>42</sup> Anglesey Destination Management Plan 2012-2016. ([Link](#))

<sup>43</sup> EDF 2016. Consultation Document Sizewell C. ([Link](#))

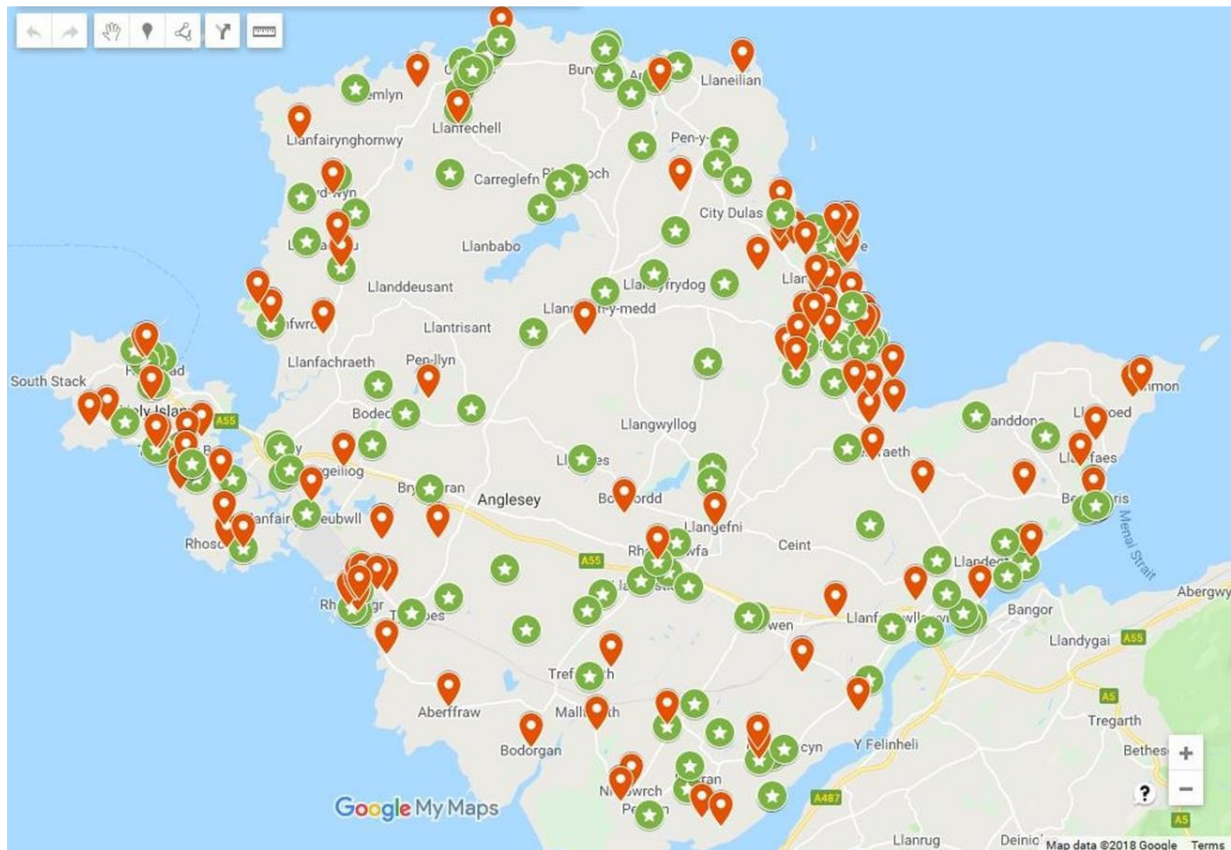
<sup>44</sup> Mathieson, K. 2003, Work, Health and Living Conditions for Construction Workers on Large-Scale Construction Projects: A Danish Study, p. 9, online at <https://arbejdstilsynet.dk/~media/AT/at/05-Information/04-Andre-informationsmateriale/Bygge-anlaeg/Camps-uk.pdf>.

<sup>45</sup> IACC Accommodation Bedstock Survey 2018 (Annex 8P).

<sup>46</sup> Horizon E1 Worker Accommodation Strategy E1-32 para 6.3.12. (APP – 412)

have implications for this stock's classification as a furnished holiday let (FHL) and the business benefits, which currently come with this. The use of second homes is also identified by Horizon but it is also the case that many of these form part of Anglesey's self-catering stock.

**Figure 5: Distribution of Properties Interested / Not-Interested in Accommodating Workforce**



Source: Bedstock Survey Analysis, supplement to Tourism Topic Report;

Note: n=267; green stars indicate interested properties, red indicates those that are no interested.

5.17.9 Figure 5 shows the pattern of interest in accommodating Horizon's workforce and partly indicates the potential loss of accommodation to the sector, which could be as much as 78% of those interested. The displacement/transference of accommodation into the private rented sector is a matter for individual operators. However, this will occur as a direct consequence of Wylfa Newydd and will have significant ramifications for the wellbeing of the visitor economy – it cannot, therefore, be dismissed as a response to market forces.

5.17.10 Anglesey's serviced sector is already small compared to competitor destinations. Further losses will weaken this sector substantially as well as undermining the high-quality, high-performing self-catering sector. The impact of professional, managerial and supervisory staff occupation of this sector will be significant, although Horizon provides little detailed analysis of their accommodation/daily allowances or preferences. Fewer visitors and reduced visitor spend will adversely impact on the viability of the wider tourism sector (attractions, cafes, restaurants etc.). This wider tourism economy is not considered in any detail. Removing accommodation will also

undermine the strategies of IACC and Visit Wales, which focus on growing tourism into a year-round industry.<sup>47</sup> Growth targets of 10% will be compromised if tourism accommodation substitutes for the private rented sector.

- 5.17.11 The worker accommodation management service (WAMS) is intended to manage demand and ensure that no sector or location is oversubscribed. However, the Accommodation Survey indicates that it may not function effectively for the tourism sector as less than a third of operators are interested in utilising it. It is difficult to see how the WAMS can function in this situation, and particularly given that, this is not mandatory for workers to use. Moreover, even if it did function, the workers' own preferences may intervene to dictate demand patterns, particularly given the large numbers of anticipated sub-contractors.<sup>48</sup> This will have clear implications for IACC's ability to enforce licensing regulations.
- 5.17.12 Horizon over-estimates 'spare capacity' in the sector by using all-Wales occupancy data, which is lower than that for Anglesey. This is compounded by the failure to apply an access moderator to the self-catering sector, which has the highest peak-period occupancy rates (88%). Additionally, construction workers will not necessarily want to stay where there is 'spare capacity' as they prefer accommodation near the main construction site or the associated Park and Ride site at Dalar Hir.<sup>49</sup>
- 5.17.13 NSIPs recognise that they will impact on local tourism-related businesses as they lose traditional tourism-related revenues but argue that this impact will be offset through construction workers boosting the tourism economy in the off-season.<sup>50</sup> It is unlikely that any short-term off-season boost will compensate for year-round lost tourism revenues - whether from accommodation lost to the sector, visitors put off by the development or those who fail to find accommodation as a consequence of Wylfa Newydd worker occupancy.<sup>51</sup>
- 5.17.14 There is likely to be a significant deterioration in accommodation standards, which will require mitigation – although Horizon's proposed mitigation relates to the possible provision of leisure services and not to the maintenance or enhancement of standards in the tourism sector.<sup>52</sup> This will decrease the sector's quality reputation and quality standards and, as has occurred elsewhere, destabilise the industry, lower its resilience and decrease its ability to contribute to the Island's economy.<sup>53</sup> Mitigation should focus on this

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<sup>47</sup> IACC Accommodation Bedstock Survey 2018 (Annex 8P).

<sup>48</sup> Examination Library Reference (APP – [412]) p.5.

<sup>49</sup> Presentation by Andrew Goodchild to Wylfa Newydd Strategic Housing Partnership (Annex 8I)

<sup>50</sup> Examination Library Reference (APP-088) para 1.4.18, p.C1-16.

<sup>51</sup> Bloxham, T. 2005. Morecambe Doesn't Need Any More Attractions. It's got a fantastic attraction and it's called Morecambe Bay, The Architects' Journal; online at [\(Link\)](#) Somerset County Council, West Somerset Council and Sedgemoor District Council HPC LIR, May 2012; Wylfa Newydd Power Station DCO, Chapter 1, Socio-Economics, p.C1-39; the Fourth Statistical Account of East Lothian, online at [\(Link\)](#).

<sup>52</sup> IACC Response 9.3 B1.214.

<sup>53</sup> Bloxham, T. 2005. Morecambe Doesn't Need Any More Attractions. It's got a fantastic attraction and it's called Morecambe Bay, The Architects' Journal; online at [\(Link\)](#).



and on expanding the Island's tourism offering through the establishment of facilities, which appeal to tourists and the host community alike such as country parks, museums, heritage centres, etc.

- 5.17.14 Other NSIPs demonstrate how tourism accommodation is increasingly unsuitable as an accommodation choice for workers for a range of reasons, all of which apply to Anglesey.<sup>54</sup> These changes have led to a reduction in the amount of accommodation drawn from the sector in their modelling plans; thus, Sizewell C has lower estimates than those for Sizewell B.<sup>55</sup> Horizon estimate that 37% of accommodation (excluding the campus) will come from the tourism sector.
- 5.17.15 Horizon's modelling is flawed in several key respects and overestimates the available serviced and self-catering accommodation. Whilst they apply access moderators to the serviced and caravan sectors, they assume that 100% of self-catering stock will be available. Given that this is a particularly high value and high performing sector (with a peak occupancy rate of 88%),<sup>56</sup> the absence of an access moderator overestimates supply and underestimates the impact of worker demand.
- 5.17.16 Horizon's calculations are also drawn from the whole Key Socio-economic Area (KSA) and utilise accommodation stock data drawn from both Anglesey and the Menai Mainland. This inflates the estimated number of bed-spaces and amount of stock available in each sector by 25,636 (44%), yet Horizon's calculations estimate that this will only play a very minor role in workers' accommodation choices (e.g. 8% of caravan sector).<sup>57</sup> Even this may over-estimate the role Menai Mainland will play given evidence, which confirms how proximity drives worker accommodation choices and demand.<sup>58</sup> Taking only the Anglesey element of this calculation demonstrates the scale of the over-estimate. Subjecting the 2018 Bedstock Accommodation Survey data to similar analysis shows that only 99 serviced bed-spaces are available on Anglesey during peak; the equivalent of 50 rooms. This clearly shows demand for accommodation will far exceed supply and this is repeated across all sectors
- 5.17.17 This will put even greater pressure on accommodation near the site and in North Anglesey. Most demand will be felt in two key Anglesey wards (Anglesey North and Anglesey West). These will account for 62% of caravan and camping demand and 66% of serviced tourism accommodation (but only 29% and 36% of supply respectively using Horizon's analysis), which reflects construction workers' desire to be as close as possible to the site. Evidence from Hinkley Point C demonstrates that over 80% of the non-home-based

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<sup>54</sup> EDF Consultation Document Sizewell C 2016. [\(Link\)](#)

<sup>55</sup> Glasson, J. 2005. Better Monitoring for Better Impact Management: The local socio-economic impact of constructing Sizewell B, NP. [\(Link\)](#)

<sup>56</sup> IACC 2018 Accommodation Bed stock Survey. (Annex 8P)

<sup>57</sup> Examination Library Reference APP-[088] para 1.5.23-1.5.25.

<sup>58</sup> Somerset County Council LIR, p.137; Glasson, J. 2005. Better Monitoring for Better Impact Management: The local socio-economic impacts of constructing Sizewell's Nuclear Power Station. [\(Link\)](#)

construction workers live within 15km of the site.<sup>59</sup> Despite this, Horizon assesses the impact on Anglesey North and Anglesey West as minor and not significant.<sup>60</sup> Yet the caravan and camping sector has the lowest levels of interest in housing workers.

- 5.17.18 IACC's evidence demonstrates that there will be a significant **negative Impact** on the tourism accommodation sector. Horizon have overestimated supply and have under estimated the impacts Wylfa Newydd will have on this critical sector of the Anglesey economy. Anecdotal evidence from the tourism trade (Destination Anglesey Partnership) also suggests that there is limited to no capacity on Anglesey during the summer months. This anecdotal evidence is important as it directly links to the perception of Anglesey being 'full' which will be exacerbated by the influx of Wylfa Newydd construction workers.

**Table 14: Horizon Estimated (Est) Headroom in August peak across KSA**

	A	B	C	D	E	F
Type	Estimated bed space	Access moderator	Adjusted estimated bedspace (AxB)	Peak capacity utilisation	August peak bed space required (DxC)	Estimated head room (C-E)
Hotel, Guest, B&B	6,947	40%	2,779	83%	2,306	472
Self-Catering	6,411	100%	6411	59%	3,783	2,629
Caravans	45,428	25%	11,357	71%*	8,084	3,273
Other	2,650	0%	0	n/a	0	0
Total	61,436	n/a	20,547		14,173	6,374

Source: [\(Link\)](#)

\*Assumes 42% of stock is vacant at peak capacity

## 5.18 Caravan Accommodation

- 5.18.1 Horizon's Workforce Accommodation Strategy proposes to accommodate 650 construction workers (at peak) in caravan accommodation. Horizon states that there are 45,430 caravan bedspaces within Key Socio-Economic Area (KSA). Adjusting this figure to account for occupancy rates, affordability and licensing restrictions, Horizon estimate that there are 3,275 caravan bedspaces available in the KSA.

- 5.18.2 In January 2018, the IACC commissioned a Tourism Bedstock Survey<sup>61</sup> to assess the level of tourism bedspace available on Anglesey. As well as being a 'standard' bedstock survey following Visit Wales methodology, the

<sup>59</sup> Presentation by Andrew Goodchild to Wylfa Newydd Strategic Housing Partnership. (Annex 8I)

<sup>60</sup> Examination Library Reference APP-[088] para 1.5.26-27, p.C1-28.

<sup>61</sup> Tourism Bedstock Survey (June 2018) (Annex 8P)

questionnaire also contained Wylfa Nylfa Newydd section so the IACC could gauge the appetite/willingness of tourism providers to house Wylfa Newydd construction workers<sup>62</sup>. This is a significant differentiating factor between the Horizon's assessments of capacity and the IACC's assessment because even if the capacity is there and available, providers may not want to let to Wylfa Newydd construction workers.

- 5.18.3 In total 267 providers took part in the survey. Overall, only 56% of accommodation providers were interested in accommodating construction workers. Differences by accommodation type show that serviced accommodation providers are most interested in accommodating workers (82%). 55% of self-catering providers are interested and only **35% of caravans/ campsites are interested**.
- 5.18.4 Based on survey findings and supplementary desk research, there are an estimated 35,800 bed spaces on Anglesey. 5% are in serviced accommodation, 73% in camping and caravanning and 22% in self-catering. This excludes tent pitches for which estimates would be unreliable. Understandably, caravans and campsites have the lowest average minimum and average maximum price per night (£23.48 and £39.28 respectively).
- 5.18.5 The price per night is obviously an attractive proposition to Wylfa Newydd workers, but the IACC's view (based on assessment of capacity, the willingness of caravan accommodation providers to let to Wylfa Workers and professional judgement from the IACC's Environmental Health team) is that caravans are not suitable accommodation for this amount of construction workers, particularly all year round. This position is supported by responses to the Bedstock Survey where the reasons given by caravan providers for not wanting to house Wylfa Newydd workers were; *'that they were not suitable for long term lets, available only for caravan club members, too cold in the winter, most caravans were privately owned'* etc. (these comments do not include impacts on the tourism sector which are covered in the Tourism Chapter of this LIR).
- 5.18.6 Based on data provided by the 97 caravan and camping operators who took part in the survey, there are over 6,200 pitches for these providers alone:

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<sup>62</sup> IACC Tourism Bedstock Questionnaire (2018) (Annex 8D)

**Table 15: Breakdown of Caravan and Camping Pitches**

Type of caravan and camping pitches	Total pitches	Average pitches per operator*	% Operators with pitches
Static caravans (to let)	164	6	29%
Static caravans (privately owned)	2,833	69	42%
Touring caravan pitches (to let)	893	19	47%
Touring caravan pitches (privately owned)	712	34	22%
Seasonal caravan /tent pitches (less than one month)	740	44	18%
Glamping tents / pods	34	6	6%
Tent pitches	890	25	37%
<b>Total pitches</b>	<b>6,266</b>	<b>65</b>	

\* Based on operators who have these types of pitches

- 5.18.7 Two in five operators (42%) provide pitches for privately owned static caravans, which account for 45% of all of the pitches available. Touring caravan pitches to let are offered by almost half (47%) of the caravan and camping providers and these make up 14% of all pitches. Static caravans to let make up just under 3% of all pitches.
- 5.18.8 Survey participants were asked to estimate the number of bed spaces available on site for static caravans and glamping. Where numbers were not provided we have applied a conservative estimate of 4 bed spaces per unit. **Tent pitches have not been estimated as these could vary widely depending on the size of the party.**



**Table 16: Estimated Bedspace in Caravan Accommodation**

Type of caravan and camping accommodation	Total pitches	Estimated bed spaces
Static caravans (to let)	164	655
Static caravans (privately owned)	2,833	13,719
Touring caravan pitches (to let)*	893	3,572*
Touring caravan pitches (privately owned)*	712	2,848*
Seasonal caravan /tent pitches (less than one month)*	740	2,960*
Glamping tents / pods	27	108
Tent pitches	890	Not estimated
<b>Total</b>		<b>23,862</b>

\* Estimates based on 4 berths per unit

5.18.9 Almost six in ten (57%) bed spaces on camping and caravan sites are for privately owned accommodation. 3% are in static caravans to let and 12% on seasonal pitches. 27% of bed spaces are taken up by touring caravans. Removing the privately owned capacity from the above table 16, removing the seasonal pitches (less than 1 month) and applying Horizon assumption of 2 worker per pitch (instead of 4 as assumed in the Bedstock Survey – i.e. a family) the available caravan capacity is approximately 2,114 bedspaces<sup>63</sup>. This figure is probably not too far apart from Horizon's estimate of 3,275 bedspaces in the KSA as the 2,114 estimate applies to Anglesey only.

5.18.10 However, applying 35% who said they would be interested in accommodating Wylfa Newydd workers (i.e. caravan providers) to the available capacity, the capacity is significantly lower at 740 available bedspaces<sup>64</sup>. If Horizon are looking to take 650 of these bedspaces (at peak) (as proposed in the Workforce Accommodation Strategy –APP-412) and are not providing additional capacity to meet this demand, **this will have a significant and detriment impact on the tourism sector, which is wholly unacceptable.**

5.18.11 Horizon must either work with **existing** caravan accommodation providers to identify suitable sites that could be available for construction workers (with the necessary facilities and services as outlined in Policy TAI 14). OR, Horizon must identify **new** site(s) which can be made available to construction workers. This is the only way in which the IACC would be able to assess the impacts on the tourism sector, on highways, welsh language, the environment, exiting

<sup>63</sup> Static Caravans to let (164 x 2) + Touring Caravan Pitches to let (893 x 2) = 2,114 bedspaces.

<sup>64</sup> 35% of 2,114 = 739.9 (740).

services and facilities etc. in accordance with policy TAI14 (see planning policy section 4.1.1).

5.18.12 In January 2017, the IACC commissioned Amec Foster Wheeler to undertake a review of the caravan capacity on the Island. The Evidence Base Report is contained in Annex 8Q, together with four maps plotting these locations (and the capacity in each area) (Annex 8R – 8U). This information has already been shared with Horizon on the 18<sup>th</sup> April 2017.

5.18.13 The evidence base report concluded that there are 1,314 pitches available for **12 month occupancy** (1,168 statics and 164 tourers). Utilising Welsh Government survey data for North Wales (i.e. 12% vacancy for caravans and 41% vacancy for tourers) the IACC concluded that there were 128 static caravans and 67 tourer pitches available. This provided a total of 195 (rounded up to 200). Assuming 2 per pitch, this would provide a capacity of 400 (although Amec Foster Wheeler used 1 per pitch for their initial assessment – i.e. 200 as can be seen in Table 2 of this chapter).

5.18.14 However using all caravan capacity (i.e. not limiting to 12-month occupancy) the available capacity is 4,842 (3,078 statics and 1,764 tourers). This data however, does not discount those pitches that are not available (i.e. owner occupied). Utilising the same vacancy rates as above for all capacity this would provide a figure of 1,092 pitches (2,185 bedspaces) This is obviously inaccurate as it does not discount those owner occupied pitches that cannot be sub-let.

5.18.15 As the Tourism Beststock Survey (June 2018) differentiates between 'owner occupied' and 'available to let', the IACC have used these figure to determine available capacity. Applying the same vacancy rates to the Tourism Bedstock Survey (Table 16 above) as was used in the Caravan Assessment undertaken by Amec Foster Wheeler in 2017 (i.e. 12% for statics and 41% for tourers) this provides a figure of **770 bed spaces**<sup>65</sup>. However, applying 35% to the available bed space (i.e. the amount of caravan site owners who said they would be willing to accommodate Wylfa Newydd worker) this given an available capacity for Wylfa Workers of **270 bed spaces**.

5.18.16 In conclusion, the IACC estimate that there are **770 bed spaces** available that can be used by Wylfa Newydd construction workers. However, if only including sites with 12-month occupancy, this figure reduces to **400 bed spaces**. Given the lack of appetite in the sector to accommodate Wylfa Newydd workers (35% on those surveyed<sup>66</sup>) this number could be significantly less. Horizon need to work with willing caravan site owners (or propose new sites) which can be assessed as appropriate to accommodate Wylfa Newydd workers (for 12 month occupancy) in accordance with Policy TAI 14 of the JLDP.

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<sup>65</sup> (893 tourer pitches x 2 = 1,786 bedspaces (x 0.41) = 732.26) + (164 static pitches x 2 = 328 bedspaces (x 0.12)) = 771.62 (770 to nearest 10).

<sup>66</sup> Tourism Bedstock Survey (June 2018)

5.18.17 The information supplied to Horizon on the location of the sites can be utilised to undertake this process. Note there are **no sites in North Anglesey** licensed for 12-month occupancy, there are 286 touring pitched in North Anglesey (20 in the two Wards closest to Wylfa and 266 in Llanfaethlu) and only 88 of these are licensed for 10 months or more. This evidence demonstrates that the capacity is not present, contrary to what Horizon suggests.

## **5.19 Second Homes / Self Catering Holiday Lets**

5.19.1 As at the end of Quarter 2 2018/19, there are 2,627 second homes on the Island (see Annex 8E for further detail). On 10 March 2016, the IACC agreed to dis-apply any discounts granted for long-term empty dwellings and for dwellings occupied periodically (usually known as second homes) and apply a higher amount of Council tax (called a Council Tax premium) to come into effect from 1 April 2017. The IACC set the Council Tax premium at 25% of the standard rate of Council tax for both long-term empty dwellings and for dwellings occupied periodically (usually known as second homes).

5.19.2 To avoid this Council tax premium, some second home owners may transfer to a self catering holiday let and pay business rates (and thereby claiming the small business rate relief). an analysis of the Valuation Office's Special Category Description – Holiday Lets (self-catering) shows that 141 properties have transferred to the Rating List from Council Tax in the period 1 April 2017 to 1 April 2018 i.e. properties where the Council Tax premium had applied (with regard to the tax base, this is a band D equivalent reduction of 151 properties). Financially, this has meant a loss of premium income of £50,329 for 2017/18 and £54,412 for 2018/19. It should also be noted that additional loss of the standard Council Tax income for such properties amounted to £198,611 in 2017/18 and £217,649 in 2018/19. Those making this move will be subject to commercial waste charges on the dwelling as it is no longer classed as domestic.

5.19.3 With the influx of Wylfa Newydd construction workers seeking accommodation, more second home owners may wish to let their property as a self-catering holiday let to avoid paying the Council tax premium and to make a financial gain from rental income. To qualify as holiday lets, the taxpayer must prove to the Valuation Officer that the dwelling is available for let for 140 days and has actually been let for 70 days in a 12 month period. This could lead to a significant loss in Council tax income for the Island, which will need to be carefully monitored, managed and enforced.

5.19.4 The fact that only 141 second home owners, or 5% of the total, chose to be assessed as a holiday let following the introduction of the 25% premium suggests that most second home owners are using the property primarily for personal use rather than lettings.

5.19.5 Self catering lettings cannot be let for more than 60 days for any one letting<sup>67</sup>, which inevitably restricts their use for construction workers on anything other than very short term contracts.

5.19.6 On the 12<sup>th</sup> November 2018, a report was presented to the IACC's Executive Committee that provided an update following one year of the implementation of the premium Council tax.<sup>68</sup>

## 5.20 Evidence from Hinkley Point C

5.20.1 The latest (complete) data available is the position at December 2017, eighteen months into the construction programme and 30 months after earth moving works commenced. At December 2017, 51% of the peak workforce was on site (2,870 from 5,600 workers), a point which is predicted to be reached at Wylfa Newydd in Y4Q4.

5.20.2 The table below shows the original prediction by EDF of the tenure split of the non-home based workforce at peak, and the actual tenure split with half the workforce on site.

**Table 17: Monitoring data from Hinkley (December 2017)**

	EDF DCO Application		EDF 18 Months - Dec 2017				Current Percentage of Peak total
Home Based Workers	34%	1900	45%		1291		
Non-Home Based Workers	66%	3700	55%		1579		
Total Workforce		5600			2870		
Type of Accommodation Taken Up by non-home based Workers							
House / Flat Let	20%	750	31%	51%	489	805	107%
House / Flat Let with HPC Workers			20%		316		
House / Flat Share	11%	400	20%		316		79%
Caravan / Campsite	16%	600	13%	27%	205	427	72%
Hotel			6%		95		
Bed & Breakfast			6%		95		
Holiday Let			2%		32		
Owner Occupied	14%	500	2%		32		8%
Campus Accommodation	39%	1450				0	0%
Totals		3700	100%	100%	1580		

Source: West Somerset District Council (Andrew Goodchild)

5.20.3 The table shows that with half the workforce on site, the take up of properties in the PRS had already exceeded the predicted peak (107%) and that latent and tourist accommodation was already at three quarters of the predicted peak (at 79% and 72% respectively) at only 51% of peak. Owner occupation,

<sup>67</sup> Guidance for Ratepayers: Non Domestic Rates for Self Catering Properties in Wales, Welsh Government, 2018 ([Link](#))

<sup>68</sup> IACC Executive Committee Report on Council Tax Premium, Second Homes and Long Term Empty Properties ([Link](#))

however, was far below the predicted peak, with only 8% of the workforce having bought a property.

5.20.4 The IACC have been keeping this table up to date with monitoring data obtained from Hinkley Point C Socio-economic Advisory Group (SEAG)<sup>69</sup> which was analysed and verified by Mr. Andrew Goodchild. Unfortunately, there were gaps in the July 2018 monitoring data, which meant the IACC could not compare with the December 2017 figures. However, information on house / flat to share (i.e. latent accommodation) was available and it shows that 534 Hinkley workers are living in latent accommodation. This far exceeds EDF's predicted figure of 400.

5.20.5 The IACC note that the on-site temporary workers accommodation campus (510 bedspaces) opened in June 2018 which is not reflected in the below data. The IACC wait to see the next monitoring report before commenting on how this may (or may not) affect the accommodation in the other sectors. Data shows, for example, in that first week of opening there were only **six bookings** at the on-site campus.

**Table 18: Monitoring data from Hinkley July 2018**

	EDF 24 Months Actual - Jul 2018			Current Percentage of Peak total
Home Based Workers	49%		1583	
Non-Home Based Workers	51%		1647	
Total Workforce			<b>3230</b>	
<b>Type of Accommodation Taken Up by non-home based Workers</b>				
House / Flat Let	39%		645	Detail not available in Monitoring Report (Annex 8V)
			??	
House / Flat Let with other			??	
House / Flat Share (Room Rental)	32%		534	134%
Caravan / Campsite	13%		216	66%
Hotel	8%		132	
Holiday Let	2%		47	
Purchased Accommodation	2%		34	7%
Campus Accommodation			0	0%
Other (i.e. above data does not add up)				
<b>Totals</b>			<b>1647</b>	

5.20.6 Analysis of the location of the living accommodation of the 783 non-home based construction workers on site at June 2017 showed that 90% were living within 15 kilometres of site.

<sup>69</sup> See Annex 8V - Accommodation Reports from Hinkley Point C Socio-Economic Advisory Group.

**Figure 6: Distribution of Non-Home Based Workers in Somerset**

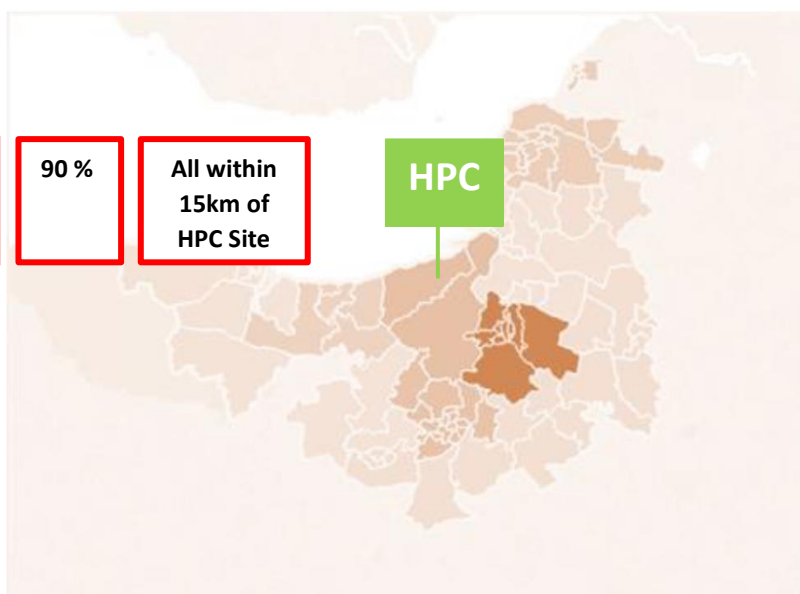


## HPC S106 Workforce Report: Accommodation June 2017

HPC Non-Home based  
Workers by ward clusters

Ward Cluster	Percentage
Bridgwater	52.7
Cannington and Quantocks	13.4
Taunton	12.5
Hinkley Point	11.6
Weston-super-Mare	3.6
Watchet and Willinton	2.7
Burnham and Highbridge	1.8
Somerset West	0.9
Minehead	0.9

Notes:  
\*Home 90min CDCZ  
\*Total workforce onsite is the workforce onsite for a minimum of 5 days within a 30 day working period and for a minimum of 8 hours per day.

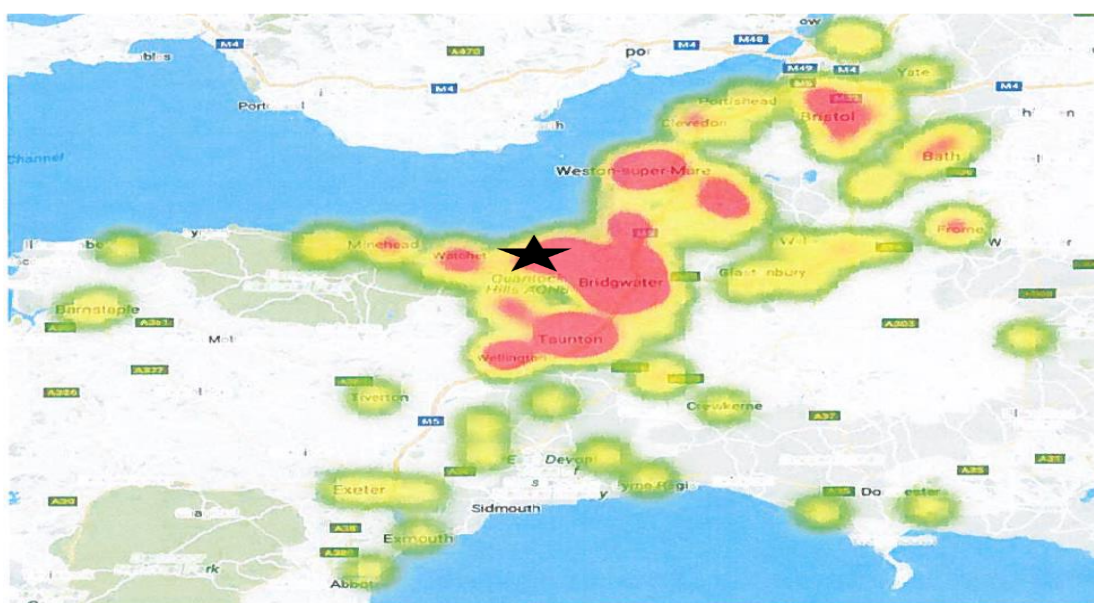


Data collected during May 2017 from the Workforce Engagement Survey – Not Protectively Marked

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5.20.7 The latest monitoring data<sup>70</sup> shows that of the 1,529 non-home based workers currently living in the area, 1,247 commute come from Sedgemoor, 145 from Taunton Dean and 137 from West Somerset. This shows that **82%** of the non-home based workers living in the area (i.e. within 60 minutes) live within broadly a 15km radius to site<sup>71</sup>.

**Figure 7: Heat Map Distribution of Non-Homes Workers (June 2017)**



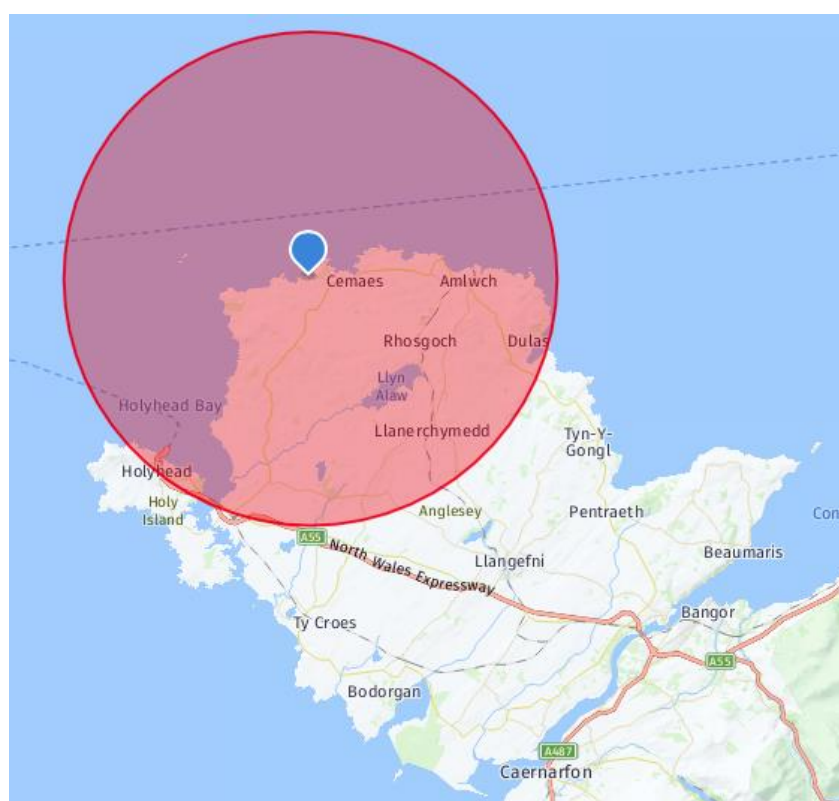
<sup>70</sup> Socio-Economic Advisory Group Accommodation Dashboard July 2018 (row 4.1 to 4.3) [\(Link\)](#)

<sup>71</sup> Note the remaining 118 workers (i.e. making the total to 1,647 non-home based construction workers or 51% of the 3,230 workers onsite) live and commute from outside the area.



5.20.8 Figure 8 below shows a 15 kilometre radius centred on the Wylfa Newydd site. This 15km radius broadly aligns with the IACC's definition of 'North Anglesey' which corroborates the IACC's concerns that North Anglesey will be most significantly impacted. Although the IACC acknowledge that the demographic profile of Somerset is different to Anglesey (particularly with larger towns such as Bridgwater and Taunton close to Hinkley), the principle remains the same that workers will want to live as close as possible to either the site, or to the park and ride at Dalar Hir. Evidence also shows that they have the spending power in the housing market to ensure this is the case.

**Figure 8 – 15 kilometre radius from Wylfa**



## 5.21 Impact on Housing in Sedgemoor

5.21.1 This section has been informed by publically available data on the impact of the construction of Hinkley Point on the housing market in Sedgemoor, compared to the wider surrounding housing market in Somerset.

5.21.2 Data sources have been obtained from:

- a) House prices from Land Registry data
- b) Housing waiting lists from MHCLG data
- c) Private sector rents from Valuation Office Agency data.

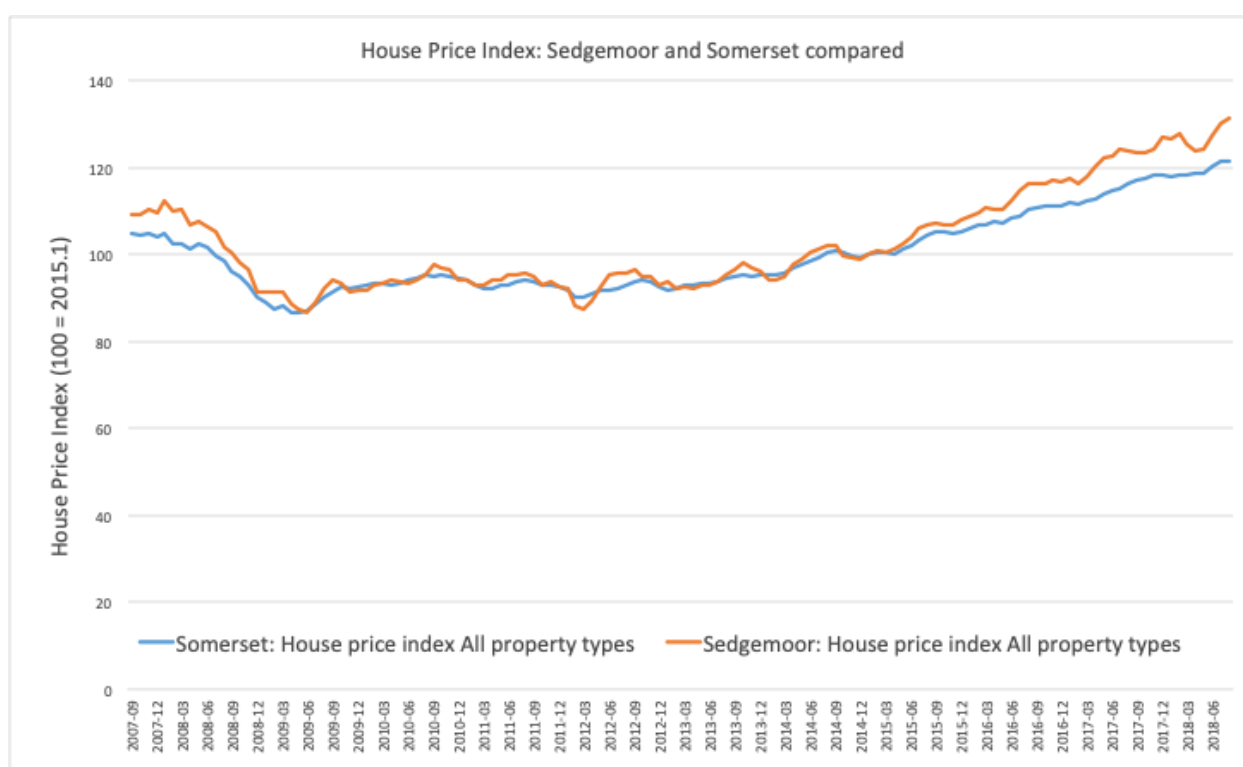
5.21.3 Data on private sector rents from the VOA suggest that there has been an increase in rents across all districts in Somerset over the past five years of the

order of 6% (but the guidance on the use of rent data on the VOA website cautions against using the data for time series analyses).

## 5.22 The impact on house prices

5.22.1 Figure 9 below shows that house prices in Sedgemoor tracked the average for Somerset as a whole from the low point of the market in June 2006 until March 2015, when prices in Sedgemoor began to rise at a faster rate than the average for Somerset.

**Figure 9: House Price Index (Sedgemoor and Somerset Compared)**



5.22.2 Since then, prices in Sedgemoor have increased by 31% compared to the average for Somerset as a whole of 21%

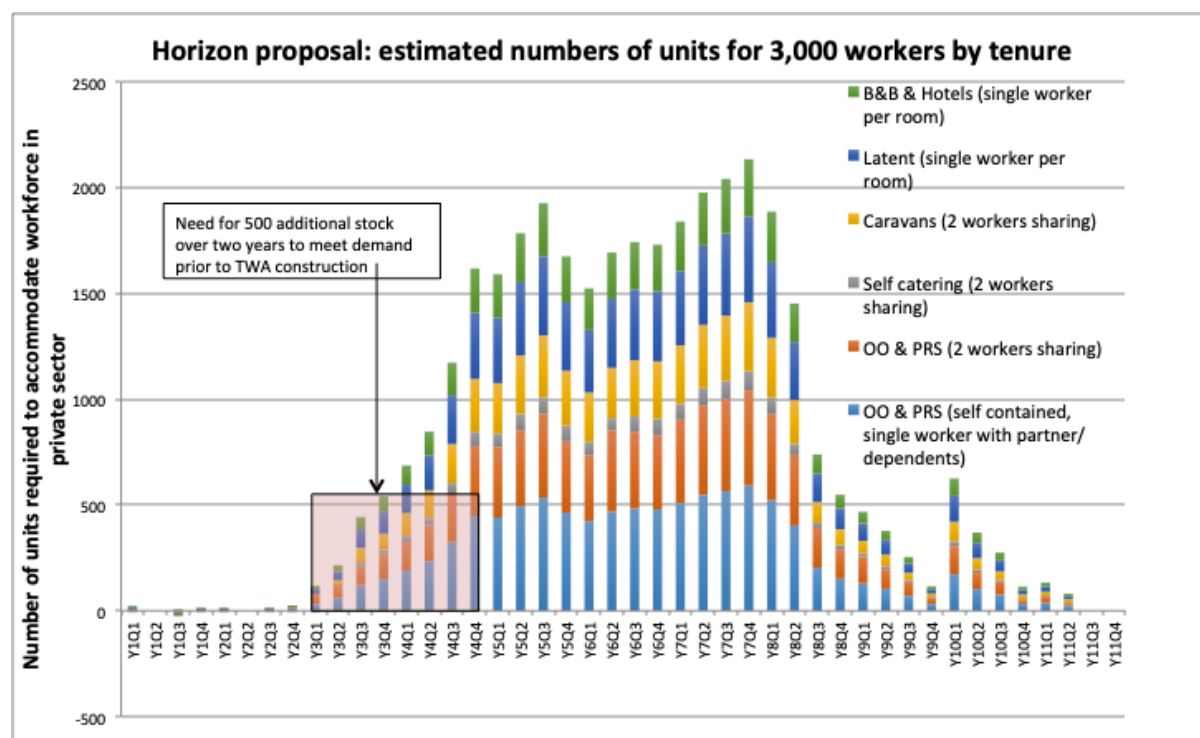
## 6.0 Summary of IACC Position

6.1 The IACC would be in a position to agree Horizon's breakdown of accommodation by sector provided that a suitable package of mitigation measures is delivered to mitigate against the adverse impacts. However, given the lack of detail on the mitigation measures (and how these measures would be secured/delivered via the Housing Fund) and the lack of clarity on when the temporary workers accommodation will be available (in the form of a detailed Phasing Plan), **the IACC objects to Horizon's Workforce Accommodation Strategy.**



6.2 Figure 10 below shows the estimate of the numbers of units that will be required (2,134<sup>72</sup>) to house the 3,000 non-home based workers accommodated in the housing and tourism markets.

**Figure 10: Breakdown of Horizon Non-Home Base workforce by Tenure (excluding TWA)**



6.3 In order to reduce pressure on the tourism market, the tenure proportions shown above reduce the numbers in B&B and hotels, compared to the Horizon proposal, by increasing the number of self-contained units from the owner occupied and PRS sectors. The extent of sharing in these sectors is also adjusted to account for the proportion of workers with partners and dependents projected by Horizon. The numbers and proportions are shown in Table 19 overleaf.

<sup>72</sup> See Annex 8K (Use of Private Sector Accommodation)

**Table 19: Tenure of Bedspace Compared (IACC and Horizon)**

Tenure of bedspaces compared				
	IACC	% of stock required	Horizon	% of stock required
OO & PRS (self contained, single worker with partner/dependents)	590	20%	600 (OO) 900 (PRS)	20% OO & 30% PRS
OO & PRS (2 workers sharing)	904	30%		
Self catering (2 workers sharing)	180	6%		
Caravans (2 workers sharing)	650	22%	650	22%
Latent (single worker per room)	406	14%	400	13%
B&B & Hotels (single worker per room)	270	9%	450	15%
Total	3000	100%	3000	100%

6.4 Latent accommodation and empty properties are likely to become available in small numbers in any one quarter, and are likely to be spread out over the seven-year period to peak construction. Neither can be guaranteed to be available in significant numbers at the time of the key period of absorption of accommodation from the private market (2,420 bedspaces between Y3Q1 and Y4Q4, when the first 1,000 bedspaces in TWA become available).

6.5 The analysis of the timing of demand for private market accommodation suggests that this can only be met, without disrupting the normal functioning of the housing and tourism markets, by a planned increase in supply between **Y3Q1 and Y4Q4, and particularly during the six months of Y4Q3 and Y4Q4.**

## 6.6 New Build Housing

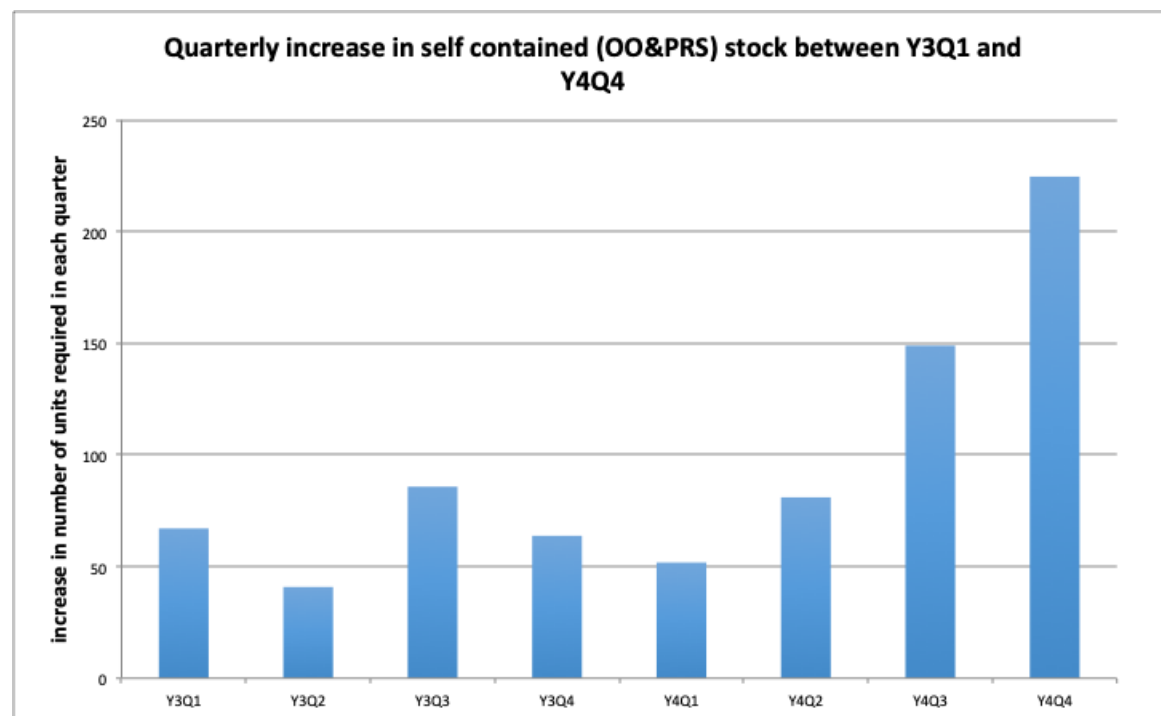
6.6.1 The IACC's evidence indicates that **520 new build units** are required to create sufficient supply during the build-up of numbers in the incoming Wylfa Newydd workforce. However, the delivery mechanism needs significant further discussion.

6.6.2 Increase in the supply of accommodation in Y3 and Y4 is essential if local people are to have any chance of not being displaced. If there is no increase in supply to match the need for 2,400 bed spaces over two years (and 1,000 within the last six months of that period), then significant displacement will occur which is wholly unacceptable.

6.6.3 The IACC will need to discuss the delivery of these 520 additional units with Horizon and agree (as part of the Statement of Common Ground and s.106 Agreement) the value of this fund and the mechanism of how these additional units are going to be delivered. See mitigation section below for further detail.

6.6.4 Figure 11 below shows the overall quarterly increase in housing stock that is required.

**Figure 11: Quarterly Increase in Supply of Private Accommodation (OO & PRS) Required between Y3 Q1 and Y4 Q4.**



## 6.7 Owner Occupation and PRS

6.7.1 Provided that these additional 520 units are delivered, the IACC would be in a position to agree to the 600 workers living in owner occupation and 900 in the PRS. The IACC however, has further broken this down to account for single workers with partner / dependants (590) and two workers sharing (904) as outlined in table 19 above.

6.7.2 Without the increase in the supply of housing to meet the demand, this would have a significant negative impact on the local housing market (e.g. increase in house / rent prices, increased risk of homelessness, adverse impacts on the Welsh language and culture as local people would not be able to afford housing in their local communities etc.). This would be wholly unacceptable to the IACC.

## 6.8 Latent Accommodation

6.8.1 Although the IACC's evidence shows that a higher proportion of the construction workforce could be accommodated in latent accommodation (than the 400 proposed by Horizon), the IACC accept this to be a reasonable and acceptable number. As the people who would want to (or need to) rent out a room may be more vulnerable tenants (e.g. the elderly, people on low income etc.) the IACC believe that accommodating approximately 400 workers in latent accommodation is an acceptable proportion. There are also safeguarding

concerns which means stringent criteria/assessment will be required in order for people to be able to resister a room to let on the WAMS.

- 6.8.2 There are currently 534 construction workers in Hinkley living in latent accommodation<sup>73</sup> at only 58% of peak construction (3,230 of 5,600). This evidence demonstrates that there is high demand for latent accommodation. This could be down to a number of reasons, for eample the TWA not being available. Horizon and the IACC will need to monitor this carefully to ensure that the number of workers in latent does not increase to an unacceptable amount.
- 6.8.3 Through s.106 Housing Fund contributions, the IACC will require a grant scheme to incentivise property owners to provide additional, self-contained, bedroom accommodation for incoming construction workers employed on the Wylfa Newydd project. The resulting bedroom must be let through the WAMS, for a maximum period of ten years, and be available for 52 weeks in the year. If the property is advertised by the WAMS for six months and remains unlet, the room may be let on the open market. The rent charged for latent accommodation is to be agreed with Horizon (i.e. minimum and maximum) to prevent impacts on other accommodation sectors.

## **6.9 Caravan Accommodation**

- 6.9.1 As detailed in section 5.18 of this chapter, Horizon's current proposal to accommodate 650 workers in caravans is unacceptable. To make this acceptable, Horizon will need to identify suitable sites (new or existing) which the IACC can assess and approve via a DCO Requirement. This could be a list of 3 - 5 existing sites for example, which could be an 'approved list of caravan accommodation providers', a new dedicated site (or sites) for construction workers, or both. These sites would need to be in compliance with the criteria as set out in policy TA14 of the JLDP.

## **6.10 Tourist Accommodation**

- 6.10.1 Subject to the tourism mitigation requirements being agreed, the IACC could agree to 450 workers being accommodated in tourism accommodation. The IACC would however require that 180 are accommodated in self-catering accommodation and 270 in serviced accommodation (B&B's, hotels etc.). This will reduce the impacts on tourism given the higher supply on self-catering accommodation available.

## **7.0 DCO Obligations & Requirements**

### **7.1 DCO Requirements**

- 7.1.1 **Phasing Strategy** - The IACC will seek a requirement to ensure that the phasing strategy of Site Campus is submitted to and approved by the IACC. This includes agreeing thresholds / triggers that limit the number of construction

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<sup>73</sup> Monitoring Data from Hinkley Socio-Economic Advisory Group July 2018. [\(Link\)](#)

workers allowed on-site until each phase of the site campus has been completed (i.e. only 'XX' amount on-site until Phase 1 is complete, 'XX' amount until Phase 2 is complete etc.). Thresholds / triggers to be agreed with Horizon following submission of Phasing Strategy.

- 7.1.2 This position is supported by Wylfa Newydd SPG GP28b(i) which states that proposals for campus style temporary construction workers' accommodation should pay particular regard to *"delivery of the construction worker accommodation in accordance with the submitted Construction Worker Accommodation Phasing Plan to avoid rather than react to adverse impacts"*. The supporting text in GP28b also states that *"campus style temporary workers accommodation proposed at the main Wylfa Newydd site should be delivered in a phased way in order to ensure that it prevents rather than reacts to impacts upon the local housing market"*<sup>74</sup>.
- 7.1.3 **Maximising use of Site Campus** – in order to protect the other accommodation sectors, the IACC will seek a DCO requirement which commits Horizon to maximising the use of the Site Campus to 4,000 workers, regardless of the peak construction workforce.
- 7.1.4 This position is supported by the Wylfa Newydd SPG GP28b(i) which states *"Where campus style temporary worker accommodation is approved, it should be viewed as the preferred solution for accommodating the approved number of the construction workers. Strong reasoned justification will be required for not maximising the use of this Campus in favour of other types of accommodation. Approved campus style temporary worker accommodation should be provided in full at an early stage of the main construction period to prevent, rather than react, to any negative impact on the local housing market"*.
- 7.1.5 **Identification of Suitable Caravan Sites** - As outlined in section XX above, the IACC cannot assess the impact of having 650 workers in caravans if we do not know where these workers / caravans will be. Construction workers in caravans are completely different from tourists in terms of their behaviour and movements as workers will converge to the same site every day at the same time. This will result in traffic and other impacts which the IACC currently cannot assess. There will also be impacts on tourism, local facilities and services, the Welsh language and so on that will need to be carefully monitored and managed.
- 7.1.6 The IACC's preferred option would be to have a 'Horizon controlled' caravan site (in terms of managing the workforce, their behaviours, enforcement and ensuring that they have suitable facilities and services). The IACC do not want 'unofficial' Horizon sites opening up with over concentration of workers in particular locations or sites (as witnessed in Somerset). This would be severely detrimental to tourism and the perception of Anglesey. A DCO Requirement is therefore necessary to ensure that Horizon submit to the Local Planning Authority for approval, a list of assessed caravan sites (new or existing) (e.g. 3-5 sites) which can be agreed as suitable sites for Wylfa Newydd construction

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<sup>74</sup> Wylfa Newydd Supplementary Planning Guidance (SPG) May 2018) page 140 & 141. [\(Link\)](#)

workers. The IACC does not believe that workers and tourists should mix at the same sites, although separate provisions at the same sites could be acceptable.

## **7.2 DCO Obligations**

- 7.2.1 Based on the evidence contained in this chapter, this section will outline what mitigation measures are required in order to make Horizon project proposal acceptable in terms of housing impacts. Given that detailed discussions are required with Horizon to determine the best way to deliver these additional units, no monetary values have been included in this section. Indicative values have been provided on latent accommodation and empty homes (based on existing knowledge and intervention rates).

### **7.2.2 New Build Housing**

- 7.2.2.1 The estimated numbers of units required from the private sector, by quarter, to house the non-home based Wylfa Newydd workforce are shown in Table 20 overleaf.

**Table 20: Number of Units Required to House Non-Home Based Workforce**

Numbers of non home based worker and units of accommodation required, by tenure								
	Y3Q1	Y3Q2	Y3Q3	Y3Q4	Y4Q1	Y4Q2	Y4Q3	Y4Q4
<b>Number of non home based workers</b>								
Total non home based workers onsite	150	310	650	800	1015	1245	1725	3420
Number in TWA	0	0	0	0	0	0	0	1,000
Total workers in private sector accommodation	150	310	650	800	1015	1245	1725	2420
Quarterly increase in workers in private sector	120	160	340	150	215	230	480	695
<b>Units of accommodation required in each quarter</b>								
OO & PRS (self contained, single worker with partner/dependents)	31	60	123	150	190	234	325	448
OO & PRS (2 workers sharing)	50	62	85	121	133	170	228	330
Self catering (2 workers sharing)	0	1	20	17	30	34	51	68
Caravans (2 workers sharing)	0	22	70	76	108	130	184	249
Latent (single worker per room)	22	42	87	107	135	167	231	313
B&B & Hotels (single worker per room)	15	28	58	71	90	111	154	209
Total units required in private sector	118	215	443	542	687	846	1173	1617
Quarterly increase in units required	118	98	228	99	145	160	326	445
Quarterly increase required in OO&PRS in excess of 32 per quarter (newbuild)	49	9	54	32	20	49	117	193
<b>Cumulative increase required from new build</b>	<b>49</b>	<b>58</b>	<b>112</b>	<b>143</b>	<b>163</b>	<b>212</b>	<b>329</b>	<b>522</b>

7.2.2.2 These numbers are artificially precise, and are more usefully rounded to the nearest 10 (see table 21 below).

**Table 21: New Build Units Required before Y4 Q4**

Newbuild numbers rounded to nearest 10 units								
Quarterly increase required in OO&PRS in excess of 32 per quarter (newbuild)	50	10	55	30	20	50	115	190
<b>Cumulative increase required from new build</b>	<b>50</b>	<b>60</b>	<b>115</b>	<b>145</b>	<b>165</b>	<b>215</b>	<b>330</b>	<b>520</b>

- a) Although the numbers of completions in the first six quarters are relatively steady, the suggested programme would require careful planning in order to deliver 300 completions in the six months before the first 1,000 TWA bedspaces become available.



- b) The programme might be commissioned through a variety of routes, such as: built directly by the IACC, commissioned from RSLs, through Joint Venture arrangements with landowners and developers, or contracted directly with house building firms or developers.
- c) The financing of the programme should be done by whichever body has the lowest borrowing costs: almost certainly IACC.
- d) Horizon should make a S106 contribution towards the cost of construction, by Y4Q4.
- e) The new build units should be **weighted geographically towards the north of the island** in order to meet demand for short travel times by Wylfa Newydd workers.
- f) The properties should be let at the average private sector rent in North Anglesey, in order to put downward pressure on rents generally at the time of peak demand.
- g) Any budgeted (and agreed) shortfall between rental income (net of management and maintenance costs) and financing costs should be met by Horizon.
- h) The properties should be let to the Wylfa Newydd workforce via the WAMS as its first priority, before other private sector properties are offered.
- i) In order to minimise the costs of rent collection, an amount equivalent to the agreed rent should be paid direct by Horizon each month, and the rent itself recovered by Horizon from the individual workers' accommodation allowances.
- j) When properties are released as the Wylfa Newydd workforce declines, IACC will need to determine the proportions of the legacy stock that are to be sold or rented on the open market, sold for Low Cost Home Ownership, or rented either at 'affordable' rents or social rents (i.e. to reflect the need at the time).

### 7.2.3 Latent Accommodation

7.2.3.1 The IACC accept that 400 latent units is an acceptable figure for latent accommodation provided that accommodation providers meet the criteria to house workers in accordance with the WAMS.

- a) To achieve this, Horizon will need to incentivise accommodation providers to make this an acceptable proposition for people to let a room. A financial contribution is therefore required by Horizon to establish a 'Latent Accommodation Fund', which would form part of the wider 'Housing Fund'.
- b) This Latent Fund would be available for local residents wanting to accommodate Wylfa Newydd Construction Workers to make minor improvements and alternations to their properties to make this possible.
- c) This fund would be available to residents as a one off grant of, for example, of up to £2,000 for every property.
- d) This grant could be used to make alternations and improvements to bathrooms or installation of en-suite, installation of smoke and heat detectors, minor improvements, new doors with locks etc.
- e) The resulting bedroom must be let through the WAMS, for a maximum period of ten years, and be available for 52 weeks in the year.
- f) If the property is advertised by the WAMS for six months and remains unlet, the room may be let on the open market. To account for this potential 'loss' of accommodation on the WAMS (e.g. 10% - 20%), the IACC would expect the Latent Fund to be used to bring forward 450 - 500 bedspaces / properties.



- g) Geographical distribution of grant must be weighted towards North Anglesey and Anglesey West.
- h) The rent charged for latent accommodation is to be agreed with Horizon (i.e. minimum and maximum) to prevent impacts on other accommodation sectors.
- i) The criteria for properties to be eligible to register on the WAMS must be agreed with the IACC (DCO Requirement). This will prevent unsuitable properties / rooms being let (e.g. more vulnerable tenants, the elderly etc.).
- j) Funding will be required to employ an Officer to administer the Latent Fund (this could be in conjunction with other initiatives within the Housing Fund). Funding will also be required for enforcement to ensure that unsuitable properties are being let to Wylfa Newydd construction workers.

## 7.2.4 Empty Homes

7.2.4.1 Horizon, as part of their Housing Fund, have committed to fund the bringing back of empty homes to meet the increased demand for housing. Although the number of properties, the value of the grant and over how many years is yet to be agreed, the principle is welcomed by the IACC. For clarity, **this is in addition to the 520 new units required**. As properties come back into active use, other properties become vacant therefore in order to meet the increase in demand (i.e. as a result of Wylfa Newydd) 520 additional units are still required.

- a) The scope of the fund is yet to be agreed with Horizon. Empty properties could either be let to Wylfa Newydd workers (e.g. for 5 years during construction), or the grant could be available for local people who may have been displaced or cannot afford to rent or buy property due to the increase in prices (or a combination of both).
- b) A grant of up to £25,000 for each empty property is required.
- c) The IACC believe that 20 properties per annum on Anglesey could be brought back into active use during the 5 years leading up to peak (100 properties in total).
- d) Empty properties that are let to Wylfa Newydd workers must be advertised through the WAMS. If the property is not let through the WAMS within 6 months, it can be let on the open market but the grant would need to be paid back (amount and over what duration to be agreed).

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