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Subject: Interested Party 20011597 (Welsh Government) - Response to Deadline 2 (4th December 2018)
Date: 04 December 2018 20:35:05
Attachments: [18.12.04 Welsh Government - Written Representation Final for Submission.pdf](#)
[04.12.18 Written Representation - Summary of Written Representation.pdf](#)
[04.12.18 Final - WG Responses to ExAs FWQs - Final for Submission.pdf](#)

FAO: Ms Kay Sully

Wylfa Newydd Nuclear Power Station DCO

Good evening,

On behalf of Welsh Government please find attached:

Written Representations

Responses to ExA written questions

Comments on updated application documents

The Welsh Government note that Horizon has submitted an amended DCO document at Deadline 1. The Welsh Government consider that at this juncture these changes are of a relatively minor nature and do not address the majority of comments raised by WG at the first DCO specific hearing on the 24th October, and that are subject of continuing ongoing discussion with HNP. Consequently we do not propose to submit formal comments at this time.

Statement of Common Ground

Horizon Nuclear Power will be submitting an agreed first draft Statement of Common Ground between Horizon and Welsh Government.

Notification of attendance at Issue Specific Hearings

- The Welsh Government will be attending the Socio-economic and Transport Issue specific hearings on the 7th and 8th January 2019. At the table will be legal counsel (QC/Junior Counsel) and relevant thematic specialist. In support will be various consultants and Welsh Government officials.
- The Welsh Government will be attending the DCO Issue Specific Hearing on the 9th January. At the table will be legal counsel (QC/Junior Counsel/Solicitor) and the Wylfa Newydd Spatial Planning Manager. In support will be various consultants.
- The Welsh Government intends to also attend the Environment Issue Specific Hearings on the 10th and 11th January. At the table will be legal counsel (to be confirmed who) and relevant environmental policy specialist. The purpose of attendance will be mainly as an observer and to clarify any points of Welsh Government policy, or answer Examining Authority questions (where this would not prejudice the role of Welsh Ministers in relation to the devolved consents that Horizon are also applying for). As identified in our Written Representation Welsh Government would expect that Natural Resources Wales would lead on providing comments on technical environmental matters.

I understand that confirmation of attendees needs to be provided on the 3rd January. It would be very useful to have sight of the agendas for the Issue Specific Hearings as soon as possible, and ideally before the Christmas break, in order to ensure that we can field appropriate representation.

Attendance at the Accompanied Site Visit – 13th/14th February 2019

The Welsh Government would wish to attend the accompanied site visit, and would be

grateful if it were possible for 2 spaces to be reserved.

In respect of proposed locations to visit the Welsh Government would suggest that in addition to various viewpoints to see the main site and associated development sites the Examining Authority may also wish to visit:

- Cestyll Historic Park and Garden- views towards MOLF and view toward site (access can be arranged via Cadw/National Trust in liaison with Magnox/NDA).
- Menai Bridge viewpoint (to see the route for the 3rd Menai Crossing)
- Britannia Bridge (by vehicle) – to see the single lane traffic, existing junction arrangements, and (depending on time of day) existing congestion.
- The proposed Park and Share sites at: Bangor, Caernarfon, Four Crosses, and Gaerwen.
- The proposed shuttle bus routes (by vehicle) across the middle of Anglesey (as identified in Appendix D of the Welsh Government Written Representation).

Many thanks.

Kind Regards,

James

James Hooker

Wylfa Newydd Spatial Planning Manager/

[Rheolwr Cynllunio Gofodol Wylfa Newydd](#)

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To: [Wylfa Newydd](#)
Cc: daniel.patterson@wsp.com; Lee.Gordon@Weightmans.com; Robin.Beckmann@gov.wales; Gwenllian.Roberts@gov.wales
Subject: Welsh Government IP20011597 - Planning Policy Wales Edition 10 - Published 5th December 2018
Date: 06 December 2018 09:25:39

Good Morning,

I am writing to inform the Examining Authority that Planning Policy Wales Edition 10 was published yesterday. Please see a link to the document below.

<https://beta.gov.wales/planning-policy-wales>

Therefore in the Welsh Government's Written Representation submitted for deadline 2 (4th December) the references to draft PPW10, should now be considered as references to PPW10, and we would hope that appropriate weight will be afforded to the now published policy provisions.

It should be possible to provide hard copies of PPW10 if this would assist the Examining Authority. Please could you confirm whether you would wish to receive hard copies and the number required?

If you have any further queries please don't hesitate to get in contact.

Kind Regards,

James

James Hooker

Wylfa Newydd Spatial Planning Manager/
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WYLFA NEWYDD NUCLEAR POWER STATION

Written Representation



Llywodraeth Cymru
Welsh Government

Welsh Government

WYLFA NEWYDD NUCLEAR POWER STATION

Written Representation

PUBLIC

EN010007

WELSH GOVERNMENT - WRITTEN REPRESENTATION

INTERESTED PARTY NO. 20011597

4 DECEMBER 2018

Welsh Government

WYLFA NEWYDD NUCLEAR POWER STATION

Written Representation

Contact Details:

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QUALITY CONTROL

Issue/revision	Final Issue
Date	04.12.2018
Prepared by	WSP Ltd Three Dragons Ltd Hardisty Jones Associates Weightmans LLP
Checked by	WSP Project Manager WSP Project Director Welsh Government Project Manager Welsh Government Project Director
Authorised by	Welsh Government Wylfa Newydd Programme Board on behalf of Welsh Ministers (21.11.2018)

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GLOSSARY AND ABBREVIATIONS

2015 Act	Well-being of Future Generations Act 2015
AEP	Annual Exceedance Probability (likelihood of occurrence of a flood)
BCUHB	Betsi Cadwaladr University Health Board
CCBC	Conwy County Borough Council
CIO	Community Involvement Officer
CMP	Conservation Management Plan
CoCP	Code of Construction Practice
CoOP	Code of Operational Practice
CSMS	Community Safety Management Strategy
DCCZ	Daily Construction Commuting Zone
DCO	Development Consent Order
DCWW	Dŵr Cymru Welsh Water
DMS	Delivery Management Strategy
ES	Environmental Statement
Examining Authority	National Infrastructure Directorate of the Planning Inspectorate
FCA	Flood Consequence Assessment
GAPS	Gwynedd Archaeological Planning Service
HGV	Heavy Goods Vehicle
HIA	Health Impact Assessment
Horizon	Referring to the applicant, Horizon Nuclear Power
HPC	Hinkley Point C
HRA	Habitats Regulations Assessment
IACC	Isle of Anglesey County Council
ICOMOS	International Council on Monuments and Sites
ITTS	Integrated Traffic and Transport Strategy

J&SS	Jobs and Skills Strategy
JLDP	Joint Local Development Plan, Isle of Anglesey Council and Gwynedd Council (2017)
JSA	Jon Seekers Allowance
KPI	Key Performance Indicators
KSA	Key Socioeconomic Study Area
LGV	Light Goods Vehicle
LHA	Local Housing Allowance
MOLF	Marine Off-Loading Facility
NMWTRA	North and Mid Wales Trunk Road Agent
NPS EN-1	Overarching National Policy Statement for Energy (EN-1)
NPS EN-6	National Policy Statement for Nuclear Power Generation (EN-6)
NRW	Natural Resources Wales
NSIP	Nationally Significant Infrastructure Project
PAC	Pre-application Consultation
PHW	Public Health Wales
PINS	Planning Inspectorate
PMC	Project Management Co-ordinator (Bechtel)
PPW9	Planning Policy Wales (Edition 9, November 2016)
PPW10	[Draft] Planning Policy Wales (Edition 10)
PRS	Private Rented Sector
S106	Section 106 of the Town and Country Planning Act 1990
SoCG	Statement of Common Ground
SME	Small and medium-sized enterprises
SPC	Site Preparation and Clearance
SPG	Supplementary Planning Guidance
SSSI	Site of Special Scientific Interest

STEM	Science, Technology, Engineering and Mathematics
SQEP	Suitably Qualified and Experienced Person
TAN	Technical Advice Note
TCPA	Town and Country Planning Act 1990
TWA	Temporary Worker Accommodation
WAMS	Workforce Accommodation Management Service
WAS	Workforce Accommodation Strategy
WAST	Welsh Ambulance Service NHS Trust
Welsh Government	The Welsh Ministers
WLCC	Welsh Language and Culture Coordinator
WLCMES	Welsh Language & Culture Mitigation and Enhancement Strategy
WLIA	Welsh Language Impact Assessment
WTS	Worker Travel Strategy
WMS	Workforce Management Strategy
WSI	Written Scheme of Investigation
WNSA	Wylfa Newydd Development Area
WNESS	Wylfa Newydd Employment and Skills Service
WNMPOP	Wylfa Newydd Major Permissions Oversight Panel
Wylfa Newydd	Wylfa Newydd Nuclear Power Station

1. INTRODUCTION

1.1. BACKGROUND

- 1.1.1. On the 10 August 2018, the Welsh Ministers (hereafter referred to as Welsh Government) formally registered as an Interested Party to the Wylfa Newydd Nuclear Power Station (hereafter referred to as Wylfa Newydd) Development Consent Order (DCO) Application, submitted by Horizon Nuclear Power (hereafter referred to as Horizon).
- 1.1.2. Welsh Government has stated that in principle it is supportive of a new nuclear facility at Wylfa in the context of energy security, contribution towards meeting our decarbonisation agenda, and the potential social and economic opportunities that could be provided over its lifetime for future generations. However, this support is conditional on all the potential impacts in relation to key areas of interest to the Welsh Government being sufficiently mitigated.
- 1.1.3. Welsh Government is listed in legislation as a Statutory Consultee in respect of any Nationally Significant Infrastructure Project affecting land in Wales. However, nothing in the legislation defines the role of Welsh Government in this process.
- 1.1.4. Welsh Government has a general power under section 60 (s60) of the Government of Wales Act 2006 (“the 2006 Act”) [WG1] to do anything which it considers is appropriate to achieve the promotion of economic, social or environmental well-being of Wales. Areas of responsibility which are devolved to Welsh Government pursuant to the 2006 Act (as amended by the Wales Act 2017) include:
- Planning
 - Welsh language
 - Economic development
 - Tourism
 - Highways and transport
 - Digital infrastructure
 - Education, skills, and training
 - Health and health services
 - Housing
 - Environment (including historic environment).
- 1.1.5. Welsh Government is under a duty pursuant to section 3 (s3) of the Well-Being of Future Generations Act 2015 (“the 2015 Act”) [WG3] to carry out “sustainable development”. Consequently, Welsh Government is under a duty pursuant to s3 of the 2015 Act to take all reasonable steps in the exercise of its functions to meet the well-being objectives and under a duty to comply with the sustainable development as defined by s5 of the 2015 Act. Engaging in the DCO process and ensuring appropriate mitigation is secured, is consistent with that duty.
- 1.1.6. Welsh Government has been consistent throughout the pre-application consultation and pre-Examination stages of the Wylfa Newydd DCO process in setting out the main concerns for the thematic areas outlined in this report. Welsh Government will continue to engage with Horizon through the Examination on the concerns that have been raised.

- 1.1.7. The project will result in negative impacts across the North-West region and wider North Wales Region of Wales unless effective mitigation is secured. The project is intended to benefit the UK and the costs of mitigation should not be borne by the Welsh public purse.

1.2. PURPOSE AND STRUCTURE OF THIS REPORT

- 1.2.1. This Written Representation has been prepared on behalf of Welsh Government in accordance with the Planning Act 2008 [WG4] and PINS Advice Note 8.4 (The Examination). This report is submitted to the National Infrastructure Directorate of the Planning Inspectorate (hereafter referred to as the Examining Authority). The content of this report has built upon the principal issues outlined within the Relevant Representation submitted in August 2018.
- 1.2.2. In line with Rule 10(4) of The Infrastructure Planning (Examination Procedure) Rules 2010 [WG5] Welsh Government has identified in this report those parts of the DCO application or specified matters with which it agrees and those parts with which it does not agree. For areas of disagreement, Welsh Government has provided further detail of the reasoning and, in some cases, the minimum acceptable further information required from Horizon. Where relevant, Welsh Government has provided additional data, methodologies, and assumptions which have been used to support its representation.
- 1.2.3. The assessment of each principal issue raised within this report has looked to follow a common approach as set out below:
- Introduction and background: This section outlines the responsibility of Welsh Government in the thematic area and the principal areas of interest or concern in relation to the Wylfa Newydd project.
 - Planning and policy context: This section sets out relevant national policy and, where relevant, local policy that has informed the thematic area.
 - Review of Wylfa Newydd DCO application: An overview of the relevant documentation and assessments for the thematic area, a critique of the content, and areas of agreement and disagreement.
 - Impacts and evidence: Where additional evidence has informed Welsh Government's response, particularly for areas of disagreement with the Horizon assessment, this section summaries the key sources, baseline, methods, and conclusions.
 - Planning obligations and DCO requirements: This sections reviews Horizon's proposed mitigation in respect of the impacts described, and provides Welsh Government's view on the adequacy.
- 1.2.4. With respect to planning obligations and DCO requirements, consideration is given in each case to those planning obligations set out by Horizon in its Planning Statement (Application Ref. 5.1; PINS Ref. APP-406) along with the proposed DCO Requirements offered by Horizon within the draft DCO (Application Ref. 3.1; PINS Ref. App-029). Where Horizon's proposals are deemed insufficient, an overview is provided of those additional measures which Welsh Government considers need to be secured, over and above the measures already proposed by Horizon in the DCO application documentation to ensure that the impacts that have been identified are adequately addressed.

1.3. STATEMENT OF COMMON GROUND

- 1.3.1. Section 3 of the Welsh Government's Relevant Representation referred to the progress of the Statement of Common Ground (SoCG) with Horizon. Ten workshops with Horizon took place between 8 August and 31 August 2018. Each workshop covered one of the principle issues that Welsh Government has raised as concerns.
- 1.3.2. As previously highlighted, the ability to reach agreement is dependent on the extent to which Horizon shares further information about Wylfa Newydd, how it will be delivered, and the proposed mitigation package.
- 1.3.3. Welsh Government has been updating the SoCG document following the workshops held and through correspondence and requests for information from Horizon. The first iteration of the SoCG document is to be submitted by Horizon for Deadline 2 (4 December) of the DCO Examination. Welsh Government will continue to engage in correspondence and discussions with a view to reaching agreement or narrowing issues in all subject areas for which it has responsibility.

1.4. WELSH LANGUAGE: THE GOLDEN THREAD

- 1.4.1. Welsh Government and Horizon agree that the need to protect and promote Welsh language and culture within the communities of Anglesey, Gwynedd, and North Wales is a golden thread that is essential to the development and delivery of Wylfa Newydd. The following statement, which has been agreed by Welsh Government and Horizon reflects this position:

Horizon fully embraces the importance of Welsh language and culture to the communities of Anglesey and North Wales and that they are integral elements of the social fabric of communities across Anglesey and Gwynedd. This is reflected in national and local language policies and strategies. Horizon acknowledge the national and local language strategies and where possible, seeks to support Welsh Government to work towards their ambition for the Welsh language to be used more extensively and for the number of Welsh speakers to grow towards one million people by 2050. Horizon want to work with communities to ensure that Welsh speakers (and learners) of working age have access to high quality, long-term employment on Anglesey and the wider North Wales region. This will provide an inherently stronger platform for the future viability of the Welsh language and culture on Anglesey and North Wales. The focus of the mitigation and enhancement measures workshops reflected the key themes of IACC Welsh Language Strategy [WG5], which reflects Welsh Government strategy: a million Welsh speakers by 2050 [WG7].

- 1.4.2. Therefore, every time local people or the community are referenced, this golden thread must be a consideration.

2. PLANNING POLICY AND PROCEDURAL MATTERS

2.1. PLANNING AND POLICY CONTEXT

NATIONAL POLICY STATEMENTS

- 2.1.1. The existing Overarching National Policy Statement for Energy (EN-1) [WG8] and National Policy Statement for Nuclear Power Generation (EN-6) [WG9] are the National Policy Statements relevant to the Wylfa Newydd DCO application as set out in the Planning Statement (Application Ref. 8.1; PINS Ref. APP-406). The UK Government is currently consulting on a new Overarching National Policy Statement EN-6.
- 2.1.2. The UK Government is clear that in cases where an application for a Development Consent Order (DCO) has been submitted and accepted for examination before the new NPS EN-6 comes into force (where deployment is expected beyond 2025) that the Secretary of State can apply “significant weight” to the existing NPS EN-6 and EN1, where there has been no relevant change in circumstances.
- 2.1.3. The UK Government has advised that the Wylfa Newydd DCO application will be determined pursuant to s.105 Planning Act 2008 (as opposed to s.104 Planning Act 2008). For that reason, the emerging Overarching National Policy Statement EN-6 will also be an “important and relevant” consideration to the Secretary of State pursuant to s.105 Planning Act 2008, in addition to any relevant national and local planning policy, which, in the absence of any extant National Policy Statement, must be afforded significant weight when assessing and determining the application.
- 2.1.4. **NEED**
- 2.1.5. Welsh Government acknowledges that NPS EN-1 identifies a need for new electricity Nationally Significant Infrastructure Projects (NSIP) in the UK within the next 10 – 15 years (i.e. 2011-2025). When considering the overall need for the Power Station elements of Wylfa Newydd, the Examining Authority, on behalf of the Secretary of State, must look at the UK-wide need (NPS EN-1, paragraph 3.3). The same assessment of “need” is not necessary in respect of the associated development elements of Wylfa Newydd, as there could be many options and location for where the associated development could be secured.
- 2.1.6. **PLANNING POLICY WALES**
- 2.1.7. Pursuant to S105 Planning Act 2008, the following planning policy documents to be an “important and relevant consideration” and material considerations in the determination of the Wylfa Newydd DCO application:

- Planning Policy Wales Edition 9 (November 2016) [WG10] and 10 (Draft February 2018) [WG11];
- Technical Advice Notes (TAN):
 - TAN 1: Joint Housing Land Availability Studies (2015) [WG12]
 - TAN 2: Planning and Affordable Housing (2006) [WG13]
 - TAN 4: Retail and Commercial Development (2016) [WG14]
 - TAN 5: Nature Conservation and Planning (2009) [WG15]
 - TAN 6: Planning for Sustainable Rural Communities (2010) [WG16]
 - TAN 12: Design (2016) [WG17]
 - TAN 13: Tourism (1997) [WG18]

- TAN 15: Development and Flood Risk (2004) [WG19]
- TAN 18: Transport (2007) [WG20]
- TAN 19: Telecommunications (2002) [WG21]
- TAN 20: Planning and the Welsh Language (2017) [WG22]
- TAN 21: Waste (2014) [WG23]
- TAN 23: Economic Development (2014) [WG24]
- TAN 24: The Historic Environment (2017) [WG25]

- 2.1.8. The policy background to the Project is set out in Chapter 5 and Appendix G of the Planning Statement (Application Ref. 8.1). Paragraph 4.1.4 of NPS EN-1 states that the decision maker should take into account “environmental, social and economic benefits and adverse impacts, at national, regional and local levels” and that these may be identified in NPS EN-1, in the application or elsewhere (including in local impact reports).
- 2.1.9. Paragraph 2.2.4 of NPS EN-1 recognises the role of the planning system in providing a framework which permits the types of infrastructure needed, where it is acceptable in planning terms. It sets out the importance of the planning system in ensuring that development consent decisions take into account the views of affected communities and respects the principles of sustainable development.

2.2. PROCEDURAL MATTERS

CROWN LAND

- 2.2.1. Welsh Government notes from studying the Book of Reference (Application Ref. 4.3; PINS Refs APP-034, -035, -036) that Horizon has included parcels of land belonging to Welsh Ministers, the National Assembly for Wales or which form part of the strategic highway for which Welsh Government is the Strategic Highway Authority.
- 2.2.2. An error has been made as these land interests have not been identified by the Applicant as being Crown Land and are not categorised under the Crown Land section of the Book of Reference. Pursuant to s.227(3)(b) of the Planning Act 2008 [WG4] a Crown interest can be an interest belonging to a government department or held in trust for Her Majesty for the purposes of a government department. Section 85 (2) and (3) of Government of Wales Act 2006 [WG1] provides that:
- “(2) References in any enactment to property vested in or held for the purposes of a government department is to be construed as including references to property vested in or held for the purposes of the Welsh Ministers, the First Minister or the Counsel General (and in relation to property so vested or held the Welsh Ministers, the First Minister or the Counsel General are each deemed to be a government department for the purposes of any enactment).”*
- “(3) In this section “enactment” includes a future enactment.”*
- 2.2.3. The appropriate Crown authority in relation to the Crown land identified in respect of which Welsh Government has an interest would be the government department having the management of, or an interest in the identified land (s.227(5)(b) of the Planning Act 2008). The land identified by Horizon in the Book of Reference in respect of which Welsh Government has an interest as land owner or Strategic Highway Authority is Crown Land for the purposes of s.85(2) of the 2006 Act and should be referenced as such in the Book of Reference.

- 2.2.4. Consequently, Welsh Government would wish to draw the Examining Authority's attention to the fact that under s135 of the Planning Act 2008, Horizon has not made a formal approach seeking Welsh Ministers' consent for these rights.
- 2.2.5. For completeness, it should be noted that land interest registered in the name of the National Assembly should now be read as vested in the name of the Welsh Ministers. This is because paragraph 39(1) of Schedule 11 of the Government of Wales Act 2006 provides that "the property, rights and liabilities to which the Assembly constituted by the Government of Wales Act 1998 is entitled or subject in connection with any transferred function are transferred to and vest in the transferee of the function". The transferee of the functions is the Welsh Ministers.

3. PLANNING OBLIGATIONS AND DCO REQUIREMENTS

3.1. DRAFT DCO REQUIREMENTS

- 3.1.1. On the 24 October 2018, Welsh Government submitted initial comments on the draft Development Consent Order (DCO) to the Examining Authority (PINS Ref. EV-013). Welsh Government's comments were based on a preliminary review of the draft DCO and Welsh Government reserved the right to raise further detailed comments throughout the Examination process.
- 3.1.2. Welsh Government focused on nine key areas of the draft DCO that require amendment to enable Wylfa Newydd to be considered acceptable in planning terms, and to ensure it is respectful of the Devolution settlement and the devolved powers of Welsh Government:
- Marine requirements – Consideration of the appropriate discharging and enforcing authorities;
 - Application of the Marine and Coastal Act 2009 [WG26];
 - Welsh Government's statutory role as Appeal Authority in any appeal against applications to discharge DCO requirements;
 - The inclusion of a mechanism within the DCO for Deemed Approval and its appropriateness (Schedule 18);
 - Statutory Nuisance (Article 10);
 - Hedgerows (Article 75(4));
 - DCO Requirements – Use of tail pieces in draft requirements; and
 - DCO Requirements Generally – in particular, reliance on inadequately drafted application documents, which are currently lacking in detail.
- 3.1.3. To ensure that satisfactory mitigation and monitoring in respect of each of Welsh Government's devolved areas of interest is provided and implemented, additional necessary DCO requirements have been identified at the end of each topic specific chapter of this representation. The current draft DCO requirements are woefully inadequate and often go no further than to require adherence to vague proposals contained within lengthy (and often unfinished) so called "control documents".
- 3.1.4. The final DCO requirements must have clear, enforceable trigger points. Welsh Government also requests specific requirements included on important issues and matters clearly set out which must be contained within revised schemes to be approved pursuant to DCO requirements. These are highlighted in more detail at the end of each topic specific chapter of this representation.
- 3.1.5. Key examples include:
- Additional DCO Requirement requiring detailed phasing to be approved (this is assumed by the wording of the submitted high level Phasing Strategy but has been omitted from the wording of the actual DCO).
 - Delivery of construction worker accommodation and trigger for delivery of the Marine Offloading Facility (MOLF).
 - Revised "control" documents should be submitted for approval by the appropriate body. The DCO requirements also need to make it clear what any revised and final document must contain.
 - Specific DCO Requirements on key issues, including specific trigger points which are clear on the face of the DCO.

- 3.1.6. Specific observations by Welsh Government regarding the proposed draft DCO requirements and section 106 obligations in relation to the principal issues raised through this Written Representation have been captured within each technical chapter.
- 3.1.7. The relevant paragraph reference of this representation which sets out Welsh Government's view of the proposed DCO requirement or S106 obligations are set out below for ease of reference (see Table 3.1). In some instances, additional comments and/or concerns have been raised with Horizon, and, suggested amendments and/or additional requirements recommended.

Figure 3-1 - Proposed draft DCO requirements and Section 106 Obligations

Welsh Government devolved area of interest	Section reference	Paragraph reference	
		DCO Requirements	S106 Obligations
Welsh Language	5.4	5.4.3	5.4.4
Education, Skills and Labour Supply	6.5	6.5.3	6.5.4
Economic Development and Supply Chain	7.4	7.4.3	7.4.4
Tourism	8.5	8.5.3	8.5.4
Transport and Infrastructure	9.5	9.5.3	9.5.4
Digital Infrastructure	10.4	10.4.2	10.4.3
Health and Well-being	11.4	11.4.4	11.4.5
Housing	12.5	12.5.7-12.5.9	12.5.10-12.5.27
Historic Environment	13.4	13.4.4	13.4.5
Environment	14.5	14.5.1	-

- 3.1.8. The draft DCO submitted by Horizon at Deadline 1 will be further reviewed in advance of the Issue Specific Hearing – Development Consent Order on 9 January and Welsh Government will engage with Horizon in relation to the same.

3.2. DRAFT SECTION 106 AGREEMENT

INTRODUCTION AND BACKGROUND

- 3.2.1. Welsh Government wishes to emphasise that it must be recognised that all the potential negative impacts of Wylfa Newydd could, if not sufficiently mitigated, fall entirely within areas of responsibility which are devolved to the Welsh Government.
- 3.2.2. A key objective therefore for the Welsh Government during the DCO process is to ensure, all negative impacts are fully mitigated by Horizon and that the potentially significant costs to the public purse are avoided. The Welsh Government is therefore proactively engaging in respect of both the proposed Section 106 (S106) planning obligations and DCO requirements.
- 3.2.3. Should a DCO be granted, Wales will be hosting infrastructure that will be of benefit to the whole of the United Kingdom. The Welsh Government respects and supports the role that the local planning authority, Isle of Anglesey County Council (IACC), will play in relation to the S106 agreement as host authority. It must also be recognised that for this nuclear NSIP there will be significant impacts felt, and mitigation measures required, beyond the administrative boundary of IACC and for which other bodies have legal and/or financial responsibility.

- 3.2.4. Examples include: tackling rehousing cases of homelessness in neighbouring local authorities, post 16 education and training, impacts to the strategic highway network, economic development and tourism across the wider region, heritage matters and provision of primary care health services. These are all aspects that are currently funded by Welsh Government.
- 3.2.5. Consequently, Welsh Government considers that it has a critical role in engaging in the discussions on mitigation measures and S106 triggers and funding proposals, including how monitoring and delivery of mitigation will be secured. This will ensure that once development starts there will not be any expectation or necessity for Welsh Government to allocate public funds to address any potential impacts that are likely to be created by Wylfa Newydd. Welsh Government will therefore work with Horizon, IACC, other affected local authorities, and other key stakeholders to focus attention on:
- Mitigation of impacts which will be felt beyond the administrative boundary of IACC or where legal responsibility or funding sits with the Welsh Government. Examples include: the strategic trunk road and highway network (A55 and Britannia Bridge), tackling rehousing in cases of homelessness in neighbouring local authorities, post 16 education and training, economic development across the region, health, heritage matters, and tourism beyond Anglesey.
 - The role of the Wylfa Newydd Major Permissions Oversight Panel (WNMPOP) and contingency funding for mitigation if unforeseen impacts arise so to avoid the cost of mitigation being borne by the public purse.
 - Supporting IACC in its work to secure effective mitigation for Anglesey.
- 3.2.6. Welsh Government was provided with a redacted draft S106 agreement on 26 October 2018 and has submitted detailed comments on that draft to Horizon. A summary of those comments was also submitted to the Examining Authority at Deadline 1 (PINS Ref. REP1-024). Further detail is provided at the end of each thematic topic chapter where Welsh Government is of the view that mitigation should be secured through a planning obligation.

WYLFA NEWYDD MAJOR PERMISSIONS OVERSIGHT PANEL (WNMPOP)

- 3.2.7. Horizon states that it is proposing a plan, monitor and manage approach to mitigation for Wylfa Newydd to ensure that impacts are addressed where they occur. As outlined in the Wylfa Newydd Code of Construction Practice (WNCocP) (Application Ref. 8.6; PINS Ref. APP-414), Horizon is proposing to introduce a Wylfa Newydd Major Permissions Oversight Panel (WNMPOP) and nine supporting sub-groups.
- 3.2.8. The purpose of the WNMOP would be the release of capped contingency funds as provided for in the S106 agreement in response to monitoring the impacts of Wylfa Newydd. The purpose of the sub-groups would be to make recommendations to the WNMPOP regarding appropriate mitigation and the release of contingency funds secured within the S106 agreement.
- 3.2.9. Welsh Government's concerns in relation to the WNMPOP are detailed in PINS Ref. REP1-024. The key concerns are summarised as follows:
- The Code of Construction Practice ("CoCP") does not effectively secure WNMPOP. It does not include specific obligations or clear triggers (which you would expect to see in a section 106 agreement) relating to establishment and conduct of the Panel, or obligations relating to funding/ resourcing of the various groups which public bodies are expected to actively participate in. These are all matters which should be secured in the section 106 agreement but are currently lacking.

- There are currently no detailed terms of reference or agreed legally binding process for dispute resolution in respect of the WNMPOP.
- Welsh Government needs much clearer contractual commitments from Horizon (which can be relied on by Welsh Government) relating to the establishment, membership, operation and resourcing of the WNMPOP and Sub-Groups and securing the terms of reference and dispute resolution mechanism.
- The proposed draft S106 also seeks to place obligations on the WNMPOP and sub-groups, yet those bodies will not be bound by the S106 agreement. Welsh Government is not currently listed as a party to the agreement to sign up to these provisions.
- There are no reciprocal binding obligations between the key proposed members of the WNMPOP (Horizon, IACC and Welsh Government) who may well be voting on what are likely to be substantial contingency funds which may be required to provide mitigation across the North Wales region as a whole.
- The WNMPOP should retain its focus on strategic matters relating to the issuing of directions for the release of contingency funding and an advisory role in respect of mitigation.
- The WNMPOP should not have responsibility for the Community Fund allocation (which community groups can bid for).
- The triggers within the section 106 agreement for release of contingency funds are not sufficiently clear and retrospective after impacts have arisen.
- Clause 6.2 of the draft S106 agreement must be deleted as this provides that the WNMPOP could be disbanded with no certainty of what would replace it, with risk that mitigation required across North Wales would not be secured;
- It is currently unclear which members of WNMPOP are proposed to have a vote on key strategic issues; and
- Horizon has previously proposed that one Community Liaison Group should be a member of WNMPOP. Whilst this and other community liaison groups should have a way of voicing concerns, the appropriate forum may not be the WNMPOP. Care needs to be taken over which bodies have a vote on WNMPOP, which is intended to be for strategic matters.

- 3.2.10. It should be noted that the membership, governance, responsibilities, and operation of the WNMPOP (and supporting sub-groups) is a key concern for all the thematic areas presented in this representation.
- 3.2.11. Welsh Government's position has always been that Horizon must ensure an effective mitigation and monitoring strategy is in place to manage any adverse impacts from Wylfa Newydd. WNMPOP and contingency funding cannot be used as a way for avoiding or reducing the level of mitigation provided at the outset for foreseeable impacts.
- 3.2.12. Welsh Government will continue to work with Horizon to ensure these matters are closed out and do not detract from further discussions relating to the WNMPOP. Welsh Government was provided with draft Terms of Reference for the WNMPOP on 12 November 2018 and has been asked to provide comments by 21 December 2018.

WORKFORCE ACCOMMODATION MANAGEMENT SERVICE (WAMS)

- 3.2.13. Within the Workforce Accommodation Strategy (WAS) (Application Ref. 8.4; PINS Ref. APP-412), Horizon has acknowledged that stakeholders, including Welsh Government, have raised concerns about the impact of construction workers on locally available accommodation and on wider communities, including traffic impacts, impacts on community facilities and services and on the Welsh language and culture.
- 3.2.14. The Workforce Accommodation Management Service (WAMS) has been put forward by Horizon to mitigate the impacts of its non-home-based workforce on the housing and tourism sector. Welsh Government's concerns in relation to the WAMS are detailed in PINS Ref. REP1-024. The key issues are summarised as follows:
- There should be an absolute commitment to establish the necessary oversight board to ensure effective operation of the WAMS (the WAMS Oversight Board).
 - The WAMS Oversight Board, as proposed in the WAMS, must be effectively secured by the S106 agreement.
 - It is the view of the Welsh Government that it should have a role on the WAMS Oversight Board in view of the vital role of this service in mitigating impacts across the region and could be part of the Sub-group; and
 - WAMS is currently a high-level proposal and so more specific obligations should be included in this S106.
- 3.2.15. Further concerns relating to the WAMS are presented in Chapter 12 (Housing and Accommodation Strategy).

WYLFA NEWYDD EMPLOYMENT AND SKILLS SERVICE (WNESS)

- 3.2.16. As outlined in the Jobs and Skills Strategy (Application Ref. 8.3; PINS Ref. APP-411), Horizon is proposing to develop a Wylfa Newydd Employment and Skills Service (WNESS). Its role will be to *"place people into sustainable employment created by the building of the Wylfa Newydd Power Station and the construction of its Associated Developments"*.
- 3.2.17. Welsh Government's concerns in relation to the WNESS are detailed in PINS Ref. REP1-024 and are summarised as:
- Horizon has identified the WNESS as the key mitigation mechanism as it allows for backfilling of labour to overcome issues of displacement. Therefore, there should be a stronger commitment to the WNESS and spatial coverage of it.
 - There is currently no commitment to a jobs and skills strategy or implementation plan to cover the operational workforce.
- 3.2.18. Further concerns relating to the WNESS are presented in Chapter 6 (Education, Skills, and Labour Supply).

FUNDING PROVISIONS IN THE S106 AGREEMENT

- 3.2.19. The draft section 106 agreement as prepared by Horizon which the Welsh Government has provided comments on does not currently include figures for any of the proposed financial contributions or contingency sums. It is not therefore possible to confirm whether the mitigation proposed for adverse impacts is anywhere near adequate.

4. CUMULATIVE EFFECTS

4.1. INTRODUCTION

- 4.1.1. Paragraph 3.7.4 of the National Policy Statement for Nuclear Power Generation (EN-6) [WG9] highlights the needs for consideration of the cumulative effects of a development consent application of a new nuclear power station with other major infrastructure proposals.
- 4.1.2. It is necessary to identify past, present or reasonably foreseeable future projects which could contribute to cumulative effects. Past projects are usually included in the environmental baseline, and are considered as reasonably foreseeable future projects only if the actual effects of the project are still being determined through monitoring and measurement, or where they have been undertaken in the time between the baseline information being collected and the assessment being undertaken.
- 4.1.3. The scope of the cumulative effects within the Wylfa Newydd Environmental Statement (ES) (Application Ref. 6.9.2; PINS Ref. APP-385) sets out how the reasonably foreseeable future projects with the potential to contribute to cumulative effects with the Wylfa Newydd Development, have been identified.

4.2. REASONABLY FORESEEABLE FUTURE PROJECTS

INTRODUCTION

- 4.2.1. It is agreed with Horizon that the list of Reasonably Foreseeable Future Projects relied upon for the purposes of the Cumulative Impact Assessment is appropriate. However, Welsh Government does not agree with the status of all projects listed.

THIRD MENAI CROSSING (AN22)

- 4.2.2. This project is recognised as having the potential for cumulative effects, both positive and negative, in respect of the proposed development. Following the announcement, by Welsh Government's First Minister on Thursday 11 October 2018 there is now a preferred route for the proposed Third Menai Crossing. Horizon have indicated within the Environmental Statement that when further information becomes available, further assessment work would be undertaken.
- 4.2.3. The cumulative effects of that project should therefore now be considered.

DWR CYMRU WELSH WATER WASTEWATER TREATMENT WORKS (AN26)

- 4.2.4. Welsh Government are aware that further information is available on the Dwr Cymru Welsh Water Wastewater Treatment Works (AN26) and request that this is considered as part of the DCO application.

5. WELSH LANGUAGE AND CULTURE

5.1. INTRODUCTION AND BACKGROUND

- 5.1.1. The Welsh language has official status in Wales and is a material planning consideration when determining planning applications. Both the Isle of Anglesey and Gwynedd have been recognised for their high concentration of fluent Welsh speakers and communities where Welsh is the main language of communication. The Isle of Anglesey and Gwynedd are traditional Welsh-speaking heartlands in Wales and include the second highest and highest proportion, respectively, of Welsh speakers throughout Wales, with 57.2% and 65.4% of the residents able to speak Welsh, respectively.
- 5.1.2. The Wellbeing and Future Generations (Wales) Act 2015 [WG3] establishes well-being goals which include achieving ‘*a Wales of vibrant culture and thriving Welsh language*’, described as ‘*a society that promotes and protects culture, heritage and the Welsh language...*’. Section 1.4 sets out how Welsh language and culture must be considered as a golden thread.
- 5.1.3. As part of the DCO application, Horizon has submitted a Welsh Language Impact Assessment (WLIA) (Application Ref. 8.2; PINS Ref. APP-432). The WLIA predicts both beneficial and adverse effects on the Welsh language and culture because of Wylfa Newydd. An independently chaired Welsh Language Steering Group was developed by Horizon to guide the WLIA process. Welsh Government was an observer to the Steering Group.
- 5.1.4. Welsh Government has identified a number of concerns that remain unaddressed. These are discussed in more detail as part of this representation and include:
- The Welsh Language & Culture Mitigation and Enhancement Strategy (WLCMES), specifically, the delivery, timing and monitoring of the mitigation measures proposed.
 - Sensitivity testing of construction workers and their distribution within the study area.
 - The Code of Construction Practice (CoCP) and approach to monitoring impacts and mitigation for Welsh language and culture.

5.2. PLANNING AND POLICY CONTEXT

- 5.2.1. New energy infrastructure may affect the composition, size and proximity of the local population (paragraph 4.13.4, NPS EN-1 [WG8]) and proposals should consider all relevant socio-economic impacts at a local and regional level, which may include changes to the local population dynamic and effects on social cohesion depending on how populations and service provision change because of the development (section 5.12, NPS EN-1). Welsh Government considers that the Welsh Language should be considered as a relevant socio-economic matter for the purposes of the above paragraphs of EN-1, as it is vital to social cohesion within the region.
- 5.2.2. Welsh Government’s emphasis on the importance of the Welsh language is reflected in the goals under section 4 of the 2015 Act:
- A Wales of vibrant culture and thriving Welsh Language.
 - A Wales of cohesive communities.
 - A more equal Wales.

- 5.2.3. The relevance and importance of the Welsh language is also reflected in Welsh planning policy and guidance. Paragraph 2.47 of draft PPW 10 [WG11] (consultation conducted by Welsh Government in June 2018) states that the land use planning system should take account of the conditions which are essential to the Welsh language and in so doing contribute to its well-being and use.
- 5.2.4. Development should contribute positively to the well-being of the Welsh language and ensure any negative impacts on the use of the language are mitigated (paragraph 4.4.3, PPW 9 [WG10]).
- 5.2.5. Technical Advice Note 20: Welsh Language (TAN20) [WG22] provides useful guidance in support of PPW in this regard.
- 5.2.6. *Cymraeg 2050* is the Welsh Government's vision for reaching a million Welsh speakers by 2050:
- *Cymraeg 2050 – A million Welsh speakers* [WG7]
 - This is the Welsh Government's strategy for the promotion and facilitation of the use of Welsh language.
 - *Cymraeg 2050 Work Programme (2017-2021)* [WG27]
 - The work programme, which was published in tandem alongside the strategy, is the first of several work programmes which will be published during the lifespan of the strategy and sets out what the Welsh Government intends to do to deliver the strategy's policy objectives.
 - *Cymraeg 2050: A million Welsh speakers, Action plan 2018-19* [WG28]
 - This action plan explains what the Welsh Government will do to drive the strategy forward during the current financial year.
- 5.2.7. The aim of the *Cymraeg 2050* strategy is to:
- i. Increase the number of Welsh speakers,
 - ii. Increase the use of Welsh; and
 - iii. Create favourable conditions in terms of infrastructure and context.
- 5.2.8. The commitment of Welsh Government to the strategy is reinforced by the targets within the following policies:
- *Taking Wales Forward* (programme for government) [WG29];
 - *Prosperity for All: the national strategy* [WG30];
 - A 'thriving Welsh language' is one of the 7 main goals of the Wellbeing of Future Generation (Wales) Act 2015 [WG3];
 - *Welsh in Education: Action plan 2017-21* [WG31]; and
 - The Welsh Language (Wales) Measure 2011 [WG32].
- 5.2.9. Section 70(2) of the Town and Country Planning Act 1990 [WG33] was amended by the section 31 of the Planning (Wales) Act 2015 [WG34] to make the Welsh Language a material consideration in planning decisions in England and Wales. Welsh Government is of the view that this same consideration should be given to the Welsh Language under the NSIP regime and therefore that under s.105 of the Planning Act 2008 the protection and enhancement of the Welsh Language should be considered important and relevant in the determination of this application. This is particularly so given the importance placed on the Welsh Language that runs throughout relevant policy and legislation set out above.

5.3. REVIEW OF WYLFA NEWYDD DCO APPLICATION

RELEVANT DCO DOCUMENTATION

5.3.1. The following documents have been reviewed and considered by Welsh Government to inform this Written Representation:

- Application Reference No. 8.4: Workforce Accommodation Strategy
- Application Reference No. 8.20: Welsh Language Impact Assessment Non-Technical Summary
- Application Reference No. 8.21: Welsh Language Impact Assessment

WELSH LANGUAGE IMPACT ASSESSMENT (WLIA) – METHODOLOGY, MODELLING AND BASELINE

General overview

5.3.2. The stated aim of the WLIA is to show “*how the proposed development would protect, promote and enhance the Welsh language*” (paragraph 6.4.464, Application Ref. 8.1 Planning Statement (PINS Ref. APP-406)). The development and outputs of the WLIA were guided by the Welsh Language Steering Group. The Steering Group was made up of the stakeholders listed below:

- Isle of Anglesey County Council (IACC).
- Gwynedd Council.
- Menter Môn.
- Llais Ni.
- Wylfa Newydd Project Liaison Group.
- Welsh Government (non-member, observing only).
- Welsh Language Commissioner (non-member, observing only).

5.3.3. There are two supporting documents appended to the WLIA:

- Appendix A7-1 Welsh Language Impact Assessment Baseline Report: This baseline report aims to provide an evidence base of the assessment of effects presented in the main body of the WLIA report.
- Appendix B4-1 Welsh Language and Culture Mitigation and Enhancement Strategy (WLCMES): The WLCMES sets out the 24 measures which Horizon have identified for mitigating and enhancing the effects of the Wylfa Newydd project on the Welsh language and culture within the Key Socio-economic Study Area (KSA).

5.3.4. Discussions between Horizon and Welsh Government in relation to the assumptions, methodology and purpose of the Gravity Model have concluded that there is general agreement that the Gravity Model is an appropriate approach to inform assessments of the distribution of construction workers.

5.3.5. Horizon has provided assumptions regarding the number of dependents assumed during both the construction and the operational periods. Paragraph B.4.128 of the WLIA estimates that construction workers would bring 285 partners and 220 (school-aged) dependents. The proposed mitigation measures will be seeking to integrate the families into the local communities, and therefore Welsh language support will be required.

Distribution of construction workers (outside of the Site Campus)

- 5.3.6. Horizon has recognised that the effect of the Wylfa Newydd project on the Welsh language and culture is driven by the workforce required, and the scale of this workforce and where they are likely to be living (paragraph A.5.9, WLIA). It is those workers who are living outside of the Site Campus (Temporary Worker Accommodation) who are likely to impact on the communities (but this will vary in different locations).
- 5.3.7. Welsh Government has raised concerns relating to the impact of non-home-based workers living in the Welsh-speaking communities in Anglesey and Gwynedd. Mitigation measure 18 sets out Horizon's commitment to fund the provision of community language services, with the aim to *"support the integration of incomers and develop capacity in the local community"* (page 19, WLCMES). Welsh Government welcomes the measure to both provide support for the workers looking to base themselves within the community, and also to provide support to the communities to ensure that their capacity is sufficiently developed to integrate any Wylfa Newydd workers.
- 5.3.8. In response to discussions and workshop sessions between Welsh Government and Horizon, further sensitivity analysis of the distribution of non-home-based construction workers is being carried out by Horizon. This is to inform potential future scenarios and monitoring requirements. Welsh Government are awaiting the details of this high-level sensitivity testing.

WELSH LANGUAGE AND CULTURE MITIGATION AND ENHANCEMENT STRATEGY (WLCMES)

General comments on mitigation proposals

- 5.3.9. Appendix B-4 of the WLIA consists of the Welsh Language and Culture Mitigation and Enhancement Strategy (WLCMES). Within this document, 24 mitigation measures have been proposed by Horizon with the aim of mitigating and enhancing the effects of the Wylfa Newydd project on the Welsh language and culture within the Key Study Area (KSA). The 24 measures cover the following four themes; workforce; children, young people and families; community and local services; and accountability.
- 5.3.10. The 24 mitigation measures proposed in the WLIA have been developed with advice and support from the Welsh Language Steering Group. While the mitigation measures are welcomed by Welsh Government, further clarification of the detail is needed.
- 5.3.11. The following areas of clarification have been requested from Horizon to provide assurances to Welsh Government that the measures will be implemented effectively:
- Timing for the implementation of the mitigation: The trigger points outlined for each mitigation measure in the WLCMES do not go far enough to determine when each mitigation measure will need to be implemented. Clearer timeframes and triggers are required for all the mitigation measures proposed.
 - Financial contributions: There has been very little information provided on how the mitigation measures will be funded (through planning obligations) or treated 'in-kind'.
 - Detail around how the impacts will be monitored. There has been very little information provided on how all the impacts on the Welsh language and culture will be monitored, how Horizon will react to impacts that occur (whether they were predicted or not), and how the mitigation will be secured or implemented. This applies to the proposed WNMPOP and the Welsh Language and Culture sub-group, and the way in which they will manage each of the measures.

- 5.3.12. In the absence of the above information, Welsh Government does not have confidence that the mitigation measures will be implemented. Consequently, at this stage, it is not clear whether Horizon have met the tests set out in para 4.4.3 of PPW9. Nor does Welsh Government have confidence that negative effects on social cohesion are appropriately mitigated. Therefore, it is considered that the tests set out in NPS EN-1 are not yet clearly addressed.

Welsh Language and Culture Co-ordinator

- 5.3.13. The WLCMES indicates that Horizon will appoint a Welsh Language and Culture Coordinator (WLCC) (Enhancement measure 1 of the WLCMES, page 7). On the 22 November 2018, Horizon confirmed the appointment of Tesni Hughes as the WLCC for Wylfa Newydd. Welsh Government welcome this appointment; however, Horizon must provide more certainty about the role and responsibilities of the WLCC.

The role of the Welsh language in the recruitment process

- 5.3.14. Measure 8 of the WLCMES is for Horizon to “*develop and adopt a Welsh language skills competency framework and assessment tool*”. Welsh Government welcome the development of this framework and assessment tool and will welcome the opportunity to comment on it once it has been produced (Horizon have confirmed this will follow the appointment of the WLCC).
- 5.3.15. Welsh Government has concerns in relation to the role of the Welsh language in the recruitment process and procedures for Wylfa Newydd. Under the Welsh Language Act 1993, Welsh is an official language. Therefore, Welsh Government are seeking confirmation from Horizon that candidates for any role will have the opportunity to be interviewed in Welsh, even if Welsh is not a requirement for the role. In response to a request from Horizon, Welsh Government has provided a Welsh Government HR guidance document, which provides advice on assessing what language to use during interviews. This document has been in use within Welsh Government for a number of years. Welsh Government would welcome the commitment from Horizon to consider this guidance in developing their own internal processes. A copy of the Welsh Government’s HR guidance document has been provided at **Appendix A** of this report.

Community Involvement Officers and community languages services

- 5.3.16. The aim to mitigate potential adverse effects on the community and local services has strong links with the previous section relating to children, young people and education. Horizon are committing to providing funding for community language services which would support the integration of newcomers into the local community at the same time as developing Welsh language-speaking capacity. This mitigation measure is strongly linked to the role of the Community Involvement Officer (CIO).
- 5.3.17. Horizon have provided further clarification to Welsh Government on the role of the CIO. They would aim to act as the main link between Horizon and the community and their role has been highlighted to become more important as the project progresses, particularly during the construction phases. The CIOs will be appointed across dedicated geographical areas of responsibility and will liaise with the local communities. Their role will include taking effective action to deal with any complaints which are raised.

Increased demand for accommodation affecting affordability of housing for local people

- 5.3.18. *“Housing affordability is therefore considered to be a current issue in both Anglesey and Gwynedd”* (paragraph A.6.59, WLIA). Horizon have recognised that there is an impact as a result of increased demand for accommodation which could affect the affordability of housing for local people. Welsh Government agree that the increased demand for accommodation will affect the affordability of housing for low income earners, please see paragraph 12.4.43 for further detail. Given 57.2% of the existing population in Anglesey are Welsh speakers, increasing the price of accommodation would impact on the ability of the local population (including Welsh speakers) to remain living locally, and therefore leading to an adverse effect on Welsh language and culture.
- 5.3.19. Welsh Government has concerns in relation to this matter, particularly the impacts on the Welsh language. Further discussion of the impacts of Wylfa Newydd on housing and accommodation is set out in Chapter 12 of this representation. Welsh Government consider that Horizon need to commit to continuous monitoring of workers and the developing patterns of where they will be choosing to live, as this will determine the impacts in those sensitive linguistic communities.

Peripatetic Teachers

- 5.3.20. There will be a significant population increase in Anglesey and the Key Socio-economic Study Area (KSA) because of Wylfa Newydd through a peak construction workforce of 9,000, as well as 850 permanent jobs during the operation of the power station. With such an influx of people coming into the KSA, there will be some workers who will bring their families; this will be more likely for those longer-term positions during construction, such as project management.
- 5.3.21. It is unlikely that these workers would live in the Temporary Worker Accommodation (TWA) on the Site Campus, and would most likely seek accommodation within the community within the KSA, as this will suit the needs of themselves and their families together. Horizon has identified that this will have a major adverse effect on the balance of Welsh and non-Welsh speakers within the KSA. It is this impact which a number of the mitigation measures presented in the WLIA are seeking to alleviate.
- 5.3.22. Horizon is seeking to mitigate the potential adverse effects by *“providing funding for local education services that support children and young people to participate in Welsh-medium education across primary and secondary schools (language immersion services). The level of support for this service will be proportionate to the number of workers that will bring their families”* (WLIA, page 16).
- 5.3.23. Welsh Government welcomes the proposal of this mitigation measure, however it is felt that further detail is required, in respect of triggers and duration of provision, to provide certainty of that commitment and to ensure that it is actioned at the most appropriate time for the effect to truly be mitigated. It is essential the provision of support for incoming families is prepared in advance of their arrival in the KSA, and importantly is factored into their own decision-making process for where they choose to live.
- 5.3.24. The commitment for support should be able to provide assurance to a family who are non-Welsh speakers that there would be no detriment to their quality of life and that the Welsh language would add to their quality of life. This is particularly relevant when families are considering schools; that education in the medium of Welsh is a possibility, and that the immersion education provision is sufficient for their needs.

- 5.3.25. Welsh Government welcomes the opportunities and the measures proposed which will enable workers to be able to immerse themselves into the communities. Welsh Government would also welcome further recognition from Horizon that there is a risk of workers choosing to live out of the KSA to access English-medium education for their families, and that this creates a further risk relating to the assumptions on where workers will live, as assessed in the Gravity Model. The mitigation for these risks would be the provision of suitable information for workers and their families, to factor into their decision-making process for they wish to live. The other essential mitigation measure is the provision and funding of peripatetic teachers and an immersion centre to provide non-Welsh speaking children the opportunity to access Welsh medium education on Anglesey or Gwynedd.

National Centre for Learning Welsh

- 5.3.26. The aim of the National Centre for Learning Welsh is to attract new learners to the Welsh language and increase the numbers using and enjoying Welsh each day. The Centre has been identified by Horizon as a 'key external partner' in a number of the mitigation measures proposed within the WLCMES and WLIA. For example, Horizon states that it will seek the advice of the centre in developing the Welsh language skills assessment tool (paragraph 4.2.21, WLIA).
- 5.3.27. While Welsh Government welcomes the recognition of the National Centre for Learning Welsh by Horizon, further clarity and certainty is needed on the Centre's role as part of the Welsh Language Skills Strategy and mitigation proposals. This is recognised as an on-going matter in the Statement of Common Ground (SoCG).

IN-MIGRATION AND OUT-MIGRATION

- 5.3.28. In-migration is a key factor in reducing the number of communities in Wales where over 70% of the population speaks Welsh. The in-migration of workers for both the construction and operation periods of the Wylfa Newydd project is one of the main impacts relating to this specific topic.
- 5.3.29. Referring to UK Census data, a growth of 153,000 people was seen in the population of Wales between 2001 and 2011, and much of that growth can be attributed to people who are moving into Wales. During this period, Anglesey saw an increase of 3% in their population. In 2001, 60.1% of the residents of Anglesey were Welsh speakers, but by 2011, the percentage had dropped to 57.2%. There are several contributing factors to this decrease, but in-migration is one of them.
- 5.3.30. The Wylfa Newydd project will offer employment opportunities both during construction and operation. Horizon have reported that this offer would be expected to reduce past trends of out-migration of young and working age people from Anglesey and the KSA. Provided that the suitable skills, training and supply chain measures are available to ensure opportunities can be secured by the local-home-based workforce (please see Displacement of Local Workers – Section 6), Welsh Government can agree with this assertion.
- 5.3.31. In addition, further highlighting the cross-cutting nature of this topic, it will be essential that there are affordable housing options for young and working age local people (many of whom speak Welsh) in order to take advantage of the job opportunities that Wylfa Newydd may provide.

WORKER ACCOMMODATION MANAGEMENT STRATEGY (WAMS)

- 5.3.32. Horizon has stated that it would seek to mitigate the potential adverse impacts on the cost of housing (relating to the Welsh language) by establishing a Wylfa Newydd Worker Accommodation Service (WAMS) (page 17, WLIA). The WAMS (Application Ref. 8.4; PINS Ref. APP-432) is a provision set out in the Workforce Accommodation Strategy (document reference 8.4) along with the Housing Fund and the Health and Welfare facilities for workers. All of these would be secured through planning obligations and financial contributions.
- 5.3.33. The WAMS could be one mechanism (see paragraph 13.5.13) to monitor the inflow of non-home-based construction workers and their families, providing information on where they choose to locate. Paragraph 4.2.47 of the WLCMES highlights that the WAMS would be developed in partnership with IACC and Welsh Government.
- 5.3.34. Further detail on the proposed mitigation measures set out in the WLCMES is needed to enable Welsh Government assurance that the mitigation can be secured and implemented effectively. Welsh Government would welcome the commitment from Horizon to monitoring through the WAMS and developing specific additional mitigation that may be necessary to address any additional impacts which may arise. For example, area based thresholds for the supply of accommodation through the WAMS could be used to monitor and manage the effect of workers choices on the Welsh language. These thresholds could then be agreed through the Welsh Language and Culture Sub-Group.

5.4. PLANNING OBLIGATIONS AND DCO REQUIREMENTS

APPLICANT'S PROPOSAL

Overview of Proposed Wylfa Newydd DCO Requirements

- 5.4.1. Horizon has committed to implementing the mitigation measures outlined within the Mitigation Route Map (Application Ref. 8.14; PINS Ref. APP-422). The mitigation measures and commitments identified below will be delivered through the following DCO Requirements (Schedule 3, Application Ref. 3.1; PINS Ref. APP-029):
- Wylfa Newydd Code of Construction Practice (CoCP) (*Requirement PW7*):
 - Permanent and temporary public signs relating to Wylfa Newydd will be bilingual (Item 0079, Table 1-1, Application Ref. 8.14). This mitigation measure is one of the 24 proposed mitigation measures presented in the WLCMES; and
 - Horizon is proposing to introduce a Wylfa Newydd Major Permissions Oversight Panel (WNMPOP) and nine supporting sub-groups (including Welsh Language and Culture).
 - Wylfa Newydd Code of Conduct (*Requirement PW8*):
 - A Code of Conduct will be written in accordance with the principles of the Workforce Management Strategy (WMS) (Application Ref. 8.5; PINS Ref. APP-413). It will apply to all personnel engaged in the construction of the Wylfa Newydd Project. Contractors will be obliged to implement and comply with the Code of Conduct.

Overview of Proposed Wylfa Newydd Planning Obligations

- 5.4.2. The DCO application sets out the following mitigation and monitoring measures that will be secured through a S106 agreement:
- The Welsh Language and Culture Mitigation and Enhancement Strategy outlines 23 project-wide mitigation measures that will be delivered through the S106 Agreement (Item 0073 – Item 0078 & Item 0080 – Item 0096, Table 1-1, Application Reference 8.14). This includes funding for measures which are not ‘in-kind’ as follows:
 - Funding support for peripatetic teachers to allow immersion of construction workforce dependents (Item 0088, Table 1-1, Application Reference 8.14);
 - Funding support for community language services (Item 0090, Table 1-1, Application Reference 8.14); and
 - Funding support for community translation services (Item 0092, Table 1-1, Application Reference 8.14);
 - Horizon will appoint and fund bi-lingual Community Involvement Officer(s) (CIO) to develop and implement many of the HIA mitigation measures during construction and operation of Wylfa Newydd. The CIO will be a key interface between the local community, key stakeholders and Horizon management. The CIO will be involved with implementation of the WLIA (Item 1053, Table 1-1, Application Reference 8.14).

WELSH GOVERNMENT’S PROPOSAL

Overview of Proposed Wylfa Newydd DCO Requirements

- 5.4.3. Welsh Government submitted key points/concerns on the draft DCO to the Examining Authority (PINS Ref. EV-013), this document did not include any concerns in relation to Welsh language and culture. Welsh Government do not wish to raise any areas of concern that relate to Welsh language and culture through this representation.

Overview of Proposed Wylfa Newydd Planning Obligations

- 5.4.4. Welsh Government has now been provided with a (redacted) draft s.106 agreement, and has submitted detailed comments on that draft to Horizon. A summary of those comments was also submitted to the Examining Authority at Deadline 1 (PINS Ref. REP1-024). In addition, Welsh Government wishes to raise the following concerns in relation to the draft (redacted) S106 agreement:
- **Welsh Language and Culture Co-ordinator:** The responsibilities of the WLCC are outlined in the draft S106 document. While these are welcomed by Welsh Government, the current wording allows far too much flexibility to amend/reduce these responsibilities as Wylfa Newydd progresses.
 - **Welsh Language Education (Annual) Contribution:** The annual contribution, which will fund peripatetic teachers to support current Welsh immersion education, has not been defined. In addition, Welsh Government is concerned that a secured contribution has not been identified for Gwynedd Council, which is part of the KSA.

- **Community education obligation:** Horizon is committed to maintaining any existing programmes of educational support. Welsh Government wishes to see a well-defined document or description of Horizon's existing programme of educational support to agree transparency of such a commitment.
- **Welsh Language and Culture Sub-Group:** No information has been provided on how the impacts on the Welsh language and culture will be monitored, how Horizon will respond to impacts that occur, and how the mitigation will be secured or implemented. No Terms of Reference have been included for the Welsh Language and Culture Sub-Group. Welsh Government requests that the S106 agreement includes the Terms of Reference for the Welsh Language and Culture Sub-Group.
- **Community Language Services:** These services will form part of the Community Involvement Officers (CIO) remit, however the separate funding required to deliver the community language services outlined in the Environmental Statement has not been defined.
- **Community Translation Service Contribution:** The contribution has not been defined in the draft S106 document.
- **Interview Procedures:** Welsh Government requests a commitment from Horizon that candidates for roles will have the opportunity to be interviewed in Welsh, if they so choose, regardless of the role which they are applying for (even if Welsh is not a requirement for the role).

6. EDUCATION, SKILLS, AND LABOUR SUPPLY

6.1. INTRODUCTION AND BACKGROUND

- 6.1.1. Welsh Government recognises that Wylfa Newydd will provide positive opportunities to the economy and communities in North Wales. However, it must also be recognised that, it will also bring significant risk to the skills landscape and the local employer base. Horizon has set out an assessment of the socio-economic impacts of the construction and operation of the proposed Wylfa Newydd power station which focuses on the positive local economic impacts but considers few or limited negative impacts (Application Reference No. 6.3.1; PINS Ref. APP-088). The potential negative impacts are identified and discussed in this chapter.
- 6.1.2. The risk of displacement of skilled and experienced individuals is significant and could destabilise what is already a fragile economy, not only on Anglesey but across the wider North Wales region and further into Wales. With little spare current capacity in the labour force it will be difficult to replace workers that are lost to the Wylfa Newydd project.

CONSTRUCTION WORKFORCE AND DISPLACEMENT

- 6.1.3. The construction of Wylfa Newydd will require a large workforce (of up to 9,000 workers in the local area at the peak of the construction process) of whom c.2,000 will be home-based, with the rest being non-home-based and staying in the local area temporarily whilst they undertake work on the project (Application Reference No. 6.3.1). It is believed that there could be 30,000 to 40,000 jobs or roles in total over the construction period (Application Reference 8.3 para 2.4.12), so workers will be 'recycled', often filling more than one role over the construction period. The home-based workers are expected to travel for up to 90 minutes each way to work on the site each day, so could come from a large catchment area, called the Daily Construction Commuting Zone (DCCZ).
- 6.1.4. The employment of home-based workers in the construction of Wylfa Newydd could lead to a detrimental displacement effect on other businesses in the local economy. Guidance on calculating the displacement effect of major projects is set out in Homes & Communities Agency (2014) *Additionality Guide: Fourth Edition* [WG35]. It defines displacement as: "*The proportion of intervention outputs/outcomes accounted for by reduced outputs/outcomes elsewhere in the target area.*" (para 4.3.1, p.28). In this case the negative impacts of displacement are likely to be the loss of workers from existing local businesses to the Wylfa Newydd project, difficulties back-filling any vacancies, which could lead to direct costs to businesses, wage inflation, and potentially business closures.
- 6.1.5. As an example of the risk of labour displacement, the local economic impact of the construction of Sizewell B in Suffolk was reviewed in-depth by Professor John Glasson [WG36; WG37; WG38; WG39]. He estimated that 600 employees were drawn from other local businesses in the early years of the construction project; and a survey of local businesses reported that 10% found that the project made it more difficult to retain or recruit staff.
- 6.1.6. Welsh Government has engaged with Horizon to understand the mechanisms, programme, and demand for investing in a higher skilled, qualified, and experienced workforce that will be able to directly access opportunities in the nuclear sector and minimise the negative displacement impact on the local economy.

- 6.1.7. Fulfilling the commitments Horizon have made towards local investment and training will help the North Wales region to minimise the negative effects of Wylfa Newydd. In doing so, the North Wales region will be able to retain and support the professional development of the indigenous population, protect the Welsh language and culture, and bolster the resilience of local communities.
- 6.1.8. Horizon has stated its commitment to working with partners in Anglesey and across North Wales to deliver a skills programme that both supports the efficient construction and operation of Wylfa Newydd and delivers a legacy for the local economy of a higher skilled, higher productivity workforce. At the same time, Horizon has acknowledged concerns raised by stakeholders, including Welsh Government, that Wylfa Newydd will recruit workers from existing businesses and services across several sectors, leaving behind vacancies that are hard to fill.
- 6.1.9. Horizon has submitted a draft Jobs and Skills Strategy (Application Ref. 8.3; PINS Ref. APP-411) which sets out emerging thoughts on how Horizon can help to deal with these vacancies as they arise through a broad-based Wylfa Newydd Employment and Skills Service (WNESS). The Jobs and Skills Strategy would be backed by a Skills Fund which would be secured by the S106 agreement. Horizon's approach to the strategy is to plan for the skills the project will need, it will be a demand-led approach that focuses on employment opportunities and draws on up to date labour market forecasting.
- 6.1.10. Welsh Government welcome the inclusion of the WNESS and Skills Fund within the Jobs and Skills Strategy, however, at the time of writing (November 2018), there are unresolved concerns which have been raised by Welsh Government in relation to:
- Insufficient information on the definition of the workforce and the types of roles and skills required in the construction and operation of Wylfa Newydd;
 - Insufficient information on the Supply Chain Action Plan and Supply Chain Service;
 - Payment terms for the construction workforce;
 - The displacement of skilled workers across the construction, engineering, social care, tourism, agriculture, and hospitality sectors;
 - Welsh Government has asked for clarification about the long-term funding and operation of the WNESS and specific parameters, this is not clear in the Jobs and Skills Strategy; and
 - The DCO application provides limited information about what the Skills Fund is, how it will be managed, when it will be available and for how long, as well as the mechanics of the monitoring group.

6.2. PLANNING AND POLICY CONTEXT

- 6.2.1. Energy projects should aim to contribute to meeting the need for job creation (paragraph 4.1.3, NPS EN-1) [WG8] and training opportunities (paragraph 5.12.3). Within the proposals, there should be an assessment on the impact of a changing influx of workers on local population dynamics, social cohesion, and demand for services and facilities (paragraph 5.12.3).
- 6.2.2. Paragraph 4.3.1 of PPW9 [WG10] highlights the expectation for all those involved in the planning system to adhere to the following:
- Putting people, and their quality of life now and in the future at the centre of decision making; and
 - Working in collaboration with others to ensure that information knowledge is shared to deliver outcomes with wider benefits.

- 6.2.3. Paragraph 4.4.3 of PPW 9 highlights how, in contributing to the Well-being of Future Generation Act goals, planning decisions and proposals should:
- Promote access to employment...maximising opportunities for community development and social welfare; and
 - Promote quality, lasting, environmentally sound and flexible employment opportunities.
- 6.2.4. In assessing the [economic] benefits of a planning submission, paragraph 7.6.1 of PPW 9 sets out that the key factors include:
- The numbers and types of jobs expected to be created or retained on the site;
 - Whether and how far the development will help to redress economic disadvantage or support regeneration priorities, for example by enhancing employment opportunities; and
 - A consideration of the contribution to wider spatial strategies, for example for the growth or regeneration of certain areas. (Paragraph 7.6.1, PPW 9).
- 6.2.5. Paragraph 2.1.13 of Technical Advice Note (TAN) 23: Economic Development [WG24] advises that, in line with PPW, *“the planning system should particularly support the low-carbon economy, innovative business / technology clusters and social enterprises which are defined as businesses that are particularly important in providing opportunities for social groups disadvantaged in the labour market...claims about jobs and physical regeneration for disadvantaged communities need careful consideration, taking account of displacement. If jobs housed in new development displace jobs that are within or close to the disadvantaged area, then there is no employment benefit to the community concerned.”*

6.3. REVIEW OF WYLFA NEWYDD DCO APPLICATION

RELEVANT DCO DOCUMENTATION

- 6.3.1. The following documents have been reviewed and considered by Welsh Government to inform this Written Representation:
- Application Reference No. 6.3.1: Project Wide Socio-economic assessment (C1);
 - Application Reference No. 8.3: Jobs and Skills Strategy; and
 - Application Reference No. 8.6: Wylfa Newydd Code of Construction practice (CoCP).

DEFINING THE WYLFA NEWYDD CONSTRUCTION WORKFORCE

- 6.3.2. Throughout the formal pre-application consultation process for Wylfa Newydd, Welsh Government has repeatedly requested further information and clarification regarding the definition and detail behind the construction workforce at Wylfa Newydd. The Environmental Statement accounts for up to 9,000 construction workers at construction peak, of whom around 2,000 are home-based (i.e. living within reasonable commuting distance of the site).
- 6.3.3. However, this is only at one point in time (i.e. at the peak of the construction process). It is believed that there could be 30,000 to 40,000 jobs or roles in total over the construction period. The roles will vary in length, and one worker may fill more than one role over the lifetime of the project.

6.3.4. In addition to the 9,000 workers on the main project, an additional 1,800 multiplier jobs in the supply chain has been suggested within the Daily Construction Commuter Zone (DCCZ), as stated in the DCO application:

“Applying a construction sector employment multiplier of 1.9 to calculate indirect and induced employment, it is estimated that a further 1,800 jobs, in addition to the estimate of 2,000 mentioned above, would be created in the DCCZ as a result of the direct employment opportunities” (para 1.5.9, Application Ref. 6.3.1; PINS Ref. APP-088)

6.3.5. If these are genuine multiplier jobs then they are additional to those already in existence, so will stimulate significant additional demand for labour. The direct demand for home-based labour plus the 1,800 multiplier jobs will mean a project-driven demand for around 3,800 home-based workers in the DCCZ. This could have a significantly larger displacement effect than if there is only demand for around 2,000 home-based workers.

6.3.6. At the time of writing (November 2018), there is insufficient information provided on the construction workforce to allow an effective education and skills response to be put in place. Recent consultation with Horizon has indicated that the appointment of Bechtel as the Project Management Contractor (PMC) in August 2018 will allow a firmer position and understanding of the skills requirements. The following clarification is needed during the Examination period to enable Welsh Government the opportunity to provide a robust response to the acceptability of this element of the DCO application:

- The definition of a “local” construction worker;
- The definition of a “visitor” to the Wylfa Newydd project;
- Horizon’s best estimate of the number of home-based workers across the life of the construction phase and their identified roles on the project;
- A detailed breakdown of the activities, skills, and roles of the construction workforce throughout the programmed construction phase.

6.3.7. In the absence of the above information, it is Welsh Government’s view that Horizon have not complied with para 7.6.1 of PPW9 [WG10] as set out above. Furthermore, without adequate detail, it is not possible to consider whether para 4.1.3 of NPS EN-1 [WG8] has been properly addressed, in regard to training opportunities.

SUPPLY CHAIN ACTION PLAN AND SUPPLY CHAIN SERVICE

6.3.8. Supporting the growth of the supply chain in Wales is a key issue for Welsh Government, to provide a valuable economic and employment legacy well beyond the relatively narrow time parameters associated with the direct investment in site construction.

6.3.9. In the short term, without an established Supply Chain Action Plan focused on Welsh business opportunities and suppliers, there is a real risk that a significant proportion of contracts and jobs will be sourced from outside Wales.

6.3.10. The Environmental Statement (Application Ref. 6.3.1; PINS Ref. APP-088) summarises proposals to develop a Supply Chain Action Plan which meets the commitments set out in Horizon’s Supply Chain Charter. However, a Supply Chain Action Plan has not been developed or submitted as part of the DCO application. Without a Supply Chain Action Plan, Welsh Government fails to see how the risk of displacement can be minimised or how stakeholders can sensibly consider the adequacy of any proposed mitigation and contingency planning.

DISPLACEMENT OF LOCAL WORKERS

- 6.3.11. The Environmental Statement sets out the potential socio-economic impacts of the construction and operation of Wylfa Newydd, largely focusing on the positive local economic impacts but recognises few or limited negative impacts. Welsh Government agrees with Horizon's aspiration for home-based employment in the local area, and wants to maximise the employment of people who are new to the workforce, those who are unemployed, those who are economically inactive, and those who are under-employed. It also wants to maximise the employment of residents in higher-quality roles, and not just in low quality roles on the project.
- 6.3.12. Nevertheless, it is very likely that some people will move from existing local employment to jobs on the project and related to the project, in particular, because Horizon has identified that their workforce will need to be both Suitably Qualified and Experienced Personnel (SQEP). If the posts that they vacate can be back-filled by those who are not currently working, then there is a positive benefit throughout the economy. This is labour market churn. If the posts cannot be back-filled, or there is a significant cost to local businesses in replacing and/or retraining or upskilling staff, or significant costs because of not being able to replace staff then there is a negative impact in the local economy, and this is displacement.
- 6.3.13. Horizon states that there are 14,400 residents of the DCCZ employed in the Construction sector, so a demand for 2,000 home-based construction workers would lead to a 14% increase in home-based construction workers in the DCCZ area at peak (para. 1.5.5, Application Ref 6.3.1; PINS Ref. APP-088). It then states that the impact on the local labour market is 'major beneficial' (ibid, para. 1.5.6). Horizon claims that employment in the DCCZ grew by 7,800 jobs overall between 2012 and 2013 (i.e. an average of 3,900 jobs per year), masking 12,500 overall job movements, or 9% of total employment in the local area (ibid, para. 1.5.111). Its explanation of the DCCZ labour market's ability to sustain 12,500 job movements per year is set out in paras 2.4.30 to 2.4.37 of Application Ref. 6.3.9 (PINS Ref. APP-096). However, the text in this document does not substantiate this figure, so it cannot be relied on.
- 6.3.14. Welsh Government does not accept Horizon's assertion that there will be "*little effect on the labour market*" (para 1.5.113, Application Ref. 6.3.1) and rejects the conclusion that "the potential effect of labour churn on local business and the local economy is assessed as *minor adverse, and therefore not significant*" (ibid, para 1.5.116). An alternative assessment of the risk of, and consequences of displacement are set out in Section 6.4.
- 6.3.15. Welsh Government has also raised concerns with Horizon about the potential in-combination displacement effects associated with Wylfa Newydd and the wider construction sector. Horizon is confident the labour market can adequately cope with the demand for construction skills required for Wylfa Newydd. However, evidence from the UK construction sector suggest this isn't the case.
- 6.3.16. The Construction Industry Training Board's '*Industry Insights Construction Skills Network Forecasts 2017-2021*' [WG40] suggests that total construction employment in Wales will grow by 14.4% between 2017 and 2021. Averaging an annual output growth of 6.2%, Wales is going to see the biggest increase in numbers working in Construction than any of the other home nations. This compares to an annual output growth of 3.1% in the host region of Hinkley Point C (South West England) and 2.4% in Greater London. The majority of this will be down to Wylfa Newydd and the M4 relief road.

- 6.3.17. The report goes on to say that, “*Wales’ ARR (annual recruitment requirement) is estimated at 3,890, the fifth largest requirement on an absolute level and the highest as a ratio of base 2017 employment (3.4%). This is well above the UK ratio of 1.4%. Wales traditionally suffers from high net outflow of its construction workforce to other areas of the UK, in particular to the South West and the North West of England, and thus tends to have a relatively high ARR*”. As an example, in a meeting with EDF Energy on 19 October 2018, it was confirmed that there are currently over 1,000 Welsh workers employed in the construction of Hinkley Point-C Nuclear Power Station.
- 6.3.18. Given Welsh Government’s disagreement with the assessment and the lack of clear substantiation, it would cast into doubt whether Horizon have sufficiently carried out the proper assessment of workers on local population dynamics envisaged by para 5.12.3 of NPS EN-1 [WG8]. Consequently, it is not possible to agree to the extent that Wylfa Newydd will make a significant contribution to the North Wales economy because of the potential impact of economic displacement in the region.

WYLFA NEWYDD EMPLOYMENT AND SKILLS SERVICE (WNESS)

- 6.3.19. As part of the DCO application, Horizon is proposing to develop a Wylfa Newydd Employment and Skills Service (WNESS) that will “*place people into sustainable employment created by the building of the Wylfa Newydd Power Station and the construction of it Associated Developments*”. The remit of the WNESS is outlined in paragraph 5.1.5 of the Jobs and Skills Strategy (Application Ref. 8.3; PINS Ref. APP-411). The WNESS will be in place throughout the construction period and Horizon will consider extending the life of the WNESS into the operational phase subject to monitoring and evaluation of its effectiveness.
- 6.3.20. The WNESS, if operated and managed effectively, will provide a service that is accessible to both the local population and local employer base. However, Welsh Government is concerned that Horizon’s demand-led approach has focused heavily on the construction and engineering sectors. It is imperative that, once beyond the pilot phase, the WNESS includes all sectors which are likely to be impacted by the Wylfa Newydd development. As evidenced in **Appendix B**, this will include; construction, engineering, tourism, hospitality, healthcare, agriculture, transport and distribution, and general low paid labour.
- 6.3.21. The WNESS is currently in its pilot phase and Welsh Government support the commitment to operating the WNESS throughout the construction period. However, the construction of Wylfa-A Nuclear Power Station was followed by an increase in unemployment on the Island as home-based workers on the construction phase came to the end of their contracts and opted to remain in their home communities rather than move away. For this reason, Welsh Government deem it essential that the WNESS continues beyond the end of the construction phase for an agreed period. This will ensure that those who have opted to remain within their home communities receive the advice and support and any training required to secure further employment.
- 6.3.22. Welsh Government is still unclear as to who will be funding the WNESS in advance of, during, and for a determined period after the construction period. Within the J&SS (Application Ref. 8.3; PINS Ref. APP-411), there is mention of “*Maximising leverage and support from Welsh Government funding agencies...*” (section 5.1.3). This has not been discussed with Welsh Government and it’s unlikely that the public purse will pick up the costs of this service. Welsh Government strongly advocate that Horizon should fund the WNESS as part of their over-arching mitigation strategy.

SKILLS FUND

- 6.3.23. Welsh Government welcomes the introduction of a Skills Fund (to be secured by the s106 agreement) that “...*can be used to deliver any aspect of the [Jobs and Skills] Strategy, including the WNESS, work with schools, the operational workforce development strategy, backfilling of vacancies at local employers, new training capacity, outreach and direct funding of training courses*”. Horizon have acknowledged that the Skills Fund, which will be secured through planning obligations, will need to be flexible so that it can respond to needs and opportunities as they arise during the project.
- 6.3.24. At the time of writing (November 2018), Horizon has not provided any further details about the Skills Fund. Welsh Government have requested the following clarification from Horizon but have not been given any further information upon which to comment:
- What is the proposed value of the Skills Fund and how has the fund been calculated;
 - Who will hold the Skills Fund (e.g. Horizon/Welsh Government/IACC/other);
 - When will the Skills Fund be made available and how long will it last for;
 - Will the Skills Fund be protected / ring-fenced;
 - Who will decide how the Skills Fund is allocated;
 - Are there any groups/sectors that are ineligible to receive the Skills Fund;
 - Will there be any geographical boundaries attached to the Skills Fund;
 - Will there be a list of priorities associated with the Skills Fund; and
 - Will there be an expectation of Welsh Government to support/contribute to/provide match funding to the Skills Fund given the considerable amount of existing investment? If so, what will this expectation be?
- 6.3.25. It is Welsh Government’s position that Horizon must provide the information outlined above during the Examination of the DCO application. With so many unanswered questions relating to monitoring and governance, Horizon have not done enough within the DCO to reassure stakeholders that the WNESS and Skills Fund will adequately protect the region. Furthermore, without this detail it will not be possible to conclude on whether the proposal promotes quality, lasting, environmentally sound and flexible employment opportunities envisaged by para 4.4.3 of PPW9 [WG10].

6.4. IMPACTS AND EVIDENCE

- 6.4.1. Horizon’s assessment of the capacity of the local labour market to deliver the required number of workers at peak is challenged in several respects. Horizon purports to show that the local labour market can deal with a level of churn of 9% per year. However, as discussed above, Horizon does not present robust evidence to substantiate this assertion. The assessment of the capacity of the local labour market to deliver the required amount of labour without any broader negative effect, as set out in the DCO application, is out of date.
- 6.4.2. Since some of the data was collected (i.e. employment data from 2011) there has been a recovery in the economy, so there are fewer unemployed and economically inactive people looking for work; and Brexit is leading to a loss of foreign workers, which is leading to tightening in the labour market. ONS data on total employment in the DCCZ shows that it grew by 4.5% over the period from 2009 to 2016, which is a Compound Annual Growth Rate of 0.6% per annum. Over the same period the number of JSA Claimants fell by 65%, in line with a fall in overall unemployment. There is little spare capacity in the labour market.

ASSESSMENT OF DISPLACEMENT USING HORIZON'S DATA

- 6.4.3. Horizon provides data on total people in employment in the DCCZ and the number of claimants seeking work and it suggests that there is sufficient supply to meet demand (based on demand data from Application Ref 6.3.9 (PINS Ref. APP-096), Table 2.8, using 22% local labour content and supply data shown at Table 2.6). It should be noted that the employment data is from 2011, and employment in the DCCZ has changed between 2011 and 2018. An independent assessment of this data (please see Figure 3.1 shown at **Appendix B**) shows that the direct home-based labour requirement will be difficult to meet from the pool of Jobs Seekers Allowance (JSA) Claimants.
- 6.4.4. When the multiplier labour requirement of up to 1,800 is added to the demand for home-based workers, it suggests a demand for up to 3,800 home-based workers from within the DCCZ, which exceeds the total number of JSA Claimants (2,590). This is likely to mean that there will be movement of people out of existing employment in the DCCZ, and subsequent displacement impacts, including difficulty recruiting, wage inflation, and possibly business closures.
- 6.4.5. A survey of local businesses carried out in 2016 (Application Ref. 6.3.9, section 5.2 esp. paras 5.2.24 to 5.2.31) shows that: one-quarter of all businesses in North Wales have had difficulties recruiting in the last five years; one-third of all businesses in manufacturing, construction, professional, scientific and technical sectors have had difficulties recruiting over the last five years; and one-quarter of all businesses anticipate future employment shortages, particularly in civil engineering, manufacturing and nuclear. The survey results suggest that there are already constraints in the local labour market, which are leading to companies across the economy, and in nuclear construction related sectors having difficulty recruiting all the employees that they want. This suggests limited scope for further significant increase in employment without the risk of the displacement of workers from existing local employers.

ASSESSMENT OF DISPLACEMENT USING LATEST DATA

- 6.4.6. Latest data (i.e. ONS employment data from 2016¹ and JSA claimant data from 2018²) shows less available labour than Horizon's assessment set out in the DCO application (please see Figure 3.1, 3.2, and 3.3 shown at **Appendix B**). Whilst some of the variances in figures may be due to methodological differences (such as sector definitions), some of the disparity is likely due to changes in the economy.
- 6.4.7. When the demand data that Horizon has provided for the sub-areas within the DCCZ (i.e. Anglesey, Menai Mainland, and the Rest of the Mainland DCCZ) is considered, it can be seen that nearly all suitable JSA Claimants in Anglesey will need to be employed on the project to meet the Anglesey demand for Site Services, Clerical & Security staff (noting that over 90% of the JSA claimants in the Site Services, Security & Clerical staff category are Sales & Retail Assistants, so are unlikely to have skills and experience suitable for work on the project), and the demand for Civil Engineering operatives and Mechanical & Electrical Engineering operatives cannot be met from suitable JSA claimants in any of these geographical areas.

¹ Business Register and Employment Survey

² Jobseekers Allowance by Occupation

- 6.4.8. When we consider the impact of meeting the project's home-based employment requirement from those already in employment, looking at the smaller geographical areas of Anglesey, Menai Mainland and the Rest of the Mainland DCCZ, the project's demand for workers cannot be met from Anglesey's workforce without causing a significant displacement effect. Displacement is less of a risk in Menai Mainland and the Rest of the Mainland DCCZ, although there is a high risk of displacing Mechanical & Electrical operatives in the Menai Mainland area (please see Figure 3.17 shown at **Appendix B**).
- 6.4.9. If we consider the potential demand for an additional 1,800 multiplier jobs in the supply chain, then the total demand will be for around 12% of all of those currently in employment in the DCCZ, which will cause significant displacement effects.

6.5. PLANNING OBLIGATIONS AND DCO REQUIREMENTS

APPLICANT'S PROPOSAL

Overview of Proposed Wylfa Newydd DCO Requirements

- 6.5.1. Horizon have committed to implementing the mitigation measures outlined within the Mitigation Route Map (Application Ref. 8.14; PINS Ref. APP-422). The mitigation measures and commitments identified below will be delivered through the following DCO Requirements (Schedule 3, Application Ref. 3.1; PINS Ref. APP-029):
- Wylfa Newydd Code of Construction Practice (CoCP) (*Requirement PW7*):
 - In respect of contingency funding, Horizon is proposing to introduce a Wylfa Newydd Major Permissions Oversight Panel (WNMPOP) and nine supporting sub-groups (including Jobs and Skills and Supply Chain Services).

Overview of Proposed Wylfa Newydd Planning Obligations

- 6.5.2. The DCO application sets out the following mitigation and monitoring measures that will be secured through a S106 agreement:
- Funding and support to deliver Horizon's commitments in the **Jobs and Skills Strategy** (Item 0004 - Table 1-1, Application Reference 8.14): The proposed funding of the Jobs and Skills Strategy will support Horizon in maximising the proportion of home-based workers making up the workforce during construction, which for assessment purposes is estimated to be 2,000 workers. This is intended to promote and enable training in advance of potential employment to facilitate greater local employment opportunities.
 - Support to deliver the **Wylfa Newydd Employment and Skills Service (WNESS)** (Item 0009 - Table 1-1, Application Reference 8.14): The WNESS is considered by Horizon to be additional mitigation due to the extent to which the services offer more than the statutory requirement to enhance local opportunities and support the local economy. The WNESS will assist in the recruitment of new employees to the labour market; train and upskill both new entrants and others; and provide a brokerage service by filling vacant posts to support businesses which encounter difficulty finding appropriate replacements when workers move on to the Wylfa Newydd Project. The WNESS will establish and utilise an Employment and Skills Portal, a web-based procurement platform that will allow people to observe employment opportunities and subsequently gain employment within the Wylfa Newydd Project.

WELSH GOVERNMENT'S PROPOSAL

Overview of Proposed Wylfa Newydd DCO Requirements

- 6.5.3. Welsh Government submitted key points/concerns on the draft Development Consent Order (DCO) to the Examining Authority (PINS Ref. EV-013). In addition, Welsh Government request that the Examining Authority consider the following comments in relation to the draft DCO Requirements:
- **Definition of 'Local':** Welsh Government request that the definitions of 'local', 'visitor', and 'worker' are set out as a requirement of the DCO.
 - **Requirement for 90% local operational workforce:** Welsh Government request a commitment from Horizon to secure 90% of the operational workforce from the 'local' area. The definition of 'local' must be defined as DCO requirement.
 - **Training requirement:** The Welsh Government wants to maximise the employment of local people on the Wylfa Newydd project, without causing an adverse impact on the local labour market and economy. Welsh Government request a commitment from Horizon to provide training through the Wylfa Newydd Employment and Skills Service to enable residents within the North Wales region to gain higher quality employment. Horizon must provide training to:
 - Increase the supply of suitably skilled workers (in particular; young people who are entering the labour force, the economically inactive (including the unemployed), and upskilling of those currently in lower skilled jobs); and
 - Help to fill displacement vacancies from existing businesses and services as well as project vacancies.

Overview of Proposed Wylfa Newydd Planning Obligations

- 6.5.4. Welsh Government has now been provided with a (redacted) draft s.106 agreement, and has submitted detailed comments on that draft to Horizon. A summary of those comments was also submitted to the Examining Authority at Deadline 1 (PINS Ref. REP1-024). In addition, Welsh Government wish to raise following concerns in relation to the draft (redacted) S106 agreement:
- **Skills Fund:** Welsh Government request that the following comments are considered by the Examining Authority:
 - *Details of the Skills Fund:* The following questions are awaiting a response from Horizon:
 - What is the proposed value of the Skills Fund and how has the fund been calculated;
 - Who will hold the Skills Fund (e.g. Horizon/Welsh Government/IACC/other);
 - When will the Skills Fund be made available and how long will it last for;
 - Will the Skills Fund be protected / ring-fenced;
 - Who will decide how the Skills Fund is allocated;
 - Are there any groups/sectors that are ineligible to receive the Skills Fund;
 - Will there be any geographical boundaries attached to the Skills Fund;
 - Will there be a list of priorities associated with the Skills Fund; and
 - Will there be an expectation of Welsh Government to support/contribute to/provide match funding to the Skills Fund given the considerable amount of existing investment? If so, what will this expectation be?

- *Trigger*: The Skills Fund must be paid against agreed triggers to ensure monies are available from the outset of the project. The release of funds must be pro-active to the employment and skills needs of the project.
- **Jobs and Skills Implementation Plan**: Welsh Government request that the following comments are considered by the Examining Authority.
 - *Terms of Reference*: The Terms of Reference (Annex I, Schedule 4 of the draft S106 Agreement) for the Jobs and Skills Implementation Plan have not been provided to Welsh Government. Welsh Government do not accept that the provisions set out in Schedule 4 are an appropriate substitute to the plan. Welsh Government cannot comment on the adequacy of mitigation for employment and skills without receipt and review of the Terms of Reference.
 - *Commitment to operational workforce*: There is no commitment within the Jobs and Skills Implementation Plan to cover the operational workforce. Welsh Government request that there is a commitment within the Jobs and Skills Implementation plan to cover the operational workforce.
- **Wylfa Newydd Employment and Skills Service (WNESS)**: Welsh Government request that the following comments are considered by the Examining Authority:
 - *Spatial coverage*: The WNESS provides no certainty on the geographical coverage. The geographical area must be defined within the S106 Agreement.
 - *Commitment to WNESS*: The draft S106 Agreement provides no certainty that the WNESS will be retained. If there is no commitment to retain the WNESS then it can be relied upon to mitigate the potential risk of displacement.
 - *Retention of WNESS*: The WNESS is currently in its pilot phase and Welsh Government support the commitment to operate the WNESS throughout the construction period. Welsh Government deem it essential that the WNESS continues beyond the end of the construction phase for an agreed period. This will ensure that those who have opted to remain within their home communities receive the advice and support and any training required to secure further employment.
 - *Post-16 education/courses*: Welsh Government are responsible for post-16 education and training. For this reason, Welsh Government must be included in the definition of the WNESS. Welsh Government must be involved in agreeing the wording for this provision.
 - *Funding*: Welsh Government is still unclear as to who will be funding the WNESS in advance of, during, and for a determined period after the construction period.
- **Jobs and Skills Sub-Group**: There are no Terms of Reference included for the Jobs and Skills Sub-Group. Welsh Government request that the S106 agreement includes the Terms of Reference for the Jobs and Skills Sub-Group including; representatives of the group, frequency of meetings, the groups role in approval of the updated Jobs and Skills Implementation Plan, receipt of information regarding expenditure, and the groups role in maximising the benefits of jobs and skills initiative through match funding and partnership working.

7. ECONOMIC DEVELOPMENT AND SUPPLY CHAIN

7.1. INTRODUCTION AND BACKGROUND

- 7.1.1. Welsh Government acknowledges that Wylfa Newydd is one of the largest investments in Wales in a generation and provides the potential to make a significant contribution to the North Wales economy. Wylfa Newydd presents a unique opportunity for a stronger, more balanced, and diverse North Wales economy and skilled workforce. Welsh Government in collaboration with Horizon is looking to build on the 50-year nuclear tradition associated with the region to deliver the long-term legacy of a more sustainable Welsh economy.
- 7.1.2. Wylfa Newydd will cause negative as well as positive impacts through effects such as labour displacement. Research³ has shown that there is limited spare capacity in the local economy and job opportunities at Wylfa Newydd are likely to attract people in existing employment across the North Wales region. Investment and mitigation by Horizon could help to minimise any displacement effects, and therefore maximise the net positive impact on the North Wales economy.
- 7.1.3. Supporting the growth of the supply chain in Wales which can provide a valuable economic legacy well beyond the relatively narrow time parameters associated with the direct investment in site construction is a key issue for Welsh Government. In the short term, without an agreed and meaningful Supply Chain Action Plan that is proactively focussed on engaging with Welsh business opportunities and suppliers, there is a real risk that a significant proportion of contracts and jobs will be sourced further afield, reducing the benefits for Wales.
- 7.1.4. At the time of writing (November 2018), Welsh Government has unresolved concerns in relation to:
- Supply Chain Action Plan: The Supply Chain Action Plan is being developed to support the realisation of the goals set out in the Supply Chain Charter. The Supply Chain Action Plan would be secured through the section 106 agreement. Welsh Government has not been provided with any detail about the Supply Chain Action Plan;
 - Supply Chain Portal: Horizon Nuclear Power are proposing the *CompeteFor* supply chain service for their web based procurement platform. This allows interested suppliers to register for opportunities at Wylfa Newydd. Welsh Government has requested that this links seamlessly with Sell2Wales, the platform used by Welsh Government, but we have not yet been provided with any detail on how this will be achieved;
 - Supply Chain Service: The service will oversee the delivery and implementation of the Supply Chain Action plan and will be jointly formed of stakeholders and delivery partners from the Wylfa Newydd supply chain. Welsh Government has not been provided with any detail about the Supply Chain Service;
 - Supply Chain Value: Welsh Government has not seen any commitments from Horizon regarding Key Performance Indicators or targets associated with the Supply Chain Action Plan; and
 - Displacement of local workforce: Displacement is a potential negative impact of the construction of Wylfa Newydd. Welsh Government has raised concerns with Horizon. Welsh Government has provided its own evidence base in support of this concern.

³ Assessment of the Risk of Displacement, Hardisty Jones Associates, November 2018 (please refer to **Appendix B**)

7.2. PLANNING AND POLICY CONTEXT

- 7.2.1. NPS EN-1 [WG8] requires developers to consider environmental, social, and economic benefits and adverse impacts, at national, regional, and local levels during all phases of the development (paragraph 4.1.4 & 4.2.3). It also highlights the need to consider all relevant socio-economic impacts, which may include the creation of jobs and cumulative effects (paragraph 5.12.3). Developers should also consider the impact of a changing influx of workers, leading to changes in the local population dynamics and the demand for services and facilities in the settlements nearest to the construction work (including community facilities and physical infrastructure) (paragraph 5.12.3).
- 7.2.2. The Wellbeing of Future Generations Act 2015 [WG3] seeks to create a 'Prosperous Wales' and a 'more equal Wales'. The draft PPW 10 [WG11] builds on this through highlighting the need for "increased economic activity across all sectors and at all scales" (paragraph 4.6) and "through providing sufficient employment and enterprise opportunities for people to achieve their potential and by recognising and building on the existing economic strengths of places supporting prosperity for all" (paragraph 4.9). Planning Policy Wales (Edition 9, November 2016) [WG10] encourages development to "take account of the likely economic benefits including whether and how far the development will help address economic disadvantage" (paragraph 7.6.1).

7.3. REVIEW OF WYLFA NEWYDD DCO APPLICATION

RELEVANT DCO DOCUMENTATION

- 7.3.1. The following documents have been reviewed and considered by Welsh Government to inform this Written Representation:
- Application Reference No. 6.3.1: Project Wide Socio-economic assessment (C1); and
 - Application Reference No. 8.6: Wylfa Newydd Code of Construction practice (CoCP).

SUPPLY CHAIN CHARTER (AND ACTION PLAN)

Horizon Proposals

- 7.3.2. The Environmental Statement (Application Ref. 6.3.1; PINS Ref. APP-088) summarises proposals to develop a Supply Chain Action Plan which meets the commitments set out in Horizons' Supply Chain Charter. Horizon is committed to developing the Supply Chain Action Plan in collaboration with Isle of Anglesey County Council (IACC), the North Wales Economic Ambition Board, and the Welsh Government. Horizon is also committed to setting up a Supply Chain Portal, a web based procurement platform that allows interested suppliers to register their interest in the project, and a Supply Chain Service that will oversee the delivery and implementation of the overall Supply Chain Action Plan. Horizon has outlined that the Supply Chain Service, Supply Chain Action Plan will be secured by means of Section 106 Agreement.
- 7.3.3. Horizon has indicated that Terms of Reference for the Supply Chain Action Plan will be developed as part of the DCO progress. It is envisaged that Horizon would establish a working group that would encourage co-operation between statutory authorities, stakeholders, project partners and third-party supply-chain providers during the construction period.

7.3.4. The aims of the Supply Chain Action Plan have been outlined in the Environmental Statement as follows:

- Maximising opportunities within the local area;
- Supporting a sustainable supply chain;
- Providing sufficient notice of when opportunities arise;
- Simplifying supplier registration (one registration for the whole of the project);
- Working collaboratively with statutory authorities;
- Supporting business readiness;
- Mapping supply chain;
- Sharing minimum requirements for undertaking works at Wylfa Newydd;
- Monitoring supplier performance (promote good performance);
- Support implementation of Wylfa Newydd Employment and Skills Service (WNESS); and
- Focusing on long term development opportunities that are sustainable post construction.

7.3.5. At the timing of writing (November 2018), Horizon has not provided Welsh Government with any further detail regarding the Supply Chain Action Plan, Supply Chain Portal, or Supply Chain Service. In addition, Horizon has not provided terms of reference or a memorandum of understanding associated with the Supply Chain Action Plan.

7.3.6. Welsh Government view the local and regional exploitation of supply chain opportunities as a key objective in optimising the benefits that Wylfa Newydd will bring to Wales. Throughout the pre-application process (PAC2 and PAC3), Welsh Government have been consistent in calling upon Horizon to:

- Provide significantly more detail on what Horizon is aiming to deliver and how Horizon are looking to effectively and proactively engage with the Welsh supply chain over the short, medium and long term;
- Provide an early indication on whether Horizon intends to develop a Supply Chain Action Plan to structure such engagement beyond the adoption of the Supply Chain Charter? In particular, address the question of what is the Horizon strategic view on supply chain development?
- Provide detail on how and where Horizon aims to highlight supply chain opportunities and how it aims to communicate these opportunities to the supply chain;
- Commit to work with Welsh Government and local stakeholders to;
 - Provide both realistic and deliverable targets for local service supply chain contracts; and
 - Develop a monitoring system with input from local stakeholders to scrutinise delivery against commitment.

7.3.7. A proactive engagement model would see the Wylfa Newydd local and regional supply chain adopting a model of working that is similar in purpose to the one operating on the Hinkley Point C project. The HPC model involves knowledgeable and experienced supply chain practitioners liaising directly with the supply chain to match opportunities to supplier competence and capability – the opportunities being identified through regular and direct liaison with relevant Tier1/Tier 2 suppliers. To date, £1.3bn of local and regional supply chain opportunities have been identified via this proactive model of engagement.

- 7.3.8. Welsh Government has repeatedly raised concerns that, without the sufficient information (outlined above) and time to prepare and implement the necessary measures, the economic benefits to the Welsh economy will be sub-optimal and displacement of the local workforce will have a significant adverse effect on local businesses and services. The information requested will help Welsh Government to understand:
- How much of the supply chain activity will take place outside Wales, and how much could take place in Wales. To assess this will require further information on the proposed construction method;
 - The capacity of the Welsh business community to access all potential supply chain opportunities. This includes the need to know how many businesses are suitably qualified and accredited to participate in the supply chain, or could become so with the appropriate training. This will require primary research and further work from Welsh Government;
 - The actions that will be included in the proposed Supply Chain Action Plan. Any such plan must include information on the supply chain opportunities for Welsh businesses, the standards that they need to meet to access these opportunities, proposals to help them to be able to meet these standards, and the procurement processes that will be used to appoint suppliers.
- 7.3.9. There is still insufficient detail for Welsh Government to comment on the intended supply chain approach in any meaningful capacity or to provide a view as to the appropriateness of approach. The Environmental Statement outlines that Horizon is developing the Supply Chain Action Plan in collaboration with Welsh Government and other stakeholders.
- 7.3.10. While the principal aims of the Supply Chain Action Plan outlined in the Environmental Statement can be supported, there is no detail on what, when and how Horizon aim to put mechanisms in place to effectively interface between themselves, their contractors, and potential local providers. There is no meaningful detail on any proposed supply chain value targets that they would aim to achieve in terms of local/regional spend or key performance indicators to allow effective monitoring through the Supply Chain Service.
- 7.3.11. In the absence of this information, Welsh Government cannot satisfy itself that Horizon has considered national, regional and local economic benefits as set out in para 4.1.4 and 4.2.3 of NPS EN-1 [WG8] as the currently provided information does not allow for proper consideration of the economic impacts at each spatial scale. Furthermore para 4.4 of the draft PPW10 [WG11] similarly requires that proposals should provide an understanding of economic activity at all scales.

Welsh Government vision for Supply Chain Action Plan

- 7.3.12. Welsh Government have been consistent in their request to Horizon in engaging with key economic stakeholders to work collaboratively and produce a robust and implementable Supply Chain Action Plan. The Supply Chain Action Plan should demonstrate how procurement will be undertaken both for the construction and operational phases of the project.
- 7.3.13. Welsh Government understand that Wylfa Newydd will be broken down into the broad areas of Nuclear Island, Turbine Islands, Balance of Plant, Owner's Scope and Construction. Activity under Owner's Scope and Construction will be undertaken via multiple Tier 1 contracts. The Supply Chain Action Plan needs to detail what is within scope within each of these areas and what requirements Horizon will place on the Project Management Co-ordinator (PMC) to ensure that the Supply Chain Charter procurement principles filter down to Tier 2 and 3 contractors.

7.3.14. The Supply Chain Action Plan should, as a minimum, answer the following:

- Minimum commitments to be achieved and how performance will be monitored (e.g. KPI / targets) and enforced, and information shared across wider industries. KPI are vital from the Welsh Government's perspective;
- How business opportunities will be shared with the supply chain;
- How suppliers will register to join the supply chain, with an aim to provide a common approach that minimises time spent and costs incurred, particularly for small and medium enterprises (SME);
- How different job types will be targeted locally, regionally, and nationally;
- How Horizon (and its PMC) will work in partnership with stakeholders by way of a working group to identify job types;
- How the supply chain will be effectively promoted and developed;
- How the *Sell2Wales* digital portal might be employed in conjunction with *CompeteFor*;
- How the standard conditions of contract and fair payment terms might look;
- How suitably qualified staff could increase the likelihood of continuous work tasks, potentially using the Wylfa Newydd Employment and Skills Service (WNESS); and
- How proactive local, regional, and national supply chain engagement will be undertaken.

7.3.15. The Supply Chain Action Plan should cover the following commitments:

- An overall minimum target to deliver at least £1bn of the Supply Chain Value to Welsh businesses, and setting a local target for a minimum value to be secured by North Wales businesses;
- Production of a procurement pipeline/programme to allow Welsh SME to identify early contract opportunities and consider joint venture options to tender for contracts and services; and
- The production of an SME strategy setting out opportunities to register as a supplier and attend supplier invitation days.

7.3.16. The DCO application should include a commitment from Horizon to use the Supply Chain Action Plan to set out (inter alia) the targets and steps that Horizon and the PMC will take in order that the local supply chain may benefit from Wylfa Newydd.

Monitoring of the Supply Chain Action Plan

7.3.17. The Environmental Statement outlines that Wylfa Newydd will deliver substantial economic benefits for Welsh businesses and the Welsh economy. Consequently, the Welsh Government considers that it is necessary to monitor supply chain activity overtime to determine whether, and the extent to which these benefits, are being realised. Therefore, it is reasonable to seek the inclusion of a DCO requirement for the quarterly submission of an action plan monitoring report, which should identify the following factors, for example (not exhaustive):

- The number of contracts awarded (split by sector, Owner Scope, and PMC);
- How/where the tenders were advertised;
- The number of Welsh businesses that submitted a tender;
- The successful contractors' country of origin (UK to be split by postcode);
- The value of contracts split by Wales, UK, outside of UK;
- If the relevant supply chain target has not been achieved during the previous period, what additional activities (i.e. additional supplier days, SME promotion) will be undertaken during the next period to try and address the shortfall to ensure overall that the target is achieved.

SUPPLY CHAIN VALUE

- 7.3.18. Horizon does not provide an estimate of the local spend from the Wylfa Newydd project (para 1.5.101, p.41. Application Ref. 6.3.1; PINS Ref. APP-088). However, Horizon identifies benchmarks from other nuclear new-build projects (Sizewell B, Flamanville) of 2% to 4% of total project value being spent locally. This would be equivalent to £200 to £400 million spend in North Wales over the construction period, based on a total project value of £10 billion. It is understood that the capital cost of this project has risen to approximately £16 billion. The economic impact of employing c.2,000 home-based workers at peak in North Wales is additional to this figure.
- 7.3.19. The Welsh Government's aspiration is for at least £1 billion of economic benefit to Wales during the construction of Wylfa Newydd.
- 7.3.20. The potential supply chain impact in Wales will be made up of the following elements:
- Contracts placed with businesses located in Wales (either directly as Tier 1 contracts, or in Tiers 2, 3 or lower i.e. sub-contractors to main contractors);
 - Investment in the land and infrastructure needed to deliver the Wylfa Newydd project, including investment in local skills and training;
 - Employment of Welsh workers, including home-based workers, either directly by Horizon or by supply chain businesses (which may be included in the business contracts mentioned above); and
 - Spend on accommodation, subsistence and leisure by non-home-based and home-based workers employed on the project or in its supply chain. This is an indirect supply chain impact.
- 7.3.21. EDF Energy has measured the spend of the Hinkley Point C project in the region – which is defined as the South West of England and parts of South Wales. Over the first two years of the project, this has amounted to £839 million of direct spend (i.e. not including any multiplier effect). This comprises:
- £225 million spent with Tier 1 suppliers in the region, covering a range of goods and services. This does not include any nuclear engineering;
 - £344 million spent on Tier 2 contractors in the region by Tier 1 businesses. Some of this spend will come from Tier 1 contractors in the region, so is double-counted with the figure above, whilst some of this will be additional to the region;
 - £45 million of spend on items set out in the Section 106 agreement;
 - £34 million on local facilities; and
 - £191 million on land purchases and infrastructure.
- 7.3.22. Maximising the economic impact of supply chain spend in Wales, and achieving at least £1 billion of spend will require positive action, which should be set out in the Supply Chain Action Plan and the Jobs and Skills Strategy. Further analysis has been undertaken to consider the ability of the Welsh economy to meet the needs of the Horizon supply chain, and maximise the economic impact in Wales, please refer to **Appendix C**.

7.4. PLANNING OBLIGATIONS AND DCO REQUIREMENTS

APPLICANT'S PROPOSAL

Overview of Proposed Wylfa Newydd DCO Requirements

7.4.1. Horizon have committed to implementing the mitigation measures outlined within the Mitigation Route Map (Application Ref. 8.14; PINS Ref. APP-422). The mitigation measures and commitments identified below will be delivered through the following DCO Requirements (Schedule 3, Application Ref. 3.1; PINS Ref. App-029):

- Wylfa Newydd Code of Construction Practice (CoCP) (*Requirement PW7*):
 - Horizon are proposing to introduce a Wylfa Newydd Major Permissions Oversight Panel (WNMPOP) and nine supporting sub-groups (including Jobs and Skills and Supply Chain Services).

Overview of Proposed Wylfa Newydd Planning Obligations

7.4.2. The DCO application sets out the following mitigation and monitoring measures that will be secured through a S106 agreement:

- Delivery of the **Supply Chain Charter** through the **Supply Chain Action Plan**, **Supply Chain Services**, and **Supply Chain Portal** (Item 0005, Item 0121, Item 0622, Item 0707, Item 0967 - Table 1-1, Application Ref. 8.14). Horizon and the Supply Chain Service will work to further enhance and deliver the Action Plan while the Portal will be a web-based procurement platform that allows interested suppliers to register for opportunities with respect to the Wylfa Newydd Project.

WELSH GOVERNMENT'S PROPOSAL

Overview of Proposed Wylfa Newydd DCO Requirements

7.4.3. Welsh Government submitted key points/concerns on the draft Development Consent Order (DCO) to the Examining Authority (PINS Ref. EV-013). In addition, Welsh Government request that the Examining Authority consider the following comments in relation to the draft DCO Requirements:

- **Support for local business supply chain:** Welsh Government request a commitment from Horizon to provide detail on how Wylfa Newydd will ensure local businesses are involved in the supply chain during the construction and operational phases.
- **Monitoring the supply chain:** Welsh Government considers that it is necessary to monitor supply chain activity overtime to determine whether, and the extent to which these benefits, are being realised. Therefore, it is reasonable to seek the inclusion of a DCO requirement for the quarterly submission of an action plan monitoring report, which should identify the following factors, for example (not exhaustive):
 - The number of contracts awarded (split by sector, Owner Scope, and PMC);
 - How/where the tenders were advertised;
 - The number of Welsh businesses that submitted a tender;
 - The successful contractors' country of origin (UK to be split by postcode);
 - The value of contracts split by Wales, UK, outside of UK; and

- If the relevant supply chain target has not been achieved during the previous period, what additional activities (i.e. additional supplier days, SME promotion) will be undertaken during the next period to try and address the shortfall to ensure overall that the target is achieved.

Overview of Proposed Wylfa Newydd Planning Obligations

7.4.4. Welsh Government has now been provided with a (redacted) draft s.106 agreement, and has submitted detailed comments on that draft to Horizon. A summary of those comments was also submitted to the Examining Authority at Deadline 1 (PINS Ref. REP1-024). In addition, Welsh Government wish to raise following concerns in relation to the draft (redacted) S106 agreement:

- **Supply Chain Action Plan:** Welsh request that the following comments are considered by the Examining Authority:
 - *Terms of Reference:* The Terms of Reference (Annex II, Schedule 4 of the draft S106 Agreement) for the Supply Chain Action Plan have not been provided to Welsh Government. Welsh Government do not accept that the provisions set out in Schedule 4 are an appropriate substitute to the plan. Welsh Government cannot comment on the adequacy of mitigation for supply chain without receipt and review of the Terms of Reference.
 - *Potential scale of supply chain and local economic impact:* Horizon should commit to meeting these aspirations through the Supply Chain Action Plan and ensuring any target are measurable.
- **Supply Chain Sub-Group:** There are no Terms of Reference included for the Jobs and Skills Sub-Group. Welsh Government request that the S106 agreement includes the Terms of Reference for the Supply Chains Sub-Group including; representatives of the group, frequency of meetings, the groups role in approval of the updated Supply Chain Action Plan, and the groups role in maximising the benefits of supply chain initiatives through partnership working.
- **Economic Development Officers:** Welsh Government welcome the introduction of Economic Development Officers within the draft S106 Agreement. However, Wylfa Newydd will introduce regional impacts on local businesses and employment. There is a need to ensure that any economic development mitigation operates on a regional basis.

8. TOURISM

8.1. INTRODUCTION

- 8.1.1. The tourism sector is key to the economic and social well-being on Anglesey and regionally within North Wales. The IACC economic impact model (STEAM) estimates the Anglesey economy alone currently benefits by £304 million annually from tourism (2017), with 4,100 full-time equivalent jobs in Anglesey. The STEAM model also reports that there were 5,850,000 visitor days, 5,170,000 of these were staying visitor days. There were 1,030,000 staying visitors, with 680,000-day visitors.
- 8.1.2. Welsh Government has identified the following key issues for the tourism sector:
- The impact of workers staying in tourism accommodation and the need to find other sources of accommodation to reduce this impact;
 - The impacts will be felt wider across the region (not just in Anglesey). Further consideration is required to greater understand the wider impacts on tourism, for example, the impact on accommodation, attractions and activities on Anglesey and in the wider North Wales region;
 - The impact on staff and skills. Welsh Government believes that the issues of displacement in relation to hospitality skills needs to be explored in greater detail; and
 - The perception of Anglesey as a high-quality tourism destination with a high quality natural environment, particularly during the construction phase of Wylfa Newydd.
- 8.1.3. Welsh Government recognises that the construction and operation of the Wylfa Newydd project is likely to have significant effects on the tourism sector in Anglesey with wider impacts felt within Gwynedd and Conwy and the wider North Wales region. It is the objective of Welsh Government to ensure mitigation for the tourism sector from both the short and long term adverse impacts associated with the Project, and continue to grow a world-class sector.
- 8.1.4. Welsh Government has recognised the following key impacts on the tourism sector:
- Accommodation – the impact of Wylfa Newydd workers staying in tourist accommodation. There is the impact on the tourists themselves who may find that there is less availability in existing accommodation, at potentially higher prices. There is also the impact on the accommodation itself, in terms of the quality of what is on offer (due to lower expectations and requirements of workers);
 - Wider regional impacts – Welsh Government has raised concerns relating to the consideration of impacts on tourism beyond Isle of Anglesey, in the wider North Wales region;
 - Displacement of current tourism staff and skills – Welsh Government considers that there is a risk of displacement of workers currently in the Anglesey (and North Wales) tourism sector, when there is a competing offer of Wylfa Newydd work. Welsh Government acknowledges the potential benefits and investment which could be brought to the area, but consideration needs to be given to mitigating this risk for existing employers; and
 - Perception / Anglesey tourism brand – there is a potential impact on the reputation of Anglesey as a high-quality tourism brand. During the construction phases where traffic congestion is a real concern, but also continuing into the operation of the power station, visitors and tourists could be deterred from visiting the area because of the development of Wylfa Newydd.

8.2. PLANNING AND POLICY CONTEXT

- 8.2.1. Energy projects should consider all relevant socio-economic impacts within their proposals, and this may include the effects on tourism because of the proposals (NPS EN-1, paragraph 5.12.3)⁴.
- 8.2.2. Section 11 of PPW 9 [WG10] sets out the importance of tourism as an economic driver in Wales. Welsh Government's aim is "for tourism to grow in a sustainable way and to make an increasing contribution to the economic social and environmental wellbeing of Wales" (paragraph 11.1.2).
- 8.2.3. PPW 9 also states that "in rural wales, tourism-related development is an essential element in providing for a healthy, diverse, local and national economy" (para 11.1.7). Tourism is also recognised as an economic driver in rural areas in Technical Advice Note 23: Economic Development (TAN23) [WG24].
- 8.2.4. The Well-Being of Future Generations Act 2015 [WG3] contains goals relevant to tourism, including to promote a prosperous Wales and a Wales of vibrant culture. Welsh Government therefore has a duty to ensure that this proposal contributes positively to the North Wales tourism industry.

8.3. REVIEW OF WYLFA NEWYDD DCO APPLICATION

RELEVANT DCO DOCUMENTATION

- 8.3.1. The following documents have been reviewed and considered by Welsh Government to inform this Written Representation:
- Application Reference No. 6.3.1: C1 – Socio-Economics;
 - Application Reference No. 6.3.8: Appendix C1-1 - Socio-Economics Baseline Report;
 - Application Reference No. 6.3.8: Appendix C1-2 - Socio-Economics Technical Appendix;
 - Application Reference No. 8.3: Jobs and Skills Strategy; and
 - Application Reference No. 8.4: Workforce Accommodation Strategy.

SCOPE OF SOCIO-ECONOMIC ASSESSMENT

Short and Long-Term Effects

- 8.3.2. Welsh Government would expect further discussion with Horizon in relation to the outcome of the Tourism Assessment and the need to consider the short and long-term effects and proposed mitigation measures.

Study area of socio-economic assessment

- 8.3.3. The tourism assessment within the wider socio-economic assessment of the Wylfa Newydd DCO application (Application Ref. 6.3.1; PINS Ref. APP-088) is considered to be focussed on the impacts to the economy of Anglesey. This study is relevant due to the location of the development area, but it is considered that the impacts in the tourism sector will be felt at a much wider spatial scale, likely more regionally across North Wales.

⁴ Overarching National Policy Statement for Energy (EN-1), Department for Energy and Climate Change July 2011

- 8.3.4. Welsh Government considers that the tourism aspects of the socio-economic assessment should be considering the wider North Wales region as the study area. Particularly during the early years of construction, but not excluding later stages of the programme, the A55 North Wales Expressway will be greatly relied on; this would be opening up scale of the area which would be impacted upon, in the tourism sector.
- 8.3.5. Welsh Government has sought to carry out a further research exercise to establish the estimated tourism value based on 60 and 90-minute drive times from the Wylfa Newydd site. Further detail can be found at section 8.4 of this representation.

BASELINE INFORMATION

Visitor Behaviour Study

- 8.3.6. Horizon has reported that a visitor behaviour survey was carried out in the summer of 2015. This was reported in the socio-economic assessment (Application Ref 6.3.1). The results of the survey which have been set out in the assessment are in relation to the likelihood of visitors returning to Anglesey when they consider the construction phases and operational phases of Wylfa Newydd.
- 8.3.7. Welsh Government agrees that a Visitor Behaviour Survey, with an agreed methodology and scope, can be a very useful tool in helping to inform the evidence base. However, Welsh Government believes that use of the data from the survey to inform the baseline of the assessment is outdated and does not reflect the current understanding, scale and impacts of the project. Welsh Government also considers that the use of a survey can help to support the monitoring and effective implementation of a Tourism Action Plan if it is repeated regularly, to provide a longitudinal view of the impact of Wylfa Newydd on tourism.

Baseline stock of tourist accommodation

- 8.3.8. One of the key concerns during the construction phase is the impact the workers will have on the tourism industry. Those non-home-based workers who will not be staying on the Site Campus, will likely consider existing tourist accommodation as an option, and Horizon has acknowledged that there is a risk that the quality of the existing accommodation may be adversely impacted. This is due to workers possibly having lower expectations for accommodation than tourists, which providers would respond by providing lower quality accommodation. However, Horizon has assessed that due to the available capacity of stock throughout the year, and the price restrictions on workers from accommodation, no significant effects are expected.
- 8.3.9. Paragraph 1.5.28 (Application Ref. 6.3.1) highlights that during the construction period, the Wylfa Newydd workforce could provide a major benefit for tourism accommodation providers, by taking up under-utilised bed space capacity, particularly in the off-season months. However, the off-season months are when providers look to undertake maintenance and improvements. Therefore, if occupied at this time, this activity will not be able to take place and will result in a decline of the accommodation on offer over time.

TOURIST VISITOR NUMBERS

- 8.3.10. In terms of visitor numbers, Horizon has provided an assessment based on a visitor behaviour survey which was carried out in the summer of 2015. This found that almost 90% of respondents indicated that the construction of Wylfa Newydd would have no effect on their likelihood of returning to Anglesey; 1% indicated that they would be more likely to return, and 9% reported that it would deter them from returning to the island during construction.
- 8.3.11. Horizon has reported that they expect the loss of tourism visitors during construction is likely to be small, but that this would be countered by significant expenditure on Anglesey by workers in the food and beverage, general retail, food retail, transport and fuel sectors.

TOURIST EXPENDITURE

- 8.3.12. During the construction phase, Horizon has assessed the likely impact on several aspects of the tourism industry across Anglesey and the KSA. Horizon have reported a 13% increase over baseline levels of tourist expenditure on accommodation, food and drink, and is therefore considered a moderate beneficial effect.
- 8.3.13. A 2015 survey referenced in the DCO application (Application Ref. 6.3.1) shows that 9% of visitors would be deterred from returning to Anglesey during construction. However, Horizon claims that any loss of tourist revenue would be replaced by temporary worker revenue. It is not clear to Welsh Government whether this would relate to tourist attractions as well as accommodation. Further clarification is required on this point.

TOURISM BRANDING

- 8.3.14. One of the major concerns which has been raised in relation to the tourism sector, is the potential adverse impact on the tourism brand of Anglesey. Affecting the reputation of the area could be detrimental to the local economy, given the importance of tourism to Anglesey and North Wales. This could lead a long-term impact if visitors are discouraged during the construction period, but do not return to the area afterwards. Provision of appropriate mitigation in order to prevent an impact on the brand of the area is essential as any impact which occurs as a result of Wylfa Newydd would take a significant amount of time to remedy, resulting in a negative legacy of the project. With the length of the construction period, the size of the workforce likely to be involved in the development of the site, as well as the number of roles and turnover of staff and workers during this period, the impacts could be realised throughout the construction period as well as into the operation of the power station.

TOURISM ACCOMMODATION

- 8.3.15. Horizon states that temporary workers will use 450 tourist bedspaces in hotels and B&Bs at peak construction, and 650 caravan and camping spaces (Application Ref. 6.3.1). Horizon claims that this does not cause a significant effect on the availability of tourist accommodation at August peak, and that the construction of Wylfa Newydd creates a major benefit to tourism accommodation providers.
- 8.3.16. Horizon claims that the potential additional income to tourism accommodation providers will be £12 million per year in Key Study Area. This is posited as a moderate beneficial effect, which is significant. Horizon states that there are also opportunities for food and drink businesses to provide directly to the project.

- 8.3.17. Horizon does accept that the quality of tourism accommodation may be adversely affected, but claims that no significant effects are expected.
- 8.3.18. Welsh Government have considered evidence captured by the IACC Bed Stock Survey (2018) [WG41] and the IACC JLP Tourism Topic Paper (2015) [WG42]; this indicates the tourist accommodation stock which will be available to Wylfa Newydd construction workers is considerably below the capacity shown in the Horizon Accommodation Strategy and the required demand. This evidence has been discussed in the Housing and Accommodation section of this written representation (Chapter 13). It is concluded that the analysis suggests that there may be a shortfall of approximately 640 bedspaces against the Horizons calculations.
- 8.3.19. There are many parallels between Welsh Government's position on housing and accommodation and the position on tourism. Concerns have been raised in relation to the phasing of the delivery of the Temporary Worker Accommodation (TWA). At present there is a commitment to deliver only accommodation for 1,000 workers in the first phase. Following discussion with Horizon and Welsh Government, there have been discussions that further work and commitment would be incorporated into the DCO application to ensure all 4,000 bedspaces within the TWA are delivered and also, importantly, that they are occupied. This will ensure that the pressures which may be experienced in the tourism accommodation sector are not worsened by the delivery of less than the 4,000 on the Site Campus.
- 8.3.20. The Well-Being of Future Generations Act 2015 [WG3] and PPW9 [WG10] set out the importance of tourism and that the sector is a key economic driver. This is reiterated in PPW9, which contains an aim for tourism to grow in a sustainable way. Delivery of the above commitment would help provide reassurance to Welsh Government that worker take-up of tourist accommodation will not hold back the achievement of these aims.

DISPLACEMENT OF LOCAL WORKFORCE AND TOURISM SPEND

Local Workforce

- 8.3.21. Welsh Government have raised concerns with Horizon relating to the impact on employment and skills within the tourism sector. Welsh Government agree with Horizon's aspiration for home-based employment in the local area, and wants to maximise the employment of people who are new to the workforce, those who are unemployed, those who are economically inactive, and those who are under-employed. It also wants to maximise the employment of residents in higher-quality roles, and not just in low quality roles on the project.
- 8.3.22. Nevertheless, it is very likely that some people will move from existing local employment to jobs on the project and related to the project if wages are higher, work less-seasonal, or working patterns preferable. If the posts that they vacate can be back-filled by those who are not currently working, then there is a positive benefit throughout the economy. This is labour market churn. If the posts cannot be back-filled, or there is a significant cost to local businesses in replacing staff, or significant costs because of not being able to replace staff then there is a negative impact in the local economy, and this is displacement.

- 8.3.23. It is considered that there is the potential for a legacy benefit to be realised through the project if the quality of the tourism offer can be raised, including through the improving of skills of those working in the sector. Welsh Government have requested for Horizon to confirm details of how training, skills and jobs in the tourism sector will be secured and implemented. There is an opportunity to create a legacy in the local area in fields and sectors not directly associated with the nuclear power station (STEM subjects), and to provide a return on the investment which benefits the community.

Tourism Spend

- 8.3.24. Welsh Government are concerned that any decrease in tourism visitor numbers will have a detrimental impact on the money spent on certain businesses and attractions within the Anglesey and North Wales region tourism sector, as these visitors will be displaced to other regions. Therefore, any impacts on this sector will need to be carefully monitored and mitigated appropriately. For example, the need for including a contingency element for marketing for North Wales tourism attractions.

PERCEPTION AND TOURISM BRAND

- 8.3.25. The perception and reputation of a destination is essential in maintaining and growing the tourism sector in the location. It is recognised that Wylfa Newydd, particularly the construction phase of the programme, has the potential to negatively impact the reputation of Anglesey for tourists, for example through increased traffic, impact on the environment and increased number of people on the island through the presence of the workforce. It should be highlighted that although these impacts could be mitigated against if adequate measures are secured, the perception of the impact of these is still detrimental to the tourism sector in the region.
- 8.3.26. As noted in the Transport section of these representations, Welsh Government considers the current mitigation proposed to be inadequate and is concerned about the potential for significant adverse impacts in the absence of adequate mitigation. This in turn will result in negative tourism impacts.
- 8.3.27. Marketing and promotional initiatives should be developed to promote Anglesey, Gwynedd, and the A55 corridor along the North Wales coast. These could include initiatives such as artwork, social media and online public relations, outdoor advertising, email advertising, online advertising and advertorials. Welsh Government have highlighted that this marketing exercise should cover both the construction phase and the at least the first five years of operation to ensure that the measures can be implemented to address negative tourism impacts following the construction of Wylfa Newydd.

PROPOSED MITIGATION

Visitor and Media Reception Centre

- 8.3.28. Horizon has committed to providing a Visitor and Media Reception Centre (paragraph 1.5.134, Application Ref. 6.3.1; PINS Ref. APP-088), although this will form part of a separate planning application (and not part of the DCO). This facility will look to provide a greater understanding of the Wylfa Newydd Project as well as the much broader Energy Island Programme.
- 8.3.29. It could be extremely beneficial to incorporate the information for the community into the wider programme, as this is showcasing the island of Anglesey, potentially drawing more tourists to the area. Horizon has expressed an interest at using the visitor centre as an opportunity to showcase local produce (e.g. food and crafts) and to boost the associated brands for this produce. The centre would provide a focal point in the north of the island for tourists to visit and potentially as a valuable meeting space and resource for the communities.

- 8.3.30. Welsh Government would welcome this centre and similar initiatives which look to boost the tourism brand of Anglesey, and the wider region. Further information should be provided as soon as they are available.

Tourism Fund

- 8.3.31. Paragraph 1.6.19 of Application Ref. 6.3.1 sets out Horizon's commitment to the provision of a Tourism Fund, to be delivered through planning obligations. They also refer to the provision of an 'initial' fund for tourism as part of the Site Preparation and Clearance (SPC) (application under the TCPA). This initial fund will specifically seek to ensure that the perceived impacts on the local tourism sector can be moderated through developing existing and new forms of tourism.
- 8.3.32. Welsh Government support the commitment to the provision of a Tourism Fund but further clarity on the level of this fund and how it will be delivered and measured is required. It is considered that this should seek to provide insight into the wider tourism legacy which could be achieved in Anglesey and the North Wales region as part of the Wylfa Newydd development. This clarity is also needed to give sufficient assurance that the goals of the Well-Being of Future Generations Act 2015 are being met, in regard to future prosperity within Wales.
- 8.3.33. Welsh Government consider that the Tourism Fund could look to the Welsh Government research which has looked at the tourism economic impact which has been calculated for the areas within a 60 and 90-minute drive times.

Tourism Legacy

- 8.3.34. Welsh Government are looking to Horizon to confirm and a commit to how a legacy for training of skills and jobs in the tourism sector will be secured and implemented. This will require further discussion with Horizon, alongside IACC, in relation to this matter and in relation to the section 106 agreement.

Training and Business Support

- 8.3.35. Initiatives such as the Wylfa Newydd Employment & Skills Service should be open to tourism and hospitality businesses to enable them to back-fill vacancies caused when people move to the Wylfa Newydd project and its supply chain.
- 8.3.36. Project-related investments in training people to enter the workforce should help to train people for tourism and hospitality roles to help to back-fill vacancies that are created in the sector.
- 8.3.37. There is also a case for the need for business support to these businesses to help them to cope with the loss of workers and loss of visitors.

MONITORING

- 8.3.38. Welsh Government consider that it takes, on average, 5 years post-completion of a development to determine trends within the tourism sector due to seasonality effects (e.g. weather). Welsh Government consider the monitoring for tourism impacts should be carried out for 5 years following the end of the Wylfa Newydd construction. Therefore, the Tourism Fund or contingency funding will need to be made available for at least five years after the completion of construction. Horizon will provide Terms of reference for the WNMPOP and Sub-groups, and this will confirm the governance process, responsibilities and members.

8.4. IMPACTS AND EVIDENCE

Labour displacement

- 8.4.1. As well as the direct impact on visitor numbers, the construction of Wylfa Newydd could also lead to the displacement of workers away from tourism businesses and into the project, leading to a further negative impact on the local economy. Given the seasonal and often relatively low-paid nature of many jobs in the tourism sector, workers may be attracted to jobs in the Wylfa Newydd project. The project will require many workers in areas such as accommodation, hospitality and catering. Tourism businesses may then struggle to back-fill vacancies that are created, there may be wage inflation in the tourism sector, and these effects could lead to the closure of some businesses.

Wider regional impacts

- 8.4.2. Welsh Government recognise that the impacts of Wylfa Newydd on tourism will be felt wider across the North Wales region and not just in Anglesey. Welsh Government have carried out research utilising STEAM data to look at the value of tourism within 60 minutes and 90 minutes of Wylfa Newydd

60-minute drive time

- 8.4.3. Based on a 60-minute drive time⁵ from the centre of the Wylfa Newydd Development Area (WNDA) the estimated tourism economic impact in this area for 2017 was £703 million. The value of tourism in Anglesey was £304 million in 2017, so this is an additional £399 million in the rest of the 60-minute drive-time area (which supports roughly 5,500 jobs).

90-minute drive time

- 8.4.4. Based on a 90-minute drive time⁶ from the centre of the Wylfa Newydd Development Area (WNDA) the estimated tourism economic impact in this area for 2017 was £2.26 billion. The value of tourism in the 60-minute drive-time area was £703 million, so this is an additional £1.557 billion in the rest of the 90-minute drive-time area (which supports over 21,000 jobs).
- 8.4.5. The 2015 visitor survey set out in the Application Ref. 6.3.1 suggests that 9% of visitors would be discouraged from returning to Anglesey during the construction period, and 8% during operation. It is unlikely that this effect would be felt throughout the 60- and 90-minute drive-time areas to the same extent. Visitors staying elsewhere in North Wales may be deterred from taking day trips to Anglesey (for example, because of traffic congestion).

Loss of Tourism Spend

- 8.4.6. As a prudent estimate of the impact of the construction of Wylfa Newydd, if 9% of visitors were lost to Anglesey then 9% of the £304 million value of tourism to Anglesey would be lost, this is equivalent to a loss of £27 million per year and 370 jobs.
- 8.4.7. If, say, 2% of the additional spend in the rest of the 60-minute drive time was lost, this would be a further loss of £8 million (and over 100 jobs).

⁵ Postcodes - LL54, LL55, LL56, LL57; LL31, LL32, LL33 and LL34 for Gwynedd and Conwy, plus the whole of Anglesey

⁶ Postcodes - LL54, LL55, LL56, LL57; LL31, LL32, LL33; LL34 LL51, LL52, LL53; LL41, LL47, LL48, LL49; LL22, LL24, LL25, LL26, LL27, LL28, LL29, LL30; LL16, LL17, LL18 LL19 and CH8 for Gwynedd, Conwy, Denbighshire and Flintshire, plus the whole of Anglesey

- 8.4.8. If, say, 1% of the additional spend in the rest of the 90-minute drive-time was lost, this would be a loss of a further £16 million (and over 200 jobs).

8.5. PLANNING OBLIGATIONS AND DCO REQUIREMENTS

APPLICANT'S PROPOSAL

Overview of Proposed Wylfa Newydd DCO Requirements

- 8.5.1. Horizon has committed to implementing the mitigation measures outlined within the Mitigation Route Map (Application Ref. 8.14; PINS Ref. APP-422). The mitigation measures and commitments identified below will be delivered through the following DCO Requirements (Schedule 3, Application Ref. 3.1; PINS Ref. APP-088):

- Wylfa Newydd Code of Construction Practice (CoCP) (*Requirement PW7*):
 - Horizon are proposing to introduce a Wylfa Newydd Major Permissions Oversight Panel (WNMPOP) and nine supporting sub-groups (including Accommodation and Tourism).

Overview of Proposed Wylfa Newydd Planning Obligations

- 8.5.2. The DCO application sets out the following mitigation and monitoring measures that will be secured through a S106 agreement:
- **Community Impact Fund** (Item 0011 & 0124 Table 1-1, Application Ref. 8.14 & Application Ref. 8.23): The fund will be utilised to mitigate effects to local recreational resources and open spaces, and for unforeseen effects arising due to the presence of the workforce in the area, including effects on people/groups with protected characteristics.
 - **Tourism Fund** (Item 0012 & 0125 Table 1-1, Application Ref. 8.14): The provision of a Tourism Fund by Horizon will serve to address any material effects which could arise on the sector because of Wylfa Newydd. Horizon indicate that this fund will seek to ensure that the perceived impacts on the local tourism sector can be moderated using positive mechanisms to develop existing and new forms of tourism.

WELSH GOVERNMENT'S PROPOSAL

Overview of Proposed Wylfa Newydd DCO Requirements

- 8.5.3. Welsh Government submitted key points/concerns on the draft Development Consent Order (DCO) to the Examining Authority (PINS Ref. EV-013). Welsh Government do not wish to raise any areas of concern that relate to Tourism through this representation.

Overview of Proposed Wylfa Newydd Planning Obligations

- 8.5.4. Welsh Government has now been provided with a (redacted) draft s.106 agreement, and has submitted detailed comments on that draft to Horizon. A summary of those comments was also submitted to the Examining Authority at Deadline 1 (PINS Ref. REP1-024). In addition, Welsh Government wish to raise following concerns in relation to the draft (redacted) S106 agreement:
- **Tourism (Annual) Contribution:** The following questions are still awaiting a response from Horizon:
 - What is the proposed value of the Tourism Fund and how has the fund been calculated?
 - When will the Tourism Fund be made available and how long will it last for?
 - Will the Tourism Fund be protected / ring-fenced?

- Will there be a list of priorities associated with the Tourism Fund?
- *Regional contribution:* As evidenced in this representation, the impacts on tourism will be felt at the regional level. The tourism value of the KSA is used within the ES. The draft S106 Agreement should include a contribution for marketing beyond North Anglesey. An additional contribution, separate to the Tourism (Annual) Contribution is required to Tourism Wales prior to Commencement for use on marketing throughout the wider KSA.
- *Availability of Tourism Fund:* Welsh Government consider the monitoring for tourism impacts should be carried out for 5 years following the end of the Wylfa Newydd construction. Therefore, the Tourism Fund will need to be made available for at least five years after the completion of construction.
- *Trigger:* The Tourism Fund must be paid against agreed triggers to ensure monies are available from the outset of the project. The release of funds must be pro-active to the anticipated impacts of the project which are likely to occur pre-construction.
- **Tourism (Contingency) Fund:** As evidenced in this representation, the impacts on tourism will be felt at the regional level. The tourism value of the KSA is also relevant. The draft S106 Agreement should include a contingency fund for other stakeholders to call upon, through the WNMPOP, beyond Anglesey.
- **Tourism Officer Contribution:** Welsh Government welcome the contribution to funding Tourism Officers. However, Wylfa Newydd will introduce regional impacts on the tourism sector, including Gwynedd and Conwy. There is a need to ensure that any mitigation (and monitoring) operates on a regional basis.
- **Tourism (Welsh Government Annual Contribution):** Welsh Government have requested further clarification behind the purpose of providing the Great Britain Tourism Surveys to the Tourism and Leisure Sub-Group. Welsh Government wish to understand if this is required for the purposes of monitoring the impact of Wylfa Newydd. If an impact is identified, what contingency fund will be made available?
- **Visitor Centre:** Horizon have not committed to building or operating a visitor centre beyond obtaining planning consent. Welsh Government request a commitment in the S106 Agreement for Horizon to build and operate the visitor centre throughout the operational life of the project.
- **Tourism and Leisure Sub-Group:** There are no Terms of Reference included for the Jobs and Skills Sub-Group. Welsh Government request that the S106 agreement includes the Terms of Reference for the Tourism and Leisure Sub-Group.

9. TRANSPORT AND INFRASTRUCTURE

9.1. INTRODUCTION AND BACKGROUND

- 9.1.1. The Welsh Ministers are the statutory highway authority for the Welsh trunk road network, and are directly responsible for its operation, maintenance and improvement (local authorities fulfil the same role for local roads). The trunk road network includes the A55 and Britannia Bridge. The maintenance and operation of the trunk road network is delegated by Welsh Ministers to Local Authority Trunk Road Agents, in North Wales, this responsibility falls with the North and Mid Wales Trunk Road Agent (NMWTRA). NMWTRA operates in partnership with North and Mid Wales Local Authorities, including Isle of Anglesey County Council (IACC), Conwy County Borough Council (CCBC), and Gwynedd Council.
- 9.1.2. Transport is a key issue for the Welsh Government in considering the Wylfa Newydd DCO application. Wylfa Newydd has a significant transport requirement both in terms of construction logistics and travel patterns of construction workers. Approximately 5.5 million tonnes of materials would be transported to and from the Isle of Anglesey during the construction phase, and there are expected to be up to 9,000 workers at peak times. Congestion is already experienced on the Menai crossings to the island, including daily congestion at peak times on the single lane crossing of Britannia Bridge.
- 9.1.3. Without appropriate intervention, construction and maintenance traffic will exacerbate existing congestion on the trunk road network, have a severe impact (without mitigation/intervention) on road users and local communities, and weaken response times of the emergency services.
- 9.1.4. Throughout the formal pre-application consultation process for Wylfa Newydd, Welsh Government has repeatedly requested further information and clarification regarding the over-arching transport assessment and approach to mitigating any adverse impacts. Welsh Government has been working with Horizon to ensure that any investment made by Horizon regarding highway improvements and transport infrastructure have legacy benefits that support a modern transport system for the Isle of Anglesey and North Wales.
- 9.1.5. An Integrated Traffic and Transport Strategy (ITTS) (Application Ref. 6.3.20; PINS Ref. APP-107) has been developed by Horizon for the management of travel during the construction and operation of the Wylfa Newydd Project⁷. As part of this Written Representation, Welsh Government has:
- Reviewed Horizon's proposed worker travel plan;
 - Reviewed Horizon's junction and network modelling;
 - Researched best practice of a similar and operational construction travel plan; and
 - Highlighted areas to be addressed in Horizon's travel plan to ensure it is effective/fit for purpose.
- 9.1.6. The ITTS is heavily reliant on significant assumptions in respect of matters such as a take up of on-site worker accommodation and home-based workers. Welsh Government has significant concerns over these assumptions, the current lack of controls in the DCO and section 106 agreement to secure these in practice and the potential for significantly greater impacts than those which have been assessed.

⁷ Wylfa Newydd Project: 6.3.20 ES Volume C – Road traffic-related effects (project-wide) App C2-4 – DCO TA Appendix F – Integrated Traffic and Transport Strategy, June 2018 Revision 1.0.

- 9.1.7. Welsh Government is concerned that the Horizon travel plan is overly complex, is excessively expensive to secure, lacks appropriate controls, and will be difficult to enforce. The failure of the travel plan to deliver the proposed mode share will lead to Horizon failing to achieve the objectives of the ITTS, specifically to encourage the use of sustainable travel and reducing the need to travel. The failure will directly lead to substantially greater numbers of cars on the local network close to the Wylfa Newydd Development Area (WNDA) and bus stops, more workers competing for parking spaces on the Project site and/or Dalar Hir park and ride site and persistent fly parking blighting local communities.
- 9.1.8. Failure to reduce the number of car movements will result in failure to meet the objective to enhance highway capacity and safety. In addition to significantly exacerbating congestion issues, additional vehicle kilometres travelled in the network will lead to an absolute increase in the number of collisions. Fly-parking will clutter up the highway reducing its capacity and potentially reducing visibility at junctions and along the carriageway which also increases the likelihood of collisions. In addition, significant car movements in conjunction with construction traffic will impact upon the Strategic Road Network (SRN), in particular Britannia Bridge.

9.2. PLANNING AND POLICY CONTEXT

- 9.2.1. Energy projects should recognise that the transport of materials, goods and personnel to and from a development during all project phases can have a variety of impacts on the surrounding transport infrastructure and potentially on connecting transport networks (NPS EN-1, paragraph 5.13.1) [WG8].
- 9.2.2. Transport impacts should be mitigated, through the proposed measures to improve access by public transport, walking and cycling, which will reduce the need for parking (NPS EN-1, paragraph 5.12.4). Where cost-effective, water-borne or rail transport is preferred over road transport at all stages of the project (NPS, EN-1, paragraph 5.13.10).
- 9.2.3. Section 3.15 of the NPS for Nuclear Power Generation (EN-6) [WG9] highlights the significant impact which a nuclear project will have on infrastructure and resources, particularly for the local community. It identifies that significant infrastructure and resources include trunk roads, the primary route network, and major highways (e.g. A-roads), and applications should demonstrate that the proposed development would not have an unacceptable adverse impact on this significant infrastructure.
- 9.2.4. PPW 9 [WG10], paragraph 8.3.3 encourages the use of Park and Ride to improve the relative attractiveness of public transport and reduce the overall dependence on cars; this can be considered as a key element of a comprehensive planning and transport strategy. Paragraph 8.7.1 goes on to specify that accessibility to a range of different transport modes and the effects on the safety and convenience of other users of the transport network are identified as material considerations.
- 9.2.5. Paragraph 9.3 of Technical Advice Note 18: Transport (TAN18) [WG20] indicates that early discussions between developers and the relevant planning and highway authorities are essential before planning applications are submitted, to ensure agreement is reached on the scope of the Transport Assessment, including geographical extent, and to establish what data exists or what surveys are required.

- 9.2.6. In addition, Paragraph 9.18 highlights that the extra trips generated by a proposed development may bring forward the need for transport improvements near the scheme, and beyond, to the extent that highway improvement works are necessary to enable a proposed development to go ahead, and that conditions may be imposed on the permission, making its commencement or occupation subject to completion of those highway works.
- 9.2.7. Alternatively, a developer may be invited to conclude an agreement under section 278 of the Highways Act 1980 [WG43] for the provision of highway works. In some circumstances the use of planning obligations may be appropriate to ensure improved transport provision.

9.3. REVIEW OF WYLFA NEWYDD DCO APPLICATION

RELEVANT DCO DOCUMENTATION

- 9.3.1. The following documents have been reviewed and considered by Welsh Government to inform this Written Representation:
- Application Reference No. 6.3.2: C2 – Traffic and Transport Chapter;
 - Application Reference No. 6.3.11-6.3.29: Traffic and Transport Appendices (including Appendix F – Integrated Traffic and Transport Strategy);
 - Application Reference No. 8.6: Wylfa Newydd Code of Construction Practice (CoCP); and
 - Application Reference No. 8.13: Wylfa Newydd Code of Operational Practice (CoOP).

THE INTEGRATED TRAFFIC AND TRANSPORT STRATEGY (ITTS)

- 9.3.2. The Integrated Traffic and Transport Strategy (ITTS) states that up to 9,000 workers will be required at the peak of construction. Of these, up to 7,000 are expected to move temporarily to the area and the remainder will be those with relevant skills and education already living in North Wales. The ITTS states that temporary staff will not have established travel patterns and consequently will be open to travel management influences, incentives and controls. While Welsh Government agrees with this point, we consider that the travel plan as currently drafted will not provide the required degree of certainty to workers moving into the area to be assured that the desired mode of travel (as suggested by Horizon) will be provided or available for a given commuting trip.
- 9.3.3. The transport and travel strategy:
- Provides 3,800 car parking spaces comprising:
 - 1,900 temporary spaces at a park and ride site located at Dalar Hir, adjacent to A55 J4; and
 - 1,100 spaces at the WNDA (reserved for cars with an average of three or more occupants and those needing on-site parking);
 - Promotes car sharing, including incentives such as preferential parking at the WNDA for those with a high vehicle occupancy;
 - Proposes shuttle buses for workers to and from the power station site serving the Dalar Hir Park and Ride site, Bangor, Caernarfon and across Anglesey;
 - Temporary logistics centre at Parc Cybi;
 - On-line and off-line highway schemes on the A5025 between the A55 and Cemaes;
 - Provision of travel information;
 - Marine Off-Loading Facility (MOLF) to reduce HGV movements along the road network; and
 - Staggered shift patterns to reduce traffic impact at peak times.

9.3.4. The travel plan aims to reduce travel impacts by:

- Enabling up to 4,000 workers to live at a site campus at the WNDA and identifies the expectation that workers would be able to walk to and from work each day;
- Providing demand-related shuttle bus services for workers living on Anglesey and to/from the mainland towns of Bangor and Caernarfon;
- Providing a park and ride facility at Dalar Hir (adjacent to A55 J4) with a shuttle bus service between it and the WNDA site to reduce car travel by workers on the A5025; and
- Encouraging car sharing through a programme of incentivisation and management.

9.3.5. The ITTS also covers:

- Construction traffic, and its impacts and management;
- Construction of a marine off-loading facility adjacent to the Wylfa Newydd site;
- An off-line highway improvement of the A5025 between the site and A55, including three village bypasses; and
- Implementation of a logistics centre adjacent to A55 J2 to regulate and manage construction vehicle movements along the A5025 to the power station site.

9.3.6. The ITTS also includes junction capacity modelling for 37 junctions and a traffic micro-simulation model using VISSIM software for the Britannia Bridge, Menai Crossing and the highway network in their immediate vicinity⁸.

CONSTRUCTION WORKFORCE

9.3.7. Construction activities for the project will require a total labour workforce of up to 9,000 workers at peak. This covers construction workers at different phases and workers to construct and operate associated development and facilities on- and off-site. The ITTS explains that throughout the construction programme there will be an increasing number of operational workers at the power station site for training and once Unit 1 becomes operational.

9.3.8. The number of workers required at any one time will vary throughout the construction period. The ITTS identifies the need for more than 5,000 workers will last for four years and will grow to a peak of 9,000 in Q4 2023 that will last for around one year and then start to reduce as the labour-intensive activities are completed. However, Welsh Government understand that, as stated in the Planning Statement (Application Ref. 8.1; PINS Ref. APP-406), the peak year has now slipped to 2025.

9.3.9. Construction activities are expected to take place 24/7 with the majority of workers working a shift pattern. The ratio of workers on day and night shifts is indicated as 70% day and 30% night. Shift times will be staggered to spread the impact of arriving workers and to provide, it is suggested, flexibility for the available transport solutions.

9.3.10. The day shifts would start at 07:00, 07:30 and 08:00 for a period of 10.0 hours, with night shifts starting at 16:30, 17:00 and 17:30 each of 10.5 hours. There will be some construction practices that require alternative night shift times - the example given being continuous concrete pours - but the ITTS states these instances are likely to be rare.

⁸ 6.3.14 Appendix C2-4 DCO Transport Assessment (Rev.1.0), March 2018, Table 9-2 p.144 and Figure 9-1 p.147.

ACCOMMODATION

- 9.3.11. During the early stages of construction, the ITTS anticipates that a large proportion of workers will be drawn from the local area or will live in accommodation on Anglesey. As construction ramps up, worker numbers will increase and additional accommodation will be sought on and off the island.
- 9.3.12. The distribution of accommodation used by construction workers has been determined using a gravity model approach with different models built to allow differences between home based and non-home-based workers and different types of worker grouped by employment category.
- 9.3.13. The gravity model approach is commonly applied in transport planning to estimate the relative contribution to a sum total of trips which locations make by scaling the size of a trip generator such as workers with specific skills or number of bed spaces against the distance or time taken to access the workplace.

Home-based Workers

- 9.3.14. The ITTS has defined the Daily Construction Commuter Zone (DCCZ) to be equivalent for a typical 90-minute journey from the site. On this basis, the ITTS suggests that around 2,000 workers could be sourced from established settlements with local facilities. It anticipates two thirds of these workers would live on Anglesey with the remainder living on the mainland. The ITTS analysis, which is based on journey times, indicates that the majority of workers would be drawn from Holyhead, Amlwch, Benllech, Llangefni, Bangor and Caernarfon.

Non-home-based Workers

- 9.3.15. The remaining 7,000 workers represent 'non-home-based' workers, who would travel to Anglesey and North Wales to live in temporary accommodation, with a daily commute to the site up to a typical maximum of 60 minutes. The ITTS has assumed a proportion of these non-home-based workers will live in existing accommodation, such as, but not limited to, tourist accommodation, private rental and property purchase. The socio-economic study has indicated that around 3,000 beds are available during the peak holiday season within the local area.
- 9.3.16. The majority of these workers are likely to commute to North Wales on a fortnightly basis from their permanent home. The socio-economic analysis presented in the ITTS indicates that they will reside in accommodation predominantly located in the north and west of Anglesey. These include, though not exclusively, Holyhead, Cemaes, Amlwch and Benllech. Less than a sixth of non-home-based workers are anticipated to reside off Anglesey, the largest concentration in Bangor.

Site Campus

- 9.3.17. A site campus will be provided at the WNDA for 4,000 non-home-based workers, i.e. those commuting to Anglesey on a fortnightly basis from their permanent home. The capacity of the campus will fluctuate over time to match the demand for workers through the construction programme. Associated welfare and services such as leisure facilities will also be provided as part of the Site Campus to mitigate the need for travel and any additional demand for local services and facilities.

Summary

- 9.3.18. The gravity model outputs are a function of its inputs. The ITTS depends upon the outputs of the gravity model to provide confidence in assumptions, such as of achieving car sharing targets, confidence in the modelling analysis, which requires traffic flows, and confidence that mitigation measures such as the routes to be served by shuttle buses are appropriate. If the assumptions upon which the gravity model are found to be flawed – for example, the home-based workforce is not available to work at the site or the number of bed spaces are not available to non-home-based workers – then all the dependent assumptions will be weakened. The ITTS does not provide any sensitivity analysis of the distribution of worker accommodation which means either Horizon will have to be correct in all their assumptions for the Travel Plan to work as specified or that there is sufficient tolerance in all the outcomes and mitigation measures to allow for variance from the single outcome presented.

CAR PARKING INFRASTRUCTURE

- 9.3.19. Two parking areas are proposed during the construction stage; at the WND A, and at a temporary park and ride facility located at A55 J4 Dalar Hir. The WND A car park would be available to all workers during the initial stages of construction when worker numbers are low. Once the number of workers at the power station site exceeds 2,000, a 1,900-space park and ride site will be provided at Dalar Hir, located adjacent to A55 J4. Workers using the Dalar Hir park and ride would be transported to the Site Campus on shuttle buses. Up to 1,000 spaces will be allocated for daily commuting and the remaining 900 spaces as long stay for those staying on the site campus.
- 9.3.20. At peak construction activity, and when the Dalar Hir park and ride is open, around 1,100 parking spaces would be provided at the WND A, with access granted to commuting workers travelling to site with an average occupancy of three persons per vehicle or satisfying disabled access criteria⁹. Some workers living on the Site Campus will also be able to park there. Post-construction, parking for operational staff will be provided adjacent to the Site Campus.

WORKER TRAVEL STRATEGY

- 9.3.21. Horizon states that the transport strategy has been designed to be flexible to meet varying demands, construction and programme changes and accommodation decisions, which will evolve across the whole construction programme. The ITTS details two types of travel: fortnightly travel from workers' permanent homes to North Wales; and daily travel to site.
- 9.3.22. Up to 4,000 non-home-based workers are expected by Horizon to stay at the site campus, removing the need for daily travel outside the WND A site and hence requiring only weekend travel, and up to 5,000 home-based and non-home-based workers who would need to commute to and from the site daily. The choice of worker travel modes depends on the origin of workers. The Worker Travel Strategy (WTS) states that it promotes sustainable transport and intends to provide:
- Weekly shuttle bus service between Holyhead rail/ferry terminus and the Site Campus / Amlwch;
 - Daily shuttle bus service between Holyhead / Bangor / Caernarfon and WND A;
 - Daily shuttle bus services around the north of Anglesey to the WND A;
 - Park and Ride facility at Dalar Hir (A55 J4); and
 - On-site car parking for high occupancy vehicles.

⁹ 6.3.14 Appendix C2-4 DCO Transport Assessment (Rev.1.0), March 2018, Table 1-1 pp.11-14

- 9.3.23. The ITTS states that worker travel will be controlled, monitored and enforced through the CoCP which will be implemented by Horizon and its supply chain.

Weekend Travel

- 9.3.24. Workers will be working an 11-day shift cycle. It is assumed that non-home-based workers will want to travel away from site at weekends at the end of each cycle. For this purpose, shuttle buses will be provided to run from the Site Campus, Cemaes and Amlwch to Holyhead rail station and ferry terminal.
- 9.3.25. The majority of workers are expected to travel by road for which Horizon will promote a car sharing service to reduce the number of single occupant cars. It will also require workers to sign a Code of Conduct directing them to use only the A55 and A5025 followed by A roads and B roads; other minor roads would only be used to access their accommodation.
- 9.3.26. The ITTS suggests that out of 7,000 non-home-based workers, around 2,375 would travel to their permanent home in any given week with the remaining workers staying in their accommodation and either working or benefiting from leisure time. Over 20% of weekly trips, associated with non-home-based workers travelling to/from their permanent home, are predicted to be made using sustainable forms of transport.
- 9.3.27. The ITTS also states that subject to demand for rail services, coach services could be provided to major interchange stations, such as Chester and Crewe, to mitigate the increase in rail passengers and prevent over-capacity on the North Wales Main Line at peak construction.

Daily Commuting

- 9.3.28. The ITTS assumes that of the 9,000 workers at construction peak, 4,000 workers will be based on the site campus and will walk (1.6km to the main gate) to their place of work requiring travel by up to 5,000 workers to the WNDA or to associated sites. It states that some of the transport options will only be implemented once worker numbers reach a particular level as the demands of the project during the early stages of construction are unlikely to trigger the need to provide mitigation.
- 9.3.29. There are proposed to be six shift patterns (Day Shifts starting at 07:00, 07:30 and 08:00 each of 10.0 hours, and Night Shifts starting at 16:30, 17:00, 17:30 and lasting for 10.5hrs).
- 9.3.30. Figure 9.1 shows the assumed summary of daily travel of the 9,000 workers at peak. It includes the anticipated day and night shift change times and a summary of the worker demands. This is additionally presented in Table 9.1 which shows the forecast travel demands by Horizon for the movement of 8,600 workers to site (the balance of 400 workers would be working 'off site').
- 9.3.31. Table 9.1 shows that the greatest concentration of workers would be at the WNDA bus terminus during the afternoon where a forecast 2,820 staff would make use of the shuttle and park and ride bus services between 16:30 and 18:30. Of these, 840 workers would be arriving by bus (shift start times 16:30, 17:00 and 17:30) and 1,980 workers would be leaving the site (shift end times 17:30, 18:00 and 18:30). Using the peak figure of 715 workers within a 30-minute period in combination with the average occupancy per bus of 30, as assumed within the ITTS, there is a requirement for 24 buses to be standing at the WNDA ready to take passengers at the end of the shift. However, as none of these buses will be able to complete a return trip to Dalar Hir or along a shuttle bus route and back to the WNDA, a further 24 buses will be required for the second shift end. It is not clear from any of the documents whether there is space to accommodate 48 buses at the WNDA.



Figure 9-1 - Summay of Daily Travel Demand



Source: ITTS Figure 6-4, P.42

Table 9-1 - Forecast Worker Demand by Mode and Time of Travel

Arriving at WND A for Shift Start Times:												
Mode\Time	07:00	07:30	08:00		16:30	17:00	17:30					
Walking	930	930	930		400	400	400					
Parking at WND A	360	360	360		160	160	160					
NON-BUS TOTAL	1,290	1,290	1,290		560	560	560					
Shuttle Bus	380	380	380		160	160	160					
Park and ride Bus	280	280	280		120	120	120					
Park & Share	55	55	55		25	25	25					
BUS BASED TOTAL	715	715	715		560	560	560					
TOTAL	2,005	2,005	2,005		865	865	865					
TOTAL	6,015				2,595							
Departing from WND A after Shift End Times:												
Mode\Time						17:30	18:00	18:30		03:00	03:30	04:00
Walking						930	930	930		400	400	400
Parking at WND A						360	360	360		160	160	160
NON-BUS TOTAL						1,290	1,290	1,290		560	560	560
Shuttle Bus						380	380	380		160	160	160
Park and ride Bus						280	280	280		120	120	120
Park & Share						55	55	55		25	25	25
BUS BASED TOTAL						715	715	715		560	560	560
TOTAL						2,005	2,005	2,005		865	865	865
TOTAL						6,015				2,595		

Source: ITTS Figure 6-4, p.42 and included in this report as Figure 9.1

TRIP ORIGINS AND ASSUMED TRAVEL MODE

Construction Workers

- 9.3.32. The ITTS has suggested a construction worker distribution to provide an indication of the demand and mode for travel to the WND A. Around 60% of the 690 workers residing in Holyhead are forecast to commute by shuttle bus, timed to coincide with shift times, using the bus terminus adjoining the railway station or at designated worker bus stops. The remaining 40% will travel by car along the A5025 to the power station car park.

- 9.3.33. Up to 420 workers are anticipated to live along the A5025 between the A55 and power station site. Again 60% are assumed to use the shuttle bus services and 40% travelling by car to the construction site.
- 9.3.34. Up to 1,500 workers are forecast to live along the north Anglesey coast, including Benllech and Amlwch, and Llangefni. The ITTS proposes that bus services will be provided, with starting points varied to accommodate varying demand (for example a bus service is suggested starting in Amlwch where 400 workers are expected to be based). Bus services will mainly use the A5025. Again, the ITTS assumes 60% of workers will travel by bus and 40% by car to the site.
- 9.3.35. Up to 1,200 workers are expected to live along the A55 corridor and in south Anglesey. All are expected to drive to the Dalar Hir Park and Ride site or the WNDA site car park.
- 9.3.36. Up to 280 workers are expected to live in Bangor. Shuttle buses will pick up workers from several (undefined) locations across the town and then use the Britannia Bridge, A55 and A5025 to transport them to work. As elsewhere, 60% of workers are assumed to use the bus services with the balance of 40% travelling by car to Dalar Hir or the Power Station car park.
- 9.3.37. The mode choice assumptions of 60% travelling by bus and 40% by car are also detailed for the 110 workers expected to be based in Caernarfon. Shuttle buses will operate across the town and use the A487, Britannia Bridge, A55 and A5025 to access the construction area. Those using the car are assumed to park at Dalar Hir or the Power Station car park.
- 9.3.38. Up to 340 workers are forecast to live in the wider rural areas of Gwynedd. These areas will be difficult to serve efficiently by bus so it is assumed in the ITTS that these staff will car share where possible and drive to Dalar Hir or the Power Station car park.
- 9.3.39. Up to 470 staff are expected to live further afield, in Conwy and other areas along the North Wales coast and close to the A55. These workers would again be encouraged to car share and to park at either Dalar Hir or the Power Station car park.

Visitors

- 9.3.40. The majority of day visitors will be directed to the Dalar Hir Park and Ride site for onward travel to the Power Station by the shuttle bus services that will operate all day. Visitors are described as representatives of Horizon, their consultants and others¹⁰. It is suggested that some visitors may also drive direct to the WNDA.

Facilities Management Staff

- 9.3.41. Around 400 facilities management staff (catering, cleaning, security and administration) will be required. These are expected to live across the catchment area and are expected to use the shuttle bus services or Dalar Hir Park and Ride, or, if they live locally, walk or cycle to the facility.

BUS SERVICES

Routes and Stops

- 9.3.42. Construction worker bus routes have been detailed in the ITTS (please refer to **Appendix D**). Express bus services would be provided by Horizon from Holyhead, Caernarfon and Bangor, and a stopping service along the A5025 across the north coast of Anglesey.

¹⁰ 6.3.14 Appendix C2-4 DCO Transport Assessment (Rev.1.0), March 2018, p.115, para.7.2.9.

- 9.3.43. Services are also shown from Holyhead following the B4545 via Trearddur Bay, along the A5 between Menai Bridge and Valley, and into the central area of Anglesey including to Llangefni. Services to the north and east of Anglesey, from Cemaes, Amlwch and Benllech, are likely to be multi-stop services.
- 9.3.44. All bus services will be for the exclusive use of power station workers on the production of appropriate accreditation when boarding. The ITTS says all services will be responsive to varying worker demands through the construction period. Routes will also be flexible and can be re-routed to meet the demands of workers and will be routed through the core centres of larger settlements along the A5025, for example.
- 9.3.45. Data supporting the route plan states that 51% of the population of Anglesey lives within 600m of a bus stop along the routes (36,300/71,500), and 56% live within 600m of a route. Overall, the ITTS assumes that at least 60% of workers will be living along these routes¹¹.

Bus Service Operations

- 9.3.46. The ITTS states that bus routes will be determined by the operator. Services will primarily operate during the morning and evening shift changeover times (i.e. for workers starting in the periods 07:00-08:00 and 16:30-17:30, and ending shifts in the periods 17:30-18:30 and 03:00-04:00) and outside of the traditional peak periods. As such no capacity or safety improvements are considered necessary by Horizon to mitigate these movements¹².
- 9.3.47. A lower (undefined) bus service frequency would be provided outside the main shift peaks during the interpeak. The construction of the Power Station will require a significant number of buses to transport workers to and from their accommodation and park and ride sites. The source of these vehicles has yet to be determined, though it is likely new vehicles will need to be purchased to fulfil the transport requirements.¹³

PEDESTRIANS AND CYCLISTS

- 9.3.48. The Site Campus will be developed with pedestrian facilities and connections to the wider footway network. Secure cycle parking will be provided at the logistics centre and Dalar Hir park and ride to encourage facilities management staff to cycle to these facilities or for onward transfer by bus.

RAIL

- 9.3.49. The ITTS notes that the existing rail service on Anglesey is not conducive to daily commuting patterns for workers. There is expected to be an element of weekend travel using rail and terminating at either Bangor or Holyhead and the ITTS proposes that a shuttle bus service is provided between the WNDA and these stations if there is demand for them.

¹¹ Wylfa ITTS, para. 6.4.13, p.48.

¹² Wylfa ITTS, para.7.5.21, p.73.

¹³ Wylfa ITTS, Section 8.2, p.77.

STRATEGY OPERATION

Transport Co-ordinator

- 9.3.50. A Transport Co-ordinator would be appointed by Horizon to implement and manage the transport strategy. This individual or team will act as a central role for all transport-related matters and attend meetings with stakeholders, including Welsh Government, North Wales Police, Isle of Anglesey Council and Gwynedd Council.

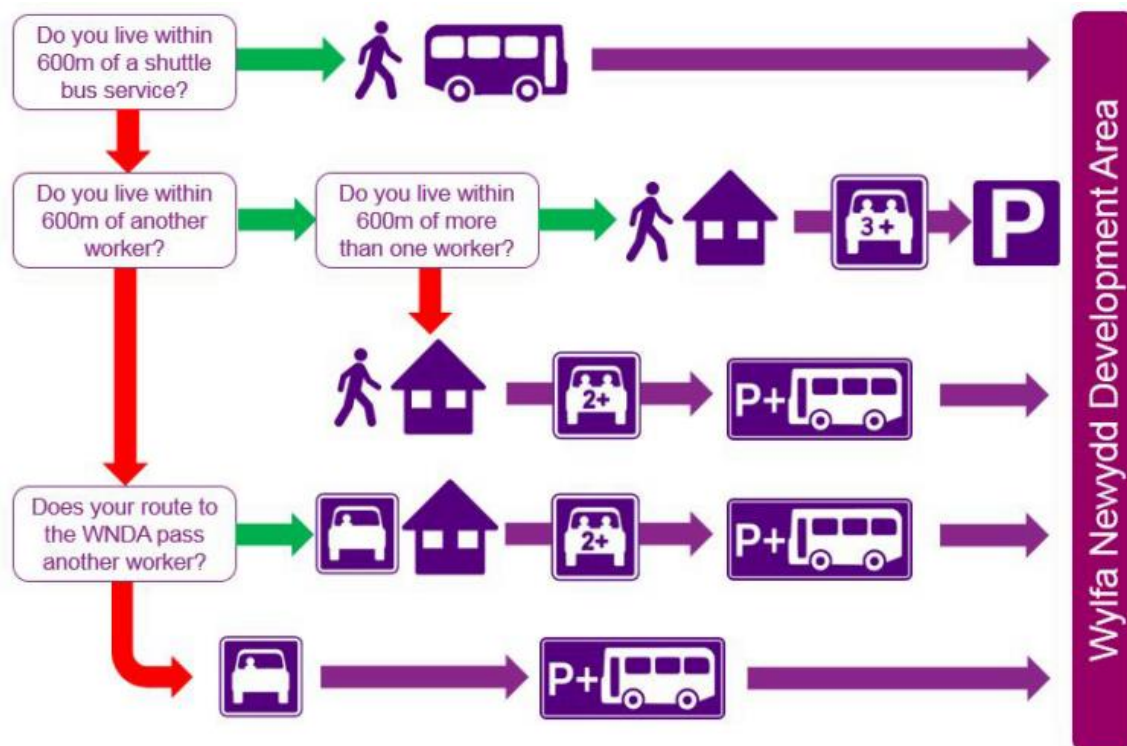
Construction Worker's Accommodation Management Portal

- 9.3.51. The ITTS (para. 6.2.3, p.33) states that these workers will have access to a Construction Workers' Accommodation Management Portal (known as 'Workforce Management Accommodation Service (WAMS)') which will provide details of available bed spaces in North Wales and will highlight the transport options available to them 'recommending them to use sustainable modes as an alternative to driving.'

Daily Commute

- 9.3.52. Figure 9.2 summarises the Wylfa Travel Mode Allocation process.

Figure 9-2 - Wylfa Travel Mode Allocation Process



Source: ITTS Figure 6-7, p.50

- 9.3.53. Workers living up to 600m from a bus route will be required to use the shuttle bus service.
- 9.3.54. Workers living more than 600m from a bus route may choose to travel by bus or will drive to an allocated car park based on vehicle occupancy. Single occupant vehicles and those with a driver and one passenger will only be allowed to park at Dalar Hir with onward travel to site by shuttle bus.

- 9.3.55. Vehicles with an average of three or more occupants will be permitted to park at the Wylfa Newydd construction site.
- 9.3.56. The ITTS and its travel plan has assumed an average vehicle occupancy of 2.0 workers for daily commuting purposes during peak construction¹⁴ consisting of 1,550 workers arriving at a rate of 3.0 per vehicle at the WNDA and 1,190 workers arriving at a rate of 1.5 per vehicle at Dalar Hir.
- 9.3.57. All workers will be expected to register on a database that will include their place of residence during the construction period. Taking account of shift patterns, this will be used to match workers who live close to each other and could potentially car share.
- 9.3.58. The travel plan suggests that making a parking space available at the construction site to those with a vehicle containing, on average, three or more occupants will incentivise high levels of car sharing as the overall journey time will be quicker than the alternative of parking at Dalar Hir and taking the shuttle bus.
- 9.3.59. The ITTS suggests that allowances will be made for unforeseen changes to agreed car sharing arrangements.

COMMUNICATION AND PROMOTION

- 9.3.60. Information packs will be issued to construction workers detailing the Construction Traffic Management Strategy. It will contain and not be limited to:
- Shuttle bus routes;
 - Car sharing;
 - HGV routes and route restrictions;
 - Construction vehicle routes; and
 - Available transport options.

MONITORING AND ENFORCEMENT

- 9.3.61. Parking and bus permits will be issued to workers where they meet appropriate criteria. Workers will not be allowed to join shuttle buses until they are assigned to them. Parking permits may consider proximity to a bus route, commitment to car share and hours of work.
- 9.3.62. Workers arriving on foot will only be allowed to enter if they have been granted 'walk-in' access, i.e. they live within walking distance of the WNDA. This is intended to deter workers from parking on local roads and walking onto the construction site.
- 9.3.63. Workers failing to adhere to their chosen route to work will be refused entry and potentially be given a formal warning.

OPERATIONAL PHASE

- 9.3.64. A Travel Plan Coordinator will be retained during the operational phase to encourage and promote car sharing, bus services, cycling and key walking routes.
- 9.3.65. When construction is complete, up to 500 parking spaces will be provided at the Power Station. Dedicated spaces will be provided for car sharers and for charging electric vehicles. Provisions will also be made for turning buses.

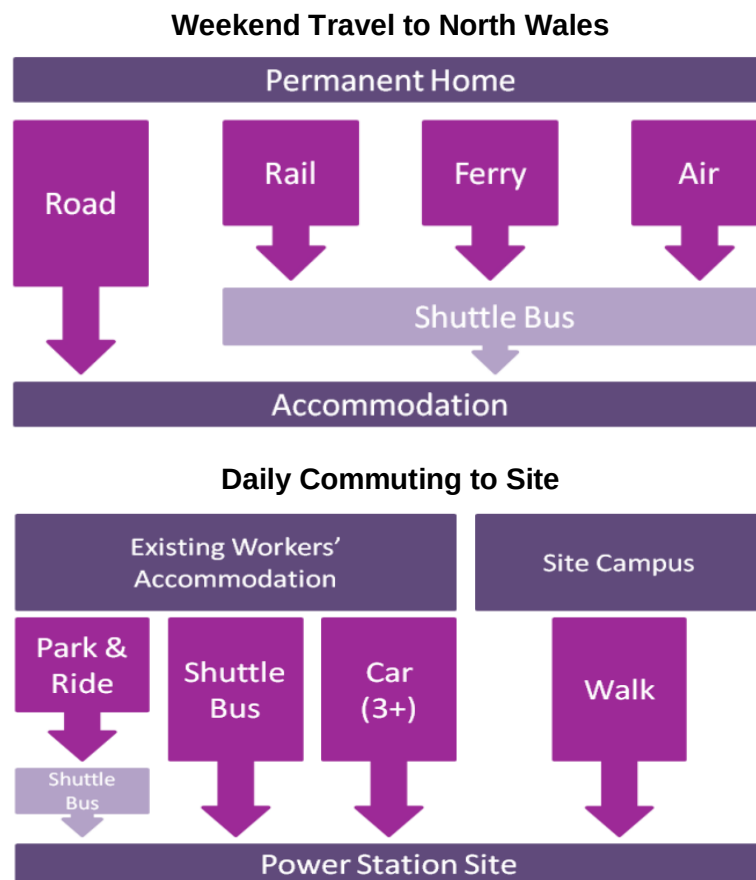
¹⁴ Wylfa ITTS, para.6.5.11, p.51

- 9.3.66. The ITTS states that Horizon may choose to develop and implement a parking permit allocation strategy as part of implementing a Travel Plan.
- 9.3.67. During outage periods additional parking areas for up to 1,000 vehicles will be provided to accommodate the increased demand¹⁵, although the ITTS does not indicate where these might be located.

SUMMARY OF THE WYLFA CONSTRUCTION TRAVEL PLAN

- 9.3.68. The Integrated Travel and Transport Strategy ends its travel plan section with two diagrams summarising the proposed travel management process, reproduced as Figure 9.3.

Figure 9-3 - Summary of the Wylfa Travel Plan



Source: ITTS Figures 6-9 and 6-10, p.58

¹⁵ 6.3.14 Appendix C2-4 DCO Transport Assessment (Rev.1.0), March 2018, Table 1-1 pp.11-14

9.4. IMPACTS AND EVIDENCE

IMPACTS

Worker Travel

- 9.4.1. The traffic impacts associated with the Wylfa Newydd project are described in Appendix H of App C2-4 Transport Assessment (PINS Ref. APP-109; Application Ref. 6.3.22) and Appendix I (PINS Ref. APP-110; Application Ref. 6.3.23). The analysis compares the operation of each entry arm at each junction for scenarios with and without development traffic in 2023.
- 9.4.2. The pattern of traffic movements associated with the development is strongly related to the proposed shift patterns which means that all the busiest periods of the day are missed by trips to and from Wylfa and Dalar Hir. The traffic impact assessment concludes that no junction is materially impacted due to construction worker related traffic. Welsh Government notes that Horizon is currently consulting on revised shift patterns as part of a proposed non-material amendment to the DCO, and we will be providing a response to this consultation. The analysis appears to be appropriate and conclusions reasonable.

Construction Traffic

- 9.4.3. Goods vehicle traffic associated with the Wylfa Newydd project will be travelling throughout the working day to and from the site and Parc Cybi Logistics Centre. The assumption in the traffic modelling work is that there will be 40 goods vehicle movements in the busiest hour on the A5025 between the Logistics Centre and the WNDA. These vehicles have been added into the appropriate junction models and a micro-simulation model using VISSIM software which includes both Menai Crossings and the highway network in their immediate vicinity. The traffic modelling includes a range of committed developments but does not include the North Wales Connection.
- 9.4.4. The VISSIM model shows vehicles moving through the defined network mimicking real driver behaviours such as accelerating, braking and overtaking. This model allows measurements of journey times along routes within the coded network and queues approaching junctions.
- 9.4.5. In the busiest hour it is anticipated that there will be 14 light goods vehicles (LGVs) and 18 heavy goods vehicles (HGVs) in each direction crossing Britannia Bridge. Table 6-1 (Appendix I) reveals that the with Wylfa Project scenario leads to a 13 second increase in average journey time on a route across Britannia Bridge. Paragraph 6.2.4 indicates the queue extends 300 metres further along the A55 on the eastbound approach to Britannia Bridge. These impacts are the most severe impacts during the construction phase and relate to a single 15-minute period in the day.
- 9.4.6. In relation to Abnormal Indivisible Loads (AIL), Horizon have indicated a requirement for 1,100 AIL movements (which equates to 2 movements per day) prior to the MOLF becoming operational. Welsh Government understand that of these, approximately 500 will require a police escort. North Wales Police have indicated that such escorts would only take place in daylight hours. Welsh Government are concerned that such escorts do not take place on the Strategic Road Network (SRN) at peak hours.

EVIDENCE

Introduction

- 9.4.7. Welsh Government is concerned that Horizon's proposed Travel Plan is not sufficiently detailed in documents submitted to date nor that the delivery of key components has sufficient commitment to satisfy us that it will achieve the mode shares set out in the Integrated Traffic and Transport Strategy (ITTS).
- 9.4.8. Welsh Government is concerned that the Travel Plan's success is dependent on a complex set of rules that will prove to be onerous to implement and difficult to enforce, and which relies on very good and up to date information about worker's accommodation. It is not clear what consideration the ITTS has given to the churn of worker roles over the duration of the construction period. Welsh Government is also concerned that there is little detail about monitoring compliance with the rules, and that it does not have a mechanism to require changes to the mitigation measures proposed as a form of redress should the assumed mode share not be achieved.
- 9.4.9. The justification for these concerns is supported by evidence from Hinkley Point C in Somerset, which is presented below.

Benchmarking: The Hinkley Point C Travel Plan

- 9.4.10. The proposed Horizon Travel Plan has been compared with other, similar construction travel plans, most notably that for Hinkley Point C in Somerset. Construction started for Hinkley Point C in 2017 and the power station is due to become operational from 2025.
- 9.4.11. The Hinkley Point C transport strategy is detailed for construction workers and for the freight movements associated with the site. The construction travel plan for this power station is particularly relevant to Horizon as it is already in use and provides an opportunity to also review its early operation and effectiveness.
- 9.4.12. A range of measures have been implemented to promote and facilitate the use of sustainable travel wherever possible. They include:
- A bus fleet funded by EDF Energy to transport workers to and from the Hinkley Point C Development Site including direct bus services, park and ride bus services and accommodation campus bus services. These buses are free to workers.
 - A strict requirement that workers will use only the mode of transport allocated to them be it direct bus, park and ride bus or campus bus.
 - Constraining and controlling on-site parking to essential workers and visitors only.
 - The promotion of viable sustainable options such as walking, cycling, public bus and rail through encouragement and the provision of information and incentives.
- 9.4.13. The Hinkley Point C construction workers' strategy comprises:
- 4 No. Park and Ride sites (off-site parking).
 - Parking restrictions on the development site such that most staff will be required to travel to the site by bus.
 - Direct bus services where clusters of workers are likely.
 - Encouragement of walking and cycling to the site as well as usage of bus services and the Park and Ride site.
 - A Travel Plan to encourage sustainable modes.

- 9.4.14. Hinkley Point C provides the following to construction staff:
- A Travel Pack at induction with key travel information (e.g. walking, cycling, bus and rail options). Contact details are provided for enquiries, monitoring and enforcement.
 - Emails and texts for updates on bus route changes and pick-up points, any issues and when they will be resolved, details of car sharing and results of the travel plan monitoring.
 - An information board on-site detailing any changes/updates.
- 9.4.15. The primary method of enforcement is through the restriction of on-site parking during construction. This single rule is simple to understand, is self-enforcing and removes speculative travel to site by construction workers hoping to “find a space” when they arrive.
- 9.4.16. The parking restriction is complemented with the provision of convenient and regular bus services, predominantly from park and ride sites, free of charge to workers. The requirement to use the provided bus services is also placed as a condition of contract on contractors.
- 9.4.17. The Hinkley Point C Travel Plan has set the following mode share targets from a period six month after the park and ride sites are operational:
- Hinkley Point C Bus Services – 87% (comprising park and ride bus 49%, accommodation campus bus 26% and direct bus (non-campus) 21%);
 - Walking – 9%; and
 - Car – 4% (including car sharing).
- 9.4.18. The Hinkley Point C Travel Plan has implemented four park and ride sites, located at M5 J23, M5 J24, Cannington (to the west of Bridgwater and accessed from the A39), and at Williton, close to the A358 and Minehead (not operational in June 2018). The bus services at Hinkley Point C are operated under contract to Crosville Motor services and First Group¹⁶ who formed a joint venture called Somerset Passenger Solutions¹⁷. The recently signed 10-year contract requires up to 160 new vehicles and 300 dedicated staff. Crosville first engaged with EDF in 2010 and was awarded interim contract status in 2014.
- 9.4.19. Buses operate to accommodate the shift patterns at Hinkley Point C. In June 2018 there were 20 bus routes. The Quarterly Monitoring Report April-June 2018 states that 2,821 workers used Hinkley Point C bus services on 6 June 2018 where 46% of all workers used the park and ride bus services at M5 J23 and J24.
- 9.4.20. The mode share data for the Hinkley Point C bus service will be monitored using a ‘Permission to Travel Smartcard’ which will allow Hinkley Point C to identify where the bus passenger boarded the bus. The smartcards are anticipated to be in place later in 2018.
- 9.4.21. The framework travel plan has a monitoring and reviewing strategy in place to allow for efficient and accurate reviewing of the plan to ensure that it remains successful and effective in achieving sustainable modal shift. Monitoring takes the form of:
- Surveys on mode share to the main site, the park and ride site and on bus occupancy;
 - A formal staff travel survey which will take place annually; and
 - Suggestion boxes located in changing rooms and on-site offices for improvements/feedback.

¹⁶ <https://cbwmagazine.com/hinkley-point-bus-contract-award-somerset-transport-solutions/>

¹⁷ <http://www.somersetpassengersolutions.co.uk/>

- 9.4.22. The mode of travel to work of all workers and the mode of travel of non-work trips for campus based workers are the key performance indicators that are monitored. Hinkley Point C undertakes quarterly monitoring of the implementation of its travel plan and reports to a Transport Review Group the extent to which all the limits and other targets set out in the plans have been achieved or are reasonably likely to be achieved. In addition, reference is also made to a Traffic Incident Management Plan reporting any variation in hours and movements within overall vehicle caps in 'exceptional circumstances'.
- 9.4.23. The scope of the quarterly report contains the following:
- Construction Workforce Travel Plan Report
 - Construction Traffic Management Plan Report
 - Traffic Incident Management Plan.
- 9.4.24. The general content and headlines from the Hinkley Point C Quarterly Report [WG44] are:
- Mode Share Target Report Table
 - Construction Workforce Travel Plan Action Plan
 - Cycle and Motorcycle Parking Utilisation
 - Car Share database enrolment.
 - Patronage on each bus service
 - Number of parking permits issued
 - Annual staff travel survey results.
- 9.4.25. Monitoring also includes a Construction Traffic Management Plan Report that details:
- Record of Delivery Management Strategy (DMS) bookings
 - Comparison of DMS bookings against Hinkley Point C Construction Works HGV deliveries / movements
 - Comparison of Hinkley Point C Construction Works HGV deliveries against HGV maximum daily limit and average quarterly limit
 - ANPR monitoring data
 - Details of any breaches of Hinkley Point C Construction Works HGV limits, time restrictions or breaches of routing
 - Origins of HGV movements.
- 9.4.26. These items are rated on a seven-point scale from 'compliant and improving' to 'non-compliant and falling'. Several other transport-related updates are included in the report covering:
- Hinkley Point C bus services (changes to routes and timetables, the addition of new routes, stops and bus fleets).
 - The operation of the park and ride sites (including the promotion of car sharing to the park and ride sites and the operation of 'Secure Buses').
 - Safety and Community (including the reporting of calls to the Hinkley Point C Enquiries Helpline classified as a complaint, enquiry, information request and positive feedback. This where fly parking is reported and monitored. In the June 2018 Quarterly Report 168 fly parking incidents were reported via the Hinkley Point C Helpline of which nine (5%) were Hinkley Point C workers.

Commitment to sustainable travel

- 9.4.27. Welsh Government would like to see a clear commitment that Horizon will provide a car sharing website and provide incentives for sustainable travel to North Wales for non-home-based-workers. In its current form, there is nothing to discourage all non-home-based-workers from driving alone to their accommodation.
- 9.4.28. Welsh Government recommend that Horizon must commit to provide or enable coach services from centres where there is a greater number of workers, which potentially might be Manchester, Liverpool and Birmingham with set down for workers available in Bangor, Caernarfon, Holyhead, the Site Campus, and at the Dalar Hir park and ride site. This would reduce the number of vehicle movements at weekends, reduce the need for long stay car parking on the Site Campus and at Dalar Hir, and reduce the potential for excessive or anti-social parking at and around off-site accommodation.

Management of daily commuting

- 9.4.29. Horizon are proposing that 4,000 construction workers will live on the Site Campus and walk to work. However, there is no obligation for workers to choose campus accommodation over off-site accommodation, and a reduction in workers living on the Site Campus will increase the demand for daily commuting from off-site accommodation. A significant disincentive to choose to live on-site is the lack of any on-site travel provision. Given that some accommodation is likely to be more than 1.6km from the main gate, and even further from places of work on-site, the requirement to walk will be unattractive. Welsh Government need to be satisfied that the Travel Plan is sufficiently robust to accommodate any increased demand for travel to the site should fewer than 4,000 workers live on site or adequate incentives are provided to reach the target of 4,000 workers living on site.
- 9.4.30. Horizon is proposing a 1,100-space car park at the Site Campus and 1,900 spaces at the Dalar Hir park and ride (the only park and ride site proposed, and then only to be provided when the number of workers exceeds 2,000) (para. 6.4.9, p.44). A proportion of spaces at both these car parks will be set aside for long stay car parking for those living in accommodation on the Site Campus. Up to 900 spaces will be used for long stay parking at Dalar Hir (para.6.4.10, p.44). This implies that around 1,000 spaces will be available for daily commuting. The ITTS does not suggest what the total demand for long stay parking might be at the WNDA / Site Campus and what the balance of parking spaces is expected to be for daily commuters.
- 9.4.31. It is not clear from the ITTS how construction workers will travel within the WNDA. Hinkley Point-C are in the process of introducing a change so that park and ride buses will deliver construction workers to their designated place of work within the construction site, rather than drop-off at the main gate and finding alternative means of transportation to their work place. Welsh Government request clarification around this matter.
- 9.4.32. Whilst we are supportive of Horizon enabling, promoting and encouraging car sharing, with little discussion about the means of enforcement in its Travel Plan, the very rural characteristics of the catchment area and with dispersed population centres, we consider that it is highly unlikely that car sharing to the extent suggested by Horizon will materialise without evidence of a clear and enforceable car sharing management regime.

Parking Management

- 9.4.33. Evidence from Hinkley Point C suggests that car parking at the WND A should be allocated only to those with accommodation on the Site Campus (long stay parking) to reduce the daily traffic movements in the vicinity of the WND A. No long stay parking should be provided at Dalar Hir to maximise the available spaces for daily commuters.
- 9.4.34. Daily (commuter) car parking at the WND A campus should be reserved for disabled and essential workers only, managed using strict criteria that Horizon should detail and enforce. This approach simplifies parking management at the WND A as there would be no need to monitor and enforce minimum vehicle occupancy.
- 9.4.35. If long stay (WND A Campus) parking spaces are not required at Dalar Hir, then parking spaces at the park and ride site can be completely allocated to commuting shift workers with onward travel to the WND A using the dedicated park and ride bus service. This is the basis of Hinkley Point C's Travel Plan. Welsh Government suggest that this approach provides clarity about where to park for those travelling by car and will reduce the number of vehicles travelling along the A5025 to and from the WND A on a daily basis.

Car Sharing

- 9.4.36. Figure 9-2 (Figure 6-7 of the ITTS, p.50) indicates that all workers living with 600 m of a bus service must travel to the WND A by bus. This means a hypothetical worker living 602 m from a bus service will not be required to use the bus but their hypothetical next-door neighbour living 598 m from the bus service will have to travel by bus – even though car sharing may be more appropriate. Immediately, these situations imply that the rule based system will have to be adjusted on a case-by-case basis.
- 9.4.37. Workers not satisfying the 600m criterion but living within 600m of more than one other worker are then directed to car share in either a 2+ or 3+ vehicle. This criterion alone is too crude as it is dependent on the nearby worker sharing the same shift start and end time and for one of the workers to have a vehicle available for use and suitable for car sharing, and being employed for the same contract term. It also implies that all vehicles in that car share pool can be registered to park at the WND A, which, if the average of three per vehicle is endorsed, could allow a proportion of under-occupancy to get on to site. This would undermine the purpose of the travel plan.
- 9.4.38. Whilst the rules shown in the flowchart at Figure 9-2 appear at first inspection to be reasonable, there are many factors that might work against it working in practice. The implication of the failure of the car share strategy is that there will be fewer cars parked at the WND A and, given these are workers that cannot reasonably join a bus service, greater pressure on spaces at Dalar Hir, assuming that the average 3+ rule is enforced at the WND A. As there is little resilience at Dalar Hir, the consequence of higher demand here will be fly parking.
- 9.4.39. Welsh Government needs to be confident that the rule specifying workers living within walking distance of a bus route can be enforced and will not be compromised by workers making alternative travel arrangements such as driving to the "last" bus stop and boarding the bus there or driving to Dalar Hir and boarding a shuttle bus.

- 9.4.40. Welsh Government needs to be satisfied that average 3+ vehicle occupancy at the WNDA car parks can be effectively managed. Horizon need to detail answers to satisfy Welsh Government that access to the WNDA car park will be controlled and enforced:
- Who is responsible for enforcing car parking access?
 - What checks will be in place to ensure it is rigorously enforced?
 - What protocols are to be followed if the car park is full at the point of arrival, as this could have implications for those diverted away from the WNDA, perhaps to Dalar Hir and who then need to return to site by bus and consequently arriving late for work?
 - Over what period is the average of 3+ calculated?
 - Where do cars with fewer than three occupants park if they are turned away at the site gate?
- 9.4.41. It is for these reasons that directing all daily commuting drivers and visitors to Dalar Hir park and ride regardless of vehicle occupancy (but still encouraging car sharing) means there is greater certainty for parking and onward travel to the WNDA.
- 9.4.42. If the demand for parking at Dalar Hir exceeds its capacity we would expect additional bus services to be provided to form a more extensive bus route network or alternative remote parking locations to be secured and additional park and ride shuttle buses operated. However, if additional sites are provided (see paragraph 9.4.51) then capacity at Dalar Hire should not be an issue.

Bus Services

- 9.4.43. The Travel Plan proposes an unspecified number of worker bus services between Dalar Hir the WNDA Campus to bring workers who have elected to park and ride to work. However, it is not clear from the ITTS how these will be funded, if workers will be charged for its use or the timeline for procurement.
- 9.4.44. The ITTS also states that the bus routes are to be determined by the operator, suggesting that:
- a) There may be no certainty that a bus service would be operating close to any individual worker's place of stay,
 - b) The route may change at any point in time as this would be at the discretion of the operator; and
 - c) Any bus fares charged will be set by the bus operator.
- 9.4.45. The issue of setting fares is important as the operator is unlikely to be in a competition with another service and will have a captive market given that workers living within 600 metres of a bus route will be instructed to use the bus. This puts the operator in a potentially unfair position whereby the user cannot opt to use an alternative mode of travel nor opt out of paying the fare specified.
- 9.4.46. Welsh Government considers that the Horizon bus routes should be identified early on and bus routes operated (within reason or with an expectation of demand) at least along the major road and accommodation corridors to coincide with the first worker arrivals into the area. This will allow workers to identify accommodation in areas served by a shuttle bus to reduce the need for travel by car (be it car sharing or single vehicle occupancy). Welsh Government agrees that the types and/or size of vehicle should match demand to enable the effective management of operating costs relative to worker demand. Workers should have certainty of a bus service to enable sustainable travel from Day One.

- 9.4.47. It is noted that the ITTS states that all shuttle buses will meet a minimum standard for emissions as Euro IV diesel engines (ITTS para.6.4.17, p.47). The current emissions standard is Euro 6, introduced on most new registrations in September 2015 and as such we would expect all diesel vehicles operating transport services to the WNDA, in 2021 onwards, to meet this standard.
- 9.4.48. The ITTS also states that the procurement process for the shuttle bus service has yet to be finalised (ITTS para.6.4.17, p.47). We note that the Hinkley Point C bus contract requires up to 160 dedicated vehicles and 300 drivers as part of a 10-year contract with EDF. It is operated by Somerset Passenger Solutions and will transport up to 5,600 workers at the construction peak. This followed a period of engagement with the local bus operator starting in 2010 before awarding the contract in September 2016¹⁸. Currently 20 bus routes are in operation for 2,820 workers [WG44]. We include this detail to illustrate that a dedicated bus service for Wylfa Newydd potentially will be a significant undertaking and seek clarification from Horizon how it will procure, operate and manage worker bus services.
- 9.4.49. The staggered shift arrival and departure times, which work to reduce the impact of car traffic arrivals and departures at car parks and on the highway network, will make it difficult to design an efficient (commercial) bus service. For example, the 07.00, 07.30 and 08.00 start time at the WNDA suggests that each bus route will require at least three separate timed bus services to coincide with each shift start time. If this is not the case then workers will be inconvenienced with excessive wait time either having to arrive on a bus which arrives over an hour before their shift starts or wait for over an hour at the end of their shift to depart.
- 9.4.50. Alternatively, Horizon will need to ensure that all workers assigned to a specific bus route will work the same shift patterns and these are retained throughout their employment. An inadequate provision of bus services will result in a greater demand for car parking in single or multi-occupancy vehicles at Dalar Hir and the WNDA, which in turn will put a greater number of worker vehicles on the local highway network.
- 9.4.51. Welsh Government recommends that for those living in an area where a direct bus route to the WNDA is unrealistic, they should be permitted to drive either to Dalar Hir where they could then travel to the WNDA by park and ride shuttle bus, or to an alternative park and share site (see paragraph 9.4.52). Car sharing should still be promoted and incentives provided by Horizon to reduce additional road traffic, but access to the WNDA by car should be limited only to disabled and essential workers.

Park and Share

- 9.4.52. Welsh Government considers that there is a role for Park & Share to support the travel plan. Sites at Gaerwen, adjacent to A55 J7, and Four Crosses near Menai Bridge provide well located opportunities for a short car trip in single occupancy vehicles for transfer to a shared multi-occupancy vehicle to Dalar Hir or, if provided, as the starting point for additional worker shuttle bus services to the WNDA. Proposed sites at Bangor and Caernarfon are similarly located to enable car sharing.

¹⁸ <https://cbwmagazine.com/hinkley-point-bus-contract-award-somerset-transport-solutions/>

9.4.53. Planning applications for all four sites have been submitted to the relevant planning authority. The planning applications for park and share sites at Four Crosses (Application Ref. 39LPA1046/CC), Bangor (Application Ref. C18/0744/16/R23), and Caernarfon (Application Ref. c18/0744/23/R3) have been approved. The planning application for a park and share site at Gaerwen is awaiting a decision from IACC.

MONITORING AND ENFORCEMENT

9.4.54. Welsh Government considers the monitoring and enforcement regime presented by Horizon to be insufficiently detailed. The ITTS does accept the need for monitoring but it does not specify:

- What will be monitored and how and when the monitoring will take place;
- The frequency with which the monitored entities will be reported;
- The entity that will be doing the monitoring and reporting; and
- To whom reporting will be made.

9.4.55. As the monitoring strategy has not been defined there is nothing of substance about enforcement of the Travel Plan rules. What discussion there is within the ITTS relates solely to requiring workers to comply with rules which by their actions they have demonstrated they are reluctant to comply with. Penalties for non-compliance range in severity to a formal warning.

9.4.56. Welsh Government is concerned that the Travel Plan is not going to provide a suitably attractive range of travel options for workers and that their choices will lead to the inadequate supply of car parking and extensive fly parking. The suggestion that workers will be warned not to fly park does not address the underlying weakness of the Travel Plan.

9.4.57. Monitoring of the Travel Plan as a whole must be specified and actions to address observed failures of the Travel Plan must be imposed upon Horizon, not its workers. It is Horizon that can provide the alternative travel options offered to workers and influence their choices, so it has to be the entity which has enforcement actions imposed upon it.

9.4.58. Set out below are suggestions intended to ensure that the Travel Plan is as robust as possible:

- The number of workers living in temporary accommodation on the WNDA Campus must be monitored to demonstrate it will reach 4,000 workers by 2023 or corrective action must be taken;
- The process of providing demand-related shuttle bus services for workers living on Anglesey and to/from the mainland towns of Bangor and Caernarfon has to be agreed.
- Horizon has to demonstrate that the bus routes, frequency and types of vehicles will be available to all shift workers for a contracted period.
- Horizon must report the number of workers living within 600 metres of a bus route to demonstrate that the key assumption about mode choice and mode share is correct. If the proportion of workers within 600 metres of a bus route is less than 18% [*this percentage figure is based on 1,630 workers Horizon have identified as taking the shuttle bus – see Figure 6-4 of ITTS*] then Horizon must increase the spatial coverage of the bus network to achieve its target.
- The usage of the bus services has to be recorded by service (route and time of day) and reported to demonstrate that the buses are carrying sufficient passengers to fulfil the objectives of the Travel Plan. If the number of passengers is fewer than the Travel Plan then Horizon must fund additional bus services and extend the bus network.
- Horizon must demonstrate that the shuttle bus service between Dalar Hir and the WNDA is in place and will remain operational during the construction phase.

- All cars and the number of passengers arriving at Dalar Hir and the WNDA need to be counted on an hourly basis each day to calculate the average car occupancy to demonstrate that the Travel Plan is operating successfully. If there are more cars than proposed in the Travel Plan, Horizon must provide additional bus services to reduce the use of cars. Likewise, if there are fewer vehicle trips than proposed in the Travel Plan due to successful use of the bus services Horizon should reduce the number of parking spaces available to maintain the use of the bus.
- Horizon must protect the local highway network from fly-parking by removing illegally and / or inconsiderately parked vehicles at its expense.
- The Construction Traffic Management Plan needs to be agreed before construction commences.
- The Travel Plan Coordinator needs to be appointed and in post for a period before construction commences to ensure all required infrastructure, contracts, agreements and monitoring is in place to effectively influence worker travel choices and to provide appropriate Travel Plan incentives.
- The MOLF needs to be operational before first concrete pour in order to ensure that it is capable of handling the percentage of freight that Horizon have identified in the ES.
- The contingency plan in the event that the MOLF is delayed or affected by bad weather (as set out by Horizon in the request for non-material change No.5 HGV movements).
- The Logistics Centre must be operational before construction commences.
- Park and ride at Dalar Hir must be operational before construction commences and have 1,900 spaces by 2022.
- A5025 highway improvements must be complete and open to traffic before 2020.
- The Code of Operational Practice must be agreed with Welsh Government before construction commences.

9.5. PLANNING OBLIGATIONS AND DCO REQUIREMENTS

APPLICANT'S PROPOSAL

Overview of Proposed Wylfa Newydd DCO Requirements

9.5.1. Horizon have committed to implementing the mitigation measures outlined within the Mitigation Route Map (Application Ref. 8.14; PINS Ref. APP-422). The mitigation measures and commitments identified below will be delivered through the following DCO Requirements (Schedule 3, Application Ref. 3.1; PINS Ref, APP-029):

- Wylfa Newydd Code of Construction Practice (CoCP) (*Requirement PW7*)
 - Shuttle buses between park and ride, WNDA, associated developments, and commuter towns as needed.
 - Horizon will promote and encourage car-sharing between staff using appropriate internal media, for example, an intranet or app.
 - Horizon would monitor the effectiveness of its traffic management through a suite of indicators consistent with appropriate good practice and guidance.
 - The MOLF is expected to receive at least 60% of the total material required for the Wylfa Newydd Project construction, once operational (although Horizon would seek to increase this amount up to 80% where possible). This would limit the amount of material required to travel by road.

- Wylfa Newydd Code of Construction Practice (CoOP) (*Requirement WN10*)
 - The MOLF employed during the construction stage of the development would be made available to be used for the transportation of bulk components if required during the operational stage.
 - Operational Travel Strategy.
 - All measures to encourage sustainable travel would be promoted by a Travel Plan Coordinator (TPC) for the Power Station during the operational phase.
 - Horizon will promote and encourage car-sharing between staff using appropriate internal media, for example, an intranet or App.
 - Sustainable travel information outlining the travel options to the site, links to a car share database and other websites displaying key information, would be part of the induction materials provided to staff.
 - Horizon would work with the IACC and local public transport operators to provide adequate local bus services to and from the power station in response to demand at the time.
- Main Power Station Sub-Code of Construction Practice (*Requirement WN17*)
 - Electric vehicle charging points would be provided in the main staff car park to incentivise the use of sustainable transport.
- Phasing Strategy (*Requirement PW2*)
 - Logistics Centre at Parc Cybi to mitigate the potential traffic-related effects of construction traffic travelling along the A5025 as road based freight to/from the WNDA.
 - Site Campus for 4,000 construction workers to reduce daily traffic commuting.
 - Park and Ride to reducing the number of private vehicle movements during construction.

Overview of Proposed Wylfa Newydd Planning Obligations

- 9.5.2. The DCO application sets out the following mitigation and monitoring measures that will be secured through a S106 agreement:
- The Workforce Management Strategy (WMS) outlines one project-wide mitigation measures that will be delivered through the S106 Agreement (Item 0028, Table 1-1, Application Ref. 8.14):
Workers parking at the WNDA or using the Dalar Hir Park and Ride would be required to register their cars and contact details with Horizon.

WELSH GOVERNMENT'S PROPOSAL

Overview of Proposed Wylfa Newydd DCO Requirements

- 9.5.3. Welsh Government submitted key points/concerns on the draft Development Consent Order (DCO) to the Examining Authority (PINS Ref. EV-013). In addition, Welsh Government request that the Examining Authority consider the following comments in relation to the draft DCO Requirements:
- **Construction Traffic Management Plan:**
 - Requirement for Abnormal Indivisible Load (AIL) Management Plan and overarching Construction Traffic Management Plan outside of the Wylfa Newydd CoCP;
 - Construction Traffic Management Plan needs to be agreed before construction commences.
 - The Code of Operational Practice must be agreed with Welsh Government before construction commences.

■ **Accommodation of workers:**

- The number living in TWA must be monitored to demonstrate it will reach 4,000 workers by 2023 or corrective action must be taken.
- Horizon must report the number of workers living within 600 metres of a bus route to demonstrate that the key assumption about mode choice and mode share is correct. If the proportion of workers within 600 metres of a bus route is less than 18% [*this percentage figure is based on 1,630 workers Horizon have identified as taking the shuttle bus – see Figure 6-4 of ITTS*] then Horizon must increase the spatial coverage of the bus network to achieve its target;

■ **Travel Plan Officer:**

- Travel Plan officer must be appointed before construction commences.

■ **Shuttle bus services:**

- The process of providing demand-related shuttle bus services for workers living on Anglesey and to/from the mainland towns of Bangor and Caernarfon has to be agreed and Horizon has to demonstrate that the routes, frequency and types of vehicles will be available to workers for a contracted period.
- The usage of the bus services has to be recorded by service (route and time of day) and reported to demonstrate that the buses are carrying sufficient passengers to fulfil the objectives of the Travel Plan. If the number of passengers is fewer than the Travel Plan Horizon must fund additional bus services and extend the bus network.

■ **Park and ride at Dalar Hir:**

- Horizon must demonstrate that the shuttle bus service between Dalar Hir and the WNDA is in place and will remain operational during the construction phase.
- All cars and the number of passengers arriving at Dalar Hir need to be counted on an hourly basis each day to calculate the average car occupancy to demonstrate that the Travel Plan is operating successfully. If there are more cars than proposed in the Travel Plan Horizon must provide additional bus services to reduce the use of cars. If there are fewer passengers than proposed in the Travel Plan, due to successful use of the bus services, Horizon should reduce the number of parking spaces available to maintain the use of the bus.
- Park and ride at Dalar Hir must be operational before Construction commences and have 1,900 spaces by 2022.

■ **Parking at the WNDA:**

- All cars and the number of passengers arriving at the WNDA need to be counted on an hourly basis each day to calculate the average car occupancy to demonstrate that the Travel Plan is operating successfully. If there are more cars than proposed in the Travel Plan Horizon must provide additional bus services to reduce the use of cars or fewer passengers than proposed in the Travel Plan due to successful use of the bus services Horizon should reduce the number of parking spaces available to maintain the use of the bus.

■ **Highways:**

- Horizon must protect the local highway network from fly-parking by removing illegally or inconsiderately parked vehicles at its expense.
- A5025 highway improvements must be complete and open to traffic before 2020.

■ **Freight:**

- Clear commitments preventing pouring of nuclear concrete until the MOLF is delivered or limiting HGV movements to a maximum of 320 per day throughout the construction period.
- A strategy to investigate alternatives to the MOLF should it be delayed needs to be agreed before construction commences to remove the risk that all freight arrives by road;
- Logistics centre must be operational before Construction commences.
- A system to track construction related traffic using the A55 and Britannia Bridge must be provided and the number of construction related vehicles crossing Britannia Bridge recorded on an hourly basis to demonstrate crossings are not taking place in peak hours (please see Transport section of Statement of Common Ground (SoCG)).
- A threshold for the number of construction related vehicles which are permitted to use Britannia Bridge and potential mitigation measures which may include a mainland lorry park to address any breaches of the threshold must be agreed prior to construction commencing.

Overview of Proposed Wylfa Newydd Planning Obligations

9.5.4. Welsh Government has now been provided with a (redacted) draft S106 agreement, and has submitted detailed comments on that draft to Horizon. A summary of those comments was also submitted to the Examining Authority at Deadline 1 (PINS Ref. REP1-024). In addition, Welsh Government wish to raise following concerns in relation to the draft (redacted) S106 agreement:

- Mitigation and monitoring mechanisms to address impacts on the strategic highway network (for which the Welsh Government is the strategic highway authority) are not currently covered. Welsh Government is concerned about highway impacts on the strategic highway network both on Anglesey and beyond (A55 and Britannia Bridge). The A55 is of huge economic value to Wales and the bridge already experiences congestion, which will be further exacerbated by the cumulative effects of Wylfa Newydd and National Grid's North Wales Connection.
- Based on the current proposal of Horizon for a single park and ride site and single Logistics Centre, there is the potential for there to be significant adverse impacts on Britannia Bridge and A55. Welsh Government therefore requests the following:
 - A commitment to additional park & ride sites as previously requested by Welsh Government, and running bus services through these sites.
 - Contribution to the Third Menai crossing to support early delivery and provide resilience in bad weather (having regard to cumulative impacts with the Grid DCO application and announcement of the preferred route for the third crossing). It is worth noting that Horizon has raised both issues as justification to support their consultation in respect of the Request for Non-Material Change no.5 HGV Movements (November 2018).
 - Clearly enforceable measures in the event that the assumptions contained in the transport assessment prove not to be accurate (for example, in respect of location of workers and take up of the on-site worker accommodation).
 - Contingency funding for unforeseen impacts on the strategic road network.



- The release of the transport contingency fund as drafted is dependent on demonstration (unclear by whom) on significant adverse impacts on the transport network. There are no criteria for determining what is a significant adverse effect. Moreover, it will be difficult to determine without independent assessment and in the event that a significant adverse effect was determined, the ability to instigate timely mitigation is questionable. Welsh Government request that the release of the contingency fund is not based on an assessment of significant effects but on compliance with traffic management measures contained in a final revised CoCP (or other relevant management plans) and monitoring data.
- Costs in relation to the strategic network for Highways Condition Surveys, Highways Design and Supervision Fees, contributions to traffic management schemes or walking and cycling initiatives should be provided for as appropriate.

10. DIGITAL INFRASTRUCTURE

10.1. INTRODUCTION AND BACKGROUND

- 10.1.1. Welsh Government are committed to delivering and managing a fast and reliable digital communication infrastructure network in Wales. A reliable digital communication network includes superfast broadband and resilient mobile telecommunications. A reliable digital communication network will help drive economic growth in Wales, support public services, and help people communicate.
- 10.1.2. Welsh Government have invested in two separate work-streams which are working to improve the resilience of the digital communication network – *Superfast Cymru* and the *Mobile Action Plan* [WG45]:
- *Superfast Cymru* is looking to deliver high speed broadband to homes and businesses across Wales that do not have access through the private sector's own commercial programmes. Since the project began in 2013, the availability of high speed broadband across Wales has more than doubled.
 - The *Mobile Action Plan* is a strategy document which sets out how Welsh Government will work together with the mobile phone industry and the regulator (Ofcom) to provide mobile connectivity that meets the needs of the public and Welsh businesses. The needs of the civil service (including police, fire and rescue, ambulance, local authorities, and NHS bodies) and major events (including the Royal Welsh Show and National Eisteddfod) are captured as part of the *Mobile Action Plan*.
- 10.1.3. New infrastructure developments have the potential to impact on the digital communication network both directly (through physical obstruction to telecommunication links and construction activities) and indirectly through usage of the existing networks and reducing capacity. The Wylfa Newydd development is no different, through this examination process Welsh Government want to ensure that:
- The population of Anglesey and North-West Wales do not suffer any degradation of digital connectivity;
 - The emergency response services do not suffer any degradation of digital connectivity; and
 - Horizon are committed to delivering a reliable digital communication network solution for their staff, throughout the life of the project, which does not have a detrimental impact on the existing networks. In particular, the 4,000 construction workers that will be living on site.

10.2. PLANNING AND POLICY CONTEXT

- 10.2.1. Paragraph 5.12.3 of the NPS EN-1 [WG8] sets out that developers should '*consider the impact of a changing influx of workers during the different construction, operation and decommissioning phases of energy infrastructure*' projects. It goes on to state that a changing population (temporarily and permanently) '*could change the local population dynamics and could alter the demand for services and facilities in the settlements nearest to the construction work (including community facilities and physical infrastructure such as energy, water, transport and waste)*'.

- 10.2.2. The Welsh Government recognises that access to affordable, secure telecommunications infrastructure is essential to people and businesses (PPW 10, paragraph 4.21) [WG11]. This also highlights how mobile communications (incorporating both mobile phone and mobile broadband technology and services) forms an important part of society and that it is “crucial that a modern and effective telecommunications service is provided across the whole of Wales so people and businesses can communicate easily with one another and access information rapidly via the internet” (para 4.23).
- 10.2.3. Draft PPW 10 seeks to develop ‘Productive and Enterprising Places’ through planning policy. A key issue identified within PPW 10 for this area is “readying Wales for further technological innovation in the mobile and broadband sector so it can adapt to future change which ensuring that all parts of Wales have access to modern communications which are a necessity of everyday living” (paragraph 4.18). The adopted PPW 9 [WG10] further reiterates the Welsh Government’s recognition that widespread access to affordable, secure telecommunications infrastructure is important to citizens and businesses across Wales. It is important in “helping to build a thriving and prosperous Welsh economy” (paragraph 12.11.1).

10.3. REVIEW OF WYLFA NEWYDD DCO APPLICATION

RELEVANT DCO DOCUMENTATION

- 10.3.1. There is currently no evidence within the DCO application that Horizon have considered the impact on the digital communication network. In addition, there is no evidence that the consultation responses provided by Welsh Government (during PAC2 and PAC3) have been captured in the Consultation Report (and supporting appendices) (Application Reference 5.1).

WELSH GOVERNMENT CONCERNS

- 10.3.2. Throughout the formal pre-application consultation process for Wylfa Newydd, Welsh Government have raised concerns about the potential impact of Wylfa Newydd on the capacity of the mobile network and broadband network on Anglesey and North-West Wales. Welsh Government work collaboratively with existing operators across Wales and England to deliver appropriate network solutions for large and high-profile events which experience mobile capacity constraints (e.g. Royal Welsh Show and National Eisteddfod). At peak, 7,000 workers will be accommodated in the North-West Wales region, 4,000 of which will be accommodated within the Temporary Worker Accommodation (TWA). Without intervention, Welsh Government are concerned that businesses, citizens and the Wylfa Newydd construction workforce will experience a degraded digital communication experience due to additional capacity constraints across the networks.
- 10.3.3. In addition, civil services (including police, fire and rescue, ambulance, local authorities, and NHS bodies) are reliant on mobile networks for responding to emergencies. Telecommunications are a fundamental enabler underpinning the effective response to any emergency. Resilient communications are required to absorb or mitigate the effects of a disruptive challenge¹⁹.
- 10.3.4. In PAC2, Horizon referred to the provision of ‘a mast. However, this has not been included within the DCO application.

¹⁹ An event or circumstances that disrupts normal life. These can be natural events such as flooding, or may have occurred through human intervention such as an electrical power failure or terrorist incident.

REQUIREMENT AND PROGRAMME FOR ASSESSMENT WORK

- 10.3.5. At present, there is insufficient information within the DCO application for Welsh Government to determine the risk of disruption to digital communication networks in North-West Wales. Horizon met with Welsh Government on the 15 August 2018 and agreed to provide a specification and programme for delivering an impact assessment of the digital communication networks. Welsh Government have yet to receive a specification or programme for delivering the impact assessment.
- 10.3.6. Welsh Government requests that Horizon conduct an urgent audit of existing digital networks infrastructure to fully understand the potential implications of introducing congestion and performance degradation to the existing network. Welsh Government will continue to work with Horizon in preparing an appropriate specification and identifying contractors where appropriate.
- 10.3.7. Welsh Government request that Horizon make a commitment that, subject to the conclusions of the technical assessment, Horizon will deliver a reliable digital communication network solution which mitigates the potential degradation of existing networks. In any event Welsh Government would expect this to be a priority for Horizon as part of the offer to promote the uptake of bedspaces on the Site Campus.

10.4. PLANNING OBLIGATIONS AND DCO REQUIREMENTS

APPLICANT'S PROPOSAL

- 10.4.1. Horizon have not considered the impacts on digital infrastructure as part of the DCO application.

WELSH GOVERNMENT'S PROPOSAL

Overview of Proposed Wylfa Newydd DCO Requirements

- 10.4.2. Welsh Government submitted key points/concerns on the draft Development Consent Order (DCO) to the Examining Authority (PINS Ref. EV-013). In addition, Welsh Government request that the Examining Authority consider the following comments in relation to the draft DCO Requirements:
- **Technical Assessment:** Commitment to carry out detailed technical assessment to determine appropriate mitigation to address mobile capacity constraints and broadband capacity constraints.
 - **Technical Solution:** Welsh Government request that Horizon make a commitment that, subject to the conclusions of the technical assessment, Horizon will deliver a reliable digital communication network solution which mitigates the potential degradation of existing networks.

Overview of Proposed Wylfa Newydd Planning Obligations

- 10.4.3. Welsh Government has now been provided with a (redacted) draft s.106 agreement, and has submitted detailed comments on that draft to Horizon. A summary of those comments was also submitted to the Examining Authority at Deadline 1 (PINS Ref. REP1-024). In addition, Welsh Government wish to raise following concerns in relation to the draft (redacted) S106 agreement:
- **Funding for Technical Solution:** Welsh Government request that Horizon make a commitment to fund a digital communication network solution which mitigates the potential degradation of existing networks.

11. HEALTH AND WELLBEING

11.1. INTRODUCTION AND BACKGROUND

- 11.1.1. The aim of Welsh Government is to improve health and well-being in Wales for individuals, families and communities to achieve its ambition of prosperity for all, taking significant steps in health to shift the approach from treatment to prevention. Within the Well-being of Future Generations Act (“the 2015 Act”) [WG3], ‘A Healthier Wales’ sets out the Welsh Government plan for health and social care to achieve the ambition to bring health and social care services together, so that they are designed and delivered around the needs and preferences of individuals, with a much greater emphasis of keeping people healthy and well.
- 11.1.2. It is essential the Wylfa Newydd does not have an adverse impact on health and well-being. There is a need to ensure that an increase in population during the construction phase does not lead to a reduction and/or deterioration in the access and quality of services for the local communities and population of North Wales.
- 11.1.3. Welsh Government was part of the independently chaired Health Impact Assessment Steering Group which helped Horizon to develop the methodology used to prepare the Health Impact Assessment. The Steering Group was made up of the following:
- Betsi Cadwaladr University Health Board (BCUHB);
 - Public Health Wales (PHW);
 - Welsh Government;
 - Wales Health Impact Assessment Support Unit;
 - Isle of Anglesey County Council (IACC);
 - Project Liaison Group (representing local community interests); and
 - Horizon.

11.2. PLANNING AND POLICY CONTEXT

- 11.2.1. It is essential that Wylfa Newydd does not have an adverse impact on health and well-being, in line with the seven goals of the 2015 Act [WG3]. Draft PPW 10 [WG11] puts the 2015 Act into a planning context.
- 11.2.2. A ‘Resilient Wales’ looks to ensure there is “well connected infrastructure and facilities closer to where people live”, and recognising the role this plays in creating the right conditions for better health and well-being. A ‘Healthier Wales’ can be achieved through improving access to “services, cultural opportunities and recreation facilities to support people to adopt healthy lifestyles” (paragraph 3.8, PPW 10) [WG11].
- 11.2.3. A more ‘Equal Wales’ can be achieved “by recognising the strengths of existing communities”, such as those in Anglesey (particularly in the north of the island), and by securing “socially inclusive development”. Welsh Government recognise that the integration of the development and the workforce into the community is essential for the development in this location.

- 11.2.4. Proposals for energy projects may “affect the composition, size and proximity of the local population, and in doing so have indirect health impacts, for example if it in some way affects access to key public services” (NPS EN-1, paragraph 4.13.4) [WG8]. Paragraph 4.13.2 of the NPS EN-1 highlights that energy projects will have direct impacts on health through increased traffic, air or water pollution, dust, odour, hazardous waste and substances, noise, exposure to radiation, and increases in pests.
- 11.2.5. Paragraph 4.4.3 of PPW 9 [WG10] demonstrates that the Welsh Government considers the protections, and where possible, the improvement of people’s health and wellbeing as a core component of achieving the wellbeing goals.

11.3. REVIEW OF WYLFA NEWYDD DCO APPLICATION

RELEVANT DCO DOCUMENTATION

- 11.3.1. The following documents have been reviewed and considered by Welsh Government to inform this Written Representation:

- Application Reference No. 8.19: Health Impact Assessment Non-Technical Summary; and
- Application Reference No. 8.18: Health Impact Assessment.

PROVISION OF HEALTHCARE SERVICES

Site Campus Medical Centre

- 11.3.2. The Site Campus proposed by Horizon would include provision of a Site Campus Medical Centre (paragraph 2.5.3, Application Ref. 6.1.2; PINS Ref. APP-056). Horizon has stated that it would require its construction workforce to register with and to prioritise the use of the onsite medical and healthcare services provided at this facility, rather than making use of the community NHS services (paragraph 1-1.1.31, Application Ref. 8.13; PINS Ref. APP-421)
- 11.3.3. Paragraph B.6.12 states that the medical centre would provide occupational and primary care health services. Occupational hygiene would be provided across the site. Facilities on the Wylfa Newydd Site during construction would treat minor injuries. Serious injuries would receive initial trauma care on-site followed by ambulance or helicopter transfer to hospital. Welsh Government has requested a detailed specification of the medical services to be delivered on the Wylfa Newydd site.
- 11.3.4. Details are being discussed with BCUHB and recent information outline two stages to health services for the Wylfa Newydd construction workforce according to the phasing of the project – pre-site campus medical centre and site campus medical centre with a step change in services between these two stages. Recent information provided by Horizon to a meeting with BCUHB note for the first phase they will deliver much of occupational health services on-site, and that majority of primary care services off-site in community premises.
- 11.3.5. Further detail will be required on how the use of NHS services by the construction workforce will be monitored by and formulae agreed, for use of NHS services. Recent detail on site campus medical centre provision notes provision of emergency care (minor injuries and trauma), walk in primary care services, emergency dentistry via a local provider, host a pharmacy franchise and retain laboratory services via a private provider.

- 11.3.6. Both BCUHB and Welsh Government will require assurance that ‘all arrangements for healthcare services for the construction workforce will be robust; meet required professional, clinical and statutory requirements, and minimise unintended consequences for local NHS services through unanticipated demand’. Further discussion and detail is required in relation to the two phases including governance arrangements especially on interface with NHS services, care pathways and timeline for specifications of individual services. Assurance will also be required that the Wales Ambulance Service and all arrangements for emergency care and transfer from site to NHS sites are robust.
- 11.3.7. Welsh Government has requested health insurance checks are included for European Union (EU) citizens and international construction workers. Consideration must be given to how this will be secured through the S106 agreement and Code of Construction Practice (CoCP).

Non-home-based workers

- 11.3.8. The non-home-based workers who make up the workforce for Wylfa Newydd can be split into the two groups; those who will occupy the TWA and those who make their own provision for accommodation in Anglesey or the mainland. This will be approximately 3,000 workers plus an estimated 285 partners and 220 dependents.
- 11.3.9. Welsh Government has raised concerns to Horizon in relation to the delivery of community health services such as dentistry and pharmaceutical services. These services would be to support the off-site construction workforce living outside of the Site Campus. Further clarification and assessment work will be required to agree appropriate demand estimates/assumptions that inform mitigation and monitoring measures. Welsh Government have previously raised that paragraph C.6.15 of the Health Impact Assessment (HIA) (Application Ref. 8.19; PINS Ref. APP-429), which states that GP funding follows the population is incorrect in relation to Wales. It therefore follows the funding for dependents should be provided in full and not as indicated currently for a lag in funding. Therefore, Welsh Government expects that the funding for dependent will be provided in full and not as indicated currently, where there will be a lag in funding being provided.
- 11.3.10. Paragraph C.3.6 refers to the Horizon’s commitment to work with local pharmacies to ensure that workers have safe and prompt access to medicines (as there is no proposed pharmaceutical provision before the opening of the Site Campus). This section of the HIA also highlights that NHS prescription costs are free of charge for patients registered in Wales and patients who live in Wales (but are registered in England). Welsh Government require confirmation that the free prescriptions cost will be covered for the construction workforce.

Role of Community Involvement Officers

- 11.3.11. Horizon have set out a commitment to appoint a bi-lingual Community Involvement Officer (CIO) who would be a “key interface between the local community, key stakeholders and Horizon management. The Community Involvement Officer would develop and implement many of the HIA mitigation measures during construction and operation of the Project” (paragraph 1-1.1.76, HIA). Welsh Government consider that further detail is required in relation to the CIOs, particularly how they will work with the local communities, emergency services and healthcare services.

SAFEGUARDING VULNERABLE GROUPS

- 11.3.12. Horizon has considered safeguarding of vulnerable groups in paragraphs C.7.6 – C.7.9 of the HIA. This topic would be a focus of the health monitoring group which would be set up in order to implement the HIA mitigation strategy and also to provide advice on the delivery of that mitigation.
- 11.3.13. Welsh Government has raised in its Statement of Common Ground (SoCG) with Horizon and during workshop sessions held during summer 2018, that it is considered that a more detailed assessment is required in relation to safeguarding and health protection, particularly in relation to vulnerable groups. It was agreed that Horizon will produce a Community Safety Management Strategy (CSMS). At the time of writing this has not been shared. It should be highlighted that this CSMS has not been referred to in the HIA, or the DCO documentation.
- 11.3.14. Welsh Government has also highlighted that this further assessment should also consider the cumulative assessment for safeguarding.

DISPLACEMENT OF HEALTHCARE AND SOCIAL CARE SERVICE WORKFORCE

- 11.3.15. The HIA has concluded that a project-wide effect relating to employment income and economic development is labour churn (defined as the movement of workers between roles) during construction (paragraphs C.9.27 – C.9.36, HIA). Horizon acknowledge that Wylfa Newydd may offer pay or working hours which existing employers in the area may not be able to match. Of relevance to health and wellbeing impacts, is the effect of this displacement on the health and social care community sector. Welsh Government is concerned that there would be a decline in the quality of this service if it is harder for them to retain or recruit staff. Horizon has also recognised the challenges employing people in these roles, and this is before the need to factor in the need to provide care in Welsh (paragraph C.9.30).
- 11.3.16. The mitigation measure relating to this aspect of the health and wellbeing impacts, is to support IACC and BCUHB to develop their own Workforce Strategies (paragraph 1-1.1.77). However, Welsh Government has highlighted that this will require further evidence gathering and additional mitigation measures, for example relating to skills and training. In the support which Horizon has offer to IACC and BCUHB, there should be consideration of the investment which will be required in training and skills development.
- 11.3.17. Welsh Government's concerns around displacement on the health and social care workforce have been detailed within Chapter 6 of this report. The methodology, assumptions, and conclusions of Chapter 6 are supported by a technical report prepared by Hardisty Jones, please refer to **Appendix B**.

ON-SITE AND OFF-SITE WORKFORCE BEHAVIOUR – MONITORING AND ENFORCEMENT OF BEHAVIOURAL CODE OF CONDUCT

- 11.3.18. Under the heading 'Lifestyle and behaviour', the HIA sets out the potential impacts as a result of the presence, and behaviour, of the construction workforce and how this could influence community or individual-led behaviour. Horizon state that this may have a direct effect on risk-taking behaviour (e.g. smoking, excessive alcohol consumption or sexual behaviour) and on mental health (e.g. stress, anxiety or depression) (paragraph 1-1.1.33).

- 11.3.19. A key aspect of the workforce behaviour is through the Code of Conduct, which Welsh Government considers all Wylfa Newydd personnel and contractors should be required to sign and comply with (acknowledging that the workers have read and understood it). The Code of Conduct would be a key part of the Workforce Management Strategy (WMS). The WMS “sets out the principles that Horizon and partners would follow to manage and control the workforce” (paragraph J.2.4).
- 11.3.20. Welsh Government has requested clarification about the on-site and off-site behavioural code of conduct, such as how it will be implemented and what sanctions and measures will be enforced. Through discussions and workshops with Horizon, Welsh Government is aware that further work is being carried out on the WMS, with the specific aim to develop the behavioural code of conduct. Welsh Government will be consulted as part of this process before the end of the Examination process.
- 11.3.21. Welsh Government would also welcome a commitment from Horizon to provide support for the workforce relating to health promotion and occupational health activities, both for mental and physical well-being. It is anticipated that this would also include support for the workforce for sickness absence, health surveillance, promoting positive mental health, drugs and alcohol, prevention, musculoskeletal (physio), immunisation, navigation, smoking cessation, Well women clinic, Well man clinic and counselling.

CONTINGENCY PLANNING FOR EMERGENCY SERVICES

- 11.3.22. There will be an effect on traffic and transport as a result of the Wylfa Newydd project, and combined effects are likely to be greatest at the Menai crossings. The HIA states (in paragraph 1-1.1.66) that “combined congestion may affect health trip related journey times (emergency and non-emergency), as the main hospital services for Anglesey are based in Bangor”.
- 11.3.23. Horizon has committed within the HIA (paragraph J.4.9) to providing appropriate provision of emergency services for the construction workforce, and also that an appropriate financial contribution would be considered for the emergency services for the needs of the construction workforce.
- 11.3.24. Welsh Government require further detail about contingency planning for the emergency services, and also further information on the proposed financial contribution associated with that contingency plan.

MONITORING PROPOSALS FOR TIMELY AND EFFECTIVE MITIGATION

- 11.3.25. Horizon is seeking to achieve appropriate healthcare provision to meet the healthcare needs of the construction workforce and promote the health of its workforce and local communities. This will be achieved through an appropriate financial contribution to BCUHB and agreement on protocols and systems with BCUHB and Public Health Wales where appropriate. In respect of emergency services, including the Wales Ambulance Service, it would also consider providing an appropriate financial contribution for the needs of the construction workforce. Robust monitoring arrangements will be required that involve independent oversight and involvement of partners to ensure mitigation is timely and effective.

11.3.26. Without agreement over monitoring and mitigation proposals Welsh Government take the view that Horizon will be unable to demonstrate that they have complied with PPW9 as it will not be possible to determine whether the proposal contributes to a healthier Wales. Furthermore, NPS EN-1 makes clear that health impacts should be considered by decision-makers, monitoring and mitigation are an integral part of that consideration.

11.4. PLANNING OBLIGATIONS AND DCO REQUIREMENTS

APPLICANT'S PROPOSAL

Overview of Proposed Wylfa Newydd DCO Requirements

- 11.4.1. Horizon have committed to implementing the mitigation measures outlined within the Mitigation Route Map (Application Ref. 8.14; PINS Ref. APP-422). The mitigation measures identified will be delivered through the following DCO Requirements (Schedule 3 of Application Ref. 3.1; PINS Ref. APP-029):
- Wylfa Newydd Code of Construction Practice (CoCP) (Requirement PW7):
 - Horizon will provide information packs to nearby residents.
 - Horizon will comply with the CoCP regarding dust, noise, congestion and nuisance controls.
 - Horizon would comply with all relevant legislation to protect health and to eliminate work related ill-health.
 - Horizon will support and enhance active travel access for people using the Copper Trail which currently links to the A5025 in Tregale. Horizon will provide a dedicated cycle way/footpath to Nanner Road.
 - Site Campus health facility (*Requirement WN18*):
 - Horizon have committed to delivering a Site Campus health facility, the details and design of which must be approved by IACC. The health facility would include provision for GP and pharmacy dispensing services, primary care for minor injuries, and occupational healthcare and hygiene services.
- 11.4.2. The following DCO Requirements are also presented in Schedule 3 (Application Reference No. 3.1), however, are not captured within the Mitigation Route Map (Application Reference No. 8.14):
- Community Safety Management Strategy (*Requirement PW11*):
 - No construction of the authorised development may commence until a Community Safety Management Strategy has been submitted to and approved by the Isle of Anglesey County Council (IACC).

Overview of Proposed Wylfa Newydd Planning Obligations

- 11.4.3. The DCO application sets out the following mitigation and monitoring measures that will be secured through a S106 agreement:
- The Health Impact Assessment (Application Ref. 8.19; PINS Ref. APP-429) outlines nine project-wide mitigation measures that will be delivered through the S106 Agreement (Item 0097-0099, 0102-0104, 0111, 0112, 1053, Table 1-1, Application Ref. 8.14; PINS Ref. APP-422).
 - The Health Impact Assessment (Application Ref. 8.19) outlines two mitigation measures related to the WNDA that will be delivered through the S106 Agreement (Item 0610 & 0612, Table 1-1, Application Ref. 8.14).
 - The Workforce Management Strategy (WMS) outlines four project-wide mitigation measures that will be delivered through the S106 Agreement (Item 0105, 0108, 0109, 0111, Table 1-1, Application Ref. 8.14).

WELSH GOVERNMENT'S PROPOSAL

Overview of Proposed Wylfa Newydd DCO Requirements

- 11.4.4. Welsh Government submitted key points/concerns on the draft Development Consent Order (DCO) to the Examining Authority (PINS Ref. EV-013). In addition, Welsh Government request that the Examining Authority consider the following comments in relation to the draft DCO Requirements:
- **Site Campus Health Facility (Requirement WN18):**
 - *Clarification:* The requirement should also control occupancy until the Site Campus Health Facility has been provided, not just the details that must be submitted.
 - *Dentistry provision:* Horizon must commit to providing a dentistry provision through the Site Campus Health Facility. Alternatively, Horizon must commit to funding an off-site provision for construction workers.
 - **Community Safety Management Strategy (Requirement PW11):** Welsh Government cannot agree to the proposed mitigation for protecting safeguarding groups until Horizon have provided the CSMS.

Overview of Proposed Wylfa Newydd Planning Obligations

- 11.4.5. Welsh Government has now been provided with a (redacted) draft s.106 agreement, and has submitted detailed comments on that draft to Horizon. A summary of those comments was also submitted to the Examining Authority at Deadline 1 (PINS Ref. REP1-024). In addition, Welsh Government wish to raise following concerns in relation to the draft (redacted) S106 agreement:
- **Health provisions:** Welsh Government funds health provision in Wales which is a devolved function. The protocol for referrals of non-home-based workers to NHS services is unclear. Welsh Government are concerned that these costs arising from the project should not be met by the health authorities. Welsh Government requests that the s106 includes a provision to agree a protocol for referrals to NHS services and ensures delivery of mitigation through a firm commitment to deliver the on-site medical facility (at the appropriate time) and that all necessary financial contributions are also secured and will be available in a satisfactory manner.
 - **Health and Wellbeing Sub-Group:** There are no Terms of Reference included for the Health and Wellbeing Sub-Group. Welsh Government request that the S106 agreement includes the Terms of Reference for the Tourism and Leisure Sub-Group.

12. HOUSING AND ACCOMMODATION STRATEGY

12.1. INTRODUCTION AND BACKGROUND

- 12.1.1. Housing is a devolved function and Welsh Government considers housing issues in relation to the construction of Wylfa Newydd to be relevant to the promotion of economic, social or environmental well-being of Wales (particularly north-west Wales in this case). Under the Well-Being of Future Generations Act 2015 (the 2015 Act) [WG3], Welsh Government is under a duty pursuant to section 3 to take all reasonable steps in the exercise of its functions to meet the well-being objectives.
- 12.1.2. Welsh Government is concerned about the impact of Wylfa Newydd on the housing market and those seeking accommodation (construction workers and the local community) and that this will extend across the Socio-economic Key Study Area (KSA) and into other parts of North Wales. Inadequate mitigation for construction workforce housing demand could give rise to adverse impacts including but not limited to:
- Pressure on the local housing stock (particularly the private rented sector, and tourist accommodation).
 - Reduced provision and choice of accommodation for local households at an affordable price (both first time buyers and those wishing to rent privately).
 - Risk of displacement and homelessness within the local community (including Welsh speaking communities).
- 12.1.3. Mitigation measures are required to deal with these potential adverse impacts and the type and scale of these are set out at the end of the chapter. The measures identified are those which Welsh Government considers necessary to support the implementation of the Workforce Accommodation Strategy put forward by Horizon. In addition, 'contingency' mitigation is needed to address impacts that are not foreseen over and above measures to implement the Strategy.

12.2. PLANNING AND POLICY CONTEXT

NATIONAL POLICY

- 12.2.1. NPS EN-1 [WG8] states that the Examining Authority should consider social and economic benefits and adverse impacts, at national, regional, and local levels (paragraph 4.1.4). These effects need to be considered for all stages of Wylfa Newydd and the Environmental Statement (ES) submitted as part of the DCO application should cover the environmental, social and economic effects arising from pre-construction, construction, operation and decommissioning of the project (paragraph 4.2.3).
- 12.2.2. The provision of housing and accommodation as part of an energy proposal should “*consider all relevant socio-economic impacts which may include the impact of a changing influx of workers, during the different construction, operation and decommissioning phases of energy infrastructure*” (paragraph 5.12.3).
- 12.2.3. Planning Policy Wales (PPW), both the draft Edition 10 (2018) [WG11] and the adopted Edition 9 (November 2016) [WG10] set out the Welsh Government's policy for the delivery of housing within Wales. Paragraph 3.20 of Edition 10 highlights the role the planning system plays in enabling “*provision of a range of well-designed, energy efficient, good quality market and affordable housing that will contribute to the creation of sustainable places*”.

LOCAL PLANNING POLICY

Joint Local Development Plan (JLDP) - Isle of Anglesey County Council and Gwynedd Council

- 12.2.4. The KSA identified by Horizon encompasses three planning authorities. Two of the planning authorities (Isle of Anglesey County Council and Gwynedd Council) have recently prepared a joint local development plan (Anglesey and Gwynedd Joint Local Development Plan 2011 - 2026 Adopted 31 July 2017).
- 12.2.5. The Joint Local Development Plan (JLDP) [WG46] states that a key objective of both councils is the creation of a healthy and balanced housing market and that *"the Plan should ensure the use of land supports the delivery of sustainable communities which in turn helps to sustain or strengthen the well-being of the Welsh language."* (para 6.4.2, JLDP)
- 12.2.6. The overall housing requirement is set out in the JLDP at Strategic Policy PS 16: Housing Provision. The requirement of 7,184 housing units between 2011 and 2026 is based on several factors including economic and demographic prospects. Of the total housing supply planned, 53% is identified for Sub-regional Centre & Urban Service Centres through a mix of allocated sites and (assumed) windfalls. There is limited provision for new dwellings in settlements close by the construction site. Cemaes, to the east of Wylfa Newydd, is identified in the JLDP as a Local Service Centre and has an allocated site for 60 dwellings and indicative provision for 18 units on windfall sites (Policy TAI 2). Housing in more rural settlements (coastal or rural villages) is not being promoted although development on a small scale, including infill, adapting buildings or changing the use of sites will be (para 6.4.24, JLDP). The list of villages includes Tregele and Llanfechell which are close to the construction site.
- 12.2.7. The provision of affordable homes is an objective of the Plan and is stated as a key priority for both Councils (para 6.4.97, JLDP). Strategic Policy PS 18: Affordable Housing, sets a minimum target for the new affordable housing of 1,572 i.e. c 22% of the overall housing requirement, with policy TAI 15 setting differential targets for different settlement types and scale of development.
- 12.2.8. The JLDP has a number of housing policies relating to the construction of Wylfa Newydd, including Policy TAI 10 which requires that *"a Construction Workers Accommodation Strategy is submitted to the Council as part of the planning application."*
- 12.2.9. The Plan supports an approach that accommodates the construction workforce through a variety of housing options but states that the chosen types of provision should not be to the detriment of the local community. The approach is summarised as follows, *"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."* (para 6.3.18, JLDP)

- 12.2.10. Policy TAI 10: Campus Style Accommodation for Construction Workers sets out the principle that campus style accommodation will be permitted “... *provided that they form part of the overall solution to providing temporary construction worker accommodation*”. This is further explained in paragraph 6.3.21 as follows, “*Project promoters must demonstrate that they have fully considered the re-use of existing buildings and/ or the provision of permanent buildings capable of being adapted for permanent use following use by construction workers, proportionate use of the private rented sector and consideration of existing consents, before proposing modular accommodation in temporary buildings*” (para 6.3.21, JLDP).
- 12.2.11. Similarly, Strategic Policy PS 10: Wylfa Newydd – Campus Style Temporary Accommodation for Construction Workers states that such accommodation must satisfy a demonstrable need that cannot be met through either existing residential accommodation, or the re-use of existing buildings, or the provision of new permanent buildings capable of being adapted for permanent use following their use by construction workers.
- 12.2.12. Strategic Policy PS 9: Wylfa Newydd And Related Development at Clause 5 then 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. Proposals should form part of a robust construction workers accommodation strategy that has regard to the Plan’s Spatial Strategy and any relevant policies in the Plan.”*
- 12.2.13. Taken together, Welsh Government understands the JLDP along with other relevant documents such as the Local Housing Market Assessments and Empty Homes Strategies as saying that there needs to be a comprehensive and transparent strategy for the provision of accommodation for the construction workforce and which encompasses a variety of accommodation types including temporary accommodation. The strategy is to ensure that the housing needs of the local community are not compromised.

Supplementary Planning Guidance

- 12.2.14. Supplementary planning guidance (SPG) [WG47] was adopted by the Isle of Anglesey County Council in May 2018. The Wylfa Newydd: Supplementary Planning Guidance updates the SPG adopted in 2014. The SPG states that it applies to Anglesey only.
- 12.2.15. The SPG identifies the importance of maintaining community cohesion during the construction phase and states that, “*There are a number of unique and important features of the Island’s communities that must be taken into account when considering the potential impact of the Wylfa Newydd Project on community cohesion*” and, “*out-migration of younger people due to a lack of access to jobs, training opportunities and affordable housing*” is one of the features highlighted. (Paragraph 4.3.15)
- 12.2.16. The SPG repeats the policy basis of the JLDP that campus style accommodation will require to be justified by robust evidence (para 4.4.3, SPG).

- 12.2.17. The SPG sets out a priority order for the take up of accommodation by the construction workforce, as follows, *“Permanent Housing should be considered and utilised before temporary accommodation, and the use of any temporary accommodation should be maximised before workers are placed in other forms (including private rented and tourism accommodation)”* (para 4.4.4, SPG). Welsh Government acknowledges the importance of utilising available permanent accommodation but wish to see temporary accommodation provided ahead of demand so that the housing market is not distorted, pressure on the existing housing stock is minimised and local households are not displaced.
- 12.2.18. The SPG, as with the JLDP, highlights housing affordability as a key issue for Anglesey and notes the issue of relatively low incomes that limit affordability. The SPG is concerned that the influx of construction workers does not adversely impact the local housing market by displacing existing households from existing accommodation and/or by preventing local people from entering the market due to increases in rental and purchase prices (para 4.4.8, SPG).
- 12.2.19. To mitigate these potential impacts the SPG states that the County Council will require that the project promoter funds a Construction Worker Accommodation Management Service (CWAMS) (para 4.4.8, SPG). CWAMS is to be operational before the construction work commences and is to match workers and accommodation and monitor the take up of accommodation by location and type. There is also provision in the SPG for financial contributions (through a Housing Fund) to encourage the increase in housing stock, noting the importance of affordable and social housing which will provide a positive legacy for the local community. Welsh Government is supportive of all these measures. It sets out later in this chapter views on how the “plan, monitor and manage” approach can be made sufficiently robust to mitigate potentially adverse impacts on the local community from the influx of construction workers anticipated as well as setting out the scale of the Housing Fund it believes is required.

Conwy Local Development Plan

- 12.2.20. The Conwy Local Development Plan 2007-2022 [WG48] was adopted in October 2013 and so predates active planning for Wylfa Newydd. There are therefore no specific policies relating to the proposed development. The Plan states that there are difficulties for local people accessing the housing market and the key housing priority set out in the Plan is to, *“increase the supply of Affordable Housing for Local Need.”* (Paragraph 4.2.2.2). There is an overall target to deliver approximately 6,520 new dwellings over the period 2007 to 2022.

12.3. REVIEW OF WYLFA NEWYDD DCO APPLICATION

RELEVANT DCO DOCUMENTATION

- 12.3.1. The following documents have been reviewed and considered by Welsh Government to inform this Written Representation:
- Application Reference No. 6.2.2: B2 Socio-economics
 - Application Reference No. 6.3.1: C2 Socio-economics
 - Application Reference No. 6.3.8: Appendix C1.1 Socio-economics baseline report
 - Application Reference No. 6.3.9: Appendix C1.2 Socio-economic technical appendix
 - Application Reference No. 6.9.5: I5 Inter-project cumulative effects
 - Application Reference No. 8.4: Workforce Accommodation Strategy
 - Application Reference No. 8.5: Workforce Management Strategy

SCOPE OF HOUSING ASSESSMENT AND EARLY ISSUES RAISED BY WELSH GOVERNMENT

12.3.2. The Environmental Statement and other DCO documents are assessed based on a peak workforce of 9,000 workers. The Key Study Area (KSA) for the assessment covers Anglesey, part of Gwynedd and Conwy. The baseline data, housing impact assessment and mitigation within the Environmental Statement are informed by the Scoping Opinion in 2016, and the 2014 and 2016 pre-application consultations. Horizon notes that the housing issues raised in the consultations were as follows (Application Ref. 6.2.2 Tables B2-5, B2-6, B2-7 and B2-8):

- Horizon's suggestion that one-third of workers are to be accommodated in existing private accommodation when there is already high demand in this sector.
- Displacement of existing tenants struggling to pay rent.
- Pressure on local house prices and supply, consideration of a fund to assist the local population to apply for loans etc.
- Impacts on those looking for accommodation in lower income groups and knock-on effect on community structure.
- Use of existing bed spaces for construction workers.
- Impact on the visitor accommodation capacity of the tourism sector.
- Impacts on local housing market, opportunities for re-use of buildings.
- More information required about proposed measures to mitigate impacts on vulnerable residents, e.g. homeless individuals.
- There is insufficient information on mitigation with emphasis placed on the Workers Accommodation site. There is no mitigation regarding revenue funding for the required increase in capacity of Environmental Health Officers, Housing Options Officers and Empty Homes Officers.
- The accommodation assessment should consider the value and quality in the supply of existing stock and how this will align with the expected demand from workers. More information is required on the displacement effects. There is a lack of clarity as to the worker accommodation proposals for the project during the construction phase and the impact on the wider housing market.

ASSESSMENT OF DCO APPLICATION

- 12.3.3. Accommodation stock and tourism accommodation providers are included as receptors in the socio-economic assessment. The assessment approach for accommodation used a gravity model, based on a 'travel deterrence' function. In the model, the cumulative number of workers from each area has a direct relationship with a measure of the population of each area (e.g. working age population, accommodation stock, tourist accommodation etc.). This is split into home-based workers and non-home-based workers.
- 12.3.4. The assessment, supporting baseline report and technical appendix, draws upon statistics for housing (including tenure, new development and second homes). The Environmental Statement plans for a peak case of up to 9,000 workers in total. This comprises up to 4,000 in temporary worker accommodation within the Site Campus, 3,000 in existing or new accommodation, and an estimated 2,000 being home-based.

- 12.3.5. Table C1-9 in the socio-economics assessment (Application Ref. 6.3.1; PINS Ref. APP-088) indicates that there are approximately 6,440 bed spaces available for non-home-based workers across the KSA, plus 3,275 caravan and camping bedspaces. The demand for bed spaces is estimated to be approximately 2,350 and demand for caravan and camping bed spaces is estimated to be approximately 650 (bring the total to 3,000 expected to rely on existing or new accommodation). The available bed spaces are in excess of the number required (6,440 bed spaces available for 2,350 workers plus 3,275 caravan and camping bed spaces available for 650 workers). The Environmental Statement argues that overall demand for bed spaces created by temporary workers would not exceed supply²⁰.
- 12.3.6. The Environmental Statement considers that the sensitivity of the housing market is high because of the limited quantum of existing housing stock and the purchasing and renting abilities of the local population combined with the impact of increased demand on prices. The Environmental Statement concludes that because the magnitude of change is small and within the available headroom, the mitigated potential effect is *minor adverse*, and therefore not significant. The assessment briefly considers the potential effect if fewer than the estimated 2,000 home-based workers were employed, which would mean an increase in the number of non-home-based workers needing accommodation. This scenario, and others, could see the demand from temporary construction workers exceeding the supply within certain accommodation stock types, although it is argued that the housing growth in line with the JLDP [WG46] and delivered in response to market signals would provide additional capacity (para 1.5.21, Application Ref. 6.3.1). This would be supported by the housing fund provided as part of the embedded mitigation.
- 12.3.7. Within the overall assessment reported in the Environmental Statement, it is suggested that:
- Most of the demand for tourism accommodation (291 bed spaces) would be in Anglesey North and Anglesey West. As the available capacity in these areas is estimated to be approximately 1,136 bed spaces, no adverse effects on availability are predicted.
 - It is possible that effects on availability within private rented accommodation may be experienced in Anglesey West and Anglesey North. Here, anticipated demand (513 bedspaces) exceeds estimated supply (457 bedspaces). In addition, there is the potential for demand to push up prices and affect those currently renting or trying to access private rental sector accommodation. This could result in additional pressure on the social housing stock or people having to move out of the area to access suitable private rented accommodation. The potential effect is assessed as *moderate adverse*, and therefore significant.

²⁰ Note that other parts of the DCO documentation such as the 8.4 Workforce Accommodation Strategy Tables E-1, 6.4, and 6.5 present the same overall figures but broken down differently

- 12.3.8. The assessment also covers the operational phase of Wylfa Newydd. It is estimated that around 128 operational staff (15%) may come from outside the area to take up employment at Wylfa Newydd. The tenure mix at full operation is estimated at 80% owner-occupation and 20% private rental sector, equating to a demand of around 102 owner-occupied houses and 26 from the private rental sector. This anticipated demand is relatively low in comparison with the construction stage, coinciding with the rundown of construction and the release of some accommodation previously used by construction workers. In addition, the JLDP has planned for growth realised through the Wylfa Newydd Project. The effect of the demand for housing created by the operational staff is therefore assessed as not significant. Decommissioning is also briefly considered, although a full assessment has not been provided.
- 12.3.9. The assessment includes inter-project cumulative impacts, projects that may have an impact on the labour market are listed as follows; A5025 On-line Highway Improvements, visitor centre, Existing Power Station decommissioning, Anglesey Eco Park, Penrhos Coastal Park, Holyhead Waterfront Redevelopment, Parc Cybi Stage 2, North Wales Connection Project, Rhyd-y-Groes Repower, Menai Science Park, Amlwch Natural Gas, Holyhead Deep, Holyhead Primary School, Llanfaethlu Primary School, Llangefni Link Road, Utilities Diversions, Llanbadrig Solar Farm, Coleg Menai, Wylfa Newydd Potable Water Supply, Holyhead Port Expansion, Glyn Rhonwy Pumped Storage, and A487 Caernarfon to Bontnewydd Bypass²¹.
- 12.3.10. These are assessed as projects that could increase the demand for more home-based workers within the Daily Construction Commuting Zone (DCCZ). Cumulatively, this increased demand may result in workers relocating to the area to avail themselves of the opportunities these projects collectively present. While this is considered against the labour market receptors consideration of impacts to the housing market is not included in the inter-project cumulative impacts assessment.

KEY ISSUES WITH DCO APPLICATION

- 12.3.11. The key issues with the DCO relate to:

- Horizon's response to matters raised in the earlier consultation phases
- Housing availability market evidence
- The conclusions from the estimate of impacts on the housing market
- The application of the cumulative impacts assessment to the housing market.

- 12.3.12. These issues have implications for the mitigation proposed as part of the DCO Application.

Response to issues raised

- 12.3.13. The consultation phases identified concerns (listed in the ES) about the potential impact of the project on lower income households, who risk being priced out of their rented accommodation. This includes concerns about the risk of potential homelessness. These issues are dealt with only at a high level in the ES, which estimates vacant private rental sector dwellings without detailed exploration of how this accommodation is currently serving low income households.

²¹ 6.9.5 IG - 1

Use of housing availability market evidence

12.3.14. The ES uses various data to estimate the availability of housing for non-home-based workers. It is not clear if all the conclusions from this exercise are robust and have been sense checked with local agencies. The implications of this issue are dealt with in more detail below.

Impacts assessment

12.3.15. Welsh Government agrees with the assessment of the sensitivity of the Housing Market as 'high', but it considers that it is unclear how the unmitigated assessment or magnitude of change for this receptor has been assessed as 'large' and mitigated to 'small'. The assessment text provides some insight into the inter-relationship between the different types of accommodation that workers may use but does not assess in any detail how potential shortfalls may combine to put pressure on other accommodation types, e.g. if there is a shortfall on available caravans what will be the impact on private rented accommodation.

12.3.16. Welsh Government's concern is that the assessment does not fully consider the potential impact on private rented housing for lower income households.

Cumulative impacts

12.3.17. The cumulative impacts are not assessed against the housing market receptors. Instead they are assessed against labour market receptors and the assessment is of a positive impact, with the suggestion that further construction workers may come to the KSA to deliver these other projects. This would seem to have clear housing market impacts, which may be adverse.

12.3.18. In addition, the cumulative impacts assessment does not consider new housing development proposed under the JLDP. While individual sites may vary in size, the overall level of planned housing delivery may be important and the increased housing numbers suggests that more construction labour will be needed than in the past. This labour required to construct the additional new housing above current delivery is estimated to be approximately 150 jobs per annum²².

12.4. IMPACTS AND EVIDENCE

12.4.1. The Workforce Accommodation Strategy (WAS) (Application Ref. 8.4; PINS Ref. APP-412) prepared by Horizon states that the Strategy is based on "...a central case of 8,500 and an assessment case of 9,000". Consistent with Horizon's assessment, Welsh Government has worked to the figure of 9,000 presented in the ES. This compares with a much lower figure of 5,600 at Hinkley Point C Nuclear Power Station (Hinkley Point C). Table E-1 in the Workforce Accommodation Strategy (Summary of accommodation and supply of the Strategy) summarises Horizon's analysis of the different accommodation types that workers will use. An extract of the table is presented in Table 12.1 below. In addition, 2,000 workers are assumed to be home-based.

²² Based on the development cost of 212 additional 84 sqm annual completions and construction turnover per job from BPE 2018

Table 12-1 - Accommodation type and estimated demand

Accommodation type	Estimated demand (across the KSA)
Tourist	1,100
Of which caravans	650
New/existing private rented sector (PRS)	900
Owner occupied	600
Latent	400
Site Campus	4,000
TOTAL	7,000

Source: Table E-1, Application Reference No. 8.4

Home based workforce

- 12.4.2. The WAS shows 2,000 of the workforce being home-based and drawn from the 90-minute DCCZ. Chapter 6 considers in detail the robustness of this figure but in terms of the accommodation strategy for Wylfa Newydd, a comparison with Hinkley Point C illustrates the potential issue about the assumed figures for the home-based workforce.
- 12.4.3. Published information for Hinkley Point C (March 2018)²³ shows that of the 2,870 construction workers at that time, 45% or c1,300 were home-based. The plan at Hinkley Point C is for 1,900 workers to be home based (i.e. only 100 fewer than at Wylfa). The economically active population of Anglesey was c51,000 at the time of the 2011 Census²⁴, compared with 187,000 in the three districts nearest Hinkley Point C (i.e. West Somerset, Taunton Deane and Sedgemoor).
- 12.4.4. This analysis is very simplistic – it does not take account the population in the wider KSA, changes in economic activity since the Census and competing opportunities but it does illustrate why the 2,000-home-based workforce is open to doubt. It is reasonable to conclude that, for every home-based worker that is not available, accommodation will need to be identified for a worker.

Temporary Worker Accommodation (TWA) (4,000)

- 12.4.5. This is the largest component of proposed accommodation. Its delivery is crucial but Horizon has provided limited information about the proposed development programme for construction of the Temporary Worker Accommodation (TWA). Figure C1-6 Indicative construction workforce accommodation profile (refer to Application Ref. 6.3.1 (PINS Ref. APP-088)) shows the TWA coming onstream in Year 4 Q4, with around 1,000 bed spaces, rising to a peak of 4,000 between Year 7 Q2 and Year 8 Q4, before declining to zero by Year 10 Q1.
- 12.4.6. This pattern is at odds with the phasing of delivery shown in the Phasing Strategy. Figure 2-1 Key mitigation delivery phasing shows the site campus under construction years 1 to 4 with a delivery phase in year 5 (Phasing Strategy, Application Ref 8.29). Further clarification is required from Horizon about how these two documents align and the actual programme for building out the TWA.

²³ See reports prepared by the Socio Economic Advisory Group for Hinkley C. These include a SEAG Dashboard for Accommodation at <http://www.sedgemoor.gov.uk/article/1873/Socio-Economic-Advisory-Group>

²⁴ Census 2011 Table KS601EW

- 12.4.7. The pace of delivery of the TWA lags behind the build-up of the workforce which is over 3,000 by the end of year 3 (before any TWA units are made available), has risen to about 7,500 by year 6 and is still between 1,000 and 2,000 in years 10 and 11 when the TWA is no longer available. These are estimates based on reading of a chart provided by Horizon²⁵. However, they show that the delivery of the TWA, as currently planned, is not in line with the potential demand from the build-up of the workforce and is a cause of significant concern.

Latent accommodation (400) e.g. lodgings

- 12.4.8. As quoted in the WAS (para 6.3.13 to 6.3.15), Horizon's assumption of the scale of latent accommodation available is based on resident surveys undertaken in 2015 (and earlier survey information from IACC). Apparent willingness to take in lodgers is likely linked to the tax incentives available. However, the surveys have not been made available and so it is not possible to assess the questions asked and therefore what interpretation should be placed on the data provided.
- 12.4.9. Whilst it is accepted that informal accommodation offered through platforms such as AirBnB and gumtree has the potential to mask formal figures, these may not offer the same standard of accommodation that Horizon would want for its workers. Horizon has a duty of care to ensure that any accommodation used by its workforce is appropriate and therefore no information has been provided as to how safety inspections of latent accommodation would be undertaken.

Caravan and other tourist accommodation (1,100)

- 12.4.10. A new IACC bedstock survey [WG41] provides new information that indicates that the Horizon assessment over-estimates the potential available stock for this sector. Based on 2013 data²⁶, the Accommodation Strategy suggests a total of either 61,435 (Table 6.4) or 56,570 (Table 6.5) bed spaces of which 6,375 are available and affordable. This is against a demand of 1,100, suggesting that any impact on either tourism, illegal use or displacement to other accommodation types would be minimal.
- 12.4.11. By using the latest available data (the 2018 IACC bedstock survey for Anglesey and the 2015 JLDP figures [WG42] for the rest of the KSA²⁷) it suggests total tourism accommodation bed spaces of around 53,000. As acknowledged by Horizon, some adjustments have been made to overall numbers to allow for availability (such as seasonal occupancy) and also for affordability. Additionally, in specific reference to caravans, we note that over three quarters of the pitches are directly owned by private individuals. It is realistic to assume that these will not be available to Wylfa construction workers as it is unlikely that a private owner would be willing to set up appropriate systems of management, maintenance and changeovers for relatively limited rewards. Our analysis shows that, taking these factors into account, affordable space reduces to 461²⁸. This is considerably below the capacity (6,375) shown in the Accommodation Strategy and also less than half the demand. Table 12.2 sets out the capacity and adjustments.

²⁵ Based on Figure C1-4 Indicative construction workforce profile in ES Volume C - Project-wide effects C1 -Socio-economics

²⁶ Figures based on the Welsh Government, 2013, Accommodation Bedstock

²⁷ Applying the 2013 proportion of Gwynedd bedstock to the 2015 estimates; no separate figures available for Conwy

²⁸ Welsh Government note that the 2018 Wylfa Newydd SPG (IACC) [WG47] also raised this issue in relation to caravan accommodation available for workers and referred to approximately 200 pitches available year-round on Anglesey.

Table 12-2 - Estimates of available and affordable visitor accommodation

Type	KSA Bedspaces Estimate 2015/18	Available for let	Business interested in accommodating workers	Available in August peak	Price moderator	Bedspace moderator	Total bedspaces
Serviced	5,165	100%	82%	14%	22%	50%	65
Caravans/ camping	36,487	18%	35%	18%	100%	50%	205
Self- catering/ alternative	11,570	100%	55%	12%	50%	50%	191
Total							461

Notes

- The assessment starts with the updated estimate of bedspaces and makes adjustments (using the percentages shown in the table) for those that are available, those where the businesses are interested, capacity in August, excluding those which are unaffordable and adjusting for single occupancy per bedroom.
- 82% of caravans/pitches on Anglesey are privately owned and not necessarily available for let - June 2018 Accommodation Bedstock Survey
- The June 2018 Accommodation Bedstock Survey asked businesses whether they are interested in accommodating workers, as well as what capacity there is available at peak season. The Bedstock Survey also provided some price information, and this was supplemented by a review of serviced accommodation list on AirBnB and the IoATA websites low season prices to form a view about what proportion of businesses may be affordable for workers on the NAECI allowance in order to moderate for price. It is assumed that there will be single worker occupancy per bedroom rather than workers sharing a double room and this is used to moderate bedspaces.

12.4.12. Welsh Government notes that the IACC Wylfa Newydd: Supplementary Planning Guidance [WG47] also comes to the same conclusion about constrained availability of caravans, with considerably fewer available to the non-home-based workforce than anticipated by Horizon.

12.4.13. As there is limited capacity within other accommodation types and it is unlikely that workers seeking this type of accommodation will be willing to pay significantly higher rents – the likely outcome without intervention would be illegal siting of caravans and pressure on other low-cost accommodation.

12.4.14. The analysis suggests that there may be a shortfall of approximately 640 bedspaces against Horizon's calculations. Such a shortfall could have a number of consequences including illegal siting of caravans, applications for new sites that need to be considered through the planning process and/or increased demand for other types of accommodation e.g. TWA. It could also add to pressure on the general needs housing stock and increase demand for private rent, which may in turn affect the supply of homes available for sale for home ownership.

Owner Occupied (600)

- 12.4.15. Horizon state that demand for owner occupation will reach its peak of 600 units, with an average take up rate of 120 units per year up until that point (WAS, Application Ref. 8.4; PINS Ref. APP-412). Welsh Government analysis has assumed that the 600 workers taking up owner occupied accommodation requires a net addition to the stock of 600 dwellings. The recently adopted Anglesey and Gwynedd JLDP [WG46] makes provision at Policy SP16, “...for a requirement for 7,184 housing units between 2011 and 2026. This requirement will be met by identifying opportunities for around 7,902 housing units to enable a 10% slippage allowance”.
- 12.4.16. From 2011 until 2018 (April), completions totalled 2,564 or about 370 per annum. This leaves a residual requirement of 4,620 or 578 per annum over the remainder of the plan period. The Joint Housing Land Availability Study 2018 states that on sites of 5 plus dwellings there is capacity for 2,607 units to come forward in Anglesey and 1,884 units in Gwynedd, which equates to 325 and 236 per annum respectively. The remainder will come from small sites under 5 dwelling, which have been around 150 per annum across the joint area.
- 12.4.17. Whilst it could be argued that Horizon is proposing to take up just under half the available supply in Anglesey, it should be noted that a large proportion of this supply is expected to be affordable housing and therefore unavailable to construction workers. At least 354 units in Anglesey are identified in the Land Availability Study as affordable housing schemes and on the remaining allocations it is anticipated that affordable housing is provided on 10-30 per cent of units, depending on location. If an average of 20 per cent is achieved then the number of market units available to construction workers would be around 225 plus any small sites that do not come forward as affordable units.
- 12.4.18. Added to the reduced supply of market housing due to affordable housing requirements there is also no guarantee that developers will keep pace with anticipated delivery rates. Annual delivery has averaged 370 dwellings per annum since the start of the plan period with a residual requirement to 2026 across the plan of 578 dwellings per annum.
- 12.4.19. A reduced supply of market housing below the JLDP targets is possible with the potential to increase prices which would impact on the local community, especially first-time buyers who are most sensitive to changes in the affordability of market housing and would need to defer their purchase, putting pressure on other sectors of the market, notably private rent.

Private rented sector (900)

- 12.4.20. The principle of Horizon’s approach is that there is spare capacity in the private rented sector that can be taken up by the Wylfa Newydd workforce, without any impact on the local market. Horizon calculates this as the difference between the notional private rented sector stock turnover and stock vacancies and then applies this percentage to the total private rented sector stock. Horizon estimates that there can be 1,650 affordable and available PRS bed spaces in the KSA which comfortably exceeds the figure of 900 bed spaces Horizon identify as needed for the Wylfa workforce.
- 12.4.21. There are various detailed technical issues with Horizon’s method (for example, it uses national English data for the vacancy rate and does not allow for tenancies of less than a year) but the main concern is that Horizon’s approach assumes that there are 1,650 PRS bedspaces in the KSA that are unoccupied and sitting available and waiting for the Wylfa Newydd workers. Welsh Government does not believe this is plausible for the reasons set out below.

12.4.22. The private rented sector turnover figures set out in the WAS are shown at para 6.5.8, Welsh Government has assumed that these have been sourced from the 2011 Census. Census Table UKMIG011 identifies the percentage of households living in private rent and not at the same address one year previously. The figures taken from this source for the north-west Wales authorities and Wales are:

- Wales: 32%
- Anglesey: 33%
- Gwynedd: 35%
- Conwy: 33%

12.4.23. The data demonstrates that north-west Wales has similar turnover rates to Wales as a whole. The implication is that, if the Horizon approach is robust, there is also a substantial supply of unused and available private rented sector units across Wales, over and above vacancy levels necessary for a functioning market. This is not realistic. There may be some capacity in the housing stock for additional private rented sector bed spaces but this will be limited to the availability of empty dwellings that can be brought back into use and will require investment to do so.

12.4.24. The starting point is that private rented sector properties empty for more than six months may be available to provide additional rented accommodation for the Horizon workforce. It is considered that properties empty for less than six months are part of the normal operation of the stock and required for the local market to operate efficiently²⁹. The total number of properties empty for six months or more in the KSA has been estimated in consultation with the three councils (refer Table 12.3).

Table 12-3 - Estimates of properties empty for 6 months or more

Region	Estimate of empty properties
North Anglesey	198
Rest of Anglesey	581
All Anglesey	779
Menai mainland	542
KSA total	1,321

In practice some properties empty for less than six months may be outside the normal operation of the market and available for private rented sector accommodation for Wylfa Newydd workers, equally some properties empty for more than six months may revert to the local market at a later date.

12.4.25. Adjustments have been made to the above figures to estimate the number of empty properties potentially available as private rented sector for construction workers. The adjustments made are:

- To take account of current council activities to bring empty properties back into use for local households. Welsh Government estimates that about 113 properties a year across the KSA are brought back into use for local households [WG49; WG50]. These properties can be removed from the pool of potentially available properties for Wylfa workers.
- Only a percentage of long-term empty properties will be PRS and the same percentage as in the total stock (14 per cent) has been assumed.
- An allowance also needs to be made for properties that would not be available to be brought back into use e.g. because of lengthy probate settlements, intention to use by family and friends etc. A figure of one third of the empty stock has been advised by the local authorities.

12.4.26. The out-turn of our assessment is a much smaller number of potential private rented sector bed spaces³⁰ than indicated by Horizon. This is set out in the Table 12.4.

Table 12-4 - Estimates of available PRS³¹

Region	Bedspaces (Horizon)	Bedspaces (Welsh Government)	Dwellings (Welsh Government)
Anglesey North	145	43	16
Anglesey West	312		
Anglesey South	354		
<i>(Rest of Anglesey)</i>	<i>667</i>	<i>125</i>	<i>48</i>
<i>(Anglesey total)</i>	<i>812</i>	<i>168</i>	<i>65</i>
Menai Mainland	837	122	47
Total KSA	1,649	290	112

12.4.27. Horizon has assumed that the 900 private rented sector bed spaces identified will be located as follows (Table 3-14, Application Ref. 6.3.9; PINS Ref. APP-096):

- Anglesey North: 239
- Anglesey West: 274
- Anglesey South: 161
- All Anglesey: 674
- Menai Mainland: 226

12.4.28. Of the 674 workers Horizon assume will be accommodated in private rented sector on Anglesey, only 168 can be accommodated in the additional supply provided by the empty properties brought back into use. The balance of 506 will either go elsewhere or compete with a local household in the existing stock (as properties become vacant over time).

³⁰ Welsh Government assumes 2.6 bed spaces per property. This is the average number of bedrooms per property for PRS – from the 2011 Census and assumes that there will be one worker per bedroom.

³¹ Some figures in the table do not add exactly due to rounding errors

- 12.4.29. If local households cannot 'compete' with Wylfa workers for PRS, some 195 households will be displaced³². The equivalent figure for displaced households in Menai Mainland would be 40.
- 12.4.30. For Wylfa workers, assuming an average of 2.6 workers per property and using the accommodation allowances set out by the National Joint Council for the Engineering Construction Industry³³ – a rent of £716³⁴ per week is available for a 'typical' PRS property. This compares with a Local Housing Allowance rent of £91.43 for a 2-bed property and £110.41 for a 3-bed property. A local household that relies on housing benefit will clearly be unable to compete with a worker household. An income of c£120k per annum³⁵ would be needed to afford the rent which a worker household can manage and is clearly not realistic for the majority of local households.
- 12.4.31. The ability of local households to compete for private rented stock accommodation is limited as the potential rents that can be paid by Wylfa workers outstrip current rental levels and are well in excess of Local Housing Allowances (above which housing benefit is not usually available). As Wylfa workers can pay well in excess of LHA allowances it is likely that there will be displacement of local households from the private rented sector in the KSA if rents increase.
- 12.4.32. Evidence from Somerset indicates a tightening of the rental market near to Hinkley Point C. The published monitoring report of April 2018 showed that Cannington and Stogursey, two of the settlements nearest the site, had already exceeded the target number of workers for their 'Average Private Rent take up'.
- 12.4.33. Welsh Government has commissioned its own estimates of changes in the cost of private renting in the areas closest to Hinkley Point C. The information has been provided by Hometrack and was for two postcodes – TA5 and TA6. The former covers the more rural part of West Somerset including Cannington and Stogursey while TA6 covers for Bridgwater and some of the surrounding rural areas.
- 12.4.34. The report for TA5 did not find sufficient transactions to draw any conclusions. For the TA6 postcode there is evidence that the rents are starting to rise now after a couple of years of rather more erratic changes. In the six months to September 2018, the average rent for all properties has increased by 8.6 per cent.
- 12.4.35. Further evidence of the vulnerability of low income private rent tenants to rent increases was provided in research commissioned jointly by Welsh Government and the councils of Isle of Anglesey, Gwynedd and Conwy in 2017 and undertaken by Policy in Practice (refer to **Appendix E**) [this report is available on the Welsh Government website]³⁶. This document has been shared with Horizon.

³² That is the difference between 674 bedspaces assumed by Horizon and 168 provided by Welsh Government analysis (=506) divided by number of bedrooms per dwelling of 2.6. Same method used for estimate for Menai Mainland

³³ http://www.njceci.org.uk/publication/njc-communicue-1415-2016-2018-naeci-agreement/wppa_open/

³⁴ The weekly allowance for accommodation is £275.59 as at 8 January 2018. $2.6 \times £275.59 = 716.53$

³⁵ This is a very simple calculation that says a household can afford 30% of its gross income to be spent on housing costs. A rent of £716 per week represents an annual cost of £37,232 which, at 30% of a household income equals £124,106 income required.

³⁶ The impact of the Wylfa power station on low-income private tenants, Policy in Practice, July 2017

- 12.4.36. The research identified that 2,766 private renters living in the key impact area close to Wylfa power station, are low-income families. Of this group of households, the research concluded that 43.9 per cent (1,214) are coping, whilst 45.2 per cent of households are at risk and are currently facing a shortfall between their income and outgoings.
- 12.4.37. The researchers modelled three scenarios to show the impact of alternative future rent increases on the low-income renters. The three scenarios were:
- Scenario 1: Rent increases in line with historical averages
 - Scenario 2: Rent increase by 25 per cent in 2020
 - Scenario 3: Rent increase by 40 per cent
- 12.4.38. With rent increases in line with historical changes, there is a slight increase in the number of households at risk (to 46.1 percent) but the overall picture is little changed. Ho:
- “43.5% of households are classified as coping in Scenario 1, whilst under Scenario 2 this falls to 33.7%. This drop pushes a large number of households into financial risk. Under Scenario 2, the proportion of families facing a monthly shortfall between their income and expenses rises from 46.1% to 58.7%.”* (page 14, **Appendix E**)
- 12.4.39. Policy in Practice estimates that an extra 532 private renters will be affected by the LHA cap if rents increase as per Scenario 2 and that the majority of these would be single persons or lone parent households.
- 12.4.40. As would be expected, the impact of a 40 per cent rent rise under Scenario 3 is far greater than either impacts of scenarios 1 and 2 and about two thirds of low income renters are at financial risk. Under Scenario 3, there are a further 586 private renters affected by the LHA cap.
- 12.4.41. Policy in Practice conclude that, *“The proportion of low-income private tenants facing a monthly shortfall between their income and their living costs could rise from less than a half currently to close to two-thirds under Scenario 3.”* (page 4, **Appendix E**)
- 12.4.42. Taking all the evidence about the private rented sector into account, Welsh Government is very concerned that there is inadequate capacity to meet the needs of the Wylfa construction workforce. Local households will be unable to compete for available private rented units on cost grounds and will, over time, be displaced with the greatest impact in North Anglesey. This could lead to households having to move from their local area with a potential for homelessness to increase. Welsh Government estimates, as set out above, that 195 households in Anglesey and a further 40 in Menai Mainland would be displaced from the private rented sector market locally, which will need local authority intervention and financial support to re-house. These numbers would potentially increase if more workers turn to the private rented sector.
- 12.4.43. Given the above, Welsh Government considers that it would be a challenge to re-house all affected households in Anglesey and Gwynedd. Welsh Government would expect the funds to address homelessness issues to follow the families.

12.5. PLANNING OBLIGATIONS AND DCO REQUIREMENTS

APPLICANT'S PROPOSAL

12.5.1. The mitigation measures currently proposed by Horizon in response to the potential impacts on the local housing market are as follows:

- Site Campus Temporary Worker Accommodation (TWA) of up to 4,000 units (current DCO does not secure delivery of this mitigation).
- Workforce Accommodation Management Service (to be secured through planning obligations).
- Housing Fund (to be secured through planning obligations).

Overview of Proposed Wylfa Newydd DCO Requirements

Site Campus Temporary Workers Accommodation (TWA)

12.5.2. Horizon propose to provide temporary accommodation for up to 4,000 workers on the Site Campus, once thresholds (yet to be defined) have been met, as a requirement (para 9.1.6 to 9.4.10, WAS, Application Ref. 8.4; PINS Ref. APP-412). However, the current version of the DCO does not secure this requirement. Horizon will ensure that the Site Campus has the facilities required to meet workers' day to day needs, and will commit to maintaining high levels of occupancy. However, Horizon have not clarified how levels of occupancy will be maintained. The ES shows that the accommodation is programmed to become available at the end of year 4 (Figure C1-6, Application Ref. 6.3.1), with supply gradually increasing to year 7.

Overview of Proposed Wylfa Newydd Planning Obligations

Workforce Accommodation Management Service (WAMS)

12.5.3. The Workforce Accommodation Management Service (WAMS) seeks to avoid or reduce potential adverse effects on the housing market through (as set out in WAS, Application Ref 8.4):

- An online portal, which will be used by accommodation providers to advertise to workers, through a compiling a database of accommodation, and an interface with booking system for the Site Campus temporary worker accommodation.
- Working with accommodation providers to ensure a supply of appropriate accommodation (in terms of price, standard and location).
- Collection of monitoring data (including workers' accommodation choices) and reporting to stakeholders, and to use the data to help guide workers' choices. The data is intended to inform and target mitigation measures.
- Operation by a third party appointed by Horizon but overseen by an Oversight Board (including Anglesey and Gwynedd councils as well as landlords and tourism sector representatives).
- Performance targets for the Portal and outcomes – such as the proportion of workers using the service and the thresholds for different accommodation types and locations; with withdrawal of some adverts where types /location of accommodation approaches thresholds.
- A responsibility to report on the number of workers not using the service.

12.5.4. It is understood that Horizon and IACC have been working to agree principles for the WAMS (Appendix 10-1, WAS, Application Ref 8.4).

Housing Fund

- 12.5.5. Horizon has proposed a Housing Fund to enable local authorities to boost the supply of housing (including affordable housing), provide support for residents needing access to housing services and boost enforcement. The fund is intended to be flexible and may be used to:
- Incentivise provision of new housing, including affordable housing;
 - Augment existing empty homes programmes;
 - Encourage provision of more latent accommodation;
 - Improve the functioning of the housing market (e.g. assistance with downsizing etc.).
- 12.5.6. Horizon acknowledges that timing is important and that measures will need to take effect before the estimated peak four years after the start.

WELSH GOVERNMENT'S PROPOSAL

Overview of Proposed Wylfa Newydd DCO Requirements

Temporary Workers Accommodation – Site Campus

- 12.5.7. The current proposals mean that there will be some four years of construction before the TWA is available. At the time of writing there is no agreement about the workforce threshold for its overall delivery and there is no occupancy level commitment (nor any details of the mechanism that may be used to ensure occupancy levels). Welsh Government is concerned that there will be a variety of impacts on the housing market before the TWA is available, and that some of these impacts could be avoided if the TWA is available earlier.
- 12.5.8. The lack of a minimum occupancy commitment by Horizon for the TWA is an issue. Welsh Government acknowledges that for operational reasons there may need to be some space capacity to allow for churn but nonetheless it is necessary to define a figure (say 95%).
- 12.5.9. To avoid impact on the housing market, there needs to be a clear mechanism to ensure earlier delivery (as well as a commitment to occupancy) of the TWA. This should be secured through a Requirement in the DCO and will need to commence in Year 1, with future delivery to keep pace with the build-up in demand. While responsibility for attaining the agreed occupancy will remain with Horizon, some specification of the mechanisms would be required, e.g. price reductions until the accommodation is occupied. There needs to be an agreement mechanism for monitoring the extent which Horizon's assumptions for the TWA are realised, and agreement on scaled measures for both driving compliance with those assumptions, and for additional mitigation if it is found that the gap between assumptions and practice is unable to be closed quickly.

Overview of Proposed Wylfa Newydd Planning Obligations

Workforce Accommodation Management Service (WAMS)

- 12.5.10. As it is set out, the WAMS provides a passive system to provide workers with accommodation options. The WAMS does not have any mechanisms to oblige workers to use the accommodation listed. Welsh Government also note that there are a variety of other less formal mechanisms for searching out accommodation such as AirBnB, Gumtree, Spareroom and social media and that use of these alternatives is already widespread.

- 12.5.11. It is not clear whether the monitoring data that may be collected as part of the WAMS will include workers' accommodation choices made outside the WAMS portal system. As a result, there is a real risk that workers will obtain information outside the WAMS and as this will therefore not be subject to the limited controls included in the WAMS, there may be impacts on the housing market.
- 12.5.12. To properly monitor take up of accommodation including location, type and cost, all workers should be automatically registered with the WAMS. The efficiency of the service and standard of accommodation offered should be sufficient to encourage workers to use the service. Where the service is not subsequently used effort should be made to obtain details of the alternative arrangements made (whilst respecting the rights of individuals to make their own accommodation choices). Appropriate recording systems will need to be maintained and these will accord with relevant data protection regulations. Monitoring information will need to be shared with the oversight board.
- 12.5.13. Accommodation offered through the WAMS will be required to meet standards (to be agreed) in respect of health and safety as well as housing legislation and good letting practice. Landlords must operate within the provision of relevant legislation (e.g. Protection from Eviction Act 1977) and procedures should be in place to monitor and check this. Landlords offering Assured or Assured Shorthold tenancies must be registered with Rent Smart Wales. Dispute resolution systems should be in place.

Housing Fund (and Contingency Housing Fund)

- 12.5.14. While Horizon's proposal for a flexible housing fund is welcomed, there is little detail about the scale and how this relates to the level of impacts that may occur, as well as its operation. In line the discussion earlier in the chapter, Welsh Government is concerned that the potential impacts will be much larger than suggested in the ES and therefore Horizon's funding expectation may not be realistic. Furthermore, some of the potential measures required, such as building new affordable housing, could take a long time to deliver and logically some of the measures will need to be implemented before the impacts are apparent. To deal with the range of measures that could be delivered through the housing fund, there will need to be agreement about priorities (type of measure, location, timing etc.) as well as the governance issues and the organisations that may use the funding, e.g. housing associations.
- 12.5.15. Horizon does not provide a clear plan for dealing with circumstances where the planned distribution of workers and the resulting outcomes for local residents are not as envisaged in the Workforce Accommodation Strategy. The experience in the previous projects reviewed as part of the technical appendices (e.g. para 3.7.22, Application Ref 6.3.9) suggests that there can be some difference in actual against predicted behaviours of construction workers, and the strategy includes only minor responses to potential issues such as reducing adverts for certain types/locations of accommodation.
- 12.5.16. In addition to the main Housing Fund, a Contingency Fund should also be set up to fund measures to mitigate the impacts on the local community of adverse outcomes not foreseen in the Workforce Accommodation Strategy. For example, an unforeseen increase in the number of homelessness cases, funding will need to be provided to provide mitigation where re-housing occurs.

Monitoring arrangements

- 12.5.17. Horizon's proposals for monitoring are focused on the take-up of accommodation within the TWA, the number of workers on site and the operation of the WAMS system. It is recognised that Horizon would monitor these items as a matter of course. It is important that monitoring workers on-site includes ancillary workers such as carpark attendants, catering staff and consultants on long term secondment. Housing demand from all these workers will impact on local housing markets and potentially on demand for tourism accommodation.
- 12.5.18. It will also be necessary to monitor general indicators of housing stress within the KSA and potentially wider across north Wales. Housing displacement resulting from Wylfa Newydd is expected to affect first time buyers, second time purchasers (couples and families wishing to trade up to larger properties), private renters and applicants for social or affordable rented housing. At its most extreme, displacement at the top of the housing ladder has the potential to lead to increased homelessness among displaced low income private renters and to out-migration of local households from Anglesey to Conwy and Gwynedd and potentially beyond.
- 12.5.19. Welsh Government proposes that the following key indicators should be monitored: house prices and turnover by type of property, private rents, homelessness, use of bed and breakfast and temporary accommodation, use of discretionary housing payments, housing waiting lists, requests for assistance from Shelter and Citizens Advice Cymru and other indicators as appropriate. Monitoring would be through a combination of accessing data collected by the local authorities and Welsh Government (typically available annually or quarterly) and using web-based sources such as Land Registry, Rightmove and Zoopla. Monitoring will need to be at local authority level, but also to pick up data across the KSA and at settlement level to identify hotspots across the area. Welsh Government consider the monitoring for housing impacts should be carried out for five years following the end of the Wylfa Newydd construction.
- 12.5.20. It will be important to distinguish between the effects of displacement by Wylfa Newydd workers and that caused by either wider socio-economic trends (including the introduction of Universal Credit) or by market activity due to the impact of other large-scale infrastructure projects in the area. The former can be addressed by monitoring trends in other local authority areas in rural North Wales and comparing these with performance within the KSA and at settlement level. To allow for the effects of in-migration by other workers it will be necessary to obtain data from those undertaking the projects about trends in employment and recruitment and accommodation arrangements for in-migrant workers.

Trigger points

- 12.5.21. A programme of monthly review offers the best opportunity to take prompt action to address emerging housing stress. It is suggested that any increase in housing stress above 2 per cent above the trend in comparator authorities, for any element (e.g. rent increases, rise in homelessness etc), would trigger a request for review.
- 12.5.22. A clear framework identifying triggers for a review and how the review should take place will need to be agreed. This will include a timeframe for a response to a trigger and the payment/action the review will lead to.
- 12.5.23. Triggers should include TWA delivery and occupancy falling below target or timetable or increased housing stress. Where such a situation arises, consideration should be given to releasing additional funding.

12.5.24. Thresholds will also need to be agreed at settlement level so that adverse impacts at the local level can be identified and addressed. This principle is being operated at Hinkley Point C and, like Hinkley Point C, thresholds need to be adopted for settlements closest to Wylfa Newydd.

Monitoring Oversight

- 12.5.25. The Workforce Accommodation Strategy does not include details on membership of the Oversight Board. Key members should be specified as Horizon, Welsh Government as well as the Isle of Anglesey County Council and Gwynedd Council. The board should also include registered social landlords with a local interest, landlord sector representatives and tourism sector representatives. As a principle of good practice, relationships should be maintained with other accommodation and support providers, both statutory and voluntary, for sharing of relevant information and identification of problems.
- 12.5.26. WAMS is a key component put forward by Horizon to mitigate the impacts of the non-home-based workforce and it is important that Welsh Government is part of the monitoring oversight panel, along with the local authorities. Welsh Government may also be part of appropriate sub-groups, such as the Housing and Accommodation sub-group. Welsh Government would like to see consideration given to making use of existing groups such as the Strategic Housing Partnership, which already includes key organisations relevant to this issue.
- 12.5.27. The terms of reference for the oversight panel should include the responsibility for releasing the contingency funds, and the responsibility for the priority setting. To future proof the process, the oversight panel should be able to review and amend the monitoring indicators, as well as the threshold for releasing the contingency funds.

13. HISTORIC ENVIRONMENT

13.1. INTRODUCTION AND BACKGROUND

- 13.1.1. The Welsh Ministers have wide-ranging powers to protect and support the historic environment in Wales³⁷, and have a duty to make appropriate arrangements to promote sustainable development³⁸. The Well-being of Future Generations (Wales) Act 2015 (“the 2015 Act”) [WG3] places duties on public bodies requiring them to act in accordance with the ‘sustainable development principle’ (i.e. requiring the body to act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs) (section 5 of the 2015 Act).
- 13.1.2. The Well-being of Future Generations Act also establishes well-being goals which include achieving ‘*a Wales of vibrant culture and thriving Welsh language*’, described as ‘*a society that promotes and protects culture, heritage and the Welsh language...*’ (section 4).
- 13.1.3. The historic environment is central to Wales’s cultural heritage and sense of identity. It is a resource that should be sustained for the benefit of present and future generations. A properly protected, conserved and enhanced historic environment can improve the quality of life and well-being for everyone.
- 13.1.4. Cadw, as part of the Welsh Government, is committed to promoting sustainable development and the economic, social and environmental wellbeing of the people of Wales. Cadw is the Welsh Government’s historic environment service working for an accessible and well-protected historic environment for Wales.
- 13.1.5. Cadw acknowledge that changes in the historic environment are inevitable. However, to enable the historic environment to deliver rich benefits to the people of Wales, any impacts and changes to significant historic assets must be managed in a sensitive and sustainable way. The Wylfa Newydd project has the potential to affect nationally important heritage assets, particularly on the Isle of Anglesey.
- 13.1.6. At the time of writing, there are unresolved concerns which have been raised by Cadw in relation to:
- The substantial harm on Cestyll (Grade II) Registered Park and Gardens.
 - Exclusion of temporary sewerage treatment plant located within Essential Setting of Cestyll Gardens from the Environmental Impact Assessment.
 - Horizon’s proposed mitigation strategy for Cestyll Gardens.
 - The potential impacts and mitigation strategy for buried archaeology within and around the Wylfa Newydd Development Area (WNTA).
 - The mitigation and restoration strategy for historic buildings.
 - The setting impacts on Trelignath Burial Chamber Scheduled Monument.

³⁷ Government of Wales Act 2006 [WG1], section 61 and other legislative provisions discussed elsewhere in this document

³⁸ Government of Wales Act 2006, section 79 and Planning Policy Wales 9 [WG10], chapter 4

13.2. PLANNING AND POLICY CONTEXT

UK AND NATIONAL PLANNING POLICY

- 13.2.1. Consideration of the Historic Environment as well as the Landscape and Visual Impact of an energy project is set out in section 5.8 and 5.9, respectively, of the NPS EN-1 [WG8]. Paragraph 5.8.14 sets out that, in considering applications for projects of national significance, there should be “a *presumption in favour of the conservation of designated heritage assets and the more significant the designated heritage asset, the greater the presumption in favour of its conservation should be. Once lost heritage assets cannot be replaced and their loss has a cultural, environmental, economic and social impact. Significance can be harmed or lost through alteration or destruction of the heritage asset or development within its setting*”.
- 13.2.2. Paragraph 5.8.14 goes on to dictate that any loss to a designated heritage asset should have clear and convincing justification. With this in mind, any “*Substantial harm to or loss of a grade II listed building or garden should be exceptional*”. It goes on to say that “*Substantial harm to or loss of designated assets of the highest significance, including Scheduled Monuments; registered battlefields; grade I and II* listed buildings; grade I and II* registered parks and gardens; and World Heritage Sites, should be wholly exceptional*”.
- 13.2.3. Paragraph 5.8.15 sets out that any “*harmful impact on the significance of a designated heritage asset should be weighed against the public benefit of development, greater the harm to the significance of the heritage asset the greater the justification will be needed for any loss. Where the application will lead to substantial harm to or total loss of significance of a designated heritage asset the IPC should refuse consent unless it can be demonstrated that the substantial harm to or loss of significance is necessary in order to deliver substantial public benefits that outweigh that loss or harm*”.
- 13.2.4. For developments that affect the setting of a designated heritage asset, paragraph 5.8.18 requests the determining authority to “*treat favourably applications that preserve those elements of the setting that make a positive contribution to, or better reveal the significance of, the asset*”. Through this process, the “*greater the negative impact on the significance of the designated heritage asset, the greater the benefits that will be needed to justify approval*”.
- 13.2.5. In the event that the loss of the whole or a material part of a heritage asset’s significance is deemed to be justified, paragraph 5.8.20 dictates that the Examining Authority should “*require the developer to record and advance understanding of the significance of the heritage asset before it is lost. The extent of the requirement should be proportionate to the nature and level of the asset’s significance. Developers should be required to publish this evidence and deposit copies of the reports with the relevant Historic Environment Record. They should also be required to deposit the archive generated in a local museum or other public depository willing to receive it*”.
- 13.2.6. Paragraph 5.8.22 sets out that where the Examining Authority considers there to be a high probability that a development site may include as yet undiscovered heritage assets with archaeological, the Examining Authority should “*consider requirements to ensure that appropriate procedures are in place for the identification and treatment of such assets discovered during construction*”.

- 13.2.7. The Welsh Government has an objective to “*protect, conserve and promote the historic environment as a resource for the general well-being of present and future generations*” (draft Planning Policy Wales 10, February 2018) [WG11]. Cadw’s published Conservation Principles [WG51] highlight the need to base decision on an understanding of the impact a proposal may have on the significance of an historic asset.
- 13.2.8. Paragraph 6.5.26 of Planning Policy Wales 9 [WG10] refers to the effect of a proposed development on a registered park or garden or its setting should be a material consideration in the determination of a planning application. Paragraph 7.1 – 7.4 of Technical Advice Note (TAN) 24: Historic Environment [WG25] refers to the statutory Register of Historic Parks and Gardens in Wales, and highlights that there should be understanding the impact a proposal is likely to have on such a historic asset.

13.3. REVIEW OF WYLFA NEWYDD DCO APPLICATION

RELEVANT DCO DOCUMENTATION

- 13.3.1. The following documents have been reviewed and considered by Cadw to inform this Written Representation:
- Application Reference No. 6.2.11: B11;
 - Application Reference No. 6.4.11: D11;
 - Application Reference No. 6.4.65: D10-8;
 - Application Reference No. 6.4.68-70: D11-1, D11-2a, and D11-2b;
 - Application Reference No. 6.4.75-79: D11-4, D11-5, D11-6, D11-7, and D11-8;
 - Application Reference No. 6.5.11: E11;
 - Application Reference No. 6.5.24-25: E11-1 and E11-2;
 - Application Reference No. 6.6.11: F11;
 - Application Reference No. 6.6.32-36: F11-1, F11-2, F11-3, F11-4, and F11-5;
 - Application Reference No. 6.7.11: G11;
 - Application Reference No. 6.7.42-46: G11-1, G11-2, G11-3, G11-4, and G11-5;
 - Application Reference No. 6.8.11: H11;
 - Application Reference No. 6.8.26-27: H11-1 and H11-2;
 - Application Reference No. 6.9.2: Cumulative Effects I2;
 - Application Reference No. 8.1: Planning Statement;
 - Application Reference No. 8.16: Landscape & Habitat Management Strategy;
 - Application Reference No. ML-PLD-01-PDR: Marine License Project Description; and
 - Application Reference No. WN0907-HZCON-LAP-DRP-00023: Temporary waste water drainage outfall.

CESTYLL (GRADE II) REGISTERED HISTORIC PARK AND GARDENS

Background

- 13.3.2. The Cestyll (Grade II) Registered Historic Park and Gardens (hereafter Cestyll Garden) is located on the north coast of Anglesey to the west of Wylfa Head. The site consists of a valley garden, an early 20th century garden which exploits the rocky valley of the Cafnan stream and the nearby walled kitchen garden (hereafter the kitchen garden), and former site of Cestyll House – which was demolished in 1991. Cestyll Garden is designated as a Grade II Registered Historic Park and Garden on the Register of Parks and Gardens of Special Historic Interest in Wales which was prepared by Cadw and the International Council on Monuments and Sites (ICOMOS).
- 13.3.3. The Environmental Statement (Application Ref. 6.4.11; PINS Ref. APP-130) states that Cestyll Garden is a high value receptor that will be subject to significant adverse effects during the construction, operation, and decommissioning phases of Wylfa Newydd. Cadw agrees with the value assigned to the asset and that significant adverse effects will occur through all phase of Wylfa Newydd.

Construction Phase

- 13.3.4. The Environmental Statement reports the following impacts on Cestyll Gardens during the construction of Wylfa Newydd:
- A physical effect on Cestyll Garden through the full removal of the kitchen garden, the plot of land where Cestyll House formerly stood, and part of its Essential Setting. In addition, the potential for plants to be affected due to changes in air quality, an increase in the deposition of NOx, increased nitrogen deposition and acid deposition. Horizon have assessed the magnitude of the permanent effect as large, and the significance of effect as **major adverse**.
 - Construction of the temporary causeway, proposed breakwaters, and the MOLF would introduce a source of noise and visual intrusion into the valley garden and the Essential Setting of Cestyll Gardens, significantly detracting from its tranquil character, and the temporary causeway and the breakwater would be dominant and incongruous in the Significant View from the Valley Garden. The magnitude of these short-term effects has been assessed to be large and the significance of effect has been assessed to be **major adverse**.
- 13.3.5. The Environmental Statement reports the following mitigation commitments:
- An archaeological earthwork survey of any surviving remains of Cestyll House, Former Site of.
 - A Level 2 historic building recording of surviving structures.
 - A photographic survey.
 - Translocation of 'Lady's Finger of Lancaster' apple trees from Cestyll Garden kitchen garden.
 - Work with landowners and other interested parties to consider appropriate enhancement measures.
 - To get agreement with National Trust, Cadw and Gwynedd Archaeological Planning Service (GAPS) the design of appropriate landscape measures to restore and/or enhance the former location of kitchen garden.
 - Consult with the landowner to implement appropriate monitoring of soil pH and a visual inspection of the condition of plants during the bulk earthworks of the construction period.

- 13.3.6. The Environmental Statement concludes that a major adverse residual effect on Cestyll Garden will occur during the construction phase and will constitute **substantial harm** as described by the NPS EN-1 [WG8] because of a permanent and substantial loss of the value (significance) of this heritage asset.
- 13.3.7. Cadw and Welsh Government are disappointed that Horizon have not achieved a design that can accommodate a temporary construction laydown area without permanent and substantial harm to Cestyll Gardens. The Planning Statement (Application Ref. 8.1; PINS Ref. APP-406) and Site Selection Report (Application Ref. 8.24.2; PINS Ref. APP-437) state that the substantial harm to Cestyll Gardens is necessary to achieve the public benefits of delivering Wylfa Newydd, accommodating the Marine Off-Loading Facility (MOLF), and avoiding any 'likely' encroachment on the Tre'r Gof Site of Special Scientific Interest (SSSI).
- 13.3.8. If Cadw is to accept that there are no suitable alternatives to the location of the temporary construction laydown area, Cadw must be satisfied that the mitigation strategy proposed by Horizon will offset the substantial harm to Cestyll Gardens. As stated in NPS EN-1, once heritage assets are lost, the *"cannot be replaced and their loss has a cultural, environmental, economic and social impact"*. NPS EN-1 also states that *"any loss of a grade II listed building or garden should be exceptional"*.
- 13.3.9. Given the residual substantial harm to Cestyll Gardens, it is Cadw's position that the mitigation measures outlined in the Environmental Statement are far from adequate. Further detail about the requirement for further commitments around mitigation are provided in paragraphs 13.3.17-13.3.22.

Operation Phase

- 13.3.10. The Environmental Statement reports the following impacts on Cestyll Gardens during the operation of Wylfa Newydd:
- The Power Station would be a dominant feature in the immediate setting of the Cestyll Garden and the breakwater would be a continued presence in the Significant View from the valley garden. Horizon have assessed the magnitude of the medium-term effect as large, and the significance of effect as **major adverse**.
- 13.3.11. The Environmental Statement reports the following mitigation commitments:
- To undertake discussions with the landowners and other interested parties to consider appropriate enhancement measures such as greater interpretation including on-site interpretation boards at the valley garden, enhanced public access to the valley garden, regular maintenance and restoration of the valley garden; and
 - To get agreement with National Trust, Cadw and GAPS the design of appropriate landscape measures to restore and/or enhance the former location of the kitchen garden.
- 13.3.12. The Environmental Statement concluded a major adverse medium-term residual effect on Cestyll Garden during operation, this effect was deemed to be significant but would not result in a permanent and substantial loss of the value (significance) of this heritage asset and therefore was not assessed to constitute substantial harm.
- 13.3.13. The mitigation measures outlined in the Environmental Statement are not considered adequate to deal with the residual major adverse effect on Cestyll Gardens during the operation of Wylfa Newydd. Further detail about the requirement for further commitments around mitigation are provided in paragraphs 13.3.17-13.3.22.

Decommissioning

13.3.14. The Environmental Statement reports the following impacts on Cestyll Gardens following the decommissioning of Wylfa Newydd:

- The proposed breakwater would continue to be visible in the Significant View from the valley garden. Horizon have assessed the magnitude of the permanent effect as medium, and the significance of effect as **moderate adverse**.

13.3.15. Horizon has not proposed any additional mitigation for Cestyll Gardens during decommissioning. Therefore, the Environmental Statement concluded a moderate adverse medium-term residual effect on Cestyll Garden during decommissioning, this effect was deemed to be not significant and would not result in a permanent and substantial loss of the value (significance) of this heritage asset and therefore was not assessed to constitute substantial harm.

13.3.16. The mitigation measures outlined in the Environmental Statement are not considered adequate to deal with the residual moderate adverse effect on Cestyll Gardens following the decommissioning of Wylfa Newydd. Further detail about the requirement for further commitments around mitigation are provided in paragraphs 13.3.17-13.3.22.

Mitigation for Cestyll Gardens

13.3.17. The mitigation proposals identified within the Environmental Statement for impacts associated with Cestyll Gardens are not adequate and are not agreed. To satisfy the requirements of EN-1, specifically paragraph 5.8.18, Horizon has not provided evidence that the DCO application has considered the preservation of Cestyll Gardens or make a positive contribution to the significance of the asset. This is demonstrated through the significant adverse effects identified at all phase of the project.

Conservation Management Plan (CMP)

13.3.18. In addition to the mitigation outlined in the Environmental Statement, Cadw expect a commitment from Horizon to fund the long-term management and enhancement of Cestyll Garden. Cadw request that the long-term management (construction phase and operational phase of Wylfa Newydd) and enhancement of Cestyll Gardens is captured through a Conservation Management Plan (CMP).

13.3.19. The spatial extent of the CMP must cover the forthcoming statutory registered area boundary for Cestyll Gardens. The CMP, as well as managing and enhancing Cestyll Garden, would also include measures to mitigate impacts associated with the Grade II* Listed Felin Gafnan Corn Mill (Porth y Felin) (Asset 137), Grade II Listed Corn-drying house at Felin Gafnan (Asset 141), and Grade II Listed Mill house at Felin Gafnan, Cylch-y-Garn (Asset 144).

13.3.20. The details of the CMP must be prepared in consultation with Cadw, and approved by Cadw. The following mitigation measures must form part of the CMP:

- Enhanced public access to the valley garden.
- The management and introduction of interpretation boards (at appropriate locations).
- Regular maintenance and restoration of the valley garden.
- Landscape measures to restore/enhance former location of the kitchen garden.
- An Agreed specification for:
 - Archaeological Earthwork Survey of Cestyll House.

- An agreed approach to monitoring impacts of noise and vibration on all listed buildings within the registered boundary and adjacent to development site.
- Historic building recording, historic landscape survey, and photographic survey of Cestyll Garden.
- Proposed translocations of Lady's finger of Lancaster apple trees.

13.3.21. In addition to the above items, Cadw request that further justification is provided to demonstrate why the Kitchen Garden cannot be reinstated to its former location or alternative locations (subject to the approval of Cadw).

13.3.22. The draft (redacted) S106 Agreement includes for a payment to be made to deliver a CMP and a commitment to use reasonable endeavours to enter into a deed of covenant to develop and deliver a CMP, in partnership with the current landowners. At this stage, Cadw are not satisfied that Horizon have committed to delivering the CMP.

TEMPORARY WASTE WATER OUTFALL AND TEMPORARY SEWERAGE TREATMENT PLANT – MARINE LICENSE WORKS

13.3.23. The Project Description / Schedule of Activities (Document Reference No. ML-PLD-01-PDR) consultation document for the marine license works include a proposal for a temporary waste water outfall that will transport and discharge the waste water effluent derived from a temporary sewerage treatment plant. The temporary sewerage treatment plant is not included as part of the marine license works or Wylfa Newydd Development. When referring to Drawing WN0907-HZCON-LAP-DRG-00023 (submitted as part of the consultation documents), the temporary waste water outfall and temporary sewerage treatment plant will fall within the Essential Setting of Cestyll Gardens.

13.3.24. The Wylfa Newydd Environmental Statement accounted for the potential impacts of the construction, operation, and decommissioning of the temporary causeway, proposed breakwaters, and the Marine Off-Loading Facility (MOLF), all of which would introduce a source of noise and visual intrusion into the valley garden and Essential Setting of Cestyll Gardens. The Environment Statement concluded that these works would significantly detract from its tranquil character, and the temporary causeway and the breakwater would be dominant and incongruous in the Significant View from the valley garden. It is not clear whether the potential impacts of the temporary waste water outfall were accounted for in the Environmental Statement.

13.3.25. The Wylfa Newydd Environmental Statement did not account for any potential cumulative effects associated with the proposed temporary sewerage treatment plant. The potential visual, noise, and odour impacts on Cestyll Gardens because of the proposed temporary sewerage treatment plant will exacerbate the adverse effects already demonstrated through the Environmental Statement. Cadw request that further clarification of the impacts on Cestyll Gardens from the temporary treatment plant is provided as an addendum to the Environmental Statement and further consideration given to adequate mitigation of protecting a national heritage asset.

13.3.26. Cadw notes that the Examining Authority have raised a question (Q1.0.3) to IACC and Horizon as to whether the temporary sewerage treatment works need to be given a separate works number as part of the DCO. Cadw has provided a response to this question that given the potential, but unknown, impact that may arise on the Essential Setting of Cestyll Gardens, Cadw considers that it should be separately identified.

BURIED ARCHAEOLOGY MITIGATION STRATEGY – WYLFA NEWYDD DEVELOPMENT AREA (WNTA)

Approach to Buried Archaeological Mitigation

- 13.3.27. EN-1 outlines that there should be a presumption in favour of the conservation of designated heritage assets, including archaeological assets. The more significant the designated heritage asset, the greater the presumption in favour of its conservation. NPS EN-1 goes on to state that the absence of a designation for such heritage assets does not indicate a lower significance and that the impact on the asset is subject to the same policy considerations as those that apply to designated assets.
- 13.3.28. *TAN 24: The Historic Environment* recommends that where the significance of archaeological remains does not merit preservation *in situ*, a programme of archaeological recording may be undertaken, including analysis and publication of the results. The Wylfa Newydd Environmental Statement states that where it has not been feasible to preserve heritage assets *in situ*, archaeological recording in advance of or during construction for physically affected archaeological remains would be undertaken. Archaeological recording, followed by a programme of reporting, analysis, publication, dissemination and archiving would be undertaken to make a permanent record of these remains and their settings.
- 13.3.29. Horizon has been undertaking extensive archaeological investigation, including both trial trenching and open area excavation, on the Wylfa Newydd Development Area (WNTA) since November 2015. This work has revealed the presence of nationally significant archaeological remains dating, from the Neolithic through to the early medieval period, at several locations across the WNTA. On 15 October 2018, Horizon confirmed to Cadw that 21 excavation areas have been completed, with a further eight excavation areas due to be completed by the end of October 2018. Horizon are proposing to submit Summary Reports for the 29 excavation areas by 30 November 2018. Horizon has identified a further 18 archaeological 'hot-spots'. Horizon has not confirmed whether the remaining archaeological 'hot-spots' will be preserved *in-situ* or subject to further excavation works.
- 13.3.30. Although Summary Reports have not been provided by Horizon for the completed excavation areas, the Environmental Statement has confirmed the presence of nine archaeological assets of high value and 38 archaeological assets of medium value that will be or have been removed because of Wylfa Newydd. The Environmental Statement does not clarify whether these assets have already been removed because of the excavation works. A significant effect has been identified for all assets prior to additional mitigation. It therefore stands that there is the potential for further high value assets located in the remaining archaeological 'hot-spots' and adjacent to the areas already excavated (but potentially outside the WNTA).

Further Mitigation Requirements

- 13.3.31. It is evident that a robust mitigation strategy must be enforced to ensure archaeological assets within the WNTA are protected. To avoid any substantial harm (as described in EN-1) to archaeological assets within the WNTA, Horizon must provide:
- Detailed Summary Reports for all excavation works completed on-site in a timely manner. Horizon must also commit to undertake a programme of analysis, reporting, archiving and dissemination commensurate with the results of the investigations. This will be developed based on the results of post-excavation analysis, reporting, archiving and dissemination.

- A Written Scheme of Investigation for the 18-remaining archaeological 'hot-spots'. At the time of writing, Horizon has not confirmed the feasibility and/or methodology for preserving the remaining archaeological 'hot-spots' *in-situ* or a programme for completing the remaining excavation works.

13.3.32. Cadw requests that this information is provided at the earliest opportunity to ensure an agreement can be reached to reassure Cadw that the risk of damage to archaeological artefacts at the Wylfa Newydd Development Area (WNDA) has been removed. The developer will be aware that where unexpected archaeological discoveries are of national importance, which is the case at Wylfa Newydd, the Welsh Ministers have the power to schedule the site. In the event of scheduling, Horizon will be required to seek separate scheduled monument consent before any further construction work can continue.

MONITORING AND RESTORATION OF HISTORIC BUILDINGS DURING CONSTRUCTION ACTIVITIES

Impacts on Historic Buildings during Construction Phase

- 13.3.33. The Wylfa Newydd Environmental Statement has identified 302 historic buildings within 6km of the WNDA. Twenty-two historic buildings have been assessed to be of high value, and a further 92 have been identified as medium value.
- 13.3.34. The Environmental Statement has identified that, prior to any additional mitigation, a significant major adverse effect has been assessed for one historic building, the Grade II* Listed Felin Gafnan Corn Mill (Porth y Felin) (Asset 137), and a significant moderate adverse effect on seven historic buildings. Of those seven, three historic buildings (not listed) will be removed because of construction activities. The remaining four historic buildings will be impacted by construction activities, including; Grade II* Church of St Padrig (Llanbadrig) (Asset 26), Grade II corn drying house (Felin Gafnan) (Asset 141), Grade II Mill House (Felin Gafnan, Cylch-y-Garn) (Asset 144), and Cafnan House and associated outbuildings (Asset 181).

Applicant's Proposed mitigation strategy and residual effects

- 13.3.35. As set out in the Environmental Statement (para. 11.6.11), *"to mitigate effects on historic buildings, one or both of the following would be undertaken:*
- *Photographic surveys to provide a permanent visual record of the current conditions of historic buildings and/or their settings.*
 - *Level 1, 2 or 3 Historic Building Recording (as defined by Understanding Historic Buildings: A Guide to Good Recording Practice [RD16] and determined on a case by case basis). This comprises making a written, drawn and photographic record which makes a permanent record of the historic building and aids in its interpretation."*
- 13.3.36. The Environmental Statement goes on to state that *"potential effects from vibration on Felin Gafnan Corn Mill (Asset 137) would be mitigated through undertaking a vibration risk assessment as part of the Section 61 application for any construction activity involving vibratory or impact equipment to be used. The assessment would establish safe working distances for receptors in relation to construction vibration"* (para 11.6.13).

13.3.37. The Environmental Statement concludes that following implementation of additional mitigation (as summarised above), significant residual effects are anticipated at the following receptors during the construction phase:

- Grade II* Felin Gafnan Corn Mill (Porth y Felin) (Asset 137) – major adverse short-term effect and moderate adverse permanent effect;
- Grade II* Church of St Padrig (Llanbadrig) (Asset 26) – moderate adverse short-term effect;
- Grade II Corn-drying house at Felin Gafnan (Asset 141) – moderate adverse short-term effect;
- Grade II Mill house at Felin Gafnan, Cylch-y-Garn (Asset 144) – moderate adverse short-term effect; and
- Cafnan House and Outbuildings (Asset 181) – moderate adverse short-term effect.

13.3.38. As identified in paragraph 13.3.20, mitigation for the three listed buildings located at Felin Gafnan (Asset 137, 141, and 144) must be agreed with Cadw as part of the CMP.

13.3.39. Horizon have committed to providing a photographic survey of the Grade II Church of St Padrig prior to construction. Cadw does not consider this mitigation to be adequate given the significant adverse effect on a Listed Building. Cadw requests that further consultation with Cadw and the church is carried out immediately to provide adequate mitigation.

Monitoring Vibration Effects on Historic Buildings

13.3.40. On 15 October 2018, Horizon confirmed to Cadw the noise and vibration management procedures that would be followed during the construction phase in-line with the proposed Code of Construction Practice (CoCP).

13.3.41. Horizon have confirmed their commitment to:

- Employing specific and appropriate noise and vibration control methods;
- Making applications for prior consent for noisy works under Section 61 of the Control of Pollution Act 1974 in accordance with the procedures outlined in the overarching Wylfa Newydd Code of Construction Practice;
- Monitoring noise and vibration levels according to requirements set out in the relevant sub-CoCP; and,
- Undertaking relevant actions if thresholds are exceeded.

13.3.42. Horizon have confirmed that, in relation to Felin Gafnan Corn Mill (Porth y Felin) (Asset 137) and other historic buildings, the monitoring arrangements will include:

- Pre-commencement property condition surveys with photographs of all cracks, and the placement of crack gauges which will be regularly monitored thereafter;
- Vibration monitoring on the ground level structural elements of building using a triaxial vibration meter, in accordance with the requirements of BS ISO 4866:2010 Mechanical vibration and shock — Vibration of fixed structures — Guidelines for the measurement of vibrations and evaluation of their effects on structures. The vibration monitoring shall either be attended or be equipped with a GPRS modem enabling automated alerts and status to be sent to agreed contact; and
- Regular surveying of building and surrounding ground levels to identify any building or ground movement.

13.3.43. Horizon have confirmed that if thresholds are exceeded at any of the historic buildings, the CoCP requires the following actions to be undertaken immediately:

- Review construction works in the area likely to be causing the breach and consider any necessary mitigation actions (including if necessary, temporary suspension of works);
- Confirm that monitored levels are not being impacted by other noise or vibration sources;
- Determine whether the exceedance is due to a specific activity or item of equipment, and if so, identify if the equipment can be substituted for an alternative piece of equipment;
- Implement other feasible and reasonable measures (which may include modifying time of works, using an alternate construction methodology, or a combination of these); and
- Continue monitoring (including additional monitoring, if required) to verify that the control measures have reduced the noise levels to acceptable level at the relevant receptors.

13.3.44. At a meeting with Horizon on 8 August 2018, Cadw requested that Horizon make a commitment to restoring any historic buildings which are subject to damage during the construction activities. To date, Horizon have not confirmed their commitment to funding and delivering the restoration of historic buildings damaged by activities associated with Wylfa Newydd.

13.3.45. A restoration strategy for the historic building in question, must be agreed with relevant stakeholders before construction works can continue.

SETTING IMPACTS ON TRELIGNATH BURIAL CHAMBER AND TY MAWR STANDING STONE SCHEDULED MONUMENTS

13.3.46. The Trelignath Burial Chamber (Asset 21) and Ty Mawr Standing Stone (Asset 22) are Scheduled Monuments located within 30m (south) and 380m (north-west) of the proposed Logistics Centre at Parc Cybi (hereafter referred to as the 'Logistics Centre'). Both monuments form an important element in each other's setting. The burial chamber and the standing stone reportedly align, to within one degree, with the winter solstice sunrise.

13.3.47. The Environmental Statement has reported that, through the design of the Logistics Centre, the number and mass of buildings have been limited, and buildings (except for the security kiosk and driver instruction point) and the heavy goods vehicle parking area would be sited to the north of the Logistics Centre. This design layout would reduce visual intrusion into the settings of the Scheduled Monuments and "*maintain the line of sight between the two heritage assets and the possible visual alignment of these monuments and the winter solstice sunrise, as far as reasonably practicable within security and operational requirements*" (para 11.4.8, Appendix H11, Application Ref. 6.8.11; PINS Ref. APP-365)).

13.3.48. It is anticipated that the Logistics Centre will be operational for a period of approximately 10 years, covering the period for the construction phase of the Power Station Site. The Environmental Statement has reported residual effects of minor adverse significance for both Scheduled Monuments during the construction, operation, and decommissioning phases as a result of the proposed Logistics Centre.

13.3.49. The construction and operation of the Logistics Centre will be carried out in accordance the Parc Cybi Logistics Centre Sub-CoCP (DCO Requirement LC1). The sub-CoCP confirms that, in accordance with paragraph 5.8.20 of the NPS-EN1, a photographic survey would be undertaken to record the current settings of Trelignath Burial Chamber (Asset 21) and Ty Mawr Standing Stone, Holyhead (Asset 22).

13.3.50. The photographic survey would be undertaken in accordance with relevant best practice guidance and a Written Scheme of Investigation (WSI) which would be agreed with Gwynedd Archaeological Planning Service (GAPS). Cadw request to be consulted on the WSI.

13.3.51. Cadw are concerned that the Environmental Statement does not detail the location of any proposed landscape planting. It is therefore unclear how any proposed planting will relate to the setting of Scheduled Monuments. Therefore, Cadw must be consulted and agree to the scope and extent of any landscaping and planting measures undertaken as part of the Logistics Centre to ensure that adequate provision is made to screen the logistics centre and minimise its intrusion onto the setting of the burial chamber. Consideration must also be given to screening the view of the logistics centre when viewed from the Ty Mawr Standing Stone looking toward the Trelignath Burial Chamber. Cadw should also be consulted on the long-term restoration plan for the site on completion of the project.

13.4. PLANNING OBLIGATIONS AND DCO REQUIREMENTS

APPLICANT'S PROPOSAL

Overview of Proposed Wylfa Newydd DCO Requirements

13.4.1. Horizon have committed to implementing the mitigation measures outlined within the Mitigation Route Map (Application Ref. 8.14; PINS Ref-422). The mitigation measures identified will be delivered through the following DCO Requirements (Schedule 3 of Application Ref. 3.1; PINS Ref. APP-029):

- Power Station Main Site Code of Construction Practice (CoCP) (Application Ref. 8.7; PINS Ref. APP-415) (Requirement SPC3).
- Landscape and Habitat Management Strategy (Application Ref. 8.16; PINS Ref. APP-424) (Requirement WN11).
- Parc Cybi Logistics Centre Sub-CoCP (Requirement LC1).
- Logistics Decommissioning Strategy (Requirement LC7).
- Marine Works sub-CoCP (Application Reference No. 8.8) (Requirement WN24).
- Wylfa Newydd Code of Operation Practice (CoOP) (PW7).

13.4.2. The following mitigation measures are relevant to the concerns raised by Cadw through this written representation:

- Archaeological excavation (Main Site CoCP).
- Develop Archaeological Mitigation Strategy (Main Site CoCP).
- Photographic survey (Main Site CoCP / Parc Cybi Logistics Centre Sub-CoCP).
- Level 2 Earthwork Survey (Main Site CoCP).
- Historic England Level 1-3 Historic Building Recording (Main Site CoCP).
- Historic England Level 2 Historic Landscape Survey (Main Site CoCP).
- Vibration Risk Assessment (Main Site CoCP).
- Undertake discussions with the landowners and other interested parties to consider appropriate enhancement measures such as greater interpretation including on-site interpretation boards at the valley garden, enhanced public access to the valley garden, regular maintenance and restoration of the valley garden (Main Site CoCP).
- Agree with National Trust, Cadw and GAPS the design of appropriate landscape measures to restore and/or enhance the former location of the kitchen garden (Landscape and Habitat Management Strategy).

- Translocation of 'Lady's Finger of Lancaster' apple trees from Cestyll Garden kitchen garden (Main Site CoCP).
- Consult with the landowner to implement appropriate monitoring of soil pH and a visual inspection of the condition of plants during the bulk earthworks of the construction period (Main Site CoCP).

Overview of Proposed Wylfa Newydd Planning Obligations

13.4.3. The following mitigation measures will be secured through a section 106 agreement, the draft Heads of Terms have been provided in the Planning Statement (Application Ref. 8.1; PINS Ref-406):

- Work with the landowners and other interested parties to consider appropriate enhancement measures such as greater interpretation including on-site interpretation boards at the valley garden, enhanced public access to the valley garden, regular maintenance and restoration of the valley garden.

WELSH GOVERNMENT'S PROPOSAL

Overview of Proposed Wylfa Newydd DCO Requirements

13.4.4. Welsh Government submitted key points/concerns on the draft Development Consent Order (DCO) to the Examining Authority (PINS Ref. EV-013). In addition, Welsh Government request that the Examining Authority consider the following comments in relation to the draft DCO Requirements:

- **Provision of a Conservation Management Plan (CMP):** There is a need for a Conservation Management plan with clear binding commitments. There is a significant adverse impact on the Cestyll (Grade II) Registered Parks and Gardens and currently a lack of commitment to implement the mitigation measures;
- **Written Scheme of Investigation (WSI):** Welsh Government need a commitment from Horizon to provide WSI for protecting all historic assets which remain in-situ on-site. In the event Horizon do not comply with the strategy, Horizon will be required to complete any excavation works prior to commencement of construction of the authorised development.
- **Recording/assessment/archiving of artefacts:** Welsh Government request a DCO Requirement committing Horizon to carry out assessment and analysis of any artefacts discovered (including appropriate archiving/recording) or provide appropriate funding for a third party to manage these works.

Overview of Proposed Wylfa Newydd Planning Obligations

13.4.5. Welsh Government have raised the following concerns/comments in relation to the draft section 106 agreement:

- **Provision of Historic Environment Fund:** To deliver the Conservation Management Plan (CMP) and long-term management of historic assets (including Cestyll (Grade II) Registered Parks and Gardens and Listed Buildings);
- **Provision of funds for excavation assessment and analysis:** There is a need for Horizon to provide a commitment to the provision of funds for the assessment, recording and archiving of artefacts found during onsite excavations; and
- **Restoration fund:** There is also a need for Horizon to provide a commitment to the provision of funds for restoring historic buildings in the event of damage as result of construction activities.

14. ENVIRONMENT

14.1. INTRODUCTION AND BACKGROUND

- 14.1.1. Welsh Government recognise that the special and unique characteristics of the natural and built environment and the need for sustainable development. Wylfa Newydd has the potential to impact on air quality, flooding, waste, marine environment and water supply, and Welsh Government has a commitment to monitor, manage and reduce or avoid the impact of development on the natural and built environment.

14.2. ROLES AND RESPONSIBILITIES

- 14.2.1. There has been agreement that Welsh Government will provide comments in relation to Welsh Environmental Policy. However, the Welsh Government's environmental advisor, Natural Resources Wales (NRW), will lead on providing technical environmental issues, which includes matters such as Habitats Regulations Assessment (HRA).
- 14.2.2. There has been agreement that Welsh Government will provide comments in relation to Welsh Environmental Policy. However, the Welsh Government's environmental advisor, Natural Resources Wales (NRW), will lead on providing input on technical environmental issues, which includes terrestrial and marine matters, flood risk management and will include advice in relation to the Habitats Regulations Assessment (HRA).
- 14.2.3. The Marine and Coastal Access Act (MCAA) [WG26] (S 51(1)) sets out the requirement to produce a marine plan for each marine area. The Welsh Ministers are the planning authority for the Welsh National Marine Plan (WNMP) which covers both inshore and offshore regions.
- 14.2.4. The WNMP sets out the Welsh Minister's policies for the sustainable development of Wales' seas and will help ensure seas are clean, healthy, safe, biologically diverse and provide economic benefits. It will help manage increasing demands for the use of our marine environment and encourage and support the economic development of marine sectors at appropriate locations. The marine planning system will incorporate environmental protection and social considerations into marine decision making and integrate with terrestrial and other planning systems.
- 14.2.5. The WNMP will primarily be used by public authorities taking decisions which affect or might affect the marine area. Authorisation or enforcement decisions must be taken in accordance with the WNMP unless relevant considerations indicate otherwise. Public authorities generally must have a regard to marine policy documents in taking any decision relating to the exercise of functions capable of affecting the whole or any part of the UK marine area.
- 14.2.6. In the marine area, the Welsh Ministers are the licensing authority under Part 4 of the Marine and Coastal Access Act 2009. The majority of licensing authority functions have been delegated to Natural Resources Wales (in line with section 98 of the MCAA). We note the role of NRW as discharging authority in the DCO, and the Welsh Ministers as enforcement authority, which has been agreed in principle. We are keen to note the need for DCO requirements relating to the marine environment must align, wherever possible, with marine licence conditions, the application for which will be considered by NRW. Please take in to account any comments made by NRW Marine Licensing Team in relation to the marine licence elements of the project.

14.3. PLANNING AND POLICY CONTEXT

WELSH GOVERNMENT NATURAL RESOURCES POLICY

- 14.3.1. The Welsh Government's strategic environmental policy is set out in our statutory Natural Resources Policy [WG52]. The national priorities contained in it drive delivery across government and our Well-being goals.
- 14.3.2. The National Priorities for Wales are:
- Delivering nature-based solutions;
 - increasing renewable energy and resource efficiency; and
 - Taking a place-based approach.

AIR QUALITY

- 14.3.3. The draft PPW 10 [WG11] and the draft Noise and Soundscape Action Plan 2018-2023 [WG53] all recognise that there is no completely safe level of airborne pollution, and state that public bodies should aim to keep overall levels of public exposure to particulate matter, NO₂ and environmental noise as low as reasonably practicable, to maximise the health and well-being of the population.
- 14.3.4. Welsh Government policy is clear that in the context of the Well-being of Future Generations Act 2015 ("the 2015 Act") [WG3], as interpreted by the latest air quality, planning and noise guidance, the ambition needs to be more than simply compliance with legal limits. In addition, the 2017 statutory policy guidance on local air quality management in Wales and the noise and soundscape action plan state a clear expectation by the Welsh Government that public bodies in Wales will follow the five ways of working when undertaking air quality, noise and soundscape management. This means making decisions with the long-term in mind, integrating policies rather than operating in siloes, involving the public, working collaboratively and preventing problems before they arise rather than fixing them after they arise.
- 14.3.5. Welsh Government considers that as the majority of air quality concerns will be localised to the Wylfa Newydd Development Area (WNTA) and local road network, this will be a matter for IACC and Natural Resources Wales (NRW).

FLOODING

- 14.3.6. PPW 9 [WG10] provides the framework for the assessment and management of flood risk for new developments. Technical Advice Note (TAN) 15: Development and Flood Risk [WG15] supplements the policy set out in PPW 9. TAN 15 also states that new development should not increase flooding elsewhere; and states that consideration must be given to the impacts climate change may have on the risk of flooding over the lifetime of a development.
- 14.3.7. NPS EN-1 [WG8] states that to satisfactorily manage flood risk, "arrangements are required to manage surface water and the impact of the natural water cycle on people and property" (paragraph 5.7.18). NPS EN-6 [WG9] recognises that new nuclear power stations are most likely to be developed on coastal or estuarine sites and that without appropriate mitigation measures the potential effects of climate change make these sites at greater risk of flooding than if they were located inland (paragraph 3.6.2).

- 14.3.8. Applicants should “set out measures to mitigate the risk of flooding on or from individual sites that may result from the development, including any associated infrastructure such as possible marine landing jetties/docks” (paragraph 3.6.16).

WASTE

- 14.3.9. PPW 9 sets out the policy context for Welsh Government to help in delivering their objectives for waste management. Technical Advice Note (TAN) 21 (2014) [WG23] supplements the PPW policies on waste and identifies the main trends in waste planning and management. PPW and TAN21 seek to provide targets and policies for implementing the Welsh Government's overarching waste strategy 'Towards Zero Waste – One Wales: One Planet' [WG54], which sets out a long-term framework for resource efficient and waste management in Wales up until 2050. The Construction and Demolition Sector Plan³⁹, part of the suite of documents that comprise the waste strategy, sets out Welsh Government waste management strategy with specific regard to the sustainable management of construction and demolition waste.

WATER SUPPLY AND WASTE WATER

- 14.3.10. PPW 9 [WG10] sets out that development proposals should promote increased efficiency and demand management of water resources, considering the effects that a changing climate may have over the lifetime of development. Paragraph 12.2.2 highlighted that the EU Water Framework Directive [WG55] imposes requirements for the “integrated planning and management of water which have implications for land use planning in both urban and rural areas”.

14.4. REVIEW OF WYLFA NEWYDD DCO APPLICATION

RELEVANT DCO DOCUMENTATION

- 14.4.1. The following documents have been reviewed and considered by Welsh Government to inform this Written Representation:
- Application Reference No. 6.3.6 ES Volume C – Project-wide effects C6 – Waste and materials management
 - Application Reference No. 6.4.8 ES Volume D – WNDA Development D8 – Surface water and groundwater
 - Application Reference No. 6.4.29 ES Volume D – WNDA Development App D8-4 – Flood Consequence Assessment
 - Application Reference No. 6.5.16 ES Volume E – Off-Site Power Station Facilities: AECC ESL and MEEG App E8-1 - MEEG/AECC/ESL - Flood Consequence Assessment
 - Application Reference No. 6.6.16 ES Volume F - Park and Ride App F8-1 - Dalar Hir - Flood Consequence Assessment
 - Application Reference No. 6.7.20 ES Volume G - A5025 Off-line Highway Improvements App G8-1 - A5025 Off-line Highway Improvements - Flood Consequence Assessment
 - Application Reference No. 6.8.16 ES Volume H - Logistics Centre App H8-1 - Logistics Centre - Flood Consequence Assessment

³⁹ <https://gov.wales/docs/desh/publications/130301construction-demolition-waste-plan-en.pdf>

FLOODING

- 14.4.2. The Flood Consequence Assessment (FCA) (Application Ref. 6.4.29; PINS Refs APP-150-157) has identified a higher risk of flooding to residential properties upstream of Cemaes during construction and operation.
- 14.4.3. There is a 0.04m increase in flood depth upstream of Cemaes village during the 1% AEP events, which is where Brookside Garages and a residential property are located. Horizon has stated that this change in flood depth is considered to have a medium magnitude of potential hazard (paragraph 8.2.1, FCA).
- 14.4.4. Horizon has identified a potential increase in flood depth where Cemlyn Road crosses the Nant Cemlyn as a result of the construction of the power station. This is predicted to be 0.02m, with an absolute flood depth of 0.81m during the 1% AEP event. At paragraph 8.2.3 of the FCA, this is stated to be considered of a medium magnitude of potential flood hazard, as Cemlyn Road is an access route, and therefore the significance of the effect is considered high.
- 14.4.5. As highlighted in the roles and responsibilities section, Welsh Government requires clarification on how the TAN15 tests have been considered as part of the DCO, where the assessment has identified businesses and properties impacted by flooding because of Wylfa Newydd.

WASTE MANAGEMENT

- 14.4.6. Welsh Government have received clarification from Horizon in relation to the increases in waste tonnage reported in the DCO documentation. Between PAC2 and PAC3, there was an increase of 50,000 tonnes for the volume waste from construction and demolition, when the number of buildings on site had reduced and there were more opportunities being pursued for modular off-site construction. Horizon have provided clarification stating that through the design optimisation process, there some cases where waste volumes decreased, some cases where volumes increased, and then other cases where insufficient information was available so a worst-case scenario was assumed. This then resulted in the overall waste tonnages being increased. Following this statement, Welsh Government is not anymore informed than before.

WATER SUPPLY AND WATER STRESS

- 14.4.7. Paragraph 8.5.109 of Chapter D8 of the ES (Surface water and ground water, Application Ref. 6.4.8; PINS Ref. APP-127) states that there would be two principal foul water (sewage) streams produced during the construction phase of the works of the Wylfa Newydd Development Area; there would one associated with the construction area and one with the Site Campus. The foul water produced in the construction area would be diverted to a temporary treatment plant (package plant) near the coast at Porth-y-pistyll. The foul water produced from the Site Campus would be treated in the existing Dŵr Cymru Welsh Water (DCWW) Cemaes Waste Water Treatment Works.
- 14.4.8. Paragraph 1.8.18 of Chapter D1 of the ES (Application Ref. 6.4.1; PINS Ref. APP-120) states that for the operation of the Site Campus, there would be an extension to the existing Cemaes Welsh Water Treatment Plan. Horizon refer to the need for this plant to be upgraded depending on the number of workers staying in the Site Campus, and that it may need to be supplemented by a package plant (paragraph 8.5.109, Application Ref. 6.4.8).

- 14.4.9. Through a number of discussions between Horizon and Welsh Government, Horizon have stated that they are currently carrying out work which sets out the commitment to deliver all 4,000 bed spaces in the Temporary Worker Accommodation (TWA) on the Site Campus, as well as to commit to maintaining high levels of occupancy. With this in mind, the proposed water treatment solution would have to be updated to match the commitment to delivering the full capacity of the TWA, in order for there to be sufficient capacity for waste water treatment.
- 14.4.10. Horizon's Cumulative assessment as part of their ES, sets out the Reasonably Foreseeable Future Projects (RFFPs) in table I2-2 (Chapter I2 Scope, Application Ref. 6.9.2; PINS Ref. APP-385). Reference number AN26 in the table describes the DCWW wastewater treatment upgrade "to serve the WNDA Development"; this development has been scoped out as "it is not currently possible to assess the potential for cumulative effects, as no information is available".
- 14.4.11. Welsh Government require further information and clarification on this development and how it would relate to the proposed waste water treatment solution for Wylfa Newydd. A further update on the programme of this proposal could provide greater clarity.
- 14.4.12. Welsh Government discussed with Horizon in a workshop held on 14 August 2018, that the waste water discharge strategy was progressing with DCWW. In a further meeting between Welsh Government and Horizon, held on 10 October 2018, Horizon confirmed that there is continued discussion between themselves and DCWW, and that information would be provided in the Statement of Common Ground between them. Welsh Government note that DCWW refer in their relevant representation (submitted 13 August 2018) to their pre-application engagement with Horizon in relation to the "provision of water and wastewater infrastructure to service the construction and operational phases of the development".

14.5. PLANNING OBLIGATIONS AND DCO REQUIREMENTS

WELSH GOVERNMENT'S PROPOSALS

Overview of Proposed Wylfa Newydd DCO Requirements

- 14.5.1. Welsh Government submitted key points/concerns on the draft Development Consent Order (DCO) to the Examining Authority (PINS Ref. EV-013). In addition, Welsh Government request that the Examining Authority consider the following comments in relation to the draft DCO Requirements:
- Site Waste Management Plans
 - DCO requirement for Horizon to produce relevant Site Waste Management Plans for WNDA and Associate Developments prior to Commencing construction of those elements.

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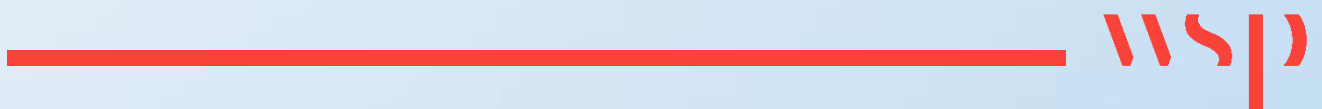
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Appendix A

GUIDANCE ON SIFTING WELSH APPLICATION FORMS AND DECIDING WHAT LANGUAGE TO USE DURING INTERVIEWS



Guidance on sifting Welsh application forms and deciding what language to use during interviews

Choosing a panel

You should assess likely language needs prior to setting up a sift and interview panel. In other words, what is the likelihood that Welsh will need to be used during the process?

Definitely/High – i.e. cases where an ability in Welsh is one of the essential criteria for the post; or posts which because of their nature or location are likely to attract a high percentage of Welsh speaking applications.

In these cases every attempt should be made to have a fully Welsh speaking panel. If this is not possible, for example where the line manager needs to be involved and is not Welsh speaking, then the other panel members should be Welsh speakers and translation will need to be arranged at both the sift (written translation of the application form or forms) and interview stages (simultaneous translation).

Possible – i.e. cases where Welsh speakers are no more or less likely to apply for the post than non Welsh speakers.

Depending on how strong the possibility of receiving applications from those who would prefer to be interviewed in Welsh (e.g. based on past exercises or a knowledge of the likely pool of candidates), those organising the panel should consider ensuring that at least one of the panel members, is a Welsh speaker. Translation will need to be arranged at both the sift and interview stages.

Application form

If an application is received in Welsh, but not all the panel speak Welsh, the application form will need to be translated. It is highly recommended that the application is assessed in it's original language by at least one panel member, or by an independent person who is fully fluent in both languages, in order to ensure that no meaning has been lost in translation

Interview language preference

The generic application form requires candidates to note their preference in terms of language for interview but notes that questions may also have to be asked in the other language if the other language is essential for the post.

Arrangements for interviews and informing candidates about them

The three variables in the process are:

- the language choice of the candidate
- whether Welsh is an essential skill for the post
- whether or not all the panel members speak Welsh.

This means that there are 8 possible scenarios when considering the linguistic implications for interviews. These are set out in the table below. Choose the scenario that applies to your vacancy and apply the relevant advice.

	Language preference of candidate is Welsh	Ability in Welsh is essential for post	All panel members can speak Welsh
Scenario 1	Yes	Yes	Yes
Scenario 2	Yes	Yes	No
Scenario 3	Yes	No	No
Scenario 4	Yes	No	Yes
Scenario 5	No	Yes	Yes
Scenario 6	No	Yes	No
Scenario 7	No	No	Yes
Scenario 8	No	No	No

Scenario 1 - Language choice of candidate is Welsh; Welsh is essential for the post; all panel members speak Welsh

Interview to be held in Welsh. If Welsh language skills are essential for the post, planning for a fully Welsh speaking panel is advised. However, though the majority of the interview will be conducted in Welsh, it is appropriate to ask the candidate to respond in English to sufficient number of questions as to enable the panel to assess his/her competence in that language. Other than the questions which are needed to test ability in English, the remainder of the interview should be in Welsh. A couple of questions in English should suffice. In other words, we must take care not to use our legitimate right to test language ability in English as an excuse to deny language choice beyond that which is necessary.

The candidate should be informed about the above approach in the invitation to interview letter. When informing the Corporate Shared Service Helpdesk of the sift outcomes via Appoint, you should highlight to the Helpdesk that the interviews will be held in Welsh.

Scenario 2 - Language choice of candidate is Welsh; Welsh is essential for the post; not all the panel members speak Welsh

Interview to be held in Welsh. If Welsh language skills are essential for the post, planning for a fully Welsh speaking panel is advised. However, if this is impossible to arrange, simultaneous translation will be required for those panel members who do not speak/understand Welsh, but one and preferably

two Welsh speakers will still be needed on the panel. This is because translation is acceptable for assessing the content of what candidates say but not to assess language ability because the translation may mask grammatical and syntax errors etc. It is also fairer to candidates to be assessed in their chosen language, in case some of the evidence they are trying to convey is lost in translation.

It is appropriate to ask the candidate to respond in English to sufficient enough questions as to enable the panel to assess his/her competence in that language. Other than the questions which are needed to test ability in English, the remainder of the interview should be in Welsh. A couple of questions in English should suffice. In other words, we must take care not to use our legitimate right to test language ability in English as an excuse to deny language choice beyond that which is necessary.

Candidates will need to be informed in the invitation to interview e-mail that simultaneous translation will be used. There is no need to ask candidates whether this is acceptable to them because having their abilities tested in Welsh is a pre-requisite. The following excerpt will be included in the invitation e-mail, which will be issued in Welsh if the candidate applied in Welsh:

You have expressed a preference for the interview to be conducted in Welsh.

*As **one/two** of the 3 panel members are unable to understand Welsh, Welsh to English translation will be provided.*

[DELETE HIGHLIGHTED SECTION AS APPROPRIATE]

In order to test your ability in English, you will be asked to respond to some questions in English.

When informing the Corporate Shared Service Helpdesk of the sift outcomes via Appoint, you should highlight to the Helpdesk that the interviews will be held in Welsh, and that you have made arrangements for simultaneous translation.

[For advice on organising translation, visit the Translation Service pages on the intranet. It may not always be possible to arrange a simultaneous translation service at short notice, so it's recommended that you start the process as early as possible if you know that you're likely to receive applications in Welsh]

Scenario 3 - Language choice of candidate is Welsh; Welsh is not essential for the post; not all the panel members speak Welsh

Interview to be held in Welsh with simultaneous translation for those panel members who do not speak/understand Welsh (unless the panel membership can be amended). However, it is appropriate to ask the candidate to respond in English to sufficient questions as to enable the panel

to assess his/her competence in that language. Other than the questions which are needed to test ability in English, the remainder of the interview should be in Welsh. A couple of questions in English should suffice. In other words, we must take care not to use our legitimate right to test language ability in English as an excuse to deny language choice beyond that which is necessary.

Apart from those questions which need to be answered in English, every effort should be made to address the candidate in Welsh i.e. welcome/opening remarks and core questions in order to facilitate the candidate responding in Welsh. Where no panel members speak Welsh, it may be possible to co-opt another member onto the panel in order to present core questions in Welsh and also to do the welcoming and opening explanations. Obviously, supplementary questions may have to be asked in English if the relevant panel member cannot do so in Welsh. It should be emphasised to the candidate that s/he may respond in Welsh (except where it is a designated English question in order to test ability in English).

Informing candidates about arrangements: those candidates who noted their preference for the interview to be conducted in Welsh may have done so on the basis that the members of the panel would be able to understand and speak Welsh. Candidates might view having to use translation within such a small group as unnatural and placing them at a disadvantage in terms of establishing a rapport with the panel and getting their points across. For this reason, the situation should be clearly explained in the invitation to interview and the candidate asked to confirm his/her preference. The following excerpts will be included in the invitation e-mail (which will be issued in Welsh if the candidate applied in Welsh):

You have expressed a preference for the interview to be conducted in Welsh.

As none of the 3 panel members are able/ As one/two of the 3 panel members are unable to understand Welsh, Welsh to English translation will be provided.

[DELETE HIGHLIGHTED SECTIONS AS APPROPRIATE]

In order to test your ability in English, you will be asked to respond to some questions in English.

Please let us know if you are not content with the translation arrangements, by contacting the Corporate Shared Service Centre Helpdesk either by phone on 029 2082 5454 or by e-mailing SharedServiceHelpdesk@wales.gsi.gov.uk

When informing the Corporate Shared Service Helpdesk of the sift outcomes via Appoint, you should highlight to the Helpdesk that the interviews will be held in Welsh, and that you have made arrangements for simultaneous translation.

[For advice on organising translation, visit the Translation Service pages on the intranet. It may not always be possible to arrange a simultaneous translation service at short notice, so it's recommended that you start the process as early as possible if you know that you're likely to receive applications in Welsh]

Scenario 4 - Language choice of candidate is Welsh; Welsh is not essential for the post; all the panel members speak Welsh

Interview to be held in Welsh. However, it is appropriate to ask the candidate to respond in English to sufficient questions as to enable the panel to assess his/her competence in that language. Other than the questions which are needed to test ability in English, the remainder of the interview should be in Welsh. A couple of questions in English should suffice.

The candidate should be informed about the above approach in the invitation to interview e-mail.

Scenario 5 - Language choice of candidate is English; Welsh is essential for the post; all the panel members speak Welsh

The language choice of the candidate should be facilitated. However, it is appropriate to ask the candidate to respond in Welsh to sufficient questions as to enable the panel to assess his/her competence in that language.

The candidate should be informed about the above approach in the invitation to interview e-mail.

Scenario 6 - Language choice of candidate is English; Welsh is essential for the post; not all the panel members speak Welsh

The language choice of the candidate should be facilitated. However, it is appropriate to ask the candidate to respond in Welsh to sufficient questions as to enable the panel to assess his/her competence in that language.

Translation will be required for those panel members who do not speak/understand Welsh, but one and preferably two Welsh speakers will be needed on the panel. This is because translation is acceptable for assessing the content of what candidates say but not to assess language ability because the translation may mask grammatical and syntax errors etc.

Candidates should be informed in the invitation to interview e-mail that translation will be used for those questions to be answered in Welsh. There can be no offer of choice for candidates in this matter because having their abilities tested in Welsh is a pre-requisite.

When informing the Corporate Shared Service Helpdesk of the sift outcomes via Appoint, you should highlight to the Helpdesk that the interviews will be held in Welsh, and that you have made arrangements for simultaneous translation.

[For advice on organising translation, visit the Translation Service pages on the intranet. It may not always be possible to arrange a simultaneous translation service at short notice, so it's recommended that you start the process as early as possible if you know that you're likely to receive applications in Welsh]

Scenario 7 - Language choice of candidate is English; Welsh is not essential for the post; all the panel members speak Welsh

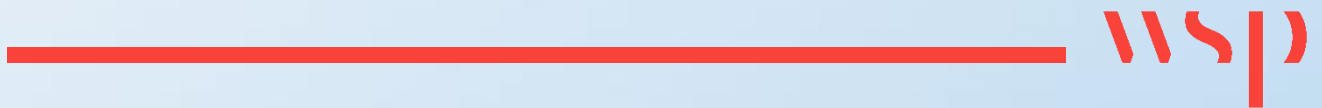
Interview to be conducted in English

Scenario 8 - Language choice of candidate is English; Welsh is not essential for the post; not all the panel members speak Welsh

Interview to be conducted in English

Appendix B

ASSESSMENT OF THE RISK OF DISPLACEMENT





Assessment of the Risk of Displacement

November 2018

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Executive Summary

- i. There will be both positive and negative local economic impacts from the construction and operation of the Wylfa Newydd nuclear power station, with the largest local economic impacts being during the construction phase. The Welsh Government wants to maximise the positive impacts and minimise any negative impacts, ensuring that there is no net cost to the public purse of hosting Wylfa Newydd.
- ii. Part of the positive impact of the construction of Wylfa Newydd is derived from the employment of local people directly on the project, and indirectly in the local economy. As well as creating immediate employment, it is hoped that the development of skills and experience that will enable local people to progress to further and better employment in the future. Employing local people is also of benefit to Horizon Nuclear Power (hereafter Horizon), as home-based workers will not require temporary accommodation and will be more committed to ongoing local employment on the project. With 30-40,000 roles in the construction of the project, the ‘recycling’ of suitably skilled and experienced workers will help to maintain skills and experience and keep costs down.
- iii. Horizon has assessed the impact of the project based on the employment of up to 2,250 home-based workers from within a 90-minute travel time from the Wylfa Newydd site at the peak of the construction process. This area is referred to as the Daily Construction Commuting Zone, or DCCZ. 800 of the roles filled by local workers are expected to be in Sites Service, Clerical & Security, and a further 700 are Civil Construction Operatives. Horizon has not provided information on the skills and experience needed by these workers, or the level of demand throughout the construction project lifetime.
- iv. In addition to up to 2,250 workers on the project at peak, Horizon has estimated that there will be a further 1,800 multiplier jobs throughout the DCCZ. There may be some overlap between these two figures, but Horizon has not calculated what this might be.
- v. The Welsh Government shares Horizon’s aspiration for home-based employment in the local area and wants to maximise the employment of people who are new to the workforce, those who are unemployed, those who are economically inactive, and those who are under-employed. It also wants to maximise the employment of local residents in higher-quality roles, and not just in low quality roles on the project. Nevertheless, it is very likely that some people will move from existing local employment to jobs on the project and related to the project. If the posts that they vacate can be back-filled by those who are not currently working, then there is a positive benefit throughout the economy. This is labour market churn. If the posts cannot be back-filled, or there is a significant cost to local businesses in replacing staff, or significant costs as a result of not being able to replace staff then there is a negative impact in the local economy, and this is displacement.
- vi. The Government’s definition of displacement is *‘the proportion of intervention outputs/outcomes accounted for by reduced outputs/outcomes elsewhere in the target area.’* Displacement happens when labour market churn stops working or becomes less efficient. The guidance then goes on to say that *“Displacement arises where the intervention takes market share (called product market displacement) **or labour, land or capital** (referred to as factor market displacement) from other existing local firms or organisations.”* (para 4.3.2 p.28) [our emphasis in bold].

- vii. Horizon claims that the labour market in the DCCZ can provide enough home-based workers to fill the project's demand with no negative economic impact. The evidence to support this claim is not fully presented, so the claim cannot be tested or considered as robust. Using Horizon's own data, it is clear that the project's home-based labour requirements cannot be met from Job Seekers Allowance (JSA) claimants, who are the unemployed who are best placed to move into work. Only 11% of the project's demand for Civil Engineering operatives and 51% of the project's demand for Mechanical & Electrical operatives can be met from all of the suitably experienced JSA claimants across the whole DCCZ.
- viii. Further analysis undertaken by HJA using the most recent data on employment and unemployment shows that significant parts of Horizon's home-based labour demand, particularly in the higher skilled areas of Civil Engineering operatives and Mechanical & Electrical operatives cannot be met from the pool of all unemployed (and not just JSA claimants) across the whole of the DCCZ. The suitably experienced JSA claimants in the whole DCCZ could only meet 20% of the project's demand for home-based Civil Engineering operatives, and 1% of the project's demand for Mechanical & Electrical operatives. When the local demand is considered at the smaller geographical areas of Anglesey, Menai Mainland, and the rest of the DCCZ, none of the project's demand for home-based workers can be met by the JSA claimants in any of these areas.
- ix. It is likely that meeting the home-based labour requirement, particularly the higher-skilled requirements, will mean employing people who are already in employment in the local area, with the subsequent risk of displacement. Meeting the project's demand for home-based Mechanical & Electrical operatives will require the employment of 24% of all people currently working in these sectors across the whole of the DCCZ. None of Horizon's demand for home-based workers from Anglesey can be met without causing displacement of those currently in work. Meeting the project's demand will require 13% of all people currently working in sectors aligned to Site Services, Security & Clerical occupations; 19% of all people currently working in Civil Engineering; and 72% of people currently working in Mechanical & Electrical Engineering.
- x. A survey reported in Horizon's DCO application shows that one-quarter of all businesses in North Wales have had difficulties recruiting in the last five years, and one-quarter of all businesses anticipate future employment shortages, particularly in Civil Engineering, Manufacturing and Nuclear. These findings suggest that there is already a shortage of suitably skilled and experienced labour in the local economy, and this will be exacerbated without some sort of mitigation.
- xi. Some of the home-based workers who work on the project will already be employed by local businesses who win contracts on the project, so their employment does not leave a direct vacancy with a local employer. However, the activities that they would otherwise have undertaken in the local economy will need to be delivered by other workers or there is going to be a displacement effect in the rest of the local economy.
- xii. If the Wylfa Newydd project pays higher wages than other local employers for similarly skilled and experienced people then this could encourage them to move to employment on the project, and also drive up wage levels for other employers in the local economy.
- xiii. The negative impact of displacement will be felt immediately and could lead to ongoing negative impact if local businesses are unable to operate at the same scale, or at all because of labour shortages. Whilst the negative economic impact is not going to cancel out the positive economic

impact during the construction period, this could lead to a phenomenon known as ‘boom and bust’ where there is a net positive economic impact during the construction period, but the rest of the local economy is left in a worse state after the project than it was beforehand.

xiv. It is critical to the success of Wylfa Newydd for all stakeholders to recognise that there is a risk of displacement and negative economic impact and set actions in place to tackle this before it happens. Some actions will be required several years before the project’s requirements materialize. Key actions will include:

- Ensuring that new joiners to the workforce and those that are unemployed or economically inactive but want to work are aware of the opportunities that are available either in the project or as back-filling opportunities in the local economy, and are aware of what they need to do to access these opportunities i.e. increasing the number of available workers
- Ensuring that new joiners to the workforce, those that are unemployed or economically inactive but want to work, and those who are under-employed are suitably trained and experienced to be able to access employment on the project or back-fill the vacancies left as existing local employees move onto the project. Welsh Government and other local stakeholders will need much more information on the project’s workforce requirements in order to plan and support training and development initiatives
- Training must take place in advance of need. As a broad estimate of the scale of need, there must be training for direct employment or back-filling of: 400 to 800 people with suitable skills for Site Services, Clerical & Security; 200+ people with suitable managerial/supervisory skills; 700+ people with civil engineering/construction skills; and 360+ people with mechanical and electrical engineering skills.
- Encouraging local young people to consider working on the project rather than moving elsewhere to find work and a sustainable career path
- Providing support to any local employers who lose workers to the project; helping them to advertise the vacancies that are created, and to train people to a suitable level

xv. Further work is needed to understand the possible displacement impact on the local economy, and consider how this can be mitigated. Next steps in the assessment and mitigation of labour displacement include:

- The need for Horizon to provide more information on the skills and experience needed by home-based workers who are employed on the project
- The need for Horizon to agree a Jobs and Skills Strategy with local stakeholders that shows how local people can get the skills and experience that they need to work on the project and back-fill any vacancies that are created in the local economy
- The need for Horizon to agree a Supply Chain Action Plan with local stakeholders that shows how local businesses and the local economy will benefit from the project

1 Introduction

1.1 Background

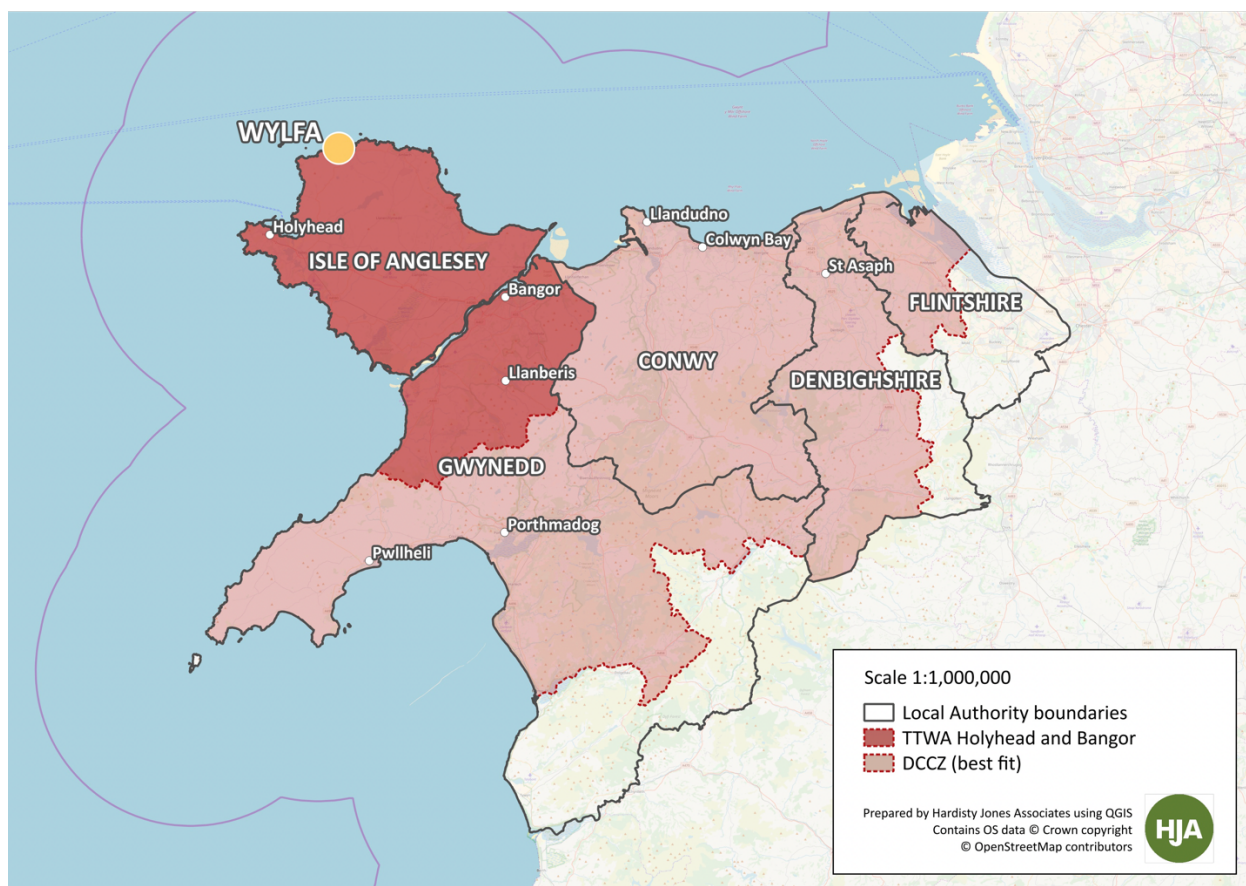
- 1.1.1 In its application for a Development Consent Order, Horizon Nuclear Power (hereafter Horizon) has set out an assessment of the socio-economic impacts of the construction and operation of the proposed Wylfa Newydd power station which focuses on the positive local economic impacts but recognises few or limited negative impacts¹. The Welsh Government wants to understand the overall (or net) economic impact of the power station on the Welsh economy, including the negative local economic impact and the potential impact of the displacement effect of the Wylfa Newydd project, in particular during the construction phase, so that it can plan to deal with these negative impacts.
- 1.1.2 Overall, the Welsh Government wants to enhance any positive socio-economic impacts and mitigate any negative socio-economic impacts, with an overall objective of maximising the economic impact of Wylfa Newydd on the Welsh economy and ensuring that there is no net cost to the Welsh public purse of hosting Wylfa Newydd.
- 1.1.3 The objectives of this analysis are:
- Determining the scale of any negative displacement impact, which is defined below
 - Determining what mitigation is needed to reduce any negative impacts of displacement
 - Identifying any further primary work needed
- 1.1.4 This is a desk-based study. It should be noted that the availability of data on the proposals for the construction and operation of Wylfa Newydd mean that displacement cannot be estimated with great accuracy.

1.2 Context

- 1.2.1 The construction of Wylfa Newydd will require a large workforce (of up to 9,000 workers in the local area at the peak of the construction process) of whom some will be home-based (c.2,000), with the rest being non-home-based and staying in the local area temporarily whilst they undertake work on the project¹. The home-based workers are expected to travel for up to 90 minutes each way to work on the site each day, so could come from a large catchment area, called the Daily Construction Commuting Zone or DCCZ. Whilst Horizon provides information on the requirement for workers at the peak of the construction process, it only provides limited information on the labour demand throughout the project, which restricts the ability to undertake a robust assessment of the potential for displacement.

¹ See in particular Horizon Nuclear Power (2018) Wylfa Newydd Project 6.3.1 ES Volume C – Project Wide Effects C1 – Socio-Economics, and accompanying documents

Figure 1.1: Map of North Wales



1.3 Definition of Displacement

- 1.3.1 Displacement is a potential negative impact of the construction of Wylfa Newydd. Guidance on calculating the displacement effect of major projects is set out in Government guidance². It defines displacement as: “*The proportion of intervention outputs/outcomes accounted for by reduced outputs/outcomes elsewhere in the target area.*” (para 4.3.1, p.28). The guidance then goes on to say that “*Displacement arises where the intervention takes market share (called product market displacement) **or labour, land or capital** (referred to as factor market displacement) from other existing local firms or organisations.*” (para 4.3.2 p.28) [our emphasis in bold].
- 1.3.2 It is the displacement of workers from existing local businesses and other organisations that is of greatest concern with the construction of Wylfa Newydd, but there may also be displacement of goods and materials, tourism impact, and the displacement of specialist skills such as Welsh language skills from parts of the local economy.
- 1.3.3 The terms ‘churn’ and ‘displacement’ have been used to describe the movement of labour in local economies (see Horizon *ibid*¹ para 1.5.8). An important aspect of this work is to be clear about the differences between churn and displacement. Labour market churn is a natural phenomenon

² Homes & Communities Agency (2014) Additionality Guide: Fourth Edition

within all local areas, as people enter the labour market, leave it, and move between jobs. However, labour displacement happens when the local labour market does not have the capacity to replace the labour that is lost i.e. churn stops working due to the scale of labour demand over a period of time, which is a real risk with the construction of Wylfa Newydd. As a consequence, the growth prospects and functioning of the local economy will be negatively affected. This may be a temporary impact (albeit over a number of years), but it will impact on the long-term health of the local economy. The operation of Wylfa Newydd is less likely to cause a negative displacement impact than the construction, as it is a smaller scale impact and there is more time to enable the economy to adjust to this impact.

Labour Displacement

- 1.3.4 As mentioned above the construction process is expected to employ around 2,000 home-based workers at peak, and many more non-home-based workers throughout the construction period of around ten years. Some of these home-based workers will be new entrants to the labour market and some will not currently be working. However, a significant proportion of the home-based workers are likely to already be working in local businesses. If existing workers are attracted to Wylfa Newydd there will be some cost to local businesses to recruit and train their replacements. However, there is a concern that shortages of available workers may mean that some workers cannot easily be replaced.
- 1.3.5 In its assessment of the local economic impact, Horizon considers the role of churn in the local labour market but concludes that there is capacity in the local labour force (actual and potential) to meet the home-based labour requirements of Wylfa Newydd without causing any adverse impact on the local economy. This argument is critically analysed in Chapters 2 and 3 of this report.
- 1.3.6 Given what is known about the labour requirements of the construction of Wylfa Newydd, the sectors most likely to be at risk of the negative impacts of labour displacement are:
- Construction
 - Engineering
 - Tourism
 - Hospitality
 - Health & Care
 - Agriculture
 - Transport and distribution
 - General low paid labour
- 1.3.7 The geography of impact will be most concentrated in Anglesey and the local Travel to Work Area (TTWA), but will be felt throughout the 90-minute drive time area or DCCZ. These geographical areas can be seen in the map above.

Displacement of Goods and Materials

- 1.3.8 Whilst labour displacement is the largest and most easily measurable displacement impact, there is a risk of some displacement of goods and materials. The significant size of the Wylfa Newydd construction project (originally estimated at £10 billion, but latest estimates are c.£16 billion)

means a significant requirement for construction materials, but also items such as food and drink for the workforce in the local area. This will mean significant demand in the local area, albeit that much of the procurement will take place outside the local area, and the full supply chain will be global in nature. However, there is a risk that some local sectors, particularly construction, could face a shortage of goods and materials, or higher costs for these.

Displacement of Tourists

- 1.3.9 The construction of Wylfa Newydd will have two main impacts on the tourism sector in the area impacted by the project. Some non-home-based workers are expected to reside in tourist accommodation. Whilst there is some spare capacity in the tourist accommodation sector, even at peak tourist season, there is a risk that accommodating workers could displace some tourists, including their spend on all activities and attractions and not just on accommodation. The second possible area of displacement is the discouragement of workers from coming to the local area at all, due to concerns about the construction project or traffic congestion, which will lead to a negative economic impact.

Displacement of Welsh Language Skills

- 1.3.10 The Welsh language is widely spoken in the local area, and maintaining the language is important to the Welsh Government. There is a concern that if home-based workers who are Welsh speakers are attracted into the project from other local employers, then any replacements for them may not be Welsh speakers. This could gradually weaken the strength of the language in local communities.
- 1.3.11 This report focuses on labour displacement, and the impact on tourism and the Welsh language are dealt with elsewhere.

1.4 Evidence of Labour Displacement in Other Nuclear New-Build Projects

- 1.4.1 There is only limited, evidence of worker displacement in other nuclear new-build projects, and indeed in any major infrastructure projects.
- 1.4.2 The local economic impact of the construction of Sizewell B in Suffolk was reviewed in-depth by Professor John Glasson³. Glasson considered the local labour market experience from Sizewell B. The monitoring reports show that local people were employed on the project, including people who were previously unemployed. Efforts were made to retrain workers who had undertaken a role on the project which subsequently became redundant. Glasson found that there is potential for the displacement of workers because of the higher salaries paid in the project, and difficulty in back-filling vacant posts because of generally high employment and skills shortages in the local economy (p.220). He estimated that 600 employees were drawn from other local businesses in the early years; and a survey of local businesses reported that 10% found that the project made it more difficult to retain or recruit staff.

³ Glasson, J (2005) Better monitoring for better impact management: the local socio-economic impacts of constructing Sizewell B nuclear power station in Impact Assessment and Project Appraisal, September 2005. Glasson et al (1992) Local Socio-Economic Impacts of the Sizewell B PWR Construction Project: Fourth Annual Monitoring Report. Glasson et al (1993) Local Socio-Economic Impacts of the Sizewell B PWR Construction Project: Fifth Annual Monitoring Report. Glasson et al (1994) Local Socio-Economic Impacts of the Sizewell B PWR Construction Project: Sixth Annual Monitoring Report

- 1.4.3 After 12 months of completing their work on the site, Glasson reported that one-third of construction workers had not gone back into economic activity, presumably meaning that they had not found new work, although this is not entirely clear from the paper.
- 1.4.4 Hinkley Point C is currently under construction in Somerset. There is anecdotal evidence of the displacement of workers from local businesses, across the whole county and not just immediately adjacent to the site, and difficulties back-filling these vacancies, but no quantitative evidence has yet been compiled. Sectors such as social care are thought to be losing workers to project-related developments such as worker accommodation. The labour market is much tighter than when the Development Consent Order (DCO) application was compiled by EDF Energy, and so the impact on existing employment is greater than expected.

2 Horizon Nuclear Power's Assessment of Displacement

2.1 Introduction

- 2.1.1 In this chapter we consider Horizon's assessment of labour demand, labour supply, and its assessment of displacement. Horizon has not carried out an assessment of the possible displacement impact on goods and materials. It has considered the impact on the tourism sector, but concluded that it is not significant, and is dealing with the Welsh language separately.

2.2 Horizon's Assessment of the Economic Impact of Wylfa Newydd

- 2.2.1 The gross direct economic impact of the construction of Wylfa Newydd is set out by Horizon in its assessment of the economic impact of the project¹. The construction impact includes up to 9,000 workers at peak, of whom around 2,000 are home-based i.e. living within reasonable commuting distance of the site. However, this is only at one point in time i.e. at the peak of the construction process. It is believed that there could be 30,000 to 40,000 jobs or roles in total over the construction period. The roles will vary in length, and one worker may fill more than one role over the lifetime of the project. It is not clear how many of these roles will be filled by home-based workers. No assessment has been published of the total number of person-hours or person-years of worker input that is required to construct Wylfa Newydd.
- 2.2.2 The 9,000 workers and 2,000 home-based workers are believed to include those on the main construction site and all associated development sites e.g. the accommodation campus. More jobs are expected to be created throughout the local economy, and this multiplier effect is discussed in more detail below.
- 2.2.3 The gross direct economic impact alone presents a very positive picture of the employment and economic impact of the project.

Horizon's Assessment of Labour Demand

- 2.2.4 Labour demand is expected to peak at around 8,500 workers at the peak of the construction process, but the figure of 9,000 workers has been used to allow for any unforeseen demand (Horizon, 2018, Document 6.3.1 para 1.4.3). This figure includes workers on the main site and off-site associated developments. The breakdown by very broad occupational categories can be seen in the figure below.

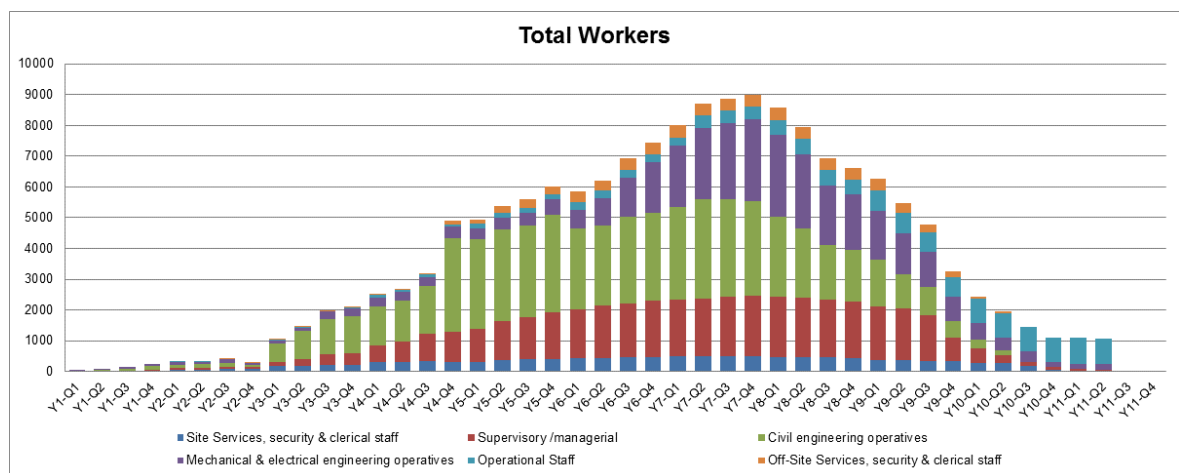
Figure 2.1: Local Labour Engagement

Occupation	Total Demand at Peak	Local Labour Content at Peak
Site services, clerical and security	902	689 - 812 (76% - 90%)
Managerial and supervisory	1,998	26 - 237 (1% - 12%)
Civils operative	3,069	134 - 717 (4% - 23%)
M&E operatives	2,580	68 - 362 (3% - 14%)
Operational	451	191 - 226 (42% - 50%)
TOTAL	9,000	1,350 - 2,250 (15% - 25%)

Source: Horizon (2018) Document 6.3.9 Table 2.8

- 2.2.5 The overall labour profile over the lifetime of the construction project is set out by Horizon in a graph, but no numbers are provided. This can be seen in the figure below.

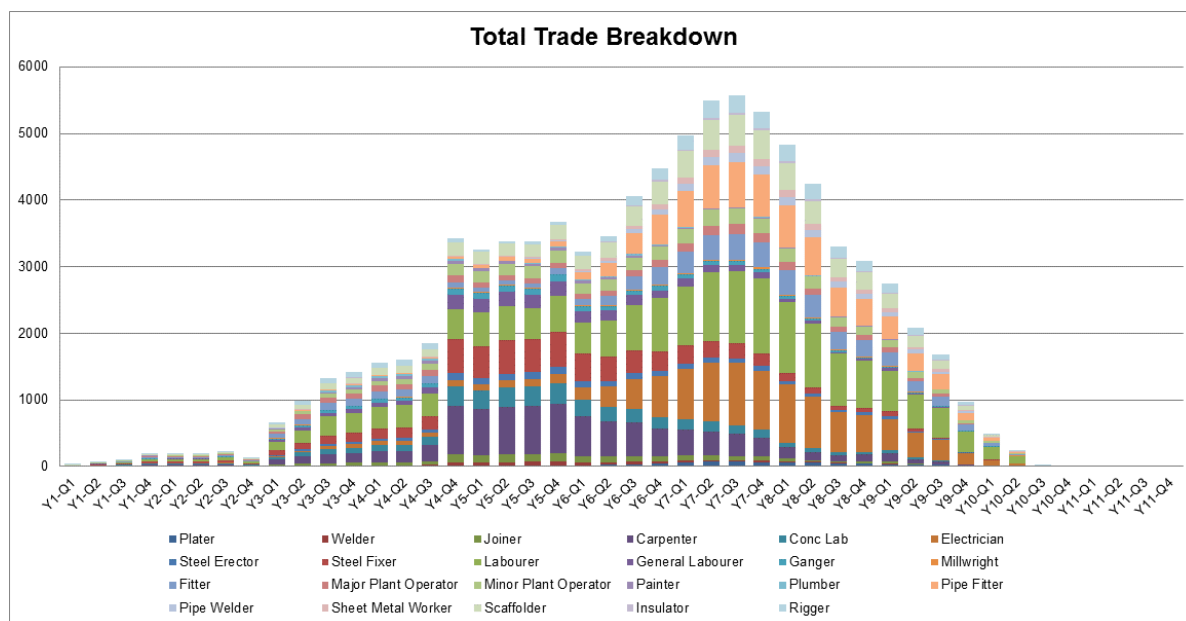
Figure 2.2: Indicative Construction Workforce Profile



Source: Horizon (2018) Document 6.3.1 p.C1-11

- 2.2.6 The breakdown of the different trades needed in the construction process is shown in the figure below. This covers only part of the entire workforce, and no numbers are presented, only this diagram.

Figure 2.3: Indicative Construction Workforce Profile Showing Trade Breakdown



Source: Document 6.3.1 p.C1-12

Multiplier Effect

- 2.2.7 In addition to the 8,500 to 9,000 workers on the main project, an additional 1,800 multiplier jobs in the supply chain has been suggested within the DCCZ, as stated in the DCO application:

*Applying a construction sector employment multiplier of 1.9 to calculate indirect and induced employment, it is estimated that a **further 1,800 jobs, in addition to the estimate of 2,000 mentioned above**, would be created in the DCCZ as a result of the direct employment opportunities (Horizon, 2018, Document 6.3.1 para 1.5.9) [our emphasis in bold]*

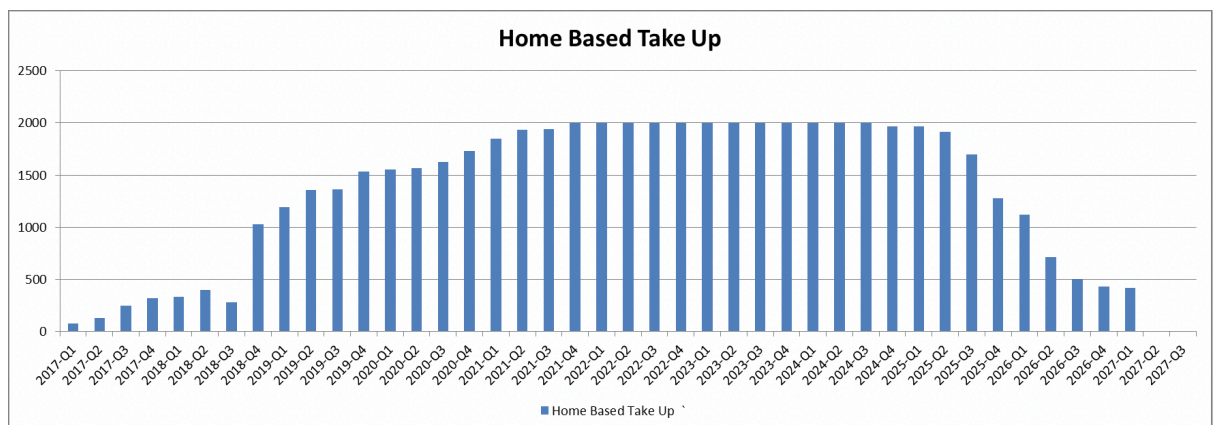
- 2.2.8 If these are genuine multiplier jobs then they are additional to those already in existence, so will stimulate significant additional demand for labour. The direct demand for home-based labour plus the 1,800 multiplier jobs will mean a project-driven demand for around 4,000 home-based workers in the DCCZ.
- 2.2.9 It should be noted that whilst Horizon's assessment states that these jobs will be additional, Government guidance on additionality⁴ states that supply chain spend is part of the overall multiplier effect. The Wylfa Newydd project is not a typical project, in that most of the on-site employment is already with supply chain businesses rather than with Horizon. For this reason, it may be the case that some of the 1,800 multiplier jobs are already on the site, and so should not be double-counted. The value of any double-counting has not been calculated or estimated, but the possibility of this effect should be borne in mind.

⁴ Homes & Communities Agency (2014) Additionality Guide: Fourth Edition

Home-based labour demand

- 2.2.10 As mentioned above, there will be up to 2,250 home-based workers engaged by the project at the peak of the construction process. A graph showing the demand over the lifetime of the project was set out in earlier work undertaken by Horizon, before the DCO application was published⁵, and can be seen in the figure below. No data was published to support this graph. However, this shows that the peak demand for 2,000 home-based workers lasts for around three years, so the peak of the demand for home-based workers is longer than the peak of demand for all workers on the project. It would be helpful to have the numbers behind this graph, and confirmation that it is still relevant, in order to make much use of it.

Figure 2.4: Home-Based Labour Take-Up



Source: Horizon (2017) Worker Number Data, Figure 4, p.8-22

2.3 Horizon's Assessment of Labour Supply

- 2.3.1 Horizon states that there are 14,400 residents of the DCCZ employed in the Construction sector, so a demand for 2,000 home-based construction workers would lead to a 14% increase at peak (Horizon, 2018, Document 6.3.1, para. 1.5.5). Horizon states that the impact on the local labour market is 'major beneficial' (*ibid*, para. 1.5.6).
- 2.3.2 Horizon claims that employment in the DCCZ grew by 7,800 jobs overall between 2012 and 2013, (i.e. an average of 3,900 jobs per year), masking 12,500 overall job movements, or 9% of total employment in the local area (*ibid* para. 1.5.111). However, our assessment of labour market change in the DCCZ, which is discussed in more detail in Chapter 3, suggests that the number in employment in the DCCZ grew by an average of 980 per year over the period from 2009 to 2016 – a period which represented an economic crisis and recovery.
- 2.3.3 Horizon's explanation for the DCCZ labour market to sustain 12,500 job movements per year is set out in Horizon (2018) Document 6.3.9 paras 2.4.30 to 2.4.37. However, the text in this document does not substantiate this figure, so we cannot test its robustness. A previous paper on labour market churn also does not substantiate this level of labour market capacity⁶.

⁵ Horizon (2017) Worker Number Data, Figure 4, p.8-22

⁶ Horizon (2017) Labour Market Churn Position Paper 28.04.17

- 2.3.4 Horizon states that “Anglesey also has significant out-migration and out-commuting indicating that there is not a sufficient number of jobs for the population” (*ibid* para. 1.5.111). However, Anglesey is part of a larger Travel to Work Area (TTWA), so considering the match of jobs and residents on the island alone is not appropriate.
- 2.3.5 Based on the figures above, Horizon claims that 5,600 workers with ‘nuclear relevant skills’ (i.e. suitable for all aspects of the project) could move job without any negative impact on the local labour market, and compares this favourably with the demand for c.2,000 home-based workers (Horizon, 2018, Document 6.3.1, para 1.5.112). Further analysis set out in Chapter 3, below, suggests that there is far less capacity than this in the local labour market to meet this demand without the recruitment of workers from existing businesses, with subsequent potential difficulties back-filling the vacancies that will arise in existing businesses.
- 2.3.6 In addition, this analysis does not take account of the additional demand for 1,800 multiplier jobs in the DCCZ.

2.4 Horizon’s Assessment of Displacement

- 2.4.1 Horizon states that there will be “little effect on the labour market” (Horizon, 2018, Document 6.3.1, para 1.5.113). It concludes that “the potential effect of labour churn on local business and the local economy is assessed as minor adverse, and therefore not significant.” (*ibid*, para 1.5.116) However, it does note that the Business and Supply Chain survey carried out to inform its assessment showed that some businesses are concerned about the loss of workers and higher wage rates as a consequence of the project (*ibid*, para. 1.5.114). Other businesses did foresee positive impacts, including the hope of gaining work on the project and so being able to offer staff longer and more secure employment.

3 An Assessment of the Risk of Displacement on Behalf of the Welsh Government

3.1 Introduction

3.1.1 Horizon's assessment of the capacity of the local labour market to deliver the required number of workers at peak can be challenged in several respects:

- There are a range of roles within the project, ranging from the highly skilled and highly paid to the less skilled and less well paid. Horizon's assessment considers the potential supply of labour from throughout the DCCZ. However, those parts of the project most likely to employ home-based workers are in the lower skilled and paid parts of the project, so will likely draw from a smaller catchment area⁷. This is partly recognised by Horizon's data on the supply of home-based workers
- Horizon purports to show that the local labour market can deal with a level of churn. However, this would be in a period of steady growth, and not when a large and novel project is established quickly in the local economy. The construction of a new nuclear power station should not be conflated with steady growth in the local economy, as it is a large and temporary effect, so unlike ongoing change in the economy
- The capacity of the local labour market to deliver the required amount of labour without any broader negative effect is different to that set out in the DCO application, which relies on some old data. Since some of the data was collected (i.e. employment data from 2011) there has been a recovery in the economy, so there are fewer unemployed and economically inactive people looking for work; Brexit is leading to a loss of foreign workers, which is leading to tightening in the labour market nationally and not just in north-west Wales
- However, we recognise that economic growth is cyclical and that there may be a weakening of employment at some point during the project lifecycle, leading to more capacity in the labour market, but this is not a certainty and will not be the case throughout the project. Any action to minimise the displacement impact should be based on the current position, where there is limited spare labour capacity and the need for mitigation to maximise local engagement.

3.2 An Assessment of Possible Displacement Using Horizon's Data

3.2.1 Horizon provides data on total people in employment in the DCCZ and the number of claimants seeking work and suggests that there is sufficient supply to meet demand. It should be noted that the employment data is from 2011, and employment in the DCCZ has changed between 2011 and 2018.

3.2.2 The figure below takes the Horizon data and calculates the labour demand as a proportion of Job Seekers Allowance (JSA) claimants⁸, and then as a proportion of all in employment plus JSA Claimants, based on data presented in Horizon (2018) Document 6.3.9. This shows that the direct

⁷ In relation to another nuclear new-build project, EDF Energy (2014) Sizewell C Socio-Economic Technical Note 3: Gravity Model Pre Stage 2 Draft para 1.4.2 states that site service jobs are relatively lower paid and so workers are drawn from a 45 minute catchment area rather than a larger area

⁸ JSA Claimants are unemployed and actively seeking a job, and therefore considered as those most likely to be suitable for employment

home-based labour requirement will be difficult to meet from the pool of JSA Claimants. It is unlikely that 100% of JSA claimants will have suitable skills and experience to be employable on the project, so it is highly likely that there will be displacement of people from existing employment. JSA claimants may be suitable for some back-filling of displaced workers, but it is unlikely that it will be 100%. It is worth noting that a frictional level of unemployment is always present in a labour market as people move from job-to-job, so is a function of churn.

- 3.2.3 When the multiplier labour requirement of up to 1,800 is added to the demand for home-based workers, it exceeds the total number of JSA Claimants. This is likely to mean that there will be movement of people out of existing employment in the DCCZ, and subsequent displacement impacts.
- 3.2.4 When the sector breakdown of the demand for and supply of labour is considered in areas of higher skills and higher pay, such as Supervisory/Management, Civil Engineering, and Mechanical & Electrical operatives, the figure below shows that there are insufficient JSA Claimants and so recruitment will inevitably mean movement of workers from existing employers in areas which are harder to back-fill in the local labour market, so a higher risk of displacement from existing employment.
- 3.2.5 Cumulative construction projects taking place at the same time could mean that there will be more demand than just Wylfa Newydd for any available local labour, thus leading to less available labour and/or higher wage rates. The impact of cumulative projects is discussed below.

Figure 3.1: Horizon Data on Labour Supply and Demand in DCCZ and Calculations by HJA

Horizon Data						HJA Calculations Based on Horizon Data			
Total Labour Requirement	Home-Based Labour Requirement	Multiplier Labour Requirement (assume Home-Based)	Total Number in Employment in DCCZ in 2011	Total Number of Claimants in DCCZ in 2016	Employed + Claimants in DCCZ	Home-Based Demand/ Claimants (%)	Home-Based + Multiplier Demand/ Claimants (%)	Home-Based Demand/ Employed + Claimants (%)	Home-Based + Multiplier Demand/ Employed + Claimants (%)
Site services, security and clerical	689	-	31,520	2,210	33,730	31%	-	2%	-
Supervisory/ management	237	-	10,795	25	10,820	948%	-	2%	-
Civil engineering	675	--	16,744	345	17,089	195%	-	4%	-
Mechanical and electrical operatives	208		2,725	10	2,735	2080%	-	8%	-
Operatives	191	-	n/a	n/a	n/a	n/a	-	n/a	-
Total	2,000	1,800	61,784	2,590	64,374	77%	147%	3%	6%

Source: Demand data from Horizon (2018) Document 6.3.9, Table 2.8, using 22% local labour content, stated as latest estimate. Supply data from Horizon (2018) Document 6.3.9, Table 2.6

Current and Future Business Concerns

- 3.2.6 A survey of local businesses carried out in 2016 (Horizon, 2018, Document 6.3.9 section 5.2 esp. paras 5.2.24 to 5.2.31) shows that:
- One-quarter of all businesses in North Wales have had difficulties recruiting in the last five years
 - One-third of all businesses in manufacturing, construction, professional, scientific and technical sectors have had difficulties recruiting over the last five years
 - One-quarter of all businesses anticipate future employment shortages, particularly in civil engineering, manufacturing and nuclear
- 3.2.7 The survey results suggest that there are already constraints in the local labour market, which are leading to companies across the economy, and in nuclear construction related sectors having difficulty recruiting all of the employees that they want. This suggests limited scope for further significant increase in employment without the risk of the displacement of workers from existing local employers.
- 3.2.8 In addition, Britain's exit from the European Union (Brexit) is already leading to fewer foreign workers in the UK labour force. If this continues once Britain has left the European Union, this may lead to further 'tightening' of local labour markets and fewer workers available to fill roles in the local area, both directly in the Wylfa Newydd project and in back-filling posts vacated by workers that have moved to the project.

Under-employment

- 3.2.9 Whilst the UK is experiencing record high levels of employment and low levels of unemployment, there are some concerns about under-employment i.e. people having less work than they would like; particularly those who work part-time but would rather work full-time. Using the spare capacity of the under-employed presents a potential opportunity to provide some additional labour either directly to the project, or to help to back-fill vacancies created by local workers moving onto the project. This would depend on the flexibility of the under-employed and may not be entirely straightforward. However, this could generate a positive impact on the local economy, as local workers earn more, and labour requirements are met without needing new people to move to the local area.
- 3.2.10 Horizon does not consider the potential to make use of the latent labour capacity of the under-employed in its over-arching assessment of the socio-economic impacts of Wylfa Newydd (Horizon, 2018, Document 6.3.1), but it does discuss under-employment in the socio-economic baseline report (Horizon, 2018, Document 6.3.8), and recognises the potential to make use of this capacity.
- 3.2.11 The potential to make use of the under-employed should be explored further.

3.3 Demand for and Supply of Labour

Demand for home-based labour

- 3.3.1 Horizon's estimate of demand for home-based workers on the Wylfa Newydd project is set out in Figure 2.1, above.

- 3.3.2 Horizon's DCO application breaks down the demand for home-based workers into smaller geographical areas than the DCCZ, i.e. it is broken down to Anglesey, Menai Mainland (the mainland part of the Holyhead & Bangor TTWA), and the rest of the mainland DCCZ.
- 3.3.3 Horizon only breaks down the 22% home-based labour demand scenario into these smaller geographical areas, rather than the full range of scenarios set out in Table 2.1. The breakdown can be seen in the figure below.

Figure 3.2: Demand for Home-Based Labour

Occupation	Total	Demand in Anglesey	Demand in Menai Mainland	Demand in Rest of Mainland DCCZ
Site services, clerical and security	690	467	104	119
Managerial and supervisory	236	131	31	74
Civils operative	675	417	82	176
M&E operatives	208	123	25	60
Operational	191	118	23	50
TOTAL	2,000	1,256	265	479

Source: Horizon, 2018, Document 6.3.9 Table 3.4

Latest Figures on Labour Supply

- 3.3.4 Latest data collected for this report shows less available labour than Horizon's assessment set out in the DCO application. Whilst some of the variances in figures may be due to methodological differences, some of the disparity is likely due to cyclical changes in the economy.

Figure 3.3: Residents of the DCCZ

	Currently Employed			JSA Claimants		
	Horizon (2011)	HJA Estimate (2016)	HJA estimate as percentage of Horizon	Horizon (Jul 2016)	HJA Estimate (June 2018)	HJA estimate as percentage of Horizon
Civil Engineering	16,744	13,732	82%	345	144	42%
Mechanical and Electrical	2,725	1,462	54%	10	5	50%
Site services, security and clerical staff	31,520	27,572	87%	2,210	1,935	88%

Source: Horizon DCO Application Socio-Economic Technical Appendix C1-2, Document 6.3.9 Table 2.6; Business Register and Employment Survey, 2016; and ONS Jobseeker's Allowance by Occupation 2018

- 3.3.5 The largest variations (in percentage terms) are in Mechanical & Electrical Engineering. This suggests a higher relative risk of displacement in this sector than when Horizon undertook its analysis.

- 3.3.6 We have also looked at current employment and the availability of labour within the Travel to Work Area (TTWA) and on Anglesey. This also shows a more limited pool of labour. This is particularly important for the consideration of Site Services, Security & Clerical roles, where home-based workers are likely to travel less distance to work.

Figure 3.4: Residents of Anglesey and Bangor and Holyhead TTWA

	Currently Employed		JSA Claimants	
	Anglesey	TTWA	Anglesey	TTWA
Civil Engineering	2,140	4,170	30	70
Mechanical and Electrical	170	350	0	0
Site Services, Security & Clerical staff	3,700	8,850	475	870
Total	6,010	13,370	505	940

Source: Business Register and Employment Survey, 2016 and ONS Jobseeker's Allowance by Occupation 2018

- 3.3.7 The International Labour Organisation (ILO) definition of unemployment includes significantly more people than those claiming JSA, but many of these people are less likely to be ready to take-up jobs on the project or to back-fill vacancies. Latest ILO data on unemployment can be seen in the figure below.

Figure 3.5: Unemployment (ILO Definition) April 2017-March 2018

Area	Unemployment
Anglesey	1,100 (3.5%)
Bangor and Holyhead TTWA	1,900 (3.0%)
DCCZ*	8,300 (3.3%)

Source: Annual Population Survey, 2018

*N.b. The figures for the DCCZ are based on the five local authorities covered by the DCCZ as data at ward level is not available from ONS.

- 3.3.8 There are a few issues that arise when comparing latest data with the data provided by Horizon in the DCO, namely:
- The definition of the DCCZ is not provided by Horizon in the DCO application⁹. A best-fit approximation has been developed using a map of the DCCZ from the Pre-Application draft chapter C1 Project-wide effects document¹⁰
 - Data from the ONS Business Register and Employment Survey (BRES) is only presented in Standard Industrial Classification (SIC) codes and the ONS Annual Population Survey (APS) does not have a breakdown of employment to the geospatial/Standard Occupation Classification (SOC) code level to accurately reflect the Construction Skills Network (CSN)

⁹ Although an explanation of the process of defining the DCCZ is set out in Horizon (2018) Document 6.2.2 p. B2-37

¹⁰ Horizon (2017) C1 Project-Wide Effects – Socio-Economics, Figure C1-1

categories used by Horizon, so the current employment data should be taken with only as a very general indication

- The definition of the Supervisory/Managerial category is not provided in the Horizon documents

- 3.3.9 The updated data on currently employment used here is a best-fit approximation based on the construction skills network four-digit SOC codes converted approximately to four-digit SIC codes.
- 3.3.10 JSA data is for “sought occupation” not “usual occupation” as per the Horizon data, but these do not differ significantly. For the JSA data at all geospatial levels, over 90% of the residents who are unemployed in the Site Services, Security & Clerical staff Category are Sales and Retail Assistants.

Labour force churn

- 3.3.11 Horizon has suggested that a local turnover of 9% of jobs is manageable within the local economy. This assumption in itself is questionable. A more helpful measure is the net change in employment, which gives an idea of how many new jobs the local labour market can support in steady state growth i.e. before an exceptional project such as Wylfa Newydd is introduced into the local market. The figure below shows net change in employment in the DCCZ over the period from 2009 to 2016, which included an economic crisis and recovery from this. This shows a maximum net growth of 4,700 employees in a single year, and an average annual growth of 980. Given the volatility of the change over time, with data derived from a survey, the average change over the period is a better measure. It should also be noted that the period from 2011 onwards represents the recovery from recession when there was significantly higher unemployment in the local area, and hence far greater scope for expansion of those in employment. This is unlikely to be replicated in current circumstances.

Figure 3.6: Net Employment Change and Unemployment across the DCCZ* 2009-2016

	Total Employment	Change on Previous Year	Percentage Change	Unemployment Aged 16+ (ILO Definition)	JSA Claimants
2009	154,115	n/a	n/a	15,100	9,907
2010	147,850	-6,265	-4%	16,800	9,033
2011	150,740	2,890	2%	16,400	9,809
2012	155,445	4,705	3%	15,300	9,903
2013	156,480	1,035	1%	16,900	8,605
2014	155,750	-730	0%	14,500	6,205
2015	159,700	3,950	3%	12,400	4,664
2016	161,000	1,300	1%	10,800	3,472
Average		980			
CAGR ¹¹			0.6%		

Source: Business Register and Employment Survey, 2018; Annual Population Survey, 2018; Jobseeker's Allowance Flows, 2018

*HJA best approximation of the DCCZ

¹¹ Compound Annual Growth Rate

3.3.12 The figure below shows the net employment change and unemployment in Anglesey across the same time period. Whilst these figures are from a smaller geographical area and so are prone to more fluctuation, they do reflect the trend seen across the DCCZ of a decline in unemployment and historic lows in JSA claimants. Comparable data is not available across the TTWA for this time series.

Figure 3.7: Net Employment Change and Unemployment in Anglesey 2009-2016

	Total Employment	Change on Previous Year	Percentage Change	Unemployment Aged 16+ (ILO Definition)	JSA Claimants
2009	20,625	n/a	n/a	2,300	1,876
2010	19,825	-800	-4%	1,500	1,743
2011	20,000	175	1%	2,000	1,822
2012	20,800	800	4%	1,700	1,918
2013	20,175	-625	-3%	2,800	1,703
2014	20,400	225	1%	1,800	1,248
2015	20,000	-400	-2%	1,900	1,102
2016	21,225	1,225	6%	1,800	794
Average		90			
CAGR			0.4%		

Source: Business Register and Employment Survey, 2018; Annual Population Survey, 2018; Jobseeker's Allowance Flows, 2018

3.3.13 However, using Horizon's 9% capacity in the local labour market we have looked at the potential impact of Horizon's requirement for home-based workers in a number of geographical areas – the DCCZ, the TTWA and Anglesey. We have carried out an assessment to compare the latest data on labour supply and demand for home-based labour, to see if normal labour market churn can accommodate the demand for labour or whether there is a risk of labour displacement and subsequent negative impacts. Comparing Supply and Demand

3.3.14 In this section we consider whether the demand for home-based labour can be met from the local area. The main questions that we consider are:

- Can home-based labour demand be met from JSA claimants?
- Can home-based labour demand be met from the ILO unemployed?
- Can the home-based labour demand be met from those currently in work?

Can home-based labour demand be met from JSA claimants?

3.3.15 We firstly look at whether the project's labour requirements can be met from JSA Claimants, as they are currently available, and most ready to take up work. The data is set out in Figure 3.8, below, and this is then analysed in Figure 3.9. N.b. the maximum local labour content at peak set out below is the highest level of demand identified by Horizon.

Figure 3.8: Demand for Home-Based Labour, and JSA Claimants

Occupation	Maximum Local Labour Content at Peak	JSA Claimants in DCCZ (2018)	JSA Claimants in TTWA (2018)	JSA Claimants in Anglesey (2018)
Site services, clerical and security	812	1,900	870	480
Managerial and supervisory	237	-	-	-
Civils operative	717	140	70	30
M&E operatives	362	5	0	0
Operational	226	-	-	-

Source: Horizon, 2018, Document 6.3.9 Table 2.6 and ONS Jobseeker's Allowance by Occupation, 2018

N.b. Maximum local labour content at peak is based on the highest level of demand within each occupation set out in Figure 2.1, above

Figure 3.9: Comparing the Demand for Home-Based Labour and JSA Claimants

Occupation	Demand as a percentage of JSA Claimants in DCCZ	Demand as a percentage of JSA Claimants in TTWA	Demand as a percentage of JSA Claimants in Anglesey
Site services, clerical and security	43%	93%	169%
Managerial and supervisory	-	-	-
Civils operative	512%	1,024%	2,390%
M&E operatives	724%	n/a	n/a
Operational	-	-	-

Source: Horizon, 2018, Document 6.3.9 Table 2.6 and ONS Jobseeker's Allowance by Occupation, 2018

- 3.3.16 This exercise can also be carried out at the smaller geographical areas for which Horizon has produced demand data. This can be seen in the two figures below.

Figure 3.10: Demand for Home-Based Labour, and JSA Claimants

	Anglesey		Menai Mainland		Rest of Mainland DCCZ	
Occupation	Labour Demand	JSA Claimants (2018)	Labour Demand	JSA Claimants (2018)	Labour Demand	JSA Claimants (2018)
Site services, clerical and security	467	480	104	395	119	1,065
Managerial and supervisory	131	-	31	-	74	-
Civils operative	417	30	82	40	176	70
M&E operatives	123	0	25	0	60	0
Operational	118	-	23	-	50	-

Source: Horizon, 2018, Document 6.3.9 Table 3.4 and ONS Jobseeker's Allowance by Occupation, 2018

N.b. Labour demand is based on Horizon's preferred 22% local labour content scenario rather than the highest level of demand shown above

Figure 3.11: Comparing the Demand for Home-Based Labour and JSA Claimants

Occupation	Anglesey	Menai Mainland	Rest of Mainland DCCZ
Site services, clerical and security	97%	26%	11%
Managerial and supervisory	-	-	-
Civils operative	1,390%	205%	251%
M&E operatives	n/a	n/a	n/a
Operational	-	-	-

Source: Horizon, 2018, Document 6.3.9 Table 3.4 and ONS Jobseeker's Allowance by Occupation, 2018

N.b. Labour demand is based on Horizon's preferred 22% local labour content scenario rather than the highest level of demand shown above

- 3.3.17 We note that Site Services, Clerical & Security staff are likely to be recruited from a smaller catchment area (possibly a 45-minute travel time). If the TTWA rather than DCCZ is used as the catchment for these roles, then nearly all JSA claimants in this area would need to be recruited into the project. The more detailed local analysis in Figure 3.11 shows that this effect is most concentrated in Anglesey. However, over 90% of the residents who are unemployed in the Site Services, Security & Clerical staff Category are Sales & Retail Assistants, so are unlikely to have skills and experience suitable for the Wylfa Newydd project.
- 3.3.18 We can also consider the demand for 1,800 multiplier jobs in the supply chain potentially in addition to the c.2,000 home-based workers required on the project. These will be distributed throughout the DCCZ, and we do not know which sectors they will be in. If we assume that they are in the same sectors as the direct jobs in the project, then this total demand cannot be met from within the pool of suitable JSA claimants (around 2,050 people). If we compare this demand to all JSA claimants across all sectors of the economy throughout the DCCZ (c.2,800 people) then this demand still cannot be met.

Can home-based labour demand be met from the ILO unemployed?

- 3.3.19 None of the project's home-based labour requirements can be met solely from those claiming JSA (i.e. those best-placed to get a job). Consequently, we have looked at whether the demand can be met from all unemployed (i.e. a broader definition than JSA claimants only, but note that many of these are not ready or suitable for work¹²). The data is set out in Figure 3.12, below, and then analysed in Figure 3.13.

¹² ILO Unemployed includes those without a job, who want a job, have actively sought work in the last four weeks and are available to start work in the next two weeks; or are out of work, have found a job and are waiting to start it in the next two weeks. Those who are out of work but do not meet the criteria of ILO unemployment are economically inactive

Figure 3.12: Demand for Home-Based Labour and ILO Unemployed

Area	ILO Unemployment (APS, 2018)
Anglesey	1,100 (3.5%)
Bangor and Holyhead TTWA	1,900 (3.0%)
DCCZ*	8,300 (3.3%)

Source: ONS Annual Population Survey

* DCCZ estimated as sum of Anglesey, Conwy, Denbighshire, Flintshire and Gwynedd

Figure 3.13: Comparing the Demand for Home-Based Labour and ILO Unemployed

Total Home-Based Employment	As a percentage of ILO Unemployed in DCCZ	As a percentage of ILO Unemployed in TTWA	As a percentage of ILO Unemployed in Anglesey
2,250	27%	118%	205%

Source: Horizon, 2018, Document 6.3.9 Table 2.8 and ONS Annual Population Survey

- 3.3.20 It is not possible to break down the suitability of ILO unemployed for particular occupations, as this data is not produced at occupational level, so we have to look at the total amount of home-based employment. ILO unemployment is a much broader definition than JSA claimants, but many of these people are less fit for work than JSA claimants.
- 3.3.21 The requirement for home-based labour can be met from the pool of ILO unemployed in the entire DCCZ. However, many of these people will not have suitable skills to work on the Wylfa Newydd project. We also note that around one-third of project roles are in Site Services, Clerical & Security which is likely to draw employees from a smaller area more akin to the TTWA than the entire DCCZ.
- 3.3.22 If we consider the broader requirement for 1,800 multiplier jobs in the supply chain, then the total demand will be for around half of all those who are defined as ILO unemployed. This is a significant proportion of those who are unemployed.

Can the home-based labour demand be met from those currently in work?

- 3.3.23 As discussed above, it is unlikely that all home-based roles can be filled by people who are ILO unemployed, so we have looked at whether these roles can be filled from people who are currently employed. Whilst we disagree with Horizon's assessment that 9% of those currently in work can move to the project, we have used this as a conservative benchmark to make an assessment.
- 3.3.24 Data on those in employment is set out in Figure 3.14, and this is then analysed in Figure 3.15.

Figure 3.14: Demand for Home-Based Labour and Current Employment

Occupation	Maximum Local Labour Content at Peak	Latest estimate of employment in DCCZ (BRES, 2016)	Employment in TTWA (BRES, 2016)	Employment in Anglesey (BRES, 2016)
Site services, clerical and security	812	31,500	8,900	3,700
Managerial and supervisory	237	-	-	-
Civils operative	717	13,700	4,200	2,100
M&E operatives	362	1,500	350	170
Operational	226	-	-	-

Source: Horizon,2018, Document 6.3.9 Table 2.8 and ONS Business Register and Employment Survey
N.b. Maximum local labour content at peak is based on the highest level of demand within each occupation set out in Figure 2.1, above

Figure 3.15: Comparing the Demand for Home-Based Labour and Current Employment

Occupation	Home-based demand as a percentage of total employment in DCCZ	Home-based demand as a percentage of total employment in the TTWA	Home-based demand as a percentage of total employment on Anglesey
Site services, clerical and security	3%	9%	22%
Managerial and supervisory	-	-	-
Civils operative	5%	17%	34%
M&E operatives	24%	103%	213%
Operational	-	-	-

Source: Horizon,2018, Document 6.3.9 and ONS Business Register and Employment Survey
N.b. Maximum local labour content at peak is based on the highest level of demand within each occupation set out in Figure 2.1, above

- 3.3.25 It is also possible to consider this analysis at the smaller geographical areas that have been identified in Horizon's DCO application. The results of this analysis can be seen in the figures below.

Figure 3.16: Demand for Home-Based Labour and Current Employment

	Anglesey		Menai Mainland		Rest of Mainland DCCZ	
Occupation	Labour Demand	Employment (2016)	Labour Demand	Employment (2016)	Labour Demand	Employment (2016)
Site services, clerical and security	467	3,700	104	5,150	119	18,720
Managerial and supervisory	131	-	31	-	74	-
Civils operative	417	2,140	82	2,030	176	9,560
M&E operatives	123	170	25	180	60	1,110
Operational	118	-	23	-	50	-

Source: Horizon,2018, Document 6.3.9 Table 3.4 and ONS Business Register and Employment Survey

N.b. Labour demand is based on Horizon's preferred 22% local labour content scenario rather than the highest level of demand shown above

3.3.1 The analysis can be seen in the figure below.

Figure 3.17: Comparing the Demand for Home-Based Labour and Current Employment

Occupation	Anglesey	Menai Mainland	Rest of Mainland DCCZ
Site services, clerical and security	13%	2%	1%
Managerial and supervisory	-	-	-
Civils operative	19%	4%	2%
M&E operatives	72%	14%	5%
Operational	-	-	-

Source: Horizon,2018, Document 6.3.9 Table 3.4 and ONS Business Register and Employment Survey

N.b. Labour demand is based on Horizon's preferred 22% local labour content scenario rather than the highest level of demand shown above

- 3.3.2 Demand for home-based Civils Operatives could be met from those employed in the DCCZ, requiring 5% of the current workforce. There is also potential for the recruitment of some Civils Operatives from those claiming JSA – with around 140 people currently available.
- 3.3.3 It should be noted that Site Services, Clerical & Security staff are likely to be recruited from a smaller catchment area – see previous point from EDF Energy about site services staff being employed from a 45-minute catchment area. If TTWA rather than DCCZ is used as the catchment for these roles, then there is a high risk that the local labour market cannot provide this labour without an adverse displacement effect (assuming that the 9% turnover is robust, which is doubtful).
- 3.3.4 The project would need to recruit 24% of all mechanical and electrical engineering operatives within the DCCZ, which is unlikely without a major adverse displacement impact.

- 3.3.5 So, demand for home-based workers in all occupation groups represents a significant proportion of current employment – well in excess of Horizon’s 9% benchmark. Therefore, there will be a strong likelihood of the displacement of workers from existing local employers.
- 3.3.6 If we consider the potential demand for an additional 1,800 multiplier jobs in the supply chain, then the total demand will be for around 12% of all of those currently in employment in the DCCZ, which is in excess of the Horizon benchmark of 9%.

3.4 Sector and Geographical Focus of Impacts

Direct Project Skills

- 3.4.1 The DCO application (particularly Horizon, 2018, Document 6.3.9, section 2.4) sets out some information on the construction skills needed for a nuclear new build (albeit without numbers) but no breakdown of the numbers of workers needed in all aspects of the project with particular skills and experience. Demand for skills has been broken down into five broad categories and data provided on number required, as discussed above. These categories will draw workers from different geographical catchment areas. To a large extent this depends on the earnings in the sector, with higher earnings tending to draw workers from further away, so covering a larger geographical area.
- 3.4.2 Site Services, Clerical & Security roles are likely to draw workers from a smaller area than other roles, because of the generally lower level of pay, so we focus on the TTWA and Anglesey as the source of these workers, rather than the whole DCCZ. The demand for these workers accounts for 93% of all potentially suitable JSA Claimants in the TTWA and more than 100% of all JSA Claimants in Anglesey (noting that many of the JSA claimants have sales and retail experience, so may not be suitable for roles on the project). We cannot break down the ILO Unemployed by sector, but the total demand for workers on the project exceeds the number of ILO unemployed in the TTWA and Anglesey. If we look to local residents in work as well as those who are unemployed, then the demand for Site Services, Clerical & Security roles accounts for 9% of all suitable employees in the TTWA, which is equivalent to Horizon’s benchmark figure. Home-based demand exceeds employment in comparable sectors in Anglesey. Therefore, we conclude that the demand for home-based workers to fill Site Services, Clerical & Security roles exceeds the unemployed and is likely to require some people who are currently in work. This leads to a risk of a negative displacement effect, and the need for mitigation actions to prevent this.
- 3.4.3 Civils Operative roles will draw workers from the whole of the DCCZ area. The demand for home-based Civils Operatives cannot be met from JSA Claimants with suitable skills and experience. We cannot break down the ILO Unemployed by sector, but the total demand for workers on the project exceeds the number of ILO unemployed in the TTWA and Anglesey, but can be met from the pool of unemployed in the DCCZ. However, we do not know the skills and experience of the ILO Unemployed, so cannot tell if the demand for Civils Operatives roles can be met from this pool. If we look to local residents in work as well as those who are unemployed, then the demand for Civils Operatives can be met by recruiting 5% of suitably skilled and experienced employees in the DCCZ, but will require more than the Horizon benchmark of 9% of employees in the sector from the TTWA or from Anglesey itself. Therefore, we conclude that it is not possible to meet the demand for home-based Civils Operatives from the pool of suitable JSA Claimants, and it is likely that this demand

will require recruitment from the workforce of the DCCZ, with a risk of negative displacement effect, and the need for mitigation actions to prevent this.

- 3.4.4 Mechanical & Electrical Operative roles will draw workers from the whole of the DCCZ area. There are only five JSA Claimants in the whole of the DCCZ with suitable skills and experience to meet the demand for home-based Mechanical & Electrical Operatives. We cannot break down the ILO Unemployed by sector, but the total demand for workers on the project exceeds the number of ILO unemployed in the TTWA and Anglesey, but can be met from the pool of unemployed in the DCCZ. We do not know the skills and experience of the ILO Unemployed, but doubt that the demand for Mechanical & Electrical Operatives roles can be met from this pool. If we look to local residents in work as well as those who are unemployed, then the demand for Mechanical & Electrical Operatives can be met by recruiting 24% of all suitably skilled and experienced employees in the DCCZ, which is higher than the Horizon benchmark of 9% of employees in the sector, and the project will require more than the entire suitable workforce in the TTWA or Anglesey itself. Therefore, we conclude that it is not possible to meet the demand for home-based Mechanical & Electrical Operatives from the pool of suitable JSA Claimants, and this demand will require recruitment from the workforce of the DCCZ, with a risk of negative displacement effect, and the need for mitigation actions to prevent this.

Impact on the Care Sector

- 3.4.5 Consultations undertaken with the Welsh Government have noted particular concerns that the care sector is at risk of losing workers to meet the demand for home-based Site Services roles. The sector is particularly vulnerable, and care homes are closing due to financial viability problems. The loss of care workers to roles at Wylfa Newydd could increase the vulnerability of the sector and businesses, especially care homes, within it. There is already difficulty recruiting peripatetic care workers to visit people in their own homes. A reduction in these staff would increase the pressure on care homes, which are already vulnerable, and on hospitals. A further risk is the loss of Welsh-speaking care staff. If they cannot be replaced with Welsh-speaking staff then there will be a cultural loss in the local area and not just an economic and social loss.
- 3.4.6 Increased traffic congestion is likely to impact on the willingness of people to work in home-based care on Anglesey. The job is very time-constrained, and difficulty getting to clients' homes will make it far less attractive.

3.5 Cumulative Impacts

- 3.5.1 There are a number of projects that will be drawing on the same labour pool as the Wylfa Newydd project, particularly during the construction period. However, the precise timing of labour demand by the Wylfa Newydd project and other major infrastructure construction projects is not known, so the overlap of projects is not known. It is not possible to quantify the cumulative impacts precisely, but more demand for labour generally will mean a lower level of available workers, which could mean greater difficulty recruiting for posts on the project and back-filling any vacancies that are created in local businesses. Any negative displacement effect on the local economy caused by Wylfa Newydd could be enhanced by the delivery of several major infrastructure construction projects at the same time.

- 3.5.2 Cumulative demand for non-home-based workers could also have an effect on the take-up of accommodation in the local area. If there are non-home-based workers from several projects competing for the same accommodation, then supply may be insufficient. This may mean that the temporary worker accommodation campus has to take more non-home-based workers than currently anticipated because of the greater demand for external accommodation caused by cumulative projects.
- 3.5.3 Brexit in March 2019 could have a further impact on labour availability in the local area. Anecdotal evidence suggests that there are already fewer European workers in the local area and the UK generally, both as a consequence of the UK's decision to leave the European Union, but also because of the recovery of other European economies, which has meant fewer European workers looking to come to the UK in the first place.
- 3.5.4 Horizon (2018) Document 6.9.5¹³ sets out Horizon's analysis of the potential cumulative impacts of several projects drawing on the same labour pool. Horizon's analysis of the cumulative effects of these projects is entirely positive, and no negative effects are recognised (p.17-18).
- 3.5.5 Our list of projects that could draw on the same labour pool and Horizon's list (from Horizon, 2018, Document 6.9.2¹⁴) is set out below.

Figure 3.18: Possible Cumulative Projects

Jointly Recognised Cumulative Projects	
Welsh Government	Horizon
Several large road projects in north-west Wales • Caernarfon Bont Newydd • A55 Abergwin Gregyn • Two roundabouts on A55 (although these might be completed before construction at WN starts)	A487 Caernarfon to Bontnewydd Bypass
Any additional site development related to Wylfa Newydd e.g. accommodation campus, park and ride etc.	• Decommissioning of the Existing Power Station • Removal (and in some instances replacement) of services currently in place on the Wylfa Newydd Development Area • Wylfa Newydd Potable Water Supply • Intra-project Cumulative impacts also discussed in separate technical note
National Grid Connection	North Wales Connection Project
Port of Holyhead upgrade	Holyhead Port Expansion
Other nuclear new builds in Somerset, Suffolk, South Gloucestershire and Cumbria	Hinkley Point C (Somerset) Sizewell C (Suffolk) Moorside (Cumbria)
Additional Projects Considered	

¹³ Horizon (2018) Wylfa Newydd Project 6.9.5 Cumulative Effects I5 – Inter Project Cumulative Effects

¹⁴ Horizon (2018) Wylfa Newydd Project 6.9.2 Cumulative Effects I2 – Scope

Jointly Recognised Cumulative Projects	
Welsh Government	Horizon
• Third Menai Crossing • Possibly rail station upgrades, if/when a new rail franchise is awarded (West Wales and Borders) • North Wales Metro • HS2 • Heathrow Runway 3 • Northern Powerhouse	• Anglesey Eco Park • Penrhos Coastal Park-leisure village • Holyhead Waterfront Redevelopment • Parc Cybi Stage 2-Mixed-use Development • Rhyd-y-Groes Repower-replace wind turbines • Menai Science Park • Amlwch LNG-mooring and pipeline for gas • Holyhead Deep 10MW-Tidal kite energy • Holyhead Primary School • Llanfaethlu Primary School • Llangefni Link Road Scheme • Llanbadrig Solar Farm • Coleg Menai-Mixed-use Development • Glyn Rhonwy Pumped Storage-Hydro plant • Alexandra Basin Redevelopment Project-Dublin Port Upgrade • Dun Laoghaire Harbour-Port Upgrade • Fishguard Linkspan Replacement-Dock Upgrade

4 Monitoring and Mitigating Labour Displacement

4.1 Monitoring

- 4.1.1 The analysis carried out in this paper has identified that meeting the demand for home-based workers for the Wylfa Newydd project is likely to require the recruitment of people who are already in work in the DCCZ i.e. the local area. This will mean the need to back-fill vacant posts, and if this cannot be done it will cause displacement. There is also a risk that the project will drive up wage rates in the local area, which whilst beneficial for local workers, could affect the profitability and viability of existing local businesses that do not benefit from the project's supply chain.
- 4.1.2 Given the risk of displacement and adverse effects on the local business community, it is important to identify any displacement effects as soon as possible. Mitigation needs to be delivered as early as possible.
- 4.1.3 A range of data sources can be used to build up a picture of the impact that recruitment to the project is having on the local economy, including:
- Recruitment data from Horizon and its suppliers, identifying how many home-based workers they are recruiting, the roles that they are filling, the wages that they are paid, and whether these workers have moved from another job in the local area or were previously unemployed or economically inactive
 - Indicators including the use of proposed mitigation measures such as the Employment & Skills Service by local businesses outside of the supply chain, and the help that they are seeking e.g. are they seeking help to back-fill vacancies caused by the project, or are they struggling to recruit workers because of limited labour availability in the local workforce?
 - Primary surveys of local businesses, identifying any positive and negative effects that they are experiencing as a consequence of the Wylfa Newydd project. For the purposes of identifying any negative effects from displacement then this should include questions on the loss of workers to the project (directly or to supply chain businesses), the costs of replacing any lost workers, any difficulty recruiting to back-fill the vacancy, any unfilled vacancies, and the impacts on wage rates
 - Indirect indicators of workforce availability and stress from sources such as ONS, such as unemployment rates (particularly JSA Claimants with suitable skills), levels of employment, and wage rates (noting that much of this data is lagging i.e. it is produced months after the period that it represents)
- 4.1.4 Monitoring must take place regularly in order that action can be undertaken promptly to tackle any problems that arise. The sources of monitoring data, above, will be produced on different timescales. Ideally:
- Horizon recruitment data could be reviewed quarterly
 - Use of the Employment & Skills Service by businesses outside the supply chain could be reviewed quarterly
 - A primary survey of local businesses could be carried out at least annually
 - ONS data could be reviewed as soon as it is published

4.2 Mitigation of Displacement

- 4.2.1 The Welsh Government wants to maximise the employment of local people on the Wylfa Newydd project, without causing an adverse impact on the local labour market and economy; and enable local residents to gain higher quality employment on the project rather than just lower quality employment.
- 4.2.2 The figure below shows the opportunities identified by Horizon for the employment of up to 2,250 home-based workers on the project. Horizon has also identified the potential for up to 1,800 multiplier jobs in the local economy, although there may be some duplication in these figures.

Figure 4.1: Potential Opportunities for Local Employment

Occupation	Local Labour Content at Peak
Site services, clerical and security	689 – 812
Managerial and supervisory	26 – 237
Civils operative	134 – 717
M&E operatives	68 – 362
Operational	191 -226
TOTAL	1,350 – 2,250

Source: Horizon (2018) Document 6.3.9 Table 2.8, p.23

Principles of Mitigation

- 4.2.3 Mitigation is needed to:
- Increase the supply of suitably skilled workers, in particular: young people who are entering the labour force; the economically inactive, including the unemployed; and upskilling of those currently in lower skilled jobs
 - Link people seeking work with vacancies in the project and its supply chain
 - Ensure that home-based workers are able to access higher-skilled roles on the project
 - Help to fill displacement vacancies as well as project vacancies
- 4.2.4 Having identified areas of potential impact, any mitigation needs to be planned and delivered in advance of impact or alongside impact, in order to ensure that it is carried out in a timely manner. Mitigation activities will help to ensure that the local labour market and economy can cope with the level of labour churn rather than it becoming a negative displacement effect. The speed of delivery of mitigation actions (if reactive rather than pro-active) will determine how effective they are, and whether there is manageable churn or negative displacement of workers from other parts of the local economy.
- 4.2.5 Training can take from weeks to years, so it is important to consider a pro-active rather than reactive approach to training and development.

4.3 Current Mitigation

Horizon proposals

- 4.3.1 Horizon has developed a Jobs & Skills Strategy for the Wylfa Newydd project¹⁵. The current strategy is subject to change however, it is currently focused on training and skills in occupations that meet all the following criteria (Horizon, 2018, Document 8.3 para 1.1.13):
- In high demand at Wylfa
 - There are existing skills shortages in the construction industry
 - There is a reasonable prospect of workers being trained locally to achieve the necessary standard
- 4.3.2 The Wylfa Newydd Employment and Skills Service will act to match supply and demand of workers by using an Employment and Skills Portal to capture vacancies with contractors and by supporting people to acquire the necessary skills to move onto a nuclear site.
- 4.3.3 To date Horizon has “committed £1 million to the new Engineering Centre at Coleg Menai and Hitachi has donated heavy plant equipment and power tools to be used to train students.” (Horizon, 2018, Document 8.3 para 4.3.3) and given £500,000 to Cwmni Prentis Menai/Menai Apprentice Company to establish an apprenticeship scheme before Horizon start its own scheme. Horizon has plans to expand its current ‘education engagement programme’ for schools which aims to promote STEM subjects and raise awareness of apprenticeships and skills events.
- 4.3.4 This strategy is supported by a flexible Skills Fund (Horizon, 2018, Document 8.3, para 1.1.7) but it is not yet known how much money will be allocated to the fund.
- 4.3.5 A supply chain action plan has been proposed which will support the engagement of local businesses, including supporting their development to meet project supply chain requirements. However, this has not yet been published in any form.
- 4.3.6 A tourism fund has been proposed, which will support any adverse impacts on the tourism sector.

Other stakeholders’ actions

- 4.3.7 It is important to ensure that the local colleges are delivering the right sort of skills needed by young people to access job opportunities on the project e.g. in directly relevant areas such as construction and engineering; but also in areas where there may be a displacement effect e.g. care and hospitality.
- 4.3.8 Welsh Government is supporting colleges – Coleg Llandrillo Menai and Coleg Cambria – to enhance delivery of training in areas such as construction and engineering, including the delivery of a new engineering centre at the Llangefni campus and an infrastructure skills training centre including a scaffolding training centre. These are not linked directly to the Wylfa Newydd project, due to possible State Aid issues, but are intended to deal with the general increase in demand for these skills across the economy, directly related to the project and in other areas.

¹⁵ Horizon (2018) Document 8.3 Jobs and Skills Strategy

- 4.3.9 There is a need for both low-level and high-level skills, as the nuclear construction process requires a wide range of skills. It is also important to ensure that people who are trained have realistic expectations of what it is like to work on a nuclear construction site, so that they remain in employment. There is anecdotal evidence from the Hinkley Point C development which suggests that there is a high turnover of labour. Supporting the ‘recycling’ of local workers to each fill more than one of the 30-40,000 roles that will be created throughout the construction process will help to maximise local economic benefit.
- 4.3.10 Engagement of existing local businesses in the supply chain will help to avoid some aspects of labour displacement, although there will still be a displacement effect. Whilst the engagement of local businesses rather than external businesses in e.g. construction and catering (i.e. through the Mon Larder) will avoid the need to recruit more local people to fill the roles within these businesses, there will be an ultimate displacement effect as the activities that would have been undertaken by these businesses will not be delivered.

Further mitigation needed

- 4.3.11 The lack of information made public by Horizon on both the home-based labour requirement and the local supply chain procurement opportunities on the Wylfa Newydd project means that mitigations to lessen any negative impact and maximise any positive impact cannot yet be fully scoped and planned.
- 4.3.12 More detailed information is required as soon as possible if an effective mitigation strategy is to be put in place to minimise the risk of the negative consequences of displacement and maximise the local economic impact of the Wylfa Newydd project.
- 4.3.13 Proposals are set out in more detail below.

Jobs & Skills Strategy and Wylfa Newydd Employment and Skills Service (WNESS)

- 4.3.14 The Jobs and Skills Strategy that will be developed for the Wylfa Newydd project needs to: provide suitable training for the economically inactive and unemployed (work-readiness and technical skills); train young people/new entrants in suitable STEM areas; ensure the provision of suitable Apprenticeships and support for Degrees; provide re-training for those in work or underemployed.
- 4.3.15 The WNESS needs to help local people obtain jobs at Wylfa Newydd. It should also be used by local businesses to back-fill (or fill) any vacancies.

Home-Based Labour Required

- 4.3.16 Welsh Government needs better information from Horizon on numbers, skills and experience required from home-based workers. It needs information on when these workers will be needed. Training must take place in advance of need. As a broad estimate of the scale of need, there must be training for direct employment or back-filling of:
- 400 to 800 people with suitable skills for Site Services, Clerical & Security
 - 200+ people with suitable managerial/supervisory skills
 - 700+ people with civil engineering/construction skills
 - 360+ people with mechanical and electrical engineering skills.

Sustainable Careers and Legacy

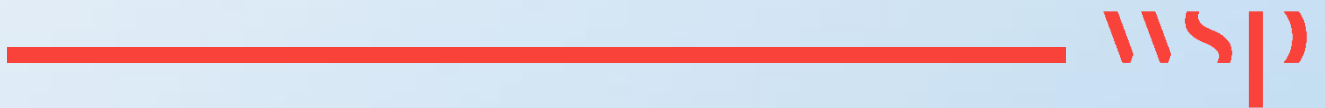
- 4.3.17 Part of the mitigation of the effect of displacement will be to ensure that there is a positive employment legacy of the construction of Wylfa Newydd. This will include developing home-based workers' skills and experience through support for the recycling of local residents with accreditation and experience of working on-site into more than one of the 30-40,000 roles. Help should be provided to local residents to enable them to access high skilled roles. Support is needed to identify roles that lead to sustainable careers in the local area. These could include roles in the operation and maintenance of Wylfa Newydd.

Business Support

- 4.3.18 A range of support needs to be provided to local businesses to help them to deal with the impact of displacement on their activities. Impacts of businesses may vary from the cost involved in recruiting and training staff to replace any staff lost to the Wylfa Newydd project, through to the more significant impact of losing key staff and not being able to replace them. Therefore, a range of business support should be provided in areas such as: training; recruitment; business planning (for growth); productivity and innovation; engaging in the Wylfa Newydd supply chain; and collaboration in order to access supply chain.
- 4.3.19 Business support as a form of mitigation for displacement could be dealt with through the Supply Chain Action Plan.

Appendix C

SUPPLY CHAIN POTENTIAL IN WALES





Supply Chain Potential in Wales

November 2018

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Executive Summary

The project

- i. The construction of Wylfa Newydd is a £16 billion project. A large percentage of this is spent on the supply chain (possibly 85%-90% of the total).

Local and regional spend

- ii. Horizon Nuclear Power (hereafter Horizon) has suggested in its DCO application that £200 to £400 million could be spent locally (i.e. in North Wales). This is based on 2% to 4% of total project value, so would be £320 to £640 million based on a £16 billion project.
- iii. Welsh Government expects to see at least £1 billion spent in Wales.
- iv. Horizon has not published a procurement strategy or supply chain action plan, so the potential for Welsh businesses to engage in the supply chain is not known. Therefore, we have looked at the local and regional spend on the construction of Hinkley Point C, the only nuclear new-build project in the UK for over two decades, to see if any benchmarks can be identified.

Local and regional spend at Hinkley Point C

- v. Local and regional spend related to the Hinkley Point C project is likely to be significantly more than £400 million. At Hinkley Point C, by 2018 (several years into the project), £465 million of contracts have been awarded to South West suppliers.
- vi. A broader assessment of spend by the Hinkley Point C project in the region (all of the South West and part of South Wales) by late 2018 amounts to £839 million.
- vii. At DCO application, EDF Energy was suggesting a local and regional spend of £1.5 billion. This claim is repeated in the BEIS (2018) Wider Benefits Realisation Plan.
- viii. A number of regional consortia have been established to enable smaller local businesses to engage in the supply chain, in areas such as accommodation and catering. EDF Energy estimates that it will spend around £435 million with local consortia on items such as catering, accommodation and transport during the construction period. £106 million of this has been spent within the first two years of the construction project.

Work packages

- ix. Whilst recognising that the Wylfa Newydd and Hinkley Point C projects deploy different models of nuclear reactor in different areas, it is useful to look at the work packages that have been procured for Hinkley Point C, to identify areas of opportunity for Welsh businesses in any future nuclear new build in Wales. All figures should be treated as very indicative.
- x. Data is available on 164 work packages awarded/being procured by EDF Energy. The total value of these is between £6 and £11 billion (a range is given for the value of each work package, so precise values are not available).
- xi. Welsh businesses may be able to bid directly for some work packages (i.e. become Tier 1 suppliers to Horizon) or bid as a sub-contractor to Tier 1 suppliers.

- xii. The main areas of interest to Welsh businesses for the supply chain of Wylfa Newydd should be:
- Site enabling works (of between £400 and £800 million at Hinkley Point C)
 - Associated development works (of between £150 and £400 million at Hinkley Point C)
 - Site operation services (of between £500 million and £1.3 billion at Hinkley Point C)
- xiii. The minimum value of these work packages is over £1 billion at Hinkley Point C.
- xiv. In addition, there are a number of larger work packages where Welsh businesses could bid to Tier 1 contractors as a sub-contractor:
- Civil engineering works (of between £1.5 and £2 billion at Hinkley Point C)
 - Other work packages (of between £3.8 and £6.3 billion at Hinkley Point C)
- xv. The minimum value of these contracts is over £4 billion at Hinkley Point C.

Welsh businesses' ability to engage in the supply chain

- xvi. A study of Welsh businesses' ability to engage in the supply chain found that 7% of suitable businesses had some nuclear experience, and 43% were interested in participating in the supply chain.

Support to maximise supply chain spend in Wales

- xvii. By providing support to Welsh businesses it is possible to improve their chances of engaging in the supply chain. Businesses can be helped to identify opportunities, prepare to meet the standards of the nuclear supply chain, and work together in consortia to bid for larger opportunities.

1 Introduction

1.1 Objective

- 1.1.1 The objective of this paper is to consider the potential scale of supply chain and local economic impact from the construction of Wylfa Newydd that could be captured in Wales.

1.2 Areas of Supply Chain Impact

- 1.2.1 What is the potential supply chain impact in Wales?

- Contracts placed with businesses located in Wales (either directly as Tier 1 contracts, or in Tiers 2, 3 or lower)
- Investment in the land and infrastructure needed to deliver the Wylfa Newydd project, including investment in local skills and training
- Employment of Welsh workers, including home-based workers, either directly by Horizon Nuclear Power or by supply chain businesses (which may be included in the business contracts mentioned above)
- Spend on accommodation, subsistence and leisure by non-home-based and home-based workers employed on the project or in its supply chain. This is an indirect supply chain impact

- 1.2.2 The latest estimate for the construction of Wylfa Newydd is that it will incur a spend of £16 billion, and much of this is in the supply chain. Previous estimates have shown that 85% to 95% of the cost of construction a new nuclear power station is spent in the supply chain.

- 1.2.3 Some supply chain spend will be international and national, but some will be in Wales and more specifically in North Wales. More basic requirements are easier to meet in the local area. To maximise the opportunities for Welsh businesses throughout the supply chain the Welsh Government is helping businesses to access the Fit 4 Nuclear programme that is delivered by the national Nuclear Advanced Manufacturing Research Centre.

- 1.2.4 From an economic impact perspective, Horizon Nuclear Power's primary objective is to deliver a new nuclear power station on time and within budget. Whilst it is mindful of delivering local/regional economic benefit and legacy, these are secondary objectives. Horizon nuclear Power, as the developer of the power station, will want to minimise the number of Tier 1 contracts in order to keep procurement and management of the supply chain as simple and cost-effective as possible.

- 1.2.5 Any effort to maximise local/regional supply chain procurement may well conflict with HNP's corporate objective to achieve best-value, so will need senior buy-in within HNP in order to do this. Any attempt to maximise local/regional supply chain procurement will also need to be cascaded through the supply chain, to ensure that any sub-contracting by Tier 1 suppliers is concentrated within the local/regional area (in this case in Wales). However, EDF Energy has cautioned that compelling Tier 1 suppliers to use local-regional Tier 2 suppliers may prove difficult and/or costly to implement, as they may already have established supply chains of their own, and/or best-value objectives which promote open procurement.

- 1.2.6 The benefits to the local/regional area can be greater than the direct spend during the construction period. As local businesses and local workers develop skills and experience of working on or supplying to a nuclear new-build project they are able to win work on other large infrastructure or nuclear new-build projects, giving them access to new high-value markets.

1.3 Welsh Government's Aspirations

- 1.3.1 The Welsh Government's aspirations are:

- At least £1 billion of benefit to Wales during the construction of Wylfa Newydd
- A sustainable legacy benefit to Wales

2 Horizon Nuclear Power's Supply Chain Proposals

- 2.1.1 Horizon does not provide an estimate of the local spend from the Wylfa Newydd project (para 1.5.101, p.41. Horizon, 2018, 6.3.1 *ES Volume C – Project-Wide Effects C1 – Socio Economics*).
- 2.1.2 Around 60% of the £10 billion project cost will be spent in the UK.
- 2.1.3 Horizon identifies benchmarks from other nuclear new-build projects (Sizewell B, Flamanville) of 2% to 4% of total project value being spent locally. This would be equivalent to £200 to £400 million spend in Wales over the construction period (para 1.5.103, p.42. Horizon, 2018, 6.3.1 *ES Volume C – Project-Wide Effects C1 – Socio Economics*). This is presented as a 'moderate beneficial' impact on the economy of North Wales.
- 2.1.4 Horizon translates the spend of £200 to £400 million into 1,200 to 3,500 person-years of employment during the construction period, which is equivalent to 120 to 350 full time equivalent jobs in the local economy (para 1.5.106, p.42).
- 2.1.5 The spend of £200 to £400 million is additional to the employment of around 2,000 home-based workers on the project (para 1.5.105, p.42).

Spend in UK

- 2.1.6 At Hinkley Point C, EDF Energy originally had a UK supply chain spend target of 58% of total spend. This has since been raised to 64% and could possibly rise to 70%. It is worth noting that this is a measure of spend with Tier 1 suppliers. Some of these Tier 1 suppliers may engage Tier 2 suppliers who are based outside the UK.
- 2.1.7 The Horizon proposal for 60% of total spend in the UK is comparable with that proposed by EDF Energy.

Spend in Wales?

- 2.1.8 Wales and North Wales are not self-contained economic areas. With significant urban areas in close proximity to North Wales (e.g. Chester, Liverpool, Manchester and large parts of the North West of England) it is likely that some of the regional spend will be outside Wales. When assessing the regional impact of Hinkley Point C, EDF Energy considers part of South Wales within the regional area of impact.

3 Evidence of Local and Regional Supply Chain Spend

- 3.1.1 It is helpful to draw on other projects to help build up a picture of the potential for supply chain spend in Wales. Hinkley Point C is currently being constructed in Somerset.

3.2 Hinkley Point C

- 3.2.1 The ultimate spend in the local/regional area is difficult to define precisely because any spend on Tier 1 contracts with local businesses may involve Tier 2 spending outside the local area; but conversely, spend on Tier 1 contracts with businesses outside the local area may involve Tier 2 spend within the local area¹.

Regional Spend

- 3.2.2 Figures published earlier in 2018² show that:

- By 2018, £465 million of contracts have been awarded to South West suppliers (presumably the larger regional definition, including parts of South Wales)
- By November 2017, £437 million had been spent in the South West economy

- 3.2.3 EDF Energy has measured the spend of the Hinkley Point C project in the region – which is defined as the South West of England and parts of South Wales. Over the first two years of the project, this has amounted to £839 million of direct spend (i.e. not including any multiplier effect)³. This comprises:

- £225 million spent with Tier 1 suppliers in the region, covering a range of goods and services. This does not include any nuclear engineering.
- £344 million spent on Tier 2 contractors in the region by Tier 1 businesses. Some of this spend will come from Tier 1 contractors in the region, so is double-counted with the figure above, whilst some of this will be additional to the region
- £45 million of spend on items set out in the Section 106 agreement
- £34 million on local facilities (*)
- £191 million on land purchases and infrastructure

- 3.2.4 Total forecast spend in the region, estimated before the start of construction, was £1.5 billion over the construction period. It is now thought that spend in the region will exceed this figure. The £150 million figure is made up of:

- Salaries paid to home-based workers, living within the region. Given that employment is at a very high rate, these jobs are not considered as net additional. However, they will be relatively well-paid, and relatively high productivity jobs, so will impact on the regional economy. The original calculation for Hinkley Point C was for £630 million of salaries, although much of this is not net additional
- In addition, EDF Energy employs 1,000 people in its Bristol office, and these are not included in the figure above

¹ Tier 1 contracts are those contracts let directly by HNP. Tier 2 contracts are those let by Tier 1 businesses. Tier 3 contracts are those let by Tier 2 businesses, ad infinitum

² EDF Energy (2018) Hinkley Point C – Realising the Socio-Economic Benefits: Annual Report

³ Based on a consultation with Andrew Cockcroft and Jamie Driver on 31 October 2018

- Contracts with businesses within the region for goods and services, of around £509 million. There could be some overlap between this figure and the spend on salaries for home-based workers, as regional suppliers may spend on home-based workers. This does not include any multiplier effect
- Spend by non-home-based workers on accommodation and subsistence, of £263 million. There may be some overlap between part of this figure and the regional spend on goods and services
- Capital investments in skills and training facilities of £55 million
- A community fund of £20 million to mitigate the intangible impacts of the project
- An off-site plant for pre-fabricating some concrete components within the region, at a cost of £55 million

3.2.5 Current spend and publicly announced contracts for Hinkley Point C already amount to more than £1.5 million. However, it should be noted that announced total contract values may not ultimately be spent if requirements change during the construction project.

Home-based workers

3.2.6 The majority of workers on-site are employed by supply chain businesses rather than directly by EDF Energy. EDF Energy does not have control over whether workers are home-based or non-home-based. Surveys of workers on-site are carried out to identify the proportion of home-based workers.

Goods and services

3.2.7 A number of regional consortia have been established to enable businesses to fulfil requirements in areas such as accommodation and catering. EDF Energy estimates that it will spend around £435 million with local consortia on items such as catering, accommodation and transport during the construction period. £106 million of this has been spent within the first two years of the construction project.

Figure 3.1: Various Assessments of Local/Regional Spend Generated by Hinkley Point C

	Notes	EDF Energy Assessment of Direct Spend (late 2018) Consultation	EDF Energy (2018) Hinkley Point C – Realising the Socio-Economic Benefits: Annual Report	BEIS (2018) Hinkley Point C Benefits Realisation Plan [with further explanation from EDF Energy]	Potential for Wales
Tier 1 Suppliers in region: Goods and Services		£225 million	£437 million spent/£465 of contracts awarded	£509 million + £55 million fabrication plant	Tier 1 Spend
Tier 2+ Suppliers in region: Goods and Services	Possibility of duplication with Tier 1 spend. Cannot be quantified	£344 million			Tier 2 Spend (possibly some duplication with Tier 1 spend)
Section 106 Agreement/Community Fund		£45 million		£20 million	Section 106 spend
Local Facilities/Training Facilities		£34 million		£55 million	
Land Purchases and Infrastructure		£191 million			Land and infrastructure spend
Salaries to Home-Based Workers	Duplication with spend on goods and services. Cannot be quantified			£630 million	Home-based workers' salaries (likely duplication with Tier 1 and Tier 2 spend)
Non-Home-Based Workers Spend on Accommodation	Duplication with spend on goods and services. Cannot be			£263 million	Non-home-based workers' spend (likely duplication

	Notes	EDF Energy Assessment of Direct Spend (late 2018) Consultation	EDF Energy (2018) Hinkley Point C – Realising the Socio- Economic Benefits: Annual Report	BEIS (2018) Hinkley Point C Benefits Realisation Plan [with further explanation from EDF Energy]	Potential for Wales
	quantified goods and services				with Tier 1 and Tier 2 spend)
TOTAL		£839 million	£437 - £465 million	£1,532 million	

4 Assessment of Wales' Supply Chain Potential

- 4.1.1 Parts of South Wales are included within the regional area of impact defined by EDF Energy in its assessment of the impact of the construction of Hinkley Point C. Items such as concrete reinforcing bars and aggregate are being procured in Wales.
- 4.1.2 Data from Hinkley Point C gives a broad idea of the potential for regional spend from a nuclear new-build project.

4.2 Hinkley Point C Work Packages

- 4.2.1 Some, but not all work packages for Hinkley Point C are listed on the EDF Energy website. The website shows 164 work packages.
- 4.2.2 Each work package is identified within a value band rather than an exact value given. From this, a range of values can be calculated. The broad range of values for groups of work packages can be seen in the figure below.
- 4.2.3 As can be seen from the table below, the range of values applied to each work package leads to a large range of overall values i.e. between £6 billion and £11 billion.

Figure 4.1: Summary of Work Packages Procured at Hinkley Point C

	Contract Value (£ million)	
	Minimum	Maximum
Associated Development	£150	£400
Balance of Plant	£260	£670
Civil Works	£1,470	£2,000
Conventional Island	£1,000	£1,000
Electrical and Instrumentation & Control	£780	£1,800
Enabling Works	£410	£830
Handling & Ventilation	£230	£590
Mechanical Equipment	£50	£170
Nuclear Island	£1,400	£1,900
Other	£2	£6
Site Services	£510	£1,300
Valves	£50	£200
TOTAL	£6,000	£11,000

*Numbers may not sum due to rounding

Source: HJA analysis of data published at <https://www.edfenergy.com/energy/nuclear-new-build-projects/hinkley-point-c/for-suppliers-and-local-businesses/work-packages>

4.3 Areas of Possible Regional Spend

4.3.1 The following section looks at the work packages that have been awarded for Hinkley Point C and identifies areas in which Welsh businesses could engage in the project.

Enabling Works

4.3.2 Potential opportunities for Welsh businesses at Tier 1 or as sub-contractors

Figure 4.2: Enabling Works Work Packages at Hinkley Point C (£million)

	Minimum	Maximum	Notes
Wharf and jetty (various)	£75	£150	
Electrical power supply and related (various)	£7	£27	
Temporary buildings	£50	£100	Temporary and modular buildings, removed when construction is completed
Earthworks	£250	£500	Mainly excavation
Archaeological works	£1	£5	
Site remediation	£25	£50	Remediating contamination from HPA
TOTAL	£408	£832	

Associated Developments

4.3.3 Potential opportunities for Welsh businesses at Tier 1 or as sub-contractors

Figure 4.3: Associated Developments Work Packages at Hinkley Point C (£million)

	Minimum	Maximum	Notes
Highways improvements (various)	£13	£65	
Installation of glazing	£2	£10	Two phases. Mitigating noise in adjacent properties
Campus accommodation	£100	£200	Design and build
Park and ride facilities (various)	£8	£36	
Reinstatement of AD sites	£25	£50	Reinstatement of sites after completion of AD works
TOTAL	£148	£411	

Civil Works

- 4.3.4 Potential for sub-contracting to Tier 1 suppliers. Could Welsh companies aim for 10% of this value?

Figure 4.4: Civil Works Work Packages at Hinkley Point C (£million)

	Minimum	Maximum	Notes
Buildings (various)	£125	£250	Ancillary buildings and interim spent fuel store
Permanent roads and networks	£50	£100	Includes pipes under road and street furniture
Main civils	£1,000	£1,000	
Marine works	£250	£500	Structures to bring cooling water into the power station
Special doors	£25	£50	
Others (various)	£21	£105	
TOTAL	£1,471	£2,005	

Site Operation Services

- 4.3.5 Potential opportunities for Welsh businesses at Tier 1 or as sub-contractors

Figure 4.5: Site Operation Services Work Packages at Hinkley Point C (£million)

	Minimum	Maximum	Notes
Access management	£25	£50	Mostly scaffolding
Common building logistics	£50	£100	Services in permanent buildings
Topography services	£1	£5	Support to in-house surveyors
Tool hire	£5	£25	
Fuel supply, storage and distribution	£5	£25	Diesel
Fleet management	£1	£5	Drivers for tours, VIPs etc.
Marine services	£5	£25	Port management and jetty maintenance
Warehouse freight operation	£5	£25	On- and off-site warehousing
Emergency preparedness	£5	£25	Fire and rescue services
Waste management	£5	£25	Waste management in common areas on construction and AD sites (i.e. not nuclear)
Lifting management services	£5	£25	Personnel, expertise and training
Marine services	£1	£1	Advice on marine freight movement
Temporary buildings	£1	£5	During initial site establishment. Separate contract for

	Minimum	Maximum	Notes
			Enabling Works onwards
Campus operations	£100	£250	Accommodation, catering and leisure at main and AD sites
Digital signage	-	-	
Catering	£50	£100	Main and AD sites
Learning management services	£1	£5	
Construction utilities	£5	£25	Power, water etc. during construction
Bus services	£100	£200	Travel to and from main site
Furniture, fixtures and equipment supply	£5	£25	FF&E in temporary buildings
Security infrastructure	£5	£25	Design, installation and maintenance of site security systems
Infrastructure operations	£25	£50	E.g. maintenance and cleaning of roads
Drivers and lease cars	£1	£5	
Security	£50	£100	Security guarding services
Reprographics	£5	£25	
Facilities management	£50	£100	
Minor civil works	£1	£5	
Security fence line	£1	£5	Interim security system
TOTAL	£513	£1,311	

Other

4.3.6 Potential opportunities for Welsh businesses

Figure 4.6: Other Work Packages at Hinkley Point C (£million)

	Minimum	Maximum	Notes
Site newspaper	£1	£1	
Occupational health services	£1	£5	
TOTAL	£2	£6	

4.4 Other Work Packages

4.4.1 Potentially some sub-contracting opportunities for Welsh companies

Figure 4.7: Other Work Packages at Hinkley Point C (£million)

	Minimum	Maximum	Notes
Balance of plant	£259	£670	NIA (2012) ⁴ : UK companies have experience and capability in delivering balance of plant This includes environmental monitoring, permanent security systems, and security doors (good UK potential)
Conventional island	£1,010	£1,050	NIA (2012): UK supply chain has strong capabilities in many areas
Electrical and Instrumentation & Control	£778	£1,790	NIA (2012): There is capability and capacity in the UK. May need training/retraining of staff
Handling and ventilation	£227	£585	NIA (2012): UK businesses have capability in handling, cranes, heating, ventilation and air conditioning
Mechanical equipment	£49	£170	NIA (2012): UK has capability to deliver pumps. Able to deliver heat exchangers, but likely strong competition from overseas.
Nuclear island	£1,401	£1,868	NIA (2012): No businesses in the UK capable of delivering the main reactor technology
Valves	£47	£203	NIA (2012): Some UK capability, but likely strong competition from abroad
TOTAL	£3,771	£6,336	

⁴ Nuclear Industry Association (2012) Capability of the UK Nuclear New Build Supply Chain, particularly Appendix III Work Package Data Sheets

5 Welsh Businesses' Potential to Engage in the Supply Chain

- 5.1.1 Miller Associates produced an assessment of the Welsh economy's ability to engage in the nuclear supply chain in 2014⁵. Having identified those parts of the economy that could engage in the supply chain, a survey of 1,000 businesses was carried out. This found that 7% of businesses had some experience in the nuclear supply chain (i.e. all nuclear activity and not specifically new-build), and 43% were interested in being part of the nuclear new-build supply chain.
- 5.1.2 Based on a generic design for a new nuclear power station, Miller Associates estimated that 34% of a new build could be delivered by Welsh businesses. Based on a £16 billion construction spend, this would suggest a potential market of £5.4 billion.
- 5.1.3 Miller Associates suggested that the Welsh economy has strengths in the areas of:
- Manufacturing of plant and equipment
 - Electricity generation
 - Disposal of low level waste
 - Landscaping services
 - Concrete repairs
 - Site facility management
 - Water supply maintenance
 - Land quality services
 - Engineering services
 - Environmental management
 - Waste services
 - Legal services

⁵ Miller Associates (2014) Nuclear Capability Study

6 Support to Maximise Supply Chain Spend in Wales

6.1.1 Lessons from Hinkley Point C supply chain development, identified by EDF Energy include:

- Meeting the standards necessary to work in the nuclear new-build supply chain
- Meeting the requirements for minimum business size and avoiding over-reliance on a single contract

6.2 Barriers to supply chain engagement

6.2.1 Work undertaken by Miller Associates⁵ sets out barriers to business engagement in the supply chain, which include:

- Size i.e. too small
- Lack of accreditation
- Lack of industry contacts and existing industry relationships
- Lack of awareness of opportunities
- Protracted and resource-intensive procurement process
- Delays and uncertainties in the planning of the nuclear new-build process
- Lack of confidence to invest in nuclear capability, given the uncertainties about the project(s)

6.3 Maximising the local economic impact

Support needs of Welsh businesses

6.3.1 Support is needed to help Welsh businesses to become suppliers to the project. Miller Associates⁵ carried out a survey of potential supply chain businesses in Wales and they identified the following requirements:

- Networking and introducing to potential joint venture collaboration or partners
- Information to understand sector needs
- Meet the buyer events (i.e. Tier 1 and 2 supply chain companies)
- Support with accreditation
- Support with investment for new facilities and skills
- Support for training
- Support to amend products and services to meet the sector's needs

Experience at Hinkley Point C

6.3.2 A Hinkley Point Supply Chain team has been established, comprising the Somerset Chamber of Commerce, EDF Energy, South West Manufacturing Service and others. This has undertaken work to:

- Identify what businesses are located in the local area, their interest in supplying to the project, their current capabilities, and help needed to become supply-chain ready
- Engage with Tier 1 suppliers to make them aware of local businesses that could be engaged in their supply chain
- Match supply and demand
- Help businesses with areas such as tendering, meeting requirements, and nuclear compliance

6.3.3 EDF Energy has identified that building a consortium of local businesses can help to overcome the minimum size requirement, help to mitigate risk, and share the cost of meeting the standards necessary to work in the nuclear new-build supply chain.

6.3.4 Some interventions to support local businesses and workers can be shared with other major infrastructure and energy projects e.g. joint business development, joint training etc.

Supply Chain Engagement Strategy

6.3.5 EDF Energy provided a Supply Chain Engagement Strategy as part of its DCO application in 2011 (Document 8.16 Appendix B). This includes an overview of the UK supply chain potential, and proposals for engaging local businesses in the supply chain.

6.3.6 A Hinkley Point C supply chain portal has been established and is managed by the Somerset Chamber of Commerce. It is the central hub for registering the details of local and regional businesses that are interested in participating in the project, and matching their skills to work package requirements⁶.

6.3.7 Two steering groups were established in 2015, one for site operations and another for industrial partners. The site operations group provides briefings on upcoming work packages to targeted local suppliers where it is felt that there is local capability. South West firms are usually unable to bid on work packages by themselves due to *“the scale of the project and size of the work packages”*⁷, but are contributing partners in a number of supplier groups. The industrial partners group facilitates dialogue between Tier 1 suppliers and businesses registered on the portal, and is designed to help South West firms engage with the opportunities arising from Hinkley Point C. This recognises that Tier 1 suppliers will themselves have complex supply chains that may provide opportunities for local businesses. The portal provides a web link to the EDF Energy website where all Tier 1 contract announcements are published, with details of the preferred bidder and details of the contract. The portal now also provides business support to prospective local suppliers in the areas of: strategy and management; procurement and tendering; accreditation and certification; and workforce skills, to help them engage with the Hinkley Point C project.

6.4 Monitoring

6.4.1 Potential to set targets for Tier 1 spend in Wales, or Tier 2.

6.4.2 Any targets that are set need to be measurable.

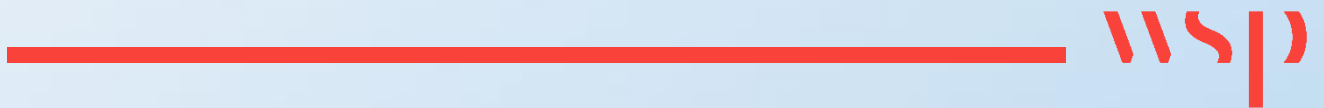
6.4.3 Supply chain businesses need to be compelled to meet the targets, and not just the primary developer.

⁶ <https://www.hinkleysupplychain.co.uk>

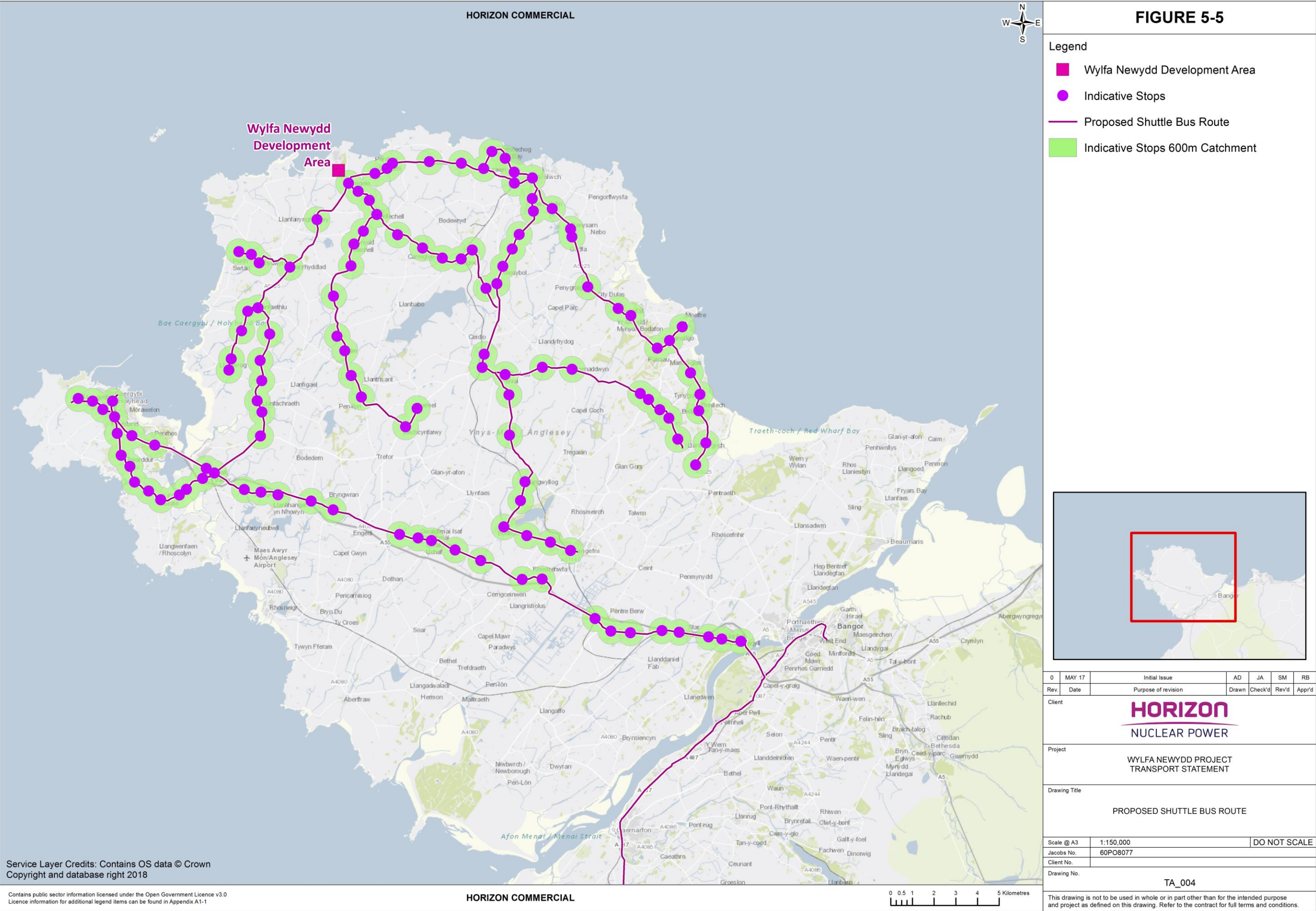
⁷ <https://www.hinkleysupplychain.co.uk/the-site-operations-supplier-steering-group/>

Appendix D

SHUTTLE BUS CATCHMENT - DIFFERENCE IN CATCHMENT FOR ROUTE AND STOP BASED ANALYSIS



Shuttle Bus Catchment – Difference in catchment for route and stop based analysis



Population Analysis:

- Anglesey **71,500**
- within 600m of shuttle bus route **39,900**
- % within 600m of shuttle bus route **56%**
- within 600m of a bus stop on a bus route **36,300**
- % within 600m of a bus stop on a bus route **51%**

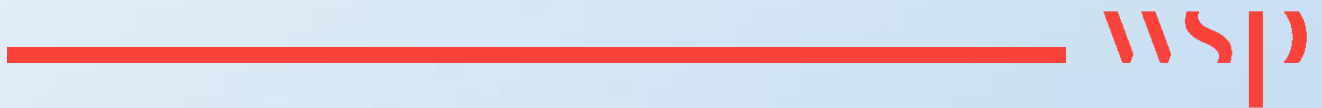
Note 1: Assume shuttle bus stop approximately every 1km (and adjusted to match location of villages etc).

Note 2: although all bus stops are shown not all shuttle bus services will stop at all bus stops. Some will be express services e.g. from Holyhead, Caernarfon and Bangor while services around the north and east of Anglesey, such as Cemaes, Amlwch and Benllech, are likely to be ‘multi-stop’ services. (See para 6.4.12 of App C2-4 DCO TA Appendix F – Integrated Traffic and Transport Strategy.

Source: Experian / Mosaic mid-year 2017

Appendix E

THE IMPACT OF THE WYLFA POWER STATION ON LOW INCOME PRIVATE TENANTS





The impact of the Wylfa power station on low-income private tenants



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Executive summary

This report details the findings of analysis on the impact of the Wylfa power station on low-income private tenants in North West Wales. The analysis is based on household level data that captures the income, employment and housing circumstances of 2,766 households living near the site of the Wylfa power station, in what the Welsh government has identified as the key impact area¹.

There is concern that demand for housing will increase during construction of the power station, which will impact vulnerable residents in the area. The cap on LHA rates, the benefits freeze and increasing inflation, in addition to increasing rents, mean that many private renters in the key impact area will find themselves in a situation of rising costs, without the resources to cover them.

Policy in Practice has conducted an independent assessment of the likely knock-on consequences that the development of the power station will have on low-income residents living in the private sector. This report details the situation in the key impact area now, and presents 3 scenarios in which private sector rents increase when construction of the power station begins.

- Scenario 1 (business as usual): rents are modelled on increases seen in the past 3 years, -0.3% in Anglesey, 0.9% in Conwy and 2.7% in Gwynedd²
- Scenario 2: rent increases of 5% in years 2018 and 2019 and 25% in 2020
- Scenario 3: rent increases of 5% in years 2018 and 2019 and 40% in 2020

The scenarios are based on case studies of other infrastructure investments³. The analysis takes into account other welfare reforms alongside increases in the National Living Wage, and a higher personal tax allowance.

Findings

Poverty after housing costs increases significantly as rents stray from capped Local Housing Allowance rates. The poverty rate for the key impact area in 2017 is 8.3%. The overall poverty rate is expected to increase to 14.0% in 2020 due to frozen benefit rates, changes to benefit regulations, the roll out of Universal Credit and the effects of inflation. With the construction of the power station, we estimate that poverty in the area increases only slightly to 14.3% in Scenario 2 and 14.5% in Scenario 3. However, this hides a significant impact on people living in the private rented sector. It is difficult to model an increase in social sector rents because of the future application of the LHA cap; however, 'affordable rents', set at up to 80% of market rents could also be impacted, potentially affecting 3,624 households.

Private renters are the most heavily impacted across all scenarios. The poverty rate amongst low-income private renters is as high as 62% today; this could increase by a maximum of 24 percentage points, to 83% under Scenario 2 and 86% under Scenario 3 in 2020.

In Scenario 3 there are 2,386 low-income private renting households in poverty, 528 of which are in work, compared to 440 in Scenario 1. Similarly, the number of lone parent households

¹ See Annex 1 for a map of the key impact area and a list of the area names

² This is equal to the average year on year rent increase for 2013-2014, 2014-2015 and 2015-2016 from Stats Wales, available here: <https://statswales.gov.wales/Catalogue/Housing/Private-Sector-Rents>

³ Investment in Pembrokeshire docks led to an increase in private rents of 25%, while investment in Aberdeen has led to increases in rents estimated at 40%. These scenarios were agreed with the client to help local authorities plan for a worst case scenario.

in poverty increases by 91 between Scenarios 1 and 3. There are 794 low-income private renting households with children in poverty under Scenario 1, under Scenario 3 this figure increases to 921.7

The level of financial resilience among low-income private tenants in the area, calculated by taking living costs into account alongside income, shows an even more alarming increase at risk. The proportion of low-income private tenants facing a monthly shortfall between their income and their living costs could rise from less than a half currently to close to two-thirds under Scenario 3.

Table 1.1: the effects of changing rents on poverty and financial resilience on low-income private renters				
	2017	Scenario 1	Scenario 2	Scenario 3
In poverty	1,714 (62.0%)	2,088 (75.5%)	2,304 (83.3%)	2,386 (86.3%)
At financial risk	1,251 (45.2%)	1,274 (46.1%)	1,623 (58.7%)	1,771 (64.0%)

Without efforts to mitigate the impact on low-income households, poverty will likely become more widespread in the area. An increasing number of households will struggle, with a growing number of families at risk of eviction and homelessness. This analysis estimates the total costs of homelessness to the three local authorities at £1.1 million under Scenario 2 and £1.6 million under Scenario 3.

Anglesey, Conwy and Gwynedd Councils, and the Welsh Government commissioned this report to understand the impact of a sharp increase in rents, and to have the opportunity to act to ensure that the impact on low-income households is mitigated.

The three councils can consider:

- Using this report to ask for Targeted Affordability Funding from the DWP, in order to increase LHA rates in the area
- Working with others to construct additional homes in the key impact area, where demand is likely to be greatest.
- Working with employability organisations to ensure additional employment opportunities brought about by the power station benefit low-income residents in the area
- Targeting support to households impacted negatively by the overall impact of rent increases and other reforms, or with high barriers to work

1. Introduction

This report details the findings of an analysis of the impact that the construction of Wylfa power station is likely to have on the surrounding area and, in particular, on low-income private tenants. The analysis was carried out by Policy in Practice, and commissioned by Isle of Anglesey Council, Conwy Council, Gwynedd Council and the Welsh Government.

Single Household Benefit Extract (SHBE) data, which captures detailed information on every household in the three local authorities receiving Housing Benefit, has formed the basis for the analysis on the impact of the construction of the power station. This report focuses on private tenants claiming Housing Benefit living in the key impact⁴ area, which is the area in close proximity of the power station construction site.

The report assesses the implications that large increases in rent prices, resulting from high demand for accommodation in the years leading up to the construction of the power plant, will have on the living standards of disadvantaged private tenants.

The findings will help local authorities to prepare ahead of a range of different scenarios, with the aim to:

- Provide an overview of the impact of a range of rent increases on private tenants in the area
- Provide an evidence-based approach for Anglesey, Conwy and Gwynedd Councils, and the Welsh Government, to engage with Horizon and the UK Government to expose some of the key issues around availability of affordable homes and the freezing of housing benefit rates
- Enable the three local authorities to act pre-emptively in relation to the potential impact on housing, including local displacement and homelessness

This report will assess the impact of three scenarios, each modelling different levels of private rent increase. More details on the assumptions taken into account in each scenario are outlined in the methodology section. Under each scenario our analysis highlights:

- The loss of disposable income households can expect as the result of higher rents
- The number of tenants at financial risk
- The proportion of households that would move into poverty
- The number of households with rent above the LHA rate

⁴ For details on the key impact area, provided by the Welsh Government, see Annex 1

2. Methodology

This analysis is based on the Single Housing Benefit Extract (SHBE) and Council Tax Reduction Scheme (CTRS) data from the Isle of Anglesey, Conwy and Gwynedd, as of March 2017.

SHBE is a Housing Benefit dataset provided monthly by local authorities to the DWP. The dataset contains individual-level data and thus is a rich resource for analysing the impact of welfare reform at both an individual and aggregate level. It represents low-income households, defined as those in receipt of Housing Benefit. The CTRS dataset contains similar data for all households in receipt of council tax support.

Isle of Anglesey, Conwy and Gwynedd Council each signed a secure data-sharing agreement with Policy in Practice and personally identifiable information has been removed from the data. Policy in Practice has converted the data into a format consistent with the Universal Benefit Calculator software engine, a tool that models the combined effects of different policy changes on each individual household.

The focus of the analysis is to show the effect that construction of the Wylfa power station will have on the surrounding area, by modelling three scenarios. The scenarios describe how the circumstances related to housing and income of low-income private tenants living in the key impact area will change by 2020.

The main change modelled in this analysis is a large increase in private rents; however, several other factors are taken into account such as increased inflation⁵ and changes to benefits regulations, including the roll out of Universal Credit across the UK. On top of this, our analysis factors in policy changes that will take effect from April 2018, such as the rise in the National Living Wage to £8.80 per hour and the higher personal allowance of £12,500.

Scenario 1

Scenario 1 models increases in private rents based on historical data from the past 3 years. The purpose of this scenario is to show how the key impact area would be affected if rental rates continue to rise at their current rates. The findings of this model provide a baseline for comparison with the other two scenarios to better understand the effect of the power station. The rates of rental price increases modelled are -0.25% in Anglesey, 0.9% in Conwy and 2.7% in Gwynedd².

Scenario 2

Scenario 2 bases projected increases in rent prices on the experience of Pembrokeshire. In Pembrokeshire private rents increased substantially due to construction of a power station in 2008. The analysis for this scenario forecasts private rent increases of 5% for years 2018 and 2019, and an increase of 25% for 2020. This is based on information provided by the Welsh Government and is confirmed by research for the Pembrokeshire Haven Spatial Planning Group, which finds that construction of the power station had a significant impact on the local housing market. For example, house prices increased up to 20% for properties worth less

⁵ Data on national inflation taken from the Office of Budget Responsibility Economic and fiscal outlook charts and tables (March 2016): budgetresponsibility.org.uk/download/economic-and-fiscal-outlook-supplementary-fiscal-tables-march-2016

than £150,000, with similar increases for private rent prices⁶.

Scenario 3

Scenario 3 models projected rent increases based on the experience of Aberdeenshire. In Aberdeenshire private rents increased substantially as the result of significant infrastructure investments for the construction of the power station and development of oil rigs. The analysis in this report forecasts private rent increases of 5% for years 2018 and 2019, and an increase of 40% in 2020. These figures have been provided by the Welsh Government, and are based on estimates on the effect of large infrastructure investment on the local housing market in Aberdeenshire.

There are some general limitations to this methodology:

- The analysis is based on the rent increases described above. The findings of this report are predictions of the effect that might be seen in the key impact area. In reality construction of the power station in Anglesey may have a weaker or stronger impact than the estimates from Pembrokeshire or Aberdeenshire.
- The analysis models scenarios based on current data. This means that the analysis doesn't take into account that a household's circumstances might change; rather, it shows how the current SHBE caseload would fare under the three scenarios presented.
- We assume that by 2020 Universal Credit (UC) will be fully implemented. This is a reasonable assumption to make, as DWP plans are in place for UC to be fully rolled out by 2020-21⁷. However, in reality the number of households on UC may be lower than expected⁸.
- The new power plant may bring increased employment opportunities for households subject to this analysis. However, there is little evidence of this effect in Pembrokeshire – it is unclear whether the construction of Pembroke power station affected local employment rates⁹, though it undoubtedly had a positive effect on the local economy as a whole¹⁰.

⁶ See here: www.pembrokeshire.gov.uk/objview.asp?object_id=2743

⁷ See here: <https://www.gov.uk/government/publications/dwp-single-departmental-plan-2015-to-2020/dwp-single-departmental-plan-2015-to-2020>

⁸ Though there isn't official research on this topic, we have heard anecdotal information from several Local Authorities, putting migration levels at up to 25%. For more information please contact us

⁹ Unemployment actually increased during construction of the power station between 2009-12, though this coincided with the great recession of 2008-12. See ONS statistics here:

http://www.nomisweb.co.uk/reports/lmp/la/1946157391/subreports/ea_time_series/report.aspx?

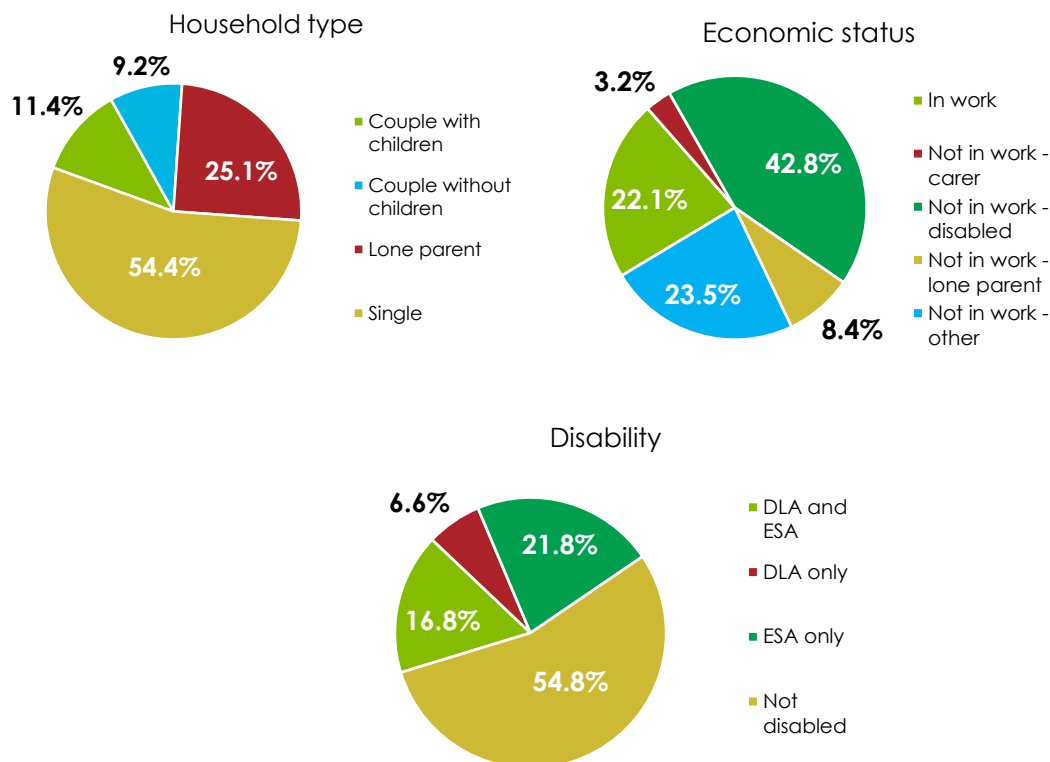
¹⁰ The power plant is estimated to be worth £10 million a year to the local economy, see here: <http://www.itv.com/news/wales/2012-09-19/1bn-new-pembrokeshire-power-station-to-open/>

3. The situation now

A total of 12,133 low-income families live in the key impact area close to the future site of the Wylfa power station. Of these 12,133 households 2,766 (22.8%) are private renters. This group of households is the focus of this analysis, as they will likely be affected by changes in rent prices during the years of construction of the power plant.

20.9% of the cohort is of pension age, with the remaining 79.1% (2,188 households) of working-age. 36.4% of households have children, with a total of 1,862 children in this cohort. The majority (54.4%) of these households is made up of single adults and one in five families is in work.

Figure 3.1: Characteristics of private renters in key impact areas



Households in poverty

To estimate the current level of poverty in the area, the analysis uses the relative income measure after housing costs¹¹, adjusted for household composition¹². Relative poverty is a standard way to measure economic deprivation in developed countries and is used by many prominent international institutions as well as the UK Government¹³. The calculation

¹¹ Median income figures, including housing costs (mortgage, rent etc.) are taken from Households Below Average Income (HBAI). See here: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/600091/households-below-average-income-1994-1995-2015-2016.pdf

¹² Based on the OECD alternate equivalence scale.

¹³ See the ONS: <https://www.ons.gov.uk/peoplepopulationandcommunity/personalandhouseholdfinances/incomeandwealth/articles/persistentpovertyintheukandeu/2014>

takes 60% of national median household income and adjusts it for the composition of the household; this means the poverty line for a single person is much lower than for a family. Incorporating housing costs into this calculation allows us to effectively model the change in poverty levels caused by rent increases. It is a realistic way of showing a household's income and standard of living¹⁴, and is especially useful in areas where rental costs are high.

In the key impact area, 8.3% of the entire population lives in relative poverty. This rate is 62.0% amongst private renters claiming Housing Benefit. The large amount of private renters in poverty is likely driven by the gap between rents and Housing Benefit entitlement, generally higher among private tenants than among social tenants. Of those in poverty the vast majority (85.4%) are working age.

Financial resilience

In partnership with a number of local authorities, Policy in Practice has developed an indicator of living standards for low-income families which takes household's costs into account. These are modelled using Money Advice Trust trigger figures and they include housing costs, council tax bills (after council tax support is taken into account), utility bills, travel costs and other household costs. Compared to other measures, including relative poverty, this approach takes the needs of the household into account, and is arguably a better assessment of the financial risk faced by each household. From the perspective of local welfare provision, this indicator can help to drive operational decisions by pinpointing those families in financial crisis, likely to fall into arrears or face eviction.

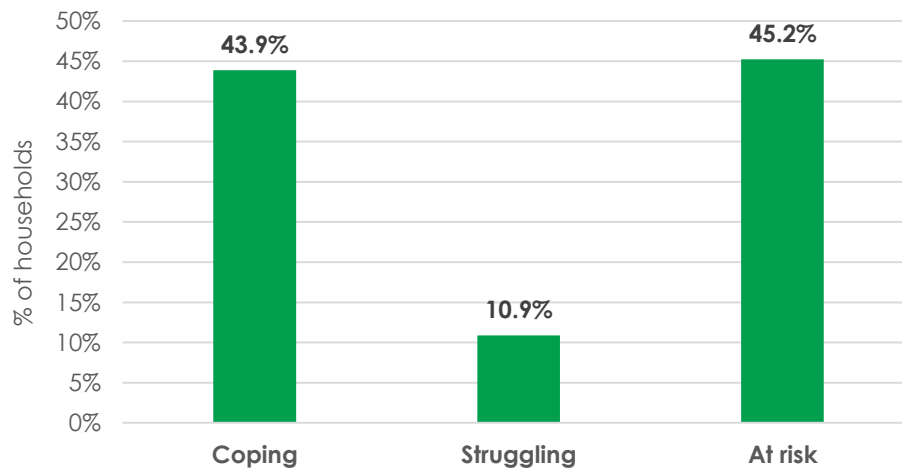
Each household is compared against its cost of living and then classified into different groups of 'financial risk'. The groups are the following:

- **Coping** – household's take-home income is greater than expected costs by over £100 p/m
- **Struggling** – household's take-home income is greater than expected costs by less than £100 p/m
- **At risk** – household expected costs exceed its income

Figure 3.2 shows the how households in the cohort fit within these categories. 43.9% of households (1,214) are coping, whilst 45.2% of households are at risk and are currently facing a shortfall between their income and outgoings.

¹⁴ See the Child Poverty Action Group: <http://www.cpag.org.uk/content/uk-poverty-line>

Figure 3.2: Financial risk 2017



Local Housing Allowance (LHA)

The Local Housing Allowance (LHA) was introduced in April 2008 and significantly changed Housing Benefit for people living in the private-rented sector. It places a cap on the maximum amount of rent taken into account in a claimant's Housing Benefit calculation. The applied LHA rate is based on broad geographical regions, household composition and age of household members. In effect, Housing Benefit is not related to the actual rent charged unless the rent is at or below the applied LHA amount.

Of the 2,766 households in the cohort, 75.4% are charged rent higher than their relevant LHA rate applied for Housing Benefit. The average difference between rent and Housing Benefit is £25.62 per week.

4. The outlook for 2020

Scenario 1 - Rents increase in line with historical averages

This section shows how the cohort of low-income private renters in the key impact area would be affected in 2020 if rents continue to rise at their current levels.

Taking into account all relevant policy and macro-economic changes as detailed in the methodology section, the private rent increases in 2020 modelled in this scenario are -0.9% in Anglesey, 2.7% in Conwy and 6.2% in Gwynedd.

Change in disposable income

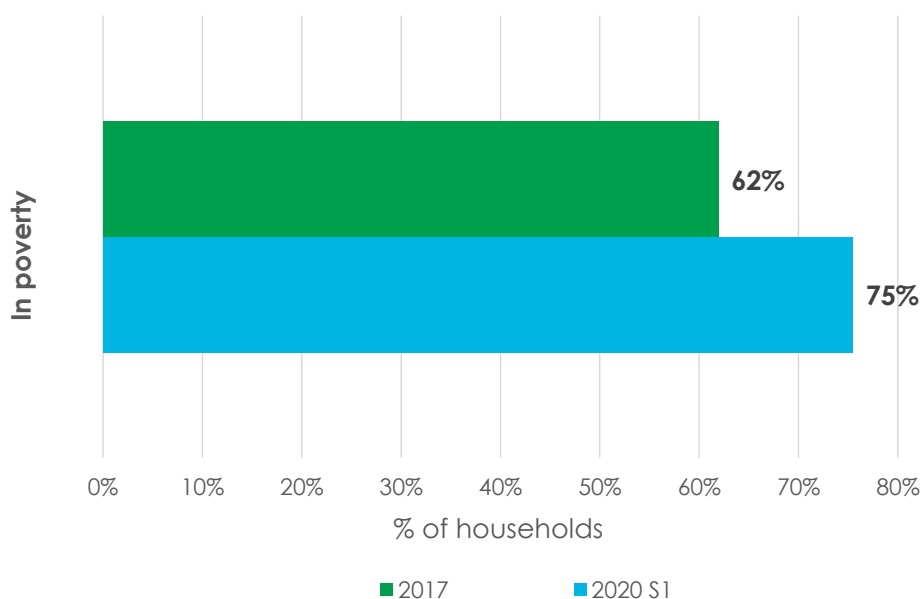
Our analysis shows the cumulative impact of these changes on each household's income. In Scenario 1, 55.1% of households in the cohort will see their real disposable income (i.e. after housing costs and inflation are taken into account) drop by more than £50, whilst only 8.9% of households would lose less than £15 a week. As rent levels haven't changed considerably in Scenario 1, the main drivers of such loss in income are the roll out of Universal Credit (which alone will leave 2,064 households worse off) and the steep projected increase in inflation rate. Households with children and those in work are among those most heavily impacted under this scenario.

Households in poverty

Under Scenario 1, 14.0% of all households living in the key impact area would fall below the poverty line, a 5.7 percentage point increase from the current level.

Amongst low-income private tenants, the proportion in poverty increases to 75.5%, up from 62.0% in 2017.

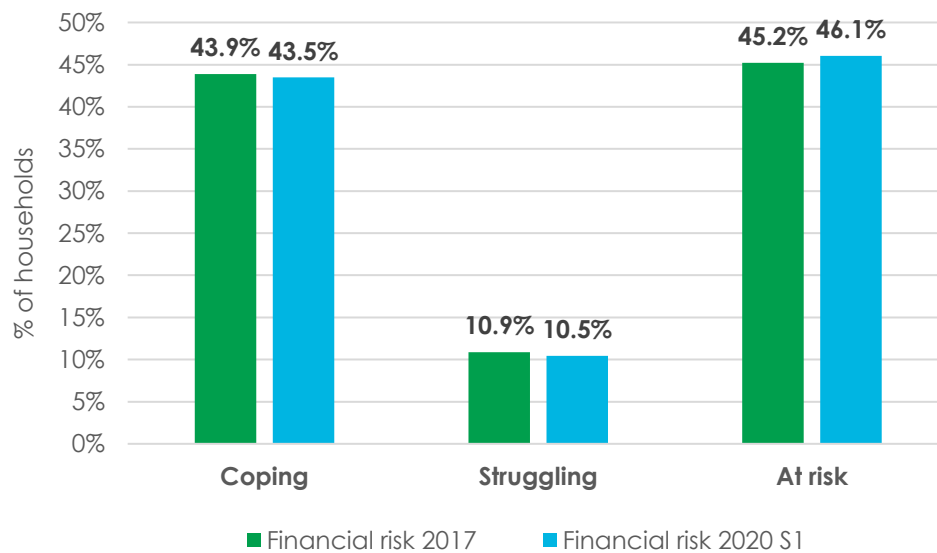
Figure 4.1: Proportion of low-income private tenants in poverty, 2017 and 2020



Financial resilience

The level of financial risk faced by households captured under Scenario 1 does not vary significantly from the current picture. This is mainly due to level of rents remaining largely unvaried - housing costs, in fact, account for a significant portion of a household's modelled expenditure. The proportion of households at financial risk increases slightly under this scenario, to 46.1%. These are households facing a monthly shortfall between their costs and their living costs.

Figure 4.2: Proportion of low-income private tenants in financial risk, 2017 and 2020



LHA freeze

Since 2015, the Government has introduced a freeze to LHA rates across the country for the next four years, in an effort to slow rental increases and reduce spending on working age benefits. In the context of the key impact area, the freeze of LHA rates would not significantly increase the number of households with rents higher than the LHA rate in Scenario 1. Under the circumstances modelled here, 76.5% of households have rent above the LHA rate.

Scenario 2 - Rents increase by 25% in 2020

This section shows how the cohort of private renters in the key impact area would be affected if the rent increases similar to the ones verified in Pembrokeshire are applied to this model.

Taking into account all relevant policy and macro-economic changes as detailed in the methodology section, the key change in this scenario is an increase in all private rent prices of 5% in years 2018 and 2019 and a 25% increase in 2020.

Change in disposable income

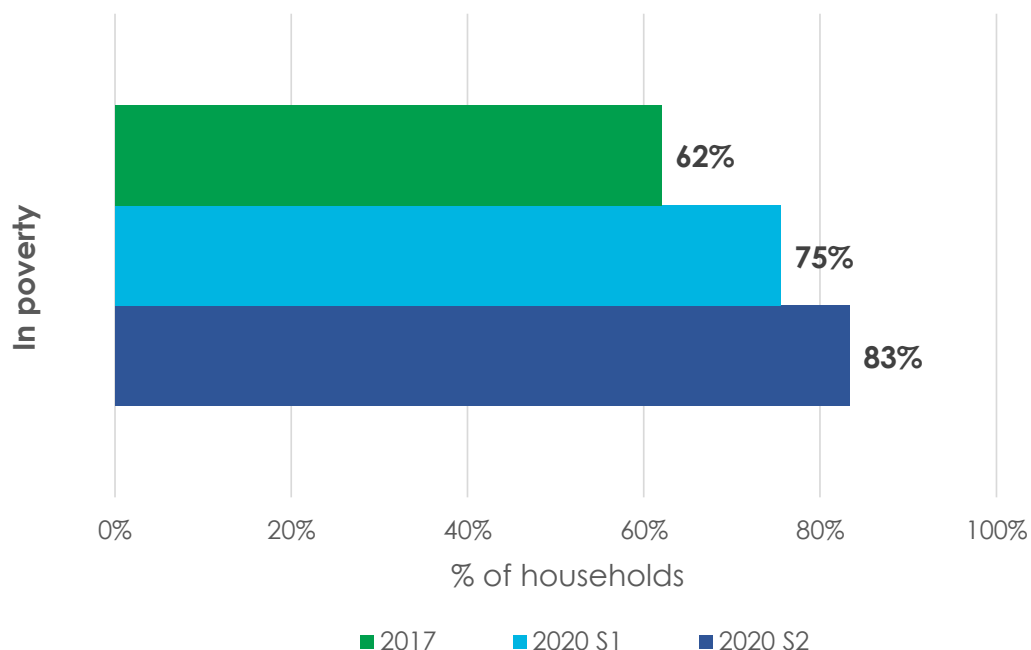
Under Scenario 1 55.1% of households would be expected to lose more than £50 per week compared to their current level of income - under Scenario 2 this figure increases to 81.2%. This difference is driven by the higher rent prices modelled under this scenario, affecting all low-income private tenants in the area.

Households in poverty

Under Scenario 2 14.3% of all households living the key impact area are in poverty, up 14.0% under Scenario 1.

Figure 4.3 below shows the proportion of low-income private renters in poverty in 2017 and in 2020, under both Scenario 1 and Scenario 2. In this cohort poverty increases from 62% in 2017 to 75% in Scenario 1 to 83% in Scenario 2.

Figure 4.3: Proportion of low-income private renting households in poverty, 2017 and 2020



When comparing the findings for Scenario 1 and Scenario 2, it clearly emerges that the analysis on poverty levels highlights a smaller marginal change in the number of households

affected (216 households in poverty), than the measure of financial resilience (349 households at financial risk), as the result of the increase in private rent prices caused by the construction of Wylfa power station. This is in line with expectations. The measure of relative poverty, in fact, is modelled around the household's income, which has remained unchanged between the two 2020 scenarios. Policy in Practice's indicator of financial resilience, on the contrary, is based on an estimates of the households specific living costs, which under the two scenarios varies significantly due to the increase in rent prices.

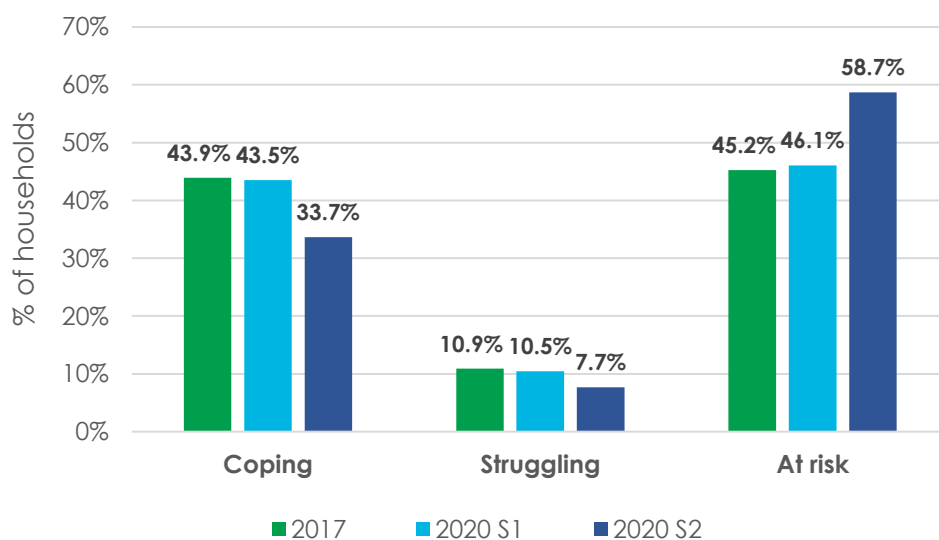
Financial resilience

Levels of financial risk faced by household notably changed under Scenario 2. Figure 4.4 shows the comparison of this indicator across the three main circumstances modelled so far.

43.5% of households are classified as coping in Scenario 1, whilst under Scenario 2 this falls to 33.7%. This drop pushes a large number of households into financial risk. Under Scenario 2, the proportion of families facing a monthly shortfall between their income and expenses rises from 46.1% to 58.7%.

The notable thing about this graph is that financial risk hardly changes between 2017 and Scenario 1, whilst under Scenario 2 the proportion of households at risk increases significantly. The increase in rents modelled in Scenario 2 are expected to have a big impact on financial risk, which may impact homelessness levels in the key impact area.

Figure 4.4: Financial risk amongst low-income private renters in 2017, S1 and S2



The analysis suggests that these households would find themselves in dire financial circumstances. The high increase in rent prices not matched by Housing Benefit entitlements would leave significant shortfalls in the budgets of these households. The implications of this is easy to predict: families would struggle to meet their financial obligations and would eventually fall behind on their rental payments. If not supported, they would likely face the risk of eviction with potential costly implications for the three councils.

Local authorities have a statutory duty to provide housing to homeless families deemed

vulnerable. This duty currently covers almost exclusively cases of families with children, but it will be expanded to single households once the new Homelessness Reduction Bill becomes effective in 2018. The New Economy Manchester estimates the average cost to local authorities in dealing with a homelessness case (after Housing Benefit subsidies are taken into account) to be approximately £8,800¹⁵ per year. If we assume that all 125 households facing a monthly shortfall of £200 per week under Scenario 2 would face eviction and would require housing in temporary accommodation, then the total costs to the three local councils would amount to £1.1 million by 2020.

LHA freeze

In the context of the key impact area, the freeze of LHA rates would represent a significant challenge for the pockets of low-income private tenants, who will face steep increases in the prices of accommodation.

Table 4.1 illustrates how private rents would be expected to increase between different property sizes. It indicates how rents would change hugely under this scenario. Even those living in 1 bedroom homes see their rent rise by £30 a week in rent. Those in larger properties will face rents significantly higher than the current rates.

Our analysis suggests that an extra 532 private renters will be affected by the LHA cap if rents increase at the rates modelled under this scenario, the vast majority of whom are single or lone parent households. This would bring the total number of households affected by the LHA cap to 2,617, 94.6% of the cohort. The average weekly shortfall of these households, between their rent and their Housing Benefit, is £56.63. For a comprehensive summary of average differences between rents and the LHA, see Annex 3 and 4.

Table 4.1: Rent increases in Scenario 2

	Private Rent (weekly)		
	Current average	S2 average	Change in rent
1 bedroom	£86.63	£119.38	£32.75
2 bedrooms	£110.44	£152.19	£41.75
3 bedrooms	£123.91	£170.75	£46.84
4 bedrooms	£139.99	£192.91	£52.92
5 bedrooms	£160.17	£220.72	£60.55

Table 4.2: Households with rent now higher than the LHA rate, by household type

Household type	No. of additional households S2
Couple with children	56
Couple without children	23
Lone parent	127
Single	326

¹⁵ <http://www.neweconomymanchester.com/our-work/research-evaluation-cost-benefit-analysis/cost-benefit-analysis/unit-cost-database>

Scenario 3 - Rents increase by 40%

This section shows how the cohort of private renters in the key impact area would be affected if rent increases at rates similar to the ones observed in Aberdeenshire, following the development of a power station and construction of oil rigs.

The key change that this scenario models is private rent increases of 5% in years 2018 and 2019 and a 40% increase in 2020.

Change in disposable income

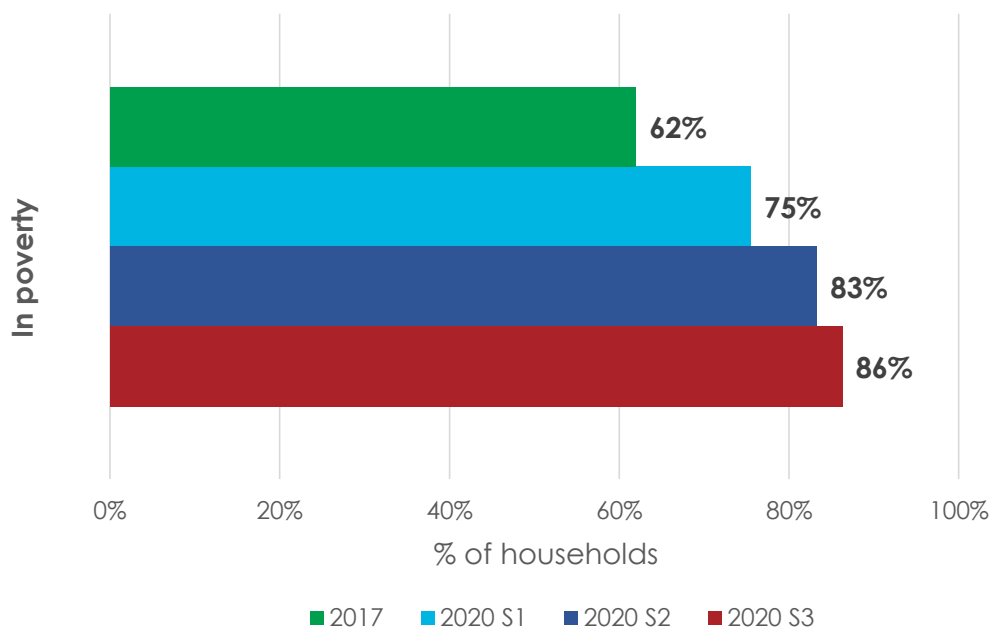
The proportion of households expected to lose more than £50 per week under Scenario 3 would increase further from the 81% figure of the previous section to a staggering 88%. Effectively, only 332 out of 2,766 households would witness a loss in real income lower than £50.

Households in poverty

Under Scenario 3, 14.5% of the entire population living in the key impact area would live in poverty, up from 14.0% and 14.3% as modelled under Scenario 1 and Scenario 2 respectively.

Figure 4.5 below shows the proportion of low-income private renters in poverty in 2017, Scenario 1, Scenario 2 and Scenario 3. 86% of households in the key impact area are in poverty in Scenario 3, 24 percentage points more than in 2017 and 3% more than in Scenario 2. Fewer households fall into poverty as rent levels increase between scenarios 2 and 3 – an interpretation of this is that most households are already in poverty in Scenario 1, so there is a smaller pool vulnerable to falling into poverty in Scenario 2 and 3. Even if rent levels don't reach the 40% recorded in Aberdeenshire, the key impact area will see a significant increase in poverty rates up to 2020, affecting the majority of private renters in the area.

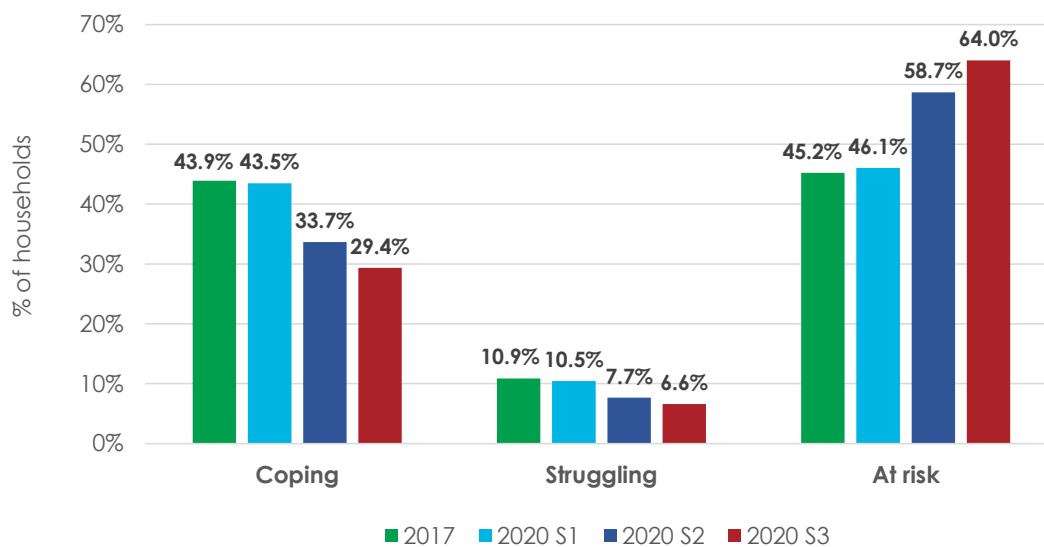
Figure 4.5: Proportion of low-income private renting households in poverty, 2017 and 2020



Financial resilience

Figure 4.6 shows the level of financial risk among low-income private tenants under Scenario 3, comparing it with the findings from the current situation and Scenarios 1 and 2.

Figure 4.6: Financial risk amongst low-income private renters, 2017 and 2020



In Scenario 1, 43.5% of households are coping, whilst under Scenario 2 this falls to 33.7% and to 29.4% under Scenario 3. The number of households at risk increases significantly, from less than half under Scenario 1 to close to two thirds of all low-income private renters under Scenario 3. As discussed in the previous section, these households would face huge financial challenges in meeting their monthly outgoings, especially their housing costs.

In Scenario 3 there are 1,771 households in the at risk category. 179 would face a shortfall of more than £200 per week. If we assume that this group would face eviction as a result of increasing rents, the cost in temporary accommodation would be over £1.6 million.

Without action to mitigate the impact of rising private rents, local authorities may face increasing rates of homelessness and spiralling costs of supporting homeless households in temporary accommodation. This effect is discussed in research focusing on the effect of Pembrokeshire's power station – the report clearly highlight the causal link between rising rent levels and an increase in homelessness in the area³.

LHA freeze

Table 4.3 shows current rent levels by number of bedrooms in a household (for a more detailed table see Annex 3). It shows how rents move increasingly far from the LHA rate in the 3 scenarios presented. The table illustrates how much extra rent residents would have to find in all property types. In Scenario 3 the average 2 bedroom household would have to find £58.03 a week extra over the LHA rate compared to Scenario 1, which amounts to over

£3,000 a year. Whatever the size of the property tenants will have to cover a significant extra weekly amount in additional rent.

Annex 2 presents a more detailed version of this table and Annex 1 shows a complete list of the number of private renters in different parts of the key impact area, and how their rents differ from the LHA rate now, and in each of the 3 scenarios.

Table 4.3: Average rents and the LHA				
	LHA rate	Difference between average rent (scenario 1) and the LHA rate	Difference between average rent (scenario 2) and the LHA rate	Difference between average rent (scenario 3) and the LHA rate
1 bedroom	£71.61	£16.74	£47.77	£62.10
2 bedrooms	£91.69	£20.73	£60.50	£78.76
3 bedrooms	£110.72	£14.58	£60.03	£80.52
4 bedrooms	£133.70	£7.90	£59.21	£82.36

Our analysis suggests that an extra 586 private renters would be affected by the LHA cap if rents increase at the rates modelled in Scenario 3. This brings the total number of households affected by the LHA cap to 2,671, 96.6% of the cohort. The average weekly shortfall of these households, between their rent and their Housing Benefit, is £71.88. Of the 2,671 households 43.0% are out of work due to disability and 22.6% are in work.

Table 4.4 shows the types of household that have rent levels over the LHA rate in Scenario 3. More than half of those in this cohort are single, whilst 25% are lone parents.

Table 4.4: Types of household with rent over the LHA rate	
Household type	No. of households scenario 2
Couple with children	310
Couple without children	240
Lone parent	684
Single	1,437

Scenario 3: details of the effect

Table 4.5 shows details of the effects of Scenario 3. It shows the number of households losing over £50 per week, in poverty and at risk by household type, economic status and disability.

The table shows the types of household that will lose more than £50 per week in this scenario. Lone parents and single households suffer, whilst those in work and those out of work due to disability also lose out significantly.

Single households are by far the largest group in poverty and at risk. In 2017 there are 630 households containing children that are in poverty, under Scenario 3 this figure increases to 921. The major economic groups at risk and in poverty are those not in work, especially those receiving disability or incapacity benefits.

Table 4.5: Details of the effects of scenario 2			
	Lost £50+ p/w	In poverty	At risk
Total	2,427	2,386	1,771
Household type			
Couple with children	12.4%	11.7%	9.3%
Couple without children	9.6%	8.4%	9.1%
Lone parent	28.1%	26.9%	20.1%
Single	50.0%	53.0%	61.6%
Economic status			
In work	23.2%	22.1%	15.5%
Not in work - carer	3.3%	3.7%	3.8%
Not in work - disabled	42.5%	38.0%	37.0%
Not in work - lone parent	9.4%	9.6%	10.0%
Not in work - other	21.6%	26.6%	33.6%
Disability			
Disabled	45.0%	39.2%	38.1%
Not disabled	55.1%	60.9%	61.9%

5. Conclusion and recommendations

In the run up to 2020, private renters in the key impact area are likely to face significant extra costs, and are unlikely to be able to maintain their current living standards. Without action to mitigate the impact, many in the cohort will face rental rates far higher than their LHA rate and will struggle to keep their finances in balance.

This analysis has highlighted how different approaches to measuring living standards provide different insights on the impact that the construction of Wylfa will have on the area. In particular, it shows that Policy in Practice's measure of financial resilience can help to better capture the number of households at risk, when changes in rents are taken into account. Alongside the relative poverty figures, the financial resilience measure allows local authorities to identify more clearly which households are facing financial difficulties and are at risk of homelessness and local displacement.

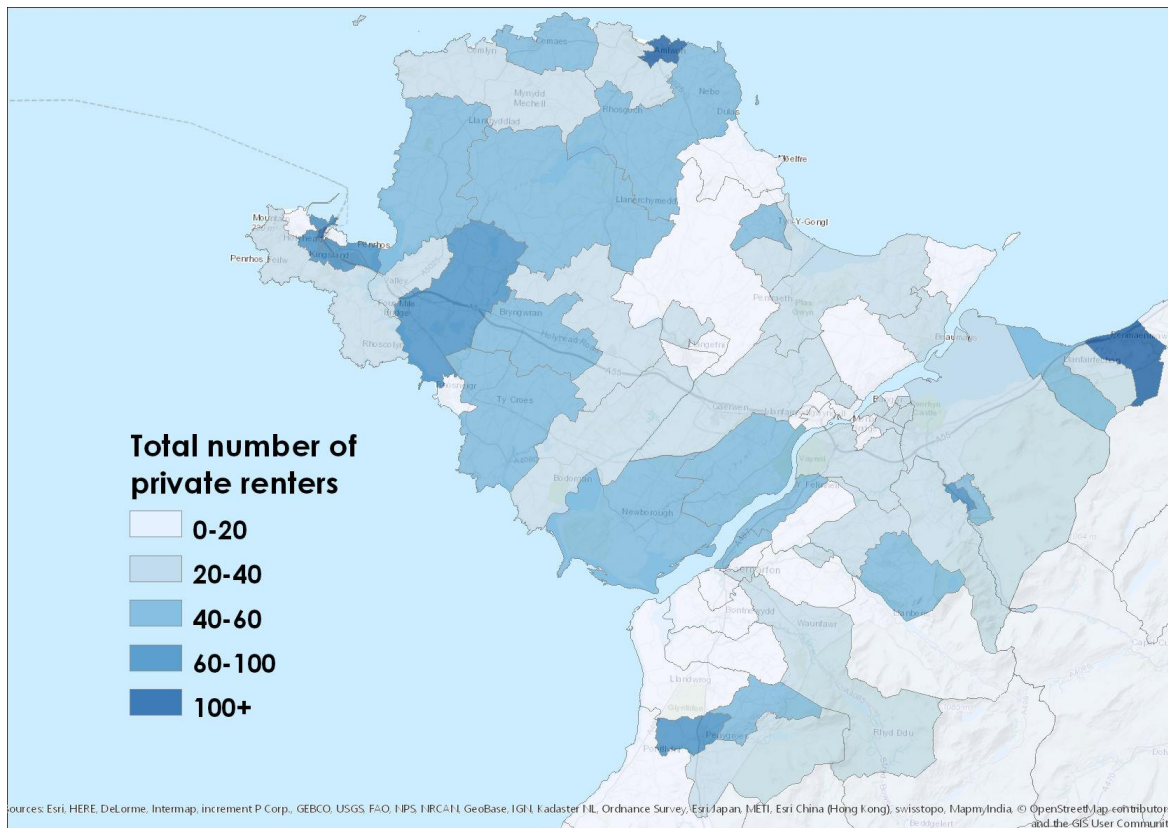
These findings highlight a series of key areas in which Anglesey, Conwy and Gwynedd Councils, in partnership with the Welsh Government, could act to alleviate the negative impact this cohort is likely to face in the years up to 2020.

Invest in affordable housing

Anglesey, Conwy and Gwynedd Council, working in close partnership with the Welsh Government, housing associations and local developers should consider expanding the supply of affordable housing in the years ahead. Increasing the supply of property in the key impact area will help to mitigate the effect of rising private rent prices shown in this analysis.

Ideally, councils would increase the provision of social rented accommodation in areas where most low-income private renters live. Figure 5.1 shows the distribution of low-income private renters in the key impact area. The areas with more than 100 households are Holyhead Town, Pant-yr-afon/Penmaenan and Amlwch Port. Holyhead Town has over 160 low-income private renting households, and along with Amlwch Port is located in close proximity to where the new power station will be built. Low-income private tenants living in these two areas (and the other areas shaded dark blue on the map below), would benefit from increased supply of affordable housing when demand for accommodation increases, which will help limit the rental increases on their homes.

Figure 5.1: The number of private renting households by community area



Engage with DWP and UK central government to raise LHA rates

LHA rates are critical in the context of rising rental prices. The DWP has introduced the Targeted Affordability Fund (TAF) to raise LHA rates in specific areas by up to 4% each year.

The Broader Rental Market Area (BRMA) of North West Wales has not been included in the list of targeted areas to date. Anglesey, Conwy and Gwynedd Council, and the Welsh Government could use this analysis, supported by evidence of the expected increase in private rents, to engage with the Department of Work and Pensions and the Department for Communities and Local Government. This information supports the case for additional funding to be allocated to the North West Wales LHA rate. This report provides an assessment of the impact that the construction of Wylfa power station will have on the local area and can support the case for securing TAF for North West Wales.

Ensure that low-income residents share the economic benefits of the power station

The construction of the power station is likely to create jobs locally, and support economic growth within the key impact area. Our analysis has not taken into account the potential benefits that Wylfa power station could bring to low-income residents in the area. It is difficult to pinpoint employment effects, for example it is difficult to see the impact on local employment of the power station in Pembrokeshire¹⁶. However, according to Horizon, the

¹⁶ See ONS statistics for the power station in Pembrokeshire on local employment: http://www.nomisweb.co.uk/reports/lmp/la/1946157391/subreports/ea_time_series/report.aspx?

main investor in the project, the power station will employ 850 people when operational, and significantly more when under construction¹⁷. A portion of this will be local labour. Anglesey, Conwy and Gwynedd Council together with the Welsh Government should seize this opportunity to ensure that even most vulnerable residents can benefit from development of the power station.

1. Consider working with Horizon Nuclear Power and Job Centre Plus, or other labour market intermediaries, to assess the skills and training needs of the local labour market in order to enable individuals to take up these new employment opportunities in the short and long term
2. Target employment support to the 862 households out of work with no obvious barriers to work identified by this analysis
3. A large number of workless households are in receipt of disability and incapacity benefit. Use local or national programmes, like the Work and Health programme to support these households into work. Strike partnerships with employers to facilitate job placements for these households

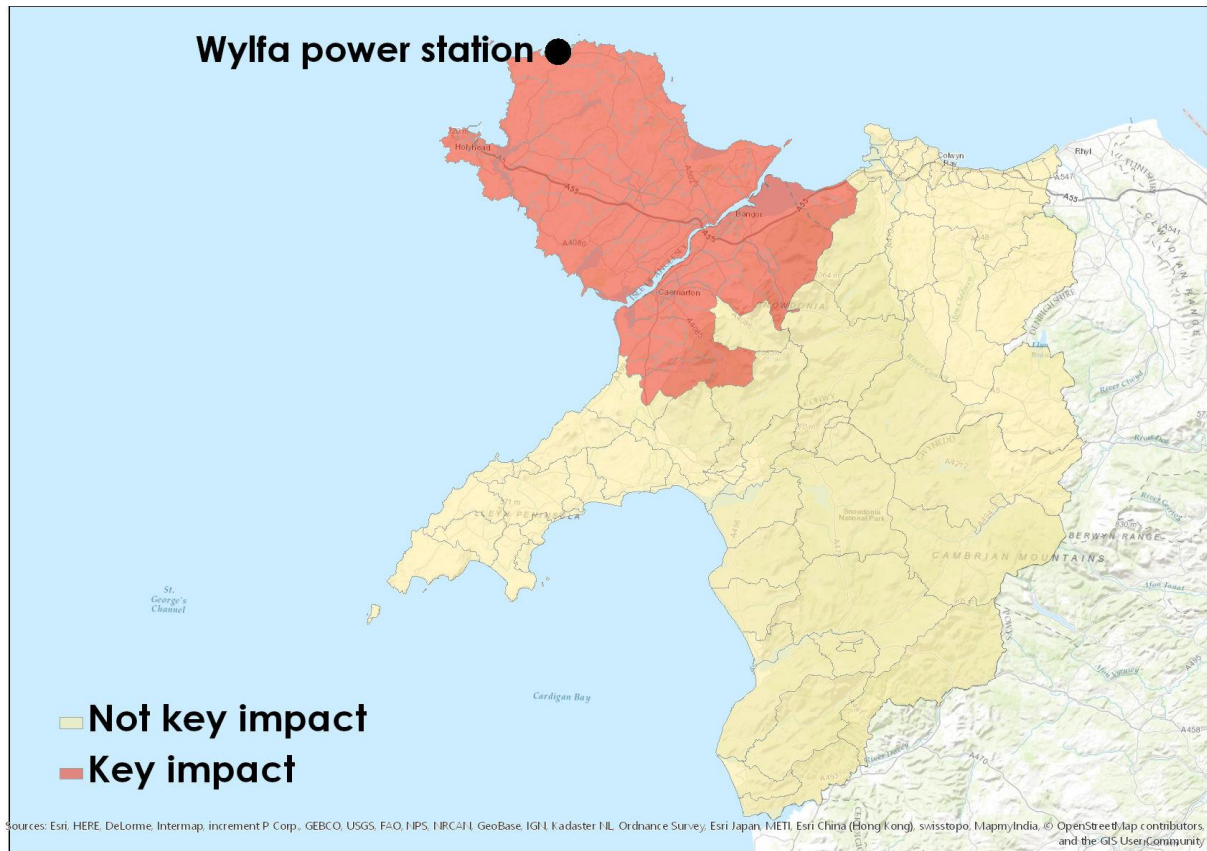
Use household-level administrative data to monitor intervention

The findings of the scenarios presented in this report provide projected impacts. Anglesey, Conwy and Gwynedd Council can track the actual impact on residents, month by month in the years leading up to the construction of Wylfa, using Housing Benefit and council tax support data. This will allow the councils to target support to households most in need, and to ensure that poverty and homelessness levels don't increase.

By monitoring the effect of the power station and the action taken to mitigate potential issues, the three councils will be able to assess which interventions are the most successful in easing pressure on households. This will help to ensure funds are targeted effectively and that households are impacted as little as possible. Policy in Practice, in partnership with a number of local authorities, has developed the new Low Income Family Tracker dashboard, a tool designed to provide local solutions to tackling poverty.

¹⁷ <https://www.horizonnuclearpower.com/our-sites/wylfa-newydd/faqs>

Annex 1: key impact area



Area name	Number of private renters	Average rent now	Difference between average rent now and average LHA	Difference between average rent scenario 1 and average LHA	Difference between average rent scenario 2 and average LHA	Difference between average rent scenario 3 and average LHA
Aberffraw	50	£414.57	£14.71	£13.99	£50.78	£66.56
Amlwch Port	111	£401.63	£11.31	£10.62	£46.27	£61.55
Amlwch Rural	26	£470.56	£23.15	£22.34	£64.10	£82.01
Arllechwedd	31	£373.65	£9.78	£15.51	£42.30	£56.52
Beaumaris	34	£433.27	£20.77	£20.02	£58.48	£74.97
Bethel	12	£483.46	£16.84	£24.24	£58.91	£77.32
Bodffordd	31	£444.26	£24.20	£23.43	£62.86	£79.77
Bodorgan	37	£449.91	£24.18	£23.40	£63.33	£80.46

Area name	Number of private renters	Average rent now	Difference between average rent now and average LHA	Difference between average rent scenario 1 and average LHA	Difference between average rent scenario 2 and average LHA	Difference between average rent scenario 3 and average LHA
Bontnewydd	13	£458.96	£18.23	£25.26	£58.18	£75.64
Braint	17	£406.48	£13.95	£13.25	£49.33	£64.80
Bryn	49	£457.63	£23.57	£26.44	£63.39	£80.81
Bryngwran	51	£394.30	£8.92	£8.24	£43.23	£58.24
Brynteg	47	£472.42	£28.78	£27.97	£69.90	£87.88
Cadnant	51	£399.40	£16.36	£19.48	£51.12	£66.32
Cefni	15	£382.10	£3.39	£2.73	£36.64	£51.18
Cwm Cadnant	14	£505.47	£25.27	£24.40	£69.26	£88.50
Cwm-y-Glo	10	£405.57	£12.02	£18.23	£47.32	£62.75
Cyngar	39	£487.80	£28.98	£28.14	£71.43	£90.00
Deiniol	27	£436.47	£27.87	£34.55	£65.85	£82.46
Deiniolen	54	£391.24	£13.89	£19.88	£47.94	£62.83
Garth	18	£367.46	£16.00	£21.62	£47.97	£61.96
Gerlan	59	£413.53	£14.20	£20.53	£50.18	£65.92
Glyder	3	£494.43	£35.71	£43.28	£78.73	£97.55
Groeslon	13	£303.20	-£13.79	-£9.15	£12.59	£24.13
Gwyngyll	9	£485.18	£33.69	£32.86	£75.92	£94.38
Hendre	21	£475.24	£25.71	£32.98	£67.06	£85.15
Hirael	23	£344.04	£9.50	£14.76	£39.44	£52.53
Holyhead Town	168	£390.87	£8.64	£7.96	£42.65	£57.53
Kingsland	68	£392.71	£6.75	£6.08	£40.93	£55.88
Llanbadrig	41	£441.09	£20.55	£19.79	£58.94	£75.73
Llanbedrgoch	37	£446.64	£17.56	£16.79	£56.43	£73.43
Llanddyfnan	13	£414.05	£16.12	£15.40	£52.15	£67.91
Llaneilian	47	£415.25	£14.69	£13.97	£50.83	£66.63
Llanfaethlu	41	£390.08	£6.51	£5.84	£40.46	£55.30
Llanfair-yn-Neubwll	92	£433.41	£12.23	£11.48	£49.95	£66.44
Llanfihangel Ysgeifiog	27	£457.25	£21.12	£20.33	£60.91	£78.32
Llangoed	16	£466.81	£21.27	£20.46	£61.89	£79.66
Llanidan	50	£406.99	£11.41	£10.71	£46.83	£62.32
Llanllyfni	29	£349.95	£1.41	£6.77	£31.86	£45.18
Llannerch-y-medd	41	£423.21	£9.01	£8.28	£45.84	£61.95
Llanrug	24	£429.31	£12.23	£18.80	£49.59	£65.93
Llanwnda	20	£398.42	£16.61	£22.71	£51.28	£66.44
London Road	87	£426.50	£14.43	£13.69	£51.54	£67.78
Maeshyfryd	85	£435.26	£12.20	£11.45	£50.08	£66.64
Marchog	33	£488.14	£31.58	£39.05	£74.06	£92.64
Mechell	37	£403.70	£9.29	£8.59	£44.42	£59.79
Menai (Bangor)	24	£387.57	£18.05	£23.99	£51.78	£66.53

Area name	Number of private renters	Average rent now	Difference between average rent now and average LHA	Difference between average rent scenario 1 and average LHA	Difference between average rent scenario 2 and average LHA	Difference between average rent scenario 3 and average LHA
Menai (Caernarfon)	49	£432.74	£20.19	£26.82	£57.85	£74.32
Moelfre	15	£484.99	£21.03	£20.20	£63.24	£81.70
Morawelon	18	£418.86	£10.91	£10.18	£47.36	£63.30
Ogwen	93	£407.77	£14.81	£21.05	£50.30	£65.82
Pandy	40	£455.92	£20.77	£23.63	£60.45	£77.80
Pant-yr-afon/Penmaenan	117	£429.64	£18.66	£21.35	£56.05	£72.40
Parc a'r Mynydd	11	£477.87	£16.75	£15.92	£58.33	£76.52
Peblig (Caernarfon)	27	£456.70	£25.41	£32.40	£65.15	£82.53
Penisarwaun	29	£395.62	£9.65	£15.71	£44.08	£59.14
Pentir	39	£455.71	£22.11	£29.09	£61.77	£79.12
Pentraeth	28	£450.94	£18.87	£18.09	£58.11	£75.27
Penygroes	62	£397.26	£10.49	£16.57	£45.06	£60.18
Porthyfelin	85	£404.72	£12.82	£12.12	£48.04	£63.45
Rhosyr	52	£390.47	£7.55	£6.88	£41.53	£56.39
Seiont	10	£441.07	£20.09	£26.84	£58.47	£75.26
Talysarn	42	£412.58	£13.31	£19.62	£49.21	£64.91
Trearddur	30	£484.79	£30.10	£29.26	£72.29	£90.74
Tregarth & Mynydd Llandygai	21	£406.34	£14.17	£20.39	£49.53	£65.00
Tudur	14	£464.63	£13.75	£12.95	£54.19	£71.87
Tysilio	21	£554.43	£38.22	£37.27	£86.47	£107.57
Valley	29	£426.74	£14.18	£13.45	£51.32	£67.56
Waunfawr	28	£477.93	£30.63	£37.94	£72.22	£90.41
Y Felinheli	58	£429.81	£21.84	£28.42	£59.24	£75.60
Rhosneigr	0	N/A	N/A	N/A	N/A	N/A
Clynnog	0	N/A	N/A	N/A	N/A	N/A
Dewl	0	N/A	N/A	N/A	N/A	N/A

Annex 2: rent and LHA

Table 5.2.1							
	LHA rate	Average rent scenario 1	Difference between average rent (scenario 1) and the LHA rate	Average rent scenario 2	Difference between average rent (scenario 2) and the LHA rate	Average rent scenario 3	Difference between average rent (scenario 3) and the LHA rate
1 bedroom	£71.61	£88.35	£16.74	£119.38	£47.77	£133.71	£62.10
2 bedrooms	£91.69	£112.42	£20.73	£152.19	£60.50	£170.45	£78.76
3 bedrooms	£110.72	£125.30	£14.58	£170.75	£60.03	£191.24	£80.52
4 bedrooms	£133.70	£141.60	£7.90	£192.91	£59.21	£216.06	£82.36

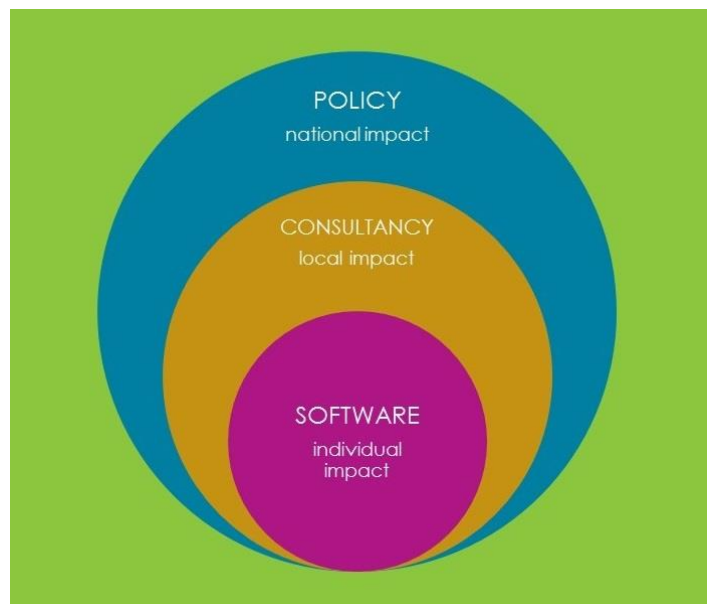
About Policy in Practice

Our mission is to reduce poverty. We do this by simplifying delivery of the welfare system. We believe that change happens on the frontline.

Deven Ghelani was a member of the team at Centre for Social Justice who developed Universal Credit and, when the policy was adopted by Government, he left to set up Policy in Practice. He was keen to ensure that the policy intent was actually put into practice.

Policy in Practice has facilitated conversations between leading local authorities and the Prime Minister's office to ensure frontline feedback about welfare reform policy has been heard.

We also help local organisations to understand the aggregate and cumulative impact of welfare reform changes on their customers so that they can accurately target support programmes.



And finally, to close the loop, the software that Policy in Practice has developed simplifies the conversations that frontline advisors can have with customers by clearly showing what benefits they can get under the current system and when they move to Universal Credit, comparing the two side-by-side using data visualisation.

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