

Ynys Môn THE ISLE OF Anglesey

Topic Paper 4: Economic Development



Prepared in support of the Wylfa
Newydd Project: Supplementary
Planning Guidance



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Contents

| | | |
|----------|--|-----------|
| 1 | Introduction | 3 |
| 1.1 | Purpose of this Topic Paper | 3 |
| 1.2 | Context | 4 |
| 1.3 | Economic Development Overview | 7 |
| 1.4 | Structure of this Topic Paper | 8 |
| 2 | Policy Context | 9 |
| 2.1 | Introduction | 9 |
| 2.2 | International/European Plans and Programmes | 9 |
| 2.3 | UK Plans and Programmes | 10 |
| 2.4 | National (Wales) Plans and Programmes | 13 |
| 2.5 | Regional Plans and Programmes | 25 |
| 2.6 | Local Plans and Programmes | 27 |
| 2.7 | Key Policy Messages for the Wylfa Newydd SPG | 35 |
| 3 | Baseline Information and Future Trends | 38 |
| 3.1 | Introduction | 38 |
| 3.2 | Population | 38 |
| 3.3 | Economy | 40 |
| 3.4 | Major Investments | 52 |
| 3.5 | Future Trends | 53 |
| 3.6 | Summary | 54 |
| 3.7 | Key Issues for the Wylfa Newydd SPG | 56 |
| 4 | Challenges and Opportunities | 58 |
| 4.1 | Introduction | 58 |
| 4.2 | SWOT Analysis | 58 |
| 4.3 | Summary of Key Matters to be addressed by the Wylfa Newydd SPG | 60 |
| 4.4 | How should the Wylfa Newydd SPG Respond? | 62 |

I Introduction

I.I Purpose of this Topic Paper

I.I.1 The purpose of this topic paper is to bring together the evidence base and policy context in relation to economic development to inform the updating of the Wylfa Newydd Supplementary Planning Guidance (Wylfa Newydd SPG). It is one of 11 topic papers that have been prepared to support the:

- Identification of the key matters to be considered in drafting the revised SPG;
- Provision of guidance with respect to how the revised SPG could respond to the challenges and opportunities identified; and
- To offer further information to the public in support of consultation on the draft revised SPG.

I.I.2 Box I.I provides a full list of topic papers being prepared in support of the Wylfa Newydd SPG.

Box I.I Topic Papers Prepared in Support of the Wylfa Newydd SPG

- Topic Paper 1: Natural Environment
- Topic Paper 2: Historic Environment
- Topic Paper 3: Housing
- Topic Paper 4: Economic Development
- Topic Paper 5: Transport
- Topic Paper 6: Amenity
- Topic Paper 7: Climate Change
- Topic Paper 8: Infrastructure
- Topic Paper 9: Waste
- Topic Paper 10: Population and Community
- Topic Paper 11: North Anglesey

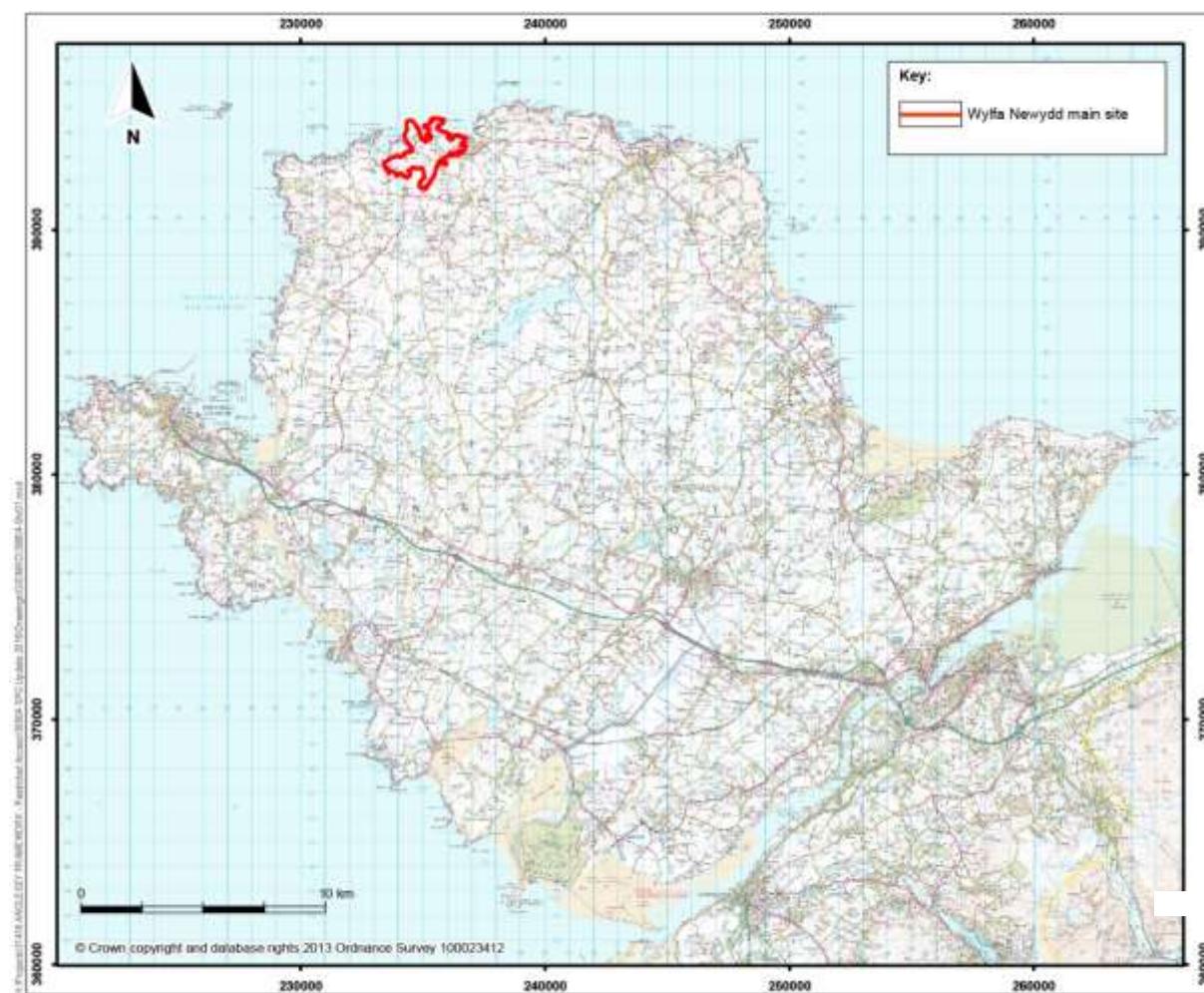
I.I.3 Ten topic papers were originally issued to support the SPG when it was first published by Isle of Anglesey County Council (the County Council) in 2014. Since that time the Anglesey and Gwynedd Joint Local Development Plan (JLDP) has been adopted which has required the topic papers to be updated in line with extant local planning policy including the drafting of an additional topic paper as indicated in Box I.I above.

1.2 Context

Wylfa Newydd

1.2.1 Wylfa has been identified by the UK Government in the National Policy Statement (NPS) for Nuclear Power Generation (EN-6) as a possible site for a new nuclear power station (see Part 4 and Annex C of the NPS). Horizon Nuclear Power (Horizon) plans to deliver two Advanced Boiling Water Reactors (ABWRs), generating a minimum of 2,700MW, on the Wylfa Newydd main site. The Wylfa site is approximately 300 hectare (ha) in size and it is located beside the existing Magnox nuclear power plant (which ceased electricity generation in December 2015). The project will also include associated development both on the Wylfa Newydd site and at various other off-site locations (see **Figure 1.1**).

Figure 1.1 Location of Wylfa Newydd Main Site



1.2.2 Construction of the new nuclear power station is a Nationally Significant Infrastructure Project (NSIP) under the Planning Act 2008. Legislation provides that projects like Wylfa Newydd are of such potential importance to the UK that a

different consenting process to the “normal” grant of planning permission by the local planning authority applies. Under this process, Horizon (the project promoter) proposes to submit an application for a Development Consent Order (DCO) for the power station to the Secretary of State for Business, Energy and Industrial Strategy (Secretary of State). The application will be made through the Planning Inspectorate who, following examination, will recommend to the Secretary of State whether development consent should be granted or not. The final decision on whether to grant or refuse development consent rests with the Secretary of State¹.

- 1.2.3 Although the County Council is not the consenting authority for the NSIP, it will seek to ensure that development has regard to the strategic policies and principles of the Development Plan (JLDP), the relevant NPSs, national (Wales) planning policy and guidance, and relevant Supplementary Planning Guidance. The JLDP is the spatial plan that gives effect to, *inter alia*, the Anglesey Economic Regeneration Strategy and the Energy Island Programme (EIP).
- 1.2.4 In addition to the proposed power station, Horizon will bring forward other projects directly related to Wylfa Newydd. These include off-site power station facilities and other facilities and works connected with the development (associated developments). In accordance with the NPS (para 2.3.4), associated development may be proposed at the main site, or may relate to works on land located off the main site. Associated development applications are now covered by the Planning Act 2008 in Wales and can, therefore, also be determined through the DCO process. Separately, third parties may bring forward development proposals indirectly related to the project. These might include, for example, sites for housing that will be occupied by construction workers. These development proposals would require consent under the Town and Country Planning Act (TCPA).
- 1.2.5 Since the previous version of this Topic Paper, Horizon has refined the likely off-site power station facilities and associated development required as part of the Wylfa Newydd Project. It has undertaken three stages of pre-application consultation (in 2014, 2016 and 2017) relating to the proposals and, in the third of these stages (PAC 3), it presented a series of preferred options. The off-site power station facilities are now proposed on one site in Llanfaethlu and the associated development is likely to include:
 - Site preparation, clearance and enabling works for the new power station (within the Wylfa Newydd main site);

¹ Further information on the DCO application process is available via the Planning Inspectorate’s website: <http://infrastructure.planningportal.gov.uk/application-process/the-process/>.

- Marine Off-Loading Facility (MOLF), breakwaters and Holyhead Deep, a deepwater disposal site for inert construction material;
- Off-line Highway improvements in four sections along the A5025;
- Temporary Freight Logistics Centre at Parc Cybi;
- Temporary Park and Ride Facility at Dalar Hir; and
- Temporary accommodation for the construction workforce on the Site Campus (within the Wylfa Newydd main site).

1.2.6 In addition to the above associated development (that form part of the DCO application), Horizon also proposes to submit TCPA applications for site preparation and clearance works and for on-line improvements to the A5025. In this context, reference to the Wylfa Newydd Project in this document includes the proposed power station and other development on the Wylfa Newydd main site and also the off-site power station facilities and associated development proposals, including the TCPA applications. However, the Wylfa Newydd Project does not include the North Wales Connection Project (NWCP), which will connect Wylfa Newydd to the electricity transmission infrastructure (i.e. the National Grid). The NWCP is also an NSIP. It is being promoted by National Grid and will be subject to a separate DCO application process.

1.2.7 The term 'project promoter' relates to both Horizon and any other third parties proposing development in direct response to Wylfa Newydd (for example, the provision of construction worker accommodation or related employment uses).

Wylfa Newydd Supplementary Planning Guidance

1.2.8 Supplementary Planning Guidance is a means of setting out detailed thematic or site-specific guidance on the way in which development plan policies will be applied in particular circumstances or areas. The purpose of the Wylfa Newydd Supplementary Planning Guidance (Wylfa Newydd SPG) is to provide supplementary advice on important local direct or indirect matters and to set out the County Council's response to national and local policy and strategies in the context of the Wylfa Newydd Project. The SPG is supplemental to the recently adopted JLDP.

1.2.9 The Wylfa Newydd SPG is intended to:

- Inform the position which will be adopted by the County Council in its Local Impact Report² and relevant sections of the Statement of Common Ground³;
- Provide a planning framework (alongside the JLDP and other planning policy guidance) that helps guide the applicant(s) and influences the design and development of the Wylfa Newydd Project elements to ensure sustainable outcomes, with a focus on associated development;
- Inform pre-application discussions related to the main site, off-site and associated developments;
- Offer supplementary local level guidance, consistent with the relevant NPSs, which the Planning Inspectorate and the Secretary of State may consider both important and relevant to the decision-making process; and
- Form a material consideration in the assessment of any Wylfa Newydd Project related TCPA applications submitted by Horizon or other development promoters and businesses who may have, or wish to pursue, an interest in the project.

1.3 Economic Development Overview

1.3.1 The primary aim for economic development on Anglesey is to develop a vibrant economy, which creates jobs, achieves economic growth and improves the overall quality of life for residents in a sustainable manner. In the context of the Wylfa Newydd SPG, economic development relates to the impact that particular developments and applications related to the Wylfa Newydd Project may have on the local area and economy. Impacts of developments are considered in terms of job creation or loss, impacts on businesses and business creation, sector impacts and other factors including labour market dynamics, unemployment and economic inactivity. The impact of development upon community services such as health and education is also a relevant consideration and here the infrastructure topic paper (Topic Paper 8) is of importance.

1.3.2 This economic development topic paper reviews the potential impacts Wylfa Newydd may have upon the Anglesey economy and how this relates to the existing baseline position. With Wylfa Newydd expected to require approximately 9,000 workers at project peak construction period and 800 workers during operation

² As part of the Planning Act 2008 process, the County Council will be invited to submit a Local Impact Report giving details of the likely impact of the proposed Wylfa Newydd Project on Anglesey. Further information on the preparation of local impact reports is available via the Planning Inspectorate's website: <http://infrastructure.planningportal.gov.uk/wp-content/uploads/2013/04/Advice-note-1v2.pdf>.

³ A statement of common ground is a written statement prepared jointly by the applicant and another party or parties such as the County Council, setting out any matters on which they agree. Statements of common ground help focus on the examination on the material differences between the main parties.

workers it presents a significant investment opportunity to the Anglesey and North Wales economies.

- 1.3.3 Wylfa Newydd has the potential for both positive and negative impacts upon economic development in Anglesey, and these impacts need to be considered to ensure that benefits are maximised whilst negative impacts are mitigated. Such impacts that are expected from the project include job creation and supply chain opportunities for local businesses, whilst negative impacts may be increased pressure on existing services due to the additional demands from Wylfa Newydd (e.g. associated with the influx of construction workers).
- 1.3.4 The Project is important to Anglesey as it offers an opportunity to deliver jobs and growth which can help to address some of the weaknesses within the local economy such as the dominance of low value employment and low productivity along with the ability to provide employment opportunities and prospects for the local workforce.
- 1.3.5 The workforce and business benefits of Wylfa Newydd either through direct employment or supply chain impacts need to be maximised to ensure that Anglesey's economy benefits from the proposed development. If this is to happen, there needs to be relevant guidance specified within the Wylfa Newydd SPG and the associated levers to ensure that the local economy benefits from Wylfa Newydd and that these benefits are maximised.

1.4 Structure of this Topic Paper

- 1.4.1 The remainder of this topic paper is structured as follows:

- **Section 2:** Identifies the key messages relative to economic development arising from a review of international/European, UK, national, regional and local legislation, strategies/policies and guidance;
- **Section 3:** Presents the baseline information about economic development in the Anglesey area, drawing on the evidence base; and
- **Section 4:** Identifies the key matters related to economic development to be addressed by the Wylfa Newydd SPG and considers how the SPG could respond to each.

2 Policy Context

2.1 Introduction

2.1.1 The Wylfa Newydd SPG will influence, and will be influenced by, other plans and programmes at an international/ European, UK, national, regional and local level. This section of the topic paper identifies the plans and programmes most relevant to economic development in the context of the Wylfa Newydd Project and distils the key policy messages that will need to be reflected in the SPG.

2.2 International/European Plans and Programmes

Europe 2020 (2010)

2.2.1 Europe 2020 is Europe's Growth Strategy for the coming decade. Its vision is for the European Union (EU) to become a smart, sustainable and inclusive economy. The aim is to deliver employment, productivity and social cohesion which is underpinned by the following objectives and associated targets:

1. Employment:

- 75% of 20-64 year-olds to be employed.

2. Research and Development (R&D):

- 3% of the EU's GDP to be invested in R&D.

3. Climate change and energy sustainability:

- Greenhouse gas emissions 20% (or even 30%, if the conditions are right) lower than 1990;

- 20% of energy from renewables; and

- 20% increase in energy efficiency.

4. Education:

- Reducing the rates of early school leaving below 10% at least 40% of 30-34-year-olds completing third level education.

5. Fighting poverty and social exclusion:

- At least 20 million fewer people in or at risk of poverty and social exclusion.

2.2.2 The objectives outlined above set a strong agenda to deliver both community and physical infrastructure.

European Structural Funds 2014-2020

2.2.3 The European Structural Funds for 2014-2020 place an emphasis on supporting a small number of investments which will make strategic differences to regional economies. The structural funds contain several priority areas, including specific resources for the renewable and low carbon economy. Direct support for the nuclear industry is disallowed in the funding regulations.

2.2.4 The priorities of the 2014-2020 European Structural Funds are:

- Small and medium size enterprise (SMEs) Competitiveness;
- Infrastructure;
- Research and Innovation;
- Renewable Energy and Energy Efficiency;
- Helping People in Work (Employment for All);
- Education, Skills and Lifelong Learning (Skills for All); and
- Early Years and Young People (Brighter Futures).

2.2.5 The priorities of the 2014-2020 West Wales and Valleys European Structural Fund are:

- Tackling Poverty through Sustainable Employment;
- Skills for Growth; and
- Youth Employment and Attainment.

2.3 UK Plans and Programmes

Overarching National Policy Statement for Energy (EN-1) (2011)

2.3.1 This National Policy Statement (NPS) sets out the criteria by which applications for nationally significant energy infrastructure projects will be determined and the recommended focus of analysis of the accompanying Environmental Statement. EN-1 highlights that large scale deployment of renewables, new nuclear capacity and carbon capture and storage are crucial for low carbon energy generation.

2.3.2 ENI outlines the standard socio-economic impacts that need to be assessed for all energy infrastructure developments, and include:

- The creation of jobs and training opportunities;
- The provision of additional local services and improvements to local infrastructure, including the provision of educational and visitor facilities;
- Effects on tourism;
- The impact of a changing influx of workers during the different construction, operation and decommissioning phases of the energy infrastructure. This 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). There could also be effects on social cohesion depending on how populations and service provision change as a result of the development; and
- Cumulative effects – if development consent were to be granted for a number of projects within a region and these were developed in a similar timeframe, there could be some short-term negative effects, for example a potential shortage of construction workers to meet the needs of other industries and major projects within the region.

National Policy Statement for Nuclear Power Generation EN-6 (2011)

2.3.3 The National Policy Statement (NPS) for Nuclear Power Generation (EN-6) covers the planning policies relating to nuclear power infrastructure. In addition to general energy infrastructure related socio-economic impacts which are identified in EN-1, specific impacts from nuclear power infrastructure are recognised in EN-6. For nuclear power infrastructure, the impacts are expected to be local, though may be regional if there are opportunities for a cluster of potentially suitable sites.

2.3.4 Applicants for nuclear power infrastructure are required to identify at local and regional levels any socio-economic impacts associated with the construction, operation and decommissioning associated with the proposed project. Specific assessments of pressures on local and regional resources, demographic change and economic benefits are required for nuclear power infrastructures as well as assessments of other relevant pressures and issues.

National Infrastructure Delivery Plan 2016 – 2021 (2016)

2.3.5 The National Infrastructure Delivery Plan 2016 set out the UK Government's approach to meeting the infrastructure needs of the UK economy. Ensuring the

UK's infrastructure networks receive the investment they need is essential for the future growth and productivity of the UK economy.

2.3.6 The Delivery Plan has three main elements:

- Establishing the right framework through the Infrastructure and Projects Authority and the independent National Infrastructure Commission;
- Identifying the right infrastructure priorities to invest in; and
- Getting the right finance in place through a combination of private and public investment.

2.3.7 Plans to develop new facilities at Wylfa and Moorside (Cumbria) are highlighted as key projects in development and 'new nuclear' as priorities to 2020-21. The National Infrastructure Delivery Plan also sets out plans, costs and performance indicators for a range of infrastructure sectors, which include transport, energy and communications, of which energy accounts for £117.4bn over the period. The document also provides information regarding the ways such infrastructure could be financed and the possible streams of funding.

Nuclear Industrial Strategy: The UK's Nuclear Future (2013)

2.3.8 The paper produced under the coalition Government highlights the economic growth opportunity presented by the nuclear industry. The paper sets out the use of resources to grow commercial opportunities, stimulating economic growth and job creation. The paper highlights the role of the nuclear industry to bring substantial rewards and benefits to the country's energy, industrial and economic future. The Strategy recognises Wylfa Newydd as the second significant nuclear power station to be scheduled for construction, after Hinkley Point C.

Long-Term Nuclear Energy Strategy (2013)

2.3.9 The strategy acknowledges that a strategic approach is needed to maximise the socio-economic impact of research and development through enhancing industry innovation, creating growth and enabling small and medium size enterprises to benefit from improved manufacturing processes. Also highlighted is that nuclear power generation carries with it significant potential for economic growth and job creation.

2.3.10 The key priorities relevant for economic development include:

- Development and maintenance of an effective and expanding UK-based supply chain, competing successfully for work at home and abroad, contributing positively to the UK economy;

- Nuclear power making a significant contribution to secure, low carbon generation, now and through a successful Generation III programme built over the next two decades.

Building Our Industrial Strategy – Green Paper (2017)

2.3.11 The Green Paper on developing the UK's Industrial Strategy was released in January 2017. The paper identifies 10 pillars for the strategy including upgrading infrastructure, delivering affordable energy and clean growth, supporting businesses to start and grow and developing skills.

2.3.12 Key issues that the Green Paper identifies need to be addressed are:

- Problems with basic skills;
- Shortage of high-skilled technicians below graduate level;
- Shortages in sectors that rely on science, technology, engineering and maths (STEM) skills;
- Skills shortages in certain sectors (including the nuclear industry);
- Empower students, parent and employers to make confident and informed choices on education and career options; and
- Ensure lifelong learning.

2.3.13 IACC submitted an official response to the Industrial Strategy Green Paper. The Council acknowledged the areas that Anglesey's economy overlaps with the ten pillars of the Industrial Strategy; primarily the energy sector. Here Anglesey is at the forefront with the Wylfa Newydd Project and the wider Energy Island Programme. The objectives of the Industrial Strategy gives greater alignment and synergy between nuclear energy policy of the UK Government and Welsh Government. There was agreement with the need for aligning skills of workers to the next generation of industry. IACC sees the coordination between the UK and Welsh governments, and local government, is essential for the industrial sector to deliver geographically dispersed economic growth.

2.4 National (Wales) Plans and Programmes

Wales Spatial Plan (2008)

2.4.1 The Wales Spatial Plan was updated to be in keeping with the One Wales, One Planet principles in 2008 and provides the context and direction of travel for local development plans and the work of local service boards. The Plan's lifespan is for 20 years, covering development to the 2020s. The key themes of the update are:

- Building sustainable communities;
- Promoting a sustainable economy;
- Valuing our environment;
- Achieving sustainable accessibility; and
- Respecting distinctiveness.

2.4.2 The vision for North West Wales recognises that the region is unique in both a Welsh and UK context because of its exceptional natural environment, built heritage and strong cultural identity. The Plan states that “supporting and developing the environmental goods and service sector including marine activities, geosciences, waste management, recycling and renewable energy” is an environmental priority. Economic challenges facing North West Wales are recognised in the Wales Spatial Plan, particularly economic restructuring and the decline of traditional industries. Specific reference is made to the loss of employment in the nuclear industry at Trawsfynydd and Wylfa, and the impact that this has on the North West Wales economy.

2.4.3 The priorities for developing North West Wales were established as:

- Appropriate and planned spatial development in the region including facilitating a strong Menai area, the Llandudno hub and developing identified secondary hubs in the north and south of the region, including appropriate mechanisms to facilitate indigenous growth in rural communities;
- Developing key sectors, including agriculture, manufacturing and associated industries and broadening the region’s economic base and transitioning from low to high value activities;
- Developing an outward looking knowledge based economy, particularly in bio sciences, geo science, environmental goods and services, marine science, medical technology, renewable energy, nuclear decommissioning technologies and creative industries, recognising the key role that Bangor University has in supporting this;
- Maximising the opportunities for Holyhead as a major international gateway and the A55 and E22 Trans-European Networks route as a key transportation corridor; and
- Capitalising on the region’s outstanding environment, including its coast, ecological and historical heritage and strong cultural identity, to promote healthier communities and develop higher value sustainable tourism.

2.4.4 Although the Wales Spatial Plan 2008 continues to provide a strategic framework for directing development in Wales, the Planning (Wales) Act 2015 enables the

replacement of the Wales Spatial Plan with a National Development Framework (NDF). The NDF will become part of the statutory framework alongside adopted Local Development Plans (such as the Anglesey and Gwynedd JLDP). The Welsh Government published a Statement of Public Participation for preparation of the NDF in February 2016. Final publication of the NDF is expected in October 2019.

Planning Policy Wales: (9th Edition) (2016)

2.4.5 Planning Policy Wales – Edition 6 (2016) are the land use policies of the Welsh Government. The document strengthens and clarifies the presumption in favour of sustainable development. It also provides the context for land use planning policy within which local planning authorities must prepare local development plans and make development control decisions on individual applications. It is supplemented by a series of Technical Advice Notes (TANS). Section 7 refers to economic development objectives of the Welsh Government:

- For planning purposes, the Welsh Government defines economic development as development of land and buildings for activities that generate wealth, jobs and incomes. It is identified within Planning Policy Wales that construction and energy sectors are important to the economy and are sensitive to planning policies;
- It is essential that the planning system considers and provides for the needs of the entire economy and not just uses defined under parts B1-B8 of the Town and Country Planning Use Classes Order;
- The planning system should support economic and employment growth alongside social and environmental considerations, within the context of sustainable development. The planning system and planning policies should aim to ensure that the growth of output and employment in Wales is not constrained by a shortage of land for economic uses. Local planning authorities should aim to:
 - Co-ordinate development with infrastructure provision;
 - Support national, regional, and local economic policies and strategies;
 - Align jobs and services with housing where possible to reduce the need for travel;
 - Promote the re-use of previously developed, vacant and underused land; and
 - Deliver physical regeneration and employment opportunities in disadvantaged communities.

- Local planning authorities should aim to steer economic development to the most appropriate locations, rather than preventing or discouraging economic development; and
- Effective economic planning requires local planning authorities to work strategically and co-operatively to steer development and investment to the most efficient and sustainable locations regardless of which local authority area they are in.

2.4.6 Planning Policy Wales also contains guidance on rural economic development, with economic diversification being considered as a priority for rural areas. This guidance recognises that some industries have specific land requirements and cannot be accommodated within settlements, though new developments are encouraged to be located in existing settlements where possible.

2.4.7 Tourism is recognised as being vital to economic prosperity and job creation in many parts of Wales, and is a significant and increasing source of employment and investment. The Welsh Government's objectives for tourism are:

- To encourage sustainable tourism in Wales, promoting local prosperity and supporting community well-being and involvement, while protecting and giving value to natural heritage and culture; and
- To manage the tourism sector in ways which minimise environmental impact.

Technical Advice Note (TAN) 6: Planning for Sustainable Rural Communities (2010)

2.4.8 TAN 6 establishes guidance on planning policy in Wales on sustainable rural communities. Within TAN 6 strong rural economies are identified as being essential to support sustainable and vibrant rural communities, and also to promote social inclusion and provide financial resources to support local services and maintain attractive and diverse natural environments and landscapes.

2.4.9 Planning authorities are encouraged to support the diversification of the rural economy as a way of providing local employment opportunities, increase local prosperity and minimise the need to travel for employment. Development plans should facilitate the diversification of rural economies by accommodating the needs of both traditional rural industries (such as agriculture, forestry, fishing, tourism and leisure) and new enterprises, whilst minimising impacts on local communities and the environment. TAN 6 states that development plans should identify a wide range of sites suitable for future employment use, and where possible these should be located within or adjacent to settlements.

Technical Advice Note 13: Tourism (1997)

2.4.10 TAN 13 identifies the major contribution that tourism makes to the Welsh economy, in both rural and urban areas. As tourism involves a range of different but interdependent activities it cannot be regarded as a single or distinct category of land use. Although tourism cannot be regarded as a single type of land use the issues it raises should be addressed in local authority development plans and may also feature in development control decisions. TAN 13 includes planning guidance on hotels, holiday and touring caravans, and seasonal and holiday occupancy conditions.

Technical Advice Note 23: Economic Development (2014)

2.4.11 TAN 23 is focussed principally on the provision of traditional employment uses B1 to B8. However, TAN 23 also states that the traditional business use classes B1 to B8 only account for part of the activity in the economy. The high-level planning objectives of TAN 23 include two key themes; planning and the market and planning considerations.

2.4.12 Under the planning and the market objective it is stated that the economic benefits associated with a development may be geographically spread out far beyond the area where the development is located. Therefore, it is essential that the planning system recognises and gives weight to economic benefits associated with developments. The policy states that the planning system should work to correct or mitigate market failures where environmental and social objectives or economic efficiency are being undermined. TAN 23 also supports recommendations from Planning Policy Wales, that planning should guide developments to benefit disadvantaged communities, concentrate people-intensive activities in town centres and align jobs with housing and infrastructure.

2.4.13 The planning considerations objectives states that local planning authorities should recognise market signals and economic development should be guided to the most appropriate locations, rather than discouraging or preventing such development. TAN 23 states that planning should regard the objectives and considerations set out in Planning Policy Wales. In circumstances where land required by market demands cannot be provided by the planning system (perhaps due to unacceptable environmental impacts, diverted demand from town centres or incompatibility with spatial strategies), then as far as possible planning authorities are encouraged to look for alternative sites which offer the same or similar advantages. Local planning authorities are expected to apply judgement to the nature of the economic use and its applicability to a particular location.

2.4.14 In circumstances where an application that could cause harm to the environment or social cohesion is being considered by a planning authority, three questions are required to be asked to help balance economic, social and environmental issues:

- Alternatives – if the land is not made available, is it likely that the equivalent demand could be met on a site where development would cause less harm, and if so where?
- Jobs accommodated – how many direct jobs will be based at the site?
- Special merit – would the development make any special contribution to policy objectives?

2.4.15 TAN 23 notes that economic growth is worthwhile wherever it is located and that the planning system should generally aim to provide land where there is a demand for it. TAN 23 does however acknowledge that there may be good reasons as to why jobs in some places are more worthwhile than in other places.

2.4.16 Economic development and the rural economy are addressed in TAN 23, whilst guidance is supported by the TAN 6 Planning for Sustainable Rural Communities. TAN 23 identifies that a wide range of economic activities may be sustainably accommodated in rural areas. Sustainable development is essential for building strong rural economies and vibrant communities, and planning authorities in rural areas should use a sequential approach when identifying land for economic uses in development plans. Less preferable locations may be appropriate for development where the resulting economic benefits outweigh any adverse impacts.

Wales Infrastructure Investment Plan (2012)

2.4.17 The Welsh Government's Wales Infrastructure Investment Plan (WIIP) outlines the role of infrastructure development in facilitating economic growth. The WIIP acknowledges and supports Wylfa Newydd and wider Energy Island developments, recognising the long-term economic benefits to Anglesey and North Wales. The development of Anglesey as an Energy Island and particularly Wylfa Newydd are identified in the WIIP as being central to delivering large scale private sector investment in North Wales' infrastructure.

2.4.18 Other projects of relevance to economic development identified in the WIIP include:

- Employment sites and premises investment (Llangefni);
- Physical Regeneration Scheme 2013/14 and 14/15 (regeneration of Holyhead, Amlwch and Llangefni).

One Wales: One Planet, A New Sustainable Development Scheme for Wales (2009)

2.4.19 The vision of One Wales: One Planet is to build a resilient and sustainable economy for Wales that is able to develop whilst stabilising and then reducing its use of natural resources and contribution towards climate change.

2.4.20 Four key outcomes are stated in the One Wales: One Planet strategy:

- A sustainable Welsh economy that is resilient to changes in the global economy;
- Securing the long term economic future of Wales by achieving the transition to a low carbon and low waste economy;
- For Wales to become the best place for business to locate, start-up, grow and prosper; and
- Regeneration through engagement with local communities and sustainability principles, creating an infrastructure for the future that favours sustainable ways of living and working.

2.4.21 Indicators of sustainability have been stated in One Wales: One Planet which include Gross Value Added (GVA) and GVA per head, employment, resource efficiency and electricity generated from renewable resources.

Vibrant and Viable Places: New Regeneration Framework (2013)

2.4.22 Vibrant and Viable Places is the Welsh Government's regeneration framework. It sets out the following vision: "Everybody in Wales should live in well-connected vibrant, viable and sustainable communities with a strong local economy and good quality of life". This vision is underpinned by the following national outcomes:

- I. Prosperous Communities. This will be supported by a range of activities at the regional and local level which support:
 - Improved levels of economic activity and more jobs;
 - Strong and diverse local economies with private, public and third sectors working together;
 - Well-connected communities supported by transport and broadband connections;
 - Sustainable use of the natural environment for local energy and food production;
 - A thriving private sector and social enterprise;
 - Successful town centres and coastal communities; and

- A well-managed historic and natural environment contributing to the distinctiveness of Wales' landscape and towns.

2. Learning Communities. Regeneration interventions will support:

- A skilled and confident existing and future workforce;
- A high aspiration local culture;
- Engagement with school, post 16 and adult learning opportunities;
- Clear opportunities for development of social and cultural capital; and
- A belief in a better future.

3. Healthier communities. The health and wellbeing of residents is central to the vitality of places. Regeneration activity will support:

- Healthy and cohesive communities able to grow and work together;
- Safe and secure localities;
- Good housing which is affordable and provides tenure choice;
- A sustainable and high quality local environment;
- Positive and inclusive local identities; and
- Well-planned, appropriately used and good standard buildings, amenities and facilities.

Economic Renewal: A New Direction (2010)

2.4.23 The strategy sets out the vision for economic renewal in Wales, based upon the strengths and skills of its people and natural environment. This vision is underpinned by the following priorities:

- Investing in high quality and sustainable infrastructure;
- Making Wales a more attractive place to do business;
- Broadening and deepening the skills base;
- Encouraging innovation.

Welsh Government Sectors Delivery Plan (2013)

2.4.24 The Welsh Government's Sectors Delivery Plan (SDP) presents the priority measures taken to facilitate growth in the energy sector, identified by the Welsh Government as one of the nine key sectors for Wales. Energy and Environment,

Construction, Creative Industries, Advanced Materials and Manufacturing, Financial and Professional Services, Food & Farming, Information & Communication Technologies (ICT), Life Sciences, and Tourism. The SDP states that it will ensure that new nuclear power of up to 3.9GW capacity is constructed at Wylfa by 2022. The development of nuclear power station capacity at Wylfa is identified as offering direct opportunities for the energy sector as well as a wider 'springboard' potential to create capability and establish a reputation in nuclear and major infrastructure construction projects.

2.4.25 The short-term priorities in the SDP are:

- Continue targeted and tailored support for nuclear new build on Anglesey, facilitating a whole government, cross-sector and multi-agency approach;
- Provide a consolidated approach to maximise opportunities arising from the wider nuclear sector in Wales;
- Stimulate Enterprise Zone opportunities by ensuring alignment with Energy and Environment priorities in order to create and maximise opportunities for the use of renewable technologies;
- Provide tailored packages of support for businesses, particularly for those projects offering the greatest potential, including the delivery of a SME Energy & Environment revenue development fund;
- Secure commitment from funders for commercialisation of projects and knowledge transfer for specifically identified projects;
- Continue working with industry to seek solutions for high and increasing energy costs;
- Develop proposals for projects, identifying funding requirements and formulating case-by-case propositions to immediately target marine energy with particular emphasis on unlocking barriers for the sector; and
- Develop thematic action plans for the sector using a whole government, cross-sector and multi-agency approach.

2.4.26 The medium-term priorities in the SDP are:

- Gain representation on and early engagement with UK funding organisations to shape the future design of funding rounds so that they align with the E&E sector plan;
- Formulate and execute a marketing plan, for the sector and projection of Wales in conjunction with the Energy Wales Programme Board; and

- Develop a cross-sector ‘South East Energy hub’ approach to ensure that opportunities for Wales arising from UK nuclear developments and from any future Severn Barrage development are fully exploited.

2.4.27 The long-term priorities in the SDP are:

- Conduct specific technical analysis of areas needed to grow the sector and deliver the commitments made in the First Minister’s Energy Wales Policy Statement and objectives set by the Energy Programme Board, including developing supply chain opportunities across the whole sector; sector infrastructure, including ports sites and premises; trade opportunities; and marketing;
- Directly secure business and industry viewpoints into the shape and form of Natural Resource Wales; and
- Work with stakeholders, developers and local authorities on developing a proposition to support future marine energy in Wales and unlock the potential from our seas.

Energy Wales: A Low Carbon Transition Delivery Plan (2014)

2.4.28 The delivery plan for energy builds on the 2012 Energy Wales report that sets out the Welsh Government’s ambition to create a sustainable, low carbon economy for Wales. The Delivery Plan outlines how to achieve that aim, placing Wylfa Newydd at the centre of this Vision, recognising the investment opportunity for Wales with significant current and ongoing support from the Welsh Government. The central role of Wylfa Newydd in Anglesey Energy Island is included, one of the key areas of focus for the Delivery Plan.

The Welsh Government Strategy for Tourism 2013 – 2020, Partnership for Growth, (2013)

2.4.29 The new Welsh strategy for tourism has been developed by the Tourism sector panel with the aim to support economic, social and environmental growth and increase tourism earnings by 10% by 2020. Specific actions over the first three years of the strategy are set out in more detail in a supporting action plan.

2.4.30 The strategy recognises the importance of the sector which adds £1.8billion GVA per annum to the Welsh economy. In order to achieve growth, the strategy has a focus on five key areas:

- Promoting the Brand;
- Product Development;
- People Development;

- Profitable Performance; and
- Place Building.

2.4.31 The strategy identifies a product led approach to developing and marketing tourism in Wales. This translates into working with iconic, high quality, reputation-changing products and events. The focus is on more luxury and branded hotels; more well-being facilities such as spas; more heritage hotels that utilise historic and distinctive buildings; more all year round attractions, activities and cultural experiences and more innovative, unusual and distinctive products.

Welsh Government Rural Communities - Rural Development Programme 2014-2020 (2015)

2.4.32 The Rural Development Programme is a 7-year investment programme supporting a wide range of activities which contribute to the following objectives:

- Fostering the competitiveness of agriculture;
- Ensuring the sustainable management of natural resources, and climate action; and
- Achieving a balanced territorial development of rural economies and communities including the creation and maintenance of employment.

2.3.33 With the Programme being part-funded by the EU, projects funded by the Programme are aligned with one or more of the following 6 European Rural Development Priorities:

- Fostering knowledge transfer and innovation in agriculture, forestry, and rural areas;
- Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests;
- Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture;
- Restoring, preserving and enhancing ecosystems related to agriculture and forestry;
- Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors;
- Promoting social inclusion, poverty reduction and economic development in rural areas.

2.4.34 The Programme could deliver up to £953m of European and Welsh Government funding to projects across rural Wales. Despite the triggering of Article 50 to leave the European Union, the UK Government has guaranteed funding for signed-off EU-funded projects until 2020, in line with the existing funding available.

Taking Wales Forward 2016-2021 (2016)

2.4.35 The Programme for Government is set out in the Taking Wales Forward document, following the 2016 Welsh National Assembly election. This establishes the priority of the Welsh Government through to 2021. The four cross-cutting priorities are:

- Prosperous and Secure - work and secure housing for all, supported by sustainable growth in Welsh businesses;
- Healthy and Active - place a focus on health at the heart of Welsh Government programmes and to improve health and well-being for all;
- Ambitious and Learning – providing the opportunity for citizens to achieve their potential to change lives, drive economic growth and help to break the cycle of disadvantage and inequality over the longer term;
- United and Connected - build a united and connected society, where everyone is respected and valued.

Well-Being of Future Generations (Wales) Act (2015)

2.4.36 The Well-Being of Future Generation Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change. The progress of the act is measured against 46 different indicators, aiming to measure well-being of the country.

2.4.37 The Act established seven goals for public bodies in Wales to work towards. These are:

- A globally responsible Wales;
- A prosperous Wales;
- A resilient Wales;
- A healthier Wales;
- A more equal Wales;
- A Wales of cohesive communities; and
- A Wales of vibrant culture and thriving Welsh language.

Prosperity for All: the national strategy for a more prosperous Wales (September 2017)

2.4.38 The strategy is designed to drive integration and collaboration across the public sector in Wales, putting people at the heart of improved service delivery. The strategy sets out a vision and actions for each of the four key themes in the Programme for Government – Prosperous and Secure, Health and Active, Ambitious and Learning, and United and Connected.

2.4.39 Under the Prosperous and Secure theme, the aim is for a Welsh economy which delivers individual and national prosperity while spreading opportunity and tackling inequality. This aim is supported by three objectives:

- Delivering the right support for people and businesses – including harnessing the opportunities of major infrastructure projects such as Wylfa Newydd;
- Addressing regional inequalities and promoting fair work; and
- Driving sustainable growth.

2.4.40 As well as the four themes, the strategy identifies five priority areas, which have the potential to make the greatest contribution to long-term prosperity and well-being. The five priority areas are: early years, housing, social care, mental health, and skills and employability. In relation to housing, the strategy seeks to link new housing with major new infrastructure developments such as Wylfa Newydd.

2.5 Regional Plans and Programmes

North Wales Economic Ambition (2012)

2.5.1 The North Wales Economic Ambition established a growth strategy for North Wales in 2012. This outlined the collaborative approach to be taken by the six local authorities in North Wales (Isle of Anglesey, Conwy, Denbighshire, Flintshire, Gwynedd and Wrexham) to facilitate economic growth and maximise opportunities from the region's shared strengths.

2.5.2 The North Wales Economic Ambition Board (NWEAB) recognise that the Energy sector and Wylfa Newydd is a major investment opportunity for the whole of North Wales. The development of a nuclear power station is seen as being a strategic priority to enable economic rebalancing in North Wales and to maximise low carbon and supply chain opportunities.

2.5.3 Wylfa Newydd is also considered to be an opportunity to address some of the economic issues associated with peripherality in Anglesey by providing significant employment opportunities to local people. The mismatch between skills supply and demand in North Wales and particularly the demands expected by Wylfa Newydd

are identified as an area to be addressed by the North Wales Economic Ambition Board.

A Growth Vision for the Economy of North Wales (2016)

2.5.4 Following the establishing of the NWEAB in 2012, the Board have set out their vision for the North Wales economy: 'A confident, cohesive region with sustainable economic growth, capitalising on the success of high value economic sectors and its connection to the economies of the Northern Powerhouse and Ireland'. The aims of the vision are:

- To improve the economic, social, environmental, and cultural wellbeing of North Wales;
- To support and retain young people in the region's communities;
- To address worklessness and inactivity across the region; and
- To support and enable private sector investment in the region to boost economic productivity and to improve the economic and employment performance of North Wales.

2.5.5 The growth vision will also create the conditions to support the delivery of the national infrastructure projects in North Wales, particularly Wylfa Newydd, which is one of the largest private sector investments into the UK.

North Wales Joint Local Transport Plan (2015)

2.5.6 The North Wales Joint Local Transport Plan (JLTP) developed by the six North Wales local authorities with a vision to "remove barriers by delivering safe, sustainable, affordable and effective transport networks" and seek economic prosperity, growth and well-being in North Wales. The report identifies the role that transport plays in facilitating economic and social activity. The North Wales JLTP acknowledges that investment and job creation proposals in Anglesey and the Menai Coast, including Wylfa Newydd, may have considerable transport implications.

2.5.7 The objectives established in the JLTP are:

- Optimise accessibility to employment, education, health and services for all the diverse communities of North Wales;
- Improve the quality and provision of passenger transport throughout North Wales and to and from the Region;
- Facilitate the efficient movement of freight supporting the Region's industry and commerce and its International Gateway functions;

- Provide, promote and improve sustainable forms of transport and infrastructure to minimise the negative impacts of transport on the local and global environment;
- Improve safety of all forms of transport;
- Enhance the efficiency and use of the transport network; and
- Upgrade and maintain the transport infrastructure, providing new where necessary.

2.6 Local Plans and Programmes

Joint Local Development Plan 2011 – 2026 (2017)

2.6.1 The Anglesey and Gwynedd Joint Development Local Plan (JLDP) sets out the planning policy framework and strategic aims for development and land use from 2011 to 2026.

2.6.2 The JLDP is underpinned by several strategic objectives that relate to the economic development including:

- SO9: Support and capitalise on the development of the Wylfa Newydd Project and associated development to maximise socio-economic opportunities for local business and sustainable employment opportunities for local people, including facilitating a suitable network of Wylfa Newydd Project-related associated development sites while ensuring that adverse effects of the Wylfa Newydd Project on the local communities are appropriately avoided, or mitigated and where appropriate legacy benefits are provided;
- SO10: Ensure that a network of employment sites and premises of a size and quality is safeguarded and allocated in sustainable locations that best meet the needs of existing businesses and are able to support the growing sectors of the local economy, attracting investment, and retaining and increasing the number of indigenous jobs;
- SO11: Secure opportunities to improve the workforce's skills and education;
- SO12: Diversify the Plan area's rural economy, building on opportunities, offering local employment opportunities with good quality jobs that are suitable for the local community and respects environmental interests; and
- SO13: Promote vital and vibrant towns centres in Amlwch, Bangor, Blaenau Ffestiniog, Holyhead, Caernarfon, Llangefni, Porthmadog and Pwllheli, that have either maintained or rediscovered their purpose as centres for work and services, and that are vibrant and attractive places for residents and visitors.

2.6.3 The JLDP identifies the Wylfa Newydd project as an important development for Anglesey and North Wales in terms of providing long term economic and social regeneration. The JLDP outlines that 30% (1,815) of the 6,000 construction jobs are expected to be filled by people living in the 90 minute travel to work catchment area whilst the remaining 4,185 will be from outside this area and will require temporary or permanent accommodation in 2018.

2.6.4 The JLDP contains several strategic policies relevant to economic development. These are summarised in **Box 2.1**.

Box 2.1 Summary of JLDP Strategic Policies Relevant to Economic Development

- **Strategic Policy PS 2: Infrastructure and Developer Contributions** states that the Councils will expect new development to ensure sufficient provision of essential infrastructure to make the development acceptable, by means of a planning condition or obligation. Where the essential infrastructure cannot be provided on site (“in kind”), financial contributions will be requested to deliver essential investment off site.
- **Strategic Policy PS 5: Sustainable Development** states that development proposals will be supported where it is demonstrated that it is consistent with the principles of sustainable development. All development proposals are required to promote a varied and responsive local economy that encourages investment that will support centres, villages and rural areas, and to support the local economy and businesses by providing opportunities for lifelong learning and skills development.
- **Strategic Policy PS 8: Proposals for National Significant Infrastructure Projects and Related Developments** states that proposals for such projects should make adequate provision for infrastructure and services (including accommodation, education and training facilities, employment, supply chains, and transport, community, environmental and green infrastructure) that contribute to a balance of positive outcomes for local communities, visitors and the environment.
- **Strategic Policy PS 9: Wylfa Newydd and Related Development** states that the siting and design of associated development should be informed by a consideration of legacy uses, so that investment in elements such as infrastructure brings long term benefits. The provision of procurement, employment, education, training and recruitment strategies and delivery plans should be agreed by the Council at an early stage of project development, with an objective to maximise employment, business and training opportunities for local communities in both the short and longer term. Where community infrastructure is provided for construction workers, where feasible this should be sited and designed so that it can be made available for community use during the construction phase and ultimately, where appropriate, serve a community legacy use. Where there would be additional impacts or demands on existing facilities the Council will seek appropriate contributions for off-site facilities.

Box 2.1 Summary of JLDP Strategic Policies Relevant to Economic Development

- **Strategic Policy PS 13: Providing Opportunity for a Flourishing Economy** states how the Councils will facilitate economic growth whilst protecting and enhancing the natural and built environment. This policy aims to enable entrepreneurship throughout the plan area, safeguard 642.9ha of land for employment and business purposes, providing sites to support the construction of additional energy generating and other infrastructure. The plan also supports economic prosperity and sustainability of rural communities by facilitating appropriately scaled growth of rural enterprises, extension of existing businesses and diversification by supporting the re-use of existing buildings, the development 'live work' units, working from home, and by encouraging the provision of sites and premises in appropriate accessible locations consistent with the Plan's Spatial Strategy.
- **Strategic Policy PS 14: The Visitor Economy** states the Councils will support year-round local tourism industry by: focusing larger scale, active and sustainable tourism, cultural and leisure development in the sub-regional centre, urban service centres and rural service centres where appropriate, retain and enhance existing services accommodation and support the provision of new high quality serviced accommodation, manage the provision of high quality tourism accommodation in the form of camping, static or tourism caravan or chalets to where the location can support additional visitor numbers. Support appropriately scaled new tourist provision and initiatives in sustainable locations in the countryside, preventing development that would have an unacceptable adverse impact on features and areas of tourism interest or their setting.
- **Strategic Policy PS 15: Town Centres and Retail** states that the Councils will work with partner organisations and the local community to protect and enhance the vitality and viability of town centres in the plan area. The Councils will achieve this by: encouraging a diverse mix of suitable uses in high quality environments that attract a wide range of people at different times of the day; ensuring that new investment will be consistent with the scale and function of the city / town centre; facilitate the provision of approximately 372 sq m net of new convenience floor space and 9,353 sq m net of comparison floor space by 2026; resisting development that detract from their vitality and viability and protect against the loss of retail units in Primary Shopping Areas; maximising opportunities to re-use suitable buildings within town centres; restricting the expansion of out-of-centre retailing and leisure development; and encouraging sustainable links between the workplace, home and town centres.

2.6.5 These JLDP strategic policies are supporting by more detailed development management policies. Those relevant to economic development are set out in **Box 2.2**.

Box 2.2 JLDP Development Management Policies Relevant to Economic Development

- Policy CYFI Safeguarding, Allocating and Reserving Land and Units for Employment Use;
- Policy CYF3 Ancillary Uses on Employment Sites;
- Policy CYF4 New Larger Single User Industrial or Business Enterprise on Sites which are not Safeguarded or Allocated for Employment Purposes
- Policy CYF5 Alternative Uses of Existing Employment Sites;
- Policy CYF6 Reuse and Conversion of Rural Buildings, Use of Residential Properties or New Build Units for Business/Industrial Use;
- Policy CYF7 Regeneration Sites;
- Policy CYF8 Holyhead Regeneration Area;
- Policy TWR1 Visitor Attraction and Facilities;
- Policy MAN1 Proposed Town Centre Developments;
- Policy MAN2 Primary Retail Areas (Retail Core);
- Policy MAN3 Retailing Outside Defined Town Centres but within Development Boundaries;
- Policy MAN4 Safeguarding Village Shops and Public Houses;
- Policy MAN5 New Retailing in Villages;
- Policy MAN6 Retailing in the Countryside;
- Policy MAN7 Hot Food Take-Away Uses.

Strengthening Communities in Anglesey and Gwynedd – A Single Integrated Plan for Anglesey and Gwynedd 2013-2017

2.6.6 The Isle of Anglesey Single Integrated Plan (SIP) is a combination of four local plans and their shared priorities (Community Strategy, Health, Social Care and Wellbeing Strategy, Children and Young People's Plan and the Community Safety Plan). The SIP aims to improve the quality of life of local people and communities by enhancing economic, social and environmental wellbeing. The SIP sets out the vision for Anglesey over a 12 year period and the priorities for action over the next four years to address the big challenges.

2.6.7 The SIP identifies six 'big issues' facing the Anglesey economy:

- Improving economic performance and skills to create/and sustain jobs focussing on lifelong learning opportunities;
- Enabling communities and individuals to maintain and develop their independence;
- Ensuring opportunities exist for young people to remain on the Island to live and work;
- Meeting the needs of individuals and communities with less available public money;
- Reducing poverty and providing effective services that meet the needs of vulnerable groups; and
- Promoting and sustaining our environment and rich culture.

2.6.8 The importance of the Enterprise Zone and opportunities in the low carbon energy sector are seen as being vital to improving economic performance and skills levels in Anglesey. Major energy infrastructure developments in Anglesey are expected to contribute positively towards economy of the Island. The SIP acknowledges the EIP and the £2.5billion contribution it may make to the Anglesey and North Wales economies. The Local Service Board responsible for the SIP states their support for the EIP as a means of providing a broader and sustainable base to Anglesey's economy. The SIP aims to capitalise upon all strategic energy investment proposals on Anglesey, this includes Wylfa Newydd.

Isle of Anglesey County Council Plan 2017-2022 (2017)

2.6.9 The Isle of Anglesey County Council (IACC) Plan for 2017-22 sets out the Council's ambition of working towards an Anglesey that is healthy, thriving and prosperous. The Corporate Plan recognises role that major developments have in benefitting the Anglesey economy. The aims of the Plan are:

- Creating the conditions for everyone to achieve their long-term potential;
- Support vulnerable adults and families and keep them safe, healthy and as independent as possible;
- Work in partnership with our communities to ensure that they can cope effectively with change and developments whilst protecting our natural environment.

2.6.10 Major developments and their potential to act as a catalyst for further business development are recognised as being key to the local economy. There is also the

intention to work with other North Wales Councils to attract investment to ensure the progress of local employment opportunities. There is a commitment to promote apprenticeships arising from new developments and ensure that young people and adults have the right skills and expertise for work. Anglesey's tourism is seen as a key economic contributor, and therefore the needs its natural assets to be safeguarded alongside development of the Island.

Energy Island Programme

2.6.11 The Anglesey Energy Island Programme (EIP) is a once in a lifetime opportunity to capitalise on major investment in low carbon energy on Anglesey and in North Wales. The programme has been set up to put Anglesey at the forefront of energy research and development, production and servicing relating to a range of energy investments including nuclear, offshore wind, tidal and biomass energy production and demonstration. The programme is a collaborative effort involving stakeholders from the public and private sectors and is run by the IACC Economic Development team and a range of evidence⁴ from existing work on energy supply chains suggests that there is likely to be approximately £25billion of potential investment in the energy sector in Anglesey and North Wales over the next 15 years – almost 50% of this is accounted for by the Wylfa Newydd.

2.6.12 Capturing the benefits of this investment is a critical goal of the programme with support for small and medium size businesses to capture supply chain contracts and skills training for the resident workforce to access new employment. It is understood that Horizon are already developing plans to encourage local businesses to engage with supply chain opportunities resulting from Wylfa Newydd through a Supply Chain Action Plan and Investment Team. Similarly, Welsh and local government have been working together with the private sector to develop business and skills programmes and support to ensure that local business and communities maximise the benefits of investment.

⁴ North Wales Regional Supply Chain Programme Business Plan, URS, 2013

Table 2.2 Energy Island Development Opportunities

| Project | Developer | Location |
|--|---|------------------------------|
| Nuclear New Build | Horizon Nuclear Power | Wylfa, North West Anglesey |
| North Wales Connection | National Grid | Wylfa to Pentir (Gwynedd) |
| Wylfa Decommissioning | Magnox | Wylfa, North West Anglesey |
| Penrhos Leisure Village | Land & Lakes | Penrhos, Holyhead |
| Biomass Power Plant & Eco Park | Lateral Power | Anglesey Aluminium, Holyhead |
| Waterfront Development | Stena Line & Conygar Investment Company | Newry Beach, Holyhead |
| Parc Cybi – Mixed Use Development | Conygar Investment Company | Parc Cybi, Holyhead |
| Menai Science Park | Bangor University | Gaerwen |
| West Anglesey Tidal Current Demonstration Zone | Minesto | Off shore near Holy Island |
| Campus expansion including Energy Centre extension | Coleg Menai | Llangefni |
| Connecting proposed new low carbon energy on Anglesey | National Grid | Anglesey-wide |
| Electricity Distribution Network Operator in North Wales | SP Energy Networks | North Wales – wide |
| Port of Holyhead Development | Stena Line | Holyhead |

Source: Energy Island, IACC website, February 2017 (retrieved from: <http://www.anglesey.gov.uk/business/energy-island-isle-of-anglesey-north-wales>)

Anglesey Enterprise Zone

2.6.13 The designation of the Island as the Anglesey Enterprise Zone (AEZ) – in tandem with the Energy Island Programme (EIP) – is a once in a generation opportunity to capitalise on the planned investment and growth potential of the low carbon energy sector on Anglesey. This Welsh Government supported scheme provides a significant opportunity to build on both planned and existing investments and maximises the opportunities for Anglesey. Through specified intervention investment it will be a key policy driver to encourage growth.

2.6.14 The AEZ designation complements the EIP in ensuring that Anglesey is at the forefront in developing a world-renowned centre of excellence for low carbon energy production. Whilst Wylfa Newydd is the dominant factor in the AEZ strategy, the other low carbon generation areas such as wind, biomass, marine and solar will all have a key role to play in meeting the above figures.

2.6.15 Anglesey Enterprise Zone encompasses the whole of the Island, with the aim to focus investment on a short-list of eight key sites agreed on the basis of their suitability to meet the needs of business. These are in addition to the other strategic sites of Coleg Menai and the Wylfa Newydd. These sites include:

- Former Anglesey Aluminium Site;
- Bryn Cefni Industrial Estate;
- Creamery Land North of Lledwigan Farm;
- Gaerwen Industrial Estate;
- Marine Zone;
- Menai Science Park;
- Parc Cybi;
- Penrhos Industrial Estate;
- Port of Holyhead;
- Rhosgoch.

Destination Management Plan 2016 – 2020 (2016)

2.6.16 Tourism in Anglesey is a key economic sector and employer for Anglesey. The Destination Management Plan (DMP) sets the direction for the future development of tourism. As part of the DMP, public sector agencies and private sector tourism organisations have created a formal partnership for better communication and collaboration called 'The Destination Anglesey Partnership'.

2.6.17 Strategic Objective 6 (energy projects and strategic infrastructure) directly relates to Wylfa Newydd. The Council aims to ensure that the proposed large-scale investment ensures close cooperation between involved parties to create minimal disruption to local communities and the tourism economy by mitigating the risks. There is recognition of the need to invest resources for Anglesey in order to be able to fully capitalise on the potential inward investment, leading to economic prosperity for the Island.

Economic and Employment Land Review Study, Isle of Anglesey and Gwynedd Council (2012)

2.6.18 The economic and employment study was completed in 2012 and made a series of recommendations as to the future requirements for employment land in the two local authority areas. The key requirements for the future which are of relevance to the Wylfa Newydd are as follows:

- A recommendation that as a minimum each authority should provide for 4 ha per annum of employment land (based on historic take up) in accordance with an adopted spatial planning approach over the plan period equating to 56 ha respectively or 112 ha combined;
- Each authority should maintain as a minimum a continuous (i.e. rolling arrangement) 5 year supply (i.e. 20 hectares) of genuinely deliverable, development ready land capable of use across the range of B use classes in accordance with an adopted spatial planning approach;
- A requirement for an annual monitoring review to ensure that the portfolio of land as recommended is appropriate in terms of quality and location to meet strategic policy direction and that a full Employment Land Review is undertaken every 5 years. This is particularly important in ensuring that the supply of land is suitable for any changes in demand;
- The site for the nuclear new build at Wylfa should be given special consideration within the Isle of Anglesey supply due to the unique nature of the site (in terms of energy infrastructure of national significance); and
- Mindful of the strategic importance of the new nuclear new build proposals, the Council should seek to ensure that sufficient potential sites to support this and wider EIP proposals are identified to provide a flexible supply of sites with the potential to meet potential needs and opportunities. In order to address this situation, it is proposed to adopt a tiered approach to inclusion of sites potentially needed to support the new nuclear new build proposal and Energy Island Programme.

Môn Menai Coastal Action Plan (2007)

2.6.18 The purpose of this Plan is “*to develop proposals to make best use of the spectacular Anglesey coastline (in terms of both onshore and offshore activities), in order to maximise economic benefit*”. The Plan outlines specific proposals that have been grouped into twelve different themes, including Environmental Attractions and Anglesey Coastal Path. The plan is aimed at improving access to the coastline of Anglesey and making a greater economic return from the existing environment.

2.7 Key Policy Messages for the Wylfa Newydd SPG

2.7.1 Based on the review of plans and programmes in this section, a number of key messages/issues relevant to economic development have been identified that will need to be considered in preparing the Wylfa Newydd SPG. These messages are summarised in **Box 2.3** below.

Box 2.3 Key Policy Messages for the Wylfa Newydd SPG: Economic Development

- There is support for the Wylfa Newydd project within policy documents at the national and local level which recognise the contribution that the project could make to economic and jobs growth in Anglesey and North Wales;
- The policy review highlights some key common themes and priorities which help identify the consensus view and emphasis for economic development in the future, these are:
 - Public sector investment to be demand and private sector driven to deliver jobs and economic growth for Wales;
 - A drive toward smaller numbers of public investment projects that have the ability to achieve transformational change;
 - Nine sector priorities have been identified (Creative Industries; Information, Communication and Technology (ICT); Energy and Environment; Advanced Materials and Manufacturing; Life Sciences; Financial and Professional services; Food and Farming; Construction and Tourism. These priorities play well to Anglesey and North Wales recognised strengths and demand drivers and should help guide investment to support economic development in the region;
 - Greater effort to be made to capture supply chain contract and employment benefits from private sector investment;
 - Skills development and training is a key mechanism and focus for investment by which local benefits and a longer-term legacy can be achieved;
 - A recognition of the importance of rural communities, economies and areas to the wider health of Wales with specific programmes to respond to rural needs;
 - Understanding the economic, social and environmental impacts of projects, both positive and negative, is vital to sustainable economic growth. Maximising benefits and mitigating relevant negative impacts is a process of joint working, analysis and negotiation alongside the private sector;
 - An emphasis on enabling development through allocation of appropriate land/premises and hard infrastructure investment to facilitate and keep pace with investment projects and related impacts and ensure the effective linking of areas of need and opportunity. A central part of this is ensuring

Box 2.3 Key Policy Messages for the Wylfa Newydd SPG: Economic Development

appropriate responsibility is taken by public and private sectors for provision;

- The JLDP identifies that there may be significant impacts from the Wylfa Newydd project on the local labour market and accommodation for the construction workforce;
- The Energy Island Programme and Enterprise Zone place Anglesey in a strong position to benefit economically from Wylfa Newydd;
- Direct support for nuclear power is not allowed in the European Structural Funds 2014-2020; this may limit economic opportunities and job creation impacts to the supply chain which could be delivered through the Energy Island Programme.

3 Baseline Information and Future Trends

3.1 Introduction

3.1.1 This section describes the existing baseline characteristics of Anglesey in respect of economic development. This helps develop an understanding of the key opportunities and challenges that should be addressed by the Wylfa Newydd SPG. It draws on a range of datasets from sources including the 2011 Census, Business Register and Employment Survey, Inter Departmental Business Register, Annual Population Survey and Office for National Statistics and Statistics for Wales. A range of documents and past research has also been reviewed including:

- Energy Island and Enterprise Zone, reassessment of Legacy targets, benefits and outcomes, URS & ESYS Consulting (2012);
- New Nuclear build scenarios, Construction Skills, (2012);
- Long Term Nuclear Energy Strategy, HM Government (2013);
- Building Our Industrial Strategy, HM Government (2017);
- The future of nuclear power in Wales, Welsh Affairs Committee (2017).

3.2 Population

3.2.1 The Isle of Anglesey was home to 69,723 people in 2016, representing 10.0% of the 695,822 people in North Wales and 2.2% of the 3,113,150 people in Wales⁵. Demographically, Anglesey has an aging population, with 25.2% of the population already aged 65 or more in 2016, a proportion higher than in either North Wales (22.6%) or Wales (20.4%). Both the working age population and young people aged 16 – 24 groups in Anglesey are lower proportions of the total population compared to North Wales and Wales (57.6% and 8.8% in Anglesey, 59.7% and 10.3% in North Wales and 61.7% and 11.6% in Wales respectively).

3.2.2 Between 2011 and 2016, the population in Anglesey decreased in all age groups apart the youngest category, 0 to 15 years. This resulted in an overall decrease in population of 0.3% (190 people). However, the working age population of Anglesey decreased by 2.9 percentage point of the population in that period, falling by 2,104 people. Comparatively, the working age group population decreased by the smaller 2.2 percentage points of the population of North Wales and decreased 1.7 percentage points in Wales. For people aged 65 and over, this group increased by

⁵ Population Predictions (ONS, 2017)

more than 1,800 people in Anglesey, increasing the proportion by 2.7 percentage points as share of the total population. This compares to a 2.7 percentage point increase for North Wales and 2.2 percentage points for Wales. The proportion of people aged 16 to 24 decreased in Anglesey, North Wales and Wales between 2011 and 2016. The decrease was greatest in Anglesey with a decrease of 1.2 percentage points as a share of the Island's population. In North Wales, the percentage of young people fell by 0.8 percentage points and in Wales it decreased by 0.4 percentage points.

- 3.2.3 The population in Anglesey is forecast to increase to 70,100 by 2024, and then decrease to 68,300 by 2039⁶. This trend is a reflection of the ageing population in Anglesey, which is exacerbated by a forecasted decrease in births.
- 3.2.4 The past and future trends in population in Anglesey, along with the current situation indicate that Anglesey will face increasing burdens and dependency on its health and social services whilst generated revenue is expected to decrease in line with the declining working age population.
- 3.2.5 With the population of Anglesey ageing and the proportion of working age people declining (which is forecast to fall further), the employment opportunities presented by the Wylfa Newydd project may encourage more working age people to stay and help to mitigate the declining population trends.
- 3.2.6 A significant influx of workforce to respond to demand from the Wylfa Newydd and other investments has the potential to have significant impacts on the population, economic and social aspects of Anglesey and its communities. This will include impacts on the Welsh language and culture, local services, housing and potentially tourism accommodation.
- 3.2.7 The construction workforce and time frame is the key consideration in understanding what Wylfa Newydd may mean in terms of the social, economic and cultural impacts. Key issues to address will include the impact on house and rental prices, particularly given supply side constraints and mean wage levels on the Island which could mean growing problems of housing affordability for local communities. As such it is essential that these issues are successfully managed and not allowed to exacerbate the position.
- 3.2.8 Similarly tourism accommodation could also be subject to additional demand in this phase of the project – as with the owner occupied and rental market this provision

⁶ Local Authority Population Projections for Wales (2014-based) (Statistics for Wales, 2016)

will require effective management and co-ordination between project developers, landlords, other private sector interests, housing providers and the public sector.

3.3 Economy

Macroeconomic Context

- 3.3.1 The UK economy's Gross Domestic Product (GDP) is estimated to have grown by 0.3% in Q2 of 2017. This means there have been 18 consecutive quarters of positive economic growth since Q1 2013. The growth in Q2 has been less than in previous years, with 0.6% growth in Q2 2016, 0.5% growth in Q2 2015 and 0.9% in Q2 2014. Manufacturing has been stagnant in Q1 and Q2 2017, not increasing in size over the period. Services have contributed more to the UK GDP increase, with growth of 0.5% and 0.1% in Q2 and Q1 2017 respectively.
- 3.3.2 Looking ahead, UK GDP growth is expected to slow slightly but remain positive. PWC has anticipated 1.5% forecasted GDP growth in 2017, expected to decrease to 1.4% in 2018⁷. Oxford Economics anticipates a more-optimistic 1.8% annual GDP growth between 2015 and 2020⁸. This is coupled with increasing inflation rates, with the Bank of England's base rate rising in November to 0.5%, the first rise since 2007.

Gross Value Added

- 3.3.3 Gross Value Added (GVA) provides a measure of the total annual value of economic output produced in an area. GVA is measured as the total income earned from the production of goods and services in an area minus the cost of production. GVA for Anglesey was £938 million in 2015, representing 7.3% of the GVA of North Wales (£12,822 million) and 1.7% of Wales' GVA (£55,788 million)⁹.
- 3.3.4 GVA per head is used as an indicator of productivity. In 2015 GVA per head in Anglesey (£13,411) was lower than in North Wales (£18,462), and Wales as a whole (£18,002)¹⁰. The energy sector in the UK generates GVA per employee of £187,000¹¹, one of the most productive industries and higher than the average GVA per employee in Anglesey or Wales (£45,302 and £40,459 respectively)¹². Therefore, Wylfa Newydd could help to alleviate problems associated with Anglesey's overall output and productivity¹³. Productivity growth is expected to drive gains in economic output across Wales, Anglesey included. Growth in

⁷ UK Economic Outlook July 2017 (PWC, 2017)

⁸ Anglesey: Baseline economic analysis update and growth scenario

⁹ Regional gross value added (income approach) (ONS, 2016)

¹⁰ Gross Value Added by measure (Statistics Wales, 2016)

¹¹ Powering the UK (EY, 2014) – GVA figures relate to the 2013 level (page 8)

¹² Regional gross value added (income approach) (ONS, 2016)

¹³ Regional gross value added (income approach) (ONS, 2016)

productivity is expected to facilitate average annual GVA growth of 1.4 percent to 2030 in Anglesey¹⁴.

Economic Activity and Inactivity

3.3.5 In 2016, the economic activity rate for people aged 16 - 64 was lower in Anglesey (75%) than in North Wales (76.3%), though higher than the rate in Wales (74.8%)¹⁵. This represents a decrease in economic activity for Anglesey, having been at 78.5% in 2015, higher than both North Wales (76%) and Wales (74.9%). All the areas perform worse than in UK in 2016, with a 77.7% economic activity rate. Economic inactivity is therefore higher in Anglesey in 2016 (25%) than the North Wales inactivity rate (23.7%), but lower than in Wales (25.3%). The UK inactivity rate is the lowest at 22.3%. The Wylfa Newydd project may help Anglesey and North Wales to address the gap in economic activity compared to the UK, though this is likely to be a small impact.

Employment and Unemployment

3.3.6 In 2016 70.7% of Anglesey's 16 – 64 population were employed whilst 5.7% were unemployed¹⁶. This is a worse performance than North Wales (73.2% employment and 4.1% unemployment), Wales (71.2% employment and 4.8% unemployment) and the UK (73.8% employed and 5.0% unemployed). The large-scale employment opportunities presented by the Wylfa Newydd project may help to increase employment and reduce unemployment in Anglesey if access to employment opportunities is secured for the resident workforce. In its PAC3 consultation on the project, Horizon forecast that the percentage of local employment could be 22% of the Wylfa workforce, equating to 2,000 jobs for local residents at peak. This is below the equivalent local employment rate for Hinckley Point C of 34% of the workforce. However, the use of the Wylfa Newydd Employment and Skills Service should help connect local residents to jobs at the project.

Earnings and Incomes

3.3.7 Resident and workplace weekly earnings in Anglesey have consistently been lower than in the UK between 2012 and 2016, and predominantly lower than in Wales as well (see **Table 3.1**). With weekly resident and workplace earnings in Anglesey at £469.00 and £500.20 in 2016, this is an underperformance compared to the UK (£538.70) and similar to the rest of Wales (£498.30 and £492.40 respectively). Notably Anglesey is greater than Wales for weekly workplace pay but lower than

¹⁴ Anglesey baseline economic analysis (Oxford Economics, 2017)

¹⁵ Annual Population Survey 2016 (ONS, 2017)

¹⁶ Annual Population Survey 2016 (ONS, 2017)

¹⁶ Annual Population Survey 2016 (ONS, 2017)

Wales for resident pay. Between 2012 and 2016 however, resident and workplace weekly earnings grew by 3.5% and 9.3% respectively, marking a smaller increase than Wales and UK for resident weekly earnings (9.5% and 6.4% respectively) and a greater increase for workplace weekly earnings in Wales and the UK (8.8% and 6.4% respectively).

Table 3.1 Weekly Resident and Workplace Earnings 2012 to 2016

| Area | Earnings | 2012 | 2013 | 2014 | 2015 | 2016 | 5-year change |
|----------------|-----------|--------|--------|--------|--------|--------|---------------|
| Anglesey | Resident | 453.20 | 446.70 | 445.90 | 481.90 | 469.00 | 3.5% |
| | Workplace | 457.50 | 450.20 | 475.30 | 516.60 | 500.20 | 9.3% |
| Wales | Resident | 454.90 | 475.30 | 480.00 | 487.60 | 498.30 | 9.5% |
| | Workplace | 452.50 | 470.50 | 473.90 | 478.60 | 492.40 | 8.8% |
| United Kingdom | Resident | 506.10 | 517.40 | 518.30 | 527.10 | 538.70 | 6.4% |
| | Workplace | 506.10 | 517.40 | 518.30 | 527.10 | 538.70 | 6.4% |

Source: Annual Survey of Hours and Earnings (ONS, 2016)

3.3.8 Resident annual pay decreased by 0.6% in Anglesey between 2012 and 2016 (from £23,640 resident annual pay in 2012 to £23,488 in 2016). Workplace annual pay in Anglesey increased by 1.8% over the period (from £24,560 workplace annual pay in 2012 to £24,990 in 2016) (see Table 3.2). These changes in resident and workplace annual pay were far below the increase in earnings seen in Wales (7.3% and 7.5% respectively) and the UK (6.6%). Annual pay for 2016 in Anglesey (£23,488 for residents and £24,990 for workplaces) was lower than in Wales (£25,667 for residents and £25,400 for workplaces) and was significantly lower than in the UK (£28,213).

Table 3.2 Annual Resident and Workplace Earnings 2012 to 2016

| Area | Earnings | 2012 | 2013 | 2014 | 2015 | 2016 | 5-year change |
|----------|-----------|--------|--------|--------|--------|--------|---------------|
| Anglesey | Resident | 23,640 | 23,076 | 23,605 | 23,568 | 23,488 | -0.6% |
| | Workplace | 24,560 | 23,648 | 25,130 | 26,438 | 24,990 | 1.8% |
| Wales | Resident | 23,918 | 24,427 | 24,848 | 25,254 | 25,667 | 7.3% |
| | Workplace | 23,617 | 24,103 | 24,453 | 24,869 | 25,400 | 7.5% |

| Area | Earnings | 2012 | 2013 | 2014 | 2015 | 2016 | 5-year change |
|----------------|-----------|--------|--------|--------|--------|--------|---------------|
| United Kingdom | Resident | 26,472 | 27,011 | 27,215 | 27,615 | 28,213 | 6.6% |
| | Workplace | 26,472 | 27,011 | 27,215 | 27,615 | 28,213 | 6.6% |

Source: Annual Survey of Hours and Earnings (ONS, 2016)

3.3.9 The higher value earnings profile of the energy sector and supply chain could help to increase the overall value of the weekly and annual earnings for residents in Anglesey with a more limited impact on earnings in North Wales.

3.3.10 Mean workplace wages are expected to grow by more in Anglesey (1.8% year-on-year between 2015 and 2030) than in Wales (1.8%), and at a comparable level to the UK average (1.9%)¹⁷. Housing affordability is regarded as low in Anglesey, with a price-to-earnings ratio above that of Wales. This low housing affordability is expected to continue through the period to 2030¹⁸. The housing affordability could be exacerbated with the inflow of construction and operation workers moving to the local area.

Commuting Patterns

3.3.11 Anglesey experiences a net outflow of commuters with approximately 9,800 people commuting out of Anglesey and 2,400 commuting in. This results in a net outflow of 7,400 people in 2016, an increase from the 2011 level of a 5,900 net outflow. Out of the 29,900 working residents of Anglesey, 67.2% (20,100) work on the Island, lower than neighbouring Gwynedd's 86.1% of residents working within their county¹⁹.

3.3.12 Notable net commuting flows have been identified in both directions between Anglesey and Gwynedd though this is biased towards outflows from Anglesey to Gwynedd. Approximately 7,500 of Anglesey's 9,800 out commuters travel to Gwynedd, whilst only 1,700 of Gwynedd's 7,900 out commuters travel to Anglesey to work.

3.3.13 With the prospects of significant employment opportunities at Wylfa Newydd because of the project, the commuting flow imbalances between Anglesey and Gwynedd may be partially redressed, though this may also risk congestion at the Menai and Britannia bridges during times of peak flow.

¹⁷ Anglesey: Baseline economic analysis and growth forecast (Oxford Economics, 2017)

¹⁸ Anglesey: Baseline economic analysis and growth forecast (Oxford Economics, 2017)

¹⁹ Detailed commuting patterns in Wales by Welsh local authority 2016, (StatsWales, 2017)

Skills

3.3.14 North Wales and the rest of Wales have a lesser skilled working age population compared to the UK, particularly for higher level skills though basic level skills are also under represented. However, for higher level skills Anglesey outperforms North Wales, having a proportion of 35.1% of people skilled to NVQ4 or above, compared to 32.6% in North Wales. This is the same level as in Wales (35.1%), though less than the UK (38%)²⁰. This trend is similar for NVQ3-qualified residents, with Anglesey having 20.1%, North Wales 19.9%, Wales having a proportion of 19.2% whilst the UK has a proportion of 18.7%.

3.3.15 For lower level skills, Anglesey underperforms compared to all other areas. The proportion of people in Anglesey with NVQ1 was 10.5% in 2016 compared to 11.1% in North Wales and 10.9% in both Wales and the UK. Anglesey has a proportion of 8.3% of people with no qualifications, the same rate as both North Wales and the UK, though below Wales's 9.6% rate.

Table 3.3 Qualification Level

| Qualification level (%) | Anglesey | North Wales | Wales | UK |
|-------------------------|----------|-------------|-------|------|
| NVQ4+ | 35.1 | 32.6 | 35.1 | 38.0 |
| NVQ3 | 20.1 | 19.9 | 19.2 | 18.7 |
| NVQ2 | 18.3 | 20.8 | 19.1 | 17.5 |
| NVQ1 | 10.5 | 11.1 | 10.9 | 10.9 |
| Other qualification | 7.7 | 7.3 | 6.1 | 6.6 |
| No qualifications | 8.3 | 8.3 | 9.6 | 8.3 |

Source: Annual population survey – Jan-Dec 2016 (ONS, 2017)

3.3.16 The resident workforce in Anglesey has higher proportions of people with higher level qualifications compared to North Wales and Wales itself. The construction workforce needed for the Wylfa Newydd project may also present opportunities to train the low skilled members of Anglesey's workforce. However, previous analysis in 2012 showed a mismatch with demand for skills outstripping supply at all levels²¹. This is important because it suggests in the absence of considerable up-skilling, the new employment created by the project might not impact inactivity rates and

²⁰ Annual Population Survey 2016 (ONS, 2016)

²¹ Energy Island and Enterprise Zone, reassessment of Legacy targets, benefits and outcomes (URS & ESYS Consulting 2012)

unemployment in the local labour market as much as might be expected. Hence the impacts will be in relation to economic outcomes (GVA and employment) rather than social outcomes (economic inactivity/unemployment).

Occupations

3.3.17 The workforce in Anglesey has a range of occupations at different levels. In 2016, managers, directors and senior officials made up a similar proportion of the workforce in Anglesey (9.1%) compared to North Wales (10.0%) and Wales (9.6%)²². Anglesey has a greater proportion of its workforce in professional occupations (17.6%) than North Wales (16.5%), though less than Wales (18.2%). Anglesey lags behind in associate professional and technical occupations with them only making up 9.2% of employment compared to 11.8% and 12.1% in North Wales and Wales respectively.

3.3.18 Administrative and secretarial occupations made up a larger proportion of Anglesey's workforce (10.4%) than in North Wales (9.3%) or Wales (10.2%). Skilled trade occupations make up a greater proportion of Anglesey's workforce (14.8%) than North Wales (14.5%) or Wales (12.5%). Similarly, the proportion of caring, leisure and other service occupations was lower in Anglesey (13.5%) than in North Wales (11.0%) and Wales (10.4%). The proportion of people working in elementary occupations was however greater in Anglesey (12.8%) than either North Wales (11.8%) or Wales (11.0%).

3.3.19 Wylfa Newydd will create new jobs at all occupational levels and this presents the opportunity to address both economic and social issues currently impacting on the Anglesey economy and working age population. However, as noted in the previous section on skills, projections suggest a mismatch between supply and demand for all occupations although this is more pronounced for the higher skilled occupations. This places even greater emphasis on the need to train and up skill at all levels, but particularly for lower skill and occupational levels of the working age population if inactivity and unemployment are to be addressed. Again, this requires a distinct policy position to be taken on this matter by the IACC alongside discussion and negotiation with the project promoter to ensure their commitment to train and up skill the local workforce.

²² Annual Population Survey 2013, NOMIS 2013

Business Base

3.3.20 Anglesey had approximately 2,485 VAT and/or PAYE based enterprises registered in 2016, representing 10.0% of the total 24,710 businesses in North Wales and 2.5% of the total 99,860 businesses in Wales²³.

3.3.21 **Table 3.4** below shows that the majority of businesses in Anglesey are in the 0 to 4 employment size band (77.7%), compared to 75.5% in North Wales and 75.9% in Wales. Overall, businesses in Anglesey tend to be smaller than in North Wales and Wales. There are a low number of large employers on the Island, with 5 businesses with 250 or more employees in 2016, 0.2% of businesses on the Island. This is comparable to the rate in North Wales and Wales (both 0.3%).

Table 3.4 Employment Size Band of Businesses, 2016

| Employment Size Band | | Anglesey | North Wales | Wales |
|----------------------|--------|----------|-------------|--------|
| 0 to 4 | Number | 1,930 | 18,660 | 75,840 |
| | % | 77.7% | 75.5% | 75.9% |
| 5 to 9 | Number | 310 | 3,285 | 13,085 |
| | % | 12.5% | 13.3% | 13.1% |
| 10 to 19 | Number | 135 | 1,540 | 6,055 |
| | % | 5.4% | 6.2% | 6.1% |
| 20 to 49 | Number | 80 | 850 | 3,205 |
| | % | 3.2% | 3.4% | 3.2% |
| 50 to 99 | Number | 15 | 215 | 9,100 |
| | % | 0.6% | 0.9% | 0.9% |
| 100 to 249 | Number | 5 | 105 | 460 |
| | % | 0.2% | 0.4% | 0.5% |
| 250 + | Number | 5 | 65 | 300 |
| | % | 0.2% | 0.3% | 0.3% |
| Total | Number | 2,485 | 24,710 | 99,860 |
| | % | 100% | 100% | 100% |

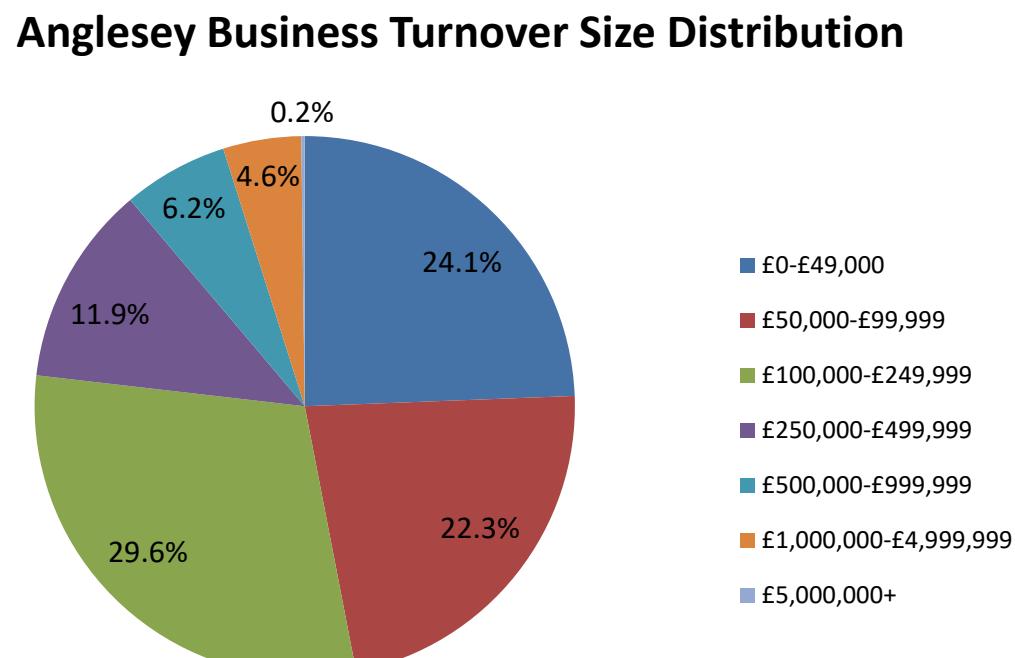
Source: Inter Departmental Business Register (ONS, 2016)

3.3.22 **Figure 3.1** shows that most businesses in Anglesey have low turnover levels, with 24.1% having turnover between £0 and £49,999 whilst 22.3% had between £50,000 and £99,999. Only 4.8% of businesses in Anglesey had a turnover higher than

²³ Inter Departmental Business Register (ONS, 2016)

£1 million (4.6% having a turnover of £1,000,000 to £4,999,999 and 0.2% having a turnover of £5 million or more).

Figure 3.1 Anglesey Business Turnover Size Distribution



Source: UK Business - Activity, Size and Location (ONS, 2016) – AECOM calculations

3.3.23 When compared to North Wales and Wales, the size of turnover generated by Anglesey businesses is generally lower, and there are a lower proportion of businesses generating £250,000 or more in total turnover. Anglesey businesses with turnover greater than £250,000 represent 22.9% of the business population, with the rate being 25.3% in North Wales and 25.6% in Wales. At the lowest revenue band, £0 to £49,000, 24.1% of Anglesey's businesses generate this level of turnover compared to 20.6% in North Wales and 20.7% in Wales. Businesses generating £5 million or more in turnover is comparable between all areas at 0.2%.

Table 3.5 Business Turnover Size Distribution (£ thousands)

| Area | £0 - £49 | £50 - £99 | £100 - £249 | £250 - £499 | £500 - £999 | £1,000 to £4,999 | £5,000 + |
|-------------|----------|-----------|-------------|-------------|-------------|------------------|----------|
| Anglesey | 24.1% | 22.3% | 29.6% | 11.9% | 6.2% | 4.6% | 0.2% |
| North Wales | 20.6% | 22.6% | 30.1% | 12.3% | 7.2% | 5.7% | 0.2% |
| Wales | 20.7% | 22.4% | 29.9% | 12.7% | 6.9% | 5.7% | 0.2% |

Source: UK Business - Activity, Size and Location (ONS, 2016) – AECOM calculations

3.3.24 Wylfa Newydd is likely to help rebalance the Anglesey economy in terms of its business base by providing large scale employment opportunities, both during construction and operation. Furthermore, the project will be an important high turnover business in Anglesey's economy. There are significant supply chain opportunities for existing and potential new businesses in the Anglesey and North Wales economies offering further opportunities to close the gap with Wales on this measure. These supply chain opportunities could be addressed through a Supply Chain Action Plan and Investment Team, but sufficient investment is required to capture the benefits locally.

Sectors

3.3.25 Approximately 605 businesses or 24.3% of all businesses in Anglesey are agriculture, forestry and fishing based, compared to 15.6% in North Wales and 13.9% in Wales. Tourism related businesses such as accommodation and food service businesses account for a higher proportion of the business base in Anglesey (10.7%) than in North Wales (9.5%) or Wales (8.5%), which reflects the importance of tourism to the local economy. Construction businesses have a comparative business base in Anglesey as North Wales and Wales (12.1%, 11.9% and 12.0% respectively).

3.3.26 Professional, scientific & technical and business administration and support services businesses are underrepresented in Anglesey (7.6% and 6.2% respectively) compared to North Wales (11.2% and 6.9%) and Wales (12.0% and 7.4%). Manufacturing businesses are also underrepresented in Anglesey (4.2% of all businesses) compared to North Wales (5.5%) and Wales (5.7%). Sector distribution in Anglesey, North Wales and Wales is shown in **Table 3.6**.

Table 3.6 Business Sector Distribution, 2016

| Sector | Isle of Anglesey | North Wales | Wales |
|--|------------------|---------------|---------------|
| Agriculture, forestry & fishing | 24.3% | 15.6% | 13.9% |
| Mining, quarrying & utilities | 0.8% | 0.7% | 0.6% |
| Manufacturing | 4.2% | 5.5% | 5.7% |
| Construction | 12.1% | 11.9% | 12.0% |
| Motor trades | 3.4% | 3.7% | 3.6% |
| Wholesale | 2.6% | 3.3% | 3.3% |
| Retail | 7.8% | 8.1% | 8.1% |
| Transport & storage (inc. postal) | 3.2% | 3.8% | 3.5% |
| Accommodation & food services | 10.7% | 9.5% | 8.5% |
| Information & communication | 2.4% | 3.7% | 4.3% |
| Finance & insurance | 0.6% | 1.2% | 1.6% |
| Property | 2.2% | 2.4% | 2.7% |
| Professional, scientific & technical | 7.6% | 11.2% | 12.0% |
| Business administration and support services | 6.2% | 6.9% | 7.4% |
| Public administration and defence | 0.8% | 0.5% | 0.4% |
| Education | 1.6% | 1.3% | 1.2% |
| Health | 3.8% | 4.4% | 4.4% |
| Arts, entertainment, recreation and other services | 5.6% | 6.3% | 6.7% |
| TOTAL | 100.0% | 100.0% | 100.0% |

Source: UK Business Counts (ONS, 2016)

3.3.27 With 18,594 employees and 19,861 in total employment, the workforce in Anglesey is small compared to North Wales (6.8% of North Wales' 260,000 employees) and the rest of Wales (1.5% of Wales' 1,221,149 employees)²⁴.

3.3.28 Sector employment trends in Anglesey, North Wales and Wales are shown in **Table 3.7**. In general, trends in Anglesey reflect the sector distribution of businesses. The Anglesey economy is predominantly service based, whilst underperforming in

²⁴ Business Register and Employment Survey (ONS, 2015)

manufacturing, business and financial service activities. However, the public sector accounts for a relatively small proportion of all employees in Anglesey, 18.8% or 3,500 employees, lower than either North Wales (23.1%) or Wales (24.8)²⁵. The public sector still represents an important contributor to Anglesey's economy though, employing nearly a third of the workforce.

3.3.29 Retail and accommodation & food services account for the greatest proportions of service sector-based employees, accounting for 13.4% (2,491) and 13.7% (2,546) of all employees respectively. This compares to 10.7% retail and 9.0% accommodation & food (29,321 and 24,735 employees respectively) in North Wales and 10.9% retail and 7.5% accommodation & food in Wales (132,591 and 91,795 employees respectively).

Table 3.7 Employment Sector Distribution, 2015

| Sector | Anglesey | | North Wales | | Wales | |
|--------------------------------------|----------|-------|-------------|-------|---------|-------|
| | Number | % | Number | % | Number | % |
| Agriculture, forestry & fishing | 40 | 0.2% | 406 | 0.1% | 17,967 | 1.5% |
| Mining, quarrying & utilities | 842 | 4.5% | 6,151 | 2.2% | 25,056 | 2.1% |
| Manufacturing | 2,491 | 13.4% | 41,660 | 15.2% | 143,683 | 11.8% |
| Construction | 980 | 5.3% | 11,570 | 4.2% | 50,751 | 4.2% |
| Motor trades | 432 | 2.3% | 5,650 | 2.1% | 25,910 | 2.1% |
| Wholesale | 459 | 2.5% | 7,472 | 2.7% | 32,062 | 2.6% |
| Retail | 2,491 | 13.4% | 29,321 | 10.7% | 132,591 | 10.9% |
| Transport & storage (inc. postal) | 1,560 | 8.4% | 10,294 | 3.8% | 42,938 | 3.5% |
| Accommodation & food services | 2,546 | 13.7% | 24,735 | 9.0% | 91,795 | 7.5% |
| Information & communication | 72 | 0.4% | 3,777 | 1.4% | 19,815 | 1.6% |
| Financial & insurance | 148 | 0.8% | 2,917 | 1.1% | 28,217 | 2.3% |
| Property | 239 | 1.3% | 2,846 | 1.0% | 15,324 | 1.3% |
| Professional, scientific & technical | 683 | 3.7% | 13,800 | 5.0% | 60,686 | 5.0% |

²⁵ Business Register and Employment Survey (ONS, 2015)

| Sector | Anglesey | | North Wales | | Wales | |
|--|---------------|---------------|----------------|---------------|------------------|---------------|
| | Number | % | Number | % | Number | % |
| Business administration & support services | 698 | 3.8% | 14,575 | 5.3% | 77,364 | 6.3% |
| Public administration & defence | 875 | 4.7% | 16,595 | 6.1% | 85,591 | 7.0% |
| Education | 1,110 | 6.0% | 27,026 | 9.9% | 125,131 | 10.2% |
| Health | 2,175 | 11.7% | 44,028 | 16.1% | 195,037 | 16.0% |
| Arts, entertainment, recreation & other services | 751 | 4.0% | 10,860 | 4.0% | 51,232 | 4.2% |
| Total | 18,594 | 100.0% | 273,680 | 100.0% | 1,221,149 | 100.0% |

Source: Business Register and Employment Survey, 2015

3.3.30 The comparatively high number of employees within retail and accommodation & food services is partially a reflection of the importance of tourism activity which accounts for almost 25% of retail expenditure²⁶. The 2013 Anglesey and Gwynedd Retail Study also identified the need for a range of measures across different settlements on Anglesey. For Holyhead, the main finding is that there is an oversupply of existing retail space and high vacancy levels that are likely to continue over the plan period. Based on the analysis the report suggests that the retail area should be reduced within the town centre. For Llangefni the report recommends action to improve comparison good retailing and a small but increasing level of demand for space. Amlwch is identified as having a strong retail centre although only providing basic facilities for the local community.

3.3.31 Construction and transport activities account for greater proportions of all employees in Anglesey (5.3% and 8.4% or 980 and 1,560 employees respectively) than either North Wales (4.2% and 3.8% respectively) or Wales (4.2% and 3.5% respectively).

3.3.32 Tourism and energy are two of the leading sectors in Anglesey which contribute significantly to the economy and offer further growth potential. Tourism contributes around 4032 jobs and £284 million in revenue to Anglesey's economy²⁷. Given this the tourism sector plays a major role in the economy and supports the well-being of residents and wider environment on the Island. Impacts from Wylfa Newydd during

²⁶ Anglesey and Gwynedd Retail study, 2013

²⁷ Based on 2016 data contained in the Isle of Anglesey County Council (2016) *STEAM Report*

construction and operation phases, including increased demand for housing (including tourism accommodation) coupled with leisure and recreational demands could mean potentially conflicting and negative impacts in this context.

3.3.33 There were 842 employees in mining, quarrying & utilities activities (which includes energy) in Anglesey in 2015, representing 4.5% of the workforce; a proportion that is significantly higher than the 2.2% in North Wales (6,151 employees) and 2.1% across Wales (25,056 employees).

3.4 Major Investments

3.4.1 Anglesey is the subject of a large number of existing and planned major developments over the short and medium term which will drive economic development on the Island. In order to maximise the benefits of such development opportunities, IACC are working with Welsh Government, private sector developers and other partners to ensure that challenges to developments are addressed appropriately and that opportunities are capitalised upon.

3.4.2 The importance of the developments to the local economy is recognised in terms of developing a strong economy, job creation for future generations and overall quality of life. There is also the important issue of the combined impacts and phasing of these developments to consider. The key developments identified by IACC are summarised in **Table 3.8** below.

Table 3.8 Energy Island Development Opportunities

| Project | Developer | Location |
|-----------------------------------|---|------------------------------|
| Nuclear New Build | Horizon Nuclear Power | Wylfa, North West Anglesey |
| North Wales Connection | National Grid | Wylfa to Pentir (Gwynedd) |
| Wylfa Decommissioning | Magnox | Wylfa, North West Anglesey |
| Penrhos Leisure Village | Land & Lakes | Penrhos, Holyhead |
| Biomass Power Plant & Eco Park | Lateral Power | Anglesey Aluminium, Holyhead |
| Waterfront Development | Stena Line & Conygar Investment Company | Newry Beach, Holyhead |
| Parc Cybi – Mixed Use Development | Conygar Investment Company | Parc Cybi, Holyhead |
| Menai Science Park | Bangor University | Gaerwen |

| Project | Developer | Location |
|--|--------------------|----------------------------|
| West Anglesey Tidal Current Demonstration Zone | Minesto | Off shore near Holy Island |
| Campus expansion including Energy Centre extension | Coleg Menai | Llangefni |
| Connecting proposed new low carbon energy on Anglesey | National Grid | Anglesey-wide |
| Electricity Distribution Network Operator in North Wales | SP Energy Networks | North Wales – wide |
| Port of Holyhead Development | Stena Line | Holyhead |

Source: Energy Island, IACC website, February 2017 (retrieved from: <http://www.anglesey.gov.uk/business/energy-island-isle-of-anglesey-north-wales>)

3.4.3 In addition to Wylfa Newydd, there are also other significant investment, employment and supply chain opportunities for Anglesey's economy. Whilst these investments may have considerable beneficial impacts for Anglesey's economy there may also be some negative impacts caused by the cumulative impacts of such large-scale development. This could include traffic congestion, accessibility to specific areas and increased demand on services and infrastructure particularly during construction.

3.5 Future Trends

3.5.1 The scale of potential investment on Anglesey in low carbon energy is unprecedented. If all the developments identified happen this is likely to have a range of both positive and negative impacts for the economy and communities over the short to long term. In particular Wylfa Newydd is expected to make significant contributions to the economy with estimates of £10 billion of investment²⁸.

3.5.2 In order to understand potential economic impacts URS and ESYS Consulting modelled the impacts of a number of scenarios covering different investments under the Energy Island programme²⁹ (including Wylfa Newydd). It is clear from the work

²⁸ Pre-Application Consultation document PAC3 (Horizon, 2017)

²⁹ Energy Island and Enterprise Zone – Reassessment of Legacy Targets, Benefits and Outcomes, URS and ESYS Consulting Ltd, July 2012.

that the employment situation on Anglesey would be greatly enhanced over time assuming the best case scenario is realised.

3.5.3 If Wylfa Newydd goes ahead there will be a significant positive impact in the short term and longer terms which will aid the recovery of the local economy following a period of recession/low growth. The employment model predicts that the outcomes for the manufacturing and hotel/leisure industries will not be significantly affected by the Energy Island programme relative to the base case scenario. The more obvious impacts will be in the utilities and construction sectors given the scale of the build programme for new nuclear alongside other projects.

3.5.4 These construction and operational jobs in the utilities sector and supply chain offer a significant opportunity to the local labour force if the appropriate skills are available or can be made available through investment in appropriate training and workforce development programmes over the short term to medium term. The work undertaken by URS and ESYS also highlights a number of key issues and recommendations including:

- The need to maximise the use of existing incentives and programmes, particularly the Enterprise Zone whilst there is on-going uncertainty in relation to investment projects and future growth prospects in the wider UK economy; and
- The need to closely monitor the performance of the economy, the decisions around key Energy Island investments including the potential nuclear new build and rigorously appraise new investment prospects. If there is continued evidence of low growth/decline in the economy and reduced levels of investment there will be a pressing need for contingency planning to support the economy and help stimulate growth.

3.5.5 Given the changes in different project investments and timings it should be noted that any future projections are essentially estimates based on available information at the time. As such there is a need for on-going monitoring of demand and change within the economy and investment projects to ensure that an accurate as possible picture is built of the potential impacts.

3.6 Summary

3.6.1 The recent trend in the UK economy has been steady, but low economic growth. This low growth trend is expected to continue into the future. These wider economic trends and investment decisions at the local level have exacerbated already challenging conditions in the Anglesey economy. These include an industrial structure strongly skewed to primary and production activities, low levels of

entrepreneurship and fewer job opportunities. The working age population is declining and also has high levels of long term unemployment.

- 3.6.2 The employment opportunities presented by the Wylfa Newydd project and other investments have the opportunity to address some of these economic and social issues and may help to retain working age people and help attract new workers. The project will create significant employment in construction and operational phases, particularly within the energy, utilities and construction sectors and associated supply chains. A range of previous analyses³⁰ confirms this but also underlines the type and quality of jobs and essential role in up-skilling the labour force.
- 3.6.3 With the most recent workforce makeup presented by Horizon, (PAC 3 August 2017) it is apparent that by the peak level of employment there could be shortages of higher skilled and service occupations. If skills demand can be met there are associated benefits both in terms of earnings but also levels of gross value added per employee. This is also important because it suggests in the absence of considerable up-skilling, the new employment created might not impact on inactivity rates and unemployment in the local labour market as much as might be expected.
- 3.6.4 Whilst Anglesey has a large construction workforce for the size of its economy, most of this employment is through smaller sized businesses. There is a need for support to the SMEs in relevant sectors to help them access opportunities at the right points in the supply chain and also consider the opportunities for joint bidding and working. This should be addressed by a Supply Chain Action Plan and Investment Team, if there is sufficient and timely investment in those services.
- 3.6.5 With tourism and energy two key sectors within the Anglesey economy, the Wylfa Newydd project is likely to have a range of implications for development in these sectors, their supply chains and the potential workforce. The workforce will place significant pressure on a range of existing services including housing, education, health, leisure and tourism facilities alongside Welsh language impacts due to the sizeable construction, and to a lesser extent, operational workforces which have the potential to create significant in-migration of workforce to the area. Sufficient mitigation is needed to assess investment projects, their impacts and appropriate action to address any negative impacts and maximise the benefits.

³⁰ Energy Island and Enterprise Zone – Reassessment of Legacy Targets, Benefits and Outcomes, URS and ESYS Consulting Ltd, July 2012. Future Skills for the Nuclear industry in North Wales, Cogent, December 2011

3.7 Key Issues for the Wylfa Newydd SPG

3.7.1 Based on the findings of the baseline analysis and evidence base, a number of key issues relevant to economic development have been identified that will need to be considered in preparing the Wylfa Newydd SPG. These issues are summarised in **Box 3.1** below.

Box 3.1 Key Issues for the Wylfa Newydd SPG: Economic Development

- The Wylfa Newydd project provides an opportunity to make a positive contribution to the Anglesey and North Wales economy and address some of the economic and social issues (unemployment and inactivity in the working age population that impact on the areas through the creation of new jobs and contribution to economic growth);
- Employment and supply chain opportunities for Anglesey and North Wales residents and businesses need to be maximised to ensure that the Wylfa Newydd project makes a significant positive impact on the local economy. This requires a commitment to supply chain support and development, relevant policy mechanisms, contracts and contributions to be negotiated and put in place to maximise the use of local labour and businesses. This activity is of critical importance to the longer-term legacy of the project;
- The baseline information and analysis points to the pressing need to continue efforts to upskill and train members of the working age population to respond to the demand created by the Wylfa Newydd project. The current analysis shows the mismatch between skills and occupations demanded relative to the supply currently available. If measures are not set out in relevant policy and featured in discussions on contributions etc. the opportunity to realise local benefits will be reduced;
- The Wylfa Newydd project presents opportunities for a range of sectors including the local construction, accommodation, utilities and tourism. Due to the large number of small sized businesses in Anglesey there is a need to support the sector to ensure it captures and maximises opportunities from the project, associated development and the relevant parts of the supply chain; there is also a potential risk in that demand created by Wylfa Newydd and captured locally will limit capacity to deliver on other investment projects;
- Various sources point to the need to understand the impacts of the construction phase of the Wylfa Newydd project on local services and infrastructure such as accommodation provision and other services including schools, health care, leisure and recreation provision. It is clear that the scale of the workforce needed will present some challenges and adverse impacts which will need to be addressed by the developer in partnership with IACC. Having a clear approach to the assessment of these impacts is critical as is a clear and up to date view of the relevant baseline information in this context; and
- Supporting investment in infrastructure is required to facilitate Wylfa Newydd, associated development and subsequent impacts including further investment in high

Box 3.1 Key Issues for the Wylfa Newydd SPG: Economic Development

speed broadband and wider telecommunications infrastructure, water/waste water supply system and improvements and reinforcement to the electricity transmission network.

4 Challenges and Opportunities

4.1 Introduction

4.1.1 Based on the review of plans and programmes presented in **Section 2** and analysis of the baseline and emerging evidence base in **Section 3**, this section draws together the key strengths, weaknesses, opportunities and threats related to economic development to be addressed by the Wylfa Newydd SPG. Where appropriate, it also provides guidance in respect of how the SPG could respond to the issues identified in order to help inform the preparation of the document.

4.2 SWOT Analysis

4.2.1 **Table 4.1** and **Table 4.2** presents an analysis of the strengths, weaknesses, opportunities and threats associated with the Wylfa Newydd Project during construction and operation on economic development and in the context of the Wylfa Newydd SPG.

Table 4.1 SWOT Analysis (Strengths & Weaknesses)

| Strengths | Weaknesses |
|---|---|
| <p>Good opportunities for employment and wider economic growth;</p> <p>Additional tools and programmes including the Energy Island Programme and Enterprise Zone will add traction to the Wylfa Newydd development and support growth opportunities for the low carbon energy sector in Anglesey;</p> <p>Wylfa Newydd has wide ranging support in policy at different scales;</p> <p>The Anglesey workforce has a high proportion of employees already in the energy sector and already outperforms North Wales and Wales;</p> <p>Existing activity to train and develop the skills base of Anglesey and North Wales to</p> | <p>Population change trends in Anglesey show an ageing population, with a decline in the proportion of working age people and outflow of young people;</p> <p>Increase in the net outflow of commuters from Anglesey reflects the presently limited employment opportunities on the Island;</p> <p>Mismatch between future demand for skills/occupations relative to the current profile of labour supply;</p> <p>Unemployment and economic inactivity persists;</p> <p>Ability and capacity of existing infrastructure (education, health and utilities) and housing to respond to demands from the Wylfa Newydd project</p> |

| Strengths | Weaknesses |
|--|--|
| <p>respond to the demand from Wylfa Newydd and other projects;</p> <p>Organisations (including North Wales Economic Ambition Board) looking to support local companies and residents to benefit from opportunities tied to Wylfa Newydd;</p> <p>Higher Education, including Coleg Menai, and proximity to Further Education institutes, close to Bangor University and home to the Menai Science Park being developed by the University.</p> | <p>particularly during the construction phase; and</p> <p>Peripheral nature of the economy restricts employment opportunities.</p> |

Table 4.2 SWOT Analysis (Opportunities & Threats)

| Opportunities | Threats |
|--|--|
| <p>Wylfa Newydd is a significant investment opportunity for Anglesey and North Wales;</p> <p>The Supply Chain Development Programme for energy projects and supply chain being developed by North Wales partners will maximise benefits and opportunities for businesses in Anglesey and North Wales;</p> <p>It is understood that Horizon is developing a Supply Chain Action Plan and intend to invest in a Supply Chain Investment Team, allowing the capture of supply chain benefits for local firms;</p> <p>The Wylfa Newydd project has potential to increase the productivity of Anglesey's workforce and increase the overall output from the local economy;</p> <p>The workforce of the previous Magnox power station provides a good supply of relevant skills and occupations and can be</p> | <p>Lack of benefits if DCO is not granted or Wylfa Newydd is not developed;</p> <p>Inability to capture employment and wider economic benefits from investment for local businesses and residents and mitigate against negative impacts of the Wylfa Newydd;</p> <p>Lack of supporting investment in infrastructure required to support Wylfa Newydd construction;</p> <p>Supply Chain Investment Team not invested in, or not soon enough, by Horizon, failing to capture supply chain benefits;</p> <p>A lack of contractor buy-in to the Supply Chain Contract Service;</p> <p>The Wylfa Newydd project may cause transport congestion in certain parts of Anglesey which may have a negative impact on economic development;</p> |

| Opportunities | Threats |
|--|---|
| re-trained efficiently to operate Wylfa Newydd; | The project construction workforce is expected to require significant levels of accommodation which may have negative impacts on the housing market (price increases/shortages of affordable housing) and tourism accommodation and disrupt tourism activity during construction and operation; |
| National and international policies and programmes support low carbon development, through which Wylfa Newydd may directly or indirectly benefit; | A lack of detailed monitoring of impacts upon the local housing market once construction commences could lead to uncertainty as to the impacts and how they will be managed; |
| The project can help rebalance Anglesey's business base, offer large scale employment opportunities and help address some of the wider issues of economic inactivity and unemployment; | The project may impact on the perception of Anglesey in terms of the Island being a tourism destination, impacting the tourism industry; |
| Proportionate use of tourism accommodation out of season by Wylfa Newydd construction workforce can support tourism accommodation providers; and | The risk that the economy could revert to baseline levels by the end of the construction period, retaining limited long-term benefit; and |
| Increased spend into the local economy during both construction and operational phases. | The local population may not have the correct skillset required for the majority of Wylfa Newydd roles. |

4.3 Summary of Key Matters to be addressed by the Wylfa Newydd SPG

4.3.1 The following are key matters to be considered by the Wylfa Newydd SPG in relation to economic development:

Supply Chain

- Ensuring that efforts are made by the Horizon to contract with local businesses, support the local supply chain, and use local labour to maximise the benefits of investment at the local level.

Education and Skills

- Training and workforce development to maximise the number of existing working age population employed and benefitting from the Wylfa Newydd

project, as well as supporting disadvantaged communities and young people to benefit from the project;

- Guidance to encourage support for any local businesses that lose employees to the project.

Services and Infrastructure

- Impacts on services (including education, health, leisure and recreation), infrastructure (power, water, telecoms etc.) and accommodation during the construction phase need to be better understood and this places requirements on IACC, the development of the SPG and evidence base/impact work by the developer to put in place appropriate mechanisms and monitoring measures to better quantify and understand the impacts;
- With an understanding of the existing baselines and current capacities it is essential for the SPG to set out guidance which protects existing services and infrastructure and enhances existing or provides new capacity where impacts as a result of Wylfa Newydd are identified. The ability of the local workforce to physically and conveniently access Wylfa Newydd job opportunities should be required within the SPG.

Tourism

- The SPG should require that the impact of Wylfa Newydd on tourism needs to be fully considered and mitigated, including direct impacts on transport, public rights of way, amenities, accommodations provision and attractions;
- The potential impacts that Wylfa Newydd may have in terms of perceptions of Anglesey both as a tourism destination and as a receptor of inward investment need to be recognised and considered.

Housing

- Ensuring that guidance presents a clear view on the implications for housing from the Wylfa Newydd project and that the SPG provides appropriate guidance responses to mitigate negative impacts. Whilst this is an issue to be considered under the housing topic (Topic Paper 3), it has implications for the economic development of the Island and ability to retain and attract new population and investment; and

Wider Projects

- The SPG should help to ensure that Wylfa Newydd contributes to the success, aims and objectives of the Energy Island Programme and the Enterprise Zone, as these are key drivers of the Anglesey economy.

4.4 How should the Wylfa Newydd SPG Respond?

4.4.1 The Wylfa Newydd SPG will need to include guidance and detailed criteria which seeks to ensure that the Project addresses the issue of economic development.

More specifically, the SPG should:

- Encourage the establishment of a supporting evidence base and collaborate with the project promoter to ensure that appropriate mitigation measures are implemented where necessary and that economic benefits are maximised and capitalised upon;
- Encourage that construction and supply chain opportunities are advertised and accessible for local businesses to ensure that the benefits from the project are maximised. Local labour agreements and re-training opportunities with local training providers for previous employees at Wylfa should be promoted. Proactively support the development of supply chain businesses and workforce through the Energy Island Programme and other existing initiatives such as the Vocational Academy, Reach the Heights Project and Isle of Anglesey Community Education Partnership. Supply chain proposals should be preferred where they are permanent and support existing regeneration initiatives such as Community First programmes;
- Advise that employment opportunities are available to Anglesey's skilled workforce and that training opportunities are provided to ensure that all sections of the workforce can benefit from Wylfa Newydd, including disadvantaged communities and young people. This requires a sufficiently-funded Employment and Skills Service;
- Encourage Horizon's programme for investment in education and training facilities to be sufficient to meet local employment targets for construction and operation. IACC have said that there needs to be an increase the numbers of local people who will be in a position to apply for high-level jobs at Wylfa Newydd;
- Provide guidance to recognise the desirability of supporting the local construction workforce to find alternative employment once construction of the project is complete;
- Encourage support for local businesses who lose employees to Wylfa Newydd;
- Ensure that the SPG is informed by other similar developments (such as Hinkley Point C development) and that best practice is followed;
- Include an expectation in the SPG that any adverse impacts from the project on tourism would be minimised or avoided through appropriate mitigation. This includes impacts on transport, amenity, important landscape and townscapes, Public Rights of Way, tourism attractions and accommodation, and perceptions of Anglesey. Opportunities should be recommended which seek to enhance tourism on the Island and its image through marketing;

- The SPG should advise that Wylfa Newydd contributes to the success, aims and objectives of the Energy Island Programme and the Enterprise Zone, as these are key drivers of the Anglesey economy; and
- Include measures to mitigate pressures from the Wylfa Newydd construction workforce on tourism and non-tourism accommodation, and local services. There is also a need to understand the timing and interaction of the Wylfa Newydd Project with other developments in order to take a strategic approach to identifying impacts.



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