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**The Welsh Parliament  
Economy, Trade and Rural Affairs Committee**

**Nuclear Energy and the Welsh Economy**

**Isle of Anglesey County Council's Written Evidence**

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**October 2023**

**Summary of the Council's key comments in relation to the inquiry:**

- The evidence confirms that the Council remains supportive of a new nuclear development on the Wylfa site as it would offer the opportunity to transform the economy of the North of the Island, the Island as a whole, together with North Wales and beyond. This would help to create a healthy and prosperous Anglesey where people can thrive in accordance with vision of the Council Plan's
- The Council supports a nuclear development in principle and the social licence to proceed is subject to the application and implementation of the principles identified below. The Council confirms that these principles apply both to a small modular and GW-scale development and are in line with the Council's previous position in relation to the Horizon Nuclear Power proposals for Wylfa Newydd:
  - *Adverse effects must be proactively avoided or minimised*
  - *Economic and social benefits must be maximised*
  - *The island's unique and special characteristics and sense of place must be protected*
  - *The Proximity Principle should be practiced*
  - *A positive legacy must be created*
- The pandemic, Brexit, lack of quality work opportunities and increases in goods and energy costs have led to significant changes on the Island and particularly in the North of the Island over the past few years. It has led to a relatively fragile economy that relies on employment mainly within the agriculture, tourism and retail sectors - these are low value, low paid sectors and offer seasonal opportunities.
- The latest census data for the Island shows an aging population, a reduction in the working population and a reduction in the use of the Welsh language.
- The evidence presented by the Council has highlighted the opportunity presented by a possible new nuclear development on the Wylfa site, be it on a small modular or GW scale by reflecting back on Horizon's application for the Wylfa Newydd project in terms of ensuring that the Island contributes towards the net zero target whilst ensuring that our communities see real benefits and advantages.
- Whilst the Council welcomes the establishment of 'Great British Nuclear (GBN) by the UK Government in order to focus on putting a nuclear development programme in place to ensure an increase in nuclear energy on an unprecedented scale and speed, the Council continues to look for concrete confirmation that this programme and the UK Government and GBN Strategies will identify the Wylfa site as one of the preferred sites for the development of a small modular or GW-scale project.
- The Council is not willing to raise the hopes of residents, communities, the local supply chain, the education and skills sector and partners and key stakeholders until concrete confirmation has been given. The Island and the North of the

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Island's communities still feel the disappointment of the Horizon Wylfa Newydd development coming to an end.

- However, once there is confirmation, the Council confirms that it would like to work together with the UK Government, GBN, the Welsh Government and all stakeholders and partners in order to ensure a sustainable development for the Island, where maximum benefits can be secured locally, and would therefore be a development we can support.

## 1.0 Introduction to the evidence

- 1.1 Anglesey County Council (*the Council*) welcomes the opportunity to respond to the inquiry being conducted by the Welsh Parliament Economy, Trade and Rural Affairs Committee on Nuclear Energy and the Welsh Economy.
- 1.2 This written evidence should be considered in conjunction with the oral evidence that the Leader of the Council, Councillor Llinos Medi will give to the Committee at the Welsh Parliament on the 26th of October 2023.
- 1.3 It is believed that the Council has much to offer in terms of presenting evidence to this important and timely inquiry including:
  - *In terms of a project taking place on the Wylfa site, a complete understanding of the local area together with its regional context, and in terms of Wales and the United Kingdom - this includes an understanding of the opportunity, the possible effects together with an understanding of the challenges and the changes the Island is facing. The Council is therefore in a good position to represent the host community and to influence any project from the outset.*
  - *The Council's perspective, contribution and previous experience as the local authority, host authority and local Planning authority for the Horizon Wylfa Newydd project, prior to Hitachi's decision to wind up Horizon Nuclear Power as an active development entity in March 2021.*
  - *The Energy Island Programme (EIP) has been formed by the Council since 2010. The Programme is part of the Council's approach towards economic development, working in partnership with stakeholders to put Anglesey at the forefront of low carbon energy research, development and production. The Programme's vision is to ensure that the Island maximises the opportunities presented by the once in a lifetime opportunity for jobs, economic growth and prosperity through benefiting from of a number of transformative projects on Anglesey. The Programme is engaged in a broad portfolio of developments in which it acts in an advisory capacity (on statutory and non-statutory matters) including tidal, wind (offshore and onshore), solar, hydrogen, battery and nuclear energy.*
  - *The Council has continuous and mature relationships and connections in place with key partners, organisations and companies within the nuclear industry.*
  - *The Council is also able to build on its position in terms of its rich and safe heritage of hosting the Magnox Wylfa A station, with so many communities on the island having benefitted from employment and supply chain opportunities within this important sector and continuing to do so. The Council not only understands how the nuclear power station has benefitted the Island in economic and social terms but also how the reduction in available employment on the Island over the past few years has impacted the Island and its communities in a negative way.*

- ***The current situation in terms of the possibility of a development taking place on the Wylfa site***
- 1.4 The communities of Anglesey, and especially those communities in North Anglesey, continue to feel the disappointment since the Horizon Wylfa Newydd project being wound up. Although considerable attention continues to be given to the possibility of a development taking place, the community continues to feel that they are between two stools with no concrete confirmation that a development on a small modular or GW-scale will take place.
- 1.5 Since the Horizon project ended the pandemic has happened, and many businesses have closed as a result of impacts related to that event as well as the effects of Brexit and the increase in energy costs and commodity costs. This has led to the loss of quality jobs across the Island, young people moving away to look for work or not returning after being at university due to a lack of opportunities and all of this leads to a negative impact on our communities, our heritage and the Welsh language.
- 1.6 The Council welcomes the establishment of 'Great British Nuclear (GBN) by the UK Government in order to focus on ensuring progress in nuclear energy at an unprecedented scale and speed. Although GBN's recent announcement confirms the selection of six small modular reactor technologies to go through to the next stage following a technology selection process, the Council continues to seek assurances that the Government and GBN processes will proceed as a matter of priority to identify a clear and effective programme for new nuclear developments in the UK including confirming which technology will be located on which sites.
- 1.7 In addition, the Council is seeking a better understanding of how the Welsh Government wants to work in partnership with GBN and the UK Government in order to support and ensure alignment in terms of vision, priorities and strategies at all levels.
- 1.8 At all levels, everyone is looking for certainty one way or the other as to the possibility of a development taking place on the Wylfa site - whether that is a small modular or GW-scale development. This assurance is sought by our residents, our communities, businesses and the supply chain as well as the developers themselves.
- 1.9 We cannot at a local level give assurance to our young people or to the supply chain that there will be an opportunity for them to work and benefit in the future from the construction and operation of a nuclear development on the Island without definite confirmation that a development will take place. We have previously raised hopes with families hoping that their children would receive quality work opportunities that will enable them to remain on the Island and many businesses have thought about how they would be able to make the most of the opportunities directly and indirectly.
- 1.10 The Council confirms that in accordance with the EIP's vision it remains supportive in principle of a new nuclear project on the Wylfa site but on condition

that the project delivers transformative socio-economic benefits to the host communities.

- 1.11 While the Council, in principle, supports new nuclear developments and recognises the role they can play in terms of responding to the need to secure a path towards achieving net zero, ultimately, this cannot be at the expense of the island or its communities.
- 1.12 The Council's support is based on confirmation that the development is sustainable and that it should not be at the expense of the island's communities. The Council's support in principle, and the social license to proceed with a nuclear development, is subject to the implementation of the principles identified below. The Council confirms that these principles apply to small modular developments along with GW-scale development, and are in line with the Council's previous position regarding the Horizon Nuclear Power proposals for Wylfa Newydd:
- *Adverse effects must be proactively avoided or minimized*
  - *Economic and social benefits must be maximised*
  - *The island's unique and special characteristics and sense of place must be protected*
  - *The Proximity Principle should be practiced*
  - *A positive legacy must be created*
- 1.13 In terms of its approach to any major developments, the Council adopts the Proximity Principle. The Proximity Principle requires that consideration should firstly be given to project's impact on its closest communities and how the effects experienced are reduced according to their distance from the project, the need to provide benefits and mitigation measures, including compensation, also decreases.
- 1.14 The Council adopted the Proximity Principle to guide its position for dealing with and negotiating the Horizon Wylfa Newydd DCO application. This ensured that all benefits, mitigation and compensation measures were focused on the host community in the first place, namely the communities and residents most affected as a result of the impacts of all phases of the project.
- 1.15 The Council is eager for the Proximity Principle to be adopted by all partners and stakeholders inside and outside the planning system including the two Governments, the Welsh Local Government Association and others in order to ensure that the benefits arising from all major projects are focused on the closest communities, which will be the communities most affected throughout the life of the project.
- 1.16 The Council understands that the UK Government intends to consult on an updated National Policy Statement (NPS) for nuclear projects during the Autumn and that it is likely that the Wylfa site and Anglesey will continue to be identified as one of the preferred sites/areas for a new nuclear development.
- 1.17 The Council welcomes the preparation of an updated Statement as it will inform current policy for new nuclear developments in Britain and address the

uncertainty for developers, hosting authorities, communities and wider stakeholders in terms of which sites will be designated for new nuclear development and receive the policy support at the highest level of the policy hierarchy.

- 1.18 At local policy level, the Council is currently preparing a delivery agreement for the implementation of a new Local Development Plan. This Plan will need to address any nuclear development taking place on the Island in terms of the construction, operational and decommissioning phases in addition to addressing and setting out an effective policy basis for the associated developments and impacts and any nuclear development including (but not limited to) matters relating to the provision of highways, housing, services, the environment, the Welsh Language and culture and so on.
- 1.19 The Council is therefore seeking clarity as a matter of urgency if the UK Government's nuclear development programme and the National Policy Statement will identify the Wylfa site for new nuclear development whether on an SMR or GW scale in order to be able to plan for the future and ensure that we are 'creating an Anglesey that is healthy and prosperous where people can thrive' (The council's vision as stated in the Council Plan 2023-28<sup>1</sup>).
- 1.20 The long-term experience of the Council and the communities it represents in terms of hosting the Wylfa A power station, together with Horizon's proposals for Wylfa Newydd, have created important learning points, particularly in relation to engaging and involving the community. This has also created an organisational culture where we are familiar with recognising the benefits and impacts that can result from hosting a nuclear plant.
- 1.21 The Council considers that it is essential for GBN, the UK Government and the Welsh Government to understand and learn from these experiences in forming its long-term strategy for the nuclear energy development programme in the UK. The Council confirms that it is prepared to continue working with the three bodies together with other partners in order to share and learn from these experiences and understanding in order to ensure an effective and successful strategy which has the host community at its centre and being the prime focus from the outset.
- 1.22 The Council considers that early and meaningful engagement and co-operation with all key stakeholders (including the host Authority and the host community in particular) is essential.
- 1.23 In terms of gaining community support, openness, together with trust and respect, are considered key features, not only from the developer's perspective, but also from key stakeholders (including the UK Government/Great British Nuclear (GBN) and the Welsh Government).
- 1.24 The UK Government and the Welsh Government have recently highlighted the potential in terms of streamlining / improving the consenting and licensing process for projects of national significance.

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<sup>1</sup> [Council Plan 2023-2028 \(gov.wales\)](https://gov.wales/council-plan-2023-2028)

- 1.25 The Council's commitment to the consenting process (especially in terms of representing its communities) is vitally important. In terms of Horizon's proposal for Wylfa Newydd, the Local Impact Report (LIR), prepared by the Council as the host authority was a key report that the Inspector regularly referred to during the examination of the application.
- 1.26 In this context it is important to note that the Island is a very different Island since the Council formed its position on Horizon's Wylfa Newydd project. The next part of our evidence will set out to highlight these changes. The Council confirms that any developer will need to be fully aware of the characteristics of the Island in order to gain a full understanding and awareness of the context for developing and locating a development and in order to identify and assess the potential scale of the likely effects in order to mitigate and reduce them or compensate to a level that is acceptable to all.
- 1.27 In terms of consenting and licensing, the Council believes that it is necessary that these processes require the developer to engage with those communities most affected by such a large-scale development in a prompt, appropriate and effective manner.
- 1.28 This is to ensure that the developer, in the early days of developing the project, has a complete understanding of the local context (which is particularly important within a unique environment such as Anglesey) and to allow the communities to raise concerns that can be resolved by modifying the design and to identify and highlight the opportunities for securing and maximising local benefits.
- 1.29 As the Council has a key role as the local authority, the host authority and the local planning authority in relation to any development on the Wylfa site in the future, the Council confirms that it is necessary for it to have the capacity and the appropriate resources to enable it to play a full and effective part in the process, from the initial stages of the development design process, in order to advise and influence accordingly for the benefit of the communities it represents.
- 1.30 In terms of Horizon's previous Development Consent Order (DCO) proposals for Wylfa Newydd, a Planning Performance Agreement (PPA) was agreed between the Council and Horizon. The PPA was an effective mechanism that enabled the Council to have the necessary capacity and resources throughout the period of engagement with that project.
- 1.31 We are sharing the panel for this evidence session with the North Wales Economic Ambition Board. The Council confirms that there is a readiness and maturity to work together to maximise the benefits of any project at the Wylfa or Trawsfynydd sites on a regional level. But again, we confirm that challenges/negative effects are likely to arise from projects on the Wylfa and Trawsfynydd sites and be felt in the immediate locality of the projects and would extend to the North Wales area. It will be necessary to adopt and implement the proximity principle in terms of discussions about securing mitigation measures, including compensation.



1.32 The Council hopes that the above context is helpful as we respond to the specific questions that the Committee will ask in the next part of our response.

**2.0 What potential economic impact could new nuclear developments in north Wales have on the regional economy?**

2.1 The island and its communities have a long-term and positive relationship with the nuclear sector. This is because the Island, its residents and communities have experienced the long-term economic and social benefits that have been realised at a local (North of the Island and the Island as a whole) and regional level throughout the period of operation of the Wylfa A station, and which continue to be felt as the station goes through the decommissioning phase.

2.2 The table below confirms the Gross Added Value (GVA) of the Island in relation to other North Wales Authorities together with Wales and the United Kingdom.

Mesur Cyfanswn (£ milliwn)			2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
DU			1507777	1568990	1643394	1702910	1771588	1845519	1904933	1980679	1891068	2025600
Cymru			53163	55077	56482	58434	60833	62917	65167	67955	64634	69500
Cymru	Gogledd Cymru		12134	12706	12735	13177	13598	14198	14708	15182	14401	15647
	Gogledd Cymru	Ynys Mon	860	865	867	916	976	1005	1071	1140	973	1035
		Gwynedd	2089	2197	2182	2226	2234	2341	2378	2469	2215	2453
		Conwy	1414	1519	1575	1643	1710	1828	1848	1878	1773	1788
		Dinbych	1437	1527	1575	1598	1674	1751	1816	1849	1832	1957
		Fflint	3562	3678	3673	3869	4063	4265	4394	4468	4322	4877
		Wrecsam	2772	2920	2863	2925	2941	3008	3201	3378	3286	3537

2.3 The table above confirms that even though there is annual growth in the Island's GVA, the growth is significantly lower than that in North Wales, Wales and the UK.

2.4 Most of the employment opportunities available here in Anglesey are now in the agriculture, tourism and retail sectors - low value, low wage sectors that offer seasonal opportunities.

2.5 The implications of this are the outward migration of young people, demographic imbalance, economic inactivity, increased pressure on services and an adverse effect on the Welsh Language and the Island's communities.

2.6 The results of the latest census confirm these effects:

- *Between the last two censuses (held in 2011 and 2021), the population of Anglesey fell by 1.3%, from just under 69,800 in 2011 to around 68,900 in 2021.*
- *Between the last two censuses, the average (median) age of Anglesey increased by three years, from 45 to 48 years old (a higher average (median) age than Wales as a whole (42 years)).*

- *The number of people aged 65 to 74 years rose by around 1,200 (an increase of 14.2%), while the number of residents between 35 and 49 years fell by around 2,300 (17.2% decrease).*
  - *The percentage of Welsh speakers on Anglesey fell from 57.2% in 2011 to 55.8% in 2021.*
  - *Of Anglesey residents aged 16 and over, 49.9% said they were employed (excluding full-time students) in 2021, down from 51.3% in 2011.*
  - *In 2021, just over 1 in 40 people (2.6%) said they were unemployed, compared with 4.1% in 2011.*
  - *The percentage of retired Anglesey residents increased from 28.6% in 2011 to 30.5% in 2021.*
- 2.7 The Magnox Wylfa Power Station site is located in the North of the Island and the adjacent land was the subject of the Horizon's Wylfa Newydd project.
- 2.8 As has already been highlighted, Anglesey's communities, and especially those communities in the North of Anglesey, continue to feel the disappointment and impact of the Horizon Wylfa Newydd project being withdrawn.
- 2.9 The area known as North Anglesey covers a third of Anglesey. In 2021 there were only 2,285 jobs in North Anglesey - less than 10% of all the jobs on Anglesey. The area is now dominated by a foundational economy – specifically the accommodation and food services sectors, which usually offer low wages but now support tourism and hospitality.
- 2.10 The table on the next page confirms the job losses that have been experienced on the Island and specifically in the North of the Island as employers decide to close:

Year	Company	Job Losses
<b>North Anglesey</b>		
2004	Octel	100 to 120
2015	Magnox Wylfa	300 to 350
2019	Rehau	100
<b>Total for North Anglesey</b>		<b>500 to 570</b>
<b>Others on the Island</b>		
2008	Peboc	60
2008	Eaton Electrical	265
2009	Anglesey Aluminum	300 to 400
2013	Welsh Country Foods	300 to 350
2019	Marco Cable Management	40
2022	Orthios	120
2023	2-Sisters	730
<b>Total</b>		<b>2,315 i 2,535</b>

- 2.11 Job losses in the historic industries has resulted in North Anglesey only contributing 13% of Anglesey's total GVA in 2020. This has fallen by 17% since 1998. Between 1998 and 2020, North Anglesey's GVA increased by 39%, less than half the corresponding growth across the rest of the Island.
- 2.12 The peripheral nature of Anglesey's location means that residents in the North commute and leave North Anglesey mainly for work purposes but do not leave the Island. In the 2011 Census, only 35% of the commuting residents of North Anglesey also worked in North Anglesey but a total of 71% remained on the Island. In comparison, 50% of the commuting residents of Llangefni, also work in Llangefni.
- 2.13 Amlwch, the largest settlement in North Anglesey, is in the top 30% of the most deprived areas in Wales in terms of Income and Employment and in the top 20% of the most deprived in terms of Access to Services. Residents are increasingly dependent on food banks: between November 2022 and March 2023, the use of food banks in Amlwch increased by almost 155%.
- 2.14 2Sisters' decision to close its factory in Llangefni at the beginning of this year due to the increase in production costs was a significant blow to the Island.

- 2.15 2Sisters was one of five major businesses on the Island (known to employ over 250+ workers) and the closure of the factory has resulted in a 4% loss of employment due to the 730 jobs lost, and will have further knock-on effects of £400,000 a year in lost supplier contracts on Anglesey.
- 2.16 The Council recognises that any new nuclear project on the Wylfa site has the potential to transform the economy of Anglesey, particularly in the north of the island, as well as in the North Wales region and beyond. It would also provide the possibility of short, medium and long-term opportunities in terms of employment and economic development. This would ensure opportunities for our young people, either in terms of retaining them or attracting them back to the area, and therefore it would have a positive effect on the Welsh language and our communities.
- 2.17 The North Anglesey Economic Regeneration Plan<sup>2</sup> was amended in light of Hitachi's decision to suspend the Wylfa Newydd plan and the closure of the Rehau factory, two serious blows to the North Anglesey communities' economic prospects, which reinforced the need for a programme of action to meet the needs of the North.
- 2.18 The Plan sets out a vision for the North Anglesey area and identifies the opportunities which include a possible proposal for a nuclear power station, the opportunities available as part of the decommissioning period of the current station, benefiting from the Growth Plan for the North Wales Economy, capitalising on the area's potential in terms of tourism and maximising the sense of community and place.
- 2.19 At an event held by the Nuclear Industry Association in the Senedd in September, Kieron Salter, an Electrical Engineer who works on the Hinkley Point C project, who is originally from Llangefni on Anglesey, spoke about his memories as a child of visiting the Wylfa power station, and then completing a period of work experience which motivated him to choose a career path in the nuclear sector with the hope of working on the Horizon Wylfa Newydd project.
- 2.20 Kieron was one of those individuals from the Island who was successful in being able to follow an apprenticeship with Horizon 7 years ago. Kieron was 17 years old at the time and extremely proud to be able to follow a career path that would enable him to stay here on the Island to work and live with his family and friends.
- 2.21 When Horizon decided not to continue with the Wylfa Newydd project, Kieron described the disappointment faced by the 33 apprentices who were on the Apprenticeship Programme. EDF took Kieran on to complete his apprenticeship and today he works as an Electrical Engineer with EDF. Obviously, this meant that Kieron had to move from Anglesey to be able to complete his apprenticeship, he had to move from the familiarity of his home area far from the Welsh language and his Welsh culture. Kieran said at the event in the Senedd:

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<sup>2</sup> [North Anglesey Economic Regeneration Plan \(gov.wales\)](http://gov.wales)

*“Nuclear to me means stability, opportunities for generations and a job for life. I was deeply disappointed when the Wylfa Newydd project failed to materialise. I hope one day I can move back to Anglesey to work when there will be a new station in place at the Wylfa site”.*

*“Working at Hinkley Point C has broadened my vision of what new nuclear can contribute to the economy in the local area. During construction, thousands of opportunities will be available. From pouring concrete to welding, erecting steelwork, driving heavy machinery, driving buses, cooking food, hotel management. The possibilities are endless in terms of the opportunities it brings. Once built, it will employ hundreds of people to keep it running. The opportunities resulting from a project of this size are immense, bringing huge benefits to Wales and helping to achieve net zero targets”.*

2.22 In its Local Impact Report (LIR) for the Horizon Wylfa Newydd development, the Council confirmed that the project has the potential to contribute to long-term change in the structure of the economy on Anglesey. Each phase of the project had the potential to create higher paying jobs, moving local businesses up the supply chain and attracting new businesses and inward investment related to the project.

2.23 The local, regional and wider potential socio-economic benefits that would arise as a result of the construction and operation of a nuclear power station on the Island were assessed and identified in the Environmental Statement (EA) submitted as part of Horizon's application for a Development Consent Order (DCO) for its proposed Wylfa Newydd development. The main benefits included:

- *In terms of the demand for workers during the construction phase, the Horizon analysis (for a GW+ scale development) suggested that a total of 9,000 workers would be required at the peak of the project, with the possibility of around 2,000 of these jobs being carried out by workers who lived within the daily construction commuting zone (90-minutes travel time to the site) during the construction period;*
- *Horizon used an additional multiplier of 1.9 to calculate the indirect jobs and those that will be created as a result of the development, and this suggested that a further 1,800 jobs would be created through construction work within the daily commuting zone;*
- *Out of the 850 jobs during the operational period, a commitment that 85% of these jobs would be for local people - with salaries above the national average;*
- *Local expenditure of £200-£400m would have an immediate positive effect;*
- *Providing opportunities for businesses to win contracts over number of years ensuring job creation;*
- *Businesses in the area need upskilling to become part of the supply chain. In turn, this will leave a lasting legacy of winning further contracts and becoming more competitive;*
- *Ensuring that the port of Holyhead plays an active and meaningful role in the supply chain leading to direct investment, and creating a number of jobs over the construction and operational phases over many years;*
- *The development would lead to the creation of additional sites and buildings on the Island and in North Wales for indigenous businesses and inward investors;*

- *Indirect opportunities - although not directly linked to the development of Wylfa Newydd, there would be plenty of indirect opportunities available, including accommodation provision for the construction workers, cooking, cleaning and so on.*
- 2.24 The above information confirms the value and scale of the potential benefits for the Island and the region in hosting a GW-scale power station. The census data, and also the data for North Anglesey which was presented earlier in the Council's response, confirm that North Anglesey desperately needs investment in a project that would ensure transformative opportunities and prosperity for the local area.
- 2.25 In terms of the potential economic impact of a new nuclear power station on the Wylfa site, whilst much of the detailed evidence available to support informed comments has focused on a GW+ scale development, the Council is aware that proposals for future nuclear development on the site will also include SMR / AMR proposals. The socio-economic impacts would be different to those resulting from a GW-scale proposal.
- 2.26 Work completed by Ove Arup and Partners Ltd for the Welsh Government has focused on the possibility of locating an SMR / AMR development in Trawsfynydd. However, it provides useful additional information relevant to a broader North Wales and Wales level.
- 2.27 This analysis considered various siting scenarios, together with the resulting employment opportunities and wider supply chain activity, which could arise from a SMR / AMR development. Gross value added (GVA) calculations were completed and linked to job creation opportunities. Considering an analysis of the peak construction work period in 2027, it was suggested that there would be around 1,520 jobs available within the North Wales area, with a further 1,370 jobs within the supply chain. In terms of economic outcomes, the report concluded that the peak construction periods could generate £41.6million in GVA in North West Wales, together with an overall GVA of £177.5million across Wales.
- 2.28 However, whilst these figures are, on average, lower (as can be expected) than estimates for constructing a GW+ scale nuclear development, they show that a significant contribution can be made as a result of locating a SMR / AMR development within north west Wales, and in Wales more generally, and it is essential for the island and the region to be able to fully benefit from these opportunities.
- 2.29 If proposals for an SMR / AMR development were submitted before a GW+ scale development, the Council would expect any developer to be familiar with the various issues identified within this evidence, and that they need to be subject to early detailed discussions as part of any development process. This should build on the various economic (and wider) considerations within Horizon's proposals for Wylfa Newydd. The Council also recognises the potential of presenting proposals for GW+ scale reactors and SMR developments for Wylfa at the same time. In this respect, especially in terms of having to deal with different teams of developers, it would be necessary to ensure early engagement and cooperation between the Council and all relevant

key stakeholders, to ensure that positive effects can be maximised, together with mitigating adverse effects through appropriate compensation measures.

- 2.30 In terms of the capacity to leave a lasting legacy in relation to job creation, skills improvement and the overall economic impact in Gross Value Added (GVA) terms, there is evidence that nuclear power projects can create significant change across communities over many generations. The Council would like to see real opportunities being created at an early stage in order to secure these benefits. They should be made clear to people and businesses within the spatial area of Anglesey and the North Wales region and beyond with appropriate support given to ensure access. Any such benefits will need to fully reflect and respond to the island's protected and sensitive habitats and landscape (and wider natural assets), which make it such an important tourist destination, and they are a key part of the island's economy.
- 2.31 Through its ongoing engagement with Horizon in relation to the development of Wylfa Newydd, the Council discussed and agreed a package of mitigation and compensation measures to help the Council, the affected communities and partners deal with the identified effects in the Environmental Statement (positive and negative impacts). In terms of securing job opportunities, skills and a local supply chain this included Horizon preparing a Jobs and Skills Strategy, together with a Supply Chain Action Plan, which confirmed measures and methods that would be implemented in order to maximise local opportunities and benefits together with reducing possible adverse effects, including the possibility of displacement.
- 2.32 Throughout the pre-application period and submission of the DCO application, the Council submitted extensive comments regarding the need to ensure appropriate support for the host communities through S106 obligations / community benefit scheme packages, to address negative impacts and maximise the positive impacts arising from the proposals. This included measures within the S106 agreement to ensure that the Council is able to address the additional pressure on the housing market, education sector and the Welsh language, public services, highways, tourism and leisure and the environment, to name just a few.
- 2.33 With regard to any proposals for a new nuclear development on the Wylfa site, the Council would expect such matters to be fully considered from the outset, whilst adopting the Proximity Principle.
- 2.34 Whilst the potential opportunities of hosting a power station on the Island have been identified, the Council continues, as highlighted in the presentation to look for certainty one way or the other as to the possibility of a development taking place on the Wylfa site - whether that is small modular or GW-scale development. This confirmation is being sought by our residents, our communities, businesses and the supply chain as well as the developers themselves.
- 2.35 It is not possible raise the hopes of our residents and communities about the potential opportunities that will be available in terms of jobs, skills and the supply chain without receiving definite confirmation that development will take place, along with a timescale for that development. This would enable everyone

to prepare together, and to ensure that the best possible local opportunities are secured.

**3.0 What can be done to ensure that any new nuclear projects maximise local employment and local or Welsh supply chain opportunities?**

3.1 As has already been identified, as a matter of priority, the Council and the communities of the Island need confirmation as to whether a new nuclear development will take place on the Wylfa site, together with confirmation of the timescale for that development.

3.2 This would enable the Council and all relevant stakeholders and partners to put work programmes in place to ensure that the Island, our residents, the communities and the local economy are ready to benefit from every opportunity as a result of nuclear development on the Wylfa and/or Trawsfynydd sites.

3.3 As a first step, it is necessary to carry out the following:

- *Identify what is available locally and regionally in terms of employment, skills and the supply chain;*
- *Identify the needs of the developer;*
- *Identify gaps in terms of skills, employment and supply chain requirements;*
- *Work in partnership to implement plans and programmes to address gaps in a timely manner. This would include working with the local schools, colleges and universities.*
- *Identify what other developments and projects are in progress during the same period and what their needs are in terms of skills and supply chain;*
- *Implement projects to get our young people interested in STEM.*

3.4 Although some activities and programmes are already in place to identify some of the above on a regional and Wales level, it is not possible to fully implement a work programme until there is certainty that a development will take place on the Wylfa and/or Trawsfynydd sites, together with confirmation of the scale of the development, its timescale, and the ability to work with the developer to fully understand their requirements.

3.5 As has already been identified, there would be a difference in terms of the requirements for a small modular project compared to a GW-scale development and therefore this confirmation is needed before all the stakeholders and partners can come together to plan for the future in order to ensure that local opportunities can be maximised.

3.6 In relation to any new nuclear development on the Wylfa site, the key stakeholders in terms of jobs, skills and the supply chain include (but are not limited to) the Council, the Welsh Government, the North Wales Economic Ambition Board, the Regional Skills Partnership, M-Sparc, Menter Môn, Grŵp Llandrillo Menai, the University of Wales Bangor, Nwana, WNF and the NIA. All the partners are prepared to work together as we did with the Horizon Wylfa Newydd project to ensure that any development brings worthwhile economic and social benefits to the Island.



- 3.7 The Council's support for a new nuclear development is based on the project providing transformative economic and social benefits to the host communities in accordance with the proximity principle.
- 3.8 Horizon implemented a Jobs and Skills Strategy together with establishing the Wylfa Newydd Employment and Skills Service which included the Council, the Welsh Government, the Regional Skills Partnership, the Department for Work and Pensions, further education colleges and the universities in the region. The service focused on the following:
- forecasting the project's skills and supply chain requirements;
  - working with schools and education providers to engage with STEM;
  - offering apprenticeship opportunities and programmes for graduates;
  - offering work experience opportunities;
  - working with the Department for Work and Pensions and partners to target the economically inactive and unemployed for construction roles;
  - expanding employment and skills opportunities for underrepresented groups, women, disabled people and people from minority ethnic backgrounds.
- 3.9 The Council would expect any other developer to put a similar programme in place to ensure local presence and engagement.
- 3.10 Coleg Menai in Llangefni, part of Grŵp Llandrillo Menai, collaborated and received financial support from Horizon to ensure that their campus and the opportunities available there for its students and Horizon apprenticeships aligned with what the Horizon Wylfa Newydd project would need to ensure that the local benefits were maximised particularly for the young people of the Island. The College has also benefited greatly from financial support from the Nuclear Decommissioning Authority (NDA). The decision to withdraw the Horizon Wylfa Newydd project was a blow to the College and its students who had hoped of a future career at the station on the Wylfa site.
- 3.11 The Group's intention is to support the economy of North Wales by giving local people the required skills and qualifications to ensure that the region is competitive and successful. The wide variety of courses, the high-quality learning experiences, the excellent facilities and the Group's versatile staff all contribute to achieving these goals.
- 3.12 Like the Council, the College is an important partner and stakeholder and is also looking for concrete confirmation as to whether a project will take place on the Wylfa and/or Trawsfynydd sites in order to look towards the future and plan ahead to ensure they are ready for the opportunities, and that local opportunities and benefits are maximised.
- 3.13 M-Sparc is located in Gaerwen on the island, the first Science Park in Wales that offers a workplace for tenants. M-SParc was established to drive innovation and deliver economic growth. The Egni team was established in 2021 to provide specialist support for the low carbon sector and to take advantage of the wide range of opportunities in this sector across North Wales. M-Sparc is an important partner locally and regionally and is prepared to work together to ensure that employment, skills and supply chain opportunities are available

should a development take place on the Wylfa and Trawsfynydd sites. In the meantime, and before any concrete confirmation is received regarding any development on the Wylfa or Trawsfynydd sites, M-Sparc will continue to engage and host STEM programmes and events together with the M-Sparc Academy.

- 3.14 Considering both Governments' strategies to achieve net zero, together with the inclusion of a wide range of technologies, it is essential to ensure that there is sufficient and appropriate capacity in terms of jobs, skills and the supply chain for the renewable energy sector as a whole. Again, this requires collaboration and engagement with various key stakeholders.
- 3.15 The Energy Island Programme's development portfolio is very broad and includes tidal energy, offshore wind, solar and hydrogen developments, together with a possible nuclear development on the Wylfa site. In addition, earlier in the year, a joint application between the Council and Stena Line was successful and the Island has gained Freeport status<sup>3</sup>. Securing Freeport status provides the potential to deliver real change to communities across Anglesey and the wider North Wales region by attracting investment and economic development. It is hoped that this status will accelerate and act as a catalyst for the wider targets of the Energy Island Programme's vision. Freeport status would support the creation of a business environment that appeals to potential investors and businesses in the energy sector. Forecasts confirm that the Freeport status has the potential to create between 3,500 and 13,300 jobs over the next 15 years, with these being new jobs (not displaced jobs).
- 3.16 Beyond the Island, a number of large-scale energy and infrastructure projects are planned or underway. These include projects that are being developed as part of the North Wales Growth Deal, creating significant competition for skills, particularly construction skills.
- 3.17 It is necessary to consider the timing and transferability of skills between all these projects at a local and regional level, as this could create significant competition for skills, particularly construction skills.
- 3.18 There is a need to ensure consistency and synergy between all developments, developers and the opportunities presented in order to maximise employment, skills and supply chain opportunities.
- 3.19 As a Council, we are consistent in our position in relation to all developments that wish to develop and operate on the Island and confirm in all cases that it is expected that the economic and social benefits arising from the projects are maximised on a local level, in accordance with the proximity principle.
- 3.20 The Council will want the local socio-economic baseline for any project to be fully up-to-date. This is very important in order to develop a project with a full and completely up-to-date understanding of the current situation to be able to conduct an appropriate and satisfactory assessment of the possible impacts (negative and beneficial), leading to the identification and agreement of mitigation measures.

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<sup>3</sup> [Anglesey Freeport \(gov.wales\)](https://gov.wales)

3.21 As has already been identified, as a matter of priority, the Council and the communities of the Island need confirmation as to whether a new nuclear development will take place on the Wylfa site, together with confirmation of the timescale. This would enable the Council and all relevant stakeholders and partners to put work programmes in place to ensure that the Island, our residents, the communities and the local economy are ready to take advantage of every opportunity which will arise as a result of a nuclear development on the Wylfa and/or Trawsfynydd sites.

**4.0 What challenges could the current skills shortage create and how can these challenges be overcome?**

4.1 While the potential opportunities of hosting a power station on the Island have been identified earlier on in our response, the Council continues to look for certainty one way or the other as to whether a development will take place on the Wylfa site, whether that be a small modular scale or GW-scale development. This confirmation is being sought by our residents, our communities, the businesses and the supply chain, as well as the developers themselves.

4.2 It is not possible to raise the hopes of our residents and communities about the potential opportunities that will be available in terms of jobs, skills and the supply chain without receiving definite confirmation that development will take place, along with a timescale for that development. This would enable everyone to prepare together, and to ensure that the best possible local opportunities are secured.

4.3 This type of project obviously requires a very wide range of skills, and we are particularly eager to fully exploit all opportunities on a local level. However, we cannot guide our young people to enter that sector or for people to cultivate the new skills that will be required for this type of project without definite confirmation that a development will take place on the Wylfa site.

4.4 The Council is well aware that nuclear projects create important opportunities in terms of skills development and growth at a local, regional, Welsh and UK level over a period of time. In this context, the Government has an important opportunity to continue to drive investment in enabling skills, working with industry partners, together with academia and learning providers, and innovation hubs that support business growth.

4.5 The Government should continue to invest in its support in terms of developing the supply chain (for example, as part of the Energy Innovation Programme) in order to allow the host community of any nuclear development, within the UK and Wales, to benefit from this development opportunity in market terms, and this is even more relevant now as GBN has been tasked with identifying a programme of nuclear developments in the UK.

4.6 The Government should seek to ensure that it maintains links between the industry, the academic world, research bodies, and public and private bodies, and should encourage those who's remit includes regional collaboration, such

as NWNA, to continue to engage. With the support of the Government, the UK should ensure that it maintains and promotes long-term capacity in terms of the nuclear generation / fuel cycle, alongside new advanced nuclear applications.

**Summary of the Council's key comments in relation to the inquiry:**

- The evidence confirms that the Council remains supportive of a new nuclear development on the Wylfa site as it would offer the opportunity to transform the economy of the North of the Island, the Island as a whole, together with North Wales and beyond. This would help to create a healthy and prosperous Anglesey where people can thrive in accordance with vision of the Council Plan's
- The Council supports a nuclear development in principle and the social licence to proceed is subject to the application and implementation of the principles identified below. The Council confirms that these principles apply both to a small modular and GW-scale development and are in line with the Council's previous position in relation to the Horizon Nuclear Power proposals for Wylfa Newydd:
  - *Adverse effects must be proactively avoided or minimised*
  - *Economic and social benefits must be maximised*
  - *The island's unique and special characteristics and sense of place must be protected*
  - *The Proximity Principle should be practiced*
  - *A positive legacy must be created*
- The pandemic, Brexit, lack of quality work opportunities and increases in goods and energy costs have led to significant changes on the Island and particularly in the North of the Island over the past few years. It has led to a relatively fragile economy that relies on employment mainly within the agriculture, tourism and retail sectors - these are low value, low paid sectors and offer seasonal opportunities.
- The latest census data for the Island shows an aging population, a reduction in the working population and a reduction in the use of the Welsh language.
- The evidence presented by the Council has highlighted the opportunity presented by a possible new nuclear development on the Wylfa site, be it on a small modular or GW scale by reflecting back on Horizon's application for the Wylfa Newydd project in terms of ensuring that the Island contributes towards the net zero target whilst ensuring that our communities see real benefits and advantages.
- Whilst the Council welcomes the establishment of 'Great British Nuclear (GBN) by the UK Government in order to focus on putting a nuclear development programme in place to ensure an increase in nuclear energy on an unprecedented scale and speed, the Council continues to look for concrete confirmation that this programme and the UK Government and GBN

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Strategies will identify the Wylfa site as one of the preferred sites for the development of a small modular or GW-scale project.

- The Council is not willing to raise the hopes of residents, communities, the local supply chain, the education and skills sector and partners and key stakeholders until concrete confirmation has been given. The Island and the North of the Island's communities still feel the disappointment of the Horizon Wylfa Newydd development coming to an end.
- However, once there is confirmation, the Council confirms that it would like to work together with the UK Government, GBN, the Welsh Government and all stakeholders and partners in order to ensure a sustainable development for the Island, where maximum benefits can be secured locally, and would therefore be a development we can support.