

Socio-Economic

Anglesey and Meirionnydd Priority Area Plan

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Main purpose of this document

1.0 Introduction

This document includes the Socio-Economic Priority Area Plan for the Anglesey and Meirionnydd area. The plan has been developed from information supplied by the Site Licence Company (SLC), the local community and the senior NDA managers located in the region.

The NDA Socio-Economic Policy identifies four geographical priority areas. These are areas which are identified with the potential of being most significantly impacted by the decommissioning and clean up activities of the NDA. The priority areas will be reviewed periodically but are currently identified as:

- West Cumbria
- Caithness and North Sutherland
- Anglesey and Meirionnydd; and
- The Gretna-Lockerbie-Annan corridor in Dumfries and Galloway

As work in the area of socio economics has progressed in the NDA, it has become clear that the requirements stated in the Policy need to be interpreted into more specific plans for each of the Priority Areas, because NDA needs, and local conditions, in each area are different. The Priority Area Plans therefore provide an increased level of specific detail which is relevant to the requirements of each Priority Area.

Area Plans will be developed for other NDA sites, as appropriate, in the future.

Each Priority Area Plan contains a section which defines actions to be taken going forward. These actions will be assembled into an overall project plan which will drive the delivery and co-ordination of the overall NDA socio-economic activities. This will include developing reporting regimes that will provide increased visibility of project performance and an approach in planning and reporting which is co-ordinated with the SLCs.

Priority Area Plans are dynamic documents. They will be updated and maintained to reflect any changes in approaches or arrangements made in the areas concerned.



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2.0 Summary of NDA Socio-Economic Policy

Socio Economic Vision

The Socio Economic vision of the NDA, as set out in the Policy, is:

To support the creation of dynamic, sustainable local economies for communities living near our sites, in Partnership with regional development agencies and organisations.

Socio Economic Objective

The Socio Economic Objective of the NDA, as set out in the Policy, is:

To support the relevant agencies for economic development, through partnership where appropriate, in minimising the impact (and maximising the opportunity) of decommissioning and clean-up through:

- *enhancing the opportunity for local people to be involved in decommissioning work and related activities through education, retraining and skills development*
- *supporting the diversification of local economies into other sectors – reducing the reliance of communities on nuclear sites for employment by increasing the number, variety and vibrancy of local businesses, promoting entrepreneurship and attracting new enterprises*
- *increasing the attractiveness of areas near NDA sites as places to live, work and invest, with particular emphasis on achieving environmental, social, cultural and infrastructure improvements*

Thematic Priorities

To help the NDA to achieve its socio-economic objectives, support is focussed on projects that help deliver the following benefits:

- Employment – with a preference for higher value job creation
- Education/skills – to support both decommissioning and clean-up and diversification into other economic sectors
- Economic and social infrastructure – including environmental remediation and improvements to cultural and natural heritage
- Economic diversification – diversification into other industries and sectors, including support for the local supply chain

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3.0 The Socio-Economic Priority Area Plan for Anglesey and Meirionnydd

Anglesey and Meirionnydd is one of the four geographic priority areas defined in the NDA's Socio-Economic Policy and the location of Wylfa, Trawsfynydd and Maentwrog sites.

North West Wales is unique both in a Welsh context and a UK context due to its natural environment, built heritage and strong cultural identity. The towns and villages in the area are home to generations of Welsh-speaking communities. Consequently, communities in North West Wales attach a strong importance to place.

The area enjoys comparatively high levels of employment and good levels of educational attainment. A number of spin-out businesses specialising in the knowledge economy have taken advantage of the opportunities afforded by the outstanding natural environment, benefiting from the presence of Bangor University, which is a recognised world leader in the oceanic sciences. There is also a strong social enterprise sector.

However, the local economy suffers from underlying structural weaknesses and from poor infrastructure. Per capita output, measured by Gross Value Added (GVA), for the sub-region is around 55% of the UK level; per capita output in Wales is 76% of the UK level. In Anglesey, GVA per capita was an estimated £9,392 in 2005, constituting the lowest GVA recorded by any UK sub-region.

Low economic activity has adversely affected prosperity levels. Average gross earnings for those in employment in the area are 83% of the Great Britain average. Data for full-time employees show that average earnings in Anglesey were approximately £396 per week in 2007, compared with £415 per week in Wales and £456 per week in the UK. Gross average earnings are also distorted by wages paid to employees at Wylfa and Anglesey Aluminium, which are substantially higher than other wages in the area.

Historically, the area has been dependent upon a small number of large, predominantly public sector, employers. Public sector employment accounts for almost 36% of jobs in the area as a whole and for more than 40% of jobs in Gwynedd. Leisure and tourism are important to the local economy, with distribution, hotels and restaurants accounting for 33.5% of employment, compared with a Welsh average of 23.7%, although these sectors are characterized both by low wages and by low GVA. Manufacturing also remains important, particularly in Anglesey, and there is a continued reliance in rural areas on agriculture, forestry and related industries. Employment in primary industries, including slate mining, utilities and manufacturing remains important in Meirionnydd, account for 16.9% of total employment in the Porthmadog and Ffestiniog area. Employment in these sectors is relatively vulnerable due to the finite nature of primary materials, overseas competition and technology and productivity gains. It is estimated that around 25% of the jobs in the Trawsfynydd area is dependent on the site.

Despite this dependence on low-growth sectors, the area has developed a base in a number of potential high-growth sectors, notably in the environmental sciences (especially geo-science and marine sciences), environmental goods and services, software technology, marine engineering and marine services and the creative industries.

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Unemployment rates in the area are higher than the Great Britain average. In November 2007, 2.7% of working age residents in Anglesey were unemployed compared with 2.1% in Great Britain. In September 2007, 27.2% of all Job Seekers Allowance claimants had been claiming the benefit for over 12 months, compared with 12.5% in Wales and 16.2% in Great Britain. Official unemployment statistics also conceal significant 'hidden unemployment,' including long-term welfare dependence, and low-paid part-time and seasonal employment.

Pockets of localised deprivation exist across the area. According to the Welsh Index of Multiple Deprivation 2005, Anglesey contains 44 Lower Layer Super Output Areas (LSOAs), which constitute the smallest unit of geography used for data collection. One of these areas fell within the 10% most deprived areas in Wales, while two others were within the 10%-20% most deprived category. Housing and access to services featured as important sources of deprivation on the island. The area around Trawsfynydd contains some of the most deprived LSOAs in Gwynedd, falling within the top 36% of most deprived LSOAs in Wales. Income deprivation has been identified as a particular issue in some of these areas.

The local economy has been undergoing restructuring for some time and faces imminent challenges, notably the end of electricity generation at Wylfa and decommissioning of Trawsfynydd; the possible run-down of operations at Anglesey Aluminium, which would result in the loss of 652 directly employed jobs and a further 248 other jobs through indirect and induced effects; continued restructuring within agriculture; and the finite lifespan of traditional primary industries such as quarrying. In addition, the area has experienced net outward migration of young people in their 20s in pursuit of education and employment opportunities. An ageing population has profound implications for future health and social service provision, as well as reducing the proportion of economically active people in the area upon which local economic growth depends.

An extension to Wylfa's operating life would defer any socio-economic impact by up to two years. However, closure of operations at Anglesey Aluminium would result in the loss of 652 directly employed jobs and a further 248 jobs in the local area through indirect and induced effects. Moreover, according to the latest Lifetime Plan, job numbers at Trawsfynydd are projected to decline to a handful of people by 2020 as the site enters care and maintenance, resulting in the loss of more than 600 jobs. The major impact of this change will be a 9.4% effect on employment on the Trawsfynydd and Blaenau Ffestiniog area, which already suffers from deprivation. Thus, unless appropriate mitigating actions are taken, Anglesey and Meirionnydd are likely to experience significant socio-economic challenges over the next five to ten years. However, should new build proceed on Anglesey, the situation would certainly be improved in that area, although it is unlikely to positively impact on Trawsfynydd.

Whatever future opportunities emerge, these changes create a complex picture; one which the NDA needs to understand to ensure optimal application of our socio economic support.

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4.0 Strategic context

Wylfa power station is situated on the north-west coast of Anglesey. Together with Anglesey Aluminium Metal (AAM) Ltd, the site provides 9% of jobs on the island and an even higher proportion of earnings. Trawsfynydd and Maentwrog are located in the Snowdonia National Park in Meirionnydd, a sub-region of the county of Gwynedd. Anglesey and Gwynedd, together with Conwy, comprise the North West Wales Spatial Plan area. Meirionnydd, whilst geographically in North West Wales, is included in the Central Wales Spatial Plan area.

The following documents encapsulate the relevant national, regional, sub-regional and local economic development plans for Anglesey and Meirionnydd:

4.1 *The Wales Spatial Plan – People, Places, Futures (2004)*

Adopted by the National Assembly for Wales in November 2004, the Wales Spatial Plan provides the national framework for delivering sustainable economic development in Wales over a 20 year horizon. Key challenges for the first five years are addressed in the Wales Spatial Plan framework. The plan was updated in July 2008.

The document identifies the following five key themes around which economic development will be addressed:

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

In addition, the plan defines six Spatial Plan Areas, each of which is responsible for developing an Area Strategy. Progress for delivering each Area Strategy will be measured in line with the Wales Spatial Plan framework.

4.2 *North West Wales*

The Spatial Plan Vision for North West Wales is:

A high-quality natural and physical environment supporting a cultural and knowledge-based economy that will help the area to maintain and enhance its distinctive character, retain and attract back young people and sustain the Welsh language.

The priorities for North West Wales include:

- Appropriate and planned spatial development of the area, including facilitating a strong Menai area and various hubs in the region, to spread benefit and facilitate indigenous growth in key rural communities
- Developing key sectors, including agriculture, manufacturing and their associated industries, facilitated by appropriate Information Communications Technology (ICT) infrastructure

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- Developing a knowledge based economy, with particular emphasis on bio sciences, geo science, environmental goods and services, marine science and renewable energy
- Maximising the opportunities of Holyhead as a major international gateway and the A55 and E22 Trans European Networks route as a key transportation corridor between Ireland, North East Wales and beyond, whilst ensuring appropriate access to services between the hubs and rural areas
- Capitalising on the region's outstanding environment including the coast, historical heritage and strong cultural identity, to promote and develop healthier communities and build higher-value sustainable tourism

4.3 Central Wales

The vision for Central Wales is:

High-quality living and working in smaller scale settlements within a superb natural environment, providing dynamic models of rural sustainable development, moving all sectors to higher value-added activities.

Agreed priorities for the area include:

- Building on important key centres and improving linkages to the hinterlands and rural communities in order to spread growth and development. This aims to enhance the attractiveness as a place to work and live and improve sustainability in the area
- Supporting the rural economic sectors such as agriculture, non-food and food production by creating higher value production opportunities, in order to provide a sustainable future for this sector
- By maintaining the rural integrity and diverse environment we hope to build higher value sustainable tourism to respond to climate change
- Building on higher education and introducing new economic opportunities in order to create better paid and higher skilled jobs, to increase home grown enterprise and also attract new enterprises
- Improving accessibility and collaboration within Wales and with our English and Irish neighbours. This will increase the choice of services available, enhance economic growth and widen employment opportunities

4.4 Môn a Menai Action Plan (2008)

The Môn a Menai programme is a coordinated response by the Welsh Assembly Government and local partner agencies to the impact of the scheduled closure of Wylfa power station. The Môn a Menai Action Plan sets out key actions for mitigating the impact of decommissioning based on the following key themes:

- A dynamic economy with a diverse and growing range of innovative businesses
- A skilled and flexible workforce to meet future economic needs

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- A strong tourism offer, maximising the opportunities offered by the area's unique cultural and linguistic heritage, and its high quality environment presenting a range of opportunities for outdoor pursuits
- Attractive town centres and public spaces, providing modern facilities for both residents and visitors

The Action Plan describes how investment will be aligned across the public sector and beyond to assist the area, its businesses and its communities rise to the challenges ahead. Key delivery partners identified in the Action Plan include the Anglesey and Gwynedd Councils, the trades unions, Bangor University, Coleg Menai, the Nuclear Decommissioning Authority and private and voluntary partners.

4.5 *Blaenau Strategy*

A strategy for the regeneration of Blaenau Ffestiniog – Penrhyndeudraeth area is currently being prepared by the Welsh Assembly Government in partnership with Gwynedd Council.

5.0 Working in partnership

Effective partnership working with the lead agencies for economic regeneration in Anglesey and Meirionnydd is crucial to the delivery of socio-economic objectives in the area.

The following section describes the key agencies with which the NDA will engage in carrying out its socio-economic responsibilities.

5.1 *Welsh Assembly Government – Department for the Economy and Transport*

The Welsh Assembly Government's (WAG's) Department for the Economy and Transport (DE&T) leads on delivering the economic and transport agenda in Wales, following the abolition of the Welsh Development Agency in 2006. Its aim is to create a strong and enterprising economy with full employment based on quality jobs.

The objectives of the department are to:

- Create jobs across Wales
- Stimulate enterprise and growth
- Enhance skills for jobs

To achieve its objectives, the department's priorities are to:

- Support job creation and help individuals tackle barriers to participation in the world of work
- Implement a labour market strategy with a long-term goal of full employment at a rate of 80%

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- Invest in regenerating communities and stimulating economic growth across the whole of Wales
- Help businesses to start up and grow by supporting entrepreneurship, innovation, inward investment, trade and skills, ensuring an adequate supply of high quality sites and premises to meet the demands of labour
- Create a single investment fund for business support, to explore the business rate relief scheme and to increase support for farmers' markets
- Maintain and enhance the global profile of Welsh business, to attract inward investment into Wales and to secure export business by promoting international trade for Welsh companies
- Build a world-class 21st Century transport system that provides affordable, environmentally friendly road, rail and air transport for business access to markets and personal travel, especially commuting

The DE&T has officers working in North West Wales and in Central Wales covering the Wylfa and Trawsfynydd areas.

5.2 Môn a Menai Partnership

The Môn a Menai programme is a coordinated response by the Welsh Assembly Government and local partner agencies to address the challenges presented by the future closure of Wylfa power station. The creation of the partnership also recognises the Menai Hub area as the key regional economic driver for North West Wales, as identified in the Wales Spatial Plan, and highlights its role in spreading prosperity to the wider area.

The partnership's overall aim is to achieve the vision for North West Wales described in the Spatial Plan:

A high quality natural and physical environment supporting a cultural and knowledge-based economy that will help the area to maintain its distinctive character, retain and attract back young people and sustain the Welsh language.

Delivery of the programme is overseen by the Môn a Menai Programme Board. The Partnership Board comprises:

- The Deputy Minister for Regeneration
- Leaders and Chief Executives of Gwynedd and Anglesey Councils
- The Vice Chancellor of Bangor University
- The principal of Coleg Menai
- An NDA representative
- A representative of the trades unions
- Four private sector representatives

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Officials from relevant Welsh Assembly Government departments and local agencies attend meetings of the Partnership Board on a regular basis.

A supporting group of senior officers meets monthly, advising the Partnership Board on policy options and projects that support implementation of the Action Plan. Membership comprises:

- The Head of Policy and Implementation
- The Heads of Economic Development for Anglesey and Gwynedd Councils
- The Socio-Economic Manager for North West Wales for Magnox North Ltd
- Other officials as appropriate

5.3 Local Authorities

The two Local Authorities covering the area are Anglesey and Gwynedd Councils. Each council has a team of economic development officers work in partnership with the Welsh Assembly Government to develop and deliver local strategies for economic development in each county.

5.4 Menter Môn

Menter Môn is the enterprise agency for Anglesey. It was initially created in the mid-1990s to manage European Leader funded projects on the island and has successfully managed in excess of £25 million funding during its existence, providing advice to business start-ups and facilitating local economic development in partnership with Anglesey Council. The agency is a constituted as a community company.

5.5 North West Wales Strategy Group

The North West Wales Strategy Group is an informal association of stakeholders whose role is to ensure that applications requesting NDA socio-economic support are consistent with the sub-regional economic plans. The group comprises the Heads of Economic Development at the two Local Authorities and the Head of Socio-Economic Development for Magnox North Ltd.

6.0 Summary of main NDA activities to date

The NDA has been increasing its involvement in socio-economic activities within the area. Against the thematic priorities identified in the Socio Economic Policy, the main activities of the NDA to date are:

- **Employment**
 - Co-funding of the development of 6,000 squared feet of additional business park space in Anglesey
 - Funding a socio-economic impact assessment of the closure of Wylfa power station and Anglesey Aluminium Metals Ltd
- **Education/skills**
 - Supporting vocational skills training in Gwynedd
 - Funding a feasibility study into the development of a network of skills centres in Anglesey
- **Economic and social infrastructure**
 - Supporting the development of Trawsfynydd Lake to increase tourism to the area
 - Sponsoring a feasibility study into hosting the 2013 Island Games on Anglesey
 - Assisting Anglesey to improve its marketing capacity
- **Economic diversification**
 - Supporting a range of initiatives to promote enterprise skills and encourage young people to remain in the area
 - Supporting work associated with developing activities associated with the marine environment for young people

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7.0 Areas of focus going forward

NDA will continue to support ongoing activities in key areas, subject to preparation of business cases which demonstrate alignment with our Socio Economic Policy. We will monitor the progress made by new build possibilities and review how we can optimise our socio economic and skills development activities in light of these developments.

8.0 NDA action plan

The NDA Plan for Socio Economic activities in Anglesey and Meirionnydd

A list of transformational sub-regional projects for which NDA support has been identified. The projects are based on Môn a Menai Action Plan and North Meirionnydd Draft Action Plan priorities.

8.1 Agree the approach to the allocation of strategic and tactical funding with partner (delivery) organisations (including the Site Licence Company).

Action 8.1.1 NDA will agree potential funding and resource inputs to transformational priorities identified in the Action Plan by the end of 2009. This will identify the desired outcomes for NDA and the community

Action 8.1.2 Magnox North funding (provide through NDA contract) will be focussed on smaller scale – tactical – funding requests. The exact amount of funding will be reviewed in Q3 2009

Action 8.1.3 By achieving an improving understanding around sources of funding for appropriate opportunities, we will drive a reduction in the number of unsuccessful applications, i.e. applications will be developed in ways which will “screen out” those which do not adequately address the NDA criteria

8.2 Identifying the agencies and organisations with which NDA will operate and define the most effective working relationships between NDA and its “partners”.

Action 8.2.1 NDA will focus its engagement with the agencies identified in this plan and with the Welsh Assembly, emphasising the importance of continued funding, enabling the agencies to deliver their plans which, in turn, will enable the NDA in delivery of its decommissioning mission.

Action 8.2.2 Direct the engagement with bodies of a more tactical nature primarily through the SLC and (following competition) the PBO.

Action 8.2.3 NDA will agree most appropriate ways of working with the lead organisations by end of Q4 2009, including the opportunity to explore links with Bangor University