

HORIZON

NUCLEAR POWER



Wylfa Newydd Project

Overview Note of Revised Draft DCO s.106 Agreement dated 23 January 2019

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1 SWQ 2.4.1 and overview of amendments made to the draft revised draft s.106 agreement of 23 January 2019

1.1 Updated draft s.106 agreement

- 1.1.1 In response to Second Written Question 2.4.1, Horizon has provided a track change version of the draft s.106 agreement which was issued by Horizon to IACC and Welsh Government on 23 January 2019 ("revised draft s.106") (and subsequently to other stakeholders including Gwynedd Council, North Wales Police, Betsi Cadwaladr, North Wales Fire and Rescue and WAST).
- 1.1.2 The revised draft s.106 has restructured the governance proposals in light of both IACC's and the Welsh Government's differing but significant ongoing issues in respect of both:
- The Wylfa Newydd Major Permissions Oversight Panel ("WNMPOP"); and
 - Third party payments/parties to the agreement,
- 1.1.3 The revised draft s.106 makes a significant number of revised financial and non-financial commitments to reflect matters raised by IACC and others in their document and as expressed in the January Issue Specific Hearing on the s.106 agreement (ISH) commitments.
- 1.1.4 These amendments to the topic schedules – as well as the changes to the governance proposals - are summarised below.
- 1.1.5 It is noted that the track changes in the revised draft s.106 do not represent an agreed position on all matters. Horizon is continuing to engage extensively with IACC, and other stakeholders.

1.2 Changes to Governance

WNMPOP and engagement groups

- 1.2.1 Horizon reviewed and restructured the agreement to avoid the need for a WNMPOP. This has been achieved by:
- Avoiding the use of contingency funds where that was considered acceptable.
 - Where contingency funds remain, providing specific triggers for release so there is no discretion as to release – thus negating the need for an "independent" body recommending release.
- 1.2.2 However, it is considered that a number of what were called the "sub groups" to the WNMPOP perform a valuable role. These have accordingly been retained as "Engagement Groups", and will be constituted under the s.106 agreement as follows:
- The Welsh Language Engagement Group.

- The Jobs and Skills Engagement Group.
- The WAMS Oversight Board. (This was already agreed as an entity, and its role has been expanded to take on the previously named Accommodation sub-group's roles).
- The Transport Engagement Group. (Note, this doesn't appear in the revised draft s.106, however it is agreed to be included.)
- The Health and Wellbeing Engagement Group.
- The Emergency Services Engagement Group.

1.2.3 The s.106 agreement will also set out who will be invited to participate in, and the roles and duties of, the groups. The groups will also be referred to in DCO documents.

Parties to the s.106 agreement

1.2.4 Horizon understand that IACC and the Welsh Government have agreed that the only parties will be Horizon and IACC (as proposed in the original agreement). This remains reflected in the drafting of the revised draft s.106.

Third party payments under the s106 agreement

1.2.5 In terms of third party payments, Horizon has restructured all payments to be paid to IACC, with some identified as needing to be paid onwards to a third party.

1.2.6 The revised draft s.106 requires IACC and the third party to enter into a deed of covenant in respect of those payments. That position is agreed with IACC.

Overall position on governance amendments

1.2.7 Horizon understands that this revised approach to governance is welcomed by IACC and agreed by the Welsh Government.

1.3 Changes to topic schedules

Schedule 1 (Welsh language)

1.3.1 In summary the key changes are:

- Commitments are made to developing the Welsh Language competency framework with reference to both the IACC existing welsh speaker's guide and the welsh government's diagnostic tool.
- Full details on the scope and expenditure of the Welsh Language Education Contribution (for Welsh Language immersion) have been set out, and a new contingency fund proposed which would be released if set teacher/pupil rations in immersion centres are exceeded and would be available during the Construction Period and for five years from the end of the Construction Period.

- Commitment to an annual evaluation of the impact of the Wylfa Newydd DCO Project on the Welsh language in the KSA with IACC, in consultation with the Welsh Government
- The Welsh Language Engagement Group is constituted in this schedule.

Schedule 2 (Leisure Facilities)

1.3.2 There were no material updates to Schedule 2.

Schedule 3 (Tourism)

1.3.3 In summary the key changes are:

- A commitment to delivering the visitor centre early in the construction programme is given.
- It is agreed that there should be development of a Tourism Action Plan, to guide the spending of the tourism contributions. This can include expenditure on matters sought in the LIR for example of product development tourism.
- The committed tourism contributions have been increased, and the contingency fund accordingly removed.

Schedule 4 (Jobs and Skills)

1.3.4 In summary the key changes are:

- Horizon has accepted that IACC and other stakeholders are unlikely to agree the Jobs and Skills Implementation Plan and the Supply Chain Action Plan prior to signing the agreement. As such both of these plans have been agreed to be for subsequent development, based on the framework set out in the agreement.
- To remove the discretion around the allocation of the Skills Fund, this has been changed to an annual jobs and skills contribution. It will be used to fund programmes to get unemployed persons back to work and to fund specialised training providers including Grwp Llandrillo Menai for skills training.
- A remedial process has been developed, which would commence if key performance indicators are not being met. This may include release of a new £2 million jobs and skills contingency fund.
- The Jobs and Skills Engagement Group is constituted in this schedule.
- Apprenticeship targets have been specifically included.

Schedule 5 (Accommodation)

1.3.5 In summary the key changes are:

- An occupancy target for the Site Campus has been agreed at 85%. This reflects the IACC (and Welsh Government) position. The changes and commitments to the delivery of the site campus in the Phasing Strategy must also be considered alongside this schedule
- Detailed allocation of the Accommodation Capacity Engagement Contribution as between the types of interventions has been proposed (i.e. new built, latent accommodation, minor grants) and geographical targets for delivery of new units proposed. This provides certainty as to how the contribution can deliver additional bed spaces.
- In addition, an annual programme of works is proposed to measure progress. A remedial process has been developed, which would commence if key performance indicators are not being met.
- The accommodation contingency fund has been increased to £5 million and triggers for its release have been proposed.
- The WAMS Oversight Board is constituted in this schedule.

Schedule 6 (Education)

1.3.6 In summary the key changes are:

- It is agreed per IACCs position that there can be development of an Education Strategy, to guide the spending of the education contribution.
- The education contingency fund has been reduced to reflect the specific contingency now allocated to welsh language immersion education. However, set triggers for release of the education contingency fund remain, as well as giving the Council sole discretion to utilise it on other identified matters.

Schedule 7 (Transport)

1.3.7 In summary the key changes are:

- Contingency funding has been removed and instead an annual additional mitigation contribution (of equivalent value) is included for expenditure on possible mitigations. It is paid directly to IACC, and to IACC for onwards payment to Welsh Government.
- Significant additional commitments to traffic monitoring and targets which can guide the release of the additional mitigation contribution targets are provided in the updated Wylfa Newydd COCP submitted at deadline 5. (note, although the revised draft s106 indicates monitoring targets may be included in the s106 agreement, it has been agreed that these will sit in the Wylfa Newydd COCP – see chapter 5 of the Wylfa Newydd COCP submitted at deadline 5.)

- Numerous other commitments have been included such as funding road surveys and initial/final repairs and funding a road safety campaign.
- The Transport Engagement Group will be constituted in this schedule. (It does not currently appear, but it is agreed to be included.)

Schedule 8 (Health)

1.3.8 In summary the key changes are:

- Ongoing discussion with BCUHB have been very positive and Horizon and BCUHB are close to agreeing the schedule.
- The Health and Wellbeing Engagement Group is constituted in this schedule.
- The draft scope of onsite health services is secured as annex 1 to the schedule

Schedule 9 (Emergency services)

1.3.9 In summary the key changes are:

- Specific funding contributions have now been included for each of the Police, Ambulance and Fire and Rescue services. These are based on robust examination of additional demand, the scope of onsite services provided, and funding obligations.
- The Emergency Services Engagement Group is constituted in this schedule.
- The draft scope of onsite fire services is secured as annex 1 to the schedule

Schedule 10 (Construction Noise Mitigation)

1.3.10 There were no material updates to Schedule 10.

Schedule 11 (Environment and Heritage)

1.3.11 In summary the key changes are:

- The environment officer contribution has been increased to a full-time role, reflecting the IACC's LIR.
- The tern warden payment has been increased per NWWT's submission at the January ISH, and in its deadline 4 document.
- Alternative proposals for a cascade of obligations to developing a management plan at Cestyll Garden have been proposed, reflecting that Horizon is not going to own the land at the time the agreement is finalised.
- Additional heritage and repair commitments to Felin Gafnan have been included

Schedule 12 (Community Fund)

1.3.12 In summary the key changes are:

- The Community Fund is now proposed to be paid directly to IACC in identified tranches, reflecting the build-up and decrease of workers.
- The fund is ringfenced: 50% to Tregle/Cemaes, 25% to Anglesey, and 25% within the KSA, this respects the proximity principle.
- Allocations under the fund are proposed to be made by IACC, in consultation with Gwynedd and Conway in respect of the 25% available for the KSA and the Police where the proposal may affect public safety (as required by the police)
- The quantum of the Community Fund is now included.

Schedule 13 (Public Rights of Way)

1.3.13 In summary the key changes are:

- It has subsequently been agreed with IACC that this schedule will be reorganised to form part of the Tourism schedule, recognising the links between Public rights of way and tourism.
- The scope of expenditure of the Copper Trail payments has been expanded.
- It has been agreed that the next draft of the agreement will combine this schedule with Schedule 3 (Tourism) to recognise the link between public rights of way and tourism.

Schedule 14 (Community Involvement Officers)

1.3.14 In summary the key changes are:

- The scope of funding and commitments to Community Involvement Officers (CIOs) have been doubled to seek to move closer to IACC's LIR position (which sought 5 CIOs). This commits to Horizon funding two IACC CIOs and committing to appointing two Horizon CIOs.

Schedule 15 (Site Preparation and Clearance)

1.3.15 In summary, most of the commitments in the draft agreed s.106 agreement relating to the Site Preparation and Clearance planning permission ("SPC planning permission") have been transferred into this schedule – including all of financial contributions – in the event that Work No 12 is carried out pursuant to the DCO instead of pursuant to the SPC planning permission.

Obligations not included are:

- Those where the DCO s106 agreement already provide for the commitment.

- Restoration security for the SPC works. This is because if the SPC works are undertaken under the DCO, there is no consenting risk. (See also the response to SWQ 2.4.56(6).)

Schedule 16 (Service level contributions, Monitoring and reporting)

1.3.16 This schedule was previously called the WNMPOP schedule. The WNMPOP structure has been removed from the agreement (as above). This schedule now continues to deal with payment of the service level contribution, and the monitoring and reporting proposals as follows:

- A service level contribution is proposed, this comprises a significant annual payment (hundreds of thousands of pounds) per annum to fund IACCs programme office managing the Project.
- The monitoring and reporting proposals have been expanded to:
 - Clarify those matters which the Council will report on.
 - Oblige Horizon to report publicly on its activities including publishing quarterly construction lookaheads. This has been included in response to the feedback at the January hearing that the public wish to be kept informed of activities/upcoming activities on the site.

1.4 Anticipated key areas for further negotiation

1.4.1 The key areas which Horizon considers are likely to require further negotiation are noted very briefly below, alongside the party with whom there is differing views at this stage

- Front end:
 - Generalised security for contributions and restoration (WG).
- Schedule 1 (Welsh language):
 - Quantum of Welsh language immersion contributions (IACC, WG).
 - Need for a Welsh language strategy (IACC, WG).
- Schedule 2 (Leisure Facilities).
 - Quantum of contributions (IACC)
- Schedule 3 (Tourism):
 - Quantum of contributions (IACC, WG).
 - Security for the Visitor Centre (IACC).
- Schedule 4 (Jobs and Skills):
 - Quantum of contributions (IACC, WG).
 - Setting targets as opposed to committed numbers for apprentices and the operational workforce (IACC).
- Schedule 5 (Accommodation):

- Quantum of contribution and what it can deliver (IACC – although a position is close to being reached, WG, GC)
- Trigger points for release of contingency (IACC).
- Allocation of contribution as between IACC, GC, CC (IACC, GC, CC).
- Schedule 6 (Education):
 - Quantum of contributions (IACC).
- Schedule 7 (Transport)
 - Contributions for a third Menai bridge (WG).
 - Other traffic caps (WG).
 - Additional payments in relation to traffic orders and the shadow toll (WG)
- Schedule 9 (Emergency services):
 - Quantum of funding (NWP)
 - No contingency funding/reassessment process allowing for drawdown of more money in the future (NWP)
- Schedule 11 (Environment and Heritage):
 - Quantum of contributions (IACC).
 - Ability to commit to a Cestyll garden management plan (WG)
 - Scale of the voluntary funds (eNGOs)
- Schedule 14 (Community Involvement Officers)
 - Number of CIOs and provision supporting hubs (IACC).
- Schedule 15 (Site Preparation and Clearance)
 - Inclusion of a restoration bond for SPC works (IACC).