Location, Scale and Context

The Energy Island Programme was first conceived in 2008 at a time of announcements on the closure of the Anglesey Aluminium works in Holyhead and the forthcoming cessation of generation at the existing Magnox nuclear power station at Wylfa in north Anglesey. This would result in the loss of over 1,500 well paid jobs in the area, which already had one of the lowest levels of Gross Domestic Product in the UK as a result of an ageing population and the out-migration of young economically active people. The Programme would respond to this through exploiting - as far as possible - the opportunities presented by proposed low-carbon energy generation projects. These included a new nuclear power station at Wylfa, a Wind Farm in the Irish Sea and Marine Tidal Schemes.

The overall objectives of the Programme, established by the Isle of Anglesey County Council in 2010, are:

Production – Investing in new low carbon energy production to help secure a stable energy future for Wales;

Demonstration – Establishing world-class facilities to place Anglesey as a leading location for low carbon energy innovation and demonstration;

Servicing – Ensuring that local companies and people benefit and take advantage of opportunities from new energy investments

The potential outcomes from realising these objectives were independently assessed at the outset. Over a programme lifespan of 15 years, the North West Wales regional economy could benefit to the tune of £2.5 billion with employment generated accounting for 8.6% of Anglesey’s GDP. Tapping this potential could truly transform the economy and communities of Anglesey. However, at the same time it was appreciated this could only be realised through co-ordinated efforts on the part of the public sector organisations involved to best equip local people through education and skills training to compete for jobs; and to provide bespoke and timely support for businesses in order to compete for contracts from these private sector developers.

Accordingly, five integrated work streams were established under the Programme. These bring together all relevant private, public and third sector players under the topic headings of –

• Education and Skills
• Research and Development
• Supply Chain and Inward Investment
• Strategic Infrastructure
• Community Health, Cohesion and Safety

Each work stream prepares an annual plan with measurable outputs and seeks to co-ordinate investment by the parties in pursuit of these shared outputs, leveraging mainstream budgets and third party funding. The role of the Energy Island Programme is one of facilitation and co-ordination and de-risking the very substantive private sector investment. It is not a decision making body as all funding commitments and contributions are the responsibility of individual organisations within their established governance and compliance regimes.

Whilst playing a facilitation and ‘adding value’ role, the Programme has established its own governance structure which manages risks, stakeholder engagement, benefits, resources and quality. As sponsor of the Programme and as planning authority the Council has drawn a strict distinction between statutory and non-statutory activities, with appropriate governance structures and processes put in place.

The Energy Island Programme team is supported by an Advisory Board, and a Strategic Forum is held every 6 months to engage with key stakeholders and report on progress and to highlight issues.

“To create a world renowned centre of excellence for the production, demonstration and servicing of low carbon energy.”

Footnote:
Challenges

In 2012 the German owners of Horizon Nuclear Power, the proposed developers at Wylfa in Anglesey and Oldbury in Gloucester decided to dispose of this part of their business.

“In the blink of an eye, we saw a £12 billion investment potentially disappear from Wales. This came as a big surprise, and demonstrated the volatility of the energy sector, and investment decisions faced by international companies operating in a global market place.”

Later that year Hitachi of Japan acquired 100% ownership of Horizon Nuclear Power and publicly stated their 100 year commitment to the project. The Energy Island Programme made an important contribution to this sale process through demonstrating ‘joined up’ support from Welsh stakeholders and a ‘well-oiled machine’ which would enable the new owner to ‘hit the ground running’ locally. Horizon is currently undertaking the Generic Design Assessment for their proposed Advanced Boiling Water Reactor technology and will go out to their first stage public consultation on the Development Consent Order application for the Wylfa site this September.

Key Achievements and Lessons Learned

The success of the Programme can be gauged by securing the developments on Anglesey and how much investment it brings to the Island in the form of jobs, growth and prosperity. In addition to the £12bn Wylfa Newydd project which will employ up to 6,000 people during the peak of its 4 year construction period, and 1,000 permanent jobs during its operation life of up to 60 years, other major energy project currently in the developmental stage are:

- Proposed Tidal Array producing 10MW energy output off the North-West coast of Anglesey.
- Proposed 299MW Biomass plant near Holyhead.
- 4.2GW Offshore wind farm off the North Coast of Anglesey

This £6M project attracted funding from the Welsh Government, Nuclear Decommissioning Authority and the European Convergence programme, and has gone on to win the BREEAM Awards Wales 2011 in the education category. The completion of this project came soon after a state of the art construction skills centre was built on the same site.

The scale of investment to Anglesey, through the Wylfa Newydd project alone is forecast to be the largest ever made in Wales by a private company. In securing this level of funding there have been many lessons learned.

“The volatile nature of the energy sector and adapting our approach to securing investment from some of the world’s largest companies have been the biggest learning curve”

Early dialogue with the private sector is also seen as being a key success;

“Through the Energy Island programme, Isle of Anglesey County Council in partnership with organisations and service providers in Wales has been able to engage positively from the outset with the private sector, ensuring that the community in Anglesey and North Wales benefit from the significant investments being made in their area.”

The Energy Island programme is seeking to ensure that “real sustainability is at the heart of the agenda” and that tangible outcomes are delivered in the form of long term employment and skills enhancements.
The programme is hoping to raise expectations of young people in the area by instilling confidence, ambition and a desire to compete for the skilled jobs on offer in the industry.

“This can only be achieved through providing the opportunities for school leavers and graduates to work and live in their community … The projects which are developing have the potential to sustain jobs in the area for up to three generations, bringing us the best possible hope for sustainable economic prosperity.”

A example of this was the commitment made by Celtic Array (a joint venture between Centrica and DONG Energy, two of the leading offshore wind developers in the UK) and a member of the Anglesey Energy Island Skills Group to invest a total of £85k to support six new apprentices through a three year engineering apprenticeship scheme via Cwmni Prentis Menai. (Cwmni Prentis Menai was set up by Coleg Menai – another of the Anglesey Energy Island partners – to help address the lack of opportunity for engineering apprentices in North West Wales.) And more recently, the Welsh Government has committed £2.3M towards training and up-skilling a workforce for the Wylfa Newydd project.

Why is it recognised as best practice

The Energy Island programme was launched over three years ago, and has raised the profile of Anglesey as a place to develop low-carbon energy technologies.

- The programme has ensured that the local community is better placed to take full advantage and benefit from inward investment in the energy sector, and encouraged local companies to up-skill their workforce to be able to take advantage of work opportunities.
- In September 2012, the Isle of Anglesey County Council and Energy Island Programme signed a Memorandum of Understanding with six national sector skills councils, to enable the Energy Island Programme to plan for the skills that are needed to support new investments in the energy sector.
- The development of a skilled workforce has been supported by training providers and businesses, with the latter working with the programme on developing a supply chain prepared to compete for the anticipated work contracts.
- The programme has established a credible status with developers, through regular interaction throughout the developmental process.
- The ‘brand’ is recognised by key players at UK Government level and companies in the energy sector.
- It is a programme which adds value to more mainstream work, such as Regeneration and Housing
- It has a brokerage and signposting role, and facilitated networks through adopting a broad range of communication methods.
- It has ensured that key decision makers have a forum for discussion and are able gain access to skills and expertise.

The significance and potential opportunities of taking advantage of a growing low-carbon energy sector was realised very early on by Anglesey County Council, and without the presence of the Energy Island Programme, it would be argued that the additional benefits and extensive involvement of the community during the planning stages of projects may not have taken place.

5 John Idris Jones – Energy Island Programme Director
6 John Idris Jones – Energy Island Programme Director
Implications for practice elsewhere

The Energy Island Programme is strategic in nature, aligning with the corporate objectives of Isle of Anglesey County Council, with the ambition of raising the economic performance of the island. The area has a history in large scale energy production, with the nuclear reactors already in existence at Wylfa Head.

The further development of the low-carbon energy sector has reinforced the role that Anglesey can play in contributing to the UK’s increasing energy demands. This history has placed Anglesey well to enhance on existing infrastructure and take advantage of the local skills available which have developed for over 40 years.

Isle of Anglesey County Council realised early on that a focus on a particular industry and product (low-carbon energy production in this case) had the potential to align priorities and retain a core purpose to achieve wider prosperity for the people of Anglesey and beyond. This plan has also received the support and ‘buy-in’ of agencies and government who have provided resources, when and where required, to assist with the delivery of the programme, and is timely due to the sector being a progressive area of industry and technology.

The programme has succeeded in presenting the area as a location to invest in a professional and coordinated way, which gives some credibility and reassurance to investors.

“Confidence and maturity from a locality has been achieved through regular dialogue and being able to influence from the outset.”

The programme is also embarking on a joint project with the Research Institute for Sustainable Places to validate outcomes and achievements to the programme. This work is currently being developed, and hopes to tap into the expertise of academics in the field of monitoring and evaluation of project outcomes.

The Energy Island Programme is an ambitious and exciting package of projects which is worthy of notable recognition, and although the programme has been operating for 3 years, it is still in its infancy. It has achieved a great deal in this time, and forecasted to help contribute significantly more to the economic and social wellbeing of Anglesey and North West Wales.

Further reading and resources:

www.anglesey.gov.uk/business/energy-island

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