



Llywodraeth Cymru
Welsh Government

Board Meeting: 26 May 2017

AGENDA ITEM: 3

Title of paper:	Wylfa Newydd High Level Group Update
Purpose of paper:	To follow up on the March Board meeting and present a Wylfa Newydd Programme Plan.
Action required by the Board:	<p>The Board is asked to:</p> <ul style="list-style-type: none"> • Note the programme plan. • Agree that senior owners across the organisation should immediately be assigned responsibility for Wylfa Newydd related work streams to deliver this plan. • Agree that under the direction of these senior owners, resources should be realigned at Group/departmental level to service the plan. • Advise on what mechanism should be utilised to broker cross government solutions where resources cannot be secured at group/departmental level. • Agree, as set out in Annex 3, that a live network of contacts across major UK projects should be maintained to ensure we continue to learn and respond to best practice.
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Publication	<p>This Paper should be withheld from publication as it relates to the following exemptions under the Freedom of Information Act 2000:</p> <ul style="list-style-type: none"> • Section 28 (relations within the UK) • Section 29 (the economy) • Section 35 (Government policy)

	<ul style="list-style-type: none">• Section 36 (effective conduct of public affairs)• Section 41 (information provided in confidence)• Section 43 (prejudice to commercial interests)
Date submitted to Secretariat:	18 May 2017

1. Background

- 1.1 At the March Board meeting an update was presented on the current status of Wylfa Newydd and the emerging Welsh Government response following the First Minister defining the project as a priority.
- 1.2 The Board requested a Programme Plan relating to Welsh Government activity in this area.
- 1.3 This paper presents a programme plan based on current knowledge. The Board is requested to note that activity over the next month (ahead of the June Wylfa Newydd High Level Group meeting) will provide a further layer of detail.

2. Issues for consideration

- 2.1 Wylfa Newydd is a private sector project. Any programme of Welsh Government activity in this area will primarily be driven by the need to respond to external timelines.
- 2.2 The principal milestones for the Wylfa Newydd project over the next 12 months relate to Horizon Nuclear Power's statutory and consenting strategy. **Annex 1** contains the milestones associated with the strategy and presents a series of suggested internal milestones that enable WG to engage robustly with it.
- 2.3 The Wylfa Newydd project is vast in complexity and scope. The method utilised to engage with Horizon over the last two years has been on a thematic or work package basis. This also reflects the method we have utilised to approach the project internally over the same period. It is proposed we continue to operate on this basis. The key thematic areas are defined as follows:
 - Economy
 - Education and Skills
 - Housing
 - Transport and Infrastructure
 - Tourism
 - Health and Wellbeing
- 2.4 Set within the context of organising activity across these themes, responding to external timelines, and meeting the Welsh Government objectives (agreed by Cabinet) for the programme, the following approach has been adopted to organise and group activities for the purposes of the programme plan:
 - **Generic activity that must be completed across all thematic work streams.** For example, to engage with the Development Consent Order process, a robust evidence base must be in place across all themes, together with a clear and ministerial approved position on "red line" issues that will inform our negotiations with the developer, UK Government and others.
 - **Activity Distinct to each thematic work stream.** This will relate to specific activity in each thematic area required to deliver against the

overall programme aim. For example, for the Transport and Infrastructure theme, these distinct activities will include progressing the Third Menai Crossing and Holyhead Port projects. For the Economy theme, these distinct activities will include the development of a nuclear supply chain support programme. The full detail for these thematic activities is being finalised during May and will be presented to the High Level Group for sign-off in mid June (and will subsequently be included in the next iteration of the programme plan).

- **Cross cutting activity.** This relates to packages of work that must be informed by intelligence from each work stream but approached and progressed in a coherent, cross programme basis. For the purposes of programme planning, these cross cutting packages should therefore be approached and led as stand alone work streams, and have been defined as:
 - Development Consent Order (DCO) process
 - Oversight of other Statutory and Consenting (non DCO) matters
 - Funding and negotiation strategy
 - Welsh Language
 - Communications - internal and external
- **Programme Management.** This relates to activity that will be led and delivered by the programme management office such as risk management, quality assurance, government business and so on.

2.5 Annex 2 presents a plan covering the generic activities to be completed across all work streams and also outlines the activity that will enable the next and more detailed iteration to be prepared by the end of June 2017.

2.6 As requested by both the Board and High Level Group, officials have undertaken an initial Lessons Learnt exercise relating to other strategic infrastructure projects. The exercise has provided intelligence on good practice and bad practice and has informed the activity contained within the plan. It is suggested that we maintain a live network of contacts across major UK projects to ensure we continue to learn and respond to best practice. Detail of the Lessons Learnt exercise is attached as Annex 3.

2.7 A key consideration at this juncture is how momentum and traction is maintained across the work streams and how resources (both people and budget) are secured to deliver against the plan. It is suggested that senior level ownership and buy in will be key, as well as the need to realign resources at Group/departmental level.

3. Resource implications

3.1 The detailed resource implications associated with the emerging programme plan will become clearer over the coming month as a series of discussions across government are due to take place.

3.2. *Implications for staff*

In the immediate term it is suggested that:

- Senior owners (Director or Deputy Director) are assigned and confirmed for each of the work streams defined above.

- Each senior owner is responsible for developing the detailed plan in his/her area, working closely with the Programme Director and Programme Management Officer (PMO).
- A group of officials should be assembled as necessary on a task and finish basis to deliver work stream activity utilising existing structures wherever possible.
- Under the direction of work stream senior owners, staff resources should be realigned to service the programme plan i.e. it is suggested that in some key areas, Wylfa Newydd cannot be serviced as an “add on” to existing responsibilities.

3.3 *Financial Implications*

In order to robustly engage with Horizon Nuclear Power’s statutory and consenting strategy, the Welsh Government will require a robust evidence base and legal support to underpin its negotiating position ahead of DCO submission and during the DCO examination phase.

- 3.4 It is therefore suggested that under the direction of work stream senior owners, working closely with the Programme Director and PMO, revenue resource will have to be found at Group/departmental level to service this need. Alternatively, there will have to be a mechanism to broker a solution on a cross government basis, for example in the immediate term, consideration may be required to secure a programme revenue budget to cover the costs of sourcing programme-wide evidence base and legal costs.

4. **Risks**

- 4.1 Driven by Horizon Nuclear Power timelines, there is a real risk that the Welsh Government and wider Wales position is compromised and significantly weakened in the absence of a robust evidence base and legal cover. Without such evidence and cover, we cannot test or justify negotiating stances on impact mitigation and benefits realisation. Thus, our ability to meet the First Minister’s requirements on the project would be directly compromised.
- 4.2 There is a risk that without senior level ownership of work streams, working closely with the Programme Director and PMO, insufficient momentum and pace will be created to sustain the delivery of this plan. As further iterations of this plan come through, it is also suggested there is a risk the plan cannot be delivered unless dedicated resources are secured in key areas (e.g. economy, transport).

5. **Communication**

- 5.1 Cabinet has agreed that a cross Welsh Government communique should be issued informing the organisation that the Wylfa Newydd programme is now live. Discussions with communications colleagues are in train to this effect.

6. **General Compliance Issues**

- 6.1 There are no immediate compliance issues associated with the paper.

7. Recommendations

7.1 The Board is asked to:

- **Note** the programme plan.
- **Agree** that senior owners across the organisation should immediately be assigned responsibility for Wylfa Newydd related work streams to deliver this plan.
- **Agree** that under the direction of these senior owners, resources should be realigned at group/departmental level to service the plan.
- **Advise** on what mechanism should be utilised to broker cross government solutions where resources cannot be secured at group/departmental level.
- **Agree**, as set out in Annex 3, that a live network of contacts across major UK projects should be maintained to ensure we continue to learn and respond to best practice.