

Update: Major infrastructure Projects

Purpose

1. This paper to note responds to a request by Council Members to provide an update on the status of the following major infrastructure projects:-
 - Swansea Bay Tidal Lagoon;
 - Wylfa Newydd;
 - Rail electrification;
 - Metro;
 - M4 Corridor around Newport Project.

Context

2. The Welsh Government is providing this paper to note at the request of the Council for Economic Development. The Council has asked for an update on certain major infrastructure projects in Wales.

Recommendation

3. The Council for Economic Development notes the content of this paper.

Swansea Bay Tidal Lagoon

4. On 12 January, the Independent Review of Tidal Lagoons published its report (Hendry Report). The Hendry Report was a positive step forward for the proposed Swansea Bay Tidal Lagoon project and supports the case for developing a tidal lagoon energy industry in the UK, and we await the response from UK Government.
5. The Hendry Report recognised the Welsh projects already under development around the Welsh coast and states there is a very strong case for a small-scale pathfinder project (less than 500MW) as soon as is reasonably practicable.
6. However, a number of key approvals are still required from the relevant authorities and these are:
 - confirmation that the UK Government will provide financial support, through a Contract for Difference “strike price”;
 - a marine licence from Natural Resources Wales;
 - a lease from the Crown Estate; and,
 - amendment of Local Planning Authorities processes to allow discharge of conditions in the Development Consent Order.
7. Welsh Government officials have been in active discussions with Tidal Lagoon Power Ltd about its proposed Swansea Bay project for a number of years. These discussions are continuing across a range of areas so

that Welsh businesses and the local economy are in a position to gain maximum benefit from the project should the relevant authorities provide the necessary approvals.

Wylfa Newydd

8. The First Minister has identified the £12bn Wylfa Newydd project as a priority for this government. It is an important strategic infrastructure project that will help create high quality jobs as well as having important potential for the future of the steel industry in Wales.
9. On 24 May, Horizon launched its third stage of pre-application consultation (PAC3) on its updated plans for Wylfa Newydd. The Welsh Government provided a full response to the consultation that closed on 22 June.
10. Horizon Nuclear Power has indicated it plans to submit its Development Consent Order Application in August 2017, and the public examination of the proposals is likely to commence in January 2018. The expectation is for planning permission be granted towards the end of 2018. Horizon intends to make their Final Investment Decision (FID) in mid-late 2019.
11. Welsh Government officials are continuing to engage with Horizon Nuclear Power, to discuss approaches for maximising the benefits and mitigating identified impacts from the Wylfa Newydd Project.

Rail electrification

North Wales Electrification

12. The Welsh Government supports the electrification of the North Wales Mainline between Crewe and Holyhead and it presented the business case that justified such investment to the UK Department for Transport in 2015.
13. Local authorities and businesses in North Wales and across the border have set out their asks in terms of better rail services and investment in infrastructure in their Growth Track 360 prospectus. The electrification of the mainline is their ultimate aim.

South Wales Main Line Electrification

14. Electrification to Cardiff is due to be completed with services operating in 2019. This will be a huge step forward in creating a modern train service for supporting economic growth across Wales.
15. The project to deliver electrification from London to Swansea will enable us to move forward with plans for modernising the Valleys lines. The Welsh Government continues to press the UK Government for

confirmation of the timing of this commitment, emphasising the importance of providing information in a timely manner to ensure we have the opportunity to consider it as part of our own franchise and infrastructure planning.

Metro

North Wales and the North East Wales Metro

16. The Welsh Government published 'Moving North Wales Forward - Our Vision for North Wales and the North East Wales Metro' on 2 March. We are investing £50m in the development of that vision over the next 4 years.
17. The objective is to deliver on the ambitious vision for North East Wales Metro, working with partners on both sides of the border to create an integrated and sustainable transport network that connects people, communities and businesses to jobs, services, facilities and markets.
18. The Welsh Government is identifying a range of potential interventions for the short, medium and longer term, to improve connectivity across the whole of the region and maximise the benefit of cross border connectivity into England, Ireland and beyond.

South Wales Metro

19. The Welsh Government is delivering the Metro in tandem with the development of the new Wales and Borders rail services contract. The Metro will be a modern, high-quality, multi-modal and integrated transport system linking communities and enhancing connectivity across Wales into the rest of the UK and Europe.
20. In Metro Phase 1, the Welsh Government has already delivered a £77m investment package of infrastructure improvements. These include the dualling of a proportion of the Ebbw line between Cross Keys and Aberbeeg.
21. The Welsh Government is currently in the process of procuring the operator and delivery partner for Wales and Borders rail services and Metro (known as Metro Phase 2). Phase 2 will focus on modernising the core Valley Lines and the wider South Wales rail network. This infrastructure work will be integrated with the provision of Wales and Borders rail services.
22. Metro Phase 3 will see future rail extensions and further bus integration measures to extend the reach of the Metro to deliver a truly joined up regional network.
23. The £1bn plus that will be spent on electrification, Metro and rail infrastructure presents us with significant opportunities. The Welsh

Government is looking at how it can work with delivery partners to ensure more of the benefits of that spend remain in local communities and within local supply chains.

M4 Corridor around Newport Project

24. A Public Inquiry is currently ongoing into the Welsh Government's proposed M4 Corridor around Newport Project and its associated environmental mitigation measures.
25. The Inquiry process is allowing open and robust scrutiny by independent inspectors to determine whether the proposed Project is a sustainable, long-term solution to the serious problems associated with this gateway to Wales.
26. The outcome of the Public Inquiry will inform a final decision on whether to proceed with construction. Subject to the outcome of the inquiry, construction could begin in summer 2018.