

Application No:	3/32/23/004
Parish	
Application Type	Two supplemental s106 Agreements
Case Officer:	John Burton
Applicant	NNB Generation Company (HPC) Ltd., Hinkley Point C, Stogursey.
Proposal	To enter into two supplemental S106 Agreements with EDF Energy. The first is to secure early payment of a £1 million (index linked) instalment of the EDF Energy Community Fund and the second is to secure an appropriate tourism focused mitigation fund and strategy relating to EDF's planned use of the former Pontins site in Brean, to accommodate Hinkley Point C workers.
Location	The proposals relate to mitigation in association with the Hinkley Point C New Nuclear Build, near Stogursey. However, the actual mitigation proposed directly affects Bridgwater and Brean, both of which are within the boundaries of Sedgemoor District Council.

1.0 Recommendation

1.1 That Somerset West and Taunton Council, along with Somerset County Council and Sedgemoor District Council, enter two separate Supplemental S106 Agreement to secure the following:

1.2 The first Section 106 supplemental agreement:

- To secure the early payment of a £1 million (index linked) instalment of the EDF Community Fund towards regeneration projects in Bridgwater Town Centre (known as the 'Bridgwater Regeneration Fund').
- The mechanism for this is to divert the £1 million pounds currently required contractually under the s106 agreement to be paid to the Somerset Community Foundation (SCF) to Sedgemoor District Council (SDC);

This is to be done by a deletion of the original contractual obligation for early payment to SCF and replace it with a supplemental section 106 obligation of payment to SDC for the purposes of the levelling up bid: and

1.3 The second Section 106 supplemental agreement:

- To provide an appropriate mitigation fund and associated measures to support the local economy during the use of the Pontins Brean Sands Holiday Park to accommodate workers involved in the construction of the Hinkley Point C Project for an expected 3 year temporary period.

1.4 Delegated Authority

- That delegated authority be given to the Director of Place and Climate Change and/or Assistant Director Strategic Place Planning to agree, approve terms and sign on behalf of the Council the supplemental deeds and after 1st April this delegation be extended to the requisite Executive Director at Somerset Council responsible for the function area of this report.
- As a result of the Somerset (Structural Changes) Order 2022, and, the provisions of the Local Government (Structural Changes) Transitional Arrangements No 2. Regulations 2008, the decisions of SWT will fall to be treated as decisions of the new Unitary Council after 1st April 2023. Accordingly, any issues of implementation in this matter will seamlessly fall to be dealt with by the new Somerset Council.

2.0 Executive Summary of key reasons for recommendation

- 2.1 This report details the rationale for Somerset County Council, Somerset West and Taunton Council and Sedgemoor District Council (for this purposes hereafter referred to as 'the Joint Councils') agreeing to enter into two supplemental S106 Agreements with EDF Energy in respect of the Hinkley Point C new nuclear build project. The first is to secure early payment of a £1m (index linked) instalment of the EDF Energy Community Fund and the second is to secure an appropriate tourism focused mitigation fund and strategy relating to EDF Energy's planned use of the former Pontins holiday site in Brean to accommodate Hinkley Point C workers. The reasoning for the diversion of the £1million payment is set out in Section 10 of the report below.
- 2.2 The Community Fund early instalment would be paid to Sedgemoor District Council towards "urban regeneration projects in Bridgwater Town Centre" (known for the purposes of this report as the 'Bridgwater Regeneration Fund') and forms part of a package of mitigation secured through the Joint Councils negotiations with EDF Energy over the HPC Workforce Uplift proposals. The basis behind this was agreed by Members of this Planning Committee when they considered mitigations for the proposed workforce uplift in April 2022. Therefore, this current proposal is part of a package of mitigation measures already secured through the Joint Councils' negotiations with EDF Energy over the HPC Workforce Uplift proposals and agreed through the three Councils separate regulatory regimes. This report sets out the purpose of the early instalment and the mechanism agreed by the Joint Councils as being the appropriate mechanism for securing the contribution. As West Somerset Council, (now Somerset West and Taunton Council) was party to the original s106 agreement in 2012, the Council's permission is also required to make this supplemental to the original agreement. Permission is therefore sought for the specific terms and conditions that will apply, as detailed in this report.
- 2.3 The Pontins mitigation fund and strategy is aimed at supporting local businesses and the local economy in the Brean/Berrow area during the

expected three-year temporary use of the former Pontins site in Brean to accommodate Hinkley Point C workers. This report sets out the background, purpose and details of the mitigation strategy and its proposed implementation. It seeks approval to enter a supplemental S106 agreement to secure this as a further enhancement to the original package of mitigation secured for the Hinkley Point C Project through the Development Consent Order S106 Agreement (dated 12th August 2012). As such, this proposal will form part of a package of mitigation measures already secured through Joint Councils' negotiations with EDF Energy over the HPC Workforce Uplift proposals and agreed through the three Councils regulatory regimes. As West Somerset Council, (now Somerset West and Taunton Council) was party to the original s106 agreement in 2012, the Council's permission is also required to make this supplemental to the original agreement. Permission is therefore sought for the specific terms and conditions that will apply, as detailed in this report.

- 2.4 This report sets out: (1) the purpose of the Community Fund early instalment and the mechanism agreed by the Joint Councils as being the appropriate mechanism for securing the contribution; and (2) the background, purpose and details of the Pontins mitigation strategy and its proposed implementation. It seeks authorisation to enter two supplemental S106 agreement in order to secure these, pursuant to the original Development Consent Order S106 Agreement (dated 12th August 2012).

3.0 Planning Obligations and conditions and informatives.

- 3.1 This proposal is not before Members as a planning application. This report asks Members to consider and agree to the terms of two supplemental s106 agreements that will effectively vary the original (2012) agreement. There are therefore no conditions and informatives involved here. All the proposed terms will be as proposed in the draft s106 agreements.

4.0 Proposed development, site and planning history.

- 4.1 The Hinkley Point C project is delivering a new nuclear power station to assist the United Kingdom's energy supply needs over the next fifty plus years. Permission to build the new nuclear power station was granted by the Secretary of State for Energy and Climate Change in March 2013. An internal review of the Hinkley Point C (HPC) project by EDF Energy in 2019, revealed that, in order to maintain safety and quality standards and to maintain the project programme timelines, the number of workers would need to be increased above the number originally assessed in the original DCO Application. At the time that the Hinkley Point C (Nuclear Generating Station) Order 2013 (DCO) was granted by the Secretary of State, the number of workers envisaged to be employed on site at any one time, was estimated to peak at around 5,600. It is now anticipated that at the peak of construction (expected to be in 2023), around 8,600 workers will be required. This number may vary, but will in any event be capped by health and safety regulations

controlling the development site. Members agreed to a package of mitigation measures to assist with this increase at their meeting in April 2022.

5.0 Environmental Impact Assessment

5.1 As a supplemental to the original s106 agreement and by virtue of the subject matter it is considering, no further Environmental Impact Assessments are required. This proposal does not require the formal submission of a planning application because there are no changes to the approved development being proposed. EDF Energy will still be implementing the same development granted consent in April 2013. Neither does the current proposal involve any changes to the approved DCO that would warrant either a Material or Non-Material change to the DCO. Officers are happy that this will not give rise to any new or materially different environmental effects from those considered and assessed in the original Environmental Statement (ES). So, for all of these reasons, a new Environmental Impact Assessment is not required.

6.0 Habitats Regulations Assessment

6.1 As a supplemental to the original s106 agreement and by virtue of the subject matter it is considering, no further Assessments are required under the Habitats Regulations. The Habitats Regulations were obviously considered as part of the original Environmental Statement and the current proposal does not impact on that. The DCO will remain unchanged. Therefore, a new Habitats Regulation Assessment is not required.

7.0 Consultations and representations

7.1 Officers at Somerset County Council, Sedgemoor District Council, Somerset West and Taunton Council (the Joint Councils) have been working actively and collaboratively with EDF Energy in analysing the potential implications of a forecasted increase in the peak workforce. Liaison has also been undertaken with North Somerset Council, the Clinical Commissioning Group, Avon and Somerset Constabulary and the Devon and Somerset Fire and Rescue Service.

7.2 This proposal arises from the need to increase the peak workforce numbers on site, which does not constitute a material or non-material change to the DCO, nor does it require the formal submission of any other form of planning application. Therefore, a formal consultation exercise is not legally required. Despite this, EDF Energy has voluntarily conducted an engagement and information sharing exercise with the local communities surrounding Hinkley Point C, to help support the necessary decision-making processes. In addition, the Joint Councils have held briefing sessions open to all Members of each of the affected Councils, and regularly updated the Somerset Nuclear Energy Group (SNEG) – the membership of which includes key Cabinet/Executive Members from each of the Joint Councils.

8.0 Relevant planning policies and guidance

- 8.1 The Planning Act 2008, amongst other provisions, establishes requirements about the authorisation of projects for the development of nationally significant infrastructure.
- 8.2 The primary development site (HPC) lies in the former West Somerset area, for which the Development Plan comprises the Adopted West Somerset Local Plan to 2032, Somerset Mineral Local Plan (2015), and Somerset Waste Core Strategy (2013).
- 8.3 However, both sites/areas which are the subject of these two proposals, lie within the jurisdiction of Sedgemoor District Council and so the relevant planning policies and guidance considerations will be those of Sedgemoor District Council. These proposals have already been considered by relevant Councillors and officers at Sedgemoor District Council and are not before the Somerset West and Taunton Planning Committee as part of this report.
- 8.4 Members may, however, wish to take account of the following local policy documents –
- Somerset West and Taunton Council's Climate Positive Planning, and
 - The Interim Guidance Statement on Planning for the Climate Emergency (February 2021)

9.0 Current position.

Joint Council's Decision-Making on Workforce Uplift.

- 9.1 Between March and April 2022, the Joint Councils (consisting of Somerset County Council, Sedgemoor District Council and Somerset West & Taunton Council, together with North Somerset Council) concluded their evaluation of the effects of the HPC workforce uplift proposals. This evaluation was based on EDF Energy's voluntary assessment of the effects of the workforce uplift. It enabled the Joint Councils to review the effect of the proposed workforce uplift in the context of the conclusions drawn in the Development Consent Order (DCO) Environmental Statement and to determine, in relation to the DCO s106 agreement and the relevant strategies and plans under the DCO s106 agreement, whether in each case: -
- a. No change would be required.
 - b. Changes may be appropriate that could be made under the processes set out within the DCO s106 agreement itself; or
 - c. Changes may be appropriate that cannot be approved under the DCO s106 agreement itself and therefore would require an alternative approach.

- 9.2 In summary the Joint Councils individually agreed that the change in the peak workforce numbers (at any one time) from 5,600 to 8,600 did not give rise to a breach of the DCO, the DCO S106 agreement or any of the management strategies linked to the agreement. Subject to securing the proposed mitigation package through the existing mechanisms of the DCO and DCO S106 agreement, as well as a supplemental S106 agreement embedding a 'plan, monitor and manage' approach, no materially new or different effects were considered to arise from the workforce uplift. This was considered and agreed by Members of this Planning Committee in April 2022.
- 9.3 The Joint Councils in their reports, agreed with the recognition made by EDF Energy within their Accommodation Topic Paper (14th January 2022), that there were underlying challenges within the local housing market, both in the rural villages closest to the HPC site, where it has been difficult to deliver significant numbers of new bed spaces to assist in mitigating the impact of the workforce, and in Bridgwater, where there are significant concentrations of workers and the overall availability of housing is of concern. In recognition of the lead-in times associated with delivering additional bedspaces, and to ensure that any potential negative impacts on the housing market are addressed, a series of proposals were put forward by EDF Energy and agreed by the Joint Councils. These included the making of advanced payments from existing Funds. To address potential accommodation impacts, it was proposed to make advance payments from the Housing Contingency Fund (DCO s106 agreement) to provide the following:
- £195,000 to Sedgemoor District Council for Hinkley Housing Initiatives focussed on Bridgwater, as well as £410,000 towards delivering affordable housing at Cricketers Farm in Nether Stowey.
 - £390,000 to Somerset West & Taunton for Hinkley Housing Initiatives focussed in the Hinkley Point Cluster and Taunton.
- 9.4 The Joint Councils welcomed in their reports the recognition by EDF in their Accommodation Topic Paper that an unanticipated impact had arisen as a result of HPC worker accommodation choices. Non-home-based workers occupying significant numbers of properties in largely rural communities and villages have had an impact on the availability of parking. To address that impact, EDF proposed to make up to £300,000 available from the existing Transport Contingency Fund (under the DCO s106 agreement) for local communities to develop and deliver localised car parking solutions within villages. The Joint Councils agreed with this proposal.
- 9.5 The agreed uplift mitigation package was secured through a supplemental S106 agreement dated 2nd August 2022 alongside the advanced payments from existing mechanisms within the DCO S106 Agreement.
- 9.6 The Joint Council's also gave agreement in principle to EDF Energy making an early payment of £1m (index linked) from the HPC Community Fund towards urban regeneration projects in Bridgwater Town Centre. This was in recognition of the role the town plays in absorbing the impacts of a significant

percentage of non-home-based workers. At the time of the Joint Councils reporting (April 2022 in the case of SWT), the detailed mechanism for securing this remained under discussion.

- 9.7 In addition to those measures it was also considered that additional capacity should be created to relieve pressure on the local housing market from the potential impact of the additional non-home-based workforce in Bridgwater and regarding the number of workers potentially occupying properties within the rural villages. Strategic interventions were identified that would see significant investment in expanding capacity in caravan parks (subject to planning permission being sought) which are currently being used by HPC workers (470 bedspaces) and the increase of bedspaces at the Sedgemoor and Hinkley Campuses (480 bedspaces). The proposed strategic interventions were:
- 480 additional bedspaces at the existing campuses at Hinkley Point and Bridgwater
 - 360 new caravan pitches for 470 HPC workers.
- 9.8 A commitment was made in the Topic Paper to produce an Addendum to the Accommodation Strategy to be presented to the Socio-Economic Advisory Group (SEAG) to aid the effective monitoring and management of workforce uplift. Recognising that the strategic interventions were not yet secured and that there was an element of risk associated with their delivery and occupancy, it was agreed that monitoring measures would be secured through an amendment to the Accommodation Management Strategy.
- 9.9 On the 17th of May 2022, SEAG approved amendments to the Accommodation Management Strategy. Paragraph 8.6 of the Accommodation Management Strategy set out a timeline for delivering the strategic interventions. The Accommodation Management Strategy recognised that the delivery of the strategic interventions could be delayed or changed, and that “remedial action” may be necessary. Section 10 entitled “Dealing with Uncertainty” identifies interventions that EDF should pursue should the strategic interventions not be delivered in the manner envisaged. These included using alternative providers of caravan sites. The Accommodation Management Strategy set out that EDF would share a detailed project plan for the delivery of the Strategic Interventions with the Joint Councils at their Strategy Meeting.

The EDF Energy Community Fund.

- 9.10 Schedule 2 of the DCO S106 sets out the provisions for the EDF Energy Community Fund as being a total sum of £12,800,000 (index linked) for the purpose of mitigating “*intangible and residual impacts of the Project on the communities in the Area of Benefit through schemes, measures and projects which promote the economic, social or environmental well-being of those communities and enhance their quality of life*”. The Area of Benefit is identified as being the administrative boundary of Somerset.

9.11 The Fund is governed by an Administrative Agreement, providing for the administration and application of the Fund by the Somerset Community Foundation. This establishes the need for a Panel comprising no more than 12 members with three being representatives from NNB GenCo and three being representatives of the Councils (one each from Somerset County Council, West Somerset (now Somerset West and Taunton Council) and Sedgemoor District Council. The Panel is chaired neutrally by a Somerset Community Foundation trustee (currently John Lyon) and other remaining Panel members are appointed by the Somerset Community Foundation.

9.12 Schedule 2 of the DCO S106 Agreement identifies that the application of the Fund should give priority to schemes, measures and projects which: -

- Minimise the environmental, economic and social impact, whilst as appropriate maximising the environmental, economic and social benefits of the Project.
- Minimise residual impacts associated with NNB GenCo's performance in delivering Associated Developments in accordance with the Implementation Plan and any relevant detailed implementation programme.
- Are not inconsistent with approved policies and plans of relevant authorities.
- Have been identified as priorities to the communities within parish and/or community plans.
- Can demonstrate the greatest potential to achieve mitigation of impacts, taking into account value for money.
- Can demonstrate overall value for money in terms of cost and effectiveness.
- Can demonstrate a contribution to developing and maintaining sustainable communities.
- Complement other measures committed in the Deed or practiced by the parties; and/or
- Attract additional funding from other private and public sector sources where possible.

9.13 The Community Fund is paid annually in £1m instalments (index linked) by EDF Energy to the Somerset Community Foundation, with the first payment being in 2017 and the latest payment having been made in May 2022 (which represents the sixth payment). This leaves a current balance of £6.8m

10.0 Material Planning Considerations.

10.1 For clarity and ease of reference, this section of the report deals with the two primary matters in two parts, given the report seeks separate authorisation to enter the relevant supplemental S106 Agreements. The first part of this section deals with the Bridgwater Regeneration Fund proposals and the second part deals with the Pontins Mitigation Fund proposals.

PART ONE - Matters relating to the Bridgwater Regeneration Fund

Purpose of the Bridgwater Regeneration Fund Proposal

- 10.2 As part of the decision-making on the workforce uplift proposals, the Joint Councils highlighted a number of issues relating to potential accommodation impacts. From a wider housing market perspective, an affordability and availability crisis in housing generally (which is nationally recognised), was important context for considering local impacts.
- 10.3 High house prices/rents, coupled with low wages, pay freezes and changes to benefits, mean that competition between HPC workers and local people for accommodation, particularly at the bottom end of the market, will generate impacts and squeeze on the housing market and affordability. Even professionals struggle to find properties to rent in parts of the key HPC impact area. Whilst it is recognised that the HPC workforce is not solely responsible for these issues, the worker uplift proposals threaten to make the situation worse and are likely to place significant extra pressures on the housing market.
- 10.4 In the final version of the Accommodation Topic Paper, EDF acknowledged the significant concerns the Joint Councils and Bridgwater Town Council raised over the potential impact on the housing market in Bridgwater and the long lead in time to deliver projects, in addition to the wider impacts on the town from hosting most non-homebased workers. It was also recognised that the annual instalments paid into the EDF Energy Community Fund do not reflect the peak of impacts associated with the peak in the workforce.
- 10.5 In recognition of the concerns on the impact on Bridgwater, EDF Energy proposed to make an early payment of the £1m (index linked) from the Community Fund in 2022 towards urban regeneration projects in Bridgwater Town Centre (known as the 'Bridgwater Regeneration Fund'). This is based on the role which the town plays in absorbing the impacts of a large percentage of the non-home-based workers and the in-combination effects arising from hosting the workforce in terms of accommodation, traffic congestion, community safety and other issues. This follows discussions with the Joint Councils regarding the potential role such an early payment could have in supporting town centre urban regeneration projects to deliver wider local legacy benefit for the town.

Proposed Use of the Bridgwater Regeneration Fund Proposal.

- 10.6 A particular use for the 'Bridgwater Regeneration Fund' was identified to support the development of the Somerset Academy for Health and Social Care project. This was the focus of Levelling Up Fund Bid, jointly prepared by Sedgemoor District Council and Somerset West and Taunton, for the Bridgwater & West Somerset Constituency. The Academy is focussed on the former Bridgwater Hospital site in the centre of Bridgwater, a Grade II Listed Building, which has been empty since the NHS moved its provision to the

outskirts of Bridgwater in circa 2007. The Hospital and associated buildings have been the victim of significant theft and vandalism. This has left the site in a dilapidated state creating an eyesore for visitors and residents at a key gateway to the town centre.

- 10.7 The concept of the Academy is based on a multi-agency and partnership approach across local government and health and care providers, including Somerset County Council, Somerset West and Taunton Council, Bridgwater Town Council, Innovate UK, Public Health Somerset, NHS, Integrated Care System, Private Sector Care Providers and Bridgwater and Taunton College and colleges across the county. It would see the building remodelled and re-purposed to provide high-tech training spaces as well as supporting innovation and technological advances in the delivery of digital health and care services. In addition, serving the wider rural area of West Somerset, the bid also proposed a satellite academy to be established in Minehead - the main town in the area with its own demographic ageing challenges and concentration of residential care facilities and workforce.
- 10.8 The Academy will deliver on the Levelling Up Fund White Paper missions of Education, Skills, Health, Wellbeing and Pride in Place. It will grow and enhance the skills of the care sector workforce, help level up and meet the widening labour market gap in this key sector, attract and retain staff and strengthen the integration of health and care.
- 10.9 The Levelling Up Fund bid was submitted in July 2022 and was approved by the Department for Levelling Up, Housing and Communities on the 19 January 2023 with an allocation of £19.7m. On 27th February 2023, Somerset County Council's Executive agreed to enter a 'Memorandum of Understanding' with the Government in respect of the funding and agreed to exercise an options agreement to purchase the former Bridgwater Hospital at the appropriate time. The £1m (index linked) Bridgwater Regeneration Fund as an early payment of the Community Fund, represents a significant contribution towards the required 10% match funding requirements of the successful bid.
- 10.10 The objectives for the Bridgwater Regeneration Fund and proposed use would appear to sit firmly aligned with the priorities of the Community Fund as set out in Schedule 2 of the DCO S106 Agreement (and listed earlier in this report). This includes maximising environmental, economic and social benefits, consistency with the plans of the relevant authorities, being identified as a priority to the communities, attracting additional funding from private and public sources and demonstrating a contribution to developing and maintaining more sustainable communities.
- 10.11 It is important to note that whilst the Academy project is the intended use of the Bridgwater Regeneration Fund, it is not ring-fenced only for this purpose. Instead, as set out in the Topic Papers, the fund is aimed generally at regeneration projects in Bridgwater Town Centre. With the announcement of the bid's success, the risk of the contribution not being required for this purpose has significantly reduced. However, if for any other reason the contribution is

not required in full or in part for the Academy, the Bridgwater Regeneration Fund would be used to support other relevant regeneration projects within the town centre. Such projects would be determined by the new Somerset Council in consultation with EDF Energy, other partners and the community.

Mechanism for Securing the Early Payment of the Community Fund

- 10.12 Understanding the best mechanism for securing the Bridgwater Regeneration Contribution as an Early Instalment of the Community Fund, has been the subject of extensive discussion and legal advice.
- 10.13 It is considered through legal advice to the Joint Councils that the Community Fund obligations fall outside the terms of section 106 of the Town and Country Planning Act 1990 and are secured by contract and the other enabling powers referred to in the DCO agreement. Therefore, varying the Community Fund obligations would not require the approval of the Secretary of State.
- 10.14 Furthermore if this variation were to be secured by entering a supplemental S106 Agreement it would have the benefit of bringing the new obligation within the terms of section 106. This would mean that the obligation will run with the land and be binding on successors and consistent with the approach on securing other workforce uplift mitigation. The supplementary deed is required because, the payment of the £1million pounds to SDC means that the money would not be utilised in accordance with the contractual requirements of the Schedule 2 of the DCO s106 agreement. The entering into of a supplementary s106 would place these new arrangements on a lawful basis.
- 10.15 On the basis of the above and the wider considerations in respect of securing the Bridgwater Regeneration Contribution, the Joint Councils seek the appropriate approvals to enter into the supplemental Section 106 Agreement with EDF.

PART TWO - Matters relating to the Pontins Mitigation Strategy

EDF's Planned Use of Pontins Brean Sands Holiday Park for Worker Accommodation

- 10.16 Further to the assessment of workforce uplift, the EDF/Joint Councils Strategy group has monitored the progress of the delivery of the strategic interventions since May 2022. Through that monitoring, it has become clear that the strategic interventions cannot be delivered in the manner envisaged. The additional 480 bed spaces which were proposed at the existing campuses, are now not deliverable. As the plans have progressed for the caravan pitches, site constraints have been identified which are resulting in less bedspaces coming forward through this strategic intervention. The additional capacity to be delivered through the strategic interventions is short by around 700 bedspaces to that previously assumed.

- 10.17 In the Summer of 2022, EDF advised the Councils that they were considering leasing the Pontins Holiday site at Brean from the owners Britannia Hotels, for an expected three-year period in order to accommodate up to 900 Hinkley Point C workers. As part of this arrangement, it was also confirmed that the site would undergo a £2m refurbishment to upgrade the existing chalet provision and infrastructure to ensure the site met the relevant standards and legal requirements.
- 10.18 In respect of the planning position and whether planning consent would be required for the proposed use, after considering appropriate legal advice and after undertaking an assessment of supporting information provided by EDF, officers of Sedgemoor District Council (the Local Planning Authority) concluded that, because of the similarities in character between the established and proposed uses, it would be reasonable to conclude that a material change of use would not occur and therefore planning permission would not be required for the proposed use on an expected three-year temporary basis. This considered the planning history of the site (including its established use) and its lack of restriction, the extent of works proposed and the extent and nature of the proposed use.
- 10.19 The officer response provided to EDF highlighted that there was no formal application for either planning permission or a certificate of lawfulness with the Council to formally confirm planning permission would or would not be required. Therefore, the Council's response could only represent an officer opinion based on the information available. The response further made it clear that the position would also rely on the monitoring and review the impacts of the proposed use against the assumptions provided, to consider whether a material change of use occurs in the future and will reserve the right to seek an application at a future date in respect of that consequence or seek appropriate enforcement action.
- 10.20 Subsequently EDF Energy and Britannia Hotels proceeded with the arrangement for HPC workers to be accommodated at the former Pontins Site without seeking planning permission for a change of use. Hinkley Point C workers have been accommodated at the Pontins Site since the end of last year and there are currently approximately 200 HPC workers being accommodated at the Pontins Site.

Pontins Mitigation Package

- 10.21 During this time, Sedgemoor District Council and EDF undertook community engagement in respect of the proposals through public meetings held at Brean and Berrow as well as discussions with the Hinkley Tourism Action Partnership (HTAP), and representatives of the local business community, including other holiday site operators in the area. Issues regarding the impacts of the proposal on the local economy from potential loss of tourist spend were the focus of concerns raised at these events and discussions.

10.22 In recognition of the concerns being raised and that the extent of the spend by HPC workers may be different to that of traditional holiday makers, EDF and the Joint Councils negotiated a package of support for local businesses in order to minimise the impact of Hinkley Point C workers using Pontins over the expected three-year period. The agreed package of contributions includes four specific measures:

- The Brean Destination Marketing Organisation Contribution, which is a contribution of £25,000 towards the cost of Sedgemoor Council commissioning a Destination Marketing Organisation to deliver the marketing and promotion and business support initiatives in Brean and surrounding areas.
- The Brean Tourism Marketing Contribution which is a contribution of £100,000 towards the cost of a P.R. organisation preparing and delivering national marketing and promotion initiatives.
- The Brean Business Marketing Contribution, which is a contribution of £25,000 towards the cost of a Destination Marketing Organisation preparing and delivering bespoke marketing and promotional initiatives to support businesses that have a physical business premises in the Brean area, that Sedgemoor Council is satisfied, acting reasonably, have experienced a loss of profits as a result of a reduced footfall caused by the use of the Pontins Brean Sands Holiday Park to accommodate workers involved in the construction of HPC; and
- The Brean Business Support Contribution which is a contribution of £75,000 to enable the Council to provide grants of up to £5,000 per grant, to businesses that have a physical business premises in the Brean or Berrow area that the Council is satisfied, acting reasonably, have experienced a loss of profits as a result of a reduced footfall caused by the use of the Pontins Brean Sands Holiday Park to accommodate workers involved in the construction of Hinkley Point C.

10.23 The total package of mitigation equates to contributions of £225,000 and it is the intention that the full value of this will be directed to Sedgemoor District Council ahead of the transfer to Unitary Council. This is to ensure that the mitigation measures can be advanced as soon as possible in order that their benefit can in part be secured in advance of the coming holiday season, particularly in terms of marketing the area and providing support for affected businesses. The package reflects that there is a balance of impacts, including the opportunity of a higher degree of all year-round use of local services and facilities by workers and positive economic impact of the proposed and much needed investment in the site.

10.24 In agreeing with mitigation proposed by EDF Energy, the Joint Councils have required that there remains the opportunity to discuss additional funding, if it becomes evident that there is further impact that should rightfully be met by the project. Further mitigation funds will also need to be discussed where, if

necessary, the Pontins Brean site is needed for worker accommodation for a period beyond December 2025 or should it not to be returned by EDF to the tourism market after the expected 3 year period. These matters will be subject to monitor and review and is without prejudice to any planning implications that might arise from any extension of use in this manner.

- 10.25 It is proposed that the mitigation package be secured by the Joint Councils and EDF Energy entering into a supplemental S106 agreement to reflect that this is additional mitigation to that secured for the Hinkley Point C Project through the Development Consent Order S106 Agreement (dated 12th August 2012).
- 10.26 These contributions are in addition to the opportunity for the local communities of Brean and Berrow to access the Hinkley Point C Community Fund and support for local projects. This multi-million-pound fund is designed to mitigate potential impacts and deliver opportunity for host communities affected by Hinkley Point C.

Application for Certificate of Lawfulness Submitted by Discover Brean

- 10.27 In January of this year 'Discover Brean' representing a group of businesses in the Brean area, who had previously expressed concerns regarding the proposals, submitted an application for a Certificate of Lawfulness for Proposed Use and Development to Sedgemoor District Council. The description of the application is for the use of self-contained, seasonal holiday accommodation as permanent accommodation for HPC construction workers, for an expected period of up to 3 years. The application is currently under consideration by Sedgemoor Council.
- 10.28 Whilst the application is relevant to the matter of whether planning consent is required for the intended use of Pontins by EDF, it is not directly relevant to the securing of the mitigation package through the supplemental S106 agreement. This is because the agreed contributions are being secured as an enhanced mitigation package to that originally agreed under the DCO S106 Agreement and further supplemented by the measures secured under the workforce uplift proposals.

Securing the mitigation through a Supplemental S106 Agreement

- 10.29 As outlined above, the addition of the Pontins site as a strategic intervention to support capacity within the local housing market, would fall within agreed remedial actions identified within the amended Accommodation Management Strategy. The planning position does not impact on the ability of the Joint Councils to negotiate and secure an appropriate mitigation package, given this seeks to offset the impacts of a strategic intervention required to address the impacts of the workforce uplift.
- 10.30 Entering into a supplemental agreement to secure this mitigation does not prejudice the outcome of any planning process in respect of whether a material

change of use of the site has taken place. Whilst the package of mitigation is voluntarily offered by HPC, because it does not relate to a grant of planning permission, it is appropriate to secure it through a supplemental S106 Agreement given it will contribute to making the use acceptable in planning terms. Furthermore, it is consistent with how other workforce uplift mitigation has been secured. It is on this basis that the Joint Councils seek the appropriate approvals to enter into the supplemental Section 106 Agreement with EDF.

11.0 Options

11.1 This report sets out the rationale for the Joint Council's agreeing to enter two supplemental S106 Agreements with EDF Energy to secure –

- (1) the 'Bridgwater Regeneration Fund'; and
- (2) an appropriate mitigation fund and associated measures to support the local economy during the use of the Pontins Brean Sands Holiday Park to accommodate workers involved in the construction of the Hinkley Point C Project for an expected 3-year temporary period.

There are two principal options to be considered – effectively to enter, or to not enter into the two supplemental S106 Agreements with EDF Energy to secure the Bridgwater Regeneration Fund and Pontins Mitigation Strategy. The options are considered below:

11.2 Option 1: To enter the Supplemental S106 Agreements to secure the Bridgwater Regeneration Fund and Pontins Mitigation Strategy

This option provides the opportunity to secure the advanced payment from the Community Fund for the 'Bridgwater Regeneration Fund' to support match funding for a confirmed 'Levelling Up' project that seeks widespread regeneration benefits for Bridgwater Town Centre. It also provides the opportunity to secure support for local businesses and the local economy in a timely way to offset any loss of tourist spend arising from the use of Pontins by Hinkley Point C workers. It secures direct mitigation for the impacts of the project in terms of the role that Bridgwater plays in absorbing the impacts of a large percentage of the non-home-based workers and provides for a package of targeted financial support for local tourism-based businesses to support the local economy during the use of Pontins.

11.3 Alongside the wider package of mitigation and 'plan, monitor, manage' approach secured under the worker uplift proposals, it supports the Joint Councils' conclusions that no materially new or different effects would arise from the workforce uplift. The approach is supported by appropriate legal advice that confirms that the use of supplemental S106 Agreements is an appropriate mechanism.

11.4 Option 2: - Not to enter the Supplemental S106 Agreements to secure the Bridgwater Regeneration Fund and Pontins Mitigation Strategy

This would result in an incomplete package of mitigation being secured under the worker uplift proposals. The Bridgwater Regeneration Fund would not be achieved and there would be a failure to address the concerns regarding the potential reduced tourist spend and the implications for the local economy of the use of Pontins.

11.5 This would result in a loss of regeneration benefit to the town centre of Bridgwater and the lack of any balance for the town in absorbing the majority of the impacts of the project and would be to the detriment of outcomes for the local community. Reputationally, the Joint Councils would not have achieved the outcomes negotiated and publicised in concluding on the worker uplift proposals. Furthermore, it would transfer the financial risk of the payment from EDF Energy to the Councils in respect of match funding for the confirmed levelling up project, for which the new Somerset Council have already provided a specific consent under s.24 of the Local Government and Public Involvement in Health Act 2007. It would not secure direct mitigation for the impacts of the use of Pontins by failing to secure a package of financial support for local tourism-based businesses. Reputationally, the Joint Councils would not have achieved the outcomes negotiated and publicised.

11.6 On the basis of the above, Option 1 (to enter the Supplemental S106 Agreement), is the preferred option.

12.0 Local Finance Considerations

12.1 The Supplemental Deeds will secure the proposed packages of financial measures. Securing these monies will ensure that no financial impacts will fall to either the District Council, or the new Unitary Council following vesting day on 1 April 2023.

13.0 Planning balance and conclusions.

13.1 The delivery of the New Nuclear Build at Hinkley Point C is a critical part of the Council's corporate approach to growth and will make a substantive contribution towards its wider economic development priorities. Maximising the benefits and minimising the impacts of the project is central to establishing the foundations for accelerating and transforming growth, whilst simultaneously cutting greenhouse gas emissions, creating good jobs and realising positive social outcomes for local communities.

13.2 Managing the impacts of workforce uplift and ensuring that the benefits of the project continue to be maximised is essential. Securing appropriate measures through the workforce uplift discussions in order to manage impacts on the housing and labour markets, highway network, environment and our local

communities and providing opportunities for workforce development, will ensure that the benefits of the project continue to be realised. As such the delivery of the 'Bridgwater Regeneration Fund' represents much needed investment into Bridgwater town centre to support the local community in recognition of the role the town plays in most of the non-homebased workers. Also, the delivery of an appropriate mitigation strategy is central to protecting the local economy during the use of Pontins. In doing so it provides the opportunity for the delivery of a strategic intervention to increase capacity and relieve the pressures on the local housing market.

- 13.3 The HPC project provides substantial opportunity for employment and training, enabling positive economic and social outcomes for the local communities, including health and wellbeing. It is important that the effects of the workforce uplift are appropriately managed to ensure these opportunities and benefits are sustained. This includes managing the impacts on accommodation and maintaining the ability of local people to access the housing market, as well as other pressures on infrastructure such as health and education provision.
- 13.4 In addition, securing investment into Bridgwater Town Centre in recognition of the impacts of the project on the town through the Bridgwater Regeneration Fund, provides an opportunity for regeneration and community renewal. The fund is earmarked to support a confirmed levelling up project, to repurpose the former Bridgwater Hospital as an Academy for Health and Social Care, to directly further health and wellbeing objectives through the integration of more innovative health and care services in the area, as well as supporting employment and skills in this key sector.
- 13.5 There is a risk of a legal challenge by third parties claiming that the Supplemental S106 Agreements modify the obligations within the DCO S106 Agreement and is therefore unlawful,. The view of officers is that the chance that such a challenge would succeed are low and has been mitigated by the use of appropriate legal agreements to secure the obligations and consulting SCF for confirmation that it does not object: (13.6 outlines their non-objection).
- 13.6 The Somerset Community Foundation (SCF) has been consulted by EDF Energy regarding the intention to reduce the EDF Energy Community Fund by transferring a portion of the allocated budget to the Bridgwater Regeneration Contribution. The Chief Executive of the SCF has confirmed that the Foundation consider this to be solely a decision for the Section 106 co-signatories, confirming that they understand their role to manage and administer the fund and that its 'stewardship' role only extends as far as the funds that have been released to it for this purpose and not to the funds that are due to be released in the future. This being the case, the SCF has confirmed that it cannot take a position on, and therefore does not object to, the proposed changes to future allocations of the fund.
- 13.7 Managing the impacts of workforce uplift and ensuring that the benefits of the project continue to be maximised is essential. This report identifies the

measures that the Joint Councils have secured through these discussions and the role these will have in ensuring the many positives in respect of workforce development and overall economic impact continue to be realised through the construction of HPC and beyond. The Bridgwater Regeneration fund forms part of that mitigation package and would directly support employment, skills and training within the health and social care sector by providing match funding for the Levelling Up bid for a Centre of Excellence for Health and Social Care.

- 13.8 Securing an appropriate mitigation package for the use of Pontins by Hinkley Point C Workers for a temporary expected three-year period provides the opportunity to secure support for local businesses and the local economy in a timely and targeted way. The proposed mitigation package is designed to minimise the negative impact on the locality, by the use of the extensive and collaborative regional and national marketing and PR campaigns in order to increase the numbers of day visitors and extend the season attracting new visitors to the area. In addition, the grants programme will focus on creating added value and business adaptation measures to ensure long lasting viability and diversification in the area, specifically to maximise benefits presented by the HPC workforce who would be present in the area outside of the usual holiday seasons.
- 13.9 This report sets out all the relevant considerations in respect of receiving an advanced payment from the EDF Community Fund and concludes that the entering of supplemental S106 Agreement is an appropriate mechanism to secure the Bridgwater Regeneration Fund and the wider beneficial outcomes that this will bring.
- 13.10 This report also identifies the main considerations in securing an appropriate mitigation package for the use of the Pontins Holiday site to accommodate Hinkley Point C workers for a temporary expected three-year period. The entering of the supplemental S106 Agreement will secure direct mitigation for the impacts of the project on the local economy in terms of a package of targeted financial support for local tourism-based businesses covering increased marketing and business support funding.

In preparing this report the planning officer has considered fully the implications and requirements of the Human Rights Act 1998 and the Equality Act 2010.