Growing Mid Wales Partnership

Framework for Action

To grow productivity, innovation
and jobs across Mid Wales

—— 2016 ——

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Growing Mid Wales Partnership

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Growing Mid Wales Partnership

The Growing Mid Wales Partnership is a strong regional partnership comprising of representative bodies from across the private, public and voluntary sector in mid Wales, and was established early in 2015.

It includes significant membership drawn from the private sector including partners representing manufacturing, agricultural and tourism businesses, together with higher and further education, the voluntary sector, Welsh Government and local government representatives.

This document aims to set out our broad consensus on the key priorities for achieving economic growth and prosperity across the region. It is a strategic document setting out our broad vision and objectives for the region and is intended to help inform policy making and effective co-ordinated delivery of services. It helps articulate and advocate the aspirations for rural mid Wales.

The Partnership seeks to:

• Achieve more and better economic outcomes across the region by working in partnership.

• Lead the region's collaborative approach to economic development.

• Agree priorities for jobs and economic growth in the region.

• Provide a strong voice for the almost entirely rural regional economy in mid Wales.

Councillor Barry Thomas / Chair
Leader, Powys County Council

Councillor Ellen ap Gwynn / Vice Chair
Leader, Ceredigion County Council

A partnership approach to fostering our opportunities

Our framework identifies the key mid Wales challenges and opportunities and sets out our approach to achieving transformational change bringing together the key stakeholders across the region.

Setting the scene

Our region:

- Comprises 39% of the land area of Wales.

- Characterised by dispersed pattern of small market towns.

- Almost entirely rural in nature.

- Largest towns are Aberystwyth in Ceredigion and Newtown in Powys.

- Includes, in the south, a substantial part of the Brecon Beacons National Park.

Our people:

- The region has a population of just over 200,000, less than 7% of the population of Wales.

- Population density amongst the lowest in England and Wales at 0.3 people per hectare (Wales 1.49 people per hectare), giving real challenges in terms of accessing services and service delivery.

- Age profile   lower proportion of working age population with larger proportion of retirement age. Significant proportion of 16 – 25 years age-cohort reflecting higher education institutions in the region.

- Migration of younger adults out of the region and of older working age and retired adults typify the region.

Economic activity:

- The region's economically active population (16+ years) is around 102,700 people, while economically active 16 – 64 years amount to more than 75% of that age cohort.

- Economic inactivity (ages 16–64) is estimated at 30,700 about 24.6% of the age group. Economic activity in this age group is characterised by high numbers of students and early retired with jobseekers less than half the Welsh average. These reflect "under–employment" and out–migration of young adults.

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Employment structure:

- Jobs in the region are in a limited range of sectors often linked to self-employment and micro-businesses but dominated by the public sector, education and health sector:

Employee Jobs By Industry (%)	GMW	Wales	Great Britain
Primary Services (A-B: Agriculture and Mining)	1.5	0.4	0.4
Energy and Water (D-E)	0.75	1.5	1.1
Manufacturing (C)	9.55	12.3	8.5
Construction (F)	5.25	4.8	4.5
Wholesale and Retail, inc. Motor Trades (G)	14.6	14.4	15.9
Transport Storage (H)	3.9	3.5	4.5
Accommodation and Food Services(I)	9.4	7.3	7.1
Information and Communication (J)	1.5	2.3	4.1
Financial and Other Business Services(K-N)	9.65	14.7	22.2
Public Admin, Education and Health (O-Q)	38.45	34.5	27.4
Other Services (R-S)	5.45	4.3	4.4

Source: ONS business register and employment survey (2014): Employee jobs excludes self-employed, government-supported trainees, HM Forces, and excludes farm-based agriculture

- There are high levels of self-employment.

- Low levels of unemployment.

- The region has a higher proportion of part-time employment than Wales as a whole, (38.2% of employee jobs are part-time; Wales 35%, GB 31.7%)

- 11.3% of all employment in the region is in the tourism sector, the highest proportion of any region in Wales.

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Our businesses:

- There are approximately 14,385 businesses in the region.

- Over 89% of these are micro businesses with fewer than 10 employees, (GB 83.7%).

Business size	GMW %	GMW (Count)
Micro (0 to 9 employees)	89.2	12,795
Small (10 to 49 employees)	9.2	1,380
Medium (50 to 249 employees)	1.5	195
Large (250+ employees)	0.1	15
ONS IDBR Business Count– Local Units 2015		

- The region has a narrow economic base dominated by the agriculture sector:

Businesses by Industry Sector (percentages)	GMW	Wales
Agriculture, forestry & fishing businesses	31.90	20.90
Production businesses	4.45	5.20
Construction businesses	8.90	9.50
Motor trade businesses	2.95	3.20
Wholesale businesses	2.95	3.30
Retail businesses	8.40	9.90
Transport & storage businesses	2.55	3.00
Accommodation & food service businesses	7.05	8.10
Information & communication businesses	2.30	2.70
Finance & insurance businesses	0.95	1.40
Property businesses	2.10	2.20
Professional, scientific & technical businesses	6.25	7.90
Business administration & support services businesses	6.35	6.80
Public administration & defence businesses	1.30	1.30
Education businesses	1.95	2.30
Health businesses	4.40	5.90
Arts, entertainment, recreation & other business services	5.30	6.40

Prosperity and economic performance

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- Household incomes are low in the region:

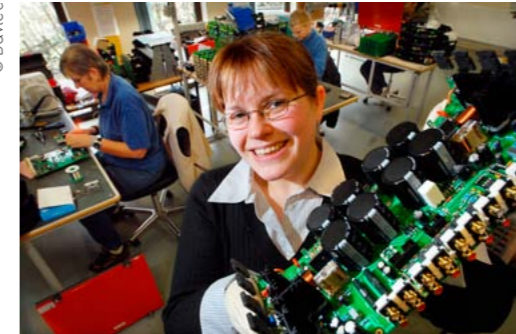| • Wage levels "by residence", Gross Weekly, Full Time		
GMW:	Wales:	Great Britain:
£430.20	£479.40	£520.80

- Gross Domestic Product data is not readily accessible for the region

- The relative contribution per head to the economy by the all sectors in the region falls behind that for Wales which in itself is significantly less than the average for GB. These figures are expressed as a percentage of the average GB GVA per head figure:

• Gross Value Added per head (GVA)		
GMW:	Wales:	Great Britain:
68.35%	71.4%	100%

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A44 (T), A470(T), A489(T) and A458 (T) linking to the A49 (T) and A5 (T) and M54 in the Marches and onto the West Midlands

A40 Linking south Powys to south west wales and the A449, M4 and M50

- Public transport services are limited.

- Rail services link Aberystwyth and Shrewsbury across the north of the region to the West Midlands and Birmingham Airport and through the centre of the region, linking Swansea and Shrewsbury.

Communications and accessibility

- The road system reflects the rural nature of the region with dual carriageway confined to the south east leading to the M4/M50 corridor.

- The key north – south road routes in the region are:

  A470 (T) linking Cardiff and south Wales north through mid-Wales to Trawsfynydd and north Wales

  A483 (T) Linking Newtown to Wrexham, Merseyside, the M6 and Manchester

  A487 (T) Linking south west Wales through Cardigan and Aberystwyth to north Wales

  A486 linking Cardigan Bay to Carmarthen and the M4

- The key east- west road routes in the region are:

- Other commercial air links exist outside the region at Cardiff Wales Airport, Liverpool, and Manchester airports.

- The nearest commercial ports are outside the region at Holyhead, Fishguard, Pembroke, Swansea, Cardiff and Liverpool.

- There are improving ICT accessibility across the region as programmes to roll-out fibre broadband are being progressed. A number of employment sites have direct access to these high speed services but there remain areas where planned coverage is yet to be programmed.

- Although much of the region has some mobile telephony available, this is often at 2G and there are a large number of areas and villages without access to 4G and a number of areas without any access.

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Quality of life

- Low levels of recorded crime

- High quality environment with a central mountainous area, the Cambrian Mountains, and with the Brecon Beacons National Park in the south and is bordered by the Snowdonia National Park in the north.

- Recreational and tourism opportunities.

- Significant assets including water, timber and potential energy resources.

- 36% of all farmed land in Wales is in mid Wales.

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Linkages to other initiatives

Local Growth Zones have been established as an innovative approach to help encourage and support jobs and growth within the region and encourage the regeneration of key market towns. Within the region, Welsh Government has designated two *Local Growth Zones*:

- Powys Local Growth Zone, and

- Teifi Valley Local Growth Zone.

There are no *Enterprise Zones* in region but a number have been designated close by, but outside, the region:

1 Ebbw Vale to the south (offers good access to other manufacturing hubs in the UK including the west Midlands and sustaining their supply chains)

2 Hereford, Skylon, to the east (defence and security sector focus)

3 Haven Waterway to the south west

4 Snowdonia to the north (with Trawsfynydd as a hub for innovative low carbon technology enterprises and Snowdonia Aerospace Centre, forming part Wales' capability in Remotely Piloted Aircraft Systems (RPAS) with the possibility of hosting a proposed UK Spaceport)

5 Deeside also to the north hosts advanced manufacturing centres in aerospace, automotive and process engineering, electronic, pharmaceuticals, construction, food, paper and packaging and sustainable energy.

Surrounding economic regions and their approaches

In the north of Wales the *North Wales Economic Ambition Board* drives regeneration across the Isle of Anglesey, Conwy, Denbighshire, Gwynedd, Flintshire, and Wrexham and is developing linkages with the Dee Mersey Alliance and the Northern Powerhouse.

To the south of the region, two City Regions have been established and opportunities exist to develop links into these areas. *Swansea Bay City Region* covers all of South West Wales incorporating the areas of Swansea, Neath Port Talbot, Carmarthen, and Pembrokeshire. Among the key investment proposals here is the development of a Swansea Bay tidal lagoon project.

The Cardiff Capital Region includes all of South East Wales including Cardiff, Newport, Caerphilly, Bridgend, Torfaen, Blaenau Gwent, Merthyr Tydfil, Monmouthshire, Rhondda Cynon Taf, and the Vale of Glamorgan. Among the key investment proposals here is the iconic SE Wales Metro which will draw the region together and allow the region mobility in its skilled workforce to drive growth.

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The *Marches Local Enterprise Partnership* along the English border provides a focus for economic growth and regeneration in Shropshire, Telford & Wrekin, and Herefordshire. It is an important link for mid Wales to the Midlands Engine for Growth and the Northern Powerhouse areas.

Strengths

- World class HE research base
- Quality of life and environment
- Social Capital
- Agricultural economy
- Natural resources
- High employment
- Entrepreneurship culture
- Improving infrastructure including broadband and roads
- Available land
- Technical resources
- Adjacent industrial regions
- Heritage and culture
- Tourism offer

Weaknesses

- Poor infrastructure and access to market and services
- Population changes/ migration/ mobility of skilled workforce
- Smaller businesses predominate
- Low productivity and incomes
- Low population density leading to higher costs of living and services
- Lower qualified workforce
- Underemployment rather than unemployment
- Ageing workforce

Opportunities

- Innovation Spin Outs from HE
- Utilising the natural environment, agricultural products and landscape
- Strengthen Local Growth Zones as strategic hubs
- Developing east – west economic links through the Marches LEP and with enterprise zones
- Develop a regional skills business led approach to break low skills / low productivity cycle
- Growing the knowledge based economy

Threats

- Global economic slow-down and competition
- Lack of investment in Infrastructure
- Disconnect between skills and business needs
- Out-migration
- Lack of affordable housing
- Withdrawal and centralisation of services including shrinking public sector
- Competition from adjacent economic regions
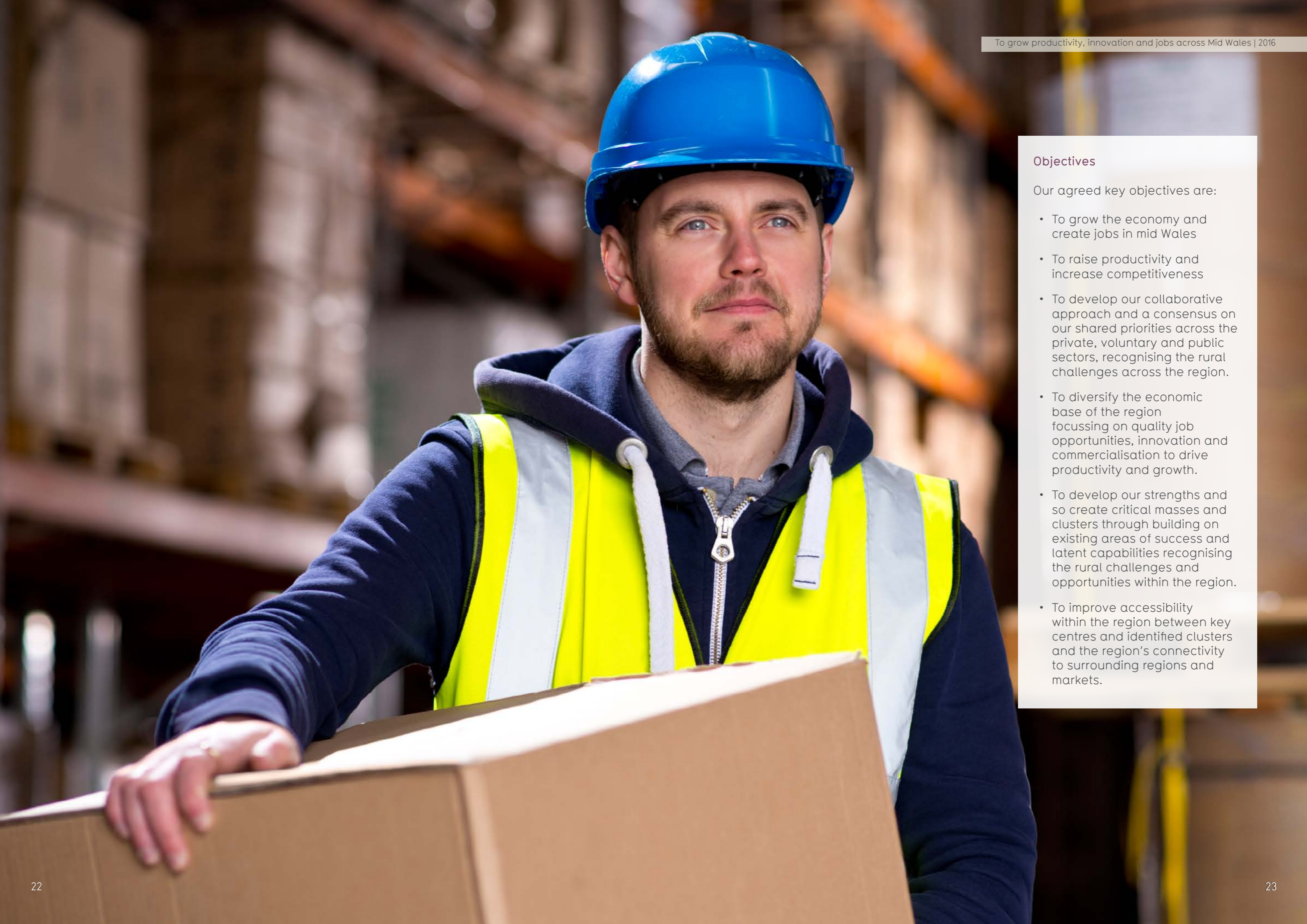
Objectives

Our agreed key objectives are:

- To grow the economy and create jobs in mid Wales

- To raise productivity and increase competitiveness

- To develop our collaborative approach and a consensus on our shared priorities across the private, voluntary and public sectors, recognising the rural challenges across the region.

- To diversify the economic base of the region focussing on quality job opportunities, innovation and commercialisation to drive productivity and growth.

- To develop our strengths and so create critical masses and clusters through building on existing areas of success and latent capabilities recognising the rural challenges and opportunities within the region.

- To improve accessibility within the region between key centres and identified clusters and the region's connectivity to surrounding regions and markets.

The Region's Significant Opportunities

We recognise that there are significant sector-based opportunities in the region which will inform how we deliver our key objectives. These lie across a number of key areas in our economy;

Maximising Business Growth

Ensuring that businesses are able to access resources and are encouraged to grow. Linking opportunities for investment from across Europe, globally and within Wales, aiming to provide the best possible outcomes for businesses and ensuring a joined up approach to support and service provision. Encouraging entrepreneurship through Business Wales and REAP (Regional Entrepreneurship Acceleration Programme).

Skills to raise productivity

Developing a regional skills system to deliver joined-up employment and skills that meets the needs of local employers and ensure access to apprenticeships. Fostering innovation and commercialisation through Aberystwyth University's nationally important research and innovation facilities in the region. Responding to our skills needs across the region through higher education, further education and other providers who are able to offer a diverse network of skills and training facilities and platforms. Addressing the challenges of our sparsely populated rural region in exploiting these opportunities:

- Ensuring access where there is business need

- Ensuring sustainability of the delivery so it's available when required, and

- Retaining these skills and the value of the investment in the region.

Energy and Environment

Developing renewable assets the region has the potential to become an important player in the production of renewable energy. This could also provide opportunities for developing low carbon industries alongside renewable energy.

Food and Farming

Building on the well-established production and processing capacity across the region with nationally important companies as well as one of the three Food Innovation Wales locations in the region at Food Centre Wales to develop short supply chains, adding value to products, encouraging product innovation, ensuring focus on quality, as well as exploiting links with tourism.

Accelerating our Digital Economy

Exploiting the digital economy and our regional assets in the manufacturing and education sectors as well as the wider development of a knowledge-based economy. Using it to open up the rural economy, helping to drive the two Local Growth Zones and providing fast business links to all parts of the region. Extending the reach of mobile telephony and the roll out of 4LTE technologies across the region.

Advanced Materials and Manufacturing

Building on the established manufacturing base within the region and our niche clusters and expertises. We have the significant potential to contribute to the overall success of the Welsh economy and support our regional strategy in a number of fields; key examples include supporting manufacturing excellence in the Severn Valley and fostering the development of downstream services and earth observation technologies highlighted in the Wales Space Sector Strategy.

Life Sciences

Supporting the development of existing businesses and commercialisation within the sector and building on the research and innovation excellence at Aberystwyth University in plant and animal science, biological, veterinary science, environmental and rural science. The Centres for Excellence in Rural Health and Social Care recently announced by the Mid Wales Health Collaborative which include the Centre for

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Excellence in Rural Health Research in Aberystwyth as well as the development of a Veterinary School located in Aberystwyth are important drivers for these opportunities.

Tourism

Reflecting the region's diverse rural landscapes and coastline there are opportunities for significant impacts on the regional economy. The national context sees increasing tourism spend by 10% by 2020. We need to increase the volume and value of tourism in this region which has the highest proportion employed in the sector. The destination management approach provides a way of achieving closer collaboration and fostering larger more strategic developments.

Our five key priorities for actions to achieve our objectives and exploit the region's opportunities are:

Priority 1
Diversifying the economic base

Priority 2
Supporting and strengthening existing businesses

Priority 3
Creating new quality job opportunities

Priority 4
### Developing workforce skills

Priority 5
Improving communications, accessibility and infrastructure

Priority 1 - Diversifying the economic base

- Encouraging inward investment
- Ensuring appropriate sites, buildings and services are available
- Access to flexible business support products
- Identifying opportunities to develop clusters to create critical masses for promotion and development :-
  - rural economy,
  - local culture and heritage,
  - natural environment including biodiversity, landscape, water, other natural resources and energy
- Promote interactions with centres of excellence, higher education and other research institutions including encouraging commercialisation of research and spin-outs
- Increasing research and development investment in businesses and in the numbers employed by businesses in identified key strategic sectors
- Identify strategic partners and develop economic links that benefit the Growing Mid Wales region
- Develop business linkages around existing assets in region including aerospace facilities and other assets with civilian and military training opportunities

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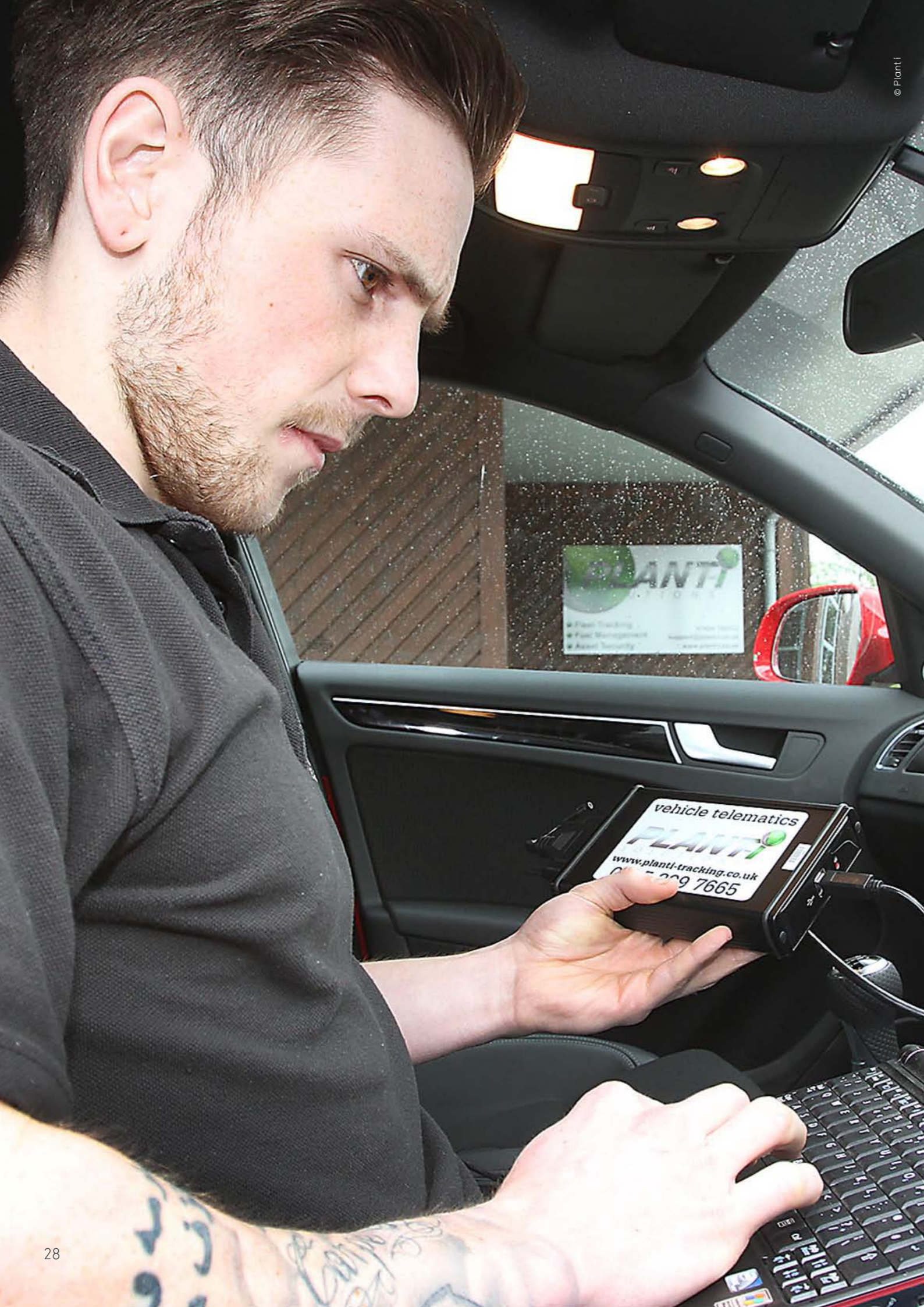
Priority *2* - Supporting and strengthening existing businesses

• Ensure access to flexible integrated business support products including encouraging access to new markets and breaking down barriers to exporting

• Ensuring appropriate sites, buildings and services are available to meet demand and address market failure

• Support local supply chain approaches

• Encourage digital inclusion and exploitation within businesses

• Recognise and support the visitor economy, destination marketing, attractions and events

• Increase in the number of low carbon and renewable energy projects that secure business and wider economic benefits, including supply chains for community and individual businesses

• Where practical, create simplified planning zones (through Local Development Orders)

Priority *3* - Creating new quality job opportunities

• Create high value jobs supported by private sector investment and growth

• Increase the number of businesses engaged and working with further education and higher education

• Fostering innovation and commercialisation in higher education and research centres

• Supporting spin-outs into inward investment opportunities, existing and new companies

• Enhancing and promote competitiveness, research, science and innovation, and enabling technology in existing businesses

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Priority 4 - Developing workforce skills

- Improving the skills of the current and future workforce and businesses to improve competitiveness and promote growth and ensuring young people entering the region's workforce will contribute to productivity:
  - National workplace basic skills training programme
  - Identify future workplace skills requirements
  - Provide relevant qualifications for businesses
  - Assess secondary schools employment outcomes
  - Introduce young enterprise schemes in secondary schools
  - Promote enterprise modules for all higher and further education students
  - Raise International PISA results.

- Ensuring workforce skills and skills training provision are aligned to the skills needs of businesses including increasing the number of young people taking up engineering apprenticeships and that opportunities, including appropriate Higher Level Apprenticeships, are available and accessible within the region

- Addressing identified barriers for those furthest from the labour market including learning and routes to employment

Priority 5 - Improving communications, accessibility and infrastructure

- To provide physical infrastructure that supports business opportunities and drives economic growth
- Investing in and protecting the natural, built and historic environment to support business growth
- Provide the processes that will encourage increased sustainable residential development
- Increasing superfast and ultra-fast broadband connectivity and opportunities for business to exploit the technology
- Encourage the provision of an improved mobile telephone network across the region
- Improving transport flow to provide good connectivity and improved journey times within the region
- Support the region's economy by improving road connectivity into the region and links into the major trunk road and motorway networks
- Improve strategic public transport links across the region

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