

# Strategic Economic Priorities for the Mid Wales Region

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Final Report

**Prepared for:**

Growing Mid Wales Partnership

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# 1. Introduction

This document presents the Strategic Economic Priorities for the Mid Wales Region that aim to deliver growth across the region over the next 15 years. It is a strategic document that outlines the priority programmes required to deliver sustainable economic growth, more productive jobs and support prosperous communities in Mid Wales by 2033.

The priorities, developed on behalf of the Growing Mid Wales Partnership, provide an inter-linked programme of activities that will improve economic outcomes across the region. It is intended as a living document that will be reviewed on a regular basis to guide future investment.

## About the Growing Mid Wales Partnership

The Growing Mid Wales Partnership comprises representative bodies and key stakeholders from across the private, public and voluntary sector in Mid Wales. It was established in 2015, “to progress jobs, growth and the wider economy within the Mid Wales region” through:

- Achieving improved economic outcomes across the region by working in partnership;
- Leading the region’s collaborative approach to economic development;
- Agreeing priorities for jobs and economic growth in the region; and
- Providing a strong voice for the predominantly rural regional economy in Mid Wales.

The membership of the Partnership is drawn from the public, private and voluntary sector including manufacturing, agriculture and tourism businesses, Higher and Further Education providers, Welsh Government, Ceredigion County Council and Powys County Council. These partners have come together to provide leadership and create a vision for growth in Mid Wales, as well as influence and champion the region’s future.

The Partnership’s priorities for growth are articulated in its Framework for Action. These priorities are built upon in this document, having gathered further evidence, undertaken extensive consultation with key stakeholders within the region and reviewed good practice from elsewhere. It outlines the priorities to achieve transformational economic growth and provides the basis for informing a potential Mid Wales Growth Deal with the Welsh and UK Governments.

## The Mid Wales Economy

Mid Wales is a large and predominantly rural region comprising the Local Authority areas of Powys and Ceredigion. It accounts for 39% of the land mass of Wales but only around 7% of the Welsh population. The region has a strong cultural heritage and a high proportion of Welsh speakers. It is a region known for its natural beauty and remoteness in areas such as the Brecon Beacons National Park and the Cambrian Mountains.

### Population, housing and deprivation

In 2016<sup>1</sup>, Mid Wales had an estimated population of 206,000 with population growth rates since 2001 showing a noticeably different trend between Powys (+4.7%) and Ceredigion (-2.1%). The sheer scale of Mid Wales means that population densities are very low. The region's age profile is dominated by residents aged 45 years and over, driven by the inward migration of older residents attracted by the area's high quality of life. Younger Mid Wales residents tend to leave the region seeking education and employment opportunities. Population projections<sup>2</sup> estimate a 16% decline in the working age population and 37% increase in the 65 and over age group in Mid Wales between 2014 and 2039. This trend is likely to result in a reduction in the region's workforce over the next 15 years.

#### Housing

Access to good quality affordable housing and home ownership is a particular issue for residents in Mid Wales. In many parts of the region house prices exceed national averages and, in relation to average wages, are less affordable compared to Wales as a whole. High levels of second home ownership, driven by housing affordability relative to other regions and the high quality of life Mid Wales offers, exacerbate the issues within the local housing market. Other challenges affect housing availability. Skills shortages in the local construction industry and the absence of volume developer interest in building houses in Mid Wales leads to relatively low levels of new housing being developed.

#### Deprivation

The Mid Wales region has a comparatively low level of deprivation<sup>3</sup> when measured with the Welsh Index of Multiple Deprivation (WIMD), with Powys being the second least deprived Local Authority area in Wales. Statistical measures do not tend to capture the true nature of rural disadvantage however. Poverty in Mid Wales is variable, often hidden, and is related to the rurality and demographics of the region. In rural areas such as Mid Wales deprived people tend to be more geographically dispersed than in urban areas and as a consequence often submerged by larger less deprived populations, making the WIMD unable to identify 'high concentrations' of deprivation. It is therefore more useful to consider the WIMD sub-indicators and other relevant sources of data which highlight high levels of deprivation in many towns and issues relating to access to services, isolation and fuel poverty across the region:

- Mid Wales has two Lower Super Output Area (LSOA) in the worst 10% among Wales overall
- Looking at the Overall Index, 3.2% of LSOAs in Mid Wales are now among the worst 20% of LSOAs in Wales in 2014
- 61.6% of LSOAs in Mid Wales among the worst 20% of LSOAs for Access to Services in Wales in 2014
- Mid Wales has two Lower Super Output Area (LSOA) in the worst 10% among Wales overall – Ystradgynlais and Aberteifi/Cardigan
- Nearly a fifth (19.2%) of LSOAs in Mid Wales are among the worst 20% of LSOAs for Housing in Wales in 2014.

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<sup>1</sup> Source: 2016 Mid-Year Population estimates, ONS

<sup>2</sup> Source: 2014-based local authority population projections for Wales, Welsh Government

<sup>3</sup> Source: 2014 Welsh Index of Multiple Deprivation, 2014, Welsh Government

## Skills and economy

### Learning, skills and qualifications

Mid Wales performs well in terms of educational attainment with levels of achievement at GCSE level exceeding the Welsh average. The proportion of young people Not in Employment Education or Training (NEET) is low whilst working age qualification levels are also encouraging, exceeding the Welsh average in Powys and increasing steadily over recent years. Claims for out of work benefits are also low with just 0.6% of the region's working age population claiming Jobseeker's Allowance<sup>4</sup>.

Despite these strengths, the Regional Learning and Skills Partnership reports that skills gaps and recruitment difficulties are commonplace amongst Mid Wales employers. Apprenticeship numbers are decreasing and further education delivery is challenged by the rural nature of the region. At the same time employer investment in training is relatively low, possibly reflecting the high proportion of small and medium sized enterprises (SMEs).

### Economy

Mid Wales faces a significant productivity challenge. The region's total gross value added (GVA), a measure of the value of goods and services produced in an area, is amongst the lowest in the UK and experienced a 1.5% decrease in 2017 and 2.9% decrease in total 'real' GVA<sup>5</sup>. GVA per hour worked, which takes account of the region's workforce, further demonstrates this with Powys lagging behind the rest of Wales and the UK at 65% of UK average and in decline. The drivers of these trends are complex and include seasonal employment and the presence of low value added sectors across the region. Despite this, Mid Wales possesses a number of sectoral strengths that could drive future economic growth. These include:

- Tourism – the Welsh Government's Strategy for Tourism and The Wales Way initiative highlight the potential of the sector and aspirations to achieve 10% growth in tourism value in Wales by 2020. Opportunities exist to build upon the region's natural assets in order to diversify and increase the value of the region's tourism sector.
- Manufacturing – over 6,600 people are employed in the manufacturing sector in Mid Wales, half of which are within the advanced manufacturing sector. The region has niche areas of manufacturing expertise such as automation and motion engineering, linked to key companies such as Nidec Control Techniques and Invertek Drives. The life sciences are also a strength with the presence of companies including Protherics UK Ltd, Cellpath and Aber Instruments.
- Agriculture and the land based economy – this sector is of paramount importance to the Mid Wales economy, employing over 58,000 people and being instrumental to the region's culture and communities. The sector faces significant challenges and uncertainty as a result of BREXIT. Opportunities exist to diversify and add value to the agricultural sector by continuing to support diversification; adding value to agricultural produce; and exploiting the research and development strengths of Aberystwyth University and Food Centre Wales.
- Defence and security – Mid Wales is an important location for UK defence operations, capitalising on the region's remoteness and secure sites. The region is home to pioneering defence-related activity, with segregated airspace for Remotely Piloted Aircraft Systems (RPAS) off the coast of West Wales. Furthermore, the area is home to advanced manufacturing activity linked to defence and security. It also has academic strengths that provide opportunities to secure Mid Wales' place as a centre of the defence and security industry.
- Foundation sectors – based on the long term demographics of the region, the importance of the foundation economy will grow significantly. The ageing population will likely place increasing pressure on service delivery in the social and healthcare sectors. However, this trend also presents real opportunities to demonstrate positive approaches to service delivery challenges and as a means of harnessing the skills and experience of the older generation within Mid Wales.

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<sup>4</sup> Source: NOMIS, ONS, April 2018

<sup>5</sup> Source: ONS, December 2018

## Infrastructure

### Transport

Transport infrastructure in Mid Wales comprises a network of single carriageway A and B roads characterised by slow journey times and a lack of alternative routes. Congestion occurs at key junctions and through the region's main settlements. Investment in key routes such as the A483/A489 Newtown Bypass and the A487 Dyfi Bridge north of Machynlleth will help improve the resilience of Mid Wales' road network.

Rail links in Mid Wales are characterised by low service frequency, slow line speeds and limited direct services to major UK cities with the only regular principal service being the two hourly Aberystwyth to Birmingham International through services.

### Digital connectivity

Digital connectivity is an essential part of modern life, influencing how individuals work, communicate and access services. Levels of digital connectivity in Mid Wales lag behind other regions. Fixed line superfast broadband is available to 79.3% of premises in Powys and 78.1% in Ceredigion which are ranked 405 and 408 respectively out of 418 Local Authorities nationally for fixed line superfast broadband coverage. Poor digital connectivity will increasingly act as a barrier to economic growth and business performance without continued investment.

Mobile network coverage is also a constraint on the Mid Wales economy. Around 1.3% of the UK receives no 3G coverage compared to 8.4% of properties in Powys and 7.8% in Ceredigion. 4G coverage provides a similar picture, with over half of properties in Ceredigion and a quarter in Powys lacking coverage.

Access to mobile and broadband communications and the next generation of technology will increase in importance over the next fifteen years as demands for full web access and greater bandwidth accelerate both in premises and on the move.

### Employment Sites & Premises

Ensuring the right supply and location of employment land and premises to meet business needs is a vital component of supporting the competitiveness of the economy. It helps to provide the conditions to support business start-ups, the growth of indigenous companies and attract inward investment.

The employment sites and premises market in Mid Wales differs from adjacent regions. The majority of demand is from businesses already established in the region. There are significant geographic variations with sub-market areas such as Aberystwyth and the Severn Valley experiencing higher demand and an identified gap in serviced sites. This compares to more remote rural locations, some of which have seen little or no development take place over recent years. There is also a lack of availability and investment in modern employment premises across the region with low levels of speculative development.

There is a need for a long term targeted programme of investment in employment sites and premises to support future economic growth in the region, help address issues of market failure and enable private sector investment.

### Energy

Mid Wales is well placed to deliver on Wales' ambition to capture the opportunities associated with the low carbon economy and clean growth. Total renewable electricity generation stood at 653.2 GWh in Mid Wales in 2016<sup>6</sup>, driven by onshore wind and the hydro power generation. The region possesses a large number of individual renewable generation sites (6,010 across Mid Wales), primarily for solar photovoltaics. However, grid capacity in Mid Wales is a significant constraint to future growth. Access to the energy network for domestic customers is restricted whilst the significant cost associated with grid reinforcements has held back further investment.

Mid Wales also faces challenges in terms of fuel poverty. 17% and 14% of households in Ceredigion and Powys respectively live in fuel poverty with extreme levels of poverty being found in areas such as Llangeitho, Aberystwyth and Cardigan. High levels of fuel poverty are also found particularly in the north of Powys.

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<sup>6</sup> Source: Department for Business, Energy & Industrial Strategy Renewable electricity generation: (MWh) at Local Authority Level – 2016

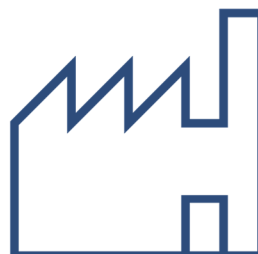
## Summary

The following strengths, weaknesses, opportunities and threats have been identified through the development of the Strategic Economic Priorities for the Mid Wales Region:

### Strengths & Opportunities



Mid Wales has a population of 206,000, approximately 6.6% of the Welsh population



Mid Wales has significant sectoral strengths in agriculture, food, tourism, manufacturing and defence



The region's remote landscapes, natural coastline and cultural heritage attracted 7.25 million visitors in 2016



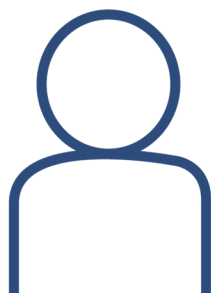
Mid Wales is home to two universities

## £3.5bn

The Mid Wales economy generates £3.5 billion in Gross Value Added

## 95%

Aberystwyth University has 95% of research of internationally recognised standard or higher



Just 0.6% of the working age population claim Jobseeker's Allowance, lower than the UK average (1.1%)

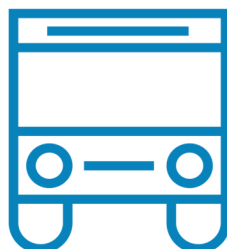


- In 2017 Mid Wales had the lowest levels of NEETs amongst all Local Authorities in Wales
- Attainment at Level 2 including English/ Welsh and Maths is 7.5% points above the Welsh average

## Challenges & Weaknesses

**£16,910**

GVA per head stands at £16,910. This is £9,268 lower than the UK figure. GVA per hour worked in both Powys and Ceredigion is lower than any other Welsh Local Authorities



The region's transport network is constrained by slow journey speeds, infrequent services and long distances from major urban centres



**20.3%**

2017 4G coverage for Mid Wales was 20.3%. The UK average was 85.1%

The proportion of the working age population for Mid Wales fell 3% between 2011 and 2017 resulting in a declining workforce

**1,260**

In the year to June 2016 the 20-24 age category had the largest net outflow of residents with 1,260. This is indicative of a loss of graduate talent post-graduation

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The economic development requirements of Mid Wales differ to those of other regions. In particular, there is a need for high quality B1 settings

JLL, 2015

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79.3% of premises in Powys and 78.1% in Ceredigion have fixed line Super Fast Broadband. The UK average is 95%



## 2. A Vision for Mid Wales

The Strategic Economic Priorities for the Mid Wales Region have been developed by the Growing Mid Wales Partnership in conjunction with key stakeholders from the public, private and voluntary sectors. The vision has been produced following extensive consultation and will only be delivered by effective partnership working across the region and with strong private sector involvement.

The priorities in this document will support the delivery of the UK and Welsh Government's aspirations for economic growth, as outlined in the UK Industrial Strategy and Welsh Government's Economic Action Plan 'Prosperity for All'. It will also underpin Mid Wales' ambition to secure a Growth Deal that can drive economic growth across the region and contribute to the delivery of key objectives set out in the Well-being of Future Generations (Wales) Act 2015. Various funding streams, including private sector contributions, will be sought to deliver the aspirations and priority interventions identified.

### The Vision for Mid Wales

By 2033, Mid Wales will be:

*"An enterprising and distinctive region delivering economic growth driven by innovation, skills, connectivity and more productive jobs supporting prosperous and bilingual communities"*

Through collaborative and integrated working we will build on our unique assets to ensure that the region's economy is recognised by the following characteristics:

- **Enterprising** – Mid Wales will be a region that builds on its entrepreneurship to provide the foundations for productivity gains. It will develop new enterprises, support existing businesses that have an appetite for growth and attract new businesses and investment to Mid Wales.
- **Distinctive** – Mid Wales will be considered a distinctive region in Wales. It is a predominantly rural area with a unique natural environment and cultural heritage, offering a high quality of life for its residents and has economic strengths in areas such as agri-tech and defence that are unique in Wales. The region also has the potential to be an exemplar for decarbonisation and clean growth in the UK.
- **Skills** – Mid Wales will build on its academic strengths to develop a skilled workforce that meets the demands of the local economy, ensuring local residents can be retained in the region and exploit available opportunities.
- **Innovation** – Mid Wales will act as the test bed for innovation, new products and processes initially based around existing expertise in the agri-food, land-based industry, low carbon energy, manufacturing and defence sectors.
- **Connectivity** – Mid Wales will have improved transport, energy and digital infrastructure, ensuring access to markets for goods and services. Investment in transport infrastructure and services will address pinch points, improve journey times and frequency. Enhanced energy and digital connectivity will support the establishment of new businesses, increase the efficiency of Mid Wales' existing business base and improve access to services.
- **More productive jobs** – Mid Wales will create the conditions to support businesses to generate increased numbers of more productive employment opportunities. Better quality and higher paid jobs will be prioritised. Total productivity will improve, increasing the disposable income of Mid Wales' residents whilst helping to deliver inclusive economic growth.
- **Prosperous communities** – The benefits of economic growth will wherever possible be retained within the region. Opportunities for wealth and employment generation will be accessible to Mid Wales' residents and will be spread equitably across the region.

The vision is delivered via the following inter-linked objectives and programmes:



## Objective 1: An Innovative and Skilled Mid Wales

This objective emphasises the importance of building on the key innovation and skills assets of Mid Wales. It will generate economic growth, ensure the region's communities become more prosperous and residents have the skills to access jobs in the future. Ensuring the labour force and supply of skills matches those demanded by businesses, both now and in the future, is vitally important for developing sustainable communities and securing inclusive economic growth.

The importance of innovation and skills is emphasised in Welsh Government's Economic Action Plan. The Plan identifies the 'engine' of economic growth and social progress as research, innovation and the development of the right skills for a changing world. This objective includes programmes of investment that build on the research and development strengths of the region's key employers, growth sectors and academic institutions. It is essential to ensure that this innovation develops new business opportunities, products, services, skills and generates higher value jobs. The objective also includes the establishment of a dedicated and evidence-based skills system for Mid Wales which responds to the needs of employers.

## Programmes

### 1.1 Skills and Workforce

Increasing skills levels is a key focus within the UK Government's Industrial Strategy. A skilled workforce is crucial for companies' ability to put innovative ideas into practice and increase productivity. Focus has traditionally been on high-level skills, but intermediate-skilled technicians and wider workforce skills are also essential<sup>7</sup>. The skills issues facing Mid Wales are complex. Research by the Regional Learning and Skills Partnership shows that businesses in the region's priority sectors are reporting skills gaps and recruitment difficulties.

The region's labour force is declining. This may lead to further challenges around the volume of available skills to meet business requirements as well as potential mismatches between supply and demand. Interventions to deliver a skilled Mid Wales will help ensure the region has a skills system that is evidence-based and responsive to the needs of employers. It will inform provision from Key Stage 4 through to Higher Education, providing clear career pathways for young people. The Skills Programme will build on the region's strong academic performance at school age, seek to reverse the out migration of young and highly skilled residents and recognise the unique challenges of delivery across a predominantly rural region. It will also recognise that interventions need to complement, rather than duplicate, emerging changes to employment and skills support.

<sup>7</sup> Source: Workforce skills at all levels boost innovation and productivity. ESRC evidence briefing. January 2018.

## 1.2 Innovation

Innovation is central to the Growing Mid Wales Partnership's ambition to deliver economic growth, more productive jobs and prosperous communities. Innovation is a tool for building on the region's key assets to develop new goods and services, promote entrepreneurship, internationalise the region's economy and improve long term economic prospects. Innovation has the potential to improve the productivity performance of Mid Wales, catalyse growth in 'better' jobs, help to address some of the challenges associated with an ageing population and promote economic growth in a rural region.

Innovation is at the heart of addressing the Grand Challenges outlined in the UK Government's Industrial Strategy<sup>8</sup> and is a key theme of the Welsh Government's Economic Action Plan. Opportunities exist in Mid Wales to promote further innovation in key sectors such as agriculture and food, defence, veterinary science, low carbon technology and manufacturing. Investment is needed to support collaboration between Universities, businesses and other stakeholders to promote the commercialisation of research into Mid Wales' key sectors.

## Objective 2: A Competitive and Sustainable Mid Wales

Mid Wales' physical, business and natural assets provide a competitive and sustainable environment for business growth. The Strategic Economic Priorities look to capitalise on the key opportunities available across the region and the innovation being delivered by businesses and academic institutions in areas of the economy where Mid Wales has evident strengths. These include the manufacturing, agriculture, defence, tourism and foundation sectors of the economy.

This objective fits closely with the UK Industrial Strategy by focusing on establishing the right conditions to start and grow a business, responding to the Grand Challenges including clean growth and an ageing society, and potentially contributing to the life sciences and artificial intelligence sector deals. It also provides a strong contribution to the Welsh Government's Prosperity for All, Economic Action Plan through its focus on the foundation economy including the tourism, food, retail and care sectors.

## Programmes

### 2.1 Property

Ensuring the right supply and location of employment land and commercial premises to meet business needs is available is a vital component of supporting the growth and sustainability of the regional economy. An analysis and understanding of the employment sites and premises property market is essential to ensure a strategic and planned approach to supporting future provision. There is an under supply of employment land and premises in key locations, with little private sector development activity due to market failure and viability challenges. Ageing commercial stock is also prevalent and there is a lack of good quality premises for smaller businesses. The Property Programme will focus on the provision of a phased, prioritized investment programme for employment sites and premises across the region to support economic growth. This should include mechanisms to address site constraints and issues of market failure, and financial measures to support and deliver new investment in employment sites and premises.

These will be identified through the provision of region-wide intelligence on the supply and demand of sites and premises, building on the initial work undertaken in the baseline analysis which supports the Strategic Economic Priorities for the Mid Wales Region.

The Property Programme also includes investment to support housing delivery by accelerating completions and making additional contributions towards increasing the supply of affordable homes. Financial assistance will be important to help overcome viability issues in many areas by, for example, helping to address site infrastructure provision and development constraints.

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<sup>8</sup> Source: Industrial Strategy. Building a future fit for the future. HM Government. The four Grand Challenges are 1. Putting the UK at the forefront of the artificial intelligence and data revolution. 2. Maximise the advantages for UK industry for UK industry from the global shift to clean growth. 3. Become a world leader in shaping the future of mobility. 4. Harness the power of innovation to harness the needs of an ageing population.

## 2.2 Business

Businesses are at the heart of the Strategic Economic Priorities for the Mid Wales Region and have shaped its priority programmes. It focuses on investment to deliver the infrastructure and initiatives that will enable and support business growth. The private sector has been central to the priorities within this document as they will provide the employment and productivity that will drive Mid Wales' contribution to both UK and Welsh economic growth.

The Mid Wales economy faces a significant productivity challenge. In comparison to other regional economies Mid Wales has a much higher share of small and micro businesses. Relatively low levels of productivity suggest there is a need to improve the performance of existing businesses whilst also seeking to attract more productive businesses to the region.

A dedicated Mid Wales approach to business growth is required over the next fifteen years. This approach is targeted on financial and wider support to businesses with a view to exploiting the region's sectoral strengths. Interventions include an enhanced business support package and the potential of a multi-site Mid Wales enterprise zone. Improved digital infrastructure will provide a significant opportunity to grow and attract new enterprise while opportunities for agricultural diversification and the development of supply chains will be crucial for the regional economy.

## 2.3 Energy

Investment in low carbon energy generation and distribution provides a significant opportunity to support economic growth and diversification in Mid Wales. Currently this is hampered by an underpowered transmission and distribution network. Investment in grid infrastructure to increase capacity is critical to support long term growth.

The region is well placed to capitalise on low carbon opportunities and manage the transition towards a low carbon future and clean growth. There is considerable expertise in this field across the private, voluntary and public sectors notably the Centre for Alternative Technology and Aberystwyth University. Investment in a programme of low carbon energy generation for heat and power from a range of sources that can be integrated into future growth plans has the potential to realise significant economic and community benefits to the region.

The Energy Programme strongly complements the Business and Skills Programmes with opportunities to maximise the potential of agricultural waste to energy, alongside investment to support small scale renewables, diversification of land based industries, research and development, training and the creation of new enterprises.

## Objective 3: A Connected and Distinctive Mid Wales

This objective focuses on investment priorities to ensure Mid Wales is connected, both internally and externally, by modern and fit-for-purpose infrastructure. Modern and resilient infrastructure is critical in delivering the vision for Mid Wales and the economic priorities of the region. It facilitates the movement of freight; connects communities to education and employment opportunities; links rural communities; and enables access to services. Ensuring Mid Wales is adequately connected will therefore contribute to delivering the goals of both the Well-being of Future Generations (Wales) Act and Welsh Government's Prosperity for All, Economic Action Plan.

### Programmes

#### 3.1 Digital

UK Government's Digital Strategy<sup>9</sup> highlights the importance of digital connectivity to the UK economy and global competitiveness. Sectors as diverse as retail, tourism, agriculture and defence can all benefit from fast digital connectivity leading to productivity gains, innovation and improved access to services and markets. Engagement with stakeholders has highlighted the need to prioritise investment in the region's digital infrastructure if Mid Wales is to truly compete with other regions and capitalise on new economic opportunities. The importance of fast and stable digital communications will only increase up to 2033 and will support efficiency in all sectors of the economy.

#### 3.2 Place

The size and rural nature of Mid Wales already means it is a distinctive area of Wales. The Strategic Economic Priorities for the Mid Wales Region recognises this and focusses on further building a stand-alone region that delivers growth for its settlements, residents and businesses.

There are opportunities to improve the promotion of Mid Wales externally both as a visitor destination and to attract inward investment. These include co-ordinated place marketing building on existing strategic initiatives such as The Wales Way; encouraging investment in transformational opportunities and locations such as Ceredigion's coastline; and the region's existing programme of events and opportunities to stimulate investment in Mid Wales' network of market towns and visitor destinations.

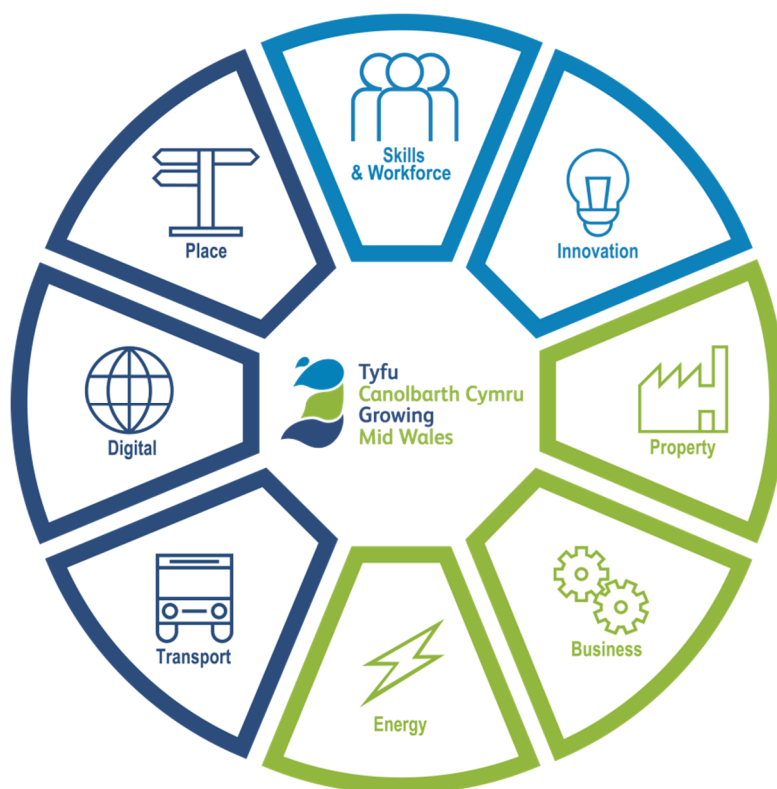
#### 3.3 Transport

The size, remoteness and dispersed pattern of settlements in Mid Wales challenge both the transport of goods and people. Investment in major schemes such as the Newtown Bypass will improve the resilience of Mid Wales' road network whilst the new rail franchise will deliver service and infrastructure improvements. However, further investment is needed to address fundamental transport issues that constrain movement around the region.

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<sup>9</sup> Source: Department for Media, Culture and Sport, 2017

## 3. Priority Programmes



### Objective 1: An Innovative and Skilled Mid Wales

#### Programme 1.1: Skills and Workforce



Mid Wales has a highly qualified and skilled workforce. School-age attainment in Mid Wales exceeds the Welsh average. A higher proportion of the working age population are qualified to degree level compared to the national average while unemployment is at historically low levels. These strengths provide Mid Wales with the foundations for growth.

Mid Wales also faces challenges related to the uniqueness of the region. The region has a low and declining workforce emphasising the need to retain and attract economically active people to Mid Wales. The region's universities provide a pipeline of talented and skilled young people but there are opportunities to increase the number of graduates finding employment in Mid Wales. The scale of Mid Wales and its dispersed population challenge the delivery of education provision whilst skills and recruitment challenges currently exist in the following areas<sup>10</sup>:

- Advanced materials manufacturing and energy – Recruitment difficulties focused on key occupations such as engineers, welders, CAD/drawing office roles and electro-technical.
- Agriculture, food and farming – The potential impact of Brexit, combined with the seasonality of agricultural employment, could lead to skills shortages. Shortages of vets, dairy technicians, scientists and micro-biologists have also been identified in developing this document.
- Tourism and leisure – Recruitment difficulties exist for chefs, catering roles, cleaning and housekeeping roles and maintenance.

<sup>10</sup> Source: South West and Mid Wales Regional Learning and Skills Partnership

- Health and social care – Staff retention is a particular problem for employers in the sector while recruitment difficulties exist for care support workers, nurses, domiciliary care staff and kitchen/cleaning staff.

Mid Wales' businesses are less likely to arrange training for their workforce and more likely to report hard to fill vacancies compared with employers in other regions of Wales<sup>11</sup>. Over half of local employers also report that young entrants to the labour market are not considered ready for work<sup>12</sup>. The nature of work and demand for skills is changing and will continue to do so over the 15 year lifespan of the priorities in this document. One in three jobs in Wales<sup>13</sup> is at risk from automation by early 2030 with lower skilled jobs being most at risk. At the same time automation, digital technology and more flexible ways of working generate opportunities for growth in areas that offer high quality of life such as Mid Wales.

A dedicated, evidence based skills system for Mid Wales is required to address these challenges. A system is needed that responds to the skills needs of both current and future employers to support economic growth. It would inform education and skills provision from Key Stage 4 through to Higher Education by identifying and addressing gaps in existing skills and employment support provision to meet the needs of employers.

Further action is needed to address the workforce challenges faced by the Mid Wales economy. The region experiences a net loss of 1,000 working age residents per year<sup>14</sup>, primarily to pursue education and employment opportunities not currently available in the region. Sector based 'Centres of Excellence' in partnership with industry that address the skills needs of priority sectors (manufacturing; agriculture and food; and foundation sectors) and future areas of growth, such as the transition to a low carbon economy, would help to address this issue. Links between education providers and employers should also be strengthened via a Mid Wales employer pledge. An employer pledge would encourage businesses in Mid Wales to support young people by attending careers fairs, school engagement events and offering work experience. Links between employers to Further and Higher Education providers should also be prioritised to encourage the uptake of apprenticeships and placements as well as employment opportunities once residents leave education.

Priorities for action in Mid Wales include:

Priority	Intervention
Transformational priorities	<ul style="list-style-type: none"> <li>• An evidence based skills system for Mid Wales</li> </ul>
High priorities	<ul style="list-style-type: none"> <li>• University centres in Mid Wales</li> </ul>
Supporting priorities	<ul style="list-style-type: none"> <li>• A Mid Wales employer pledge</li> <li>• New and alternative approaches to skills delivery</li> </ul>

<sup>11</sup> UK Commission's Employer Skills Survey (UKCESS) 2015

<sup>12</sup> Source: Regional Learning and Skills Partnership, Mid Wales Annual Report, 2018.

<sup>13</sup> The Impact of AI in UK Constituencies: Where will automation hit hardest? Future Advocacy, 2017

<sup>14</sup> Source: Mid-Year population estimates, ONS



## Programme 1.2: Innovation



Mid Wales contributes approximately 6% of the Gross Value Added (GVA) generated by the Welsh economy, a proportion that has remained constant over almost the last twenty years and declined by 1.5% between 2016 and 2017<sup>15</sup>. GVA per hour worked is amongst the lowest in the UK. GVA per head in Mid Wales is increasing but only in line with the Welsh average, which isn't keeping track with the GVA per head at a UK level. The factors associated with low levels of GVA performance are complex and varied. However, the reliance on sectors such as tourism and agriculture which are typically seasonable and currently low value added sectors are key drivers.

The implications of a low value added economy are wide ranging. They impact on the region's prosperity and wage levels with average earnings being below both the UK and Welsh averages. In turn this leads to problems of housing affordability; increased out migration of young skilled people in search of well-paid employment and pockets of rural deprivation. Increasing productivity in the Mid Wales economy will require a step change in performance, building on its key economic assets and academic strengths to become a more productive and innovative area of Wales. The UK Government's Industrial Strategy highlights the role of innovation in a modern economy, achieved by capitalising on the UK's research and development capabilities to improve productivity and enhance competitiveness. Mid Wales has a number of R&D and sectoral strengths that can help to drive innovation and regional productivity. These include:

**Agri-tech and bioscience** – Mid Wales has leading research and development expertise in the agri-tech and bioscience sectors with world leading research centres such as the Institute of Biological, Environmental and Rural Sciences (IBERS). Opportunities to further exploit the research strengths of the region's agri-tech and bioscience sector exist. An **Agricultural Innovation Centre** would help to develop new products and processes to facilitate farm diversification; exploit digital technologies and data analytics and address the skills needs of existing and emerging businesses within Mid Wales' agri-tech and food sector.

**Veterinary science** – Mid Wales has existing strengths in veterinary science via the Wales Veterinary Science Centre and the £4.2m Vet Hub development. Further investment in veterinary science is needed and Mid Wales is ideally placed to become a leader in providing services to the agricultural sector and training the next generation of vets, thereby addressing a UK wide challenge of recruiting and retaining vets. An **Animal Health Campus** would therefore promote innovation and address critical skills shortages within this vitally important agricultural sector.

**Radio Spectrum** – Mid Wales is an important location for UK defence operations, offering segregated airspace for Remotely Piloted Aircraft Systems (RPAS) off the coast of West Wales. A **National Spectrum Innovation, Engineering and Experimentation Centre (N-SIEEC)** offers the potential to promote innovation, develop new products and applications, supporting resilience, integrity and security to place Mid Wales at the centre of UK Government's Spectrum Strategy. The potential applications of Spectrum technology into Mid Wales' key sectors are wide ranging. They include the defence and security sector, the use of robotics, drones and smart machinery in agriculture. Spectrum developments also provide opportunities to develop an **Unmanned Aerial Vehicle and Drone Centre of Excellence** with an associated programme of funded research and development.

**Manufacturing** – Mid Wales has a significant manufacturing presence with over 6,600 people employed in the sector. The region is home to key manufacturing businesses, with niches in food production, automation and motion, engineering, and emerging technologies such as hydrogen powered vehicles. The sector is experiencing recruitment difficulties whilst Industry 4.0 and automation are changing the skills needs of the sector and increasing competition. Ensuring the region's manufacturing sector continues to innovate and address future skills needs is critical if it is to remain competitive.

Building on the academic strengths and sectoral strengths of Mid Wales is crucially important for driving innovation and economic growth. The University of Wales Trinity St David's for example runs the Manufacturing for Advanced Design Engineering (MADE) programme across its campuses. Delivered by its Centre for Advanced Batch Manufacture, the programme is tailor-made to support manufacturing companies to plug into the power of disruptive technologies, in order to boost their productivity.

<sup>15</sup> Source: ONS December 2018



Mid Wales recognises the importance of encouraging entrepreneurship and innovation within its residents and businesses. A network of enterprise and innovation centres will provide the facilities and support services to encourage business start-ups and entrepreneurship, innovation, building on the successful **Gigabit Hubs** model developed in rural Ireland. The hubs offer high speed digital connectivity and collaborative workspaces. They have been shown to help attract highly skilled people, encouraging start-ups and inward investment. Co-working space has been shown to foster innovation and collaboration among client companies. Innovation will be further promoted by the development of a **Mid Wales equity innovation fund and ideas bank** to match investors with individuals and businesses that have innovative early stage products and ideas which could generate future economic growth and jobs creation.

Prioritising actions focused on innovation will help to improve Mid Wales' economic performance, build on the sectoral and research and development strengths of the region, and strengthen Mid Wales' identity as a regionally competitive and clean growth economy. Priorities for action in Mid Wales include:

Priority	Intervention
Transformational priorities	<ul style="list-style-type: none"> <li>• Packages of investment in strategic sector based opportunities for growth including:               <ul style="list-style-type: none"> <li>– Radio spectrum;</li> <li>– Unmanned aerial vehicles;</li> <li>– Manufacturing;</li> <li>– Agriculture and the bio-economy; and</li> <li>– Hydrogen economy.</li> </ul> </li> </ul>
High priorities	<ul style="list-style-type: none"> <li>• Enterprise and innovation centres (Gigabit Hubs) in key settlements.</li> </ul>
Supporting priorities	<ul style="list-style-type: none"> <li>• A Mid Wales innovation fund and ideas bank.</li> </ul>

## Objective 2: A Competitive and Sustainable Mid Wales

### Programme 2.1: Property



Having an appropriate supply of land and property for businesses to invest and grow has been a central issue raised throughout the development of this document. Evidence suggests that the lack of modern building stock is partly due to market failure in the development of sites and premises by the private sector as the cost of building is often greater than its value at completion.

Welsh Government has been the main developer of employment premises in most of the region. However, its focus has been on the development of larger and more bespoke premises for higher end users. This leaves a gap in new provision in the lower end and middle of the market. Further to this there are specific examples of companies choosing alternative locations due to a lack of suitable land or premises to allow them to expand their existing operations in Mid Wales. Business and wider stakeholder feedback reported a limited supply of start-up and smaller premises which fits with the wider evidence base.

Information on the supply and demand of employment land is currently limited and restricts the development of a more strategic approach to targeting investment. Further market assessment is needed to establish a source of reliable information on the availability of land and premises and future pipeline that captures information across the region. There is also a need for a centralised service to manage and co-ordinate enquiries relating to new investment and existing business requirements.

The region experiences wide geographic variations in the performance of its commercial property market. Existing employment land allocations have been largely built out in areas of high demand, such as the Severn Valley, and as a consequence new land allocations will need to be considered. Greater flexibility is needed in the use of the planning system to support the expansion of existing high demand sites and encourage changes in use from agricultural to commercial premises to support diversification.

On the supply side there is still little or no significant private sector investment in Mid Wales. There is a need to focus upon capacity building and, in the absence of a private sector lead, the public sector should incentivise development or directly deliver sites and premises. This requires a change in policy at Welsh and local government levels to support intervention in the market. This should include the use of existing and **new funding programmes to encourage more speculative development which would include funding for infrastructure** to deliver access and utilities for new sites and direct investment to develop lease and freehold options. Investment should be focused on areas of demand rather than being dispersed across the region, linking to the need for the potential designation of a multi-site Enterprise Zone and associated incentives – this would tie in with the sites and premises investment package to offer a more comprehensive range of measures.

The Mid Wales housing market is characterised by similar issues to the commercial and industrial property market and there are wide geographic variations in performance across the region. New housing completions have increased in the recent short term but new activity in the region is limited. Housing delivery is restricted for a variety of reasons including a lack of available development finance, mortgage availability, a skills shortage in the local development industry and the absence of a volume developer.

Mid Wales has seen house prices increase over the recent short term – up 4.9% in Ceredigion the year to December 2017 and an increase of 1.4% in Powys over the same period. House prices exceed national averages and, in relation to average wages, are less affordable in Mid Wales compared to Wales and the UK.

At the same time the region has high levels of second home ownership, driven by housing affordability relative to other areas and the high quality of life Mid Wales offers. This is a critical issue to address if younger age groups are to be retained in the region. Action is required to increase the overall supply of housing and to deliver greater numbers of affordable homes. Housing Associations, the private sector and local authorities continue to have a key role to play but **further investment and work is needed to improve the supply of market and affordable housing** to meet existing need and help attract new residents and investment. There are real opportunities to

utilise new models of housing construction and delivery in rural areas by working with Housing Associations and the public and private sector to deliver modular and innovative low carbon housing solutions.

Priorities for action in Mid Wales include:

Priority	Intervention
Transformational priorities	<ul style="list-style-type: none"> <li>Investment programme in key strategic employment sites</li> </ul>
High priorities	<ul style="list-style-type: none"> <li>An innovative and targeted employment sites and premises investment package</li> <li>Housing Development Enabling Investment Fund</li> </ul>
Supporting priorities	<ul style="list-style-type: none"> <li>No supporting priorities identified</li> </ul>

## Programme 2.2: Business



Businesses are at the heart of our Strategic Economic Priorities for Mid Wales. They provide the employment and productivity that support Mid Wales' contribution to the UK and Welsh economies. Whilst the baseline highlights low productivity as a feature of the economy, there is also evidence to suggest that gains can be made by building on the key sectoral strengths and innovation potential within the region.

Growth potential exists in a number of sectors including agriculture, food and farming (Bio-economy), defence, radio spectrum and unmanned aerial vehicles alongside tourism and leisure and advanced manufacturing. **A programme of business support is needed that will provide financial and wider support to businesses and specific sectors** in order to test and develop ideas and stimulate economic growth.

The business support programme will include co-ordinated action to support research and commercial stage investment in areas such as unmanned aerial vehicles, remote sensing technology and associated applications, the Agri-tech and advanced manufacturing sectors. As well as a sectoral focus to business investment, consideration also needs to be given to the spatial focus of new investment. To this end the business programme identifies the need **for a multi-site and sector Enterprise Zone programme** that can be used to direct and focus both existing businesses and new inward investment when marketing Mid Wales to UK and global investors.

Mid Wales is characterised as a predominantly rural area with a business base that has a very high proportion of small and micro sized businesses. This presents challenges in providing support, reaching and communicating with the private sector. There is a need for a different approach to a programme of investment to deliver business growth. **Additional resources should be made available to small and medium sized businesses based in Mid Wales** to factor in the greater time and often distance over which support is delivered. Whilst improvements in digital connectivity can help with this, the current coverage for broadband and mobile still acts as an additional constraint on businesses.

In the short term there is a significant risk to agriculture in Mid Wales. The sector faces significant changes resulting from Brexit and related consultations on the future payment system to replace those made under the Common Agricultural Policy including the Basic Payment Scheme (BPS). The proposals here offer a significantly different approach to payments with targeted rewards for improvements in productivity in high quality food production as well as a public goods approach with payments for ecosystem services provided through land management. This context provides both challenges and opportunities in terms of improving productivity, adding value to Mid Wales products and people, and demonstrating an ability to adopt new and innovative approaches to sector development. **An agriculture, farm and food investment and support package** is required to address these challenges whilst also recognising the sector's fundamental importance to the Mid Wales economy and its communities.

Promoting local purchasing, initially via large scale public sector works, service contracts and wider purchasing would support the growth of Mid Wales' businesses. **A Mid Wales procurement programme** would also help to promote local produce, linking to the priorities within the Place Programme that focus on the promotion of Mid Wales to businesses, visitors and investors.

Other programmes within the document reinforce this with specific support to key sectors but also importantly investment in infrastructure to deliver longer term growth. Investment in digital infrastructure is critical. This is recognised by economic commentators and most importantly existing businesses as the number one priority to support their development. The **Digital Investment Programme** prioritises investment in the fibre and mobile network using a range of different technology solutions.

Priorities for action in Mid Wales include:

Priority	Intervention
Transformational priorities	<ul style="list-style-type: none"> <li>No interventions identified</li> </ul>
High priorities	<ul style="list-style-type: none"> <li>A Mid Wales business growth package</li> <li>Designation of a multi-site Mid Wales Enterprise Zone</li> <li>Agriculture, farm and food investment and support package</li> </ul>
Supporting priorities	<ul style="list-style-type: none"> <li>Mid Wales procurement programme</li> <li>R&amp;D tax credit scheme</li> </ul>

## Programme 2.3: Energy



The region's environmental assets and expertise in low carbon technologies are part of its key strengths that will play a fundamental role in its future economic development and that of the UK. Low carbon energy is an area that offers significant potential both for exporting out of the region but also in supporting the development of the Mid Wales economy and its communities.

Existing network capacity for heat and power is a major constraint in Mid Wales, limiting both transmission and distribution potential. The region's rurality means grid access for customers is restricted and the lack of capacity is likely to constrain future economic growth unless addressed.

Larger scale energy generating projects face significant grid connection costs and the potential for larger numbers of smaller scale renewable generating sites is also constrained. **Network capacity upgrades** are required alongside lobbying to allow public support for grid connections and upgrades. This includes funding enhanced connections for new capacity and further research to understand the feasibility, funding and potential aggregation approaches for smaller scale renewable projects.

A key driver of electricity demand over the longer term at the UK level is the electrification of transport, resulting in increased demand across all current scenarios produced by National Grid. This will present opportunities and challenges related to supporting infrastructure for electric vehicles in rural areas where access and mobility is constrained. To this end there is a need to assess the feasibility of developing a **low carbon transport programme of investment** to understand the best strategy for supporting the adoption of low carbon transport in Mid Wales.

The decarbonisation of electricity supply is another key factor in the longer term, alongside a more decentralised system of supply with a greater focus on renewables. Total renewable energy generation in Mid Wales stood at 653.2 GWh in 2016<sup>16</sup> whilst the region includes 6,010 individual renewable generation sites. A programme to support further growth in strategic and community energy generation is required, via a **regional renewable energy investment programme**, to promote sustainable economic growth in Mid Wales whilst contributing positively to the climate change and decarbonisation agenda. Exploiting these opportunities will provide economic development and value added opportunities for the region's businesses and communities whilst demonstrating its ability to lead on energy production and storage at the UK level.

In the longer term, the potential to develop the hydrogen economy is forecast to be a central part of the UK's energy strategy. Energy storage and hydrogen production could offer a real economic benefit in Mid Wales utilising renewable energy generation and the region's water supply to produce hydrogen through electrolysis. **Early stage research into the feasibility of the hydrogen economy** should be considered to better place Mid Wales and set out the future investment needed to harness the region's natural assets.

Integrating low carbon energy opportunities and clean growth to all other priority programmes is of critical importance in adding value. Here there are significant opportunities for example to link in to the property and business programmes to invest in **waste to energy (agricultural and domestic) schemes**, and zero carbon construction and related skills. This fits with the wider theme in the document of utilising and combining Mid Wales' natural assets and private sector to deliver high quality environments for business; making a wider contribution to decarbonisation and energy security; and demonstrating the area's potential leading role in the circular economy and clean growth.

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<sup>16</sup> Source: Department for Business, Energy & Industrial Strategy Renewable electricity generation: (MWh) at Local Authority Level – 2016

Priorities for action in Mid Wales include:

Priority	Intervention
Transformational priorities	<ul style="list-style-type: none"> <li>• Network capacity upgrades and co-investment</li> </ul>
High priorities	<ul style="list-style-type: none"> <li>• Waste to energy/ combined heat &amp; power (CHP)</li> <li>• Regional renewable energy regional investment programme</li> <li>• Hydrogen economy feasibility study</li> </ul>
Supporting priorities	<ul style="list-style-type: none"> <li>• Low carbon transport programme</li> <li>• Rural business and community renewable energy generation programme</li> </ul>

## Objective 3: A Well Connected and Culturally Distinct Mid Wales

### Programme 3.1: Digital



Fast and stable mobile and broadband connectivity are now considered a necessity for everyday modern life, as highlighted by the UK Government's Digital Strategy<sup>17</sup>. Welsh Government has made significant investment in digital communications through Superfast Wales which has improved broadband connectivity to over 700,000 properties. Superfast Wales II will provide a further £80m of investment focused on connecting harder to reach areas. However, continued **investment in superfast and ultrafast broadband connectivity** is required. 95% of UK premises have access to fixed line Superfast Broadband compared to 79% of premises in Powys and 78% in Ceredigion<sup>18</sup>.

Businesses in Mid Wales reported that improved digital connectivity is a vital measure to support economic growth in the region. Further investment in super and ultrafast broadband will be needed in Mid Wales to keep pace with other regions.

Mobile network coverage also lags behind other regions. Around 1.3% of the UK receives no 3G coverage compared to 8.4% of properties in Powys and 7.8% in Ceredigion<sup>19</sup>. 4G coverage shows a similar picture<sup>20</sup>. Mobile Action Zones can improve voice and data coverage in 'notspots', strengthening mobile networks where connectivity is poor or where increases in mobile demand (e.g. major events) threaten the resilience of the network. Prioritising investment in the roll out the **Mobile Action Zones** and other measures to improve connectivity to key employment sites, settlements and visitor destinations would address a significant infrastructure constraint in the region.

Digital connectivity will be further enhanced alongside economic growth and community cohesion via a network of **Gigabit Hubs** in Mid Wales. Gigabit Hubs – physical centres that offer a gigabit connection as well as shared and managed workspace – have been particularly effective in promoting economic growth in rural Ireland. They have the potential to play a similar role in market towns in Mid Wales where dispersed communities, self-employment and poor levels of digital connectivity are prevalent.

Connectivity in rural settlements will also be prioritised by investment in town centres via the roll out of **town centre Wi-Fi**. Pilot schemes in Llandrindod Wells and Cardigan have started to explore the benefits of digitally connected high streets. Rolling out this approach will spread the benefits across Mid Wales enabling communities and visitors to be better connected; businesses to understand customer behaviour; and actively promote products and special offers. Investment in gigabit connections, town centre Wi-Fi and data analytics would enable Mid Wales to develop 'Digital Villages' exploiting improved connectivity to invite residents, businesses and agencies to develop applications that improve the quality of life, community participation and access to services.

Further business growth opportunities exist by implementing a **Mid Wales Lorawan (Low Powered Wide Area Network)**. Lorawan<sup>21</sup> will provide Mid Wales with an 'internet of things' network and is ideal for rural areas given its ability to cover large geographical areas at low costs. Lorawan networks support communication between applications, devices or sensors. It offers significant opportunities to transform Mid Wales's farming sector including livestock monitoring, estate management and land management. Linking the proposed investment to expertise at Aberystwyth University and the proposed Spectrum Centre offers the potential to place Mid Wales' agricultural sector at the forefront of emerging technologies and practice.

The provision of modern digital infrastructure and technology is essential if Mid Wales is to be a competitive and connected region. Barriers to taking full advantage of digital technology also need to be removed. The uptake and exploitation of superfast broadband, mobile, digital and Lorawan technologies need to be supported via an enhanced **programme of business support**.

<sup>17</sup> Source: Department for Media, Culture and Sport, 2017

<sup>18</sup> Source: Think Broadband. Quarter 1, 2018.

<sup>19</sup> Source: 2016 Ofcom Connected Nations, Mobile local authority 2016

<sup>20</sup> Source: 2016 Ofcom Connected Nations, Mobile local authority 2016

<sup>21</sup> A Lorawan Network allows low-powered devices to communicate with the internet over a long range



Priorities for action in Mid Wales include:

Priority	Intervention
Transformational priorities	<ul style="list-style-type: none"> <li>Gigabit Hubs in key settlements.</li> </ul>
High priorities	<ul style="list-style-type: none"> <li>Continued development of super and ultrafast broadband in Mid Wales:                             <ul style="list-style-type: none"> <li>Prioritisation of the Mid Wales region in the Superfast Wales II programme.</li> <li>Further investment in Superfast and ultrafast broadband in Mid Wales.</li> <li>Support the roll-out of wireless broadband (e.g. airband) in remote rural areas.</li> </ul> </li> <li>A comprehensive network of mobile action zones across Mid Wales.</li> <li>A Mid Wales Lorawan network.</li> </ul>
Supporting priorities	<ul style="list-style-type: none"> <li>Business support package for digital connectivity</li> <li>Wi-Fi and data analytics capability in market towns and tourism destinations.</li> </ul>

## Programme 3.2: Place



Mid Wales is a unique region with a rich heritage. 29% of the region's residents are Welsh speakers, rising to almost half of residents in Ceredigion. The region includes areas of outstanding natural beauty such as the Brecon Beacons National Park and the Cambrian Mountains whilst its unspoilt coastline offers five blue flag beaches and access to a wide variety of marine wildlife. Mid Wales also has a network of local and national recreational routes and a rich cultural heritage that offer opportunities for accessing and exploring the region's natural beauty such as the Montgomery and Monmouthshire & Brecon Canals.

The region's natural assets support a tourism sector which was worth an estimated £1.08 billion in 2016. They also support the agriculture and food production industries which are vitally important to the economy, culture and heritage of the region. Tourism trade is further bolstered by a diverse range of annual events. The Royal Welsh Showground is a key asset to the region, hosting an annual programme of events including the Royal Welsh Show – the largest agricultural show in Europe – and provides further growth potential for events-based tourism. Other events such as the Wales Rally, Hay festival, Green Man Festival and Cardigan Bay Festival add to Mid Wales' events offer whilst a diverse range of smaller events are held across the region.

Mid Wales' main urban centres (Newtown and Aberystwyth) form the region's major administrative and commercial centres. Aberystwyth's function is strengthened by its role as a bustling university town with approximately 8,500 students and is home to the National Library for Wales. Mid Wales also offers a network of market towns and unique settlements which act as hubs for business and enterprise. Continued investment will be essential to support the growth and vitality of these centres as places to live, work and visit.

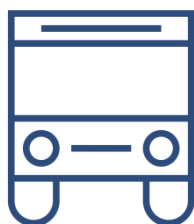
There are significant opportunities to build on the uniqueness of Mid Wales to drive tourism and grow the economy. Businesses report that a lack of quality hotel accommodation in some parts of the region and opportunities to further grow the conference market. Improvements to digital and mobile infrastructure and transport connections are also required for the visitor economy to remain competitive. There are further opportunities to build on the work of the region's destination partnerships and exploit initiatives such as the Wales Way to sell Mid Wales to a wider audience by packaging its key tourism assets and facilitating opportunities to develop higher profile visitor attractions in the region. All of these issues will be addressed via **strategic tourism packages of investment** and a **co-ordinated place marketing campaign** for Mid Wales.

The Mid Wales coastline is home to a network of harbour facilities that add to the image and future potential of the region. Aberaeron harbour provides the town with a distinct visual identity and acts as a major draw for visitors and tourists. New Quay harbour supports a thriving tourism trade based upon the quality of its natural marine habitat whilst Cardigan has a history of shipping and commerce. Significant opportunities exist to attract **investment in the region's harbours** as a way to diversify the tourism offer and increase its return and contribution to economic growth in Mid Wales.

Prioritising actions to build upon the unique places in Mid Wales will create jobs, increase the sustainability of key settlements in Mid Wales and increase Mid Wales' sense of place. Priorities for Mid Wales include:

Priority	Intervention
Transformational priorities	<ul style="list-style-type: none"> <li>• Strategic place investment package at key locations: <ul style="list-style-type: none"> <li>– New and modern conferencing and events facilities</li> <li>– Food and Drink Centre in the Brecon Beacons National Park</li> <li>– Development of high value, strategic tourism destination attractions</li> <li>– Enhance the region's hotel and visitor accommodation offer</li> <li>– Investment in the region's harbours.</li> </ul> </li> </ul>
High priorities	<ul style="list-style-type: none"> <li>• A co-ordinated place marketing campaign for Mid Wales.</li> </ul>
Supporting priorities	<ul style="list-style-type: none"> <li>• Business Improvement Districts across Mid Wales.</li> </ul>

## Programme 3.3: Transport



Modern, efficient and fit-for-purpose transport infrastructure is essential if Mid Wales is to achieve its economic potential.

Mid Wales' road network comprises a series of single carriageway A and B roads. Core underlying issues of remoteness, long journey times, a lack of resilience and congestion at key junctions all act to constrain road travel around the region. Average off-peak car journey speeds between Birmingham and Aberystwyth stand at 43mph, lower than journey speeds on corridors in North Wales (Warrington to Bangor – 48mph average), and South Wales (Bristol to Swansea – 53mph average)<sup>22</sup>. The difference in off peak journey speeds compared to other regions is stark. Longer distances to key settlements compounds slow journey speeds particularly for HGV's and generates associated impacts in terms of operating costs.

Much of the distance of the Mid Wales corridor resides in England, highlighting the importance of continued cross border engagement with Local Authorities and Midlands Connect to ensure schemes such as the A458 / A483, A5, and M54 / M6 Toll are progressed to lock in the benefits of future Mid Wales trunk road schemes (including Pinch Point Schemes) – without which the full benefits will not be realised.

The regional rail network is also characterised by slow line speeds and infrequent services. Average speeds between Birmingham New Street and Aberystwyth stand at 43mph compared to 52mph on the North Wales rail corridor between Bangor and Warrington<sup>23</sup>. The combination of slow line speeds and the distance between Mid Wales and the main West Midlands market is likely to constrain the realisation of the full benefits of the planned introduction of new rolling stock on the Cambrian Main Line and the full hourly service pattern. Full hourly services to Birmingham International; the extension of the Heart of Wales Line and selected Cambrian Main Line services to Crewe and Manchester for connectivity to HS2 are required to maximise the potential of rail in Mid Wales. TrawsCymru strategic route development, long distance bus strategic hubs / interchanges, infrastructure investment and smart ticketing are also required to enhance integrated transport networks in the region.

Promoting and increasing active travel is also an important part of Strategic Economic Priorities in the Mid Wales Region with the need to support short commuter trips and deliver health and well-being benefits that also support the de-carbonisation agenda. The Mid Wales Joint Transport Plan<sup>24</sup> highlights that few areas in Mid Wales have more than 13% walking and cycling mode share for journeys to work and that investment in cycling and walking infrastructure would encourage an increase in cycling.

Investment in the region's transport infrastructure is essential to realise the region's growth potential and the implementation of the other priority interventions identified within this document. Priorities for action in Mid Wales therefore include:

Priority	Intervention
Transformational priorities	<ul style="list-style-type: none"> <li>Connectivity of the region addressing cross- border strategic routes and onward connectivity through the Highways England 'Strategic Roads Network'</li> </ul>
High priorities	<ul style="list-style-type: none"> <li>Strategic transport corridors: Road.</li> <li>Strategic transport corridors: Rail.</li> <li>Frictionless freight and logistics trade package.</li> </ul>
Supporting priorities	<ul style="list-style-type: none"> <li>Service Connectivity network package of measures.</li> <li>Active travel package of measures.</li> <li>Enabling rural connectivity.</li> </ul>

<sup>22</sup> AA Routemaster (based on off peak timings for a car)

<sup>23</sup> Figure relates to the direct service between Warrington and Bangor.

<sup>24</sup> Source: Mid Wales Joint Transport Plan, 2015.

## 4. Strategic Outcomes

We will monitor our success by positive changes to the following indicators:

**Total Gross Value Added**



**Gross Value Added per Hour Worked**



**Average Gross Weekly Earnings**



**% Employment in High Value Growth Sectors**



**Gross Disposable Household Income**



**% Apprenticeships as a Proportion of Total Employment**



**% of Population with Qualifications (NQF4+)**



## 5. Next steps

This document The Strategic Economic Priorities for the Mid Wales Region has been developed on behalf of the Growing Mid Wales Partnership. It sets out the transformational, high and supporting priorities for growing the economy of Mid Wales over the next 15 years. The priorities are informed by the existing performance of the regional economy, engagement with key stakeholders and evidence of successful interventions in other regions and set out the basis of an approach for the next 15 years.

The following next steps are recommended in the implementation of the Strategic Economic Priorities for the Mid Wales Region:

- Establish Governance arrangements for leading and resourcing the development of priority programmes.
- Develop capacity within the region, including establishing working groups to lead the development of the priority programmes for investment. The working groups should include representation from the Growing Mid Wales Partnership and other key stakeholders. Each working group should be led by a senior level champion that reports into the newly established governance arrangements.
- Identify funding opportunities, including the potential Mid Wales Growth Deal that can be used to develop and deliver the priorities in this document.
- Develop business cases for each programme of investment to ensure the preferred option for each project and programme is identified.
- Develop a monitoring and evaluation framework for the implementation of the priority programmes.

# Appendix A Summary of Priority Interventions

## An Innovative and Skilled Mid Wales

### Skills and workforce

#### Transformational

- **An evidence based skills system for Mid Wales** - A dedicated, evidence based skills system for Mid Wales that responds to the needs of the region's employers. The dedicated Mid Wales system would be led by a regional skills board or strategic group that brings together stakeholders from the public, private and third sectors to address skills supply and demand issues. The evidence based approach will inform education and skills provision from Key Stage 4 through to Higher Education, and will identify clear career pathways to employment for young people in the region.

The evidence based system should seek to address gaps, add value and shape support via Working Wales, the Employability Gateway, Careers Wales, Further and Higher Education providers and other key stakeholders in the region to meet the needs of employers. It should ensure the skills system takes account of future changes in workforce demand resulting from Industry 4.0. The evidence based skills system will inform:

- Careers advice, work experience and placements;
- Awareness raising of apprenticeships, Higher Apprenticeships and Degree Apprenticeships that are available within the Mid Wales economy with a focus on growing and emerging sectors;
- Mechanisms to support apprenticeships (e.g. matching service and shared apprenticeship scheme) if sufficient employment demand exists;
- Employment support provision for residents seeking work;
- Support for workforce development in response to skills gaps and skills shortage vacancies; and
- Further and Higher Education provision that responds to skills gaps highlighted by employers in the Mid Wales region.

#### High priority

- **Mid Wales University Centre(s)** - A university centre or centres in Mid Wales that can improve access to Higher Education in Mid Wales and increase qualification levels in the region. The centre could be developed as part of a sector based 'Centre of Excellence' (e.g. Manufacturing, agriculture and food, health and care) to allow young people to study locally, to address concerns regarding the leakage of young people out of Mid Wales to study and to attract new investment.

#### Supporting

- **A Mid Wales employer pledge** - Develop a Mid Wales employer pledge in partnership with Further and Higher Education institutions and other key stakeholders to raise awareness of career pathways in Mid Wales and retain young people in the region. An employer pledge could be used to encourage employers in Mid Wales to support young people by attending careers fairs, school engagement events and offering work experience. Links between employers to Further and Higher Education providers should also be prioritised to encourage the uptake of apprenticeships and placements as well as employment opportunities once residents leave education.
- **Supporting new and alternative approach to skills delivery** - Support new, flexible and alternative approaches to skills delivery in Mid Wales. This should have a particular focus on supporting proposals from within Mid Wales that increase access to quality training providers, Further and Higher Education, offer an innovative curriculum or methods of delivery that fill gaps in existing provision.

# Innovation

## Transformational

- **Packages of investment in strategic opportunities** – Investment (e.g. dedicated research and skills centres, innovation zones, research and development funds and supply chain programmes) in strategic sector based opportunities for growth including:
  - Radio Spectrum – Mid Wales has an opportunity to develop a niche in spectrum focused experimentation, innovation and new product development via partnerships with Higher Education and industry. Collaborations should seek to use spectrum to exploit opportunities (e.g. intelligent and precision agriculture, autonomous land, sea and air vehicles) related to the region's sectoral strengths and to overcome challenges associated with service delivery in large and sparsely populated rural areas (e.g. health and intelligent transport systems).
  - Unmanned aerial vehicles / remotely piloted aircraft – Mid Wales has a sector specialism in unmanned aerial vehicles and remotely piloted aircraft. The region is ideally placed to further exploit this specialism given its low population density, the presence of segregated airspace, airport facilities that offer expansion potential, and the region's Higher Education research specialisms.
  - Manufacturing - Over 6,600 people are employed in the manufacturing sector in Mid Wales, half of which are within the advanced manufacturing sector. The region has niche areas of manufacturing expertise such as automation and motion engineering that all offer growth potential (eg. proposed rail testing centre in Ystradgynlais). Industry 4.0 (the digitisation of the manufacturing sector) will change how the manufacturing sector operates and its future skills requirements.
  - Agriculture and the bio-economy – Building on the region's existing asset base (e.g. AIEC, BEACON, IBERS and the Wales veterinary science centre) to further develop Mid Wales' leading role in the bio-economy and importantly, ensure the benefits support the agriculture and bio-economy sector in Mid Wales.
  - Hydrogen economy – A package of support to develop the hydrogen economy in Mid Wales, building on the presence of existing businesses that have longer term growth potential. The package of support is subject to the findings of the feasibility study referenced as a priority in the Energy interventions.

## High Priority

- **The development of Enterprise and Innovation Centres (Gigabit Hubs) in key settlements across Mid Wales.** These centres will provide employer support services, flexible co-working space and meeting facilities to support entrepreneurship and innovation in a region with a very high proportion of small and micro businesses. The centres will also act as gigabit hubs (see proposed 'digital' interventions), building on best practice identified in rural communities in Ireland. The centres provide a free one gigabit fibre broadband connection for a fixed period of time to encourage new and existing businesses to exploit the potential of online technology and access to markets.

## Supporting

- **Establish an innovation fund and ideas bank** – An equity innovation fund and ideas bank to match investors with individuals and businesses that have innovative early stage products and ideas which could generate future economic growth and jobs creation. It will seek to build upon the 'Be The Spark' initiative with a particular focus on the priority sectors in Mid Wales.



# A Competitive and Sustainable Mid Wales

## Property

### Transformational

- **Investment Programme in key strategic employment sites** – expansion and development of a small number of targeted employment sites which are considered to be of strategic importance to the regional economy and its future growth. Sites are likely to be identified in relation to their strategic geographic location, links with key sector and investment opportunities and the potential to deliver an integrated package of business support.

### High Priority

- **An innovative and targeted employment sites and premises investment package** – The targeted employment sites and premises investment package would include direct investment funding for new land and premises and/or supporting infrastructure such as access roads and utilities. The Programme should seek to use measures including Local Development Orders and provide additional allocations adjacent or close to existing centres of demand combined with a more flexible approach to planning for employment land and premises. The package should provide lease and freehold land options to encourage businesses to relocate and invest in targeted sites, and measures to support the refurbishment of premises which are no longer meeting market need. The package would also include Mid Wales commercial sites and premises database, and enquiry service underpinned by a robust assessment and quantification of demand for employment land.
- **Housing Development Enabling Investment Fund** - To enable stalled housing sites to be developed by providing gap funding and access to finance where development is unviable due to market failures resulting from, for instance, site constraints, infrastructure requirements and the impact of development on the surrounding highway network. This intervention could also target the upgrading of existing housing stock to bring it up to modern standards and include a Mid Wales Plot Shop that sells plots of land to those wishing to build their own home. A Plot Shop would help to market available land to individuals wishing to build their own home whilst also offering access to expert advice and services.

### Supporting

- No supporting interventions proposed.

## Business

### Transformational

- No transformational interventions proposed.

### High Priority

- **A Mid Wales business growth package** - The package should be shaped by a business growth and inward investment strategy to help support business start-ups and existing Mid Wales businesses, recognising the importance of SMEs to the economy, whilst also seeking to attract new businesses to the region. It is essential this intervention adds value to, rather than duplicates, support currently offered by Business Wales and other agencies and could include:
  - Additional management support for small and micro enterprises to help them set up and grow their business via an 'accelerator programme'.
  - Support to help businesses access opportunities associated with new technologies and automation both within their own businesses and across their supply chains (see Digital Programme).
  - Support to access new trade and export opportunities as well as business finance and funding advice.
  - Promotional activity to sell the Mid Wales region to inward investors and visitors (see Place Programme).
  - An enhanced and dedicated business support and inward investment resource to add value to the services provided by Business Wales, Welsh Government and other organisations to support business and attract investment to Mid Wales. This should provide an enhanced one-stop-shop for business information, support, marketing and advice in Mid Wales with a focus on key opportunity sectors.
- **Designation of a multi-site Mid Wales Enterprise Zone** – Enterprise Zone designations at key locations across Mid Wales. The incentives offered should reflect the scope of the Innovative programme of strategic sites and premises (see Property Programme).
- **Agriculture, farm and food investment and support package** – An investment package in:
  - Testing and applying regional research and development in agri-tech and food sectors.
  - Farm scale renewables.
  - Rural buildings that are redundant or have development potential. This could stimulate economic and commercial reuse of buildings by offering financial support and more flexible planning for change in use and diversification of activity post Brexit.
- The package could also be used to encourage farms to be handed over to a new generation of farmers with a greater focus on value added activity and productivity.

### Supporting

- **Mid Wales procurement programme** – Development of a consistent procurement approach to promote local purchasing and social value commitments within contracts for large scale public sector works, services contracts, and wider purchasing. The procurement programme should be initially targeted at increasing the proportion of 'local content' procured via public sector anchor institutions in Mid Wales. There is also potential to roll out the procurement approach to the tourism sector (e.g. accommodation providers, restaurants, attractions and events) to provide a distinctive Mid Wales tourism offer.
- **R&D tax credit scheme** – The R&D tax credit scheme is underutilised by business across the UK and Wales. A Mid Wales tax credit scheme offers a significant opportunity, allied to the enhanced business support service, to maximise tax credit take up and encourage investment in research and development.

# Energy

## Transformational

- **Network capacity upgrades and co-investment** – Upgrade and potential co-investment in the critical infrastructure required to unlock opportunities for greater energy security and resilience in Mid Wales to support future growth and maximise benefits to the region. This offers the ability to connect in smaller scale community renewable schemes, larger scale generation potential from a range of low carbon sources as well as opportunities for rural smart grid development to support low carbon growth.

## High Priority

- **Waste to energy/ combined heat & power (CHP)** - Research, development and delivery projects (agricultural and domestic sources).
- **Renewable energy regional investment programme** – Production of a spatially targeted strategic plan and supporting investment to accelerate the development of large scale renewable energy programmes for heat and power from a range of sources capitalising on the region's assets and natural resources. The programme will develop opportunities for the development and integration of low carbon approaches to support economic growth and new enterprises.
- **Hydrogen production feasibility study** - Feasibility study for the hydrogen production and economy in Mid Wales to develop a hydrogen based cluster in the region, potentially anchored around a hydrogen car manufacturing plant. The results of the feasibility study will inform a potential package of support to develop a regional hydrogen economy in the long term, as referenced as a priority in the Innovation theme.

## Supporting

- **Low carbon transport programme** – Feasibility work to understand the potential and requirements for low carbon vehicles and supporting infrastructure in Mid Wales. This will support the priority of ensuring all new cars in the UK are 'effectively zero emission' by 2040, with the likelihood that this target may forward to 2032.
- **Rural business and community renewable energy generation programme** – Financial support, advice and training to encourage the adoption of small scale renewable energy generation schemes and associated decarbonisation and clean growth opportunities for businesses in Mid Wales.

# A Connected and Distinctive Mid Wales

## Digital

### Transformational

- **Gigabit Hubs in key settlements** – Gigabit broadband connection to businesses in strategic locations linked to technology and start up hubs to encourage innovation and business growth. These have worked successfully in Ireland and can also act as Enterprise and Innovation Centres (see Innovation theme) by offering managed workspace and an enhanced package of business support as well as promoting community enterprise and development. Gigabit Hubs could also provide a basis for a 'digital villages' initiative in Mid Wales.

### High Priority

- **Continued Development of super and ultrafast broadband in Mid Wales** – This will involve investment in projects such as:
  - Prioritisation of the Mid Wales region in the Superfast Wales II programme.
  - Further investment as part of Superfast Wales specifically targeted at Mid Wales in order to reach more remote communities and properties.
  - Support the roll-out of wireless broadband (e.g. airband) in remote rural areas.
- **A comprehensive network of Mobile Action Zones across Mid Wales** – Mobile Action Zones are to improve mobile phone coverage at key visitor destinations, employment sites, centres of trade and key arterial routes to ensure Mid Wales has a robust and fit-for-purpose mobile connectivity that is resilient to peaks in demand.
- **A Mid Wales Lorawan network** – A Lorawan Network allows low-powered devices to communicate with the internet over a long range. A Lorawan network could place Mid Wales and in particular its agricultural sector at the forefront of emerging technologies. It offers significant opportunities to transform Mid Wales' economy and the farming sector via livestock monitoring, estate management and land management. The expertise available at Aberystwyth University and the proposed Spectrum Centre provides opportunities to exploit Lorawan technology in the region.

### Supporting

- **Business support package for digital connectivity** – Advice, training and events to support businesses to exploit and optimise the use of enhanced broadband, Wi-Fi, Lorawan and other technologies.
- **Wi-Fi and data analytics capability in market towns and tourist destinations** – Free public wifi networks at key locations to support local businesses and the visitor economy. Analytics capability can help provide a better understanding of visitor and customer numbers and trends. It can also be used as a marketing and promotional tool by businesses trading in market towns and tourist destinations (e.g. promotions, advertising)).

# Place

## Transformational

- **Strategic place investment package at key locations** - Subject to feasibility assessments, a package of investment could include:
  - New and modern conferencing and events facilities building on and complementing the region's current offer where demand and investment opportunities can be demonstrated.
  - A food and drink centre in the Brecon Beacons National Park focused on the sale of local produce to act as a tourism destination. The centre could also provide space for small scale business incubation and event facilities.
  - Development and expansion of high value, strategic tourism destination attractions to support the development of the region's visitor economy. This could include for example outdoor adventure tourism, indoor attractions and cultural/heritage based destinations.
  - Enhancing the region's hotel and visitor accommodation offer by attracting new investment at key locations to address gaps in provision. This should be based on an assessment of supply and demand to identify any existing gaps in provision and potential growth areas. Consideration should be given to the public sector role that could include:
    - Establishing a hotel and accommodation provider investment fund to support the renovation or expansion of existing and new accommodation.
    - Developing a co-ordinated regional inward investment approach to attract investment.
    - Intervening more directly in the market, via for example potential joint investment in partnership with the private sector to help facilitate the provision of major strategic investments.
  - Investment in Ceredigion's harbours as a catalyst to diversify the region's tourism trade and promote economic growth. Investment should particularly focus on expanding high quality facilities at Aberystwyth, Aberaeron and New Quay with the potential to also expand the current offer at Cardigan subject to consents and agreement being granted. Investment would lead to a network of high quality marina facilities along the Ceredigion coastline. Investment at Aberystwyth and Aberaeron also has the potential to facilitate investment and develop land adjacent to the harbours for leisure and recreational uses. This will result in Mid Wales' harbours having a wider regeneration impact on the surrounding settlements and increasing the value of the region's tourism sector.

## High Priority

- **A co-ordinated place marketing campaign for Mid Wales** – A co-ordinated marketing campaign should build on the work of Visit Wales and existing destination partnerships. It should include for example strategic level promotion of Mid Wales' tourism assets, long distance routes (eg. The Wales Way and Coastal Way), its extensive programme of events; its business base and key settlements. The marketing campaign should focus on Mid Wales' offer for tourists, businesses, investors and, the potential to expand its current events offer.

## Supporting

- **Business Improvement Districts** - Rolling out Business Improvement Districts (BIDs) in key settlements where private sector demand exists to help support the viability of trading locations. Mid Wales currently has one BID (Aberystwyth) with feasibility work planned for Newtown and Brecon. There is potential to look at the potential of expanding to markets towns or other destinations across Mid Wales.

# Transport

## Transformational

- Connectivity of the region addressing cross- border strategic routes and onward connectivity through the Highways England 'Strategic Roads Network'.

## High Priority

- **Strategic transport corridors: Road** - Packages of improvement measures for the trunk / county road network including current commitments in the National Transport Finance Plan (2017) (e.g. tactical 2+1 passing points, crawler lanes from key junctions and alignment easing) including pinch point programme and linkages to key markets including to the Marches. Aligning with and Marches and Mid Wales Freight Strategy and linking to Midland Connect's priorities. Strategic corridors include:
  - Cross Border Corridors to North West / Deeside, and the West Midlands (e.g. A458, A44 and A483).
  - A44 West of Llangurig.
  - Routes to North West Wales.
  - The West Wales Strategic Coastal Corridor linking North and South West Wales.
- **Strategic transport corridors: Rail** - Improvements such as line speed enhancements on the Cambrian Line; encouraging lightweight freight being carried on passenger services on Cambrian Coast / Cambrian Main Line; and the development of strategic hub Interchanges at key rail stations.
- **Frictionless freight logistics trade package** – To meet the legal commitment to decarbonise transport including freight (electric / rural consolidation centres), freight parking and consolidation centres. Take forward the recommendations of the Marches and Mid Wales Freight Strategy.

## Supporting

- **Service connectivity network package of measures** – This would include interventions such as a full hourly service on the Cambrian Line to Birmingham International; extension of the Heart of Wales Line and selected Cambrian Main Line services to Crewe for connectivity to HS2 / Manchester Airport; and TrawsCymru strategic route development and long distance bus strategic hubs / interchanges with Integrated responsive transport.
- **Active travel package of measures** – Packages of support to encourage walking and cycling at Local Authority level and for longer distance cross border routes (to be determined). This will support the expansion of sustainable transport and could have potential to support the tourism sector.
- **Enabling rural connectivity** – Measures such as electric charging infrastructure, smart highways (linked to the Wales Way), road and rail hubs and integrated ticketing and integrated responsive transport.

# Appendix B Developing the Strategic Economic Priorities for the Mid Wales Region

The Strategic Economic Priorities for the Mid Wales Region was developed via the following stages of activity:

## Baseline Development and Issue Identification

A baseline of Mid Wales' socio-economic conditions was developed to inform the Strategic Economic Priorities for the Mid Wales Region. The baseline conditions in Mid Wales were reviewed and assessed to understand the scale and geography of its economy, population, transport and wider infrastructure. Population and housing forecasts were also reviewed as were Local Plan allocations to understand the latest growth forecasts for Mid Wales. The purpose of this exercise was twofold, firstly, to understand short and long term demographic and labour market trends and secondly, to determine how well the existing infrastructure and environment are working and what adaptations are needed.

## Consultation

Extensive consultation and engagement have been undertaken to underpin the priorities in this document. The approach to consultation prioritised focus group session of key stakeholders, followed up with one-to-one discussions where required. Engagement has focused upon key stakeholders including Growing Mid Wales Partnership members, Local Authority elected members and senior officers, project developers, Further and Higher Education institutions, senior officials within Welsh Government and businesses. Engagement with businesses included a number of business workshops, one-to-one discussions with Regionally Important Companies and businesses that could deliver economic growth as well as an online survey to the business base of Mid Wales. The consultations focused upon helping to expand the long list of potential projects, identifying projects in various stages of development from established business cases to emerging ideas. The consultations also confirmed the understanding of baseline issues and opportunities, assumptions on growth forecasts and allocations for housing and employment land. The consultation exercise, along with the analysis of baseline information, assisted with the identification of gaps within the initial project long list.

A full list of the organisations consulted as part of development of the Strategic Economic Priorities for Mid Wales is presented in Appendix B of this document.

## Project Long Listing

A key stage in the development of the priorities within this document was to identify a long list of 'projects' or interventions that could deliver inclusive and transformational economic growth in Mid Wales. The long list of project ideas included approximately 80 projects focusing on areas such as:

- Innovation and business growth;
- Transport;
- Digital connectivity;
- Education, skills and training;
- Energy;
- Innovation and business growth; and
- Tourism and culture.

## Prioritisation Process and Project Short Listing

A process of prioritising interventions was undertaken to move from a long to a short list of projects. The purpose of this was to identify the projects which have potential to generate transformational economic growth across Mid Wales, will generate an economic return and can leverage private sector investment. Interventions were also scored against their fit with the policy priorities of the Growing Mid Wales Partnership, as outlined in the Partnership's Framework for Action and the Welsh Government's priorities contained within the Economic Action Plan.

Prioritisation was undertaken at programme rather than project levels given the vast majority of interventions identified were at an early stage of development. In general interventions were considered to be concepts rather than fully developed projects that had been subject to technical studies or assurance processes involving securing the buy-in and commitment of partners.

The priority programmes were then presented to the Growing Mid Wales Partnership for discussion followed by a formal period of consultation with partnership members on the priorities within this document.

## Reporting

This document provides the final strategic economic priorities for the Mid Wales region. It summarises the key issues that act as a constraint on economic growth in the region and the opportunities for overcoming these issues and sets out a programme of interventions for delivering transformational, inclusive economic growth in Mid Wales over the next 15 years.



## Appendix C Stakeholder Engagement

The following organisations, groups and businesses were engaged in the development of the Strategic Economic Priorities for Mid Wales. Consultation primarily involved workshop sessions with groups of key stakeholders. This was supplemented with an online survey for businesses and organisations in the region:

- Growing Mid Wales Partnership
- Welsh Government
- Ceredigion County Council cabinet
- Powys County Council cabinet
- Brecon Beacons National Park Authority
- Welsh Local Government Association
- Business Wales
- Federation of Small Businesses
- Visit Wales
- Mid Wales Tourism
- TraCC
- Aberystwyth University
- Aberystwyth Innovation and Enterprise Centre
- University of Wales Trinity St. David
- Farmers Union of Wales
- National Farmer's Union
- Farming Connect
- Antur Teifi
- South West and Central Wales Regional Learning and Skills Partnership
- Cambrian training
- Coleg Ceredigion
- Neath Port Talbot College
- Black Mountains College
- Powys Association of Voluntary Organisations
- Montgomery Canal Partnership
- Mid Wales Health Collaborative
- Heritage Hub for Mid Wales
- Going Green for a Living Community Land Trust

Private sector engagement (business workshops and individual interviews) included:

- Centre for Alternative Technology
- Mid Wales Manufacturing Group
- West Wales Airport
- Thales
- Volac International

- Qinetiq
- Invertek Drives
- Riversimple
- Wynnstay
- Evabuild
- Boys and Boden
- Rebo UK
- Tastetraders
- Paramgan Hutchinson
- G Jones Construction Ltd
- Makefast
- Newmor
- Potters Group
- TSR Surveyors
- Compact Orbital gears
- Radnorshills Water
- PCI
- Dunbia
- Randall Parker Foods
- BVG Airflo Group
- The Marina Group
- Forest Holidays
- Welsh Sausage Company
- CastAlum
- Stagecraft
- Lanyon Bowdler
- Motif Creative

