Report No. 35/16
National Park Authority

REPORT OF CHIEF EXECUTIVE

SUBJECT:
DRAFT PEMBROKESHIRE ECONOMIC DEVELOPMENT STRATEGY AND ACTION PLAN 2016-2021

Pembrokeshire County Council is currently developing an Economic Development Strategy and Action Plan for Pembrokeshire. The first stage of the process focused on developing an *Economic Profile of Pembrokeshire* which was presented to this Authority in September 2015. The second stage is based on producing a *Pembrokeshire Economic Development Strategy and Action Plan 2016-2021***.** Public and Corporate Economic Consultants (PACEC) have been commissioned to undertake this work. A draft of the latest version is included as Annex A.

Members are asked to reflect on any issues that may impact on the National Park and are invited to provide any comments to be passed onto Pembrokeshire County Council as they further develop the strategy.

<u>Recommendation:</u>

Members are requested to:

- **Note the Draft Pembrokeshire Economic Development Strategy and Action Plan 2016-2021; and**
- **Make any comments on the document that can be passed on to Pembrokeshire County Council to consider when finalising this document;**

(For further information, please contact Tegryn Jones, Chief Executive – tegrynj@pembrokeshirecoast.org.uk)

PACEC

Public and Corporate Economic Consultants

Pembrokeshire County Council – Pembrokeshire Economic Development Strategy and Action Plan 2016-2021

March 2016

TABLE OF CONTENTS

PACEC Limited is a well-established provider of economic consultancy services with a core team that has been working together for some 25 years. It trades under PACEC. The firm has offices based in Cambridge and Belfast. It employs over 20 professional staff, including researchers, economists, statisticians, organisational development consultants and accountants. The work covers public policy and programme evaluation, appraisals, feasibility studies, VFM assessments, training needs analysis and Organisational Reviews. PACEC Limited (No NI607634) is registered in Northern Ireland. Registered Office: Number One, Lanyon Quay, Belfast, BT1 3LG.

1 INTRODUCTION AND STRATEGY AIMS

1.1 The Purpose

The Pembrokeshire Economic Development Strategy and Action Plan sets out a way forward for improving the economic prospects and outcomes for the County, its residents, businesses and community groups and other organisations. It is intended to help co-ordinate the work and activities of all the Councils partners and focus resources to help achieve the aims.

The Strategy builds on the key economic development and regeneration policy documents for Pembrokeshire including the Welsh Assembly Government policies, the European Funding Policies, Swansea Bay City Region Economic Development Strategy and other south west Wales polices from tourism, regional transport, the RLP and HE/FE strategy. It develops the Councils policies, where appropriate, in the Single Integrated Plan, the Local Development Plan, the Rural Development Plan, the Local Plan Policies and the policies of partners including the Haven Waterway Enterprise Zone, the Pembrokeshire College Plan and the Pembrokeshire Business Panel proposals.

The Strategy utilises the findings of the Pembrokeshire Economic Profile and the recommendations discussed with Members of the Council in July 2015.

The vision for the County and the Strategy is to

- **Improve the quality of life and economic circumstances for all people living, working and visiting Pembrokeshire.**
- **To make the County an economically competitive, productive and prosperous place with a sustainable economy supporting incomes and employment and economic growth underpinned by successful new enterprises, existing businesses and those attracted to the County.**

The Strategy will be for the period 2016 to 2021. During this period it will be monitored annually and the policies and actions revised to meet new opportunities, circumstances and challenges.

The Strategy is underpinned by six strategic objectives and themes.

1. Improving Business Competitiveness and Employment Growth
2. Attracting and Retaining Inward Investment
3. Improving the Labour Supply and Skills
4. Improving Transport and Infrastructure
5. Sites and Premises and Physical Regeneration
6. Strengthening the County Image and Promoting it.

For each strategic objective there are customised actions, showing partner involvement and resources.

1.2 The Approach

The Strategy is based on a review of the economic trends in the County, the changing circumstances, and the opportunities, challenges and issues faced, culminating in a SWOT analysis. It was "demand driven" taking account of the views of local partners and businesses. This resulted in an evidence base on which to consider the appropriate policy options and actions. With partners an assessment was carried out of the policies and actions in place, or planned, and their role in addressing the issues. The research carried out has included

- **An Economic Profile of Pembrokeshire**. A review of economic performance and trends focusing on employment, sector trends and Gross Value Added, the resident population, transport infrastructure and connectivity, business growth, the labour market and skills and insights into key sectors including, for example, energy and the marine economy, tourism and the rural economy. The PACEC Local Economic Profiling System (LEPS) was used which enhances published data sources available through the Office of National Statistics (ONS). This was combined with initial interviews and consultation with stakeholders and businesses.
- **Discussions with Local Partners**. Interviews with some twenty-five local partners on the Strategy policies, actions, delivery and resources. The interviews covered employment opportunities and sectors, business support, sites and premises, the labour supply and skills, transport infrastructure, community issues and promotion of Pembrokeshire.
- **A Desk Study**. Analysis of the key policy documents for Pembrokeshire and its partners and the Swansea Bay City Region.
- **Interviews with Businesses**. A survey of some one hundred businesses was carried out together with workshops. The results of the Haven Waterway Enterprise Zone survey of EZ businesses were also used for views on the Cleddau Bridge tolls and other issues.
- **The Economic Impact of Tolls on Cleddau Bridge**. This study was carried out with partners in parallel with developing the Strategy and the findings are used to shape the Strategy.

The following chapters set out an overview of the Pembrokeshire economy and SWOT analysis, the strategic objectives and the actions (with priorities, partner involvement, timescales and resources) and the approach to allow the Strategy to be monitored and evaluated and amended, where necessary. Appendices show the reports used in the desk study and the partners consulted.

2 DRIVERS OF CHANGE IN PEMBROKESHIRE

The Pembrokeshire economy influences and responds to changes in west Wales, Wales and the UK economy as a whole. Many of these originate outside the County, nationally, and within the region such as the designated growth areas.

The current drivers of change which are impacting upon the economy of Pembrokeshire may be summarised under four headings; **Strengths, Weaknesses, Opportunities** and **Threats**. Most of the drivers will impact upon all parts of the County. Where a **driver is of particular significance** for parts of the County they have been identified.

As you see from the summary of the following page on balance the **strengths of**, and **opportunities for**, Pembrokeshire outweigh the **weaknesses** and **threats**. However, policy needs to be shaped and initiatives undertaken, to build on strengths, take advantage of the opportunities, address the weaknesses and minimise the risk associated with the threats.

STRENGTHS

- Pembrokeshire's intricate and beautiful coastline makes it an attractive destination for visitors.
- The coastline also features ports and fishing towns, and in Milford Haven a deep natural harbour of international significance for example, for the petrochemical industry and the new power station at Pembroke Dock.
- People who live in Pembrokeshire tend to work in Pembrokeshire, and vice versa, making two self-contained travel-to-work areas.
- There are strong local clusters of employment in energy and marine, accommodation and food, agriculture, arts, entertainment and recreation, construction and extractive industries.
- The County's unemployment rate is low, its economic activity rate is slightly higher than for Wales as a whole.
- The Pembrokeshire population is growing.
- A high degree of resilience to adapt to economic shocks.
- The recent drive to expand renewable and marine energy in Pembrokeshire presents new employment opportunities for local residents and there were energy research opportunities through HORIZON 2020 and R&D funding programmes.

WEAKNESSES

- Pembrokeshire's location is rural and peripheral, with a population that is dispersed across a number of small settlements and having a low overall density. This increases costs and results in diseconomies of scale.
- Difficulties are exacerbated by the relatively poor local transport network – the toll on the Cleddau Bridge also acts as a barrier to access for employment and linkages.
- House prices are above the average for Wales, as is the ratio of house prices to average earnings.
- There is no university in Pembrokeshire.
- Many young people leave the area.
- The local innovation culture is relatively weak.
- The quality and skills of the local labour force is an issue, (in terms of skill and semi-skilled labour, sales/personal services, elementary and management skills) and it can be difficult to recruit local people.
- The productivity is relatively low compared to Wales reflecting the sector structure and skills.
- There are issues related to business support services and Universities, in particular were not used as a source and there were few links with businesses.
- The availability of premises is a weakness in terms of quality, size, diversity and location.
- There are pockets of deprivation in Pembrokeshire as measured by the Welsh Index of Multiple Deprivation, in Milford Haven and Pembroke Dock and to the west of Haverfordwest.
- Local governance can result in some constraints to economic progress.

OPPORTUNITIES

- High quality of life could be used to attract workers in creative or knowledge-based activities as high value added inward investors.
- There are coastal locations with strong tidal flow, and sites suitable for wave power, coupled with the availability of the high-voltage power transmission which give the County potential as a Marine Energy Centre.
- The tourism-related sectors (accommodation, food service, and cultural/leisure facilities) are strongly-concentrated in Pembrokeshire.
- There are opportunities to strengthen local education and employment opportunities by partnering with other institutions. In particular Swansea University and Trinity St David (University of Wales) with Pembrokeshire College.
- Links between the Pembrokeshire Science and Technology Park/Bridge Innovation Centre and the universities could be strengthened.
- Strategic moves towards a knowledge and research driven economy could help leverage in and take advantage of funds for innovation (e.g., the universities and ERDF).
- Marketing of Pembrokeshire as a tourist destination
- Diversification of the tourism offer: e.g., wet weather facilities, gastro-tourism, tourism for those with disabilities and tourism to help improve mental and physical health through access to the countryside.

THREATS

- Large concentrations of Pembrokeshire’s employment are directly or indirectly connected with the public sector or public subsidies, including public administration, health, education, and agriculture.
- The falling oil and gas prices and loss of revenue as a result of global markets. The closure of the Murco refinery and mothballing of South Hook Heat and Power Station.
- The potential impact of the sale, contraction or closure of all, or part, of the steel plant at Port Talbot.
- Businesses are more concerned by the state of the general economy (economic/market uncertainty in particular) than any other specific constraint. Access to markets/clients and access to finance are the next most commonly-mentioned constraints.
- Business taxation, particularly uniform business rates which are based on standard values, adds to the difficulties of sustaining business.
- Pembrokeshire’s energy sector employment is currently concentrated in a small number of large companies.

2.1 The Future Drivers

Reflecting the SWOT analysis and opportunities the population of Pembrokeshire is forecast to grow up to 2021. Natural change is low, with deaths slightly outnumbering births but there is significant net immigration which is the main driver of the increasing population. Welsh Government population projection for Pembrokeshire excluding the National Park area suggests that population will grow to 102,626 in 2021 and increase of some 5% since 2011.

The SBCR Economic Development Strategy anticipates that for South West Wales that aggregate employment will decline to 2016 (by about 5% from 2010) before rising from 2017 onwards. The implication is that employment in Pembrokeshire will also grow reflecting the small increase from 2009 to 2014 of 4%.

3 OVERVIEW OF THE ECONOMY AND TRENDS

3.1 Introduction

This chapter provides a context for the Strategy by using published data on the Pembrokeshire economy with some comparisons with Wales and Great Britain. Initially it sets out the performance of the economy using a set of key indicators. It then goes on to characterise the employment trends, key sectors, the population, labour force and skills and areas of deprivation where they raise issues for policy.

3.2 Overall Performance

In terms of overall economic performance compared to Wales as a whole Pembrokeshire was stronger related to employment growth, key sectors such as construction, education, accommodation and food services, arts, entertainment and recreation, human health/social work and the energy and the marine economy, business start-ups and survival and qualifications together with lower levels of unemployment.

The comparative weaknesses were the key sectors of manufacturing, ICT, finance/insurance, professional and scientific services, administrative support and public administration, along with the level of per capita GVA. See Table 3:1.

Table 3:1: Performance indicators for Pembrokeshire compared to Wales

	Stronger	Similar	Weaker
Employment Growth	✓		
Sectors[1]			
Extractive industries	✓		
Utilities, electricity, gas	✓		
Energy and marine	✓		
Construction	✓		
Transport/storage	✓		
Accommodation/food services	✓		
Education	✓		
Arts, entertainment, recreation	✓		
Human health/social work	✓		
Manufacturing			✓

ICT			✓
Financial/insurance			✓
Professional/Scientific			✓
Admin/support			✓
Public admin			✓
Business formation		✓	
Business survival	✓		
Gross Value Added (GVA)			✓
Productivity			✓
Population growth (2009-2014)		✓	
Economic activity rates		✓	
Young people			✓
Unemployment	✓		
Qualifications	✓		

[1] *Note: A combination of employment growth and shares and LQS.*

3.3 Trends in Employment

The official source of company employment data for Great Britain and is the Business Register and Employment Survey (BRES), carried out annually by the Office for National Statistics. This shows that the level of employment[1] in Pembrokeshire was 44,800 in 2014, i.e.,1.1% higher than the 2013 figure of 44,200, and a change of 4% compared to 43,000 in employment in 2009 at the start of the UK recession. This shows a smaller increase compared to Wales as a whole (1.8%) or Great Britain (2.7%) between 2013-14. The comparable change for the 2009-14 period was 2.3% for Wales and 3.9% for GB. Hence the Pembrokeshire economy was growing faster than both Wales and GB in 2009-14 which was a strength but it had slowed in the 2013-14 period.

The largest sectors in Pembrokeshire were human health and social work, (7,100 jobs or 15.8% of the total), wholesale and retail sectors (7,000 or 15.6%), accommodation and food services (6,100 or 13.6%) and education (4.800 or 10.7%). Employment changes by industry in Pembrokeshire since 2009[2] are shown in Table 3:2. The sectors that grow most in absolute terms were construction and human health (by c.300 jobs each), followed by transport and storage, real estate

[1] "Employment" includes company employees and working proprietors, but excludes most self-employed people.

[2] The BRES replaced the Annual Business Inquiry in 2008, and underwent a methodological change in 2009. At the same time the industrial classification definitions changed, making 2009 a natural baseline for sector growth measurements.

and arts, entertainment and recreation (by c.200 jobs each). The main declining sectors were wholesale and retail, and accommodation and food services losing 400 and 300 jobs each respectively. The energy sector has seen the closure of the Murco refinery and the mothballing of the South Hook Heat and Power Station along with falling revenues in the oil and gas market.

Table 3:2: Pembrokeshire change in employment since 2009 to 2014

	2009	2013	2014	Change 2009–2014	Change 2013–2014
Agriculture, forestry and fishing[1]	200	200	400	200	200
Extractive industries (mining, quarrying, oil and gas)[2]	200	200	200	0	0
Manufacturing	3,500	3,300	3,400	-100	100
Electricity, gas, steam and air conditioning supply	200	200	200	0	0
Water supply; sewerage, waste management and remediation activities	200	300	200	0	-100
Construction	3,500	3,100	3,300	-200	300
Wholesale and retail trade; repair of motor vehicles and motorcycles	7,900	7,400	7,000	-900	-400
Transportation and storage	2,100	2,000	2,200	100	200
Accommodation and food service activities	5,700	6,400	6,100	400	-300
Information and communication	400	300	400	0	100
Financial and insurance activities	500	500	400	-100	-100
Real estate activities	600	500	700	100	200
Professional, scientific and technical activities	1,500	1,900	1,700	200	-200
Administrative and support service activities	1,500	1,400	1,500	0	100
Public administration and defence; compulsory social security	2,200	2,200	2,100	-100	-100
Education	5,000	4,900	4,800	-200	-200
Human health and social work activities	5,600	6,800	7,100	1,500	300
Arts, entertainment and recreation	1,500	1,800	2,000	500	200
Other service activities	800	700	900	100	100
Total	43,000	44,200	44,800	1,800	500

Note:[1] Farm-based employment is excluded from the "agriculture, forestry and fishing" sector as comparable data is not available. [2] This sector includes the Murco closure.

Numbers are rounded to the nearest hundred as required by ONS for reasons of confidentiality.

Source: Business Register and Employment Survey; PACEC

The comparative employment breakdown by sector is shown in Table 3:3. The Location Quotient column ("LQ") shows the relationship between Pembrokeshire's employment and the national average; an LQ higher than one shows that Pembrokeshire has more employment in the sector than the British average. Compared to this average, Pembrokeshire has a significantly higher concentration of employment in extractive industries (LQ 2.10), accommodation and food service activities (LQ 1.92), arts, entertainment, and recreation (LQ 1.82), and construction (LQ 1.59) along with education/human health and social work (LQ 1.20 each), electricity and gas (LQ 1.16) and transport (LQ 1.10). In the last two sectors the port of Milford Haven is extremely important, especially for the energy industry, servicing refineries, tank storage depots and Liquefied Natural Gas (LNG) developments and for ferry services, marine leisure and other port related activities. Employment is much lower than the national average in information and communication (LQ 0.22) and financial and insurance sectors (LQ 0.25).

Table 3:3: Employment breakdown by sector, 2014

	Pem-broke-shire	Swan-sea Bay	West Wales and the Valleys	Wales	Great Britain	Pem-broke-shire LQ[1]
A : Agriculture, forestry and fishing*	0.9%	0.5%	0.4%	5.0%	1.6%	na
B : Extractive industries (mining, quarrying, oil and gas)	0.4%	0.3%	0.2%	0.1%	0.2%	2.10
C : Manufacturing	7.6%	9.8%	11.6%	11.5%	8.2%	0.92
D : Electricity, gas, steam and air conditioning supply	0.4%	0.3%	0.4%	0.6%	0.4%	1.16
E : Water supply; sewerage, waste management and remediation activities	0.4%	0.8%	0.9%	0.8%	0.6%	0.70
F : Construction	7.4%	5.9%	5.5%	4.7%	4.6%	1.59
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	15.6%	15.3%	15.2%	14.3%	15.8%	0.98
H : Transportation and storage	4.9%	3.5%	3.4%	3.4%	4.4%	1.10
I : Accommodation and food service activities	13.6%	7.9%	8.1%	7.2%	7.1%	1.92
J : Information and communication	0.9%	2.1%	1.9%	2.2%	4.0%	0.22
K : Financial and insurance activities	0.9%	2.1%	1.5%	2.3%	3.6%	0.25
L : Real estate activities	1.6%	1.3%	1.5%	1.5%	1.8%	0.87
M : Professional, scientific and technical activities	3.8%	3.7%	3.6%	4.2%	8.2%	0.46
N : Administrative and support service activities	3.3%	5.5%	5.4%	6.1%	8.5%	0.39
O : Public administration and defence; compulsory social security	4.7%	8.7%	7.5%	6.7%	4.4%	1.05
P : Education	10.7%	10.6%	11.1%	9.8%	8.9%	1.20
Q : Human health and social work activities	15.8%	17.1%	17.5%	15.6%	13.1%	1.20
R : Arts, entertainment and recreation	4.5%	2.8%	2.5%	2.3%	2.4%	1.82
S : Other service activities	2.0%	1.9%	1.8%	1.8%	2.0%	1.01

Note: [1] Farm-based employment is excluded from the "agriculture, forestry and fishing" sector below the level of Wales as a whole, as comparable data is not available. As a result, LQs are calculated using total employment excluding agriculture, forestry, and fishing.

Source: Business Register and Employment Survey; PACEC.

3.4 Key Sectors and Clusters

The analysis of employment shares and LQs reveals that of the four largest sectors in absolute terms identified above, three (wholesale and retail, health and social work, and education) are relatively evenly spread throughout Wales and Great Britain: broadly, retail and public services are located wherever people live. The fourth sector is accommodation and food services, however, is a genuine strength of the Pembrokeshire economy, with almost double the national concentration of employment.

Figure 3:1 presents a SWOT analysis of the employment sectors in Pembrokeshire. The size of each bubble shows the number of employees in the sector. The vertical axis shows the concentration of employment in Pembrokeshire as measured by LQ. The horizontal axis shows how strongly the sectors are growing nationally in percentage terms. Public administration and construction (at the left-hand edge of the figure) are contracting nationally, whilst water and waste management services (right-hand edge) are growing.

Pembrokeshire has particular strengths in those industries where it has relatively high employment in sectors which are growing nationally (the top right quadrant): these are accommodation and food service; arts, entertainment, and recreation; education; and human health and social work.

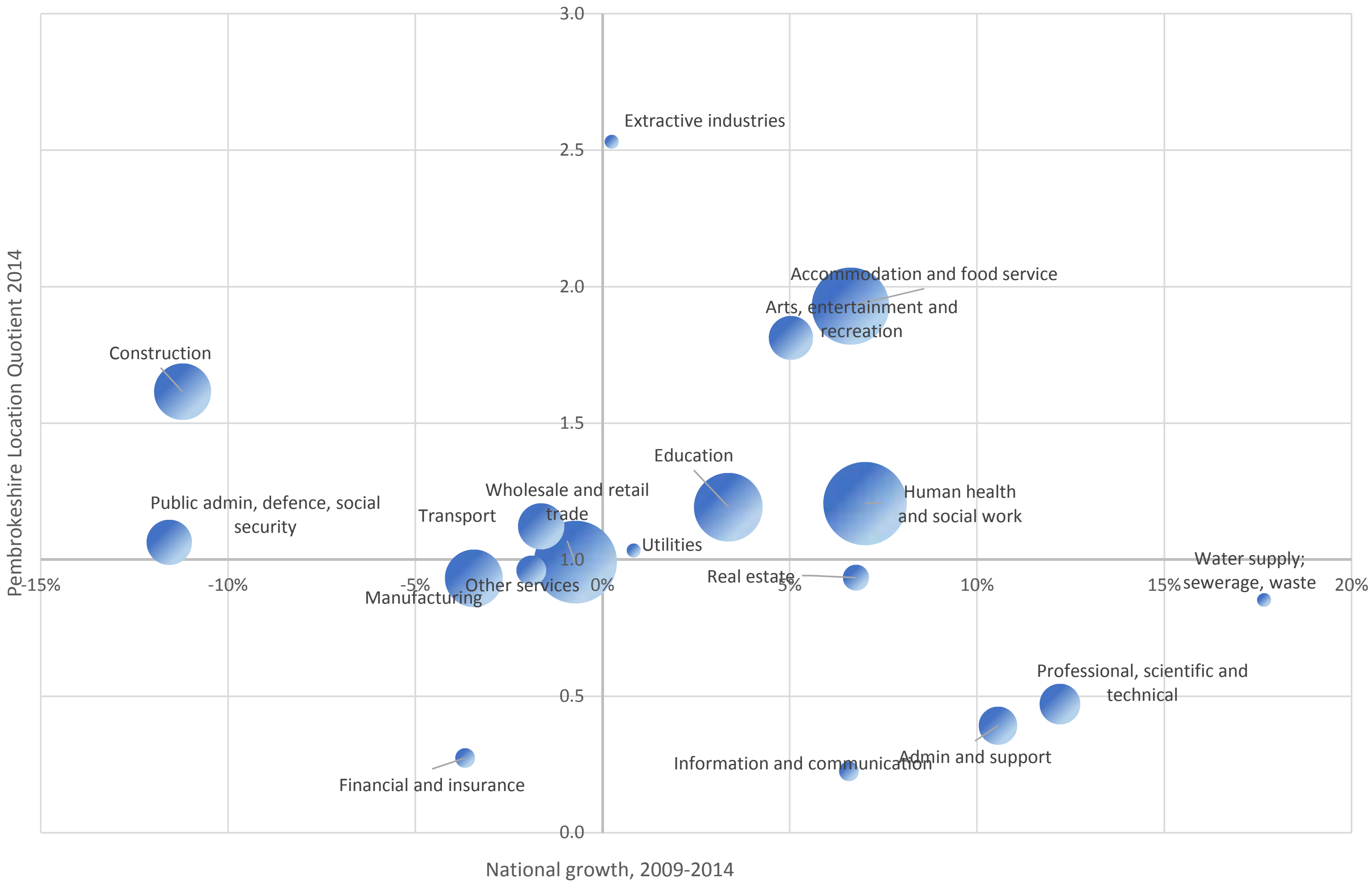
There are particular threats in those areas where Pembrokeshire has high employment in declining sectors (top left quadrant): construction, and public administration and defence.

There are opportunities, if the County can take advantage of these, in sectors which are growing nationally but are under-represented locally: these include professional, scientific and technical services, administrative and support services, ICT, and real estate – broadly, business services. Probably **ICT** and **business services** provide the most appropriate local opportunities.

The chart identifies a key sectoral strength in **tourism** (combining accommodation, food services, arts, entertainment and recreation) and a key opportunity in business services. There is also a very strong concentration in extractive industries (albeit one employing a small number of people in absolute terms). Closer examination of the data reveals that the marine sector, elements of transport and manufacture are strongly concentrated in Pembrokeshire, which can be combined with employment in extractive industries and fishing to form an "**energy and the marine economy**".

Agriculture is not fully represented in Figure 3:1 as compatible employment data is not available below the level of Wales. In the "**rural economy**" trends using the June Agricultural Survey, and the views of consultees, shows that there were 2,279 active farms with 1,700 full time principal farmers and 2,086 part-time principal farmers, as well as some 780 regular works and 643 casual workers. This amounts to some 5,200 jobs or 10% of the County total. There were a further 400 jobs in non-farm based agriculture (including agricultural machinery, retail of plants and fertiliser and vets), 100 jobs in logging and making wood based items and 100 works in quarrying.

Figure 3:1: Employment SWOT diagram

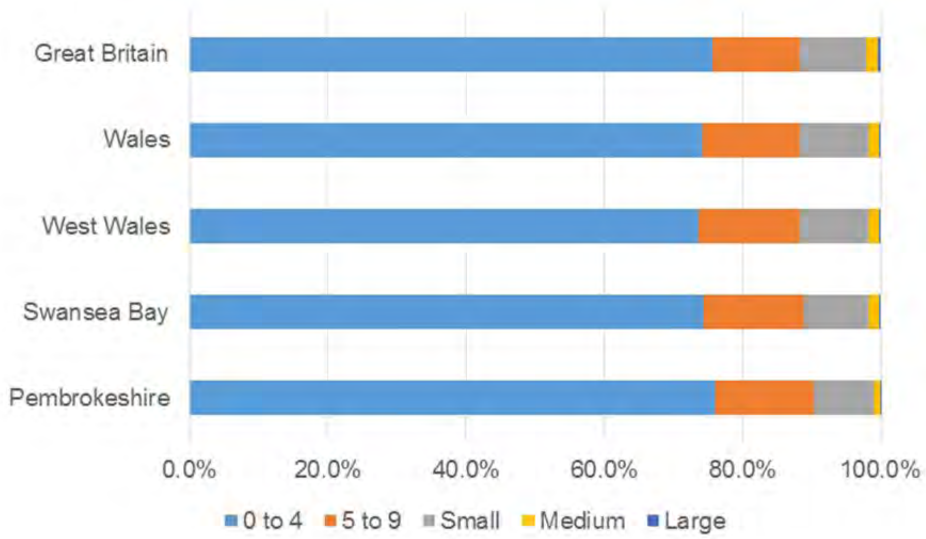


Source: Business Register and Employment Survey; PACEC.

3.5 Enterprise Activity

The Pembrokeshire economy, as with other locations, is dominated by micro businesses of fewer than ten employees. Pembrokeshire has slightly more of these very small enterprises and slightly fewer large enterprises than the national average[3]. Out of 5,505 enterprises, 75%, or 4,135, have fewer than five employees, and a further 15%, or 820, have 5 to 9 employees. 10%, or 545, have between 10 and 250 employees, and only around five have over 250 employees. This means 0.1% of businesses in Pembrokeshire have over 250 employees; the average for Wales is 0.3%, and for Great Britain is 0.4%.

Figure 3:2: Size of Enterprises by Employment, 2015



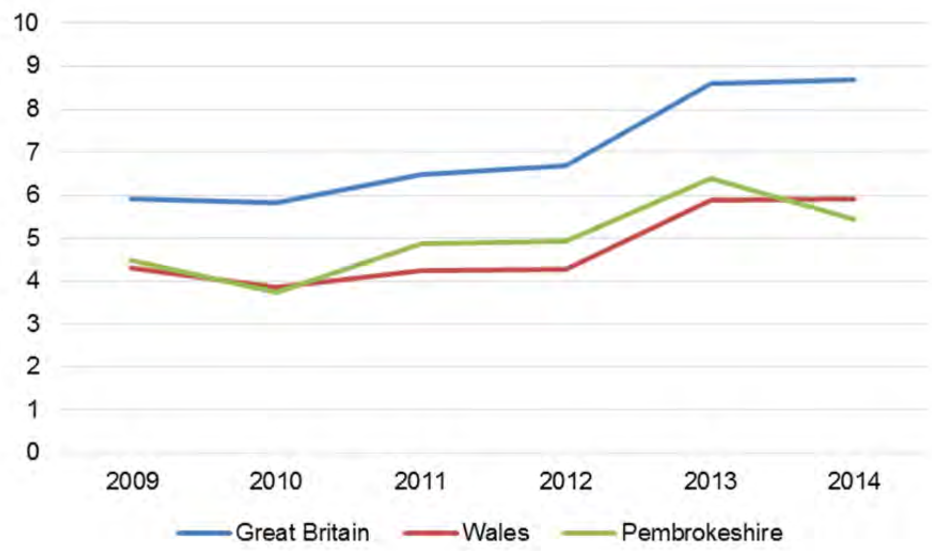
Note: Very Small is fewer than ten employees. Small is 10 to 49 employees; Medium is 50 to 249; Large is 250+.

Source: UK Business Count 2015, ONS; PACEC.

The Index of Entrepreneurship shows how many businesses are started per thousand people of working age. Pembrokeshire scores similarly to Wales but lower than Great Britain in 2014. See Figure 3:3. However, in the period 2010 to 2013 Pembrokeshire had outperformed Wales.

Figure 3:3: Index of Entrepreneurship

[3] UK Business Counts 2015. Numbers are rounded to the nearest 5.

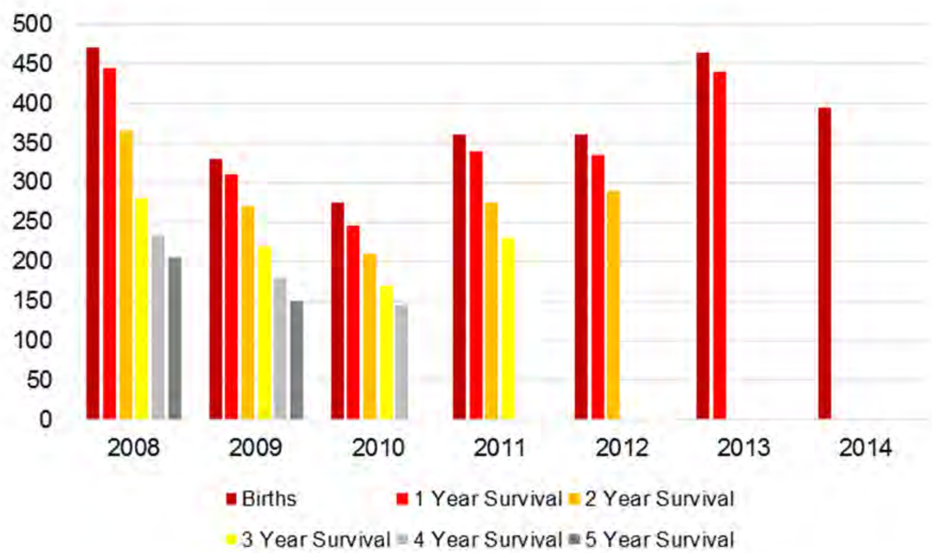


Source: Business Demography, Mid Year Population Estimates, ONS; PACEC

A key measure of economic performance is the business formation and survival rates. Figure 3:4 shows the formation and survival rates of new businesses. In each year, the deep red bar on the left shows new business start-ups in that year. The business formation rate fell sharply in 2009 and 2010, after the financial crisis in 2008 and during the recession. Figure 3:4 shows that by 2013 business formation in Pembrokeshire had returned to its 2008 level, but it reduced again in 2014.

The lighter bars to the right in each cluster show how many businesses survived to continue trading in subsequent years. Attrition of new businesses is normal: of the businesses founded in 2009, over half were still trading after four years in Pembrokeshire and 45.5% were still trading in 2014.

Figure 3:4: Business survival rates over 5 years, Pembrokeshire



Source: Business Demography, ONS; PACEC

The business survival rate is stronger in Pembrokeshire than for Wales and Great Britain. Figure 3:4 shows that the survival rate for the three areas was similar one year after businesses started up but after 2 to 5 years survival rate it was stronger in Pembrokeshire. After 5 years some 46% of firms had survived compared to c.40% for Wales and GB.

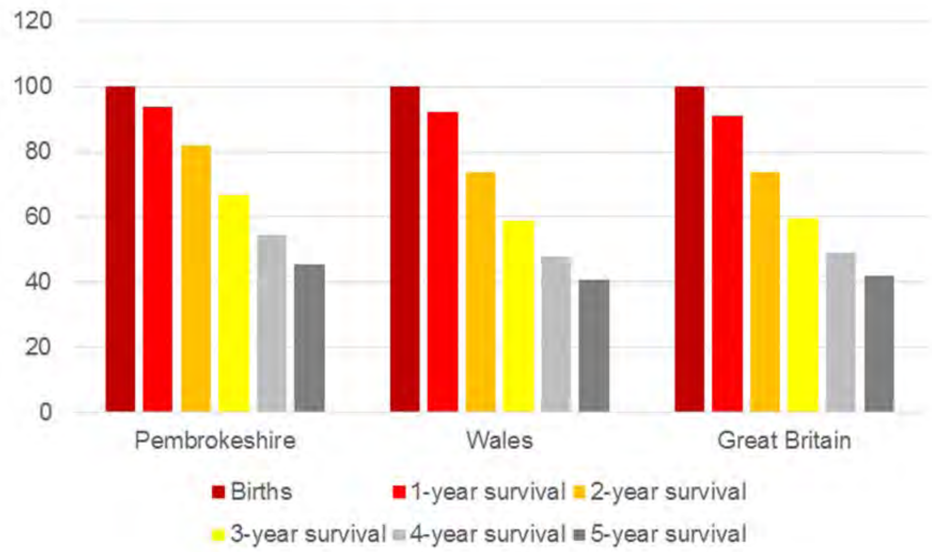


Figure 3:5: Business survival for businesses started in 2009 (%), Pembrokeshire, Wales and GB

Source: Business Demography, ONS; PACEC

3.6 Gross Value Added and Productivity

Gross Value Added (GVA) is the standard measure of the monetary value of economic activity for local areas or individual industries. It is difficult to measure at local level: official statistics are published for South West Wales (combining Pembrokeshire with Ceredigion and Carmarthenshire). This area contributed £6.0bn GVA to the economy in 2014, roughly 10% of the Welsh total of £54.3bn. GVA per head of population in 2013 was £15,750; lower than that for Wales as a whole (£17,573) or the United Kingdom (£24,958).

3.7 Population, the Labour Market, and Skills

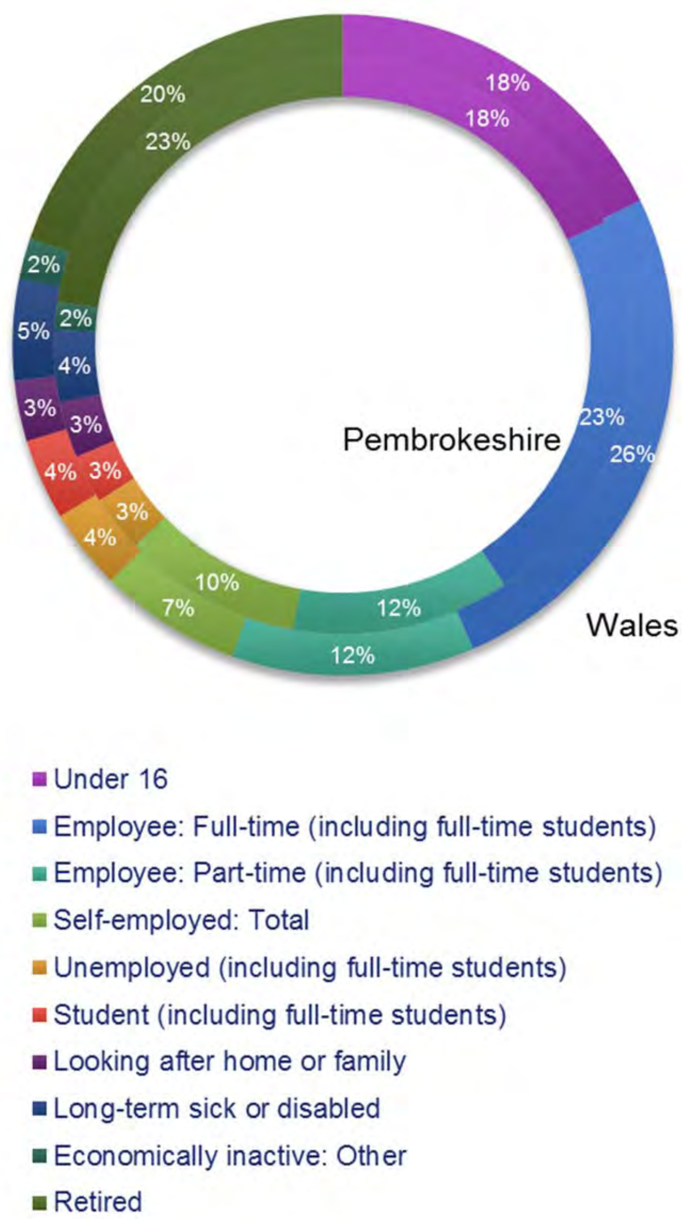
The population of Pembrokeshire was 123,300 in 2013. After a decline between 1994 and 1999 the population grew rapidly between 1999 and 2008 and steadily since then and by 2.0%. In Wales the population changed by 2.5% and in GB by 2.3%. Hence the Pembrokeshire change was similar. The age profile of the population shows significantly fewer 20-39 year olds than Great Britain but correspondingly more people over 55. This is driven by significant out-migration between the ages of 18-20 to seek higher education and employment outside Pembrokeshire

(~500 people per year) which is not matched by people returning aged 22-24 (~140 people per year).

In Pembrokeshire some 60% of the population are economically active compared to 59% for Wales as a whole based on the 2011 census.

Figure 3:6 shows the economic activity breakdown in Pembrokeshire compared to Wales as a whole. Pembrokeshire has the same proportion of under-16s (18%) as Wales and slightly more retired people (23% compared with an average of 20%). Pembrokeshire has a slightly lower rate of full-time employment and a correspondingly higher rate of self-employment.

Figure 3:6: Economic Activity compared with Wales



Source: Census of Population 2011; PACEC

The Annual Population Survey shows estimates of unemployment using the ILO definition, i.e., people who are without work but available to start working in the next fortnight, and who are looking for work or have been offered a job and are waiting to start. It gives a better indication of underlying unemployment than the claimant count, because it is not affected by eligibility criteria for benefits. However, the sample sizes are small, meaning that at district level the figures can fluctuate from year to year.

The employment rate in Pembrokeshire is similar to Wales as a whole, but there are more self-employed people and fewer full-time employees. Unemployment is low. Unsurprisingly given the age profile, there is a higher percentage of retired people than in Wales as a whole.

It is clear from looking at the trend over a decade, however, that Pembrokeshire's unemployment is below that of the comparator areas; in particular it is usually below the average for Great Britain.

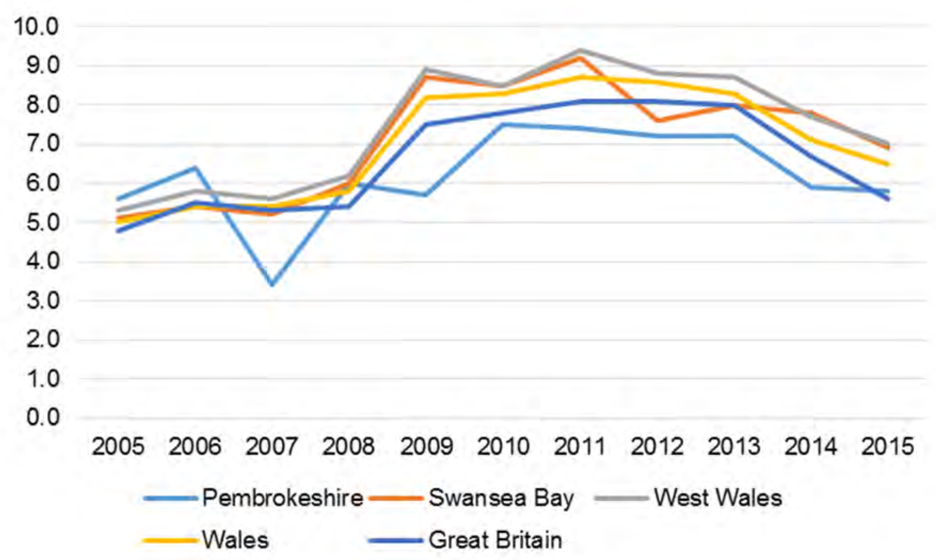
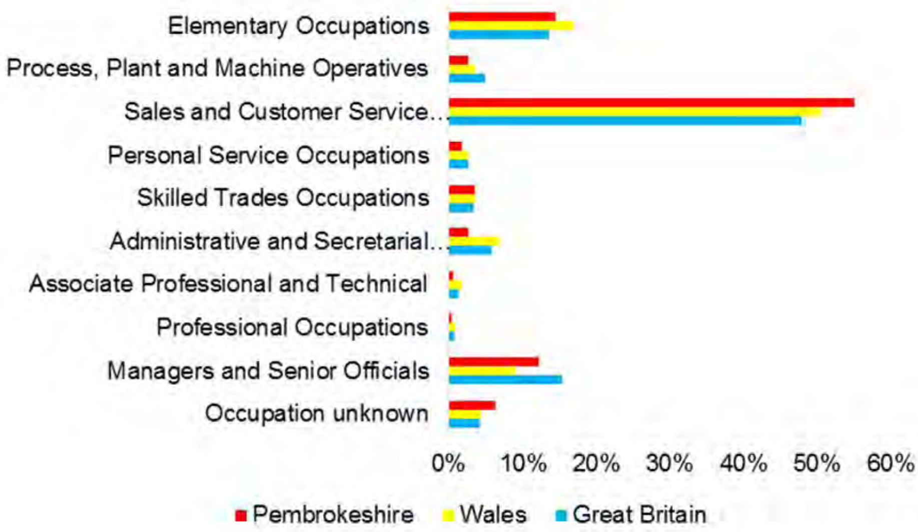


Figure 3:7: ILO Unemployment, 16–64 age group

Source: Annual Population Survey; PACEC; dates are year to September.

The claimant count shows those unemployed workers who are claiming Jobseekers Allowance (but not those who have been moved onto Universal Credit). It shows what kind of vacancies the unemployed in an area are looking for. They were predominantly in sales, customer service, management and elementary occupations. Compared to Britain as a whole, and Wales, unemployed claimants in Pembrokeshire were more likely to be looking for work in sales and customer service occupations and for management positions compared to those in Wales as whole. They were less likely to be looking for professional and personal service occupations in Pembrokeshire.

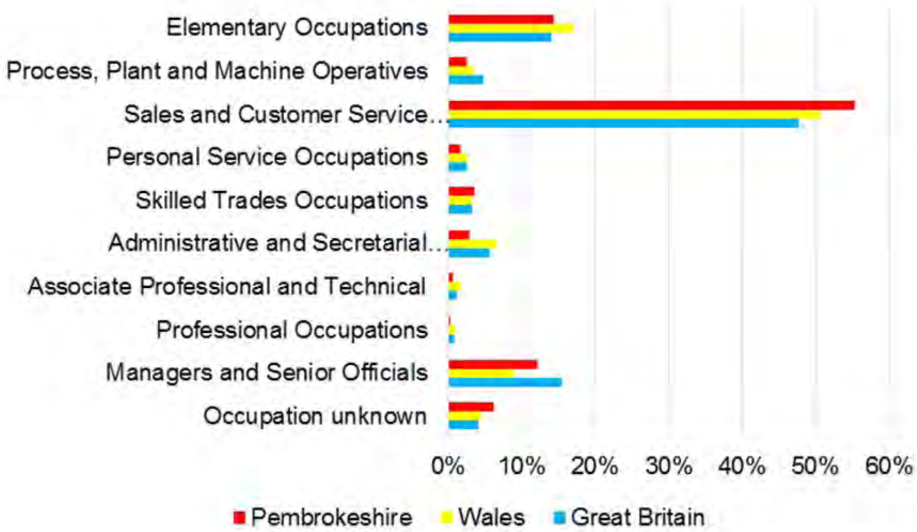
Figure 3:8: Claimants: Sought occupation



Source: DWP Jobseekers Allowance (January 2016); PACEC.

Claimants were also asked about their usual occupation before they became unemployed. Claimants in Pembrokeshire are more likely to have lost jobs in sales and customer service occupations, and less likely to have lost jobs in professional services and personal services. Compared to Wales and GB fewer had lost jobs in sales, customer services and elementary occupations. In Pembrokeshire claimants were more likely to have lost jobs in management occupations compared to those in Wales and GB.

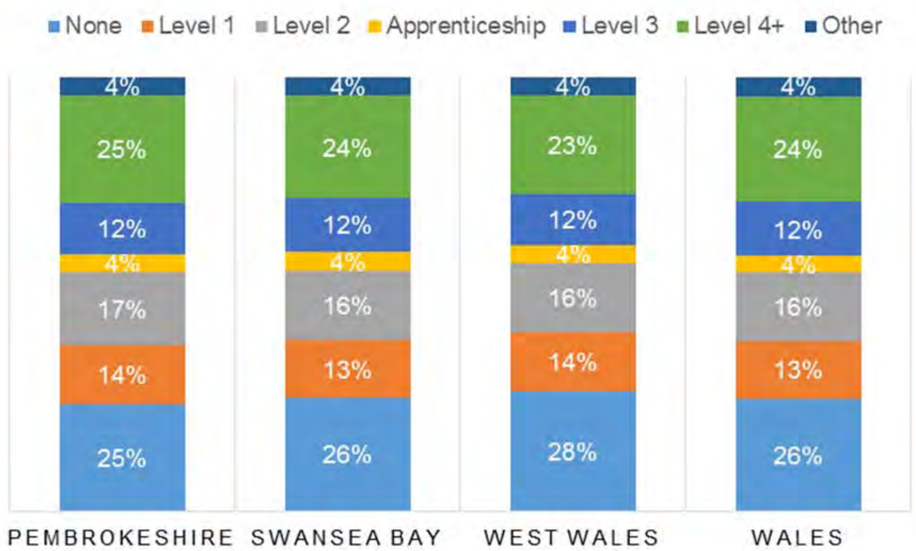
Figure 3:9: Claimants: Usual occupation



Source: DWP Jobseekers Allowance (January 2016); PACEC.

Pembrokeshire has a slightly lower share of people with no qualifications, and slightly more with degree-equivalent qualifications, than the Swansea Bay City Region as a whole and than the Welsh average, but the differences are very small. See Figure 3:10. The implication is that people in Pembrokeshire have slightly higher levels of qualifications compared to elsewhere. Despite this, surveyed businesses report significant skills shortages, suggesting that it is quantity of and access to labour, rather than overall quality of labour, that may be a constraint in Pembrokeshire.

Figure 3:10: Qualifications

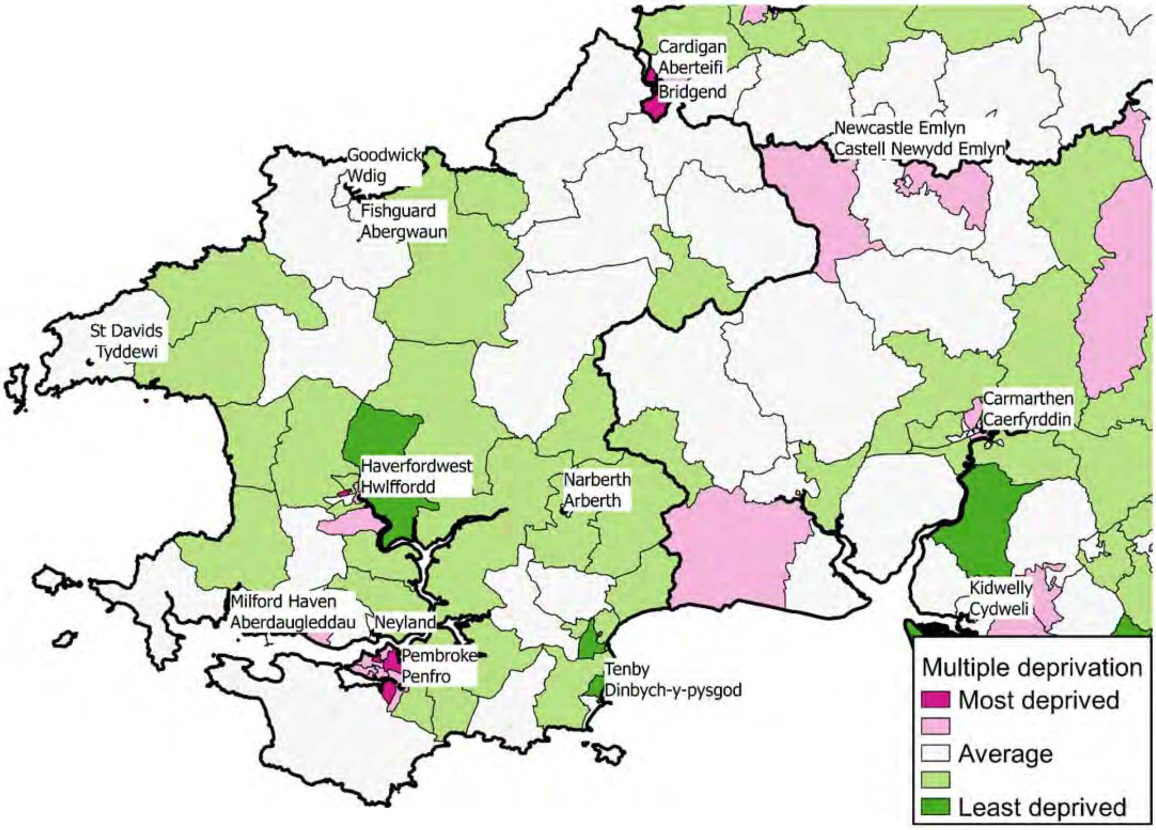


Source: 2011 Census; PACEC.

When businesses answering the survey specified constraints from the labour market, most responses indicated a skills shortage locally in many industries (e.g. "We […] employ many people from away rather than locally [due to problems such as costs for teaching relevant qualification]"; "lack of people to recruit in catering and hospitality"; "Very difficult to find skilled labour").

There are significant pockets of deprivation in Pembrokeshire as measured by the Welsh Index of Multiple Deprivation. Milford Haven scores poorly on physical environment and education. Pembroke Dock scores poorly on income, employment, health, education, community safety, and housing. Deprivation in terms of access to services is found throughout rural Pembrokeshire – this is common to rural areas and sparsely-populated areas nationally, and reflects the average distance to, for example, medical centres.

Figure 3:11: Welsh Index of Multiple Deprivation



Source: Welsh Index of Multiple Deprivation, StatsWales; Ordnance Survey; PACEC

House prices are above the average for Wales, as is the ratio of house prices to average earnings. This may make it harder for people to live near to their places of employment and hinder labour market accessibility.

Most people who work in Pembrokeshire live there, and vice versa. 34,617 people travel to work within Pembrokeshire's boundaries, - some 5,069 people commute outwards from Pembrokeshire, and 4,135 commute inwards resulting in net-out-commuting of almost one thousand workers. Most out-commuters go to Carmarthenshire (1,717 of them) or Ceredigion (1,232). The business survey suggested that the average firm interviewed had 94% of its staff resident in Pembrokeshire.

4 THE STRATEGIC POLICY CONTEXT

It is important for the Strategy to fit with, draw upon and complement the policies and initiatives of the County Council's partners and the policy framework nationally, regionally and locally. This section shows the main agencies, organisations and partners and the strategic policy context for the Council that will be drawn upon to help achieve the aims of the Strategy. This section covers

- The key partners and their roles
- The main policy framework

The sections below do not show all functions, roles and policies, but they provide a framework for engagement and resource inputs which will be critical to success.

4.1 The Key Partners

There are a range of partners that work with the County Council on economic development and regeneration issues. Their functions include physical regeneration, business growth, advice and support, inward investment, labour force skills and training, property issues and promotion, for the County as well as specific support for key sectors. The main ones are shown below

Table 4:1: Key Partners in Pembrokeshire and Functions

Partners	Functions
Pembrokeshire County Council	Finance / Inward Investment / Regeneration
Pembrokeshire Business Panel and Pembrokeshire Business Initiative	Aims to lead on the economy priorities of the Single Integrated Plan representing the Pembrokeshire business community.
Haven Waterways Enterprise Zone	Enterprise Zones & Delivery Programme.
Pembrokeshire Local Action Network for Enterprise and Development - PLANED	Community enterprise developing local resources
Pembrokeshire College	Post 16 education and training
Visit Pembrokeshire Tourism	Tourist guide offering information on accommodation, the coast path, the national park, events, beaches, and activities.
Pembrokeshire Coast National Park Authority	Management, conservation and protection of the Park providing information and education services.
Marine Energy Pembrokeshire	Partnership between technology developers, the supply chain, academia and the public sector for sustainable marine energy generation in Pembrokeshire.

Milford Haven Port Authority	Delivering port infrastructure and services.
Cleddau to Coast Fishing Local Action Group	Developed a Local Development Strategy (LDS) and Implementation Plan (IP) for the delivery of the European Fisheries Fund.
Pembrokeshire Association of Voluntary Services	Supporting the development of skills and knowledge in voluntary organisations and community groups.
Pembrokeshire Frame	Charitable community re-use organisation, working with individuals with mental ill health and learning disabilities.

4.2 Key Policy Framework

Table 4:2: National Level Framework

European & National Level Economic Policy Agenda					
2010	**Europe**	→	**UK**	→	**Wales**
	Europe 2020		*Plan for Growth*		*Economic Growth: A New Direction*
A number of common issues emerge at each of these levels in respect of Pembrokeshire, including the need for sustainable development, skills for key sectors and knowledge-based economic growth. Europe 2020 emphasises 'smart, sustainable and inclusive' growth centred on knowledge and innovation. Its key aims include increasing the employment rate, key sector skills and improving R&D performance as outlined in Horizon 2020. The Welsh Assembly's economic strategy Economic Renewal: A New Direction (2010), can provide 'the conditions and framework to allow the private sector to flourish'. The Welsh Government have supported a number of key initiatives in Pembrokeshire in line with the aims of this strategy. Projects include the Haven Waterway Enterprise Zone and Marine Energy Pembrokeshire, funded on a coordinated basis with European assistance on many projects.					

4.3 Regional Level

At the regional level, Pembrokeshire is aligned with Carmarthenshire, Neath Port Talbot and Swansea as part of the Swansea Bay City Region. The City Region's ambitions are set out in the Economic Regeneration Strategy 2013-2030, which calls for a connected and prosperous City Region driven by the skills and enterprise of its residents. The Strategy identifies productivity as its primary challenge, and has set a target of reaching 90% of UK GVA/job by 2030.

Table 4:3: Strategic Framework for the Swansea Bay City Region

Strategic Aim	Operational Aims	Strategic Aims / Opportunities for Pembrokeshire
Strategic Aim 1: Business Growth, Retention, Specialisation	Helping existing large employers retain staff	Managing relationships with large employers such as VALERO to prevent further job losses. Competitive advantages and specialisation in tourism and renewable energy with strong inward investment opportunities.
Strategic Aim 2: Skilled & Ambitious for Long-term success	Upskilling, better schools, key sector skills	Learning Partnership Framework Significant ESF funding for upskilling and education. Skills Gateway funding in Haven Enterprise Zone.
Strategic Aim 3: Maximising Job Creation for All	Reducing welfare dependency and jobless growth	Framework commitment to further upgrade transport links to ensure labour market access. Ongoing ESF funds for job skills training (e.g. Skills for Industry).
Strategic Aim 4: Knowledge Economy & Innovation	STEM / innovation / HEI development	Learning Partnership Framework (targets). Horizon 2020 Energy Challenge Work Programme (£4.2bn). Bridge Innovation Centre / Science Park.
Strategic Aim 5: Distinctive Places & Competitive Infrastructures	Connectivity, transport, public services	Joint Transport Plan and City Region ‘connected’ agenda provide greater opportunities for work mobility. Strong EAFRD rural connectivity & transport funding.

4.4 European Structural & Investment Funds for the 2014-2020 funding round

The Welsh European Funding Office and the Government are critical partners to assist with Strategy implementation using EU funds. There are four major categories of European funding in Wales. ESF and ERDF are focused on enterprise development, human resources and employment and play an important role in supporting Pembrokeshire’s fragile business and labour markets. The agriculture and marine/fishing development funds (EAFRD and EMFF) support environmental sustainability and competitiveness through targeted capital investment. A key feature of the new funding round across all four investment funds is an emphasis on supporting innovation and competitiveness through conducive environments rather than direct subsidies, in line with Welsh and European policy developments mentioned above.

Table 4:4: European Structural & Investment Funds

European Structural & Investment (ESI) Funds	
European Structural Funds	European Regional Development Fund (ERDF) European Social Fund (ESF)
	European Agricultural Fund for Rural Development (EAFRD) European Maritime & Fisheries Fund (EMFF)

The West Wales & Valleys ESF and ERDF allocations for the new funding round are €800m and €1.2bn respectively, with €650m made available across Wales for rural development funds, supplemented by match funding from the Welsh government. Structural funds are delivered by Specialist European Teams (SETs); the Pembrokeshire SET will oversee disbursement of remaining funds in the county until September 2015.

The new funding round is guided by the Economic Prioritisation Framework, which presents revised investment priorities for the 2014-2020 period. Project proposals must demonstrate both a regional and thematic fit in order to secure ESI funding. The new 2014-2020 ERDF and ESF operational programmes are presented in the context of this framework in Table 4:3 and Table 4:4.

There are also other EU sources for agriculture and rural development, transport, energy, skills/enterprise and tourism sectors.

5 POLICIES AND ACTIONS

This chapter outlines the five main policy themes, and the actions to help improve the economic performance of Pembrokeshire. These build on the evidence above and the views of stakeholders and businesses.

The actions suggested are given a priority level reflecting the issues, current plans, and the likely time and resources to implement them.

- **High (H)** Indicates that the action should ideally be started in the first half of the Strategy period i.e., 2016 to 2019.
- **Medium (M)** Activity started at least mid-way through the Strategy period.
- **Lower (L)** Required activity to be started by the end of the Strategy period providing the High and Medium priority actions have commenced.

While specific actions are allocated as part of one policy theme they do, in some cases, contribute to the outcomes in other themes.

The purpose of the actions is to build on existing strengths and address weaknesses in order to improve overall competitiveness in Pembrokeshire and encourage growth. The policies are designed to address productivity issues by focussing on sector strengths, developing economic skills, improving the availability of premises and infrastructure – all of these in combination impact on outputs and increase efficiency.

The policies and actions build on those in key policy documents such as the Swansea Bay City Region Economic Regeneration Strategy. The thrust of policies reflects the Government's approach to support the economy by moving away from direct financial assistance towards the creation of a supportive, enabling environment in which businesses can succeed.

5.1 Improving Business Competitiveness and Employment Growth

Business competitiveness is critical if Pembrokeshire is to maintain and enhance its quality of life and economic prospects. Both new and existing businesses provide the largest share of employment opportunities and income for residents in Pembrokeshire.

The number of jobs in Pembrokeshire was 44,800 in 2014 an increase of 1,800 or 4% compared to 2009. **The County outperformed Wales as a whole (2.3%) and for Great Britain (3.9%) since 2009. However, the recent growth was slower in Pembrokeshire at 1.1% in 2013-14 compared to 1.8% for Wales and 2.7% for GB.**

Pembrokeshire has some key sector strengths compared to elsewhere where employment is concentrated in both the corporate and public sectors

- Extractive Industries — Corporate sector
- Energy and Marine — Corporate sector
- Utilities, electricity, gas — Corporate sector
- Construction — Corporate sector
- Transport/storage — Corporate sector
- Accommodation and food services — Corporate sector

• Arts, entertainment and recreation	Corporate sector
• Education	Public sector
• Human health/social work	Public sector

The Gross Value Added (GVA) per head of population was lower in Pembrokeshire at £15,750 (in 2013) compared to Wales at £17,573 or the UK at £24,958. Productivity was generally lower especially in construction, distribution, financial business services and other services. It was similar in manufacturing, electricity, gas and water sectors and tourism activity.

In terms of enterprise, and the role of SMEs in the economy Pembrokeshire has a slightly higher share of very small enterprises (with under ten employees) compared to Wales and Great Britain.

The index of entrepreneurship shows that business start-ups per head of population was similar in Wales and Pembrokeshire in 2014 (although it had been higher in the County in between 2010 and 2013). It was usually higher in Great Britain. However, the businesses in Pembrokeshire tended to survive more than businesses in Wales and Great Brian as a whole but adequate business support was a critical ingredient.

The main points made by stakeholders and businesses were:-

- The main sectors/clusters and their supply chains for the emphasis of policy should be marine energy and renewables with energy projects and green jobs (including the supply chain, with fabrication and hydro carbon activities, tourism and the visitor economy (with hospitality), the food and drink sector (with early to market/fresh produce), the creative industries/digital sector, the rural economy (agriculture, fisheries and food and diversification into crafts/workshops) and the care sector.

  Light industrial manufacturing included marine energy, food and drink and crafts/workshops.
- Productivity could be improved by focusing on the energy and professional services sectors and skills improvements.
- The focus should be on retaining and increasing the number of jobs and quality through business starts, better business survival rates, indigenous growth and inward investment.
- The business support facilities should be strengthened to include better coverage for the County, more “local” support that is easier to access.
- The main requirements were considered to be finance including debt/equity finance and financial management support, enterprise and business management (including business planning, leadership and team working), marketing and promotion, innovation and production/service development, the development of an innovation culture, support to improve productivity (through skills development, innovation and cost management), and customer care/interpersonal skills.
- Business support networks could be strengthened in the priority sectors to encourage co-operation, co-ordination and trading linkages.

  There was the need to strengthen the supply of labour and skills (see below).

- Social enterprises could fulfill a need where businesses may not be attracted to act.

The policies and actions will also cover business and employees in other sectors where there are clear needs.

Overall it is suggested that policy places more emphasis on those opportunity sectors and clusters that are relatively highly concentrated and growing in the corporate sector i.e., extractive industries, utilities, energy and renewables with green jobs (including wave and tidal energy), the ports (and airport), accommodation and food services, the arts, entertainment and recreation (as the tourism and visitor sector to increase the quality and variety). This should include both the businesses and employers in the sectors and their supply chains.

The HWEZ provides a unique opportunity to improve competitiveness in particular through the energy and renewables sector and the opportunities available through the deep Haven Waterway (e.g., for the cruise market and tourism) and improved links to Withybush airport. There are opportunities to spearhead and drive growth in the County building on the EZ role in bringing forward sites and premises and the use of incentives (such as capital allowances, EZ reduced business rates, the Finance Wales preferential interest rates, Ultrafast Broadband Vouchers, European Funding and business support with the Interaction Business Group, the Murco Taskforce and the Energy and Maritime Centre of Excellence/Academy) together with the development of training and apprenticeship schemes and the ability to lobby for and secure transport, ICT and other improvements.

POLICY	ACTIONS	PRIORITY
1. Increase the number of successful businesses by stimulating business start-ups, incubation and survival rates for all businesses.	− Enhance business start-up initiatives. − Review under-represented groups and the support they need including young people, women, recent graduates, the disabled and the unemployed.	H
2. Increase the availability and access to tailored business support in Pembrokeshire for all businesses by size and sector.	− Liaise with Antur Teifi and Welsh Government to extend and develop the business support and improve access to the County, publicise it and raise awareness amongst businesses and signposting. − Work with local partners and intiatives to strengthen business support services based in the County, e.g., the business initiatives and Science Park and Innovation Centres and outreach services to businesses. − Harness the role of universities in stimulating graduate start-ups and the enterprise culture.	H
3. Customise support to address current business needs, strengthen the enterprise culture and monitor future requirements.	− Strengthen the availability of support improve • the availability of debt and equity/venture finance for growth, management, innovation/product development, training and skills. • e.g., through Finance Wales, the Wales Economic Growth Fund and Small Capital Investment Fund and exploring local business angel/VC network • financial management and business planning • business management, leadership and team working skills • innovation, product and service development and the adaption of new technology, • explore the implementation of a Science and Innovation Audit (SIA) for the County and development of a Knowledge Innovation System (KIS) with partners to strengthen the knowledge economy • stimulate knowledge exchange and innovation links between businesses and the universities • marketing, promotion and sales including exports • steps to increase productivity within businesses by increasing outputs and cost management.	H
4. Stimulate and support the development of business networks to help improve collaboration, co-operation and the development of supply chains in key sectors/clusters.	− Organise sector/cluster based networks and business events: for example, introducing buyers/suppliers, collaboration on innovation, new products, processes and services and the adoption of technology, address the skills gaps and business support needs.	H
5. Stimulate knowledge exchange (KE)	− Increase business access to university HEIF and KE	H

POLICY	ACTIONS	PRIORITY
and innovation links between businesses and universities.	funding and events.	
6. Stimulate the development of new and existing social enterprises.	− Explore the role of social enterprise to meet needs where businesses/community groups are less active.	**M**

5.2 Attracting and Retaining Inward Investment

Inward investment, whether through the location of new businesses, the acquisition or merger of others through external funding or tourism brings significant benefits. There is a greater prospect of achieving critical mass in key sectors, strengthening the image and visibility of Pembrokeshire, diversifying and deepening activities, improving skills, and the transfer of knowledge and know how. Appropriate investment results in wider opportunities and choice, increased employment opportunities and higher incomes for residents.

Pembrokeshire is located close to the Swansea area as one of the largest cities/conurbations in Wales. **The County has not attracted major private inward investment consistently overtime in the past**. There have been a few important investments which have helped strengthen local sectors/clusters in the past few years which can be built on. Some examples include companies in engineering, medical devices, medical equipment and supplies and energy. There have also been retail investments in the town centres such as Haverfordwest.

There is growing interest from professionals who can work on-line/through the internet from small units/or from home and are attracted by the life style, rural nature and scenery of the County.

The character and attractiveness of Pembrokeshire, together with its history, culture and its physical environment have also stimulated and helped capture a growing number of professionals.

Pembrokeshire itself, and its network of market towns, does not provide a large market for inward investors seeking to sell their goods and services. However, it is close to the Swansea area and larger market for services. It also has a relatively low cost base **and** a reasonable supply of labour, sites and premises, and an emerging business services infrastructure to help support investors.

Some of the key issues faced are concerned with the product that Pembrokeshire can offer inward investors and how these are defined and promoted. For example, access to markets, premises (for medium size and smaller firms), skills and labour and a business support infrastructure that can host inward missions, make introductions to suppliers and service providers, network with business "champions" and provide an aftercare service to support firms. Linked to this is the proximity of the market and the sources of inward investment, for example, companies moving from the Swansea, Cardiff and Bristol areas, or elsewhere, companies in the key supply chain for the energy sectors including renewable energy, and companies in leisure/hospitality, that can take advantage of growing tourism.

A further source of investment is the attraction and retention of high skilled workers and graduates as residents (who may be employees, commuters or home based workers providing services elsewhere).

Tourism is also a key source of investment in the County where issues of market segments should be addressed, for example, cruise ships as day and short/longer stay tourists, tourists who visit outside the peak times (for example, in the early Spring and post Summer/Autumn), the visitors attracted by cultural and heritage facilities and those who seek outdoor recreation such as walking in the National Park areas and visit the significant outdoor and leisure attractions.

The points made by stakeholders and businesses are:-

- The inward investment activities should focus on the priority sectors identified and in particular the energy sector supply chain, the creative cultural industries sector encouraging home working and the attraction of professionals, retailing and services in town centres and diversification in the rural/agricultural sectors.
- The investment of tourism was a priority through extending the tourism season, attracting high value/spending tourists with the outdoor recreation/cultural heritage attractions and encouraging the cruise ship market and expenditure of cruise ship passengers.
- Ensure an adequate supply of sites and premises especially through the Enterprise Zone activities, the other main sites (such as the former RAF Brawdy site), in town centres and the rural areas for diversification.
- Work more closely with the Swansea Bay City Region partners and Welsh Government to promote Pembrokeshire, sign post potential investors to the County and "host" visits.
- Strengthen the Pembrokeshire offer, the County image and promotion (see below).

Policy should focus on attracting higher value added business in the priority sectors, the supply chains, the lifestyle live-work professionals and visitors.

POLICY	ACTION	PRIORITY
1. Attract and retain businesses in the key growth sectors/clusters and their supply chains.	− Initiate discussions with businesses in the sectors to identify the requirements and gaps. − Assess sector/cluster development needs and the specific locations. − Prepare a Pembrokeshire prospectus for potential investors showing the strengths and opportunities in the County.	**H**
2. Develop promotional material for key markets to attract mobile firms and individuals.	− Develop promotional materials and a fact pact for key spatial markets outside Pembrokeshire, e.g., in Swansea, Cardiff and Bristol areas. − Professionals working from home in sectors such a business services and the creative/cultural, software industries.	**M**
3. Strengthen inward investment handling services and the offer for investors.	− Enhance arrangements with Welsh Government – Economy Department and Swansea Bay City Region strategy team to sign post businesses to Pembrokeshire. − Enhance arrangements with local partners to host visiting companies and individuals. − Set up a network of partners on the Pembrokeshire offer e.g., business “champions”, commercial agents, business support groups. − Enhance arrangements for aftercare and ongoing support for businesses.	**H**
4. Improve the provision of premises for inward investors, their quality of environment.	− See actions for sites and premises, below.	
5. Strengthen the Pembrokeshire brand and offering.	− See actions for the image and promotion of Pembrokeshire, below.	

5.3 Improving the Labour Supply and Skills

The skills and aptitudes of the workforce available to employees in Pembrokeshire underpin what can be achieved in terms of competitiveness, raising productivity, applying new technologies and innovation: all that is required to grow the local economy.

In Pembrokeshire the population was some 123,300 in 2013, and growing in terms of labour supply for employers. The number of people economically active was 61,700 or 60% compared to 59% for Wales. Pembrokeshire has the same proportion of under 16's (18%) as Wales and slightly more retired people (23% compared to an average of 20% in Wales). The County has a slightly lower rate of full time employment and a higher rate of self-employment in part reflected in the figures on enterprise above.

Given the growth in employment of 4% between 2009 and 2014 the workforce was increasing especially in the growth sectors of construction and human health and the larger concentrated sectors of accommodation and food services and arts, entertainment and recreation. This growth added to the stock of labour and skills.

The share of younger people (16 to 29) is lower in Pembrokeshire at 16.7% compared to Wales 19.6%. **Hence younger people leave the County for employment and/or to continue their education, for example, at degree level. This comprises a depletion of higher attainers in the labour market.**

Out commuting also contributes to a reduction in skills available with overall net commuting out of the County – mainly comprising people with higher skill levels who are more likely to commute further.

Unemployment levels (taking the ILO definition) in the County has been historically low in Pembrokeshire and stood at 5.8% in 2015 compared to the Swansea Bay area of 6.9%, Wales 7.0% and Great Britain 5.7% although in 2015 it was slightly higher than for GB as a whole.

Pembrokeshire residents have slightly higher levels of people with qualifications compared to elsewhere. Some 37% have NVQ levels 3 & 4 compared to 36% for Wales and 25% have no qualification compared to 26% for Wales as a whole.

In the main areas of deprivation of Milford Haven and Pembroke Dock poorer education attainment reduces the levels of skills available and the employment opportunities for these people. This is combined with lower income levels, and health, as well as poorer housing and community safety and a less attractive physical environment.

The feedback from employers and stakeholders in the County highlighted recruitment difficulties and skills shortages. The main areas of concern were in:-

- There was a need to improve the skills base and supply of labour in the County by developing employment, educational and training opportunities that would retain young people and help prevent them from moving away.

  This resulted in a high level of replacement demand amongst employers, labour shortages and recruitment difficulties.

- There was a request to improve the supply of skills to meet skills gaps and recruitment difficulties in key areas
  - Manufacturing/engineering (e.g., the energy sectors) for NVQ levels 2/3 and 4/5;
  - Tourism/catering/hospitality and retail: customer care, interpersonal skills and food preparation (e.g., chefs);
  - Construction across different trades: levels 2 and 3;
  - Health and care skills: levels 2 and 3;
  - Generic skills were also required: basic level skills, IT and Management skills.
- Apprenticeships, especially for young people should be prioritized along with other worker based learning for vocational skills needed in the County.
- School provision was important for basic skills, the FE sector for technical and occupational skills, and the Universities for the high level skills, with the ability to progress across all levels.
- Employers links with schools, FE and HEs should be strengthened and employer training/skills development actively encouraged.
- Employers should be encouraged and supported more to upgrade their skills and competences.
- The skills needs and labour market intelligence, should be reviewed regularly to help ensure resources are available and focused.

POLICY	ACTION	PRIORITY
1. Improve the supply of labour and skills for employment.	− Initiate an analysis of skills requirements in the growth, priority and other sectors with skills gaps and recruitment difficulties identified. − Initial requirements identified are: • Manufacturing/engineering (e.g., the energy sectors) for NVQ levels 2/3 and 4/5 and STEM qualifications • Tourism/catering/hospitality and retail: customer care, interpersonal skills and food preparation (e.g., chefs) • Construction across different trades: levels 2 and 3 • Health and care skills: levels 2 and 3 • Skills for innovation and knowledge based growth • Generic skills were also required: basic level skills, IT and leadership/management skills. − Maintain and strengthen the opportunities for apprentices working with employers and the providers of training. − Develop appropriate FE and HE courses (with nearby Universities) to address the skills issues. − Regularly review the skills and labour market requirements with employers, PCC, HWEZ (and plans to set up a Skills Centre of Excellence in Energy) and local and regional partners (e.g., the Regional Skills and Learning Partnerships) and the collaboration between partners to meet needs.	**H**
2. Strengthen measures to train young people in the County, including the NEETs group.	− Ensure that young people are aware of the opportunities for employment and training in the County and the different sites/locations offered (e.g., Futureworks Networks/Youth Engagement). − Strengthen the links between the employers, schools, the FE College and Universities nearby.	**H**
3. Strengthen measures to attract young people from elsewhere to the County.	− Promote the opportunities for employment and training to young people in schools, FE and HE elsewhere in Wales, the West Midlands and Bristol areas.	**M**
4. Raise levels of attainment of school and college leavers in the County and reduce barriers to work.	− Maintain support to Pembrokeshire secondary schools to achieve higher than national standards in core subjects and essential skills. − Enhance and expand the proportion of secondary school leavers progressing to full-time education, work-based learning and/or employment with appropriate training. − Ensure facilities for childcare where needed. − Enhance the provision at the FE College to raise	**H**

POLICY	ACTION	PRIORITY
	standards and meet the needs of students and employers. − Ensure that students have access to FE and training provision across the main County locations. − Ensure that young people and older trainees have access to appropriate apprenticeship schemes and work based learning (e.g., through the work programme and Jobs Growth Wales).	
5. Stimulate an enterprise culture in schools and develop business experience.	− Set up school enterprise initiatives. − Encourage business events/speakers in schools. − Reinforce work based training and work placements in SMEs.	**M**
6. Engage more employers in support for training and education and raise awareness of the benefits.	− Stimulate the development of employer staff training programmes supported by training audits and plans. − Strengthen the links between employers, the schools and the FE sector to help training and work force skills issues to be identified and met and work placement/experience opportunities to be promoted and filled (e.g., the Pembrokeshire Business Panel).	**H**
7. Raise the employability skills of those who are unemployed, socially excluded, disadvantaged or disabled.	− Enhance support for community based provision in schools for the more deprived areas of the County to increase attainment in basic literacy and numeracy and IT skills and increase awareness/the culture of the benefits of training. − Enhance skills for job search and winning jobs.	**M**
8. Improve prospects for re-training for those seeking to re-enter the workforce.	− Work with partners to identify needs and initiatives (e.g., the Murco Taskforce and the Transform Skills Programme).	**H**

5.4 Improving Transport and Infrastructure

Pembrokeshire is a large predominately rural area with the main urban areas in the centre, at Haverfordwest, and in the south around Milford Haven, Pembroke Dock and Pembroke. The key transport issues have a bearing on competitiveness and the economic prosperity of the County. This section deals with road and rail transport, the ports, the airport and IT infrastructure.

5.4.1 Roads

The main road into Pembrokeshire is the A40, which runs through Haverfordwest before looping north to Fishguard. Connected A-roads to the south provide access to Milford Haven, Tenby and Pembroke Dock. The most significant of these is the A477 where a recently opened new section of road has both improved safety and reduced travel time. Road access into the north is provided by the A487, which passes along the coastline into neighbouring Ceredigion through the coastal settlements of Fishguard and Newport. **The limited capacity on roads, in particular the A40, has led to seasonal spikes and congestion. Efforts are currently under way to dual parts of the road to relieve traffic.**

The tolls on Cleddau Bridge have also been raised as an issue and what the economic impact could be if they were removed.

5.4.2 Train

The West Wales Lines from Swansea approach Pembrokeshire through a single line in the south and, branching at Whitland just outside the eastern border of the county. They broadly mirror the shape of trunk roads in the County, with services travelling into Pembroke and Pembroke Dock via Narberth and Tenby, to Milford Haven via Haverfordwest, and to Fishguard. The quality, frequency and speed of services should be improved including better links to Tenby and Fishguard.

A direct daily service from Milford Haven to Manchester also exists.

5.4.3 Ports

There are several important ports situated along Pembrokeshire's coastline. Chief among these is Milford Haven Waterway: a deep natural harbour and one of the biggest ports in Europe by traffic volume, it has been developed since 1960 to service the petrochemical industry. There are important pipeline links from the Milford Haven Port into other ports of Wales and England. The Waterway houses the Fish Docks and forms the core of the Haven Waterway Enterprise Zone, home to a number of new energy companies. Pembroke Dock and Fishguard Harbour provide several daily passenger services out of Pembrokeshire (including the connection to Rosslare in the Republic of Ireland) and there are special trains to connect with the arrival and departures of the Stena Line ferry that operates between Fishguard and Rosslare.

Pembroke Power Station opened in 2012 near Pembroke Dock to take advantage of the availability of a high pressure supply of natural gas from the new Liquid Natural Gas import and storage facilities. This is the UK's largest and Europe's most efficient Combined Cycle Gas Turbine power station.

5.4.4 Air

Pembrokeshire County Council owns and operates Haverfordwest Airport (formerly RAF Haverfordwest), two miles north of Haverfordwest and is responsible for its development to support business and general aviation activity. It forms part of the Haven Waterway Enterprise Zone. The airport is mainly used for private aircraft and organised pleasure flights although a specialist air charter service is based there. The nearest airport offering regular scheduled flights is in Rhoose (Cardiff)

5.4.5 IT Infrastructure

More than 23,500 homes and businesses in Pembrokeshire can now access fast fibre broadband thanks to the Superfast Cymru programme.[4] The first households and businesses to be connected were in Haverfordwest, Johnston, Milford Haven, Neyland, Pembroke and Saundersfoot, who can take advantage of faster upload and download speeds. Tenby has also recently benefited. Elsewhere, Fishguard, Broadhaven, Narbeth, Newport (Dyfed), Carew, Manorbier, Clynderwen are all set to see engineering work begin before the end of March 2016 as part of the Superfast Cymru roll-out. Fibre broadband will also be switched on in Hebron, Crymych, Crosswell, Treffgarne and Letterston.

The main points made by stakeholders and businesses consulted were:-

- The transport network has a crucial role to play in terms of economic prosperity, access to labour and suppliers, productivity and tourism.
- Roads. Pembrokeshire is highly dependent on vehicular access and most agreed that the road network needed upgrading, in particular dualing for the A40 (linked to the M4) as well as improvements to the A470, A4076 and A477 and links to Fishguard.
- Improve access, with parking facilities in all town centres.
- Cleddau Bridge tolls were generally viewed as a barrier restricting the movement of labour, the lower paid and younger people (for example, access to Pembrokeshire College) as well as small tradespeople, businesses and suppliers.
- Rail. Further electrification was required the frequency and regularity of services needed improving for passengers (including inter-city services to Haverfordwest) as did the rolling stock. Freight services were also vital for the docks and EZ.
- Buses. The rural network needed improving with more regular buses, especially to allow better access for young people (for work and further study), 9-5 workers in the towns, older residents, as well as helping connect/integrate rural communities.

[4] Superfast Cymru, a partnership between the Welsh Government, BT, UK Government and European Regional Development Fund is the largest of its kind in the UK. It is aiming to achieve, when combined with commercial programmes by the private sector, the Welsh Government's aim or providing 96% of premises in Wales with access to fast fibre broadband by the end of Spring 2016.

- Ports. Access and facilities at the ports, and for passenger ferries and cruise liner visitors could be upgraded.
- Broadband and IT. The access and availability should be speeded up for residents and businesses. Pembrokeshire was playing "catch-up" compared to other locations.
- Mobile phone reception is patchy which can restrict residents, businesses and tourists.

The policies reflect those in the Joint Transport Plan (NTP) and the South West Wales Plans.

POLICY	ACTION	PRIORITY
1. The A40 improved to dual carriageway standard to Haverfordwest from St Clears.	− Continued liaison with Welsh Government and pressure/publicity by interest groups.	**H**
2. Improve the A4076 and A477 and the A40 to Fishguard with measures for road safety for communities.	− Continued liaison with Welsh Government and pressure/publicity by interest groups.	**H**
3. Give consideration to removing the toll charges on Cleddau Bridge.	− Continued liaison with Welsh Government on the economic benefits for removal of the tolls subject to future maintenance and conditions on the Bridge, satisfactory outcomes for Council staff, other Council service levels, and the costs as the responsibility of the Welsh Government.	**M**
4. Electrify railway lines in the County and improve the links to Tenby and Fishguard.	− Continued liaison with Rail Track and First Great Western with pressure/publicity by rail users interest groups.	**H**
5. Extend the inter-city services to Haverfordwest.	− Continued liaison with Rail Track and First Great Western with pressure/publicity by rail users interest groups.	**M**
6. Improve access to the ports for vehicles and the visitor experience.	− New highway and sea bourne access improvements (e.g., to Blackbridge Port) with the HWEZ and for cruise ship visitors (e.g., at Milford Haven).	**H**
7. Strengthen the rural bus network for more remote areas and to ensure improved access to the town and villages and the FE College.	− Continued liaison on service providers and pressure/publicity by user interest groups.	**H**
8. Improve access for all “hub” town centres.	− Implement traffic management schemes, road widening and parking for residents and visitors.	**H**
9. Expand the Haverfordwest airport services and facilities.	− Liaision with Welsh Government and the airport operators.	**M**
10. Achieve the roll out of broadband for the whole County.	− Liaise with Superfast Cymru to ensure that fast fibre broadband is available to the businesses and residents of the County and that the 2016 targets are met. − Alert businesses to the SBCR Broadband Voucher Scheme.	**H**
11. Improve mobile phone reception across the County.	− Liaise with the mobile phone operators to improve reception while protecting the environment.	**M**

5.5 Improving Sites, Premises and Physical Regeneration

The provision of adequate sites and premises for employment uses, and in particular for the priority sectors is critical to allow sustained economic development and growth. **Generally, in spite of the level of investment that has been made much of the commercial and retail property is in need of upgrading and there is patchy speculative commercial development activity meaning that gap funding is often necessary for schemes.**

Pembrokeshire has experienced significant industrial structural changes over the past few years which in particular has affected the area around Milford Haven. These have included the closure of a number of power stations, defence establishments and refinery operations such as Murco in 2014. **The poor supply of sites and their condition led to the declaration of the Haven Waterway Enterprise Zone around Milford Haven and on other sites in the County**.

There are insufficient larger units above 10,000 sq.ft. These could secure a 'step-change' in inward investment projects, companies within the supply chains of the main anchor occupiers and/or emerging technologies within the energy sector. At the larger end of the industrial market, the available floorspace is of poorer quality, being of dated specification. The development of larger schemes are unlikely to be attractive to private sector developers unless there was significant grant aid or an over-riding head lease or joint venture.

At the smaller end of the spectrum, there is limited amount of good quality industrial floorspace with a churn of units within the various workshop and nursery unit schemes.

There has been little industrial development over the past few years with the public sector having, in the main, ceased its speculative build programme in the mid 1990's. The majority of ex-WDA estates have been sold.

There is relatively little industrial or business space in the less populated northern part of the County. There is a shortage of B1 business units offering cost effective office/workshop accommodation; however what units have been built are mainly full. B1 units have proved attractive as a flexible offer, at cost effective rents, to a range of high value businesses including offices, laboratory, clean production, R&D and creative.

In terms of offices Carmarthen outside the County remains the preferred regional centre for private sector office occupiers and is the only significant office market west of Swansea. Hence demand in the County is not strong and at the same time public sector is retrenching and has reduced demand.

Linked to this in part the town centres have not performed well including the hub towns, with a lack of retail provision and opportunities across the retail hierarchy from Haverfordwest to the intermediate town centres (such as Milford Haven and Pembroke) and the local centres. There has been interest in out of town provision in Haverfordwest and Milford Haven.

There have been significant changes in the rural economy and agricultural industry leading to the requirement for diversification to other activities such as tourism, retail, workshops, craft industries and some processing through the conversion of existing buildings and the development of new ones.

Other important property initiatives have been the Science and Technology Park, the Bridge Innovation Centre at Pembroke Dock and business parks at Haverfordwest.

The comments of stakeholders and businesses were as follows:-

- There were too many poor sites and premises of poor quality, and minimal variety. There were considered to be too many "sheds".

  There were large underused vacant sites not just on the EZ, where new uses were required.
- There were issues in the older employment areas around Milford Haven and the Haven and the need to expand/modernise the port facilities – although the Enterprise Zone was having a beneficial impact – in the town centres, with the older industrial estates and in the more rural areas where diversification was sought.
- There were particular shortages of premises in the north of the County.
- It was difficult to stimulate the private sector to invest (and incentives and grants were needed as with the EZ). The public sector and Welsh Government had less provision that in the past as much of it had been sold off.
- The relatively strong demand for smaller units needed to be met with some "demonstration" units to stimulate investors/developers and the supply.
- There was a need to be flexible in the more rural areas to permit diversification and live-work units.
- Sites and premises (with larger units) were required to help stimulate inward investment in the priority sectors.
- The high level of business rates was an issue especially as businesses in the HWEZ were usually exempt placing a burden on firms based elsewhere and potentially making them less competitive through higher premises costs.

Increase the supply of sites and quality units with a range of sizes for start-ups, existing indigenous businesses and inward investors to the County by building on the HWEZ initiatives and the Local Development Plan.

POLICY	ACTION	PRIORITY
1. Ensure that underused and derelict sites in need of remediation around the Haven Waterway and elsewhere in the County are brought hack into use for development.	− Strengthen the activities of the Haven Waterway EZ with a role for significant land remediation sites outside the EZ. − Strengthen the marketing and promotion of sites with the commercial property sector. − Maintain a register of all sites in the County that could benefit from remediation and develop with an action plan for the priorities.	**H**
2. Ensure a sufficient supply of smaller industrial (B1 and office) units of up to 1,750 sq.ft. for start-ups and small firms with flexible terms. Haverfordwest and the Haven. Focus on the priority sectors of energy and food.	− Work with the private sector to identify site/opportunities. − Continue to provide incentives for the private sector through the EZ and Property Development Grant (PDG).	**H**
3. Upgrade the older industrial estates and units for small and larger occupants.	− Work with the private sector to identify sites/opportunities. − Continue to provide incentives for the private sector through the EZ and Property Development Grant (PDG).	**M**
4. Ensure sufficient sites for larger scale inward investors of around/above 10,000 sq.ft. Haverfordwest and the Haven. Focus on the priority sector of energy and renewables.	− Work with the private sector to identify sites/opportunities. − Continue to provide incentives for the private sector through the EZ and Property Development Grant (PDG).	**M**
5. Extend the food park at Cross Hands with additional units at Withybush.	− Work with the private sector to identify sites/opportunities. − Continue to provide incentives for the private sector through the EZ and Property Development Grant (PDG).	**M**
6. Improve the availability of suitable space and units for business services, community services and retail in the town centres, especially the hubs and main villages, and upgrade the environment and access.	− Work with the private sector to identify sites/opportunities. − Continue to provide incentives for the private sector through the EZ and Property Development Grant (PDG).	**M**
7. Enhance the tourism facilities at Milford Haven (with retail, restaurant and leisure based outlets) at Saundersfoot, Llys y Fran and at Fishguard for cruise ship, ferry passengers and local people.	− Work with the private sector to identify sites/opportunities. − Continue to provide incentives for the private sector through the EZ and Property Development Grant (PDG).	**H**

POLICY	ACTION	PRIORITY
8. Ensure the range of tourism accommodation is adequate.	− Work with the private sector to develop facilities for hotels, b&b, self-catering flats/cottages, the marinas and camping facilities, etc.	H
9. Maintain and increase the property incentives for occupants and speculative developers.	− Raise awareness of and use of the Property Development Grant (PDG). − Maximise the take up of EZ incentives by EZ firms. − Explore the extension of EZ incentives to adjacent and wider areas.	H
10. Strengthen links with the private sector – agents, developers and business to identify opportunities, stimulate investment and promote/publicise opportunities.	− Develop a forum/panel with agents, developers and businesses to address property issues for businesses.	H
11. Strengthen the availability of smaller/medium sized industrial office units in Fishguard.	− Work with the private secto4r to identify sites/opportunities. − Strengthen the incentives to the private sector through the PDG.	M
12. Ensure that there is an adequate supply of floorspace to permit diversification in rural areas for tourism related craft activities, and professional services through live-work units.	− Work with occupants and advisers and authorities and ensure that planning policies are sufficiently flexible.	H
13. Stimulate the development of local arts centres and craft centres	− Liaise with private and public sector groups to identify sites and premises and funding sources.	H
14. Stimulate the development of visitor centres at key locations in the County.	− Liaise with private and public sector groups to identify sites and premises and funding sources.	H
15. Extend and further develop the Science and Technology Park, the Bridge Innovation Centre and potential for other centres in the County.	− Work with the private sector to identify sites/opportunities. − Continue to provide incentives for the private sector through the EZ and Property Development Grant (PDG).	H
16. Develop the port facilities and dockyard on Milford Haven and Fishguard Harbour.	− Work with the private sector to identify sites/opportunities. − Continue to provide incentives for the private sector through the EZ and Property Development Grant (PDG).	H
17. Develop the facilities at Haverfordwest Airport	− Work with the private sector, airport operators and through the EZ and Welsh Government.	M

5.6 Strengthening the County Image and Sense of Place

Pembrokeshire has a unique identity reflecting its strengths and location. The County is recognised nationally and internationally as an outstanding and distinctive coastal destination for visitors. This results from the peripherality of the peninsular to Wales and Britain combined with the closeness of the surrounding sea, the highly attractive coastal National Park and the rural nature of the area with market towns and villages. This is combined with the strong sense of heritage and history. The identity is defined by the traditional industries including agriculture with the food specialisms, the local port and energy activities with the development of alternative energy sources and "green" technologies.

Pembrokeshire Coast National Park boasts a wealth of wonderful places to explore and enjoy. Its stunning coastline offers safe, sandy beaches ideal for families, as well as rugged cliffs and secluded rocky coves.

It's a paradise for the wildlife enthusiast, internationally important for its rare habitats and species and offshore lie Pembrokeshire's unique islands, each with their own special character. It also has farming, history, tourism businesses and attractions.

The area's fascinating past is ever-present in prehistoric tombs, Celtic crosses, Iron Age Hill Forts, Norman castles, medieval churches, Victorian forts and historic towns and villages.

The National Park Authority runs visitor centres in several locations to help inform visitors.

There is a wide choice of accommodation from the seaside hotels, guest houses, the cosy country cottages and farmhouses, the caravan parks, the camping facilities and the hostels throughout the County. The attractive traditional resorts include Tenby together with the historic centres of St Davids and Haverfordwest.

Cruise ship facilities are a feature of the County with some twenty docking in Fishguard last year in addition to the passenger ferry services, and almost ten at Milford Haven.

There are important tourist markets from family holidays, extensive paths for walkers (on the coast and the inland 'Golden Road') and outdoor adventures for health and fitness, mountain biking, sites of historical interest and heritage reflecting the culture of the County with palaces, churches, chapels and St Davids Cathedral.

The County also has a unique image in terms of its key sectors of marine energy, (including the development of renewable energy and "green" sectors), the docks, the accommodation and food services activities, the entertainment and leisure facilities. There are a range of arts and crafts centres with village galleries and workshops for fine art, wood products, textiles and woollen goods, jewellery and pottery products. Giving depth to the sense of place is the skill base and the entrepreneurial culture of residents and businesses in Pembrokeshire with diversity in terms of larger firms, SMEs and home based workers in the professional services sectors.

The promotional activities for the County convey these messages to tourists, industry and businesses.

The points made by the stakeholders and businesses were:-

- The Pembrokeshire brand, image and "sense of place" could be strengthened for several markets.
  - Tourism: - the rurality of the County, exceptional scenery, outdoor activities, heritage, culture, resorts, the 'lifestyle' and traditional/branded fresh foods with different emphasis for specific markets, such as young people, adventure groups, families, older people and cruise liner and ferry passengers
  - Inward investors in key sectors: energy/green sectors, professional/home-based markets.
- The promotion for key markets was essential.
- The Pembrokeshire identity should be protected in the context of Local Government re-organisation and larger West Wales authorities e.g., Dyfed.

POLICY	ACTION	PRIORITY
1. Define and strengthen the image of Pembrokeshire overall and brand for its different main markets: • The tourist market segments • Indigenous firms and inward investors in key sectors such as energy, the green sector, tourism and professional/home based workers	− Work with agencies and businesses in the relevant sectors to develop the image, brand and sense of place. − Protect the identity of Pembrokeshire in the context of West Wales.	**H/M**
2. Promote the image of Pembrokeshire for inward investment and as a destination for tourists to different market sectors.	− Work with agencies, businesses to promote the sector to different inward investor and visitor market segments.	**H/M**

5.7 Community Wellbeing

Overall the policies support the Community Plan the themes within which the strategic objectives fit are well-being, environment, economy, community, housing, learning, access and safety. The strategic objectives for improvement over the next 15 years are supported by an action plan with measures for success identified.

The Community Plan is one of a small number of statutory partnership plans (the focus of the others is on health, social care and well-being, children and young people and community safety), with the Community Plan providing the overarching framework for these more detailed partnership plans and strategies and for this Plan.

The Strategy for this Plan seeks to deliver the place shaping aspirations of the Community Plan, that is those parts of the Community Plan Vision and priorities that relate to the development and use of land.

Overall community wellbeing is essential to assist local businesses and their employees remain in Pembrokeshire and grow. It is also a critical feature for inward investors who consider not just the business environment but the residential and social environment including the housing, educational, recreational and retail/personal services and facilities.

6 IMPLEMENTATION AND RESOURCES

The implementation of the Strategy and delivery of policies and actions to meet the desired aims is the ultimate responsibility of Pembrokeshire County Council who will carry this out through it partners. This Strategy will build on the range of plans and strategies for Wales, West Wales, and the Swansea Bay City region strategy to provide a Pembrokeshire specific dimension to the policies and actions.

Matching resources to the requirements of the Strategy is a fundamental element in successful implementation for example through finance, participation in policies and actions and in-kind contributions. All the policies and actions within this Strategy have been formulated with realistic resource parameters in mind, but not constrained. By signing up to this Strategy the lead partners & co-ordinators will indicate their commitment to direct activity and participation.

It is suggested that for each of the policy themes that an existing group or forum in the County takes responsibility for implementation or a new group is set up. The aim is to build on existing initiatives and networks and not duplicate current arrangements and utilise resources efficiently. Some of the policy themes overlap and changes in one can have implications for another. The key themes and lead partners suggested are as follows:-

1. Improving Business Competitiveness and Employment Growth	PCC, HWEZ, Pembrokeshire Business Panel (PBP) and Business Initiative (PBI), PBN, Local Enterprise Network, Marine Energy Pembrokeshire, PLANED
2. Sector Groups could be established for the priority sectors: Energy and Marine, Food Services/Accommodation/Tourism.	PCC, HWEZ, MEP, Visit Pembrokeshire Tourism, Pembrokeshire Coast National Park Authority, MHPA, DPD, PBI, PLANED
3. Attracting and Retaining Inward Investment	PCC, HWEZ, MHPA, PBI, MEP
4. Improving the Labour Supply and Skills	Pembrokeshire College, PCC, HWEZ, MHPA, Job Centre Plus, Careers Wales, Futureworks, Learning Network, PLANED
5. Improving Transport and Infrastructure	PCC, HWEZ, MHPA, PD, PBI
6. Sites and Premises and Physical Regeneration	PCC, HWEZ, MHPA, PD
7. Strengthening the County Image and Promoting it	PCC, HWEZ, Visit Pembrokeshire Tourism, Pembrokeshire Coast National Park Authority

Initially the resource commitment can be in the form of action plan development. The County Council will work with partners to shape the policies and actions, delivery and priorities, highlight funding gaps and resources, milestones and project based performance indicators etc.

It will be necessary to obtain additional resources which will involve bidding for external funds.

The following funding landscape and specific sources of funding is subject to change. Examples of the main sources are shown:-

6.1 Local Regional Funds

A key issue is the contribution of funds and in-kind contributions from business, for example, for business advice, skills development training, job placements/workplace learning and enterprise support, and the improvement of sites premises and the environment. Agency sources of revenue included. The community and voluntary sector is also a very important resource providing know-how, volunteers and facilities.

- Pembrokeshire County Council (PCC)
- The Haven Waterways Enterprise Zone (HWEZ) and the suite of incentives and funds
- The Milford Haven Port Authority (MHPA)
- Pembroke Dock
- Pembrokeshire College
- Pembrokeshire Business Panel (PBP)
- Pembrokeshire Business Initiative (PBI)
- Pembrokeshire Local Action Network for Enterprise and Development (PLANED)
- Visit Pembrokeshire Tourism
- Pembrokeshire Coast National Park Authority
- Marine Energy Pembrokeshire (MEP)
- Cleddau to Coast Fishing Local Action Group
- Pembrokeshire Association of Voluntary Services (PAVS)
- Pembrokeshire Frame
- Swansea Bay City Region

6.1.1 The Welsh Government - key departments:

(a) Economy, Science and Transport

- Transport and ICT Infrastructure
- Economic Strategy
- Sectors and Businesses
- Trade and Investment
- Finance and Operations
- Tourism, Heritage and Sport

(b) Natural Resources

- Agriculture, Marine, Food
- Environment and Sustainable Development
- Planning

(c) Skills, Higher Education and Lifelong Learning

(d) Education and Public Services

- Schools Standards and Workforce
- Infrastructure, Curriculum, Qualifications

(e) Health and Social Services Group

- Welsh Government sponsored bodies (e.g., the Arts Council)
- Finance Wales and other funds
    - Wales Business Fund
    - Wales Economic Growth Fund
    - Small Capital Investment Fund (for SMEs)
- Welsh European Funding Office Structural Funds (e.g., ERDF and ESF)

The European funding landscape has changed in many ways since the 2007-14 programme. For example, the funding for tourism. Hence it will be important to monitor announcements and sources to support projects and initiatives.

Priorities for the European Regional Development Fund are the knowledge-based economy, improving business competitiveness, developing strategic infrastructure, an attractive sustainable business environment, and building sustainable communities.

Table 6:1: European Regional Development Fund (2014-2020)

ERDF 2014-2020	Specific Objectives	Thematic Opportunities in Pembrokeshire
Priority Axis 1: Research & Innovation	➢ Increase HEI research funding. ➢ Translation / Commercialisation ➢ Provide risk finance for R&D	New partnership with Swansea University at Pembrokeshire Science Park can attract HEI research funding for the first time. New firms at Bridge Innovation Centre (BIC) eligible for research and equity assistance.
Priority Axis 2: SME Competitiveness	➢ Info/support to increase SME startups ➢ Increase SME superfast take-up ➢ SME market access support	Ongoing rollout of Superfast Cymru since Dec 2014 will result in increasing numbers of businesses eligible for Priority 2 assistance. Concentration of start-ups in BIC and Haven Enterprise Zone reduces cost of market access support.
Priority Axis 3: Renewable Energy / Energy Efficiency	➢ Increase small renewable energy schemes ➢ Increase wave/tidal device testing ➢ Increase housing energy efficiency ➢ Reduce peripherality effects through upgrades to Trans-Europe Transport Network (TEN-T)	Large natural & competitive advantage in marine energy and funded cluster activity at Haven Enterprise Zone. £80m marine energy assistance assigned to West Wales / Valleys area. £85m assigned solely to A40 & A45 upgrades.
Priority Axis 4: Connectivity & Urban Development	➢ Increase labour mobility to/from employment centres ➢ Access to next generation broadband ➢ Increase employment by investing in local regeneration and infrastructure initiatives	Upcoming Superfast Infill Phase I. Improved transport links within City Region to improve labour mobility. Large allocation exclusively to West Wales / Valleys.

Source: ERDF Operational Programme 2014-2020, Economic Prioritisation Framework v.3, PACEC

Priorities for the European Social Fund are supplying young people with skills for employment, increasing employment and tackling economic inactivity, improving skill levels and the adaptability of the workforce and modernising and improving public services.

Table 6:2: European Social Fund (2014-2020)

ESF Wales 2014-2020	Specific Objectives	Thematic Opportunities in Pembrokeshire
Priority Axis 1: Tackling Poverty Through Sustainable Employment	➢ Improve employability of those closest to the labour market at most risk of poverty ➢ Increase employability of inactive/long term unemployed over 25s ➢ Reduce underemployment / absence rates for employed persons with barriers to sustainable labour market engagement	£36m allocation to West Wales and Valleys only. Reintroduction of successful projects such as ReAct. New Active Inclusion programme targets labour market issues pertinent to Pembrokeshire such as adult unemployed and those made redundant. Plans to build a new Workways programme.
Priority Axis 2: Skills for Growth	➢ Increase skill levels for low/zero skilled ➢ Increase persons with technical skills at intermediate and higher level ➢ Increase number of graduates in R&D ➢ Improve position of women in workplace	Priority for programmes which address labour market fluctuations New generation of the successful Agile Nation project. Further opportunities for key skills development projects such as Skills for Industry at Pembrokeshire College.
Priority Axis 3: Youth Employment & Attainment	➢ Reduce number of NEETs ➢ Reduce number at risk of NEET ➢ Increase STEM take-up and attainment levels among 11-19 year olds ➢ Increase Early Years and Childcare workforce skills	Opportunity to arrest the outflow of younger persons from Pembrokeshire (this problem is detailed in Chapter 6) and improve retention of skilled talent.

NB – key targets for ESF have been inferred from WEFO data found in the Operational Programme.

6.2 Other Key European Funds

- **European Agricultural Fund for Rural Development (EAFRD)**

The European Agricultural Fund for Rural Development (EAFRD) is match-funded by the Welsh Government and administered through the new *Rural Development Plan* (RDP), part of the Common Agricultural Policy (CAP). The RDP is managed in Pembrokeshire by the Local Action Group through the *Local Development Strategy* (LDS), which permit submission of Business Plan bids by local delivery organisations. This structure makes RDP an important and wide-reaching source of funding in Pembrokeshire, supporting an array of different voluntary and community organisations as well as remote rural businesses and transport services and LEADER initiatives.

- **European Marine Fisheries Fund (EMFF)**

The Welsh Government administers EMFF monies through the Marine and Fisheries Strategic Action Plan 2013, managed by the local Fishing LAG. Recent flagship projects have included part-funding the Milford Fish Docks redevelopment. The fund will help support diversification and conservation in Pembrokeshire's coastal communities in line with other policies such as the National Park and Pembrokeshire Council Local Development Plans.

- **Sector-specific policies**

Sector-specific policies have changed markedly in recent years, and a number of policy areas including transport are now co-ordinated at the City Region level.

Transport

Pembrokeshire has worked with its City Region partners to form a collaborative Local Transport Plan, the *Joint Transport Plan for South West Wales 2015-2020* (or City Region LTP).[5] Plans in Pembrokeshire include strategic upgrades of Fishguard Harbour and the expansion of Haverfordwest airport.

Energy

Wave and tidal energy are considered key growth sectors and strategic priorities. The Welsh Government works with Marine Energy Pembrokeshire to support enterprise and labour market development through the Jobs Growth and Skills Growth Wales initiatives.

The Welsh Government's energy policy is communicated through Energy Wales: A Low Carbon Transition (2012) and A Low Carbon Revolution – The Welsh Assembly Government Energy Policy Statement (2010), which promise to 'undertake a whole system transition to low carbon energy' by 'unlocking the energy in our seas.' A Low Carbon Revolution targets utilising 10% of the potential tidal stream and wave energy off the Welsh coastline by 2025.

Skills and Enterprise

The Regional Learning Partnership (South West Wales & Central Wales) has developed the *Regional Employment & Skills Framework*, designed to implement Strategic Aim 2 (see Table 4:3) of the Swansea Bay Economic Regeneration Strategy, aimed at improving education and key sector skills. The Partnership advises on skills, training and funding needs and operates e-learning initiatives as well as the Learning and Skills observatory.

Skills and enterprise are central policy concerns at the European, Welsh and City Region levels and play a key role in improving productivity and innovation. ESF and ERDF funding is co-ordinated with Welsh Government money to support this, with a central emphasis on cluster activity in the Haven Waterway Enterprise Zone.

Tourism

Tourism strategy is co-ordinated at the national level through the *Partnership for Growth: the Welsh Government Strategy for Tourism 2013-2020*, which aims to increase tourism earnings in the

[5] Previously these were packaged as Regional Transport Plans and administered by SWWITCH.

country by 10% or more by 2020.[6] The County Council has created the Visit Pembrokeshire marketing brand to promote tourism in the area, with strategic development managed by the Destination Pembrokeshire Partnership through the *Pembrokeshire Destination Management Plan 2013-2018.*

With the Strategy clearly linking into the major regional & sub regional strategies and priorities, partners have access to and the opportunity to influence the organisations in Wales and the funding sources they are responsible for.

Through the delivery and implementation partners will abide by the following guiding principles which cut across the strategic aims, policies and actions:

- **Opportunities for all and Diversity**. Promoting social inclusion, equal opportunity and diversity in recruitment policies, and community cohesion. Reducing barriers to ensure all individuals, and those from disadvantaged groups, have opportunities to maximise their potential through training, employment, and entrepreneurial activity. This will be in line with the local strategic partnership's social inclusion strategy.
- **Sustainability**. Within all projects/actions developed sustainability, especially 'environmental sustainability' will be at the core. The aim is to improve competitiveness and prosperity while protecting and enhancing the unique rural and urban environments, utilising resources prudently, efficiently and in a sustainable way.
- **Ensuring effective partnership working and delivery**. Sharing information and agreeing the way forward, policies, resources, activities and delivery partners. This will involve clear governance, mechanism and structure, working arrangements, leadership and roles.
- **Balance of activity**. Policies, actions, and the allocation of resources which address needs across the different locations and communities of Pembrokeshire.

The Strategy will also reflect the cross cutting themes in the SBCR Economic Regeneration Strategy: delivering together, in partnership for regional success, quality and intelligence driven leadership and action, being connected and securing sustainable growth.

[6] In September 2014 the Regional Tourism Partnerships (RTPs) were defunded and most of their functions assumed by Visit Wales.

7 MONITORING PROGRESS

The policies and actions put forward in the Strategy are intended to improve the prosperity of Pembrokeshire over the period 2016 to 2021 and beyond this time period. The intention is for this strategy to be a 'living / breathing' document. It is critical that progress is monitored and reviewed with policies and actions adjusted and developed based on evidence. There will be two core elements of this:

7.1.1 Annual Review

This will involve assessing the progress against agreed actions and plans. In addition it will provide an opportunity to reassess the policies highlighted within the Strategy and make alterations to respond to changing needs within the economy. These reviews will also involve an assessment of the Pembrokeshire economy based on the indicators in the 2016 baseline position and profile, where the data is available. This will give visibility as to whether the economy is heading in the right direction, especially in relation to the actions taken.

7.1.2 2021 Review

As 2021 approaches a full review of the Strategy implementation and achievements will be undertaken. This will include a detailed analysis looking at how far the economy has progressed, especially in relation to the outcomes of actions and the activity carried out as part of the Strategy. In addition 'lessons learned' will be captured. This review will be used to inform the development of a successor strategy.

The methods used to monitor implementation, progress to targets and the economy will include published data, management information, interviews and survey research where appropriate. The Pembrokeshire economy indicators are shown below.