



***SOUTH WEST WALES CORPORATE JOINT
COMMITTEE - OVERVIEW AND SCRUTINY SUB-
COMMITTEE***

2.00 PM THURSDAY, 23 FEBRUARY 2023

VIA MICROSOFT TEAMS

All mobile telephones to be switched to silent for the duration of the meeting

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1. Welcome
2. Chairs Announcements
3. Declarations of Interest
4. Minutes of Previous Meeting (*Pages 5 - 8*)
5. Draft Corporate Plan 2023-2028 (*Pages 9 - 24*)
6. South West Wales Economic Delivery Plan (*Pages 25 - 118*)
7. Regional Transport Plan 2025 - 2030 (*Pages 119 - 126*)
8. Forward Work Programme (*Pages 127 - 128*)
9. Urgent Items

Any urgent items (whether public or exempt) at the discretion

of the Chairperson pursuant to Section 100B (4) (b) of the
Local Government Act 1972

K.Jones
Chief Executive

Civic Centre
Port Talbot

Friday, 17 February 2023

Committee Membership:

Chairperson: **Councillor R.Sparks**

Vice **Councillor T.Bowen**
Chairperson:

Councillors: R.Davies, S.Pursey, D.Howlett, M.John,
M.Tierney, R.James, E.Schiavone, P.Black,
M.White and W.Lewis

Notes:

- (1) If Committee Members or non-Committee Members wish to have relevant items put on the agenda for future meetings, then please notify the Chief Executive/Chair eight days before the meeting.*
- (2) If non-Committee Members wish to attend for an item of interest, then prior notification needs to be given (by 12.00 noon on the day before the meeting). Non-Committee Members may speak but not vote, or move or second any motion.*
- (3) For pre scrutiny arrangements, the Chair will normally recommend forthcoming executive items for discussion/challenge. It is also open to Committee Members to request items to be raised - though Members are asked to be selective here in regard to important issues.*
- (4) The relevant Cabinet Board Members will also be invited to be present at the meeting for Scrutiny/ Consultation purposes.*

(5) Would the Scrutiny Committee Members please bring the Cabinet Board papers with them to the meeting.

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South West Wales Corporate Joint Committee - Overview and Scrutiny Sub-Committee

(Via Microsoft Teams)

Members Present:

27 January 2023

Chairperson: Councillor Sparks

Vice Chairperson: Councillor T.Bowen

Councillors: R.Davies, S.Purseley, M.John, E.Schiavone, P.Black and M.White

Officers In Attendance K.Jones, C.Moore, O.Enoch, C.Griffiths and C.John

1. **Chairs Announcements**

There were none.

2. **Declarations of Interest**

There were none.

3. **Minutes of Previous Meeting**

The minutes of the previous meeting held on the 8th November, 2022, were approved as an accurate record of the meeting.

4. **Budget for Financial Year 2023/24**

The Chief Executive provided a brief overview of the budget, providing detail around the current focus of the budget along with the future focus over the next 12 months. The Section 151 Officer also provided a more detailed background of the setting of the budget.

Members noted the following error within the agenda/report:

- On page 2 of the agenda pack the date should read '20 January 2023' and not '20 March 2023' as detailed.

- On page 8 of the report, paragraph 2.4, it was noted that the figure should read 140,000 and not 140,0000.

Discussions took place around the UK and Welsh Government funding that was available. Clarity was sought around the placement of this money and whether it was included within the Corporate Joint Committee Budget. It was confirmed that it wasn't directly within the Corporate Joint Committee budget and was a part of the UK Shared Prosperity Fund and was sitting within individual authorities. It was highlighted to the committee that the information on the UK Shared Prosperity Fund to inform members that there is money available to help support particular projects.

Explanations were provided in relation to technical complications that have arisen due to the Corporate Joint Committee being its own entity and requiring section 33 powers. It was noted that there are VAT Implications along with other technical issues that are within Section 150. It was noted that officers were happy to provide a report on this in future providing further detail.

Members queried the £617,753 budget and asked what the purpose and outcomes would be of this money as the main detail of the spend was mainly around administration duties. Officers explained that the first year was mainly around setting up the entity of the Corporate Joint Committee in line with the legal requirements which has a cost. It was noted that the Welsh Government is keen to have collaborative working specifically on the following areas - Transport, Planning, Economic Development and Energy. It was noted that there is a lot of Admin involved however, it's not all admin within the budget.

Members were aware that as the Corporate Joint Committee is its own entity, it would be within Wales Audit Office remit as a separate body to ensure that the governance and the value for money of the budget is set appropriately. Therefore Members asked for clarity around the Regional Management Office as the budget figures were detailed as estimated costs and wanted reassurance that there was no potential for those costs to increase. The officers provided assurance to members and explained that the Corporate Joint Committee is within its infancy and workings of the Regional Management Group were still being finalised. Officers reassured members that the costings for the regional Management Office would be controlled and kept within costs.

It was noted that Scrutiny would regularly receive Budget monitoring reports to ensure they have sight of any costings over the next calendar year.

Officers provided reassurance to members around the Chief Executive Lead's that were detailed within the budget. It was noted that these payments for the department and not salary payments for the Chief Executives.

Members queried the decision the corporate Joint committee endorsed around option 2 – 'Do Minimum' and queried the challenges the Corporate Joint committee would have undertaken if consideration was given to take the option to suspend all CJC activities in 2023-24. It was noted that this would have had a detrimental legal and governance implication. Therefore the do Minimum option was the best option to consider to meet legal duties and to meet within the financial budget.

Clarity was sought around the consultation of the budget, it was noted that the Corporate Joint Committee agreed that there was no formal requirement for consultation on the Budget. Officers confirmed that the key Stakeholders and Section 151 officers within the individual authorities were consulted, however, it was decided that there would be no requirement for a public consultation. It was noted that the draft and agreed budget was discussed in public meetings meaning the public could put forward any representation if they wished. It was also noted that that in future the Scrutiny committee would have an opportunity to pre-scrutinise the Budget prior to the decision being made in future years. Scrutiny commended this approach and relayed their preference on pre-scrutiny for all meetings.

Members discussed what the process would be around ensuring publicity was visible around the consultation of the Corporate Plan. It was also asked that detail be explained around the projects within the Corporate Plan highlighting the regional detail that the CJC have endorsed. Officers confirmed that they were happy to include this within the next meeting where the Corporate Plan has been programmed in to the Forward Work Programme.

Following Scrutiny, the report was noted.

5. **Forward Work Programme**

The Forward Work Programme was noted.

6. **Urgent Items**

There were none.

CHAIRPERSON

SOUTH WEST WALES CORPORATE JOINT COMMITTEE OVERVIEW AND SCRUTINY COMMITTEE

23RD FEBRUARY 2023

REPORT OF THE CHIEF EXECUTIVE

Report Title: Draft Corporate Plan 2023-2028

Purpose of Report	To update Members on the operational progress relating to the development of the Draft Corporate Plan and to seek comments from Members during the 6-week public consultation exercise.
Recommendation	It is recommended that: (a) Members note the CJC resolved in October 2022 to endorse the principle of taking a proportionate and integrated approach to meeting the CJC's public sector duties through the production of its first ever Corporate Plan. (b) Members note the CJC resolved in December 2022 to approve the Draft Corporate Plan, along with its associated documentation (including an Integrated Impact Assessment), for a 6 week public consultation exercise and that any consultation responses received will be reported back to the CJC with a view to informing a final version of the Plan ahead of its formal adoption (this is scheduled for the March 30 2023 meeting of the CJC). (c) Members note that further to (b) above, as part of the consideration of the budget for 2023/2024, the CJC resolved in January 2023 to approve the sub Committee key actions summary set out in Appendix B of the circulated report; and provide delegated authority to the

	<p>Chief Executive to elaborate upon these as part of the identification of the well-being objectives, actions /steps/ measures to be included within the Draft Corporate Plan.</p> <p>(d) The Overview and Scrutiny Committee be provided with annual reports in respect of the progress being made in meeting the identified well-being objectives at the end of each year as per the requirements of the Well-being of Future Generations Act 2015.</p>
Report Author	Karen Jones
Finance Officer	Chris Moore
Legal Officer	Craig Griffiths

Background:

1. [Statutory guidance](#) has been produced by the Welsh Government in respect of Corporate Joint Committees (CJCs). Members will note that there are a range of matters listed therein that require the CJC to respond to, notably in respect of public sector duties. It should also be noted that Audit Wales have a duty to assess compliance with the Wellbeing of Future Generations (Wales) Act 2015. To this end, Audit Wales are carrying out a study of CJCs through a ‘light-touch’ commentary piece to gather understanding and assurance around progress.
2. [At its October 2022 meeting](#), the CJC resolved that the most appropriate method of meeting its public sector duties in a proportionate and integrated manner would be via the formulation of its first ever Corporate Plan. It is considered that the formulation of the Corporate Plan provides an opportunity to capture the CJC’s progress to date as well as set out future ambitions – including a Vision for “South West Wales 2035” and the identification of well-being objectives.
3. With specific reference to Section 6 of the Environment (Wales) Act 2016 and the Biodiversity and resilience of ecosystems, it should be noted that the CJC is embedding its first ever Section 6 Duty Plan into its Corporate Plan. Also, the CJC has already [published its report](#) on what has been done to comply with the Section 6 duty ahead of the deadline of 31 December 2022.

Overview of Draft Corporate Plan content:

4. [The Draft Plan](#) is concise, with its content summarised as follows:
- Foreword;
 - Introduction;
 - Introducing South West Wales;
 - Our Vision - “South West Wales 2035”;
 - Our Aim, Well-being objectives and Well-being statement;
 - Our contribution towards achieving a more equal region (equality objective);
 - Governance and Operational facets;
 - Public sector duties, Plans and Strategies;
 - Measuring Our Performance;
 - Next steps, and
 - Appendices – action / steps, timescales and impact measures.

Programme of Publicity:

5. A proactive approach has been undertaken in terms of awareness raising in regards the [consultation on the Draft Plan](#). This includes issuing of press/media releases and informing stakeholders within the region – including Senedd Members and Members of the UK Parliament, the Economic Strategy Board of the Swansea Bay City Deal as well as the Public Service Boards. Each constituent Council (and the 2 National Parks) have listed the consultation on the ‘have you say’ sections of their respective websites. They have also been asked to raise awareness amongst their various consultation contacts.
6. It should be noted that efforts have been made to make the material as accessible and engaging as possible – this includes an [‘Easy Read’](#) version of the Plan together with a [‘Plan on a Page’](#).

Monitoring and Scrutiny

7. Reference is made to recommendation (d) on page 2 of this report in respect of the ongoing monitoring of the delivery of the Plan. The Plan itself is quite clear in terms of referencing the need to produce annual reports – notably in terms of the progress being made in regards the identified well-being objectives. Whilst noting that the CJC is still in its relative infancy, there will be opportunities to review and reflect on the extent to which the Corporate Plan (if approved / adopted in March 2023) is acting as a central organising principle of the CJC’s work activity – including policy decisions and budget setting.

Timescale:

8. Comments received as a result of the consultation on the Draft Corporate Plan will be considered with a view to informing a final version of the Plan ahead of its intended formal adoption/approval (this is scheduled for the March 30 2023 CJC meeting).

Financial Impacts:

9. There are no new financial related to this report. Also, the formulation of the Corporate Plan (including the consultation process) is being undertaken within approved budgets. In respect of the delivery of the Plan, reference is made to recommendation (c) on page 1 of this report, with the interrelationship between the CJC's budgeting considerations and its activity/action/corporate planning implicit.

Integrated Impact Assessment:

10. The CJC is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

11. It is not considered that an Integrated Impact Assessment (IIA) is required for this report as it does not seek a substantive policy decision from Members. Members will however note that a full / stage 2 [IIA](#) has been prepared to accompany the public consultation on the Draft Corporate Plan itself and that the Draft Corporate Plan contains an equality objective. It is considered that the formulation of the Draft Corporate Plan IIA is an iterative process and the IIA can be updated as appropriate – e.g. as a result of any responses received to the public consultation. Members will note that the formulation of the Draft Corporate Plan has allowed for the identification of a draft equality objective, which is set out below for ease of reference:

*“To deliver a more equal South West Wales by 2035 by contributing towards:
(a) The achievement of the Welsh Government’s long-term equality aim of eliminating inequality caused by poverty;*

(b) The achievement of the Equality statement set out in Llwybr Newydd which is to make our transport services and infrastructure accessible and inclusive by aiming to remove the physical, attitudinal, environmental, systemic, linguistic and economic barriers that prevent people from using sustainable transport; and

(c) The achievement of the Welsh Government's long-term equality aims of cohesive communities that are resilient, fair and equal and where everyone is able to participate in political, public and everyday life."

Well-being of Future Generations (Wales) Act 2015 (and emerging CJC Corporate Plan and its identified well-being objectives):

Alignment with CJC Corporate Plan 2023-2028 (draft/emerging at the time of writing) and the identified CJC Well-being objectives:

12. The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'. Members will note that the formulation of the Draft Corporate Plan has allowed for the identification of well-being objectives for the CJC which are set out below for ease of reference. By providing an update on the progress being made on the Draft Corporate Plan and seeking to clarify the role of the Overview and Scrutiny Committee in respect of the ongoing monitoring of progress in delivering the Plan, it is considered that this report aligns to the emerging corporate policy framework of the CJC in this regard.

Draft Well-being objective 1

To collaboratively deliver the Regional Economic Delivery Plan and Regional Energy Strategy thereby improving the (decarbonised) economic well-being of South West Wales for our future generations.

Draft Well-being objective 2

To produce a Regional Transport Plan for South West Wales that is founded on collaboration and enables the delivery of a transport system which is good for our future generations of people and communities, good for our environment and good for our economy and places.

Draft Well-being objective 3

To produce a sound, deliverable, co-ordinated and locally distinctive Strategic Development Plan for South West Wales which is founded on stakeholder engagement and collaboration and which clearly sets out the scale and location of future growth for our future generations.

Workforce Impacts:

13. There are no new workforce impacts for Members to be concerned with in relation to this report. The production of the Draft Corporate Plan, together with the consultation and reporting facets, are being undertaken within existing staffing resource. Due regard will be given in respect of staffing capacity to deliver the Corporate Plan and its well-being objectives moving forward, with notable reference to the budget approved for 2023/2024 by the CJC at its [January 2023 meeting](#). Currently any

employment within the CJC is undertaken by the constituent authorities and it is anticipated that such arrangements will continue moving forward.

Legal Impacts:

14. There are no specific legal impacts for Members to be concerned with in relation to this report. However, as a wider point, it should be noted that there are range of public sector duties imposed on CJs. The production of the Corporate Plan sets out a proportionate and pragmatic way of discharging many of such duties at this early stage of the CJC's evolution.

Risk Management Impacts:

15. There are no specific risk management impacts for Members to be concerned with in relation to this report, however reference may be made to recommendation (d) on page 2 of this report in respect of ongoing monitoring of the delivery of the Plan. To this end, the role of the Committee in scrutinising the progress made by the CJC in regards the delivery of the Plan and its well-being objectives is duly noted.
16. As a wider point, failure to comply with the public sector duties could result in a negative report from Audit Wales and the issue of statutory recommendations which would reflect negatively on the reputation of the CJC.

Consultation:

17. There is no requirement for consultation in respect of this report. As a wider point, it should be noted that Draft Corporate Plan itself is subject to a [six week public consultation exercise](#) (the deadline for receipt of comments is midnight on March 8 2023). Reference should also be made to paragraphs 5 and 6 of this report in respect of the programme of publicity.

Reasons for Proposed Decision:

18. To ensure that the Committee is fully aware of the policy decision of the CJC to prepare a Corporate Plan and the progress being made to deliver upon this policy decision. Furthermore, there is a need to clarify, with reference to the function of this Committee as set out within the CJC's constitution, the role that the Committee will take in monitor and scrutinise the progress being made by the CJC to deliver the Corporate Plan's well-being objectives moving forward.

Implementation of Decision:

19. This decision will be implemented following the three day call in period.

Appendices:

20. Appendix 1- Presentation Slides – Brief Overview of Draft Corporate Plan content.

List of Background Papers:

[Welsh Government Statutory Guidance on CJs.](#)

[CJC meeting October 2022.](#)

[CJC meeting December 2022.](#)

[CJC meeting January 2023.](#)

[Consultation page – Draft Corporate Plan – CJC website.](#)

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Cyd-bwyllgor Corfforedig De-orllewin Cymru: Is-bwyllgor Trosolwg A Chraffu – 23/02/2023

Cyflwyniad ar Cynllun Corfforaethol Drafft y CBC 2023-2028

South West Wales Corporate Joint Committee: Overview and Scrutiny Sub-committee – 23/02/2023

Presentation on the CJC's Draft Corporate Plan 2023-2028

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Owain Enoch

Rheolwr Busnes a Phortffolio | Business and Portfolio Manager

Cyd-bwyllgor Corfforedig
De-orllewin Cymru
Corporate Joint Committee for
South West Wales



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- Mae CBCau yn rhan o'r teulu Llywodraeth Leol ac yn ddarostyngedig i ddyletswyddau sector cyhoeddus – gan gynnwys y gofyniad i osod amcanion llesiant.

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Adolygiad tirwedd - Archwilio Cymru.

Mae'r CBC wedi penderfynu cynhyrchu ac ymgynghori ar ei Gynllun Corfforaethol cyntaf erioed ac mae'n bwriadu cymeradwyo'r Cynllun terfynol ar 30 Mawrth 2023.

- Y CBC cyntaf yng Nghymru i gynhyrchu Cynllun Corfforaethol.

- CJs are part of the Local Government family and are subject to public sector duties – including the requirement to set well-being objectives.
- Audit Wales - landscape review.
- The CJC has resolved to produce and consult upon its first ever Corporate Plan and intends on approving the final Plan on 30 March 2023.
- First CJC in Wales to produce a Corporate Plan.

- Bydd y Cynllun yn cofnodi ein cynnydd hyd yn hyn yn ogystal â nodi ein huchelgais at y dyfodol ar ffurf gweledigaeth ac amcanion llesiant.

Bydd hefyd yn gadael i ni olrhain y cynnydd yr ydym yn ei wneud o ran ein dyletswyddau sector cyhoeddus.

- The Plan will capture our progress to date as well as set out our future ambitions in the form of a vision and well-being objectives.
- It will also allow us to chart the progress we are making in respect of our public sector duties.

- Cyflwyno De-orllewin Cymru.
- Gweledigaeth ar gyfer 'De-orllewin Cymru 2035'.
- Nod, amcanion llesiant a datganiad llesiant.
- Amcan Cydraddoldeb – 'De-orllewin Cymru mwy cyfartal erbyn 2035'.
- Agweddau llywodraethu a gweithredol.

- Introducing South West Wales.
- Vision for 'South West Wales 2035'.
- Aim, well-being objectives and well-being Statement.
- Equality Objective – 'A more equal South West Wales by 2035'.
- Governance and operational facets.

- Dyletswyddau, Cynlluniau a Strategaethau'r Sector Cyhoeddus (gan gynnwys Cynllun Dyletswydd Bioamrywiaeth.
- Mesur perfformiad.
- Gweithredu/camau, amserlen a mesuriadau effaith.

- Public Sector Duties, Plans and Strategies (including Biodiversity Duty Plan).
- Measuring performance.
- Action/steps, timescale and impact measures .

- Ymgynghoriad – 26/1/23 hyd at 8/3/23.
- I gyd-fynd â'r Cynllun Corfforaethol Drafft, mae Aseiad Effaith Integredig, fersiwn Hawdd ei Ddarllen a Chynllun ar Dudalen.
- Cyhoeddusrwydd / codi ymwybyddiaeth.
- Bydd unrhyw sylwadau a dderbynnir yn cael eu hystyried a'r bwriad yw mabwysiadu/ cymeradwyo'r Cynllun ar 30/3/2023.

- Consultation - 26/1/23 to 8/3/23.
- The Draft Corporate Plan is accompanied by an Integrated Impact Assessment, Easy Read version and a Plan on a Page.
- Publicity / awareness raising.
- Any views received will be considered and the intention is to adopt/approve the Plan on 30/3/2023.

- Adroddiadau Blynyddol - yn nodedig o ran y cynnydd sy'n cael ei wneud o ran yr amcanion llesiant.

Adolygu ar y graddau y mae'r Cynllun Corfforaethol yn gweithredu fel egwyddor drefnu ganolog o weithgarwch gwaith y CBC – gan gynnwys penderfyniadau polisi a cyllidebol.

- Annual Reports - notably in terms of the progress being made in regards the well-being objectives.
- Review on the extent to which the Corporate Plan is acting as a central organising principle of the CJC's work activity – including policy and budgeting decisions.

Diolch | Thank you

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SOUTH WEST WALES CORPORATE JOINT COMMITTEE OVERVIEW AND SCRUTINY COMMITTEE

23RD FEBRUARY 2023

REPORT OF THE CHIEF EXECUTIVE

Report Title: South West Wales Economic Delivery Plan

Purpose of Report	To update Members on the progress being made to deliver the South West Wales Regional Economic Delivery Plan and provide an overview of those wider initiatives taking place within the region.
Recommendation	It is recommended that Members note the progress being made to deliver the 3 South West Wales Regional Economic Delivery Plan Ambitions and Complementary Missions.
Report Author	Jason Jones
Finance Officer	Chris Moore
Legal Officer	Craig Griffiths

Introduction:

1. The South West Wales Regional Economic Delivery Plan (REDP) was endorsed as the regional strategy for the economic wellbeing strand of our work programme at the meeting of the South West Wales Corporate Joint Committee on [15th March 2022](#).
2. To help plan for the future, the REDP establishes three 'Ambitions' which set out the nature of the South West Wales economy that we want to work towards. These are:
 - Resilient and sustainable
 - Enterprising and ambitious
 - Balanced and inclusive
3. The ambitions are supported by three complementary Missions, which will guide activity over the next ten years:
 - Mission 1 – Establishing South West Wales as a UK leader in renewable energy and the development of a net zero economy: Taking forward the region's major energy related projects and driving the benefits through the region (via industrial decarbonisation, supply chain opportunities, university-linked innovation, etc.).

- Mission 2 – Building a strong, resilient and embedded business base: Understanding and growing the business stock, supporting widespread social and commercial entrepreneurship, creating stronger supply chain and innovation networks, making public sector support sustainable; driving forward technology adoption and diffusion.
- Mission 3 – Growing and sustaining the ‘experience’ offer: Linking environmental quality, quality of life and community character to create a region that retains and attracts talent and investment, and to promote this consistently and powerfully to the outside world.

4. A copy of the REDP is attached at Appendix A.

Progress against the 3 REDP Ambitions and Complementary Missions

5. A detailed schedule of projects and programmes currently progressing across the region to support achievement of the Ambitions and Missions is attached at Appendix B. Listed below are the key overarching Economic programmes for the region.

UKG Levelling Up Fund

6 Announced by the Chancellor in the 2021 Autumn Budget, UK government Levelling Up Fund invests in infrastructure to improve everyday life across the UK, including regenerating town centres and high streets, upgrading local transport, and investing in cultural and heritage assets. To date there have been 2 rounds of levelling up funding, with a total allocation of £328m to Wales to date. The South West Wales region has secured £92.1m (28% of the funding allocated to Wales), against the following projects:

- **Carmarthenshire** Tywi Valley Path - £16.7m
- **Carmarthenshire** and **Pembroke** Hwb - £19.9m
- **Pembrokeshire** - Heart of Pembrokeshire Rediscovering - £17.7m
- **Neath Port Talbot** – Vale of Neath Heritage Corridor Visitor Attractor - £17.8m
- **Swansea** – Regeneration of three industry heritage sites in the Lower Swansea Valley - £20m

UKG Shared Prosperity Fund

7 In Wales, UK government supports delivery of the Shared Prosperity Fund (SPF) across the four regional strategic geographies on the economic development footprint. Local government has been given responsibility for developing a regional investment plan for approval by the UK government, and for delivery of the Fund thereafter. A ‘lead local authority’ for the region will receive the Region’s allocation and have overall accountability for the funding and how the Fund operates. Swansea Council has been nominated to act as the lead Authority on behalf of the South West region.

8 It should be noted that Shared Prosperity Fund is one of the ‘levelling up funds’ alongside the capital Levelling Up Fund and Community Ownership Funds which operate on an annual competitive bidding basis. These funds represent a partial

replacement of previous EU funding programmes, and are considerably smaller in scale. Previous Innovation & R&D funds have not been replaced through SPF for example. Unlike Levelling Up funding, SPF is not the subject of a competitive bidding process. Individual Local Authorities receive an allocation of funding based on population, economic need and deprivation.

- 9 In order to access their allocation, lead local authorities were asked to complete a Regional Investment Plan, setting out how the SPF funding would be used at a very high level. The investment plan was submitted to UK government in August 2022 and approved 5 December 2022.
- 10 Due to the short timescales involved, each local authority prepared a local investment plan which has fed into the wider Regional Investment Plan for South West Wales. The local Investment Plans were drafted in consultation with local regeneration boards in each local authority area, with reference to the Regional Learning & Skills Partnership as appropriate. The Regional Investment Plan is based on existing regional and local strategies and plans including the Economic Recovery Action Plans and the *South West Wales Regional Economic Delivery Plan*.
- 11 The UKSPF total for the region is made up of ‘core’ funding, which will fund most of the Fund’s Priorities and the Multiply programme which focuses on supporting adult numeracy initiatives. The allocation for each of the local authorities across the region is as follows:

Total	Core UKSPF	Multiply	Total
South West Region	£ 113,985,414	£ 17,970,430	£ 131,955,844
Carmarthenshire	£ 32,002,918	£ 5,045,437	£ 37,048,355
Neath Port Talbot	£ 28,448,295	£ 4,485,031	£ 32,933,326
Pembrokeshire	£ 19,125,971	£ 3,015,315	£ 22,141,286
Swansea	£ 34,408,230	£ 5,424,647	£ 39,832,877

12. This funding will be invested across three priorities of the UKSPF by 31 March 2025:
- Communities and place: to enable places to invest to restore their community spaces and relationships and create the foundations for economic development at the neighbourhood-level, to help strengthen the social fabric of communities, supporting in building pride in place.
 - Support for local businesses: enabling places to fund interventions that support local businesses to thrive, innovate and grow.
 - People and skills: funding to help reduce the barriers some people face to employment and support them to move towards employment and education. Places can also target funding into skills for local areas to support employment and local growth.

13. South West region is keen to design interventions to ensure that funding is directed to projects that make sense to people and businesses, with the focus on delivery and layering of bureaucracy as far as possible. Funding arrangements have been designed to ensure they follow the constitutional arrangements for organisations in receipt of funding and factor potential impact of administrative burden created by complex legal and financial arrangements and aim to keep these to the minimum required to ensure effective delivery and added value.
14. Whilst there is a need to accommodate transition from existing programmes to an extent, exit strategy remains a key question for any activity of any scale by any organisation, and organisations will be expected to articulate this point carefully in applications - the programme activity should be about enabling and supporting sustainable activities, not creating long-term dependencies.
15. The region consists of four partner local authorities with well over a decade of constructive and positive collaborative working, with individual local allocations. The understanding is that the allocations are fundamentally local allocations with a regional oversight to share good practice, consistency and good programme management, whilst allowing each local area the flexibility to adapt programmes to meet the subtle differences in local need, as well as addressing a large number of challenges and opportunities held in common.
16. The region intends to use 4% of the funds to secure robust governance and accountability between Swansea as lead authority, and each of the small teams in the four local authorities thereby ensuring seamless delivery of the programme. A collaborative approach has worked well between the partner authorities over a number of years on a range of programmes including most recently the Welsh Government Transforming Towns programme which follows the same basic model as proposed here.
17. The approach will be to deploy the following delivery methods in all cases being clear on local and regional benefit of activities proposed:
 - Carefully chosen grant schemes that enable businesses and communities to benefit from programme opportunities
 - Commissioned activity at local and regional where there is a direct benefit to the people in their communities and businesses across the region, with direct applicability during the programme period
 - Procured activity at local and regional level
 - Opportunities to work across regions where appropriate, adding value where there is specific evidence of local benefit
 - In-house delivery where appropriate and commensurate with organisational duties
 - Ensuring appropriate match funding input depending on scale and nature of activity and avoiding paper-chase distracting from project delivery
 - Ensuring genuine engagement from project deliverers and evidence of capacity to deliver
 - Ensuring project deliverers have sufficient capacity to manage and deliver projects effectively

- Multi-agency approaches where appropriate and ensuring sufficient administrative capacity to operate projects effectively.
18. Guidance-permitting these approaches will be used individually or in combination subject to the needs of particular activities and projects.
 19. Four modes of delivery are being progressed. In order of implementation these are:
 - I. Anchor projects: These are major projects run primarily in-house that will deliver significant parts of the investment strategy. They will focus on specific DLUHC themes (Communities and Place, Supporting Local Business, People and Skills including or excluding Multiply), and may also tackle themes that run across the DLUHC themes (e.g., poverty), or a mixture of the two. There is no assumption that the same anchor projects will run across the region. Anchor teams will comprise of both new and existing staff to ensure these are properly resourced to reduce delivery risk. Each Anchor project will be co-ordinated through a local board to include organisation(s) involved in delivery.
 - II. Grant schemes: For the most part these will be thematic and integrated into the anchor projects, but can stand alone if necessary. It is envisaged that these will provide:
 - a) Grants to voluntary and community groups (also town and community councils) under the Communities and Place theme.
 - b) Grants to businesses under the Supporting Local Businesses theme for capital equipment and innovation, to support start-ups and achieve decarbonisation.
 - c) Grants primarily to the third sector and private sector to support activity previously supported by the WCVA Active Inclusion programme, or similar, where there is evidence that funding will prove an effective and efficient use of resources.
 - III. Standalone projects: These will be invited by competitive bidding rounds to fill clear gaps in strategy delivery that are not being met by 1 and 2 above.
 - IV. Procured projects: These will be specified and procured to deliver precisely defined activity that is not being fulfilled by 1, 2 and 3 above.
 20. Constructive dialogue has taken place with Welsh Government officials across a range of departments to ensure that SPF activity is designed to complement WG provision and pick up areas that are not funded. This is particularly important in areas such as grant support for small businesses and community organisations to ensure seamless provision. Anchor teams are part of this design to ensure a central point of contact in each local authority area, and these anchor teams meet on a regional basis to ensure consistency of approach.

WG Transforming Towns

21. The region has been working constructively for several years now on the range of town centre funding instruments that form the Welsh Government Transforming Towns programme. Swansea Council acts as regional lead in supporting management of the programme, with a strong and mature working relationship between all four local authorities having developed over the course of more than a decade of regional working.
22. The current 3 year funding window from Welsh Government amounts to £27m of funding for the region over 3 financial years to 2024/25. Funding spread across the region is broadly even, but a longer term view is taken on the range of quality schemes coming forward and the range of timing and delivery issues that impact capital schemes. Teams meet on a monthly basis to review progress, update on new schemes, both regionally as local authorities, and on a bilateral monthly basis with the Welsh Government Regeneration Team.

23. The programme comprises the following elements:

Placemaking grants

- max £250k for smaller scale public realm and small buildings (public, private and community)

Strategic projects

- usually around £2.5m grant subject to viability gap
- usually commercial/community/market rent gap
- Example projects – Castle Square Swansea, Riverside Haverfordwest, Neath Town Centre, Tyisha/Goods Shed Llanelli
- Public sector grant can go up to 70% but usually considerably lower
- Private sector intervention rates usually 45% or less against proven viability gap – new subsidy control regime impacts this
- engagement with WG Regeneration team to get projects agreed and submitted for approval
- Strong pipeline of demand from private sector

Town Centre Loan Fund

- 0% interest loan over 5-7 years
- Targeted at under-utilised, derelict sites or premises
- Commercial or market rent schemes
- Usually up to £1m per project aimed at private sector
- Available for SME developers (could perhaps work as partnership)
- Very popular as bridging for acquisition and development of larger private sector projects
- Strong pipeline of demand from private sector.

24. The programme works successfully in the region, and the emerging SPF programme follows a similar style of working. A growing range of successfully delivered projects in the region is testament to this, carefully aligned to the Regional Economic Delivery Plan.

25. Future opportunities include closer alignment with UK Government Levelling Up Fund future rounds and increasing levels of interest from private sector developers as viability gaps begin to close as a result of the impact of this programme.

The Celtic Freeport Bid

26. The Celtic Freeport Consortium comprising Associated British Ports (ABP), Neath Port Talbot Council, Pembrokeshire County Council and the Port of Milford Haven, combined with support from private sector and other stakeholders, has submitted a bid for a Celtic Freeport with the UK and Welsh governments. A decision on this bid is expected in March 2023.
27. If successful, the Celtic Freeport will deliver significant inward investment which will accelerate investment in green energy industries and skills. Such investment will support the roll-out of floating offshore wind (FLOW) in the Celtic Sea, in addition to supporting the region's ambition to create a green investment corridor. It is expected to support over 16,000 jobs and generate up to £5.5 billion of new investment in the region.

Swansea Bay City Deal (SBCD)

28. The SBCD is now in its fifth year of operation with all nine programmes and projects approved by December-21 by the Region and UKG / WG.
29. The SBCD complements the work of the SWW CJC, through the promotion of regional collaboration and through the delivery of its portfolio of programmes and projects. The portfolio activities directly contribute to the first well-being objective of the CJC, to the Ambitions and Missions of the Regional Economic Delivery Plan and to the strategic priorities of the Regional Energy Strategy.
30. The portfolio is on target to achieve its investment objectives of:
- Jobs - To create over 9,000 skilled jobs aligned to economic acceleration, energy, life sciences and smart manufacturing across the region within 15 years (2017-33). To date 524 jobs have been created across the programmes and projects of the SBCD
 - GVA - To contribute £1.8-2.4 billion GVA to the Swansea Bay City Region by 2033 and contribute to the region achieving 90% of UK productivity levels by 2033. Economic impact to be measured in evaluation processes for projects and programmes e.g., S4C based in Yr Egin generated an economic impact of £18.2m in the economy of Carmarthenshire in 2019-20
 - Investment - To deliver a total investment in the region of £1.15-1.3 bn in the South West Wales Regional economy by 2033. As at the end of 2022-23 financial year it is estimated that £18.55m of private sector investment has been drawn down, which aligns with the profiling for the overall portfolio.
31. A detailed list of SBCD Projects / programme highlights is attached at Appendix C.

Regional Energy Strategy

32. The South West Wales Regional Energy Strategy (RES) was endorsed as the regional energy strand of our work programme at the meeting of the South West Wales Joint Committee on 15 March 2022. The RES is supported by an energy and economic modelling analysis, and the baseline assessment (as of 2017) identified that:
- South West Wales consumes around 36% of all energy in Wales, more than its 22% share of the population, partly due to the concentration of very large industrial sites in the region
 - The region's total energy demand is dominated by the commercial and industrial sector, which makes up 68% of the total demand (with domestic demand accounting for 17% and transport accounting for 15%)
 - Renewable assets located in South West Wales currently generate the equivalent of 44% of the region's energy consumption
 - South West Wales hosts 27% of Wales' renewable energy capacity
 - 46% of renewable generation in South West Wales is from on-shore wind projects and 45% from solar photovoltaics
33. The RES vision for South West Wales is as follows:
'Harnessing the region's low carbon energy potential across its on and off-shore locations, to deliver a prosperous and equitable net zero carbon economy which enhances the well-being of future generations and the region's eco-system at a pace which delivers against regional and national emissions reduction targets by 2035 and 2050'.
34. The RES priorities for delivering this Vision are as follows:
- Energy efficiency
 - Electricity generation
 - Smart and flexible systems
 - Decarbonise heat
 - Decarbonise transport, and
 - Regional coordination.

Alignment with Regional Economic Delivery Plan

35. As outlined in section 1 of this report, the REDP sets the vision for the broader regional economy; more specifically identifying three 'Ambitions' supported by three complementary Missions. Mission 1 refers to 'Establishing South West Wales as a UK leader in renewable energy and the development of a net zero economy: taking forward the region's major energy related projects and driving the benefits through the region (via industrial decarbonisation, supply chain opportunities). The underpinning analysis of the region's economy identifies a number of highlights including '...the region has a number of distinctive strengths and opportunities...linked with the regional energy potential (and) university-industrial links...there is a 'window of opportunity' in relation to green energy and net zero...'

36. The synergy between the regional economic and energy agendas is most clearly demonstrated through a number of major projects such as the proposed Freeport (and focus on floating off-shore wind, hydrogen and carbon capture; paragraph 2.5 refers)), the suite of Swansea Bay City Deal projects (para 2.6 and Appendix 2 refers) and nascent schemes such as the Global Centre of Rail Excellence (UK's first net zero railway), the Blue Eden tidal lagoon project , the proposed South Wales hydrogen pipeline ('Hyline Cymru') and the (RWE) Pembroke Net Zero Centre.
37. Underpinning this programme of pan-regional energy projects is a suite of smaller scale local and regional projects – from ULEV roll-out (in the transport sector) to local authority and broader public sector net zero (2030) programmes, through to collaborative Public Service Board and community schemes that support the decarbonisation, climate change and nature emergency agendas.

Managing the regional energy agenda

38. The region has a well-established structure for supporting and coordinating energy activities and interventions. An Energy Core Group (local authorities, Welsh Government Energy Service and SBCD Portfolio office) meets regularly and is supported and informed by a wider stakeholder advisory group of representatives from across the energy spectrum. Critically, the local authority representation involves senior officers from both economic and energy disciplines, with support also being provided by the EARTH (regional institutional capacity building) team; Appendix B refers.
39. The Energy Core Group work programme is delivered through four 'Task' groups – Domestic energy; Renewable energy generation; Transport and active travel and Commerce and Industry – and a dynamic action planning process that maps activities and interventions across the region.
40. Additional capacity has recently been confirmed following a Welsh Government award of £305k to recruit staff to help accelerate both local and regional energy plans and coordinated delivery. A recent regional application to the UK Innovate Launchpad programme will, if successful, provide a grant pot (c£6m) to assist small businesses in the region who are involved in the renewable energy space. Further support for local and regional energy businesses and projects should also be available from the Shared Prosperity Fund (paragraphs 7:20 above refers).
41. Updates on progress against the Regional Energy action plan will be presented to the CJC Energy Sub-Committee.

Developing an integrated approach to CJC functions

42. Whilst this report has focussed on the CJC's economic well-being 'mandated function' (economic development and energy), there are clear and strong linkages across both the 'regional transport' and 'regional land use planning' functions too.
43. Indeed, the development of a new Regional Transport Plan will identify the infrastructure and systems needed to satisfactorily deliver the region's economic and energy ambitions. Similarly, the development of a regional Strategic Development Plan

will – together with Local Development Plans – ensure that sufficient land is identified and allocated to accommodate the business growth and complementary housing, educational, social and recreational activities which will both ensure that the region grows sustainably and help reverse the leakage of skills and investment.

44. In summary, building an integrated approach to the CJC’s ‘mandated functions’, regional plans and programmes will be key to maximising our ability to deliver on the joint ambition.
45. The SWW CJC has limited influence on current and proposed project / programme activity required to support the delivery of the REDP ambitions. It should also be noted that there is no dedicated regional resource available to support delivery of the CJC’s economic well-being ‘mandated function’. Use where appropriate is currently being made of the EARTH Programme (Appendix B refers), although funding for this programme ceases summer 2023.

Timescales

46. This report sets out an overview of the considerable activity across the region, much of which is at various stages however all offer potential to align and contribute to the Corporate Objectives of the CJC as outlined within its emerging Corporate Plan 2023-2028.

Financial Impacts:

47. There are no new financial related to this report. This report has set out the range of funding sources and proposed investment frameworks which have the potential to align and contribute to the Corporate Objectives of the CJC as outlined within its emerging Corporate Plan 2023-2028.

Integrated Impact Assessment:

48. The CJC is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:
 - Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.
 - Deliver better outcomes for those people who experience socio-economic disadvantage
 - Consider opportunities for people to use the Welsh language
 - Treat the Welsh language no less favourably than English.

- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

49. It is not considered that an Integrated Impact Assessment (IIA) is required for this report as it does not seek a substantive policy decision from Members. Members will note that the formulation of the Draft Corporate Plan has allowed for the identification of a draft equality objective, which is set out below for ease of reference:

“To deliver a more equal South West Wales by 2035 by contributing towards:

- (a) The achievement of the [Welsh Government’s long-term equality aim](#) of eliminating inequality caused by poverty;*
- (b) The achievement of the [Equality statement set out in Llwybr Newydd](#) which is to make our transport services and infrastructure accessible and inclusive by aiming to remove the physical, attitudinal, environmental, systemic, linguistic and economic barriers that prevent people from using sustainable transport; and*
- (c) The achievement of the [Welsh Government’s long-term equality aims](#) of cohesive communities that are resilient, fair and equal and where everyone is able to participate in political, public and everyday life.”*

Well-being of Future Generations (Wales) Act 2015 (and emerging CJC Corporate Plan and its identified well-being objectives):

Alignment with CJC Corporate Plan 2023-2028 (draft/emerging at the time of writing) and the identified CJC Well-being objectives:

- 50. The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the ‘well-being goals’.
- 51. Members will note that the formulation of the Draft Corporate Plan has allowed for the identification of well-being objectives for the CJC. It is considered that this report aligns to the emerging corporate policy framework of the CJC , most notably in terms of Draft Well-being objective 1 which is outlined below for Members ease of reference: *“To collaboratively deliver the Regional Economic Delivery Plan and Regional Energy Strategy thereby improving the (decarbonised) economic well-being of South West Wales for our future generations.”*

Workforce Impacts:

- 52. There are no new workforce impacts for Members to be concerned with in relation to this report.

Legal Impacts:

- 53. There are no specific legal impacts for Members to be concerned with in relation to this report. The CJC is able to exercise economic well-being powers.

Risk Management Impacts:

54. There are no specific risk management impacts for Members to be concerned with in relation to this report.

Consultation:

55. There is no requirement for consultation in respect of this report.

Reasons for Proposed Decision:

56. To ensure that the Committee is fully aware of the progress being made.

Implementation of Decision:

57. This decision will be implemented following the three day call in period.

Appendices:

Appendix A – Copy of the REDP.

Appendix B - Schedule of projects and programmes.

Appendix C - SBCD Projects / programme.

List of Background Papers:

There are none

South West Wales Regional Economic Delivery Plan



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Executive Summary

Background

1. South West Wales has a diverse economy and a unique set of natural and cultural assets, underpinned by the quality of its coastal and rural environment, industrial heritage and capacity and university presence. In 2014, partners in South West Wales jointly published an Economic Regeneration Strategy, setting the strategic groundwork for the Swansea Bay City Deal, a £1.3 billion investment package supported by the UK and Welsh Governments.
2. Seven years on, much has been achieved. However, there is more to be done to unlock the region's potential and to ensure that growth is resilient, sustainable and inclusive. In December 2020, the South West Wales local authorities, working closely with the Welsh Government, commissioned a new **Regional Economic Delivery Plan**. Looking ahead to the next ten years, this sets out an ambitious 'route map' for the development of the region's economy, identifying priorities for intervention and articulating how business, government, education, voluntary, community and social enterprise organisations and other partners should work together to bring them forward.

The economic and policy context

3. In the years leading up to the Covid-19 pandemic, the South West Wales economy performed strongly in generating new jobs: By 2019, there were some 322,000 jobs in the region, an impressive increase of 20,000 on the 2013 figure. However, there is still a large and persistent productivity gap with the rest of the UK.
4. Analysis of the region's economy highlights that:
 - **The region's economic weaknesses are largely structural**, linked with long-term processes of industrial change (which in some respects are still ongoing), and are shared with other regions in Wales and the UK.
 - **However, the region has a series of distinctive strengths and opportunities.** These are especially linked with the region's energy potential, university-industrial links, strong cultural identity, environmental assets and quality of life offer..
 - **There is a 'window of opportunity' to build on and capture some of these**, especially in relation to the green energy and net zero opportunity, where the region has specific advantages, but where other parts of the UK (and beyond) also have ambitious plans and technology and the dynamics of investment are changing rapidly. **Having the capacity to exploit these opportunities will be important and the timing of this matters greatly.**
 - **The region contains much diversity**, especially within the rural/ urban dimension. Despite diversity across the region, there is substantial commonality, and some of the big opportunities have a region-wide footprint. However, some of them extend beyond the

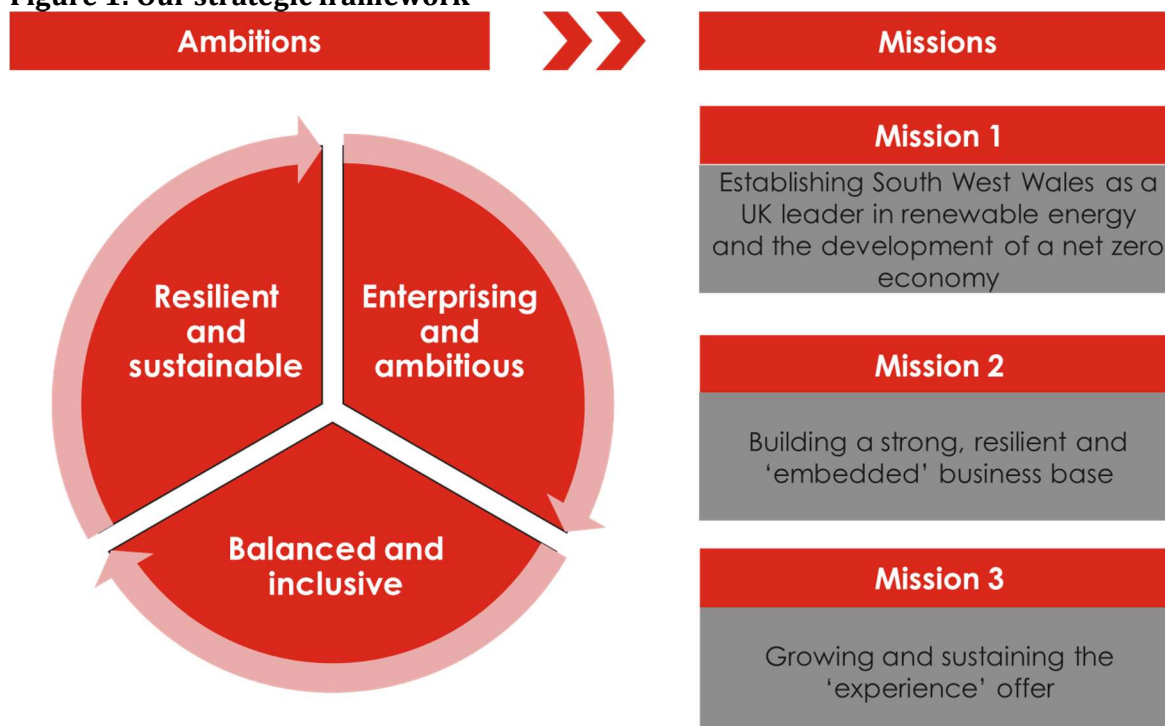
region itself, and ‘out-of-region’ links (for example, the South Wales Industrial Cluster and the links through to Cardiff Capital Region) will be of relevance.

- **‘Transformational’ growth opportunities need to be balanced with the conditions for incremental improvements in resilience, capacity and capability across the economy.** This was a key theme emerging from consultation as part of this Plan. There are distinctive opportunities at the ‘leading edge’ – but long-term employment resilience and wage growth will depend on the sustainability, productivity and expansion of the wider stock of regional SMEs.
5. The Plan has also been developed against the backdrop of a rapidly evolving policy context, as the region recovers from the Covid-19 pandemic and adjusts to a new trading and funding landscape following Brexit. However, looking to the next ten years, the climate emergency, the pace of (and adaption to) technology change and the need to ensure that the benefits are captured locally and are widely distributed will be central to economic strategy.

Our Ambitions and Missions for the next ten years

6. Over the next ten years, we will build on our distinctive strengths and opportunities summarised above to develop a more prosperous and resilient South West Wales economy.
7. To help plan for the future, we have identified three **Ambitions** (statements about the nature of the South West Wales economy that we want to work towards), supporting three complementary **Missions**:

Figure 1: Our strategic framework



Source: SQW 2021

8. Our three ‘Missions’ will guide future activity over the next ten years and beyond. They are designed to give a clear direction of travel, while remaining sufficiently broad to accommodate a wide range of potential investments that will come forward over time. The three high-level Missions are as follows:
- **Establishing South West Wales as a UK leader in renewable energy and the development of a net zero economy:** Taking forward the region’s major energy related projects and driving the benefits through the region (via industrial decarbonisation, supply chain opportunities, university-linked innovation, etc.).
 - **Building a strong, resilient and embedded business base:** Understanding and growing the business stock, supporting widespread social and commercial entrepreneurship, creating stronger supply chain and innovation networks, making public sector support sustainable; driving forward technology adoption and diffusion.
 - **Growing and sustaining the ‘experience’ offer:** Linking environmental quality, quality of life and community character to create a region that retains and attracts talent and investment, and to promote this consistently and powerfully to the outside world.

Delivering the Plan

9. To translate our Missions into practical interventions, we have prepared a **project pipeline**. This sets out a schedule of interventions, describing how they contribute to our Ambitions and Missions, their current development status and the actions that need to be taken to bring them forward. This will be kept ‘live’: it will regularly be reviewed by regional partners and will evolve to embrace new investment proposals as they emerge.
10. Currently, the projects within the pipeline have a combined value of around £3 billion. While some are at an early stage of development, and costs will be determined through the business case process, this gives an indication of the scale of the opportunity ahead. Building on the success of the current Swansea Bay City Deal, we will pursue the creation of a further, flexible **Investment Fund** to co-invest alongside the private sector in projects that will deliver our Missions, where business cases are robust.
11. To oversee the strategic direction of the Plan, a new **South West Wales Corporate Joint Committee (CJC)** has been established, enabling the four local authorities to work closely together alongside the Welsh Government and to share resources. Building on our recent success, and alive to the immediacy of our current challenges and opportunities, the CJC will drive forward our Delivery Plan – building a South West Wales that is *“resilient and sustainable; enterprising and ambitious; and balanced and inclusive”*.

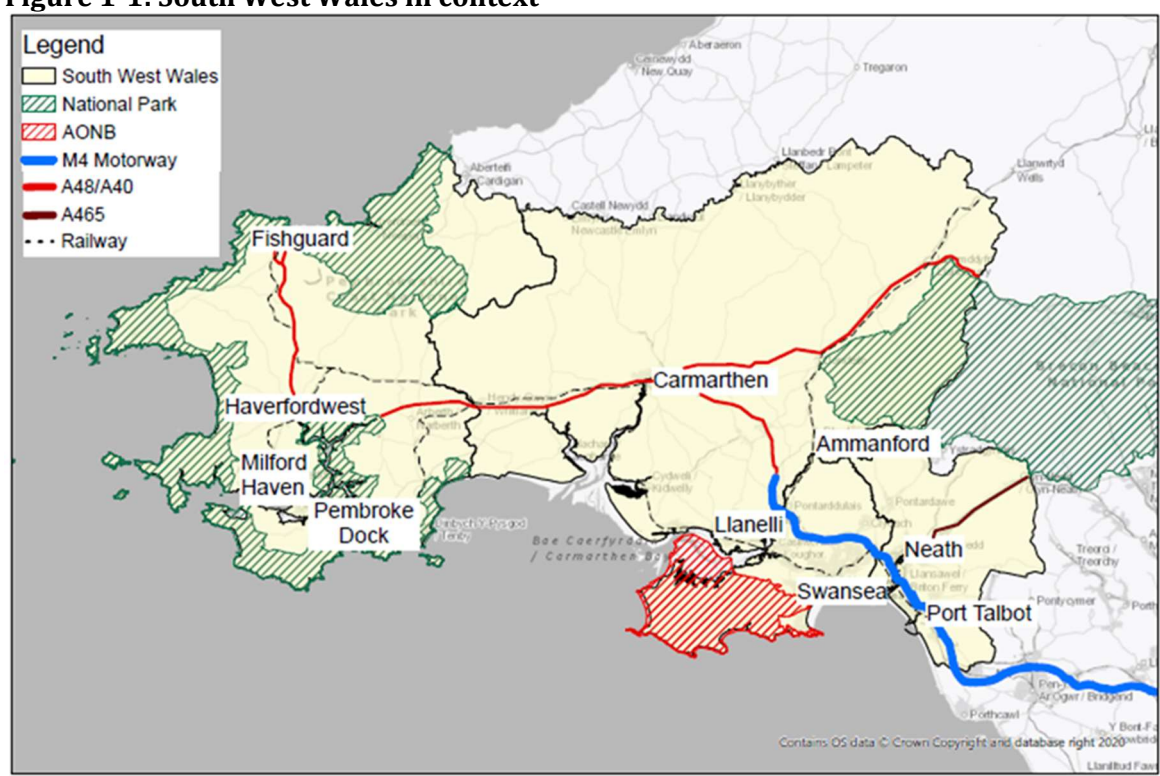
1. Introduction

*Welcome to the **Regional Economic Delivery Plan** for South West Wales. Looking ahead to 2030, this Plan sets out our ambitions for a resilient, broad-based and sustainable economy – and outlines where we will focus our efforts in the next few years to realise them.*

Introducing South West Wales

- 1.1** Extending from Neath Port Talbot in the east to Pembrokeshire in the west, via Swansea and Carmarthenshire, South West Wales has a diverse economy and a unique set of natural and cultural assets.
- 1.2** Economically, our industrial heritage combines with some of the UK’s most significant marine energy potential, driving major opportunities for decarbonisation and the growth of the UK’s Green Economy. Environmentally, the coastline and countryside – including the Pembrokeshire Coast and Brecon Beacons National Parks and the Gower Area of Outstanding Natural Beauty – contribute to a superb visitor offer and quality of life. Culturally, the region encompasses the dynamic, growing university city of Swansea, a diverse and distinctive network of rural towns and an increasingly vibrant Welsh language.

Figure 1-1: South West Wales in context



Source: Produced by SQW 2021. Licence 100030994. Contains OS data © Crown copyright [and database right] (2020)

A bold and inclusive new economic delivery plan

- 1.3** In 2014, partners in South West Wales jointly published an **Economic Regeneration Strategy**, setting the strategic groundwork for the Swansea Bay City Deal, a £1.3 billion investment package supported by the UK and Welsh Governments.
- 1.4** Seven years on, much has been achieved. The region's knowledge and research capacity has been supported through the delivery of major facilities such as the Swansea Bay Campus and continued investment in industry-academic links. The economic opportunities associated with the growth of the health economy have been reinforced through the development of the new Institute of Life Sciences and the start of work on the Pentre Awel health and wellbeing campus in Llanelli. S4C's new headquarters has opened in Carmarthen, accompanied by a concentration of creative media businesses; substantial investment has continued to flow into Pembrokeshire's offshore renewable opportunities; and Swansea city centre's ambitious regeneration programme is well underway. There has been major investment in our digital connectivity, with exciting plans for a more sustainable regional transport system through Swansea Bay and South West Wales Metro.
- 1.5** This provides a strong platform for future growth. However, as the analysis in Chapter 2 makes clear, there is more to be done to unlock the region's potential and to ensure that growth is resilient, sustainable and inclusive. Looking to the next ten years and beyond, the South West Wales local authorities, working closely with the Welsh Government, have prepared this **Regional Economic Delivery Plan** to ensure that we make the most of the exciting growth opportunities that are ahead of us.

Combining strategic clarity with delivery flexibility

- 1.6** In developing the Plan, we have followed a sequential approach. First, we started with a fresh view of the **evidence**, considering the 'state of the region' and the outlook for the future. This informed our high-level **objectives**, setting out "*what we want our economy to be (more) like*". These provided a framework for a series of clearly-defined **missions**: key areas of focus for the next ten years, and the **interventions**, or project activities, needed to achieve them:

Figure 1-2: Regional Economic Delivery Plan logic sequence



Source: SQW

- 1.7** However, we live an uncertain and dynamic world, and over the lifetime of this Plan, we will need to respond to new challenges and opportunities (and new ideas and investments that are yet unforeseen). **A resilient plan is a flexible and agile plan:** while this document

provides strategic clarity and focus on our priorities, we anticipate that project actions and investments will evolve over time.

Navigating the changing strategic context

1.8 This Plan is developed in the context of (and contributes to) a range of plans and strategies developed at local, national and UK level. Looking across the strategic landscape, a number of themes are especially relevant to this Plan:

- First, the **Well-being of Future Generations Act 2015** requires public bodies in Wales to consider the long-term impact of their decisions across all aspects of wellbeing. The Act outlines seven ‘wellbeing goals’ – and public policy should contribute to all of them, not just one or two. For an economic plan, that means that in delivering “a prosperous region”, we should also contribute to a region that is more resilient, equal, healthy, cohesive and globally responsible, and which enjoys a vibrant culture and Welsh language¹. The principles of the Act are explicitly embedded in the Welsh Government’s *Economic Resilience and Reconstruction Mission*² (and its principles of “Prosperous, Green and Equal”) and are central to this Delivery Plan.
- Second, there is an overarching and firm **commitment to decarbonisation and the achievement of ‘net zero’ by 2050**. The UK and Welsh Government is legally committed to net zero carbon emissions (over a 1990 baseline) by 2050, a process that will involve far-reaching changes in industrial processes, transport networks and heating systems. The Welsh Government’s *Programme for Government* commits to “acting decisively to tackle the nature and climate emergency”³, and this is reinforced in the establishment of the Minister of Climate Change portfolio and (for example) in the clear prioritisation of sustainable and active travel within *Llwybr Newydd*, the new transport strategy. From an economic strategy perspective, the decarbonisation imperative creates opportunities for innovation and technology development, as well as an urgent need for adaptation to support industrial resilience.
- Third, a broader policy focus on the **opportunities and challenges presented by technological and demographic change** featured in the UK Government’s former *Industrial Strategy* and remains prominent in its successor, the *Plan for Growth*. A series of reports to the Welsh Government have also set out approaches to digitalisation⁴ and the adoption of an innovation strategy focused around meeting societal need⁵.
- Fourth, **the response to the UK’s exit from the European Union**. Over the coming years, we will need to adapt to changing patterns of trade. The impact of this is not yet fully

¹ Future Generations Commissioner for Wales, [Well-being of Future Generations Act \(Wales\) 2015](#)

² Welsh Government (February 2021), *Our Economic Resilience and Reconstruction Mission*

³ Welsh Government (June 2021), [Programme for Government](#), p.3

⁴ Welsh Government (September 2019), [Wales 4.0: Delivering economic transformation for a better future of work](#)

⁵ Rick Delbridge, Dylan Henderson and Kevin Morgan (May 2021), [Scoping the future of innovation policy in Wales](#)

apparent, although for some sectors will be far-reaching (for example, the adaption of agriculture to the new Environmental Land Management system). Brexit also means a significant change for South West Wales in terms of the public investment available for economic development: historically, the region has been one of the UK's largest beneficiaries from EU funding. Looking to the future, it is likely that we will need a new, perhaps more 'investment and return' based approach.

- Finally, this Plan is developed in the context of a wider approach to **regional economic development** in Wales, with South West Wales forming one of the regional 'building blocks' of *Future Wales*, the new national spatial development plan⁶. Plans have also been advanced for new approaches to regional governance and delivery (described in Chapter 5), as well as the Regional Economic Framework, which has been developed by the Welsh Government in conjunction with the local authorities alongside this Plan.

Plan structure

1.9 The remainder of this Plan is structured in six chapters:

- Chapter 2 sets out the **economic landscape** within which the Plan has been developed, outlining the strengths, weaknesses, opportunities and threats facing the regional economy and the key issues that need to be addressed.
- Chapter 3 introduces our **strategic framework**, setting out our ambitions for the future and the type of economy that we want to help develop.
- Building on this, Chapters 4-6 explain our three **key 'missions'**: the specific goals that we want to achieve over the next decade.
- Finally, Chapter 7 sets out **how we will deliver the Plan**, including the role of the Corporate Joint Committee and options for future implementation arrangements.

1.10 In addition, **Annex A** provides a summary SWOT analysis. **Annex B** provides an assessment of this Plan against the Wellbeing of Future Generations Act (Wales) 2015. **Annex C** explains the process of developing the Plan, and how partners were engaged and priorities identified.

1.11 Two supplementary documents support the Plan:

- First, an **Evidence and Policy Landscape Review** provides further detail in support of the narrative in Chapter 2

Second, while this Plan takes a long-term view, specific actions will evolve over time as business cases are progressed and new investment opportunities come forward. Alongside the Plan, we have prepared a **supplementary Project Pipeline document**, setting out known and emerging interventions and the next steps involved in taking them forward.

⁶ Welsh Government (February 2021), [Future Wales: The National Plan 2040](#)

2. South West Wales: The economic landscape

South West Wales has performed strongly in recent years in generating new jobs and driving forward priority investments. Despite continuing productivity challenges, there are major opportunities ahead for sustainable growth, linked with our energy, innovation, business and community assets. This chapter sketches a picture of the region's economy, outlining recent economic performance, key strengths and assets, and the major 'transformational' trends that will impact on future growth.

Places and connections: The region's economic geography

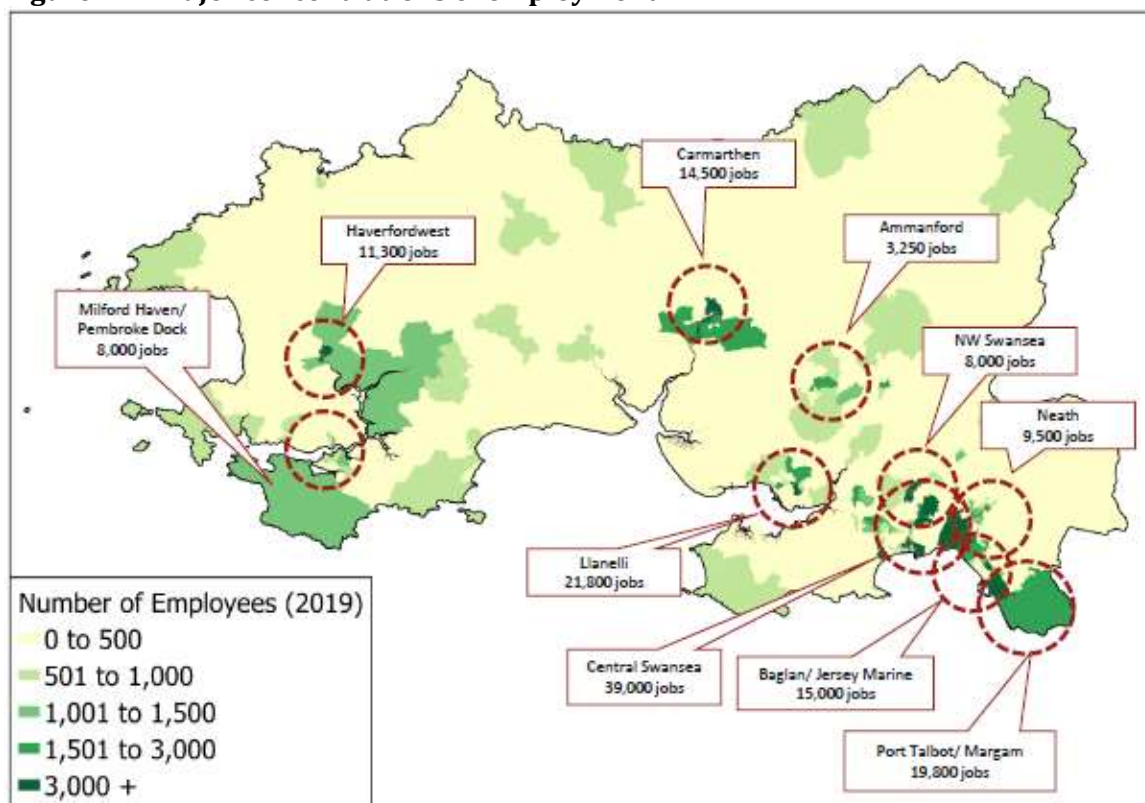
A distinctive heritage and a diverse economy...

- 2.1** With a population of around 705,000 across four counties, South West Wales is a diverse region. Historically, much of the area was an industrial pioneer, driven initially by the coal and metals industries and later by petrochemicals and manufacturing. Over the past 40 years, economic change has meant a challenging period of readjustment, which is to some extent still underway. But our industrial heritage has bequeathed an important legacy, including some of our leading research and innovation capabilities, our large advanced manufacturing sector and the character and form of our towns and cities.
- 2.2** Reflecting the region's population distribution and historic industrial development, the largest concentrations of employment are in the east, around Swansea Bay, as Figure 2-1 illustrates. Swansea itself accounts for around 40% of jobs in South West Wales (and is its main commuter destination), and the area around Swansea Bay and Llanelli is defined in *Future Wales* as a 'National Growth Area' for new jobs and housing⁷. The east of the region also contains a distinctive and extensive concentration of manufacturing activity at Port Talbot, including the UK's largest steel plant and the Port Talbot Waterway Enterprise Zone.
- 2.3** Further west, around 20% of national energy supplies enter Britain via Pembrokeshire, with the Haven Waterway a major centre for existing energy infrastructure and the exploitation of new opportunities. More broadly, Carmarthen and Haverfordwest have important roles as regional centres, supporting an extensive rural economy and food production industry. Reflecting the environmental quality highlighted in Chapter 1, the region enjoys extensive environmental designations, including the two National Parks and AONB and special protections along much of the coast. This environmental quality supports a large, important

⁷ Welsh Government (February 2021), [Future Wales: The National Plan 2040](#), Policy 28. Policy 29 defines Carmarthen and the Haven Towns (Haverfordwest, Milford Haven, Pembroke and Pembroke Dock) as 'Regional Growth Areas'

and growing visitor economy as well as delivering significant wellbeing benefits to our local residents.

Figure 2-1: Major concentrations of employment



Source: Produced by SQW 2021. Licence 100030994 Contains OS data © Crown copyright [and database right] [2020]

2.4 Across the region, around 208,000 people speak Welsh – about 31% of the total population, and an increase of around 23% in the decade to 2020⁸. The Welsh Government’s *Cymraeg 2050* strategy sets out a positive strategy to develop “a thriving, sustainable economy in rural areas” and to promote the Welsh language through the media and the growth of the cultural sector – a goal recently reinforced by investment in S4C’s headquarters presence in Carmarthen.

... with important links beyond the region

2.5 Connections beyond the region are important too. The ports at Fishguard and Pembroke Dock provide the main gateway between the south of the UK and Ireland. Looking east, there are strong links (and important commuter flows) between the manufacturing clusters at Port Talbot and neighbouring Bridgend; shared issues across the Western and Central Valleys and the South Wales industrial base; and relatively easy access to opportunities in Cardiff and beyond. While our Plan focuses on what is needed *for* the region and *within* the region,

⁸ Reflecting the region’s diversity, the proportion of Welsh speakers is substantially higher in Carmarthenshire, at over 50% of the population.

economic boundaries are fluid: the key point is that South West Wales is not self-contained and homogeneous; it is outward facing and diverse, and it makes sense to work together.

The medium-term economic outlook

- 2.6** This Plan has been developed following the substantial economic shock precipitated by the Covid-19 pandemic. The UK economy contracted by 9.9% in 2020 – an unprecedented fall in annual output in modern times – as public health restrictions effectively closed some sectors (notably hospitality, a key industry in South West Wales). Across the region, the claimant count was 74% higher in December 2020 than it had been at the start of the year, with the full employment impact mitigated by the furlough scheme and the extensive series of business grant, loan and rates relief measures brought in by the Welsh and UK Governments.
- 2.7** At the time of writing, **the outlook for economic recovery from the pandemic is positive.** In July 2021, independent forecasters anticipated UK GDP growth of 6.9% in 2021 and 5.5% in 2022, sufficient to restore the economy to its pre-pandemic size⁹. In South West Wales, the percentage of employments furloughed fell from 12.5% in December 2020 to around 5% in June 2021¹⁰, the claimant count had started to fall, and many employers were reporting staff shortages.
- 2.8** However, the pandemic has accelerated disruptive trends that are likely to have longer-term impacts. Structural changes in the retail sector have impacted on town and city centre uses. Remote working has expanded and is likely to become more permanent – presenting opportunities for people to access a wider range of jobs, but also potentially creating additional housing and service delivery pressures in rural and coastal areas. At the time of writing, the Covid crisis has not come to a conclusion and its consequences are still not yet fully known – but they are likely to have a longer-term influence over the period of this Plan.

The state of the region: Recent economic performance

- 2.9** Looking back over a longer period, the regional economy has grown since the previous Economic Regeneration Strategy was prepared. But on many indicators, there is still a significant gap between outcomes in South West Wales and the rest of the UK. The *Economic and Strategic Landscape Review* which accompanies this Plan explores our recent economic performance in more detail: the following paragraphs provide a snapshot of the ‘state of the region’.

We have seen growth in jobs and economic activity, but there is capacity for more

- 2.10** The 2014 Strategy anticipated a relatively slow recovery in employment terms from the recession following the 2008/09 financial crisis. However, **performance has been much**

⁹ HM Treasury (July 2021), *Forecasts for the UK Economy: A comparison of independent forecasts*

¹⁰ Slightly below the Wales and UK averages, and accounting for around 14,400 employments furloughed.

stronger than anticipated. By 2019, there were some 322,000 jobs in the region, an increase of 20,000 on the 2013 figure. Despite some net job losses in 2016, growth until the start of the pandemic was stronger than in the rest of Wales.

2.11 However, there is still ‘spare capacity’ in the labour market. Although the ‘jobs density’ (the number of jobs per working age resident) has grown steadily, it is still lower than the UK and Wales averages¹¹. Notably, despite Swansea’s importance as a regional centre and inbound commuter destination, the city’s jobs density is low relative to Cardiff and Newport¹².

2.12 There have been steady improvements in the economic activity rate over the past 15 years – at a faster pace than in the rest of the UK. However, **South West Wales’ economic activity rate continues to fall behind the UK average** (and slightly behind the Wales average). If the gap between the 2019 regional economic activity rate (73.8%) and the UK rate (78.9%) could be bridged, it would bring an additional 21,000 people back into the labour market.

Economic output has grown, within the context of structural change

2.13 Economic output (measured in gross value added) was around £13 billion in 2018 – equivalent to 21% of total Welsh output. The region’s GVA increased by around £630 million in 2013-18 (representing growth of about 5% over the period). Within this overall expansion, some sectors grew strongly: combined, wholesale and retail; warehousing; real estate; information and communications; and health and care contributed an additional £689 million to GVA. But some sectors contracted over the period, with the metals, electrical products and machinery sector reducing its output by around £322 million.

2.14 This suggests a continuing process of adjustment within the economy, which is also reflected in employment growth (and a strengthening share of employment) in hospitality, health, distribution and administrative activities. Nevertheless, manufacturing is of fundamental importance to the regional economy, accounting for 13.6% of total output (and over 25% of output in Neath Port Talbot).

There is still a large productivity gap, which impacts on local prosperity

2.15 Productivity (the amount of GVA generated for every filled job) was around £45,100 in South West Wales in 2018. The gap with the rest of the UK has narrowed slightly over time. But it is still substantial: in 2018, productivity was around 80% of the UK level.

2.16 Our analysis of productivity in South West Wales leads to three observations, which are critical to the strategy advanced within this Plan:

- **Productivity growth isn’t ‘everything’ But it is *necessary* for long-term economic wellbeing, even if it isn’t *sufficient*.** More ‘productive’ activities ought to lead to higher

¹¹ 0.75 jobs per resident aged 16-64 in South West Wales in 2019 (compared with 0.77 in Wales overall and 0.86 in the UK).

¹² Swansea’s jobs density was 0.8 in 2019, compared with 0.98 in Cardiff and 0.91 in Newport.

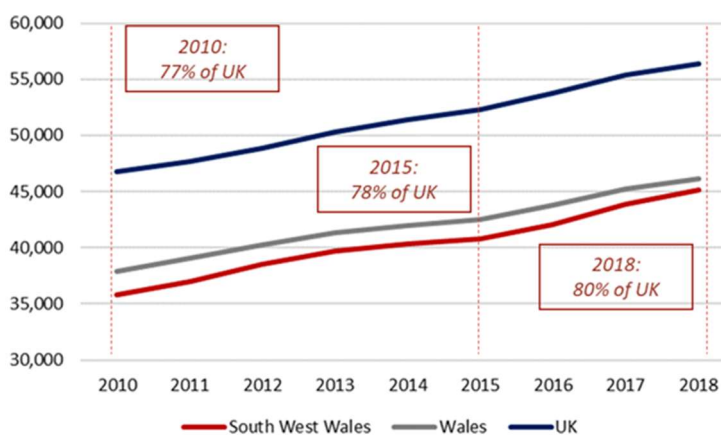
average pay¹³ and more opportunities for people to build careers and businesses in the region. But productivity can be seen as a somewhat abstract measure: a highly 'productive' economy might not necessarily be a sustainable or equitable one, and not everything that society values generates high levels of monetised output. So, as well as generating higher output per worker, **the key challenge is ensuring that the productivity gain is captured locally in pay, conditions and business opportunities.**

- **Productivity growth is not just about growing 'more productive' sectors, or those firms at the leading edge.** The structural shift in South West Wales from relatively high value-added manufacturing to lower value services has presented a long-term challenge. Part of the gap is also explained by the type of activities that take place in different locations within the same industry –

with headquarters activities, research and development and so on typically contributing to higher value output per worker¹⁴. But recent research also highlights the gains that can be made in all sectors (including those within the 'foundational economy' as well as within 'export'-like industries) through investment in management capacity, technology adoption, supply chain capabilities, skills development and so on¹⁵. This is likely to be especially important in South West Wales: in a region with relatively few large firms, **a broad-based approach that supports SME growth and entrepreneurship across the board and increases the local 'stickiness' of investment is likely to be important.**

- **Productivity growth is likely to be gradual over time.** It may be accelerated by major transformational investments – but 'narrowing the gap', and ensuring the gain is captured regionally in higher pay and local business growth, is a long-term endeavour, demanding sustained investment across the economy¹⁶.

Figure 2-2: Productivity: GVA per filled job (£), 2010-18



ONS, Subregional productivity: labour productivity by local authority district and labour productivity by UK NUTS2 and NUTS3 subregions, 2010-18

¹³ Currently, gross median pay in the South West Wales local authority areas ranges between 86% and 92% of the UK average.

¹⁴ Welsh Government (2018), *Welsh Budget 2018: Chief Economist's Report*, p.12

¹⁵ Jurgen Maier (2017), *Made Smarter Review: Report to the UK Government*; Institute for Government (2021), [Productivity: Firing on all cylinders – why restoring growth is a matter for every UK sector](#)

¹⁶ Note also the challenges in 'narrowing the gap': other regions will also grow at the same time, and some (principally London and the Greater South East) will have more favourable starting-points.

The evidence reveals mixed progress against wider drivers of productivity

2.17 Linked with the region's overall productivity performance, there has been mixed progress in relation to wider 'drivers of productivity':

In relation to skills...

2.18 Recent years have seen a strong emphasis on strengthening links between providers and employers, with the Regional Learning and Skills Partnership playing an increasingly important role in brokering relationships, identifying employer need and providing better labour market intelligence¹⁷.

2.19 **Over time, there has been a steady improvement in qualification levels:** in 2019, 35% of the working age population was qualified to NVQ4+, compared with 22% in 2004, and the proportion with no qualifications halved over the same period (partly as new entrants to the labour market gradually replace those who leave). But in *relative* terms, there is still a gap with the rest of the UK¹⁸, and substantial variation across the region¹⁹.

In relation to connectivity...

2.20 **There has been transformational progress in the delivery of digital connectivity** since the 2014 Regeneration Strategy. Commercial investment and public support through Superfast Cymru and successor programmes have increased access to superfast broadband to over 90% of premises. However, beyond superfast, there is still a significant rural/urban digital divide, with ultrafast penetration in Pembrokeshire among the lowest in the UK²⁰. The Digital Infrastructure programme across South West Wales aims to address this – but applications for new technology continue to advance rapidly: staying ahead of the curve will be important as digital technology transforms working practices and business models.

2.21 The picture is perhaps less positive in relation to **transport connectivity**. There has been some disappointment in the scaling back of plans to electrify the South Wales Mainline to Swansea. However, proposals are being advanced to take forward the **Swansea Bay and South Wales Metro** as the core of a better-integrated regional transport system (highlighted further in Chapter 4); Transport for Wales plans to increase services between Swansea and Manchester from 2022; and work progresses in taking forward active travel measures across the region. While the future policy presumption is against new strategic road schemes, investment has started on much-needed improvements to the A40 in Pembrokeshire and

¹⁷ See South West Wales RLSP (2019), [Regional Employment and Skills Plan 2019](#)

¹⁸ Between 2004 and 2019, the gap between South West Wales and the UK actually widened, from 3.6pp to 4.8pp.,

¹⁹ For example, in 2019, only 29% of the Neath Port Talbot 16-64 population was qualified to NVQ4+, compared with 37% in Swansea.

²⁰ In September 2020, around 77% and 58% of premises in Swansea and Neath Port Talbot respectively were able to access 'ultrafast' download speeds of up to 300 Mbps, although this is largely confined to urban areas where it is commercially viable.

beyond the region, major improvements on the A465 Heads of the Valleys road are improving connectivity with the English Midlands.

In relation to the business stock...

2.22 The size of the region's business base grew in the years leading up to the start of the pandemic. In 2020, there were around 23,800 active enterprises in South West Wales, a number that had steadily increased over the preceding five years – and survival rates keep pace with the rest of Wales and the UK. But the region's 'enterprise density' (the number of enterprises relative to the working age population) and the start-up rate remain lower than in the rest of the UK²¹. Recent research has highlighted that while overall entrepreneurial activity in Wales is broadly in line with the rest of the UK, there is a shortfall in perceptions of the availability of good start-up opportunities²².

In relation to sites and premises for business growth...

2.23 South West Wales benefits from some substantial sites for industrial expansion, including the large strategic site at Baglan Energy Park, future phases of the Cross Hands development in Carmarthenshire, and key sites at Felindre and Fabian Way in Swansea and the Haven Waterway. However, **there is a widely-recognised gap between demand and supply for industrial sites and premises**, as low rents (and in some cases high remediation and infrastructure costs on ex-industrial land) make viability challenging, especially west of Swansea. The evidence is that this acts as a brake on business expansion, both to new investors and to existing local businesses seeking 'grow-on' space²³.

Inequalities remain significant

2.24 Despite jobs growth over time and improvements in economic activity, recent research highlights the extent to which rising living costs (especially housing costs) have impacted on the real incomes of the lowest paid, a situation which has accelerated during the pandemic²⁴.

2.25 Across the region, concentrations of disadvantage are significant, principally in the main urban centres of Swansea, Llanelli, Neath, Port Talbot and Pembroke Dock, and in the upper Western Valleys. Many of these concentrations are persistent over time and reflect the long-term impact of industrial change: while they highlight the importance of 'supply-side' measures to reduce economic inactivity and bring people back into the labour market, most

²¹ In 2020, there were 11 business starts to every 100 active enterprises, compared with 14 in the UK overall.

²² Karen Bonner *et al* (2018), [Global Entrepreneurship Monitor UK: Wales report 2018](#)

²³ SQW/ Welsh Government (March 2020), [Commercial Property: Market analysis and potential interventions](#)

²⁴ Bevan Foundation (June 2021), [A snapshot of poverty in spring 2021](#)

households on low incomes are already in work²⁵. For a regional economic strategy, **driving demand and creating “better jobs, closer to home” is a key goal and challenge**²⁶.

Building on strengths: Key assets

2.26 Overall, the review of economic performance over recent years suggests good progress, especially in terms of job creation. But there is a persistent gap in outcomes between the region and the rest of the UK. This is partly because most change is incremental: the investment secured through City Deal (for example) will not yet have translated into improvements in the economic data. It also reflects the ‘structural’ nature of many of the region’s challenges, some of which (including the productivity deficit) are shared with other parts of Wales and the North of England.

2.27 However, South West Wales contains some **distinctive economic strengths and opportunities** which provide a good platform for future growth. Realising each of these presents a challenge for future strategy, which we have set out below.

We have nationally and internationally significant university research assets

2.28 There is a strong higher education presence in the region, anchored by Swansea University and University of Wales Trinity St David’s campuses in Carmarthen and Swansea²⁷. Both universities have expanded in recent years, have made an important contribution to the region’s physical regeneration (e.g., through the Swansea Bay campus and the SA1 development in Swansea city centre) and are key economic ‘drivers’ in their own right.

2.29 Beyond this, Swansea University’s research is ranked as ‘world leading’ in several (mostly STEM-related) subjects²⁸. Across both universities, key research capabilities relate to:

- **Advanced data science**, where Swansea’s assets include the Computational Foundry (bringing together computer science and mathematical expertise, and working with industry) and the CHERISH-DE Digital Economy Centre.
- **Health and medicine**, with a strong focus on the application of data science in health, linked with wider computer science expertise, and including one of six Health Data Research UK (HDR-UK) sites nationally.
- **Engineering and manufacturing**, especially in materials research, and with relevance to the energy and decarbonisation opportunities discussed further below.

²⁵ Joseph Rowntree Foundation (November 2020), [Briefing: Poverty in Wales 2020](#) (Annex A)

²⁶ “Better jobs, closer to home” is a stated Welsh Government objective, as set out in the *Economic Action Plan* and the Valleys Task Force strategy *Our Valleys, Our Future*.

²⁷ In addition to a smaller University of South Wales presence at the Hydrogen Centre in Baglan.

²⁸ Swansea University is assessed as ‘world-leading’ in 14 units of assessment within the 2014 Research Excellence Framework.

2.30 There is a long history of collaboration between both universities and local industry, especially in the manufacturing sector. Examples of recent programmes include ASTUTE 2020, supporting industrial research, development and innovation in manufacturing businesses; and UWTSD's Manufacturing for Advanced Design Engineering (MADE) programme, designed to support collaboration with SMEs. Many industrial collaboration initiatives have been supported with European funding: as this draws to a close, **it will be important to maintain the momentum and capacity that has been built up in recent years, while expanding opportunities for collaboration across the wider regional SME base.**

2.31 The commercial research base is somewhat smaller. But there has been investment in recent years (for example, TWI's Technology Centre Wales and Advanced Engineering Materials Research Institute at Baglan), adding value to the university-based presence.

Our energy infrastructure is extensive, and we have some of the UK's greatest low carbon energy generation potential

2.32 South West Wales has long had an important energy sector, especially associated with Pembrokeshire's oil and gas industry. The infrastructure and skills associated with this will be important in taking advantage of the region's vast potential in renewable energy. Several opportunities are currently being developed through the emerging South West Wales Regional Energy Strategy. These include:

- **Wave and marine energy off the Pembrokeshire coast**, with a series of commercial and pre-commercial projects underway and in the pipeline
- **The proposed Dragon Energy Island** scheme in Swansea Bay, offering scope for tidal, wave and potentially solar energy generation
- **Onshore capacity**, including the UK's largest onshore wind farm at Pen-y-Cymoedd and a range of opportunities in wind, biomass and waste-to-energy.

2.33 There is also substantial research and development capacity to support the region's renewable energy potential. The Offshore Renewable Energy (ORE) Catapult has a presence at Pembroke Dock and, with several other universities, is engaged in progressing new opportunities off the Pembrokeshire Coast. Swansea University's SPECIFIC Innovation and Knowledge Centre has expertise in the capture and storage of solar energy, while the University of South Wales' Hydrogen Centre at Baglan is supporting the experimental production of hydrogen energy storage systems.

2.34 Our energy potential is therefore a key asset to exploit – both for South West Wales and indeed the rest of Wales and the UK. **The challenge over the next few years will be in realising the opportunity, recognising that some technologies remain relatively nascent – and in ensuring that the benefits can be captured locally.** A long-term perspective will also be important in developing business cases for some of the region's major energy projects –

recognising that while they have the potential to be transformational, the full benefits may take several years to be realised

Our business community offers scope for growth

- 2.35** We noted earlier the region’s relatively low levels of enterprise density and its relatively low start-up rate. But **business is central to future economic strategy** – put simply, employment is either created by existing businesses expanding, new businesses starting up, or businesses from elsewhere deciding to locate in the region.
- 2.36** Recent years have seen the loss of some larger, externally-based firms (note, for example, recent job losses in some of the region’s automotive supply chain). We retain relative strengths in manufacturing, food production and hospitality, with evidence of start-up and inward investment activity linked with the data science strengths highlighted above²⁹. However, the region’s business stock is broadly-based: ‘high growth’ SMEs are quite widely distributed across sectors (and across the region)³⁰; ownership models are diverse³¹; and there are opportunities for productivity growth across the sectoral landscape³². Following our analysis of the ‘productivity deficit’ above, **the challenge is to strengthen the ‘breadth and depth’ of the business base, recognising scope for growth across the economy, including (but not just) in those activities at the ‘leading edge’ of technology and innovation.**

Environmental quality and ‘sense of place’ are key assets

- 2.37** South West Wales’ combination of ‘place-based’ assets is distinctive and rich, including the National Parks, the coastline, the sport and leisure offer and a university city offering both ‘compactness’ and a wide range of metropolitan amenities.
- 2.38** Beyond this range of functions and amenities, **the region’s distinctive identity forms an important part of the offer.** There are two aspects to this:
- First, **‘quality of life’ offer clearly forms part of the proposition to visitors, investors and potential new residents**, and one which plays a key economic role. There is an important balance to be struck between environmental quality and community and environmental sustainability.
- Second, **the region’s identity relates to the importance of ‘community’, the associations that businesses and other institutions have with the places in which they are based**, and the stake that they have locally. This is harder to pin down in conventional economic terms, but relates to the extent to which value and ownership can

²⁹ See the *Evidence and Strategic Landscape Review* for further examples.

³⁰ SQW analysis of regional distribution of [FastGrowth 50](#) award winners, 2009-20; Beauhurst records of ‘fast growth’ firms in South West Wales

³¹ Consultation as part of the development of this Plan. See also [Co-operatives Wales](#)

³² Institute for Government (2021), [Productivity: Firing on all cylinders – why restoring growth is a matter for every UK sector](#)

be captured or embedded locally and the challenges in growing the business and employment base highlighted above³³.

Looking to the future: Key transformational trends

2.39 Future strategy will also be influenced by wider ‘transformational’ factors that will impact all aspects of economic life. While these apply to all advanced economies, the way in which they are addressed and how they interact with our existing economic structure and strengths will be fundamental. Three ‘macro trends’ are especially important, relating to **decarbonisation**, **digitalisation** and **demographic change**. We consider each in turn below.

Decarbonising South West Wales

2.40 As we highlighted in the earlier overview of the policy context, the UK and Welsh Governments’ commitment to net zero by 2050 will have an impact on all aspects of policy.

2.41 In headline terms, Wales has been successful in reducing carbon emissions while maintaining economic growth: between 1990 and 2018, total CO₂ emissions fell by 20%, and the country was on track to meet its 2020 carbon reduction targets³⁴. However, around 85% of the cut in emissions came from the power sector³⁵. While most other sectors also achieved reductions (especially manufacturing), these were substantially smaller, and the surface transport sector actually generated a net increase. Looking to the future and the net zero commitment, the Climate Change Committee recommended a “*leadership driven pathway*” requiring far-reaching action over the next thirty years³⁶.



The actions required to achieve the targets – including full decarbonisation of the power sector, full switchover to electric vehicle sales, installation of low-carbon heating, and decarbonisation of manufacturing – go beyond those required from the world on average, in line with Wales’ responsibility as a richer nation with larger historical emissions.



Climate Change Committee

2.42 This presents South West Wales with some distinct challenges. Currently, **regional carbon emissions are much higher than the Wales and UK average**. These mostly reflect the role of the huge Tata works at Port Talbot, an industrial installation of national significance that remains reliant on coal inputs. **The challenge for future strategy is enabling the transition of the region’s industrial base, while ensuring wider action to decarbonise the transport, housing and manufacturing systems** – and making sure that South West Wales

³³³³ This is also at the centre of discussions about the concept and role of the foundational economy. See Joe Earle *et al* (2017), [What Wales Can Do: Asset-based policies and the foundational economy](#) (CREW/ Foundational Economy)

³⁴ Climate Change Committee (December 2020), [Progress Report: Reducing emissions in Wales](#)

³⁵ Principally through the decommissioning of the Aberthaw coal-fired power station

³⁶ Climate Change Committee (December 2020), [Advice Report: The path to a net zero Wales](#)

remains competitive with other regions. Our renewable energy potential will play an important role in this, which we explain further in Chapter 4.

Digital transformation

2.43 **'Digitalisation'** refers to the transformation of the economy through massively increased use of data and the development of digital technologies such as artificial intelligence, machine learning and robotics. Digitalisation isn't about change within a single industry; rather, it is about the use of 'general purpose' technologies with a wide range of applications across industries.

2.44 Digital transformation is not new: the period since the publication of the last Swansea Bay Economic Regeneration Strategy has seen a transformation in the everyday use of new digital technologies, and it has been recognised as a key driver of economic strategy for some time. Three aspects of the transformational impacts of digitalisation are especially relevant:

- **Disruptive effects on industry:** Use of digital technology leads to greater efficiency, with firms that have the capacity and capability to invest and adopt more likely to benefit from productivity gains and improved competitiveness. But its 'transformative' power is in the convergence of technologies to drive entirely new industries (wearable devices or gaming, for example), which in turn drive applications elsewhere. A consequence is the breakdown of traditional industry sectors and markets, leading to a recognition of digitalisation as the 'fourth industrial revolution'.
- **Impacts on the labour market:** Estimates of the potential impact of automation on jobs vary greatly, although most studies suggest that while new technologies will substitute for labour in some sectors, this is likely to be more than offset by job creation³⁷. However, technology is changing the way in which work is done, with the potential for positive and negative impacts on working conditions; the need and opportunity for job changes over the course of the working life; changing demand for skills; and the ability to work remotely.
- **Impacts on services,** potentially helping to overcome relative remoteness, and including the development of new ways of accessing health and care, which in turn impact on the development of new goods and services and demand for jobs.

2.45 Across all of these, the message for future strategy is that responding to digitalisation is not just about ensuring the 'supply' of new technology and connectivity (although that is important). It is also about **driving economic demand for new skills and technologies** – both at the 'leading edge' of innovation and throughout the economy.

³⁷ Welsh Government (September 2019), [Wales 4.0: Delivering economic transformation for a better future of work](#) (Professor Philip Brown's review of digital innovation for the economy and the future of work in Wales), pp.22-26

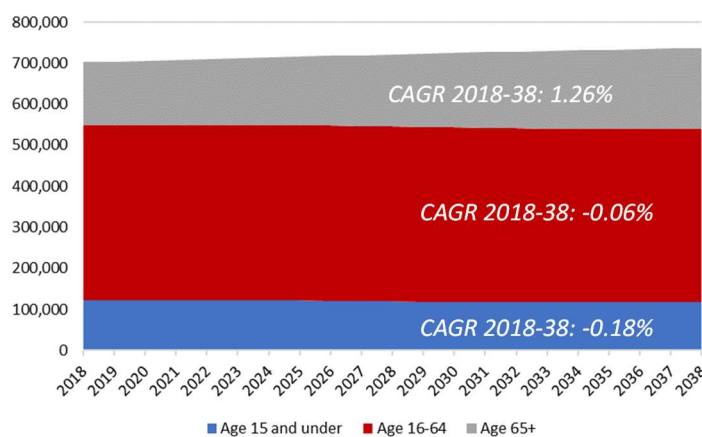
Responding to demographic change

2.46 South West Wales has a growing population. However, the ‘working age’ population has fallen slightly over the past decade. Over the next 20 years, the ‘working age’ population is expected to fall by around 1%, representing a net loss of around 4,700 people aged 16-64 over the period³⁸.

2.47 The gradual ageing of the population is a long-term trend. Key implications for future economic strategy include:

- Changing working lives:** The concept of ‘working age’ is becoming increasingly fluid, as people work for longer, and more flexibly (although individuals’ ability to work for longer will depend on job type and conditions and the ability to adapt to new roles and technologies over time).
- Changes in service demand:** As the analysis of recent economic performance demonstrates, there has been strong growth in employment and output associated with health and social care, as demand increases from an ageing population. Changing demographics will support changes in wider demand for goods and services as well.
- Rising dependency ratios:** While changing demographics are driven by life expectancies and birth rates, they also partly reflect the balance of migration, with gradually falling populations in some post-industrial and rural communities, and in-migration, especially from older people, along parts of the coast³⁹. This is a gradual process – but retaining and attracting younger people also helps to support community resilience and sustainability, and itself depends on generating local economic activity and demand.

Figure 2-3: Population change (compound annual growth rates) by age group, 2018-38



Source: StatsWales, 2018-based population projections

Bringing it together: key issues for the Delivery Plan

2.48 Summarising the ‘state of the region’, our key assets and the long-term ‘macro’ trends that will impact across the economy, we can see that:

³⁸ Although note that the picture varies across the region, with a sharp projected fall in the working age population in Pembrokeshire, but continued growth in Swansea.

³⁹ Gerald Holtham (June 2021)), [Rejuvenating Wales](#) (Hodge Foundation/ CLEC)

- **The region's weaknesses are largely 'structural'**. They are linked with processes of long-term industrial change, are shared with many other parts of the UK, and map onto the region's relatively low productivity.
- Set against this, **there has been strong progress in recent years**, especially in creating new jobs and in driving forward transformational projects. This provides a strong foundation on which to build.
- **South West Wales enjoys some distinctive strengths and opportunities** – especially linked with the region's renewable energy potential, university - industrial links and its quality of life offer. These also have the potential to make a positive impact in relation to the long-term environmental, technological and demographic trends.
- **There is a 'window of opportunity' to build on and capture some of these strengths.** Some are still at a relatively early stage (for example, elements of the renewable energy opportunity and the potential for industrial decarbonisation), but the technology is developing fast, and some other regions will offer fierce competition for investment.
- **We are a very diverse region**, with a distinctive balance of urban, rural, national park, coastal and industrial assets. But there is substantial commonality across South West Wales, and some of our big opportunities have a region-wide footprint. Some also extend beyond the region itself, and outward-facing links will be important.
- **'Transformational' growth opportunities need to be balanced with the conditions for incremental improvements in business resilience and capacity** across the regional economy. There are some distinctive opportunities at the 'leading edge' – but long-term employment resilience and wage growth will depend on the sustainability, productivity and expansion of the wider stock of regional SMEs – not just the 'pioneer' firms.

2.49 Based on this understanding of our economy and its potential, the next chapter introduces our strategic framework, to guide our actions over the next decade.

3. Our ambitions to 2030

Building on the evidence base, this chapter introduces our ambitions for the South West Wales economy. It explains the changes that we want to see over the next decade and introduces the three 'Missions' that will guide our shared activity.

From the evidence to a strategic framework...

- 3.1** Over the next ten years, we seek to build on the distinctive strengths and opportunities identified in the previous chapter to develop a more prosperous and resilient economy. To help plan for the future, we have identified three **Ambitions** (statements about the nature of the South West Wales economy that we want to work towards), supporting three **Missions** (priority areas on which our shared **Delivery Plan actions** will be focused):

Figure 3-1: Our Ambitions and Missions



Source: SQW 2021

Unpacking our Ambitions

- 3.2** Our three Ambitions are broadly cast. They recognise that achieving sustainable, long-term prosperity and the “South West Wales we want” is about more than the pursuit of economic growth as a goal for its own sake – and that prosperity will itself be enabled by progress across a number of fronts.
- 3.3** Our Ambitions seek an economy that is, over the long term, more resilient and sustainable; enterprising and ambitious; and balanced and inclusive.

Table 3-1: Unpacking our Ambitions: The economy we want**Resilient and sustainable**

- **Resilient to technology change and the impacts of digitalisation:**
 - Supporting firms in adopting and adapting to new technology
 - Building labour market resilience through the skills system from schools through to adult learning
- **Resilient to climate change and decarbonisation:**
 - Increasing the resilience of the region's manufacturing base (including in its (currently) relatively carbon-intensive foundation industries)
 - Supporting adaptation and adoption throughout the economy (across sectors and through the building stock and transport system)
 - Delivering robust digital connectivity to support changing working practices and better access to employment.
- **Supporting resilient and more 'embedded' firms and supply chains**
 - Developing the local business base through access to support, finance, networks and procurement
 - Embedding best practice and resilience throughout the supply chain
 - Continuously building management capacity and capability.

Enterprising and ambitious**Enterprising and ambitious**

- **Ambitious in relation to our long-term energy opportunity**
 - Ensuring capacity to drive forward our potential
 - Integrating our natural renewable energy advantages with our university and industrial strengths
- **Enterprising in relation to changing market conditions, technology and opportunities**
 - Investing in the skills system across the economy and driving demand for higher level and technical skills, as well as influencing supply
 - Investing in the commercial property stock – for local businesses scaling up as well as new investors
- **Driving new investment, innovation and funding models**
 - Developing sustainable alternatives to European funding
 - Promoting the region as a location to invest, work and visit

Balanced and inclusive**Balanced and inclusive**

- **Balanced between innovation at the leading edge and sustainable growth across the economy**
 - Developing opportunities for 'new to the firm' innovation, as well as R&D and new technology and product development
 - Recognising the opportunity for a diverse range of business and ownership models
- **Balanced spatially, across the region**
 - Celebrating regional diversity and a wide distribution of opportunity
- **Creating long-term growth, while sustaining and enhancing core environmental and community assets**
 - Recognising and enhancing the inherent value of the environment to the quality of life and quality of place proposition
 - Supporting community ownership of economic assets, where this can support local opportunity and generate a sustainable return.

Realising our Ambitions

- 3.4** The Ambitions set out above are extensive, and are consistent with the Wellbeing of Future Generations Act. They are also all interlinked: they are not so much ‘themes’ as a vision of how we want the economy to evolve. Over the next ten years, **all the actions that the South West Wales local authorities take in support of regeneration and economic development will contribute to achieving them** – whether they are delivered at regional scale, or are more locally focused.
- 3.5** But to deliver our overall goal of a more “resilient and sustainable; enterprising and ambitious; and balanced and inclusive” economy, there are clear actions on which we will need to focus over the next decade. We have called these our three **Missions**, which we will use to guide delivery. These are:
- Establishing South West Wales as a UK leader in renewable energy and the development of a net zero economy
 - Building a strong, resilient and ‘embedded’ business base
 - Growing and sustaining the experience offer.
- 3.6** The following chapters explain each Mission, setting out what we seek to achieve, the opportunities, challenges and risks that we need to address, and the solutions and projects that we aim to progress. Although we explain each Mission in turn, they should be seen as integrated: establishing South West Wales as a UK leader in renewable energy and a net zero economy is, for example, a key aspect of the other two Missions.

4. Mission 1: A UK leader in renewable energy and the net zero economy

Looking to 2030, we aim to make South West Wales a UK leader in renewable energy. That means taking advantage of our natural assets and our industrial and R&D capabilities to build an internationally-significant presence in future fuel technologies and to drive the decarbonisation of our industrial base and the wider economy.

Figure 4-1: Summary of assets, opportunities, challenges and actions

Current assets	Next opportunities	Key challenges	Key actions
Concentration of onshore and offshore opportunities at different stages of market readiness Emerging Regional Energy Strategy and Welsh Government support University R&D assets and growing corporate capacity for industrial decarbonisation	Linking energy generation with industrial decarbonisation Making the most of opportunities presented by the existing knowledge/research base Translating early stage projects into investable propositions	Countervailing pressure of existing high carbon intensity industry Securing/ maintaining capacity to drive the strategic agenda, and major projects forward Competition from (and establishing collaborations with) other regions Securing Government support	Additional capacity to drive forward the agenda Progressing the region's major renewable energy generation projects Attracting and driving forward new industrial investment Decarbonising transport and the housing stock

Understanding the case for the Mission: the core rationale

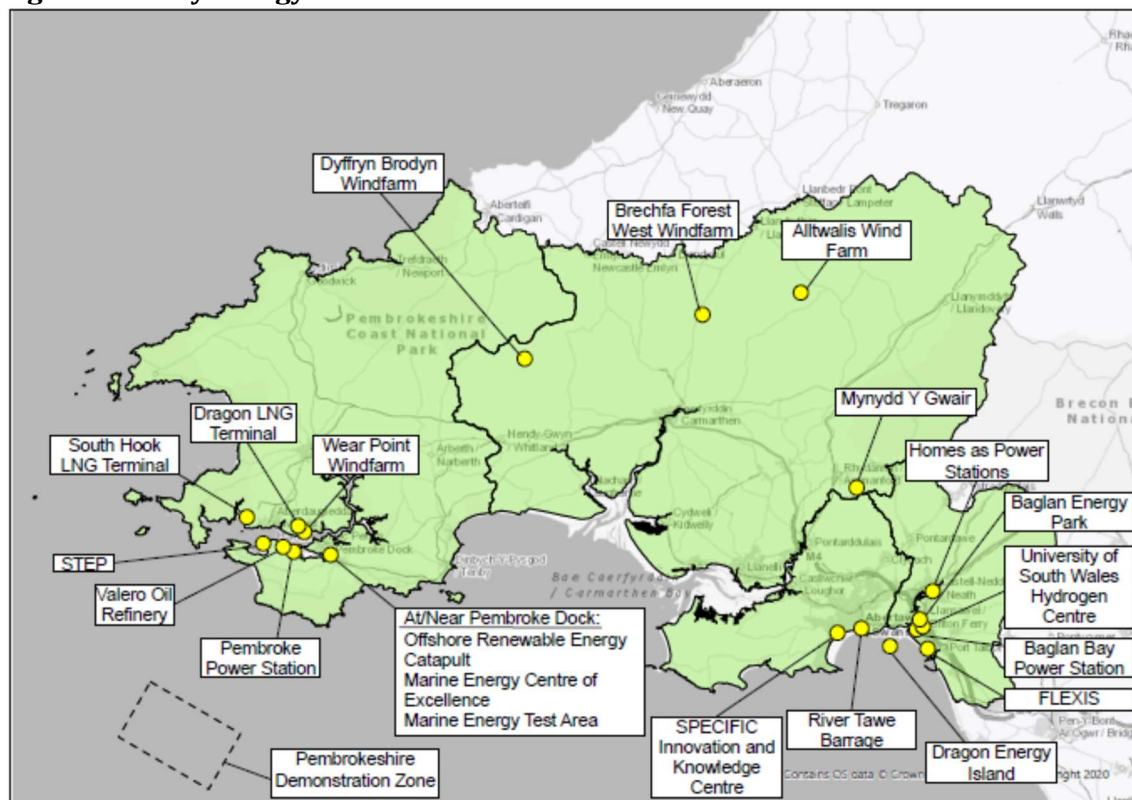
- 4.1** As set out in the evidence base the decarbonisation imperative is global, and in Wales is mandated by the UK and Welsh Governments' net zero commitments and the need to take urgent action now. There is a clear overall policy direction, which has been reinforced by the emerging suite of strategies at UK Government level ahead of COP26 in autumn 2021⁴⁰ and by the renewed and re-emphasised climate change focus of the Welsh Government. With a clear and compelling direction of travel, there is an opportunity for South West Wales to capitalise on its renewable energy assets and ensure that it is on the 'front foot' in adapting to change.

Delivering the region's low-carbon energy projects at scale

- 4.2** In South West Wales, our potential is clearly articulated, and is linked with both our natural environmental assets and infrastructure and skills base resulting from our long history in energy-related activity. The range of existing and emerging projects and assets is extensive, as illustrated in Figure 4-2:

⁴⁰ For example, the new [UK Hydrogen Strategy](#) (August 2021)

Figure 4-2: Key energy assets



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4.3 Key renewable energy assets include the combination of marine energy activity associated with **Pembroke Dock Marine** and the proposed tidal, wind and potentially solar energy scheme at **Dragon Energy Island** in Swansea Bay. They also include a range of onshore wind and waste-from-energy schemes across the region, and a potential nuclear fusion prototype scheme in Pembrokeshire. The **Hydrogen Centre** at Baglan focuses on experimental development of renewable hydrogen production and storage, as well as R&D in hydrogen vehicles, fuel cell applications and energy systems. The **Flexible Integrated Energy Systems (FLEXIS)** project is delivering a smart energy demonstration zone in Port Talbot, focused on local energy systems, heat recovery and the adoption of low emission vehicles.

4.4 However, while the scale of activity is substantial, there is a risk that the potential may not be fully realised, for three reasons:

- **Technologies are, in some cases, at a relatively early stage.** They are also complex, and in many cases will require long-term funding, commercially or from Government. Some of this will need to come forward in conditions of some uncertainty: for example, the Welsh Government's *Hydrogen Pathway* notes that "there is uncertainty regarding the exact role hydrogen will have in supporting decarbonisation in Wales.... [but despite this], there is still an urgent need to take the first steps to develop the skills, expertise and supply chain for hydrogen scale-up in Wales"⁴¹.

⁴¹ Welsh Government (January 2021), [Hydrogen in Wales: A pathway and next steps for developing the hydrogen energy sector in Wales](#). (consultation document), p,11

- **Competing areas and technologies may move faster** within this dynamic technology environment. South West Wales has distinctive assets – but if additional capacity and investment is directed elsewhere, some of these advantages could diminish.
- **Local benefits are not *automatically* captured through the energy generation process.** The good news is that there is a solid R&D base in South West Wales to capitalise on the opportunity (see, for example, the Hydrogen Centre referred to above; Swansea University’s SPECIFIC Centre), as well as schemes (such as the Marine Energy Engineering Centre for Excellence project at Pembroke Dock) to build supply chain opportunities with SMEs. It will be important that these are driven hard, to ensure that the region benefits from the added value of renewable energy investment.

4.5 Delivering the region’s renewable energy opportunities at scale – and ensuring that they are integrated with wider policy and maximise local benefits for local businesses and communities will be central to regional strategy over the coming years:

Key action areas

- **We will build capacity and expertise to maximise South West Wales’ renewable energy and net zero potential.**

There are several public bodies with knowledge and expertise, including (for example) the Welsh Government Energy Service and Marine Energy Wales, as well as UK Government agencies such as the ORE Catapult. But the agenda is complex: establishing a regional ‘decarbonisation system’ could help to address region-wide goals (including in relation to skills and infrastructure) and coordinate investment priorities beyond the delivery of specific initiatives.

- **We will seek to secure new investment in renewable energy infrastructure**

Linked with the capacity building described above, we will work with the Welsh and UK Governments and with the private sector to make the case for investment in ‘nationally significant’ schemes such as Dragon Energy Island and the Pembrokeshire marine proposition, as well as smaller-scale schemes, including on public land.

- **We will work to deliver the Regional Energy Strategy**

The Regional Energy Strategy has been developed in parallel with this Plan and will be published in 2021. We will work to take forward pilot and successor Local Energy System projects (such as the pilot currently underway at Milford Haven Energy Kingdom), and we will seek to link the energy system objectives of the Energy Strategy with opportunities for local business engagement and supply chain development.

Decarbonising our industrial base

- 4.6** The high carbon intensity of some of South West Wales’ industrial activity is a vulnerability: while the region’s relatively high carbon emissions in the data is largely caused by the steel industry, oil and gas are also important to the region, as well as our large manufacturing base.
- 4.7** Work is currently underway to develop a programme for industrial decarbonisation through the **South Wales Industrial Cluster (SWIC)** initiative, funded by UK Research and Innovation and including several energy and heavy industrial firms in South West Wales (including Tata, Valero and RWE, the operator of the Pembroke refinery)⁴². The focus of the programme is on the production and use of hydrogen and on mechanisms to secure large-scale industrial decarbonisation through ‘fuel switching’: as with some of the initiatives discussed above, the proposition is in its relatively early days, although achieving large-scale change will be important for the region’s future competitiveness. More broadly, there is an opportunity to attract additional investment into the region, beyond the decarbonisation of the existing stock: ‘transformational’ projects such as the forthcoming **Global Centre for Rail Excellence** provide examples of investments supported with public funds, but the existing combination of energy-related activity will be an important factor in attracting new business locations.
- 4.8** Building on the region’s growing presence in renewable energy and the current focus on industrial decarbonisation:

Key action areas

- **We will progress the opportunity presented by SWIC and seek to secure future investment to support the region’s future industrial competitiveness**

As with other aspects of the low carbon agenda, technology is developing rapidly and the scale of investment in demonstration projects and initiatives such as SWIC is substantial. Through our increased capacity to drive forward the decarbonisation agenda, we will seek to secure sequential investment, working with the UK and Welsh Governments as appropriate.

- **We will grow the wider low carbon industrial base and promote the region’s potential to new investors**

Linked with actions to promote the region as an investment destination, we will highlight our potential to new investors (including our university presence, skills base and access to sites and premises) and will press forward major proposed investments such as the GCRE.

⁴² <https://www.swic.cymru/news>

Decarbonising the wider economy

4.9 Decarbonisation will extend beyond the industrial base, and will impact on housing and domestic heating, non-domestic properties and the transport network. Much is already underway:

- In relation to the **housing stock**, Pobl Housing is leading one of the UK's largest community-based retrofit, energy generation and smart energy management projects at Penderry, Swansea, the outcomes of which will inform the larger, City Deal-funded Homes as Power Stations scheme.
- In relation to **transport**, all the local authorities are engaged in programmes of fleet decarbonisation, and the **Swansea Bay and South West Wales Metro** will be at the core of the region's lower carbon, more sustainable transport system.
- In relation to **re-using and preventing waste**, Wales already has some of the world's highest municipal recycling rates – with all South West Wales authorities (and Wales as a whole) experiencing a rapid increase in recycling rates over the past twenty years⁴³.

4.10 Linked with the Regional Energy Strategy, over the coming years:

Key action areas

- **Building on existing schemes, we will progress the decarbonisation of the housing and business stock**

From an economic development perspective – and our wider ambitions to secure a more 'embedded and resilient' business base, this should provide opportunities for local supply chain development and community-based employment solutions (as well as, in some cases, local community ownership).

- **We will press forward the development of Swansea Bay and South West Wales Metro**

As well as the Metro itself, this will lead to a better integrated and more sustainable transport network through the incorporation of bus and active travel services and the development of opportunities to work and access services closer to home.

- **We will work to achieve a circular economy**

Building on our performance in reducing waste and transforming recycling rates, there are opportunities to increase re-use of goods and materials offering potential for community-based solutions to increase repair and the use of technology to increase the scope for re-use of materials and reduced food waste.

⁴³ Welsh Government (2019), [Beyond Recycling: A strategy to make the circular economy in Wales a reality](#); StatsWales (2021), [Combined municipal re-use, recycling and composting rates](#)

5. Mission 2: Building a strong, resilient and embedded business base

Business is at the centre of our strategy to 2030: it will be through the expansion of existing firms and the start up and attraction of new ones that new employment will be generated and productivity growth secured. That means supporting sustainable business growth– both at the ‘leading edge’ of technology and innovation and across the economy.

Figure 5-1: Summary of assets, opportunities, challenges and actions

Current assets	Next opportunities	Key challenges	Key actions
<ul style="list-style-type: none"> Strong university-industrial links Local business networks, emerging clusters and some anchor businesses Growing policy interest in encouraging locally ‘embedded’ businesses and local supply chains Wales-wide institutions (e.g., Development Bank) 	<ul style="list-style-type: none"> Supporting dynamism (through entrepreneurship and early-stage expansion) Supporting resilience (through technology adoption, management capacity and succession) Supporting local supply chain development Building an effective (and broad) innovation ‘ecosystem’ 	<ul style="list-style-type: none"> Weak ‘infrastructure’ offer (e.g., commercial property, impeding start-up and expansion) Skills and capacity challenges Limited private sector support base Access to growth finance Barriers to commercialisation Limited business density and ‘leakage’ out of region 	<ul style="list-style-type: none"> Accelerated adoption and innovation support (linked with recommendations of Wales 4.0 in relation to business, skills and innovation support) ‘Progressive procurement’ within a local business and supply chain development system

Understanding the case for the Mission: the core rationale

- 5.1** The review of the evidence in Chapter 2 highlighted positive employment outcomes in recent years, growth in the business stock, and a strong record in translational research activities between the university knowledge base and industry.
- 5.2** However, the economy remains to some extent in a process of ‘restructuring’, away from traditional strengths in parts of the manufacturing sector and towards growth in areas such as information and communications and health care (as well as in activities linked with the growing energy sector highlighted in Mission 1). Changing trading relationships also present challenges (notably, but not only, in agriculture and food production), some of which have yet to fully work through)⁴⁴.
- 5.3** This transition will bring opportunities within those sectors that are growing – and as highlighted earlier, opportunities for growth and productivity gain are cross-sectoral. However:

⁴⁴ Janet Dwyer (2018), [The implications of Brexit for agriculture, land use and rural areas in Wales](#) (Wales Centre for Public Policy)

- Even where job losses in one industry are replaced with jobs in another, there is the risk that they may not generate the same level of output (and therefore command the same pay).
- The wider economy of South West Wales has a *relatively* narrow business base: business density is relatively low, and there are few indigenous large or larger medium-sized businesses. However, the prospect of inward investment at scale has reduced over the past twenty years. The risk is that as the economy evolves, losses may not be fully offset by gains, and the ‘productivity gap’ remains or widens.

5.4 In response, our Mission to create a “**strong, resilient and embedded business base**” seeks to encourage a continued focus on innovation and the growth of capabilities at the ‘leading edge’, balanced with an approach aimed at achieving greater resilience, growth potential and capacity for sustained employment across the region’s wider business base, linked with the decarbonisation imperative in Mission 1.

Growing the innovative edge and accelerating diffusion

5.5 Innovation policy in Wales is at a point of transition, as the European funding that has sustained several major programmes (including the ‘core’ SMART programmes delivered via the Welsh Government⁴⁵ and the wide range of sector or thematic schemes (such as, in South West Wales, ASTUTE and RICE⁴⁶) come to an end; and the range of actors involved in innovation policy (including, potentially, a more active role for UK Government), increases.

5.6 At the same time, there is a consensus, highlighted in a recent review for the Welsh Government, that the role of innovation policy has evolved, to be less narrowly focused on technology, and more embracing of actions focused on addressing social challenges (perhaps especially important given the growth of the health and care sector and the long-term demographic challenges highlighted in Chapter 2) and the impact of climate change⁴⁷. The review also emphasises a need to further develop translational research activities and to link innovation support activity more clearly with the range of finance, advisory, networking and other programmes that contribute to a successful innovation ‘ecosystem’.



Today, innovation is about so much more than science and technology



Future of Innovation Policy report

⁴⁵ SMART Innovation (advice and support to business); SMART Cymru (financial assistance to business); and SMART Expertise (financial support to higher education).

⁴⁶ Reducing Industrial Carbon Emissions (RICE) is led by University of South Wales and Swansea University and works with Welsh supply chain companies to test how CO2 produced from heavy industrial processes can be used to make high value products and industrial chemicals.

⁴⁷ See Kevin Morgan, Dylan Henderson and Rick Delbridge (May 2021), [Scoping the future of innovation policy in Wales](#) (Cardiff University, Centre for Innovation Policy Research)

- 5.7** It will be important that regional activity in South West Wales adds value to and aligns with evolving Welsh national policy (and the wide range of programmes and institutions at UK level). Over the next few years:

Key action areas

- **We will explore a better-integrated regional innovation offer, in the form of a ‘virtual Research and Technology Organisation’ for South West Wales**

The universities are key regional assets and have a strong history of translational research with industry. However, the wider landscape is somewhat fragmented, and may become increasingly so as current programmes come to an end. We aim to achieve a model where there is “no wrong door”, making the most of our university capabilities and enabling them to meet industry need. This could extend across a range of sectors and technologies, linked with (for example) future plans for the development of the research and development offer linked with Pentre Awel at Llanelli, and the close involvement of University of Wales Trinity St David and the development of Yr Egin and its associated creative cluster. It may also embrace wider innovation capabilities, including support in management skills and capacity and (linked with our wider approach to regional skills development) access to talent to enable innovative SMEs to reach their potential.

There may be several options in taking this proposal forward – but the key point is that we maximise the value of our shared assets to deliver a joined-up service across government, higher education and the private sector.

Growing productivity and resilience across the economy

- 5.8** Across the wider business stock, there have been changes in the support landscape since the last Regeneration Strategy was produced. Nationally, Business Wales provides a central gateway to a range of support products, and since 2017, the Development Bank of Wales has consolidated publicly-backed loan and equity support into an ‘arms-length’ and widely-recognised vehicle. In addition, the Welsh Government provides some direct investment (generally in relation to larger, often manufacturing firms), and all the South West Wales local authorities offer support services (in addition to the often university-linked innovation services highlighted above).
- 5.9** A recent review of the Welsh business support landscape highlighted three challenges, which are relevant to the strategy set out in this Plan⁴⁸:
- First, Wales’ **relative vulnerability to economic shocks**: a function of the continuing process of restructuring highlighted in the evidence base. This has contributed to the

⁴⁸ Jack Watkin (February 2021), [A Better Balance: Business support policy for the foundational economy](#) (CREW/ Institute of Welsh Affairs)

more recent policy focus on indigenous business growth. However, while economic ‘shocks’ are often seen through large ‘one-off’ events (plant closures, redundancy programmes, and so on), economy-wide technology-driven transformation is larger in its overall impact, and the ability to adapt and respond will be important across firm sizes and sectors.

- Second, the **scale** of the support offer, and the relatively small number of firms that it reaches (the inference being that there is a much wider range of SMEs that could benefit from interaction with the support system, were the reach to be greater).
- Third, **dissemination of benefits**, in particular the extent to which gains in business performance are captured in wages and tax and in which benefits to the supply chain accrue regionally. The Welsh Government has placed a greater emphasis on this in recent years, through the development of the ‘economic contract’ proposed in the *Economic Action Plan*

5.10 Over the coming years, we want to create a better integrated system across local and national government, within which a strengthened ‘support’ offer is linked with the supply of skills and premises, the role of the public sector as a purchaser and commissioner within the local economy and in ensuring that there is widespread access to fair and sustainable work:

Key action areas

- **We will seek a better co-ordinated support package for business**

The scope of this, and the interaction between delivery at different geographical levels, will need to be explored. But the proposition is that there is a need to drive business density, start-up rates and entrepreneurship, and resilience and ‘adaptability’ to change across the SME base – recognising that ‘enterprise’ embraces a range of organisational types and ownership models⁴⁹.

- **We will link this with public sector purchasing power**

Recently, there has been a focus on the role that public procurement can play in supporting local economic growth. This has been reflected in the Welsh Government’s review of procurement, which has explored the concepts of ‘community wealth-building and the ‘anchor institutions’ in the procurement process⁵⁰, and the South West Wales local authorities are all committed to the proactive and progressive use of procurement. The aim here is to ensure that local SMEs are able to successfully tender for work (linked with the business support offer above), and to use this as a springboard for future growth.

⁴⁹ Including social enterprises, employee-owned businesses, and so on.

⁵⁰ Welsh Government (2020), [Progress towards the development of a new procurement landscape in Wales](#)

Key action areas

- **We will invest in bringing forward access to sites and premises**

The evidence shows that there is a persistent market failure in the delivery of commercial property. This has the effect of blocking the expansion of local SMEs (as well as presenting a barrier to attracting larger investors). Across the local authorities and Welsh Government, we will seek to bring forward development on the region's key strategic sites at Baglan, Port Talbot Waterfront, Fabian Way, Felindre, Cross Hands and the Haven Waterway, as well as within the wide range of smaller sites that will help to support distributed growth across the region, consistent with our wider decarbonisation objectives. We will also work to bring forward new city centre office accommodation in Swansea city centre, building on recent investment and continuing the city's transformation.

- **We will actively promote South West Wales as an investment location**

While the focus of this Mission is on growing our locally-based business stock, inward investment has historically been important in South West Wales, and it remains a key driver of skills and employment and a source of demand for local suppliers. We welcome new investment: we will actively promote the region's assets (linked with its quality of life and visitor economy offer described in Mission 3) and we will work with investors to ensure access to skills and supply chain links, embedding them further in the local economy.

- **We will continue to invest in the region's skills capacity**

Recent years have seen an improvement in the region's skills profile, and we have a strong track record in building an understanding of employer demand and linking it clearly with provision. Alongside the measures within this Plan to increase skills demand and employer engagement, we will continue to invest in strengthening supply at all levels, through specialist infrastructure, investment in access to employment and a continued focus (building on the region's Skills and Talent Programme) on responding to local economic demand and opportunity.

- **Across all our actions, we will improve access to fair and secure employment**

Despite the region's success in creating jobs, economic inactivity remains higher than in the rest of the UK. While in-work poverty is a significant issue - and one which our focus on productivity and resilience across all sectors seeks to tackle - there is strong evidence that being in work supports positive outcomes across a range of measures⁵¹. Building on our experience of successful programmes such as Workways+, we will ensure a range of support to enable people to enter and progress in the labour market.

⁵¹ Welsh Government (2019), [Employability Plan](#), p,9

6. Mission 3: Growing and sustaining the South West Wales ‘experience’ offer

South West Wales enjoys a superb environment and a unique ‘quality of life’ offer. This is a key asset for the region, and one which we must protect and enhance. We will make South West Wales known for the quality and breadth of its ‘experience offer’, bringing together urban and rural environmental quality, ‘quality of life’ and culture. This will support a high-value visitor economy – but it will also be locally owned and a central part of our investment proposition.

Figure 6-1: Summary of assets, opportunities, challenges and actions



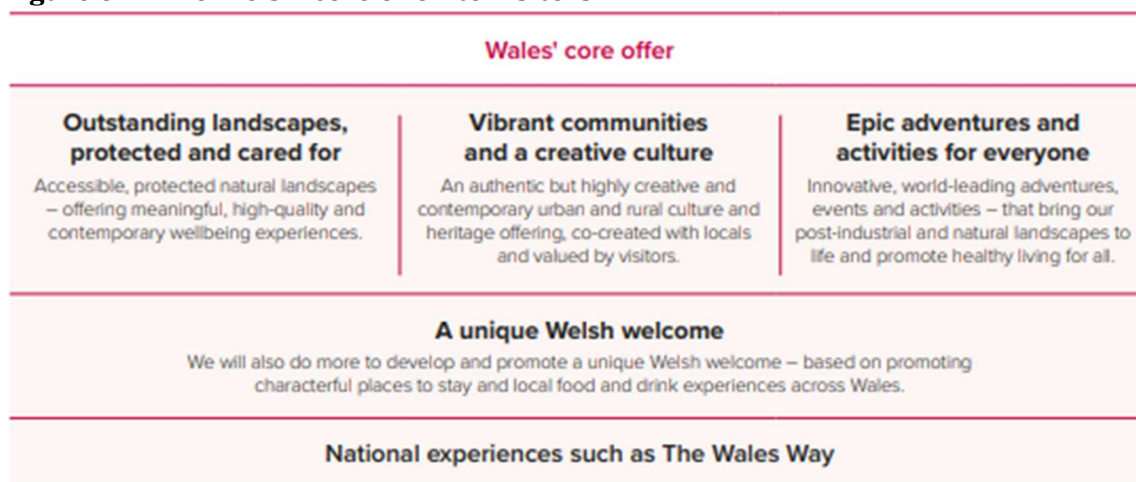
Understanding the case for the Mission: the core rationale

- 6.1** South West Wales’ ‘experience offer’ is a key strength. It is also multifaceted and interlinked: while it includes the region’s substantial visitor economy, it recognises that the visitor economy is itself dependent on the quality of the region’s cultural and environmental offer. At a national level, this is reflected with the statement of ‘Wales’ core offer’ within the Welsh Government’s *Priorities for the Visitor economy* (set out in Figure 6-2). This highlights the importance of ‘sense of place’ within the Welsh offer, with the visitor economy helping to act as a showcase for local food and drink and celebrating the Welsh language as a central part of local and national identity⁵².
- 6.2** In South West Wales, the range of experiences the region has to offer is diverse and impressive. It is this diversity that provides much of the region’s distinctiveness: the proximity of the university city of Swansea to the beaches of the Gower for instance, or the region’s range of landscape types (including the Pembrokeshire Coast and Brecon Beacons National Parks) and network of smaller rural towns. This also makes the region attractive as a place to live, and ought to be a central part of the region’s investment proposition. This

⁵² Welsh Government (January 2020), *Welcome to Wales: Priorities for the visitor economy, 2020-25*, p.9.

Mission focuses on **investment** in the ‘experience economy’ and how we can **promote** it to new and diverse audiences.

Figure 6-2: The Welsh ‘core offer’ to visitors



Source: Welsh Government (2020), *Welcome to Wales: Priorities for the visitor economy, 2020-25*

Investing in our experience economy

- 6.3** The ‘good news’ is that several visitor economy trends coincide with some of South West Wales’ inherent strengths: in particular, the increased interest in sustainability, green tourism and nature and a desire for ‘authentic’ experiences. These, and the inherent value of local communities and identity, form part of the wellbeing ‘offer’ to residents as well. However, with the exception of Swansea, all parts of the region are forecast to see falling working age populations over the next twenty years. New employment opportunities should help to reverse this – but there is also an opportunity through the acceleration of remote working and increasing flexibility to retain more of our young people and university graduates, and to attract a wider demographic to the region.
- 6.4** Over the next decade, this will mean investment focused both on the quality of the visitor offer and the appeal of South West Wales as a place to live and work – recognising that these are inherently interconnected:

Key action areas

- **We will invest in the region’s ‘experience infrastructure’**

We will seek to broaden the range of attractions and opportunities across the region, especially where they contribute to an increasingly sustainable offer, linked with the region’s heritage (including in relation to local food and drink produce), culture and natural environment. This will include ensuring that the delivery of key national

Key action areas

initiatives (such as the proposed National Forest) contribute to our wider economic ambitions.

- **We will invest in our city, town and community centres**

Our towns and cities are the gateways to our region, and the focal points for community, commercial and civic life. Much investment has taken place and much is underway – with (for example) the Swansea Arena and its bridge link to the city centre opening in 2021, creating a further milestone in the city’s regeneration. However, there is more to do: across the region, many of our town and community centres have been impacted by structural change in the retail sector – with the process of repurposing requiring complex action on a number of fronts.

Building on our experience of working together across the region, and in the spirit of the Welsh Government’s Transforming Towns initiative, we will prioritise further investment in our town and city centres, ensuring that they are sustainable focal points for the long term.

- **We will make the ‘experience economy’ work for everyone**

Not all parts of the region benefit from the excellent quality of life that the region has to offer – and in some places, our ability to retain and attract younger people is impacted by deteriorating housing affordability (an issue which has the potential to worsen further in an economy increasingly characterised by remote working). Linked with our decarbonisation and net zero objectives, we will continue to invest in affordable housing solutions and long-term community renewal.

Promoting the region

- 6.5** The quality of South West Wales’ assets present an opportunity to better promote the region – to visitors and investors and to raise the region’s profile on the wider stage. This should extend to encompass the renewable energy potential and industrial opportunities highlighted earlier: the region’s future in a greener economy (and the opportunities that presents) combining with its cultural and environmental quality:

Key action areas

- **We will take a more coordinated approach to promoting the South West Wales opportunity**

Recognising that each part of the region has a distinct identity and ‘brand’, we will work to ensure coordination across the visitor, education, local produce and investor

Key action areas

marketing channels to ensure that South West Wales has a clearer 'external' profile and a complementary offer.

- **We will invest in quality**

Welcome to Wales, the Welsh Government's strategy for the visitor economy, places a strong emphasis on *quality* of the whole experience offer – accommodation, food and drink, the public realm, environment, and so on – as the route to a higher-value, more sustainable economic base. Across all of the actions above, we will invest – with business – in quality and excellence.

7. Moving forward: Delivering the Plan

This Plan provides a framework for taking forward the priorities that we have identified in our Ambitions and Missions over the long term. Delivery will depend on a range of investment sources and the coordination over time of specific projects which combine to deliver our objectives. This chapter explains our approach to funding and delivery, and how we will prioritise and monitor our progress.

From a framework to a pipeline of complementary projects...

- 7.1** This Plan takes a long-term view. Recognising that new opportunities will emerge over time, it is intended to be flexible, with specific actions described at a relatively high level.
- 7.2** To convert these into practical interventions, we have prepared a **project pipeline**. This sets out a schedule of interventions, describing how they contribute to our Ambitions and Missions, their current development status and the actions that need to be taken to bring them forward. This will be kept 'live' and will be regularly reviewed by regional partners. This will enable new interventions to come forward where opportunities arise (for example, commercial proposals may lead to propositions that have not yet been identified), and for project information to be updated as schemes progress.
- 7.3** The projects within the pipeline are at different stages of development. Consistent with the approach used by HM Treasury and the Welsh Government (and adopted by the City Deal), projects will be brought forward through the business case process set out in the 'Green Book' appraisal guide. In summary, this means that projects will be considered against the following headings:

Table 7-1: Project business case considerations

Consideration	Description
Strategic fit	<ul style="list-style-type: none"> How strong is the evidence of economic demand or need? Does the project add 'net regional value' (i.e., is it additional to activity already taking place in the region, and if there is any duplication, is this mitigated?) Does the project contribute to the overall strategic framework (i.e., will it support delivery of an economy that is <i>"resilient and sustainable; balanced and inclusive; and enterprising and ambitious"</i>?)
Options appraisal	<ul style="list-style-type: none"> Have a range of options been considered, and is there a clear case for the preferred option?
Value for money	<ul style="list-style-type: none"> Does the project represent good value, in terms of the outputs and outcomes it will achieve, relative to anticipated public costs?

Consideration	Description
Affordability	<ul style="list-style-type: none"> • Does funding for the project exist, and/ or is there a clear route to funding? • Is the funding model compliant with Subsidy Control and other regulations?
Deliverability	<ul style="list-style-type: none"> • Have procurement options been considered and is there a clear route to successful procurement? • Are governance and management arrangements in place, and is there sufficient delivery capacity?

Source: SQW

It will be important that the action plan is seen as a dynamic document and that it is regularly updated by partners. In broad terms, projects include:

- **Region-wide initiatives to build capacity to take advantage of the opportunities identified in the Plan.** These are highlighted within each Mission, and include:
 - Building capacity and expertise to maximise South West Wales' 'net zero' potential
 - The creation of a 'virtual innovation agency' to coordinate and galvanise links between industry and the knowledge base, especially as European funding comes to an end
 - Support at scale for enterprise and entrepreneurship
 - Public investment in the commercial property offer, to enable investment, business growth and greater environmental sustainability
 - Delivering a coordinated approach to investment marketing and support, linked with the 'experience' economy.
- **High profile strategic capital investments**, such as the Swansea Bay and South West Metro

7.4 Major local projects contributing to the overall objectives and Missions. Not all will *directly* benefit all parts of the region. However, in aggregate they will offer substantial regional benefit.

Funding the Plan: A longer-term investment fund

7.5 Funding to take forward the Regional Economic Delivery Plan and its component projects will come from multiple sources, and some individual funding packages are likely to be complex. At the time of writing, there is some uncertainty regarding future funding, as European sources (historically an important part of the funding mix in South West Wales) draw to a close. However, potential sources may include:

- Private investment, especially in bringing forward some of the energy related investments set out in relation to Mission 1, and in respect of major regeneration and development schemes

- The proposed Shared Prosperity Fund (or alternative successors to the European Structural Funds)
- Joint investment across the local authorities, or between the local authorities and the Welsh Government
- UK Government funds (such as the Strength in Places Fund and the Levelling Up Fund).

Key action areas

- **We will seek to secure a devolved regional Investment Fund**

The nature of the funding sources identified above will change over time. However, given the scale of the opportunity (and the regional challenge) in South West Wales, we will seek to secure a devolved **regional investment fund**, which would offer the region the ability to lever in additional funding and bring projects forward on a flexible basis. Such a fund could be structured to give a partial financial return on investment, as well as an economic and social return, depending on the nature of the project. This would require investment expertise and capacity, but could lead to the development of a regional portfolio of projects, derived from the emerging project pipeline and building on the successful implementation of the existing City Deal. Currently, the projects within the pipeline have a total value of around £3 billion over the coming decade: while costs will be determined through the business case process, this provides an indication of the scale of the challenge and opportunity ahead.

Monitoring progress

- 7.6** Our proposed projects are all currently at different stages of development. Through the business case process, we will set out a series of performance indicators against which progress can be monitored. These are likely to include:

Table 7-2: Indicative performance measures

Indicator	Description
Private investment	Additional private investment secured in the region as a result of public support through the REDP
Gross value added	Estimated additional GVA generated as a result of investment
Firm creation and survival	New business starts as a result of REDP-backed activity and survival rates over time
Jobs	Jobs created and safeguarded as a result of investment. The REDP emphasises the quality of jobs (in line with the Economic Contract) and this should be reflected in the performance measure (e.g., employment at or above Real Living Wage and sustained over time).

Indicator	Description
Access to employment	People entering employment (or increasing hours) as a result of intervention
Innovation	Research and development into new products, goods and services as a result of intervention. Adoption of 'new to the firm' products or processes as a result of intervention
Carbon reductions	CO2 savings as a result of investment
Modal shift	Increased journeys on public transport/ increased use of active travel as a result of investment.
Visitor spend	Increased visitor spend as a result of investment

Source: SQW

Governance

- 7.7** The Regional Economic Delivery Plan will be 'owned' and overseen by the **South West Wales Corporate Joint Committee (CJC)**. This will be one of four CJCs established in Wales under new legislation, enabling the constituent local authorities to exercise joint functions relating to strategic planning, transport and measures that will improve the economic wellbeing of their regions.
- 7.8** Supporting the CJC, the Regional Regeneration Directors will keep track of progress and will be responsible for developing business cases, securing investment and ensuring delivery on the CJC's behalf. It will be important to secure sufficient capacity – within individual partner authorities and jointly – to do this, given the scale of the opportunities and challenges. The CJC will also establish mechanisms for a strong non-government voice (e.g., from business and the third sector) in influencing priorities and maintaining oversight.

Annex A: Summary SWOT analysis

A.1 The Evidence and Strategic Landscape Review prepared to inform this Plan contained an analysis of the region's strengths, weaknesses, opportunities and threats. This formed the basis for the analysis within Chapter 2 of the Plan, and is summarised below:

Table A-1: Summary SWOT analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> Nationally and internationally significant university research assets, with a strong record of industrial collaboration in the region and recent and planned investment in new university facilities Outstanding natural environment, supporting quality of life and a distinctive location proposition for visitors and investors Relatively strong record in job generation and in increasing economic activity Some established sectoral strengths (e.g., engineering and advanced manufacturing; food production) Some major site development opportunities Growing and diverse SME base Community strengths and capacity and strong sense of identity 	<ul style="list-style-type: none"> Projected decline in working age population and rising dependency ratio Relatively low productivity, reflected in relatively low wages Relative peripherality, leading to weak transport and digital connections in some places, and viability constraints on physical developments Few large firms and company headquarters Some constraints on firm expansion, linked with workforce skills shortfalls (although qualifications levels are rising) and limited commercial property options Market change impacting on viability and vitality of town and city centres Persistent concentrations of disadvantage
Opportunities	Threats
<ul style="list-style-type: none"> Talent pool generated by the region's universities and further education system; opportunity to retain and grow the skilled workforce and business stock Opportunities for growth in areas of activity relevant to the region's historic strengths (e.g., advanced manufacturing) and in current research and technology capabilities Opportunity for location-specific growth in the energy sector and in decarbonisation more broadly Distance might become less important as remote working becomes 'normal' (potentially increasing the appeal of SW Wales' quality of life offer and helping to change perceptions) Closeness to the natural environment and ability to offer unique sporting, cultural and environmental offer – helping to retain and attract young and talented people 	<ul style="list-style-type: none"> High carbon intensity of part of the industrial base Risk of loss of major employers, with potentially significant labour and spatial impacts Risk of outflow of talent and of younger workers, if there are insufficient opportunities locally Wider Brexit-related uncertainties relating to export markets, port-related activity and future farm payments Impacts of the Covid-19 pandemic, including higher unemployment as mitigation measures wind down and accelerate changes in the role of High Street/ town centre functions Risk that existing inequalities could be exacerbated.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Opportunities to build on a track record of collaboration between the public sector, academia and industry • Potentially significant infrastructure investments (e.g., Swansea Bay Metro) • Economic policy innovation in Welsh policy context • Major site opportunities (e.g., Baglan Energy Park) and ambitious plans for investment and development, including as part of Swansea Bay City Deal • Opportunities for business innovation 	

Source: SQW

Annex B: Well-being of Future Generations Act assessment

Contribution to the Well-being Goals

- B.1** The Wellbeing of Future Generations (Wales) Act 2015 (WFGA) identifies seven Well-being Goals: a Prosperous Wales; a Resilient Wales; a Healthier Wales; a More Equal Wales; a Wales of Cohesive Communities; a Wales of vibrant culture and thriving Welsh language; and a Globally Responsible Wales. Guidance on the application of the WFGA states that policy should seek to contribute to all seven Well-being Goals, not just the one that most closely approximates to the central purpose of the initiative.
- B.2** The table below summaries how this Plan contributes to the Well-being Goals:

Table B-1: Contribution of the REDP to the Well-being Goals

Goal	Contribution
A Prosperous Wales	Direct contribution The Plan contributes to increasing productivity and economic growth, to support the creation and safeguarding of more, better paid jobs, opportunities for business starts and growth, and further links between the knowledge base and industry.
A Resilient Wales	Direct contribution The Plan places an increased emphasis on economic sustainability through focus on the need to decarbonise the economy; resilience to future technology change through emphasis on responding to and harnessing digitalisation
A Healthier Wales	Indirect contribution The Plan is not directly concerned with health matters. However, greater prosperity (especially where more equally distributed) leads to better health outcomes. The Plan also notes the importance of the health and care sector and the opportunity to link it with economic growth.
A More Equal Wales	Direct contribution The Plan recognises the need to build an ‘inclusive growth’ model into the strategy, via efforts to support skills outcomes, resilience to automation, or mechanisms to support greater wealth retention within the community
A Wales of Cohesive Communities	Indirect contribution Better economic inclusion outcomes should improve cohesion, where linked with programmes and mechanisms that focus on local community involvement and engagement.
A Wales of Vibrant Culture and Thriving Welsh Language	Indirect contribution Measures to support the growth of the creative economy (including associated with the Welsh language) should directly support, and could be an important part of the SW Wales investment proposition. More

Goal	Contribution
	broadly, the Plan seeks to support the economic vibrancy of the region, including principally Welsh-speaking communities.
A Globally Responsible Wales	Indirect contribution Achieving over time a decarbonised growth model will contribute to this The Plan also highlights openness to new ideas (and investment) from elsewhere

Delivering against the National Well-being Indicators

B.3 The Welsh Government has adopted 46 **National Indicators**, against which progress against the goals of the Well-being of Future Generations Act can be measured. As set out in the core of the REDP, while increasing productivity (gross value added per filled job, or hour worked) is an important measure, success will be measured against a number of other indicators as well. The key relevant indicators are listed below (with the number against each one corresponding to the indicator number published in the Welsh Government list), along with a description of how the Ambitions and Missions in the Plan are likely to contribute to their achievement:

Table B-2: Assessment of contribution to meeting the National Well-being Indicators

Indicator	Route to impact: Enabled through...
04. Levels of nitrogen dioxide pollution in the air	Large scale decarbonisation (Mission 1)
08. Percentage with adults with qualifications at different levels of the National Qualifications Framework	Measures to raise the supply of workforce skills, and improved engagement with employers, over time (across all Missions) Measures to raise demand for skills (across all Missions, but especially relevant to Missions 2 and 1)
09. Gross value added per hour worked relative to UK average	All Missions. This is a measure of productivity, which the Plan overall seeks to address. Note however that 'success' in achieving a relative measure in respect of the rest of the UK depends on the pace of growth elsewhere in the UK (hence the challenges in 'closing the gap' without very large-scale investment)
10. Gross disposable household income per head	All Missions. Note however that this data is not available at the South West Wales geography (it is published at ITL 1 and 2)
11. Percentage of businesses which are innovation active	Measures to increase interaction between business and the knowledge base, and to strengthen the innovation ecosystem (principally Mission 2)
12. Capacity (MW) of renewable energy equipment installed	Developing our renewable energy potential (Mission 1)
16. Percentage of people in employment who are on permanent	Measures to increase economic activity and the supply of higher paid employment. Delivered across all Missions.

Indicator	Route to impact: Enabled through...
contracts (or on temporary contracts and not seeking permanent employment) and who earn more than 2/3 of the UK median wage)	
18. Percentage of people living in households in income poverty relative to the UK median	Measures to increase access to employment, especially at higher rates of pay. Across all Missions
21. Percentage of people in employment	Key measure of economic success; relevant to all Missions
22. Percentage of people in education, employment or training measured for different age groups	Measures to improve access to, and demand for, education and training (across all Measures)
26. Percentage of people satisfied with their area as a place to live	Consequential measure arising from the success of measures to improve 'quality of place' (especially relevant to Measure 3)
33. Percentage of properties with adequate energy performance.	Measures to achieve a 'net zero' economy and to improve the energy efficiency of the housing stock as part of that (Mission 1)
42. Emissions of greenhouse gases within Wales	Measures to support decarbonisation (Measure 1)

Annex C: Developing the Plan: The process

C.1 The Regional Economic Delivery Plan was developed in 2021 with the support of SQW, through a sequential process that worked from a fresh analysis of the economic evidence to identify the key opportunities and challenges facing the region, and based on that, the Ambitions and Missions reflected in the Plan:

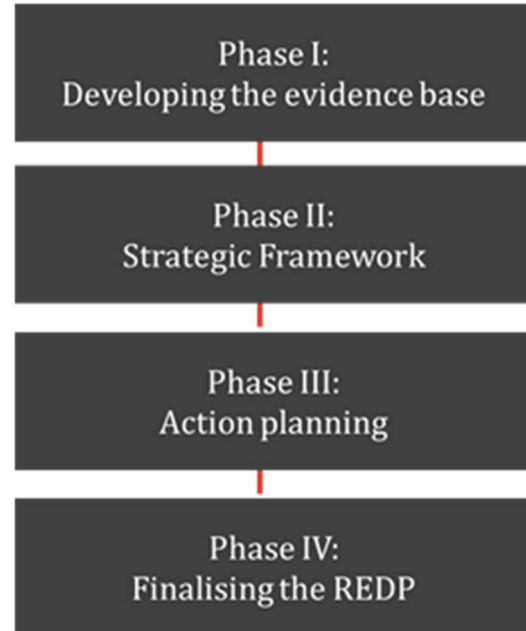
- **Phase I** resulted in the development of a detailed **Evidence and Strategic Landscape Review**. This provides an overview of the region's economy and the policy context, informing an overall SWOT analysis. The Evidence and Strategic Landscape Review has been produced as a separate supporting document and informed the analysis in Chapter 2 of this Plan.
- Based on the outcomes of Phase I, **Phase II** involved the preparation of a '**strategic framework**' for the Plan, which identified the set of Ambitions and Missions that we have set out. As part of this, we analysed the outcomes of the SWOT analysis to consider the region's distinctive challenges, and we developed a series of future scenarios.
- In **Phase III**, we developed an initial pipeline of projects to meet the goals of the Ambitions and Missions. This involved a 'call for proposals' with the South West Wales local authorities and other stakeholders, and the development of a **Project Pipeline Supplement**, which will be kept 'live', as set out in Chapter 7.
- Based on the outcomes of the preceding phases, **Phase IV** involved the finalisation of the Plan, which was produced in draft in August 2021.

Consultation and engagement

C.2 The development of the Plan was led by the South West Wales local authorities, and regular dialogue took place with a steering group involving the four authorities and the Welsh Government, and with the Regional Directors. The strategic framework and contents of the Plan was also considered by South West Wales Leaders and Chief Executives.

In developing the Plan, consultation took place with over 50 stakeholders from business, local and Welsh national government, leaders within the region's Enterprise Zones and local

Figure C-1: Developing the Plan: Phases



business partnerships, and the third sector. This included bilateral consultations throughout the process; discussions at county-level economic partnership boards, the Regional Learning and Skills Partnership, and the Economic Strategy Group of the Swansea Bay City Deal; and a stakeholder consultation workshop which took place in June 2021.

Appendix B – LA Project / Programme Highlights

PROJECT	DESCRIPTION	UPDATE
Swansea		
Blue Eden	The multi-faceted infrastructure project will deliver an electric battery manufacturing plant and battery storage facility, a tidal lagoon in Swansea Bay and floating solar farm within it, a data storage centre, a green hydrogen production facility, an oceanic and climate change research centre, and hundreds of waterfront homes as part of future phases.	<p>Blue Eden is a collaboration between a consortium, led by Bridgend-based Batri Ltd, DST Innovations and Swansea Council. The project is being fully funded by the private sector.</p> <p>A Feasibility Study funded by CRF has been undertaken to advance plans further. Previously announced were a battery factory, storage, data centre, floating solar array, hydrogen production and residential property. Further opportunities have been investigated. These include the potential for a District Heating System and an integrated renewable transport hub.</p>
SW Wales Enterprise and Entrepreneurship Programme	Programme of support to drive business density, start-up rates and entrepreneurship and resilience and adaptability to change across the SME base.	All four local authorities are working together to develop complementary Supporting Business ‘anchor’ projects for the UK Shared Prosperity Fund. These will provide locally tailored programmes of business support activities and business grants to March 2025, including start up grants, growth grants and carbon reduction grants.
Swansea Central North	Delivery of an office hub as the next phase of a comprehensive programme to regenerate Swansea city centre (building on the completion of the first phase at Copr Bay).	<p>Arena, car park and bridge complete on south side, still some work left to complete on north side.</p> <p>Phase 2, Swansea Central North: Urban Splash appointed as development partner. Early design stage for Public Sector Hub, Residential and Retail space.</p>
Smaller Towns and Coastal Zones	Targeted investment to support the leisure, visitor and town centre offer in smaller centres in the county of Swansea.	Investment is already underway through the Welsh Government Transforming Towns programme and Council business improvement grants. This will be complemented by the proposals being developed for the UK Shared Prosperity Fund Transforming County place anchor in Swansea to invest in small scale town and village enhancements, heritage buildings and further business improvement grants across the county.
Lower Swansea Valley Heritage and Destination	Series of investments opening up the heritage offer at the Hafod Morfa works, improving access along the Tawe and enhancing the museum and heritage assets in Swansea City Centre.	Successful funding bid for £20m UK Government Levelling Up Fund was announced in January 2023. This will enable investment in heritage structures at Hafod Copperworks, expansion of Swansea Museum and improving links between the copperworks site and the city centre including reuse of Victoria era railway arches. The project will be delivered by March 2025.

		Skyline – Cable Car and Luge run to Kilvey Hill, entry in the Hafod Copperworks area. Public consultation and planning application due March 23.
Regional Waterways Project	Measures to open up the waterways across Swansea’s River Tawe, adding new routes, re-routing existing routes and developing new tourism infrastructure and access to the historic environment.	A new pontoon is being installed on the River Tawe at Hafod Copperworks that will link the Copperworks with the city centre. Additional funding has now been secured through the UK Government Levelling Up Fund for two further pontoons on the River Tawe. These will be completed by March 2025.
Swansea Shared Prosperity Fund Anchor Projects	<p>Six anchor projects are being developed for the Shared Prosperity Fund in Swansea as follows:</p> <ul style="list-style-type: none"> - Supporting Communities Anchor - Transforming County Place Anchor - Culture & Tourism Anchor - Rural Anchor - Supporting Business Anchor - Pathways to Work Employability Anchor 	<p>The activities that will be delivered under each anchor are as follows:</p> <p><u>Supporting Communities Anchor:</u> Grant funding for community/ third sector projects</p> <p><u>Transforming County Place Anchor:</u> Historic structures and conservation area feasibility and project funding; grant funding for village and town centre small scale enhancements; Business Improvement Grants; heritage led economic regeneration activities and trails to complement capital investments; commissioning Meanwhile spaces programme in city centre and district centres; strategic feasibility studies.</p> <p><u>Culture & Tourism Anchor:</u> Development of creative network, sector support, Fusion digital skills, strategy and feasibility.</p> <p><u>Rural Anchor:</u> Successor project to the Rural Development Programme providing funding for rural community development, climate change and net zero based activities and rural business activities.</p> <p><u>Supporting Business Anchor:</u> business grants comprising of startup grants, growth grants, website development grants, supplier development grants and carbon reduction grants; programme of business support activities including introduction to self-employment, networking and workshops, supplier development programme and local food producer events; Training to support businesses to move to NetZero by 2050; City Centre events linked to Swansea Market to drive footfall; Commercial Property Development Fund; Third Sector business development support.</p> <p><u>Pathways to Work Employability Anchor,</u> Council coordinated multi-agency employability provision to include: NEET Prevention (Cynnydd successor); Post-16 NEET support (Cam Nesa successor);</p>

		Enhanced Employability support for 16+ Economically Inactive and Long Term Unemployed; Paid Work Placements; City Centre Employment Hub; Prison leavers support Specialist and niche employability support fund of £2m to be launched as open call. To include provision for ESOL, support people with disabilities and work limiting health conditions.
Carmarthenshire		
Carmarthen Hwb	The redevelopment of the former Debenhams store in Carmarthen into a multi-agency public Sector Hwb.	The £20m project funded through the UK Government's Levelling up Programme and Carmarthenshire County Council is progressing well. The property has been purchased and contractors are currently working on the detailed designs and costings for the project. Hywel Dda and UWTSD are key partners and will jointly occupy the completed scheme. Subject to cost certainty we anticipate entering contract to commence works in summer 2023 with completion anticipated in Autumn 2024.
Tywi Valley Path	This scheme aims to provide a 19km off-road walking and cycling facility linking Llandeilo and Carmarthen through the Tywi Valley, linking numerous trip attractor and visitor sites along the way.	£16.7m Levelling Up Funding has been secured to deliver the project. Land acquisition for the route is progressing, and detailed design is nearing completion. Planning consent has been secured for part of the route, with planning permission submitted in January for the remainder of the route.
Regional Circular Economy Hwb, Nantycaws	The aim is to create a circular economy hub to service the Southwest Wales region. The site is located approximately halfway between Cross Hands and Carmarthen, with direct access to the A48 dual carriageway. The project expects to include the following components: Waste management, processing and recycling; Energy production and distribution; Commercial units for general industrial use; Commercial fleet facility; ULEV Vehicle recharging/refuelling infrastructure.	The development feasibility and masterplan brief has been developed and discussions are currently ongoing to appoint consultants to develop the vision for the site. It is anticipated that a draft masterplan will be developed by early summer 2023.
Pentre Awel Wellness Village – Zone 1	Pentre Awel at Delta Lakes Llanelli will include the co-location of academic, public, business and health facilities to boost employment, education, leisure provision, health research and delivery, and skills and training.	Construction Update: Detailed designs and work packages are complete, and the Authority is now in contract development with the contractor Bouygues with the aim of entering full contract in February 2023. Zone 1 anticipated to be completed in autumn 2024.

	<p>City Deal will provide the requisite investment for business incubation and acceleration facilities, laboratory space, testbed capabilities, a well-being skills centre, clinical research centre and a clinical delivery centre to deliver multi-disciplinary care closer to home. Zone 1 will create an 'ecosystem' by facilitating joint working across traditional boundaries, integrating education and training programmes within a clinical setting and fostering interface between health and leisure for the benefit of population health. Zone 1 will further include a state-of-the-art leisure and aquatics centre funded by Carmarthenshire County Council.</p>	
<p>Cross Hands East Strategic Employment Site – Parc Gelli Werdd Office / Industrial Self Build</p>	<p>Construction of 32,000sqft of speculative carbon zero office and industrial units. Working with Swansea Universities Alternative Building Centre (ABC).</p>	<p>Construction works progressing well on site with completion anticipated summer 2023. is complete we will have the following units to let to businesses.</p> <p><u>Offices</u> - 12 x Office, Three approx. sizes between 225ft² and 430ft²</p> <p><u>Office Hybrid Units</u> - 4 x hybrid units Approx. 875ft² each with Approx. 250ft² office included in each</p> <p><u>Industrial Hybrid Units</u> - 6 x hybrid units, Ranging in sizes from approx. 650ft² to 1,000ft². Office in each ranging in size from approx. 210ft² to 330ft²</p> <p><u>Industrial Units</u> - 5 x industrial units, Approx 3,000ft² each Approx. 300ft² office included in each</p>
<p>Pendine Attractor Project</p>	<p>The development of new tourism attractor facilities in Pendine to assist in delivery of regeneration master-plan objectives of transforming resort into 'day and stay' event destination. Project includes: New Sands of Speed Museum, 42 bed 'Caban' hotel accommodation, Events area, exhibition esplanade, sand sports area, playground, overnight motorhome site and extended and improved parking provision.</p>	<p>Main building contract has reached practical completion in November 2022. Fit out works to Museum and Caban ongoing and due for completion end of February. Official opening 23 March 2023.</p>
<p>Llandeilo Market Hall</p>	<p>Redevelopment of former derelict listed building to provide: lettable office, storage, retail and café</p>	<p>Main building contract nearing completion in March 2023. Café tenant secured remainder of spaces to be marketed February 2023.</p>

	space alongside a multi-purpose events space.	
Carmarthenshire Shared Prosperity Anchor Programmes	<p>Carmarthenshire have developed 5 anchor projects under the shared Prosperity Fund as follows:</p> <p>Sustainable Communities Anchor</p> <p>Rural Anchor</p> <p>Place Anchor</p> <p>Supporting Local Business Anchor</p> <p>Employability & Skills Anchor</p>	<p>Work has been progressing on each of the anchors and the following provides an overview of the activities that will be delivered under each anchor:</p> <p>Sustainable Communities Anchor - will provide a third-party grant to support the development and creation of activities aligned to the following themes, Poverty, Circular Economy, Wellbeing / Leisure, Access to Services, Environment and Green, Tourism, Culture / Heritage, Community Engagement. The Anchor project will also include commissioning external expertise to provide strategic support.</p> <p>Rural Anchor - The Rural Anchor will consist of 3 elements: Ten towns initiative - Support will be delivered via a third-party grant scheme to support the realisation of projects identified within the economic growth plans for the respective areas. The Anchor project will include a budget to commission external expertise to provide strategic support. Rural Innovation fund – a targeted fund that will provide opportunity to pilot, scope and test new innovative ideas that could be further developed through mainstreaming opportunities. Hwb Fach y Wlad - Dedicated rural customer services officers will be available to support rural residents by developing provision across our rural market towns to support the needs of residents to access support, advice, and information.</p> <p>Place Anchor -The Place Anchor would look to support town centres through a Vacant Property Fund, a Town Centre Events Fund and a package of support to deliver key projects identified in our Town Centre Recovery Plans to address the ongoing challenges. Supporting</p> <p>Local Business Anchor - The Supporting Local Business Anchor will offer financial support to local businesses to support them in all stages of their development through Business start-up and Growth Grants, a Business Renewable Energy Fund and a Property Development Fund. In addition, a key focus will be supporting Carmarthenshire businesses to benefit from public procurement spend.</p> <p>Employability & Skills Anchor -New streamlined employability programme is being developed and there will be a focus on activity outside the remit</p>

		of the RLSP and the Swansea Bay City Deal Skills and Talent project.
EARTH Programme		
EARTH	<p>EARTH is an ESF Funded project that aims to build the required capacity and capability and administrative arrangements within the Region to enable the public sector to address functions at a regional level including:</p> <p>Energy</p> <p>Land use Planning</p> <p>Transport</p> <p>Economic Development</p>	<p>EARTH is delivering several regional projects currently, although the programme is due to come to an end in the summer 2023. Below is a summary of the work that EARTH is currently delivering:</p> <p>Energy</p> <p><u>Carbon Offsetting</u> – Procuring a consultant to understand the residual carbon that will remain post 2030 once Carbon Zero exercise has been completed.</p> <p><u>Carbon Training / Upskilling</u> - Working collaboratively across the region, the Energy officers are developing a carbon literacy training module with Learning & Development, with emphasis on energy, renewables, net carbon zero and transport.</p> <p>Land Use Planning</p> <p><u>National Growth Area</u> - The ‘Swansea Bay and Llanelli National Growth Area’ was identified under Future Wales Policy as one of the three National Growth Areas in Wales. This study focusses on adding further definition to the recommended spatial extent, including geographical boundaries, illustrative mapping to inform WG. This has now been completed.</p> <p><u>Nutrient Credit Trading Scheme and Toolkit Feasibility Study</u> - Feasibility study and toolkit being prepared to identify best practice and develop a proposal to successfully implement a Nutrient Credit Trading System which would facilitate transference of mitigation benefit to developers in a simple and effective way.</p> <p>Transport</p> <p><u>Hydrogen Feasibility Study & Local Authority Electric Vehicle Infrastructure Study</u> – Arcadis have been appointed to carry out these two studies and final reports are expected end of April 2023. The Hydrogen Feasibility Study will provide an overview of UK Hydrogen Strategy, fleet analysis and proposals to forecast future</p>

		<p>options for Hydrogen Project Mapping and Demand Forecasting within the Region. The LA EV Infrastructure will provide a comprehensive review of LA Depots across the SB & SW Wales Metro Region, stakeholder workshops, existing EV market, along with providing further best practice and a suite of options that accommodate home and public charging. Both studies are linked to the Swansea Bay and South West Metro project.</p> <p>Economic Development</p> <p><u>Regional Inward Investment</u> This proposal seeks to address the requirement to develop process/tools to promote the region for inward investment. The regional inward investment proposal for a landing page/webpage promoting the Swansea Bay City Region, in line with the Regional Delivery Plan.</p>
Pembrokeshire		
<p>Pembrokeshire Shared Prosperity Anchor Programmes</p>	<p>Pembrokeshire have developed 4 anchor projects under the shared Prosperity Fund as follows:</p> <p>Communities Anchor</p> <p>Place Anchor</p> <p>Business Support Anchor</p> <p>People & Skills Anchor</p>	<p>Work has been progressing on each of the anchors and the following provides an overview of the activities that will be delivered under each anchor:</p> <p>The Communities Anchor project will deliver elements of Pembrokeshire County Council’s Pembrokeshire Recovery and Regeneration Strategy 2020-2030. The project is split into three themes:</p> <ol style="list-style-type: none"> 1. Community-led Regeneration 2. Community Green Team 3. Community Grant Scheme (see below) <p>Community-led regeneration will focus on the county’s primary and secondary towns. It will stimulate regeneration through community initiatives and community ownership of local assets. The Community Green Team programme will engage with local communities and deliver green infrastructure micro-projects involving soft landscaping, community growing and planting, and macro-projects on a landscape scale.</p> <p>Rural Anchor - The Rural Anchor will consist of 3 elements: Ten towns initiative - Support will be delivered via a third-party grant scheme to support the realisation of projects identified within the economic growth plans for the respective areas. The Anchor project will include a budget to commission external expertise to</p>

provide strategic support. Rural Innovation fund – a targeted fund that will provide opportunity to pilot, scope and test new innovative ideas that could be further developed through mainstreaming opportunities. Hwb Fach y Wlad - Dedicated rural customer services officers will be available to support rural residents by developing provision across our rural market towns to support the needs of residents to access support, advice, and information.

Place Anchor -The Place Anchor would look to support town centres through a Vacant Property Fund, a Town Centre Events Fund and a package of support to deliver key projects identified in our Town Centre Recovery Plans to address the ongoing challenges.

Local Business Anchor - The Supporting Local Business Anchor will offer financial support to local businesses to support them in all stages of their development through Business start-up and Growth Grants, a Business Renewable Energy Fund and a Property Development Fund. In addition, a key focus will be supporting Carmarthenshire businesses to benefit from public procurement spend.

Employability & Skills Anchor -New streamlined employability programme is being developed and there will be a focus on activity outside the remit of the RLSP and the Swansea Bay City Deal Skills and Talent project.

The Communities Anchor project includes a grant scheme with no minimum award but a maximum award of £100,000. Grants will be offered at a maximum grant rate of 80%. The match funding may include in kind contributions such as volunteer time. The budget is £1m and so the scheme will fund at least ten grant awards assuming the budget is utilised in full.

Place Anchor Project

- Improvements to town centres & high streets
- Support for local arts, cultural, heritage, and creative activities
- Promotion and marketing campaigns
- Feasibility studies

A programme of Townscape Improvements to town centres & high streets will support post-Covid recovery and assist our historic town centres to adapt, whilst retaining their attraction for social and economic activity. Vacant town centre commercial properties identified in the six Pembrokeshire Placemaking plans will receive

capital investment through a grant programme to bring the properties back into use. This proposal also includes funds to offer a package of professional support and capacity building to potential developers of vacant property, to encourage long-term empty properties with challenging aspects to be brought forward for consideration. Guided by our Cultural Strategy, we shall support development of the heritage and cultural infrastructure within our towns. The Heritage Centre Development Programme will support the development of cultural and heritage related visitor facilities within heritage buildings. Complementary to this, a Heritage Skills Programme will promote the development of heritage building skills.

The Business Support Anchor Project includes:

- The provision of sectoral business support with officers to support aquaculture, youth enterprise, energy, transport, employment support, creative industries, food and new initiatives.
- Improvements and updating to the Bridge Innovation Centre.
- Feasibility studies to improve the viability of the Pembrokeshire Produce Mark and Pembrokeshire Fish Week.

The People and Skills Anchor project is a collaborative Council response to key themes in the regional Investment Plan; bringing together the Council's internal employment and skills services, youth outreach service, year 11 transition support and adult and community learning from the Council's Social Care, Education and Community Services directorates.

The project comprises the following elements:

Supporting Employability (delivered by Supported Employment, Social Care, Youth Services, Adult Learning) - This element of the project will provide employment support to economically inactive people furthest away from the training and labour market who are disengaged from main-stream services, this will include people of all ages (16+) including those with disability, learning disability or neuro-diverse conditions and young people who are NEET and care leavers.

Preparing for Employment Programme (PEPs) (delivered through Education Youth Transition team, Futureworks and procured delivery) - engagement and softer skills development for young people. Year 11 learners at risk of

		<p>becoming NEET will be provided with a range of vocational tasters by work based trainers to enable them to make informed decisions of their post 16 pathway.</p> <p><u>Skills for Success (Multiply)</u> (delivered by Futureworks) – numeracy skills advisers will support people to develop their confidence with numbers with delivery in a variety of employability support settings including local Jobcentres.</p> <p><u>Skills Futures</u> (delivered by Futureworks) - Intensive key sector focused skills initiatives to assist people who are out of work or in work on a low income to start their journey towards economic activity or improve their household income and future career prospects.</p>
Western Quayside	Redevelopment of the former Ocky Whites Department Store, developing a F&B offer.	Following a complex build, completion is expected in autumn 2023. Market engagement will commence shortly to identify occupiers. Outline designs under review for public realm.
Haverfordwest Transport Interchange	Redevelopment of Multi Story Car Park in Haverfordwest to develop a modern and fit for purpose transport interchange.	Demolition of car park underway.
Riverside redevelopment (Eastern Quayside)	Purchase and proposed redevelopment of Riverside Shopping Centre.	JV partnership procurement process reengaged. Signature bridge design proposal issued. Letting strategy under development.
Heart of Pembrokeshire	Redevelopment of Haverfordwest Castle as a Heritage Destination.	<ul style="list-style-type: none"> • Work packages under review • RIBA 3 design work for Gaol is completed • Key construction issues <ul style="list-style-type: none"> ○ Events space constraints ○ fire escape through the Governors House ○ Scope of archaeological investigation requirements ○ Scale of repairs to perimeter walls <p>site water runoff.</p>
South Quay Ph1 and 2		<ul style="list-style-type: none"> • Contractor developing contract value. • Public consultation event held 30th January • Project completion date August 2024 <p><u>Phase 1</u></p> <ul style="list-style-type: none"> • Capital funding secured • Front third rebuild work commenced, with steelwork being progressed. <p><u>Phase 2</u></p> <p>Design agreed for progression to RIBA stage 3 detail design.</p>
Pembrokeshire Foodpark	Development of a foodpark north of Haverfordwest.	Incubator redesign and costings complete. Funding package secured.

		Poor EME response and interest. Market review underway.
Pembroke Dock Marine (PDM)	<p>PDM comprises four separate but interrelated elements run by partners and managed through Pembrokeshire County Council</p> <p>Pembroke Dock Infrastructure (PDI) – Port of Milford Haven</p> <p>Marine Energy Engineering Centre of Excellence (MEECE) – OREC</p> <p>Marine Energy Test Area (META) – Marine Energy Wales, (Pembrokeshire Coastal Forum)</p> <p>Pembrokeshire Demonstration Zone (PDZ) – Celtic Sea Power</p>	<p>Together, PDM will build on an existing energy cluster that has grown around the Pembroke Dock area to develop a world class centre for economic development with a renewable focus.</p> <p>PDI A reshaped port infrastructure to maximise operational efficiency for UK.</p> <p>MEECE A research and innovation centre.</p> <p>META Pre-consented and licensed zones within the Waterway for component and scaled device testing.</p> <p>PDZ Consents and securing of Grid for targeting both wave and floating wind technologies (180MW).</p> <p>Making strong links with other renewable sector activity in the area e.g. Hydrogen through MH:EK. Contributing to work to understand the emerging skills needs of the renewables sector. Both in terms of range of skills and volume required.</p>
Milford Haven: Energy Kingdom (MH:EK)	<p>The MH:EK detailed design project is about exploring a whole energy system approach and the potential for hydrogen alongside renewable electricity in supporting the decarbonisation of transport, heat, and electricity demand. It has developed a series of SLES propositions suitable for early investment aimed at kickstarting local decarbonisation across the energy system, and a long-term route map for the decarbonisation of Pembrokeshire. In doing so it has explored the synergies between regional SLES opportunities and decarbonisation of the large-scale national energy infrastructure including the UKs largest energy port and opportunities for offshore wind in the Celtic Sea. The project has also carried out technology demonstrations for the use of hydrogen in mobility and heat.</p> <p>Project partners: Pembrokeshire County Council</p>	<ul style="list-style-type: none"> • The outputs from the MH:EK project can be viewed in immersive fashion in our virtual room: https://milford-haven-energy-kingdom.virtual-engage.com/ • An investment brochure detailing three propositions for short term SLES developments of which two have been identified as immediately investable. • Development of MH:EK long term pathways focused on decarbonising Pembrokeshire’s energy system by 2050 including wider renewable plans for the region and integration with plans for a GB-wide hydrogen transmission backbone. • A graphical representation of the Future Milford Haven Energy System with green hydrogen and renewable electricity integrated across the whole energy system. • Hydrogen infrastructure trials of two Hydrogen Fuel Cell Vehicles, a public hydrogen refueller and electrolyzers, and the world’s first smart hybrid heating system (air-source heat pump and a hydrogen boiler) retrofitted in a commercial setting. • Exploration and development of hydrogen focused system-architectures,

	<p>Offshore Renewable Energy Catapult Port of Milford Haven Wales and West Utilities Riversimple Arup Energy Systems Catapult</p> <p>Smart Local Energy System (SLES) components: Hydrogen Electricity Mobility Heat Trading platform</p>	<p>trading platforms and a SLES data ecosystem.</p> <ul style="list-style-type: none"> Existing energy infrastructure and projected Floating Offshore Wind at Milford Haven is a tremendous platform for growth into green hydrogen. A proposed hydrogen pipeline ‘backbone’ for GB can be built out from Milford Haven. The MH:EK ‘Co-designing a switch to hydrogen with customers’ study shows the public’s acceptance of hydrogen is unusually high in Milford Haven, due to familiarity with having a major energy industry cluster on the Haven for decades. Development of freely available Key Stage 2/3 education resources Smart local energy systems have significant benefits in terms of costs and carbon emissions particularly where there is strong interplay between vectors. However where close integration of electricity and heat networks is not feasible hydrogen can play an important bridging role. The importance of standardisation and the development of interoperable infrastructure and technology cannot be overstated. A proposal to develop the “MH2K consortium” to develop plans for green hydrogen production at sea with a vision of achieving 8GW of production capacity for green hydrogen from offshore wind energy and transporting it to land by 2035.
<p>The Milford Haven Waterway Future Energy Cluster</p>	<p>The Milford Haven Waterway Future Energy Cluster brings together private and public sector operations to deliver UK and Welsh Governments’ energy ambitions.</p> <p>The Milford Haven Waterway is a critical national energy asset, attracting billions of pounds in investment for over sixty years and supplying 20% of the UK’s annual energy demand.</p> <p>The Waterway has a pivotal role to play in delivering the UK’s net zero ambitions, offering a whole energy cycle solution that will unlock accelerated transition, while stimulating economic growth. This is an opportunity that will</p>	<p>The Milford Haven Waterway Future Energy has been launched in both Westminster and the Senedd. The Cluster aims to achieve 20% of UK Government low carbon hydrogen production target by 2030 and at least 10% of UK Government FLOW target by 2035. The Cluster has detailed that Government is support needed to deliver accelerated transition to a Net Zero future in the following areas:</p> <ul style="list-style-type: none"> Grid capacity Consenting Green Freeport De-risking development FLOW infrastructure Hydrogen CCS and CO2 shipping Alternative fuels Green skill Supply chain.

	<p>repurpose existing assets, skills, rail connectivity, transmission and pipelines to deliver a future focused on low carbon hydrogen, floating offshore wind (FLOW), marine renewables, sustainable alternative fuels, CO2 shipping, and energy storage.</p> <p>The benefits are clear. Continued investment and support will create and stabilise thousands of jobs and supply chain opportunities, levelling up the coastal communities across South Wales.</p> <p>It will strengthen UK energy resilience while establishing new export opportunities. And, it will stimulate inward investment providing clear line of sight on returns for investors, ensuring the Milford Haven Waterway remains a major energy innovation hub capable of competing globally.</p>	
<p>Celtic Sea Cluster Strategic Board</p>	<p>The Celtic Sea Cluster was formally established on 28 September 2021. Its mission is to spearhead the creation of the Celtic Sea floating offshore wind market and maximise the benefits of this technology for all the regions involved.</p> <p>The floating offshore wind sector provides a significant economic and social opportunity to the south west of Wales and the wider Celtic Sea region. It could be a catalyst for regenerating coastal communities, help create high quality careers and unlock much-needed infrastructure development across south Wales.</p>	<p>Momentum around the floating offshore wind (FLOW) sector has grown significantly over the past couple of years and the Celtic Sea Cluster has been actively engaging with a wide range of stakeholders to develop an understanding of the ‘art of the possible’. The recently published strategy for the region sets out the thinking and highlights not only the potential but the challenges for delivery ahead.</p> <p>PCC Chief Executive is a member of the Celtic Sea Cluster Strategic Board.</p>
<p>Work with Wales and West Utilities (WWU)</p>	<p>PCC have engaged with WWU on the MH:EK project detailed above but also are currently supporting WWU with 3 further projects:</p> <ul style="list-style-type: none"> • HyLine • Hydrogen Town • Hydrogen Transport Hubs 	<p>HyLine</p> <p>Wales & West Utilities has announced plans for a major hydrogen pipeline in South Wales, to accelerate decarbonisation plans for industry and gas customers in the region. HyLine Cymru will assess the feasibility of a pipeline network from Pembroke to the Swansea Bay area, connecting low carbon hydrogen production with industrial demand and providing options for other natural gas customers.</p>

		<p>If built, the pipeline will pave the way for commercial scale hydrogen production in Pembrokeshire, Port Talbot and in the Celtic Sea, whilst also providing infrastructure for energy intensive industrial customers to begin fuel-switching their processes to hydrogen in the 2030s or earlier.</p> <p>It could also facilitate the conversion of home heating to hydrogen; enabling south Wales towns to go green while keeping disruption to homes and communities to a minimum, and connect to National Grid’s Project Union, which will establish a National Hydrogen Transmission System to link the UK’s industrial clusters with a dedicated supply system.</p> <p>Changing the way we heat our homes and power businesses will be critical to reducing carbon emissions, and for Wales and the UK to meet its net zero targets. Hydrogen can replace natural gas in industrial processes, as well as for heating and cooking in homes. It provides energy in the same way, but does not produce carbon dioxide, meaning it is an environmentally friendly source of energy.</p> <p>HyLine Cymru is being led by Wales & West Utilities in collaboration with eight key organisations to explore the feasibility of transporting hydrogen to maximise the decarbonisation opportunity in south Wales.</p> <ul style="list-style-type: none"> • Associated British Ports (ABP) • Dolphyn Celtic Sea Developments • LanzaTech • National Grid Gas Transmission (NGGT) • Pembrokeshire County Council (PCC) • RWE • Shell • Tata Steel UK <p>Hydrogen Towns</p> <p>PCC have expressed support for WWU’s proposals for a Hydrogen Town Pilot in Pembrokeshire. A hydrogen pilot in the area is seen as a natural evolution of the innovative work already being undertaken in the green hydrogen arena in the region.</p> <p>Hydrogen Transport Hubs</p> <p>A Strategic Innovation Fund (SIF) proposal led by Wales & West Utilities. This proposal looks to maximise the benefits of distributed electrolyser refuelling stations within the energy system by assessing the value of the waste heat generated as part of the hydrogen production process.</p>
<p>The Celtic Freeport bid (NPT & PEMBS)</p>	<p>See NPT narrative below</p>	

Joint Projects Pembrokeshire and Neath Port Talbot		
<p>The Celtic Freeport bid (NPT & PEMBS)</p>	<p>The Celtic Freeport Consortium comprises Associated British Ports (ABP), Neath Port Talbot Council, Pembrokeshire County Council and the Port of Milford Haven combined with support from private sector and other stakeholders.</p> <p>It covers the ports of Milford Haven and Port Talbot and includes clean energy developments and innovation assets; fuel terminals; a power station; heavy, light and advanced engineering; and the steel industry across South West Wales.</p> <p>It will create a green investment corridor, securing long-term commitments for major port infrastructure upgrades, skills development and innovation.</p> <p>The Celtic Freeport will accelerate significant inward investment in new manufacturing facilities to support the roll-out of floating offshore wind (FLOW) in the Celtic Sea, giving Wales’s global first-mover advantage in this new form of clean, reliable energy. It will also provide the backbone for a greener future, with strengthened export and supply chain opportunities based on the hydrogen economy, sustainable fuels, carbon capture, cleaner steel and low-carbon logistics.</p> <p>The bid also proposes an ambitious skills agenda through dedicated green skills programmes that will harness the skills-base, industrial assets and education providers of today, for the jobs of tomorrow.</p> <p>Roger Maggs MBE, has been appointed as Chair of the Celtic Freeport consortium.</p>	<p>Awaiting decision from UK and Welsh Government – expected in March 2023.</p> <p>On 24th November 2022, a public-private consortium lodged its bid for a Celtic Freeport with the UK and Welsh governments. Spanning 600 hectares of development land across sites in Neath Port Talbot and Pembrokeshire.</p> <p>The bid sets out a vision to deliver an accelerated pathway for Wales’ net zero economy.</p> <p>It is expected to support over 16,000 jobs and generate up to £5.5 billion of new investment.</p> <p>Over 100 organisations and politicians have backed the bid for a Celtic Freeport – including global industrial giants and Welsh engineering and construction businesses, green energy developers, decarbonisation groups and trade associations, universities, colleges and local politicians.</p> <p>Various pieces of scoping Freeports related work completed by NPT Council in 2021/22.</p>

Neath Port Talbot		
<p>Welsh Government acquisition of Baglan Energy Park</p>	<p>Welsh Government have now completed purchase of land from St Modwen, approx. 900 acres which includes Baglan Energy Park.</p>	<p>Purchase completed.</p> <p>Vision Document/Strategy being progressed by Welsh Government in collaboration with NPT Council.</p> <p>Further work is being commissioned to collate market intelligence and investment evidence to shape the future vision for Baglan Energy Park.</p> <p>Various feasibility studies have been completed on Hydrogen opportunities and Clean Growth Hub (development opportunities) that can link further potential investment opportunities for Baglan Energy Park by NPT Council.</p>
<p>Floating Offshore Wind (FLOW)</p>	<p>Crown Estate are to deliver a new leasing opportunity in the Celtic Sea for the first generation of commercial-scale floating offshore windfarms – unlocking up to 4GW of new clean energy capacity by 2035, kick-starting industry in the region, and providing power to almost four million homes.</p>	<ul style="list-style-type: none"> • First contract awarded in what is anticipated to be a multi-million pound series of technical and environmental surveys around potential locations for new floating wind farms. By investing in these surveys at an early stage and making the data freely available to successful bidders, will help to accelerate the delivery of projects, make it easier for developers to take early decisions and manage risk, while supporting future project level Environmental Impact Assessments (EIAs) as part of the planning process. • As well as providing successful bidders with easy access to vital data and speeding up the development process, it is hoped the programme will avoid the need for developers to conduct additional surveys later in the process, while making best use of limited specialist survey resource. • Contracts have now been signed for the initial phase of metocean surveys, which look at wind, wave and current patterns, to begin in spring 2023. The Crown Estate is progressing the procurement of the remaining surveys over the coming weeks and months, subject to further commercial discussions. <p>Tender Process</p> <p>The Information Memorandum, which will provide further information to the market, will be published in Spring 2023; followed by a three-stage tender approach launched later that year.</p> <p>In mid-2023, the tender process of seabed leasing for floating wind in the Celtic Sea will begin. In order to participate in the tender, each developer</p>

		<p>will be expected to outline a plan for supporting early investment in an internationally competitive and end-to-end supply chain with its roots in the Celtic Sea region. Submission of these plans, alongside other legal, financial and technical elements, will determine whether participants qualify for proceeding to the final stage of the tender. The final award of an Agreement for Lease for each site will be based on price offered, meaning greatest value delivered for the nation from the tender process. RWE, Wales’ biggest power producer, is partnering with the UK’s largest port operator, Associated British Ports (ABP) and UK’s largest energy port, the Port of Milford Haven, to investigate the scaling-up of port facilities in support of a pipeline of gigawatt-scale floating wind projects in the Celtic Sea.</p> <p>Working together under a Memorandum of Understanding (MoU) – to investigate the potential for transforming infrastructure at ABP Port Talbot and Pembroke Dock into hubs for the manufacture, assembly and loadout of high-tech floating wind turbines and foundations, bound for the Celtic Sea, as well as floating operation & maintenance capability. The collaboration demonstrates a major commitment from all three companies to share knowledge and expertise, in support of broader industrial growth and investment in Wales.</p>
<p>ABP Port Talbot Dock Redevelopment</p>	<p>The Port of Port Talbot is well positioned, has its deep-water benefits, brownfield land ready for development, good rail connections, proximity to steel, marine and aggregates and access to thousands of skilled workers.</p> <p>This links to the above item.</p> <p>The proposed project is a collaboration between ABP, industrial SWIC members and Wales and West Utilities to develop a green hydrogen supply to the Port of Port Talbot and neighbouring steelworks to support the reduction of greenhouse gas emissions.</p> <p>This is an ideal location for hydrogen production/distribution due to its tri-modal connectivity (combining road, rail and sea transport) providing potential</p>	<p>Various activities have been progressed to scope the development opportunities for the port at Port Talbot.</p> <p>Lanzatech, an inward investment development, will form part of the wider development at the Port Talbot ABP land.</p> <p>FLOWMISS funding bid has been submitted by ABP for the port at Port Talbot: The Floating Offshore Wind Manufacturing Investment Scheme (FLOWMIS) will provide £160 million in government funding to boost floating offshore wind capability around the UK at sites in Scotland, Wales and elsewhere by supporting manufacturers and giving private investors the confidence to back this emerging sector.</p> <p>Waiting on next steps to be released by UK Government for The Floating Offshore Wind Manufacturing Investment Scheme (FLOWMIS).</p>

	<p>transport sector demand as well as the means to distribute.</p> <p>There is potential proposal to develop capacity at the port for production (either by electrolysis or cracking of green ammonia), storage and distribution to end use.</p> <p>The supply of green hydrogen is envisaged as part of the base low-carbon infrastructure that would support the development of ABP's wider vision for the Port of Port Talbot. This includes the development of a world-leading manufacturing facility for the floating offshore wind industry, port-centric manufacturing, carbon-capture and storage as well as the production of low-carbon fuels. The combination of low-carbon infrastructure will be used to attract further inward investment and job creation for the area.</p>	
<p>NPT Supporting Innovation & Low Carbon Growth Programme</p> <p>Advanced Manufacturing Production Facility</p>	<p>Advanced Manufacturing Production Facility Land required = 0.81Ha Premises to be created = 4000m² Jobs accommodated = 281 Jobs created = 111 SMEs accommodated = 15</p> <p>Target companies: Innovation & Smart Manufacturing sectors.</p> <p>This project has been developed in response to the well evidenced need for business sites and premises, including industrial premises.</p> <p>The project is to develop a hybrid building providing a range of production units incorporating a pilot line with office space to support start-up companies and indigenous business growth in the innovation and manufacturing sectors. It is proposed that a Centre of Excellence for Net Zero Skills is incorporated into the facility.</p>	<p>Land plot indicatively identified on Baglan Energy Park.</p> <p>Planning permission not obtained, to be progressed.</p> <p>Design of building is being scoped.</p> <p>Initial work is being progressed with Industry Wales to scope facility needs and what it should focus on and deliver.</p>

<p>South Wales Industrial Transition from Carbon Hub (SWITCH)</p>	<p>Harbourside - South Wales Industrial Transition from Carbon Hub (SWITCH) part of NPT CBC Supporting Innovation Low Carbon Growth Programme</p> <p>This industrial research facility will provide collaborative space to enable research to support the decarbonisation of industrial processes including the steel industry and its supply chain to improve competitiveness by increasing product capability and reduce carbon emissions to meet legislative requirements. It will strengthen collaboration between industry and academia and increase the level of applied research to accelerate the adoption of improved products and processes.</p> <p>The specialist facility will include specialist equipment on an open access basis.</p> <p>The Council is working with Swansea University to deliver the facility.</p>	<p>Land area confirmed for this development at Harbourside.</p> <p>Two stage design and build tender exercise completed – successful contractor due to be announced.</p> <p>Due for completion 2024/2025.</p>
<p>GCRE – Global Centre of Rail Excellence</p>	<p>This project will deliver a world class train testing facility in the UK that will:</p> <ul style="list-style-type: none"> • Provide a vital service to UK and international train manufacturers, network operators, the wider industry and the supply chain. • Fast track improved services for passengers and freight operators. • Deliver significant efficiencies for the rail industry. • Be a key asset in achieving decarbonisation and sustainability targets. • Accelerate the throughput of innovation. Support Wales and UK exports. • Provide high quality jobs and training opportunities locally. • Be a significant attraction to private sector investors 	<p>Planning for phase 1 consented and granted summer 2021.</p> <p>£150m project cost with additional further investment made and attracted for the other developments onsite.</p> <p>Neath and Brecon branch line connection and signalling upgrade planned.</p> <p>a new company, GCRE Ltd, to deliver the project. The company is:</p> <p>Developed a detailed business plan and undertaking ground investigation work on site completed. These will inform government financial commitments to the project. Welsh Government has committed £50 million and UK Government £30 million.</p> <p>Site preparation / construction: 2022 to 2025 Phase 1 operational: 2023 Fully operational: 2025</p>

	<p>The world class rail testing centre will allow rolling stock and infrastructure testing and innovation.</p> <p>The site is located at the Nant Helen surface mine and Onllwyn Coal Washery at the head of the Dulais and Tawe valleys.</p> <p>The Nant Helen surface mine site will include:</p> <ul style="list-style-type: none"> • Electrified high-speed outer rail testing track (6.9km) with testing speeds of up to 110mph. • Electrified low-speed infrastructure testing track (4.5km) allowing speeds of up to 40mph. • Dual platform station environment. • 25kv overhead line equipment (OLE) infrastructure. <p>The Onllwyn Washery site will include:</p> <ul style="list-style-type: none"> • Research, development, education and training/conference centre. • An operations and control centre/office. • Staff facilities. • Rolling stock storage/sidings. • Rolling stock maintenance facility. <p>25kv overhead line equipment (OLE) infrastructure.</p>	<p>Earthworks has begun (Walters Group have won that contract) and started on site in spring 2022 to prepare the land for rail infrastructure.</p> <p>Various Pins have been issued on Sell2Wales.</p> <p>Meet the buyer event delivered in Cardiff Nov 2022.</p> <p>Further events planned with NPT CBC March / April 2023.</p>
<p>Wildfox Development (Wildfox Resorts Afan Valley Ltd)</p>	<p>Plans for a £250m adventure resort in Port Talbot’s Afan Valley. The resort will include a 50-bed hotel, spa, restaurant, viewing area, 570 lodges and biking and walking trails.</p>	<p>8th November 2022 - NPT’s Planning Committee granted the project outline planning permission and approved a reserved matters application.</p> <p>The reserved matters involve outstanding details not covered in the original outline planning application relating to access, layout, landscaping, scale and appearance.</p> <p>The committee also approved a discharge of conditions application from Wildfox meaning the developers have detailed how they will meet planning conditions so work can start on the Afan Valley project.</p>

		<p>The planned resort in the Afan Valley will be the first of a series of new Wildfox resorts across the UK.</p> <p>The project is anticipated to bring significant economic benefits to the area and once completed, it is estimated that 1,000 new jobs will be created.</p> <p>Preparations for the next stage of project development have begun – the Council are working closely with Wildfox, alongside key partners such as Neath Port Talbot College, to ensure that local people, businesses and communities are at the heart of the plans for the project.</p> <p>Wildfox are currently refining resort designs and plan to finalise a procurement and construction programme, ahead of site preparation in Spring 2023.</p>
<p>Shared Prosperity Fund</p>	<p>The UK Shared Prosperity Fund (UKSPF) is a central pillar of the UK Government’s Levelling Up agenda. The fund provides funding for local investment by March 2025, with all areas of the UK receiving an allocation from the Fund via a funding formula rather than a competition.</p> <p>The Fund is a mix of revenue and capital funding and will be aligned to a three year Investment Plan.</p> <p>The Neath Port Talbot UKSPF allocation over 3 years, from April 2022 to March 2025 is £27,310,363 core SPF and £5,700,708 Multiply allocation (Multiply is a UK programme to support adult numeracy skills).</p> <p>There are three UKSPF Investment Priorities:</p> <ol style="list-style-type: none"> 1. Communities and place 2. Supporting local business 3. People and skills <p>The Funding will be allocated to five anchor projects led by Neath Port Talbot Council, which are:</p> <ul style="list-style-type: none"> • Place • Valleys and Villages • Sustainable Communities 	<p>December 2022 – regional Investment Plan approved by UK Government.</p> <p>January 2023 – Neath Port Talbot anchor projects approved by NPT Cabinet.</p> <p>February 2023 – open call for Skills and Multiply projects.</p> <p>February 2023 – open call for strategic projects to address Investment Plan priorities.</p> <p>April 2023 – launch of Neath Port Talbot SPF grant fund schemes: Heritage, Culture & Tourism Fund; Valleys & Villages Fund; Sustainable Communities Growth Fund; Third Sector Growth Fund; Business Growth Grant Fund.</p> <p>December 2024 – project activity to end.</p>

	<ul style="list-style-type: none"> Enhanced Business Support for Growth & Innovation Employability <p>There will be a competitive call for projects to support the Skills and Multiply priorities and for stand-alone projects to address the challenges and opportunities identified in the Investment Plan which are not delivered by the 'anchor' projects.</p>	
<p>Shared Prosperity Fund (Supporting Local Business Anchor Project)</p>	<p>This is a £4.8m project to be delivered over 2 years focusing on:</p> <ul style="list-style-type: none"> Supporting Indigenous Growth of Key Sectors, i.e. manufacturing; engineering; ICT; med-tech and renewables to deliver technological and transformational change, and encourage productivity, innovation and competitiveness across the economy. Develop the Foundational Economy, i.e. delivering tailored business support packages to social enterprises, and businesses supplying local goods and services within the Health & Social Care; Tourism; Hospitality and Retail sectors. Financial and Specialist Support, i.e. approx., £3m grant pot to support capital and revenue investment projects for new starts, social enterprises, existing businesses and inward investors, low carbon energy efficiency audits and specialist consultancy support to help businesses identify strengths, weaknesses, opportunities and threats and plan for growth, development or diversification. Delivery of Feasibility Studies to provide a strategic position to leverage future funding and develop local supply chains to support new investment, technologies, markets, etc. Developing and implementing Social Value policies and activities to support the delivery of Community 	<p>Project approved.</p> <p>Internal processes being developed for grant funding and recording of business interactions.</p> <p>Job descriptions and person specifications being developed for Job Evaluation in preparation for recruitment of staff.</p> <p>Plan to launch project in April 2023.</p>

	<p>Benefits, i.e. to implement social value policies: and Increase the ability of local SMEs to secure contracts with the public sector.</p>	
<p>Levelling Up Fund R2</p>	<p>The Vale of Neath Heritage Corridor Visitor Attractor is a package bid based in the Vale of Neath in south west Wales which will deliver two transformational projects which form part of the 'Vale of Neath Heritage Corridor Masterplan'. The masterplan outlines key investment opportunities to establish the Vale of Neath as a heritage and natural environment led visitor destination. The LUF funding will be the catalyst for the delivery of the masterplan leading to the growth of the visitor economy in the Vale of Neath. The two interlinked projects are:</p> <p>The Waterfall Country Pontneddfechan visitor infrastructure scheme located to the north of the valley will address significant pressures being experienced by the host community by creating improved access to services in addition to supporting the visitor economy through the delivery of strategic visitor infrastructure, including:</p> <ul style="list-style-type: none"> · A visitor hub gateway building incorporating; public toilets, a farm / village shop for the benefit of local community and visitors · Bunkhouse style visitor accommodation, · A permanent parking solution to include formal and overflow parking, coach and minibus parking and EV charging facilities · Public realm/ visitor gateway improvements to enhance the sense of arrival in the village to include; a village square offering opportunities for small events such as pop-up markets, outdoor seating and safe pedestrian routes with a viewing platform. 	<p>February 2023 - Construction contract awarded.</p>

- Interpretation and signage.

The project will provide the necessary capacity to accommodate existing visitors during peak times in addition to attracting additional visitors during off peak times throughout the year, this will result in extending the visitor season and easing pressures during peak times of year.

The proposed bunk house style accommodation development will capture additional visitor spending within the local area and will create employment.

The Gnoll Estate Country Park Heritage and Visitor Infrastructure located to the south of the valley close to Neath town centre will improve and restore the heritage features as a key aspect of the visitor experience and will develop on site visitor accommodation.

The project will support the growth of the visitor economy, enhance the appeal of the park to attract additional visitors and will bring the heritage of the park to the forefront of the visitor experience. This project forms part of a phased approach to develop the Gnoll Estate Master Plan, LUF will invest in the following:

- Conserving and opening up access to important heritage features including Gnoll House cellars and cascades
- Diversifying the play offer
- Modernisation of the exiting visitor centre and café,
- Improved interpretation of the country park
- Enhanced biodiversity and nature conservation
- Enhanced physical linkages with the neighbouring Woodland Trust site to double the available land for outdoor leisure at this location

	<ul style="list-style-type: none">· Enhanced car parking provision (incorporating EV charging facilities)	
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APPENDIX C - SBCD Projects/Programme Highlights

Swansea Waterfront

- 3,500 seat Arena opened March 2022 - Over 145,000 tickets sold to date and over 55 performance events held. Over 8,000 targeted recruitment and training weeks.
- 71-72 Kingsway – 115,000 sq ft flexible office space for tech companies. Completion of construction work scheduled for Oct-23.
- Innovation Matrix – construction to commence end Feb-23.
- Innovation Precinct – planning permission application submission Apr-23.

Pembroke Dock Marine

- PDI works underway including slipway construction and hangar annexes.
- Significant links with Freeports.
- PDM partners working hard with UKG/WG to secure licences and permissions to create first mover advantage for Wales' FLOW industry.
- Activity on STEM and skills with schools and colleges. PDM partners along with private sector successfully working with Skills and Talent Initiative on the award-winning Destination Renewables pilot project with Pembs College.
- Successful deployment of research buoy and progressing seaweed project.

Yr Egin

- Yr Egin Phase 1 opened in Oct 2018 and is now in its 5th year of operation with 95% occupancy rates and 107 jobs accommodated.
- S4C based in Yr Egin generated an economic impact of £18.2m in the economy of Carmarthenshire in 2019-20 (and £141.1m to the Welsh economy).
- Royal Institution of Chartered Surveyors (RICS) Award winner in 2019 Commercial category.
- University is in the process of developing a new delivery strategy for Egin Phase 2.

Skill and Talent

- 6 Pilot project applications have been approved by RLSP board.
- Pembrokeshire Passport to Employment project won the National Offshore Wind Award sponsored by Renewables UK Ltd also finalist in the Wales STEM Awards.
- First pilot project was a success in delivering through the Welsh language in 2 Carmarthenshire schools:
 - 268 BTEC level 2 and 105 level 3 Digital studies,
 - 212 level 2 and 91 level 3 BTEC Engineering qualifications.
- £450k private sector funding secured and £650k public sector match funding.

Supporting Innovation and Low Carbon Growth

- Bay Technology Centre completed March-22 – 2,500 m2 energy positive building with 3 confirmed tenants.
- Three awards won to date:
 - Net Zero Award in 2022 Constructing Excellence Wales (CEW) Awards (June 2022),
 - Sustainability Award in the Insider Wales Property Awards (June 2022),
 - Commercial Property Project of the Year, British Construction Industry Awards 2022.
- SWITCH – Specialised open access facility created to enhance applied research for steel & metals industry (4000 m2). 3 quality contractor submissions for design and build contract currently being assessed.
- Property Development Fund – Stage 1 application process completed with shortlisting underway. Applications value is over £14m with £4.5m CD available and at least £5.5m private sector match funding.
- Advanced Manufacturing Production Facility – Initial discussions with industry bodies underway (including Industry Wales), pre-market engagement activities commencing next month. Potential inclusion of an additional ‘Net Zero Green Skills centre of excellence’ to be located on site of the AMPF which is an amendment to the original business case (with potential to be supported with unallocated £5.3m CD funds).
- Hydrogen Stimulus Programme – equipment to be purchased soon to increase capacity of hydrogen production on site (at Hydrogen Centre) for a range of potential applications.

Homes as Power Stations

- Technical Monitoring & Evaluation contract awarded (£1m) to Cardiff School of Architecture (Cardiff University).
- Working closely with UK & Welsh Government to ensure the Optimised Retrofit Programme and ECO 4 Flex opportunities are maximised alongside HAPS funding.
- Supply Chain mapping and development underway for the region in preparation for £7m funding launch later this year.
- Financial Incentives Fund (£5.75m) will be launched early in the next financial year (Apr-23).

Digital Infrastructure

- Secured private sector investment (excluding Virgin Media’s network upgrade) of £14.5m with an additional public sector investment of £7.6m (including SBCD funding) for 2021-22.
- This investment has led to significant improvements in fibre/gigabit capable coverage across the region and a reduction in the number of premises with poor broadband.
- We are reviewing Open Market Review (PR) data alongside Welsh and UK government to ensure that national government funding and City deal funding take a complementary and collaborative approach to address areas within our region with the most need and where we will see the greatest socio-economic impact.

- The Programme has allocated funding to recruit resources into each Local Authority to act as a single point of contact for government, internal departments, and industry. This approach was lobbied for by the telecoms/digital infrastructure industry and has been recognised as an exemplar by Welsh Government's Barrier Busting taskforce. Recruitment is almost complete and where resources are in place it is already having a positive impact.
- Scoping regional opportunities for 5G investment in trials and testbeds e.g., Innovation Matrix, PDM and Yr Egin.
- Portfolio of opportunities for further regional digital investment is being finalised and will be presented to Board in Feb/Mar 2023.

Pentre Awel

- Start of enabling works in Oct-22, comprising site strip, new drainage and piling mat.
- All works packages tendered and a price presented to CCC for the construction of Zone 1. Negotiated package of measures including an agreement for a commercial reduction and open procurement developed. Following Full Council agreement on 25th January, CCC will enter contract with Bouygues.
- Bouygues Community Benefits continue to be delivered including - Girls Believe Academy delivered to Ysgol Bryngwyn year 7 girls and Coedcae School girls and boys from year 7 during Oct 22 & Nov 22. Session to promote wider STEM careers and the construction industry. 1,054 pupil interactions delivered (July 22- Nov 22).
- Minimum 4,680 person weeks of targeted recruitment and training to be delivered by BYUK.
- Project has developed close working ties with 3 Universities - Cardiff University are engaged with CCC to deliver Business and Innovation at Pentre Awel; UWTSD lead on all the skills delivery; Swansea University will operate a Health and Wellbeing Academy.
- The Hywel Dda Health Board is a confirmed tenant in Pentre Awel and forms the key enabler for the whole system approach to care, research and education.

Campuses

- Funding agreements to be finalised. Project cannot move into delivery until these are completed. Aiming for March 23 for approval.
- Sketty lane - Further BCIS assessment to provide indication of cost increase undertaken.
- Sketty Lane – 3 consultancy services to support project. Architect-led multidisciplinary design team, project management, cost management tendered. Review and evaluation conducted, waiting formal appointment.
- Morriston Management Centre procurement on hold until signing of funding agreement.

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**SOUTH WEST WALES CORPORATE JOINT COMMITTEE
OVERVIEW AND SCRUTINY COMMITTEE**

23RD FEBRUARY 2023

REPORT OF THE CHIEF EXECUTIVE

Report Title: Regional Transport Plan 2025 - 2030

Purpose of Report	To update Members on the progress to deliver a Regional Transport Plan for the five-year period 2025 to 2030.
Recommendation	It is recommended that: <ul style="list-style-type: none">• Members note the update on progress on developing a Regional Transport Plan.• Members note that further the draft guidance will be examined in further detail and the outline comments finalised in a response to WG.• Members note the Transport Subgroup to the CJC will be initiated, and will oversee the production of the RTP in more detail.• Members note the resource requirements, which are being considered further.• The Overview and Scrutiny Committee be provided with annual reports in respect of the progress being made on developing a Regional Transport Plan.

Report Author	Mark Wade
Finance Officer	Chris Moore
Legal Officer	Craig Griffiths

Background:

1. At its meeting of January 13 2022, the CJC was provided with an update on the work programme of the CJC, and it was noted that further development on the duty to prepare a regional transport plan (RTP) was dependant on the outcome of the Wales Government reviews. It was also noted there would also be a requirement to move from RTP development and adoption, to delivery which will necessitate a shift to programme management delivery and risk.
2. Welsh Government issued the latest version of the draft Regional Transport Guidance following an all Consortia officers meeting on 17 January 2023 to discuss Corporate Joint Committee Planning Duties, and officers have been in the process of reviewing this latest draft guidance, in order to advise the CJC. There are a range of matters that require the CJC to respond to.
3. At its January 2023 meeting, the CJC considered its budget for 23/24, and proposed a budget for each of the sub committees, as well as setting out CJC Priority Actions, which in the case of transport are:
 - Comment on the draft Regional Transport Guidance
 - Create the Regional Transport Plan delivery programme and identify the resources required to implement the delivery programme
 - Achieve agreement with Welsh Government on the resourcing of the delivery programme and associated timeline
 - Continue to work with Welsh Government, Transport for Wales and other stakeholders to progress the region’s key transport priorities
4. The budget setting for 23/24 makes provision through the programme management budget line for the CJC to commence the initial activities that will support the development of the regional transport plan. However, the CJC has noted that the costs associated with the regional plan are significant and further discussions will take place professionally and politically with a view to securing an appropriate financial contribution from the Welsh Government. Additionally, the contribution that might be made by Transport for Wales needs to also be firmed up.

Overview of Draft Regional Transport Plan guidance:

5. The plan, based on the current guidance, together with the assessments is to be submitted to WG by August 2024 with its content summarised as follows:
 - Introduction, covering: Overview, Purpose, Background and Legal Duty & Statutory Duties

- Delivering the Wales Transport Strategy, covering: Relationship with the National Transport Delivery Plan (NTDP), Plan Period and Coverage, Transport policies and plans, Relationship with Land-use Policies and Plans, Current and Future Trends, Statutory Checks, Monitoring and Evaluation, Format of the Plan, Strategic Assessment
- Approval Process, covering: Welsh Ministers Role, Assessment of Transport Plans & Timetable
- Annex 1 – Format of Regional Transport Plan
- Annex 2 – Data
- It is expected that the CJC will comment on the feasibility of this proposed timeline in responding to the draft guidance.

Key issues emerging from initial overview of the draft guidance:

6. Transport officers are pulling together a detailed review of the draft guidance, in order advice can be provided back to the CJC and a formal response given back to WG. The feedback that follows provides a brief overview of the current situation and items under consideration.
7. WG have issued a matrix to support the exchange of comments in relation to the Guidance. The matrix is segmented into five key themes and includes items raised by the WLGA and responses from WG. The five key themes are 1. Resources 2. Timescale for delivery 3. Governance 4. RTP Management and Delivery 5. RTP Guidance specific matters raised.
8. Key matters which need greater understanding and consideration by the CJC include:
 - Governance :

The top-down approach to what goes into the RTP, i.e.: whether the policy and programme for the region and LA's will be determined by WG and or TfW or, are the CJC and LAs determined to have subsidiarity over policy and ultimately the programme prioritisation and delivery? There is a suggestion that a Burns style commission could be set up to assist with the RTP production. This would introduce another level of bureaucracy.

Clearly Future Wales and Llwybr Newydd will have an influence but, is it a matter of alignment in future years once the SDP is in place that shapes land use and ultimately the transport system.

LA's will still have the duty to deliver the RTP programme, therefore is there an argument that if the LA's are responsible and accountable for delivery they should lead and shape the RTP via the CJC.

The answer to these questions will have an implication on how the CJC is structured and resourced. There is a clear intent from WG to use TfW with

references to data. At present there appears to be no strategy or structure on exactly what TfW can deliver and certainly no coherent programme relating to delivery for information provision or a resource plan to develop and deliver the RTP.

- Timescale for Delivery

The timescale for delivery of the RTP has been extended by 6 months. It is 'front end loaded' so timescales are tight at the start with the plan together with the assessments to be submitted to WG by August 2024. WG have then set aside 3 months to approve. There is concern that the current timescale may not be realistic and may need to be further reviewed once the workload has been fully assessed.

- Resources, RTP Management and Delivery

There is still no commitment from WG to resource the work required to develop the RTP (other than a statement that TfW can assist). The Chair of the CJC has already made representation to the WG in this respect and further meetings with relevant ministers are anticipated in the near future. Although in its infancy, the CJC / region has long standing relationships and structures that have a track record of collaborative working , knowledge of the region, political awareness and, importantly, delivery.

There appears to be no coherent plan and or programme on what TfW will provide, in what timescale and at what cost.

Across Wales, the CJC's are at different stages of development, it would not be unreasonable for WG to allow the CJC's to establish themselves over the next ten months and then focus on the RTP once governance structures mature, realistic budgets set and there is a clear indication of what level of funding is available for the delivery programme. The RTP should be informed by the SDP and the Metro should be a programme within the RTP.

There is no commitment to provide the CJC with funding for the resource required to coordinate and manage the process and no indication of what the resource level will be made available for any programme that delivers the RTP. This is exactly what happened with the last RTP, where all regions were required to develop an ambitious programme, but WG then limited the funding available for delivery as soon as the RTP's were published.

The guidance also implies that the CJC and LA's will be required to introduced demand constraint or behavioural change measures. Whether demand management or behavioural change, these are intervention that are: 1. Politically sensitive. 2. Require large investment and 3. Take a long time to deliver.

To deliver a modal shift on the scale of ambition there is going to be a need for a large-scale investment in the public transport system both in capital and revenue terms.

- RTP Guidance Specific Matters Raised.

The main concern is the extent of work required with no clear delivery plan.

Transport Sub Committee

9. At its January 2022 meeting, the CJC considered the Adoption of Constitution and Procedural Rules for the South West Wales Corporate Joint Committee. Four Sub Committees are to be established, with one specifically covering transport. In light of the emerging work programme on the Regional Transport Plan, and the CJC Priority Actions referenced above, the Transport Sub group will now be established to oversee the implementation of these work streams and advise the CJC.

Resources to develop the Regional Transport Plan

10. In considering the resources needed to develop the Regional Transport Plan, transport officers had considered the minimum level resource requirement to deliver basic requirements, as follows:
 - Regional Transport Plan Development and Programme – Lead Officer
 - Graduate Trainee / Support Officer
 - The commissioning of Specialist Studies and Commissions
11. On the latter point, the key high-level stages of the RTP are summarised below, and illustrates the workload demand:
 - a) Strategic Level Assessments, includes: Equalities Impact Assessment, Strategic Environmental Assessment, Sustainability Appraisal, Habitat Regulations Assessment.
 - b) Analysis Work, includes: Local Development Plan and Strategic Development Plan, National Transport Plan Review, Economic Development Policy, PSB Partner Development Plans, Socio Economic Analysis, Modal Share and Use, Accessibility Analysis, Environmental Analysis.

- c) Route Cause Identification, includes: Surveys and Analysis, Travel Pattern Surveys/Research, Existing Demand Modelling, Future Demand Modelling, Traffic Conditions, Freight Analysis, Infrastructure Analysis: Congestion, Constraints, Air Quality, Accessibility, Public Transport Use Analysis, Policy Options Development and Appraisal, Development Options Analysis, Stimulus/Demand Management Options Analysis.
- d) Engagement, includes: Stakeholder Analysis, Strategic Partners e.g. PSB, City Deal, Public Consultation: Research, Public Consultation: Policy Interventions.

12. Given the budgetary pressures described earlier, and that the guidance is still in draft format, at this stage it is considered that only the Regional Transport Plan Development and Programme Lead Officer role be developed further, and officers are drafting a job description for evaluation and approval.

Timescale:

13. The timescales are covered in the body of the report.

Financial Impacts:

14. The financial implications are covered in the body of the report.

Integrated Impact Assessment:

15. The CJC is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

16. It is not considered that an Integrated Impact Assessment (IIA) is required for this report as it does not seek a substantive policy decision from Members. Members will

note that the formulation of the Draft Corporate Plan has allowed for the identification of a draft equality objective, which is set out below for ease of reference:

*“To deliver a more equal South West Wales by 2035 by contributing towards:
(a) The achievement of the Welsh Government’s long-term equality aim of eliminating inequality caused by poverty;
(b) The achievement of the Equality statement set out in Llwybr Newydd which is to make our transport services and infrastructure accessible and inclusive by aiming to remove the physical, attitudinal, environmental, systemic, linguistic and economic barriers that prevent people from using sustainable transport; and
(c) The achievement of the Welsh Government’s long-term equality aims of cohesive communities that are resilient, fair and equal and where everyone is able to participate in political, public and everyday life.”*

Well-being of Future Generations (Wales) Act 2015 (and emerging CJC Corporate Plan and its identified well-being objectives):

Alignment with CJC Corporate Plan 2023-2028 (draft/emerging at the time of writing) and the identified CJC Well-being objectives:

17. The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the ‘well-being goals’.
18. Members will note that the formulation of the Draft Corporate Plan has allowed for the identification of well-being objectives for the CJC. It is considered that this report aligns to the emerging corporate policy framework of the CJC , most notably in terms of Draft Well-being objective 2 which is outlined below for Members ease of reference: *“To produce a Regional Transport Plan for South West Wales that is founded on collaboration and enables the delivery of a transport system which is good for our future generations of people and communities, good for our environment and good for our economy and places.”*

Workforce Impacts:

19. Workforce impacts are covered in the body of the report.

Legal Impacts:

20. There are no specific legal impacts for Members to be concerned with in relation to this report. The CJC has a legal duty in regards the preparation of a Regional Transport Plan.

Risk Management Impacts:

- 21. There are no specific risk management impacts for Members to be concerned with in relation to this report

Consultation:

- 22. There is no requirement for consultation in respect of this report.

Reasons for Proposed Decision:

- 23. To ensure that the Committee is fully aware of the current progress on the Regional Transport Plan.

Implementation of Decision:

- 24. This decision will be implemented following the three day call in period.

Appendices:

There are none.

List of Background Papers:

[CJC meeting January 13 2022](#)

[CJC meeting 26 July 2022](#)

[CJC meeting January 24 2023](#)

South West Wales Corporate Joint Committee – Overview and Scrutiny Sub-Committee
Forward Work Programme

Meeting Date	Agenda Item	Contact Officer
2022		
23 rd September	Meeting Cancelled	
15 th November		
2023		
27 th January	Budget 2023-2024	
	Corporate Plan	
23 rd February	Economic Development Plan	
	Presentation on Transport	
	Corporate Plan	
20 th April	Energy Plan – Presentation	
	Strategic Development Plan – presentation	

Items to be included for next Cycle:

- Overarching Governance Guide
- Economic Delivery Plan (Workforce Planning)
- Regional Transport Plan
- Budget Monitoring