

**Cabinet**  
**17<sup>th</sup> January 2022**

**South West Wales Regional Economic Delivery Plan**

**Recommendation / key decisions required:**

It is recommended that:

1. The South West Wales Regional Economic Delivery Plan is referred to Council for adoption as the Council's over-arching economic regeneration policy

**Reasons:**

To secure adoption of the new Regional Economic Delivery Plan for South West Wales by Council (to replace the 2013 Swansea Bay City Region Economic Regeneration Strategy).

Relevant scrutiny committee to be consulted No

Cabinet Decision Required YES

Council Decision Required YES

**CABINET MEMBER PORTFOLIO HOLDER:-**

Cllr. Emlyn Dole - Leader

Directorate:

Name of Head of Service:

Jason Jones

Report Author:

Jason Jones

Designations:

Head of Regeneration

E Mail Address:

[JaJones@cararthenshire.gov.uk](mailto:JaJones@cararthenshire.gov.uk)

## EXECUTIVE SUMMARY

### Cabinet 17<sup>th</sup> January 2022

#### South West Wales Regional Economic Delivery Plan

##### 1. Introduction

- 1.1 It has been eight years since the publication of the Swansea Bay City Region Economic Regeneration Strategy in 2013, and the economic and policy context has changed considerably at the Welsh and UK level since then, particularly in light of the UK's decision to leave the European Union and the impact of the covid-19 pandemic. In addition, the regional landscape is changing with the advent of the new Corporate Joint Committees, and the preparation of new Regional Economic Frameworks by Welsh Government that set out visions and high level priorities for each region in Wales.
- 1.2 To respond to changing circumstances, the four local authorities in South West Wales, in partnership with Welsh Government, commissioned SQW to produce a new Regional Economic Delivery Plan (REDP). This will replace the previous Swansea Bay City Region Economic Regeneration Strategy.
- 1.3 The REDP commission included:
- A thorough analysis of the evidence base on the region's economy, labour market and infrastructure to determine its strengths, weaknesses, opportunities and threats
  - Interpretation of the strategic policy context at local, regional and national level
  - Development of detailed strategic aims and objectives that respond to the economic opportunities for the region and complement the shared regional vision as articulated in the Regional Economic Framework
  - Preparation of Regional Economic Delivery Plan that includes actions that need to be taken to achieve the vision and objectives
- 1.4 The Regional Economic Delivery Plan is attached at Appendix A
- 1.5 The REDP complements the new Welsh Government Regional Economic Framework (REF) and provides a further layer of detail below the REF, outlining the objectives and actions that will deliver against the high level vision in the REF.
- 1.6 The REDP also complements the Carmarthenshire Economic Recovery & Delivery Plan (April 2021)
- 1.7 The REDP sets out an ambitious 'route map' for the development of the region's economy over the next ten years, identifying priorities for intervention and setting out how business, government, education, voluntary/ community organisations, social enterprises and other partners can work together to bring them forward.

##### 2. South West Wales Regional Economic Delivery Plan

- 2.1 The REDP identifies that 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 university presence.
- 2.2 The economic analysis shows:
- 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 322,000 jobs in the region, an impressive increase of 20,000 on the 2013 figure.
  - The productivity gap with the rest of the UK has narrowed slightly over time but is still substantial, with regional productivity (GVA per filled job) standing at 80% of the UK level in 2018.
  - Economic activity rates in South West Wales have improved at a faster pace than the rest of the UK over the past 15 years, but the rate continues to fall behind the UK average: the economic activity rate in South West Wales was 73.8% in 2018, compared with 78.9% across the UK.
  - There has been a steady improvement in qualification levels with 35% of the working age population qualified to NVQ level 4+ (degree level) compared to 22% in 2004, and the proportion with no qualifications has halved over the same period, but in relative terms there is still a gap with the rest of the UK
  - The business base grew in the years leading up to the pandemic but the number of enterprises relative to the working age population (enterprise density) and start up rates remain lower than the rest of the UK.
  - There is a widely recognised gap between demand and supply for industrial premises, with low rental levels affecting the viability of private sector led developments.
  - Across the region concentrations of disadvantage are significant, principally in the urban centres of Swansea, Llanelli, Neath, Port Talbot, Pembroke Dock and upper Western Valleys.
- 2.4 Overall, the review of economic performance suggests good progress over recent years, especially in terms of job creation, but there is a persistent gap in outcomes between the region and the rest of the UK. This reflects the 'structural' nature of many of the region's challenges linked to the long-term processes of industrial change (which in some respects are still ongoing), and are shared with other regions in Wales and the UK.
- 2.5 The review has also identified a series of distinctive strengths and opportunities in South West Wales, especially linked with the region's energy potential (particularly green energy and the net zero opportunity), university-industrial links, strong cultural identity, environmental assets and quality of life offer. The REDP aims to build on these distinctive regional strengths and opportunities to develop a more prosperous and resilient South West Wales economy.
- 2.6 Unlike the previous Economic Regeneration Strategy, which was predominantly focused on improving productivity, the REDP recognises that 'Transformational' growth opportunities need to be balanced with the conditions for incremental improvements in resilience, capacity and capability across the whole of the economy. This was a key theme that emerged from consultation with regional partners during the preparation of the Plan. While there are distinctive opportunities to pursue at the 'leading edge', long-term employment resilience and wage growth is going to depend on the sustainability, productivity and expansion of the wider stock of regional businesses.

- 2.7 To help plan for the future, the REDP sets out 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
- 2.8 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
- 2.9 The REDP sets out some initial key action areas to deliver against the ambitions and missions. These actions will form the basis of a ‘living’ action plan document that will be regularly reviewed by regional partners and will evolve to embrace new investment proposals as they emerge.
- 2.10 The new Regional Economic Delivery Plan will be owned and overseen by the new South West Wales Corporate Joint Committee (CJC). Once the CJC is formally constituted, it is proposed that the REDP will be presented for adoption as the regional strategy for economic wellbeing. 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.

### 3. Recommendation

- 3.1 It is recommended that the South West Wales Regional Economic Delivery Plan is adopted as the Council’s over-arching economic regeneration policy.

**DETAILED REPORT ATTACHED?**

Yes - South West Wales Regional Economic Delivery Plan (September 2021)

# IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: Head of Regeneration

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
<b>YES</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>

## Policy

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. Delivering on the ambitions of the regional economic delivery plan and delivering “a prosperous region”, means that 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 language.

One of the plans 3 strategic missions is to establish South West Wales as a UK leader in renewable energy and the development of a net zero economy, which will support this Council’s ambition of becoming net zero carbon by 2030 and the UK and Welsh Government commitments to decarbonisation and the achievement of ‘net zero’ by 2050.

The plan complements the Carmarthenshire Economic Recovery & Delivery Plan (April 2021), providing the platform for future growth opportunities beyond our recovery horizon.

# CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: Jason Jones

Head of Regeneration

(Please specify the outcomes of consultations undertaken where they arise against the following headings)

**1. Scrutiny Committee**

N/A

**2. Local Member(s)**

N/A

**3. Community / Town Council**

N/A

**4. Relevant Partners**

Proposals have been developed in partnership with Neath Port Talbot County Council, Swansea City Council, Pembrokeshire County Council and Welsh Government.

**5. Staff Side Representatives and other Organisations**

N/A

**CABINET PORTFOLIO HOLDER(S)  
AWARE/CONSULTED**

YES

**Section 100D Local Government Act, 1972 – Access to Information  
List of Background Papers used in the preparation of this report:**