Planning Pembrokeshire's Future
Local Development Plan

Cynllunio Dyfodol Sir Benfro
Cynllun Datblygu Lleol

PEMBROKESHIRE ECONOMIC PROFILE

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PEMBROKESHIRE ECONOMIC PROFILE

Objectives

This Economic Profile of Pembrokeshire aims to achieve a number of specific objectives:

- To provide a comprehensive and current assessment of the County's economy, inclusive of all elements on which the economy is built, including the social characteristics of the population and workforce;
- To provide evidence on which to base Local Development Plan allocations, policy formation and economic development in general;
- To highlight the key opportunities and economic issues for the area;
- To analyse Pembrokeshire's economic performance;
- To act as a baseline, against which change in the area can be monitored.

1. Introduction

Pembrokeshire is located at the extreme south west of Wales. It is a rural county with a number of interesting features which distinguish it from the neighbouring areas. The County forms a peninsula covering approximately 1650 square kilometres, one third of which is covered by the Pembrokeshire Coast National Park. The county is rich in areas of high conservation value, and its coastline, and especially its beaches, forms an especially popular and accessible recreation resource for residents and visitors to the area, which is an important factor in the economy of the area.

The county is mainly rural in character, with a population density of 71 people per square kilometre (about half of the Welsh average). Just under half the total population of 117,300 (2006) live in the five main towns of Fishguard, Haverfordwest, Milford Haven, Pembroke and Pembroke Dock.

Pembrokeshire's peripheral geographical location and rural character means that, compared to many parts of the UK, it is poorly served by road and rail links. The ports of Fishguard and Pembroke Dock, however, provide significant ferry links to Southern Ireland, which result in a large throughput of people and traffic, both private and commercial, across the county.

Over the past 30 years the Pembrokeshire economic base has undergone considerable change with the closure of power, oil and defence establishments; rationalisation in public services, agriculture and fishing; and on-going changes in tourism. Agriculture, tourism and public services dominate the current economy of Pembrokeshire. In overall terms the tourist industry is the county's largest industry and employer, but many of these jobs are part-time and seasonal in nature. Activity in manufacturing, financial and business services sectors is less than half the national average. There is a large proportion of small employers and a relatively high proportion of people are self-employed compared to national levels. Salaries within Pembrokeshire are typically low in relation to national averages. A proportion of employment is seasonal and there are higher levels of unemployment, outside peak summer periods.

Industrial development is centred in the main along the north and south shores of the Milford Haven Waterway, where the port of Milford Haven is extremely important, especially for the oil industry, servicing two refineries, tank storage depots and recent Liquefied Natural Gas (LNG) developments. Haverfordwest, the county town and administrative centre, is the main employment area of Pembrokeshire, housing as it does the main public service sector employers of the County Council, NHS Trust Hospital and Local Health Board.

2. Demographic and Social Factors

The economic position and development of Pembrokeshire is intrinsically linked to its demographic and social makeup.

i. Resident Population

Pembrokeshire has a current estimated overall population of 117,300 (2006), which represents an increase of 4.3% since 1991; this compares with a growth of 3.2% in Wales and 5.5% for the United Kingdom over the same period. The increase in population has not occurred evenly across all age groups. The County's population aged over 65 grew by three times the national rate over the 15 year period, whereas the percentage decrease in 0-15 year olds was twice that of the UK.

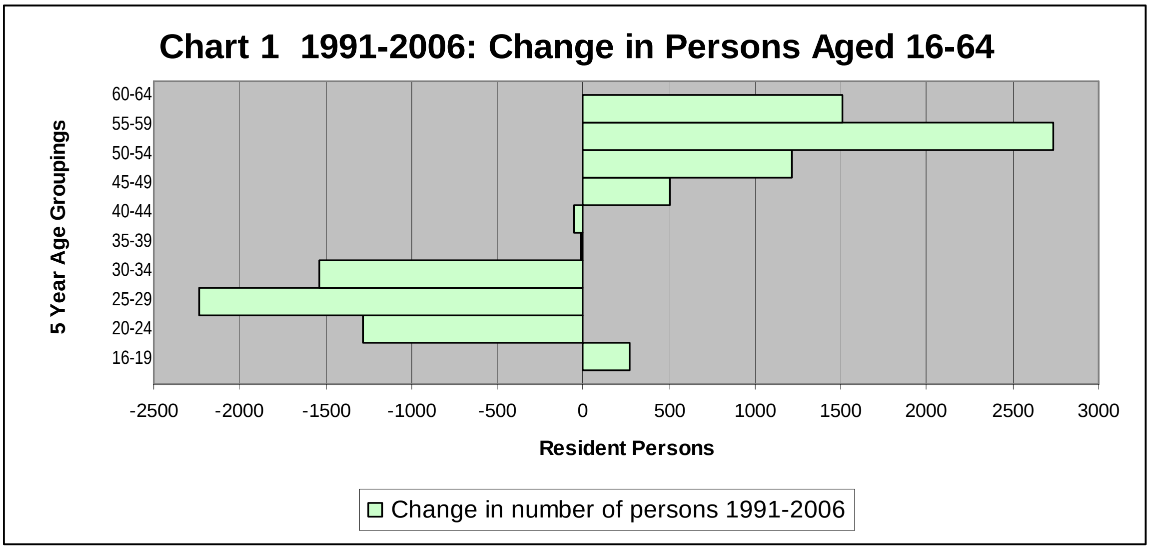
Table 1: Population Change 1991 - 2006

Age Grouping	United Kingdom			Wales			Pembrokeshire		
	1991	2006	% Change	1991	2006	% Change	1991	2006	% Change
Males:									
0 - 15	5,975,687	5,911,700	-1.1	301,671	288,098	-4.5	11,764	11,639	-1.1
16 - 64	18,303,031	19,610,800	7.1	890,820	929,398	4.3	34,843	34,566	-0.8
65+	3,630,284	4,171,400	14.9	198,232	227,278	14.7	8,018	10,639	32.7
All Ages	27,909,002	29,693,900	6.4	1,390,723	1,444,774	3.9	54,625	56,844	4.1
Females:									
0 - 15	5,708,986	5,625,400	-1.5	287,506	273,091	-5.0	11,504	11,027	-4.1
16 - 59	16,893,697	18,095,800	7.1	819,914	860,541	5.0	31,540	32,075	1.7
60+	6,926,973	7,172,200	3.5	374,855	387,479	3.4	14,777	17,334	17.3
All Ages	29,529,656	30,893,400	4.6	1,482,275	1,521,111	2.6	57,821	60,436	4.5
Persons:									
0 - 15	11,684,673	11,537,100	-1.3	589,177	561,189	-4.8	23,268	22,666	-2.6
16 - OAP Age	35,196,728	37,706,600	7.1	1,710,734	1,789,939	4.6	66,383	66,641	0.4
OAP Age	10,557,257	11,343,600	7.4	573,087	614,757	7.3	22,795	27,973	22.7
All Ages	57,438,658	60,587,300	5.5	2,872,998	2,965,885	3.2	112,446	117,280	4.3

Source: Office for National Statistics, Mid Year Estimatesof Population

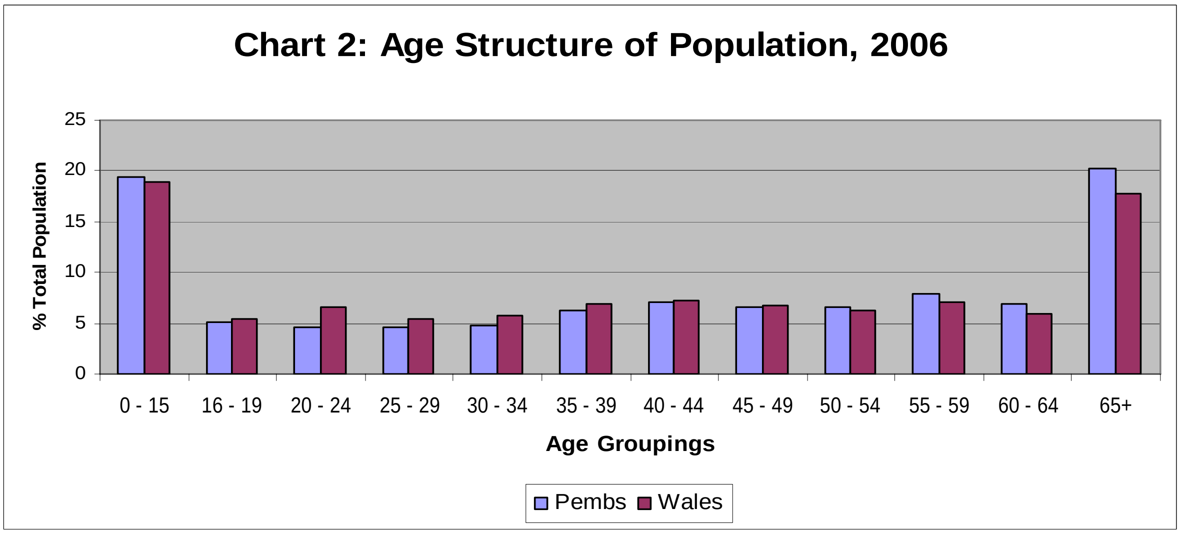
In economic terms, these changes to the make-up of the County's population has resulted in the working age population currently making up 56.8% of the County's total; this is less than both the comparative figures for Wales (60.4%) and the United Kingdom (62.2%). The age profile also demonstrates that the population is skewed towards those of retirement age, and as a consequence the County has a higher proportion of individuals in the economically 'dependent' age groups than Wales as a whole.

In terms of the population of working age Chart 1 shows the changing structure of persons aged 16 – 65 over the last 15 years. From 1991 to 2006 the population has largely showed a trend of growth, however, this growth has not been spread evenly over the age range. Whilst in overall terms the working age population has only increased in by 1,116 or 1.6%, within this total there have been mark differences for individual five year age groupings. Large increases in the over 45's were countered by equally large decreases in the under 35 year age groupings.



Source: ONS: Mid Year Estimates of Population

These changes in the population of working age, together with those in the economically dependent age groups, have resulted in the current age structure of the County being at variance with Wales as a whole. Proportionally the County has fewer people in virtually all age

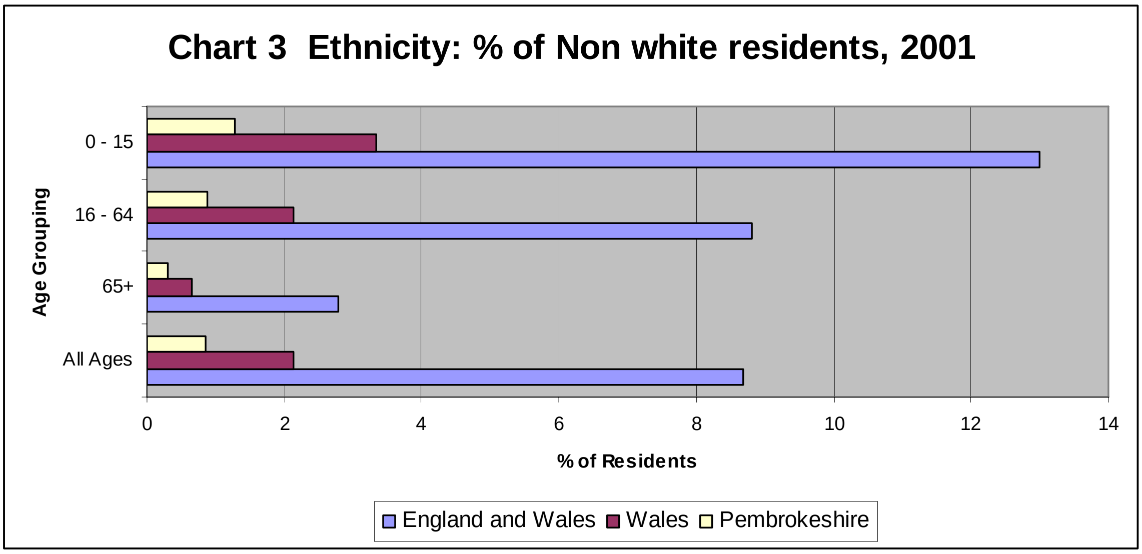


Source: ONS: Mid Year Estimates of Population

groupings up to 49 years old and more in the age cohorts from 50 and over. This situation has, in the main, been brought about by a long standing migratory trend which has seen the out migration of the young, to further their academic and training aspiration or to seek careers, and their replacement by persons who are of retirement age, or coming to the end of their working lives.

ii. Ethnicity

Pembrokeshire has a relatively small ethnic population when compared to Wales and England & Wales as a whole, especially in respect of persons of working age. In total just under a thousand residents in Pembrokeshire were classified in the 2001 Census as non white i.e. they were of mixed, black, Asian, Asian, and Chinese or ‘other’ ethnic background.



Source: Office for National Statistics, Census of Population © Crown copyright 2003

iii. Migration

The most significant component in Pembrokeshire's changing population structure has been migration into and out of the County, which was referred to early in this commentary. In terms of migration from and to the rest of the UK there is currently a net annual increase in the County's population of approximately 800 persons, but within this overall increase there are large differences within specific age groupings as Table 2 indicates.

Less information is available on the effect of oversea's migration on the County's resident population. The Office for National Statistics estimated that over the same five year period (July 2001 – June 2006) the average annual inflow of overseas migrants, who became resident in the County, was just 260 persons, whilst there was an annual outflow of 200 County residents to overseas locations. Whilst these statistics cover persons who are, or become residents in the County, they do not appear to include the increasing number of migrant workers that are involved in working in Pembrokeshire.

Little information is available as yet on these type of migrants as to whether they propose to remain working here or intend to bring their families to Pembrokeshire to live permanently. Officially the only gauge of the actual numbers of these migrant workers is those that have made National Insurance Registrations. Whilst Wales as a whole experienced 17,020 such registrations in 2006-07 this accounted for only 2.4% of the total number of registrations within the UK. Pembrokeshire recorded 670 migrant registrations or 3.9% of the Welsh total.

Further analysis of the migrant worker situation is given within the Employment section of this document.

Table 2 Total migrants into/from Pembrokeshire with rest of UK during the years ending June 2002-June 2006									
									numbers rounded to nearest 10
		Persons			Males			Females	
Age	Inflow	Outflow	Balance	Inflow	Outflow	Balance	Inflow	Outflow	Balance
All ages	21,010	17,070	3,940	10,040	8,150	1,890	10,970	8,940	2,030
0-4	1,420	1,040	380	720	570	150	690	460	230
5-9	1,240	840	400	630	430	200	600	410	190
10-14	1,200	860	340	590	430	160	630	430	200
15-19	1,160	2,650	-1,490	510	1,110	-600	650	1,530	-880
20-24	2,550	2,720	-170	1,020	1,200	-180	1,510	1,530	-20
25-29	1,860	1,750	110	880	900	-20	980	860	120
30-34	1,670	1,360	310	790	690	100	870	680	190
35-39	1,660	1,010	650	790	520	270	870	490	380
40-44	1,390	820	570	730	410	320	670	400	270
45-49	1,150	710	440	570	350	220	580	360	220
50-54	1,230	620	610	610	310	300	610	320	290
55-59	1,410	670	740	710	330	380	710	340	370
60-64	1,110	530	580	570	250	320	540	280	260
65-69	740	460	280	400	250	150	320	210	110
70-74	360	300	60	190	140	50	180	180	0
75+	890	690	200	310	260	50	570	430	140

Source: Office for National Statistics © Crown copyright 2008

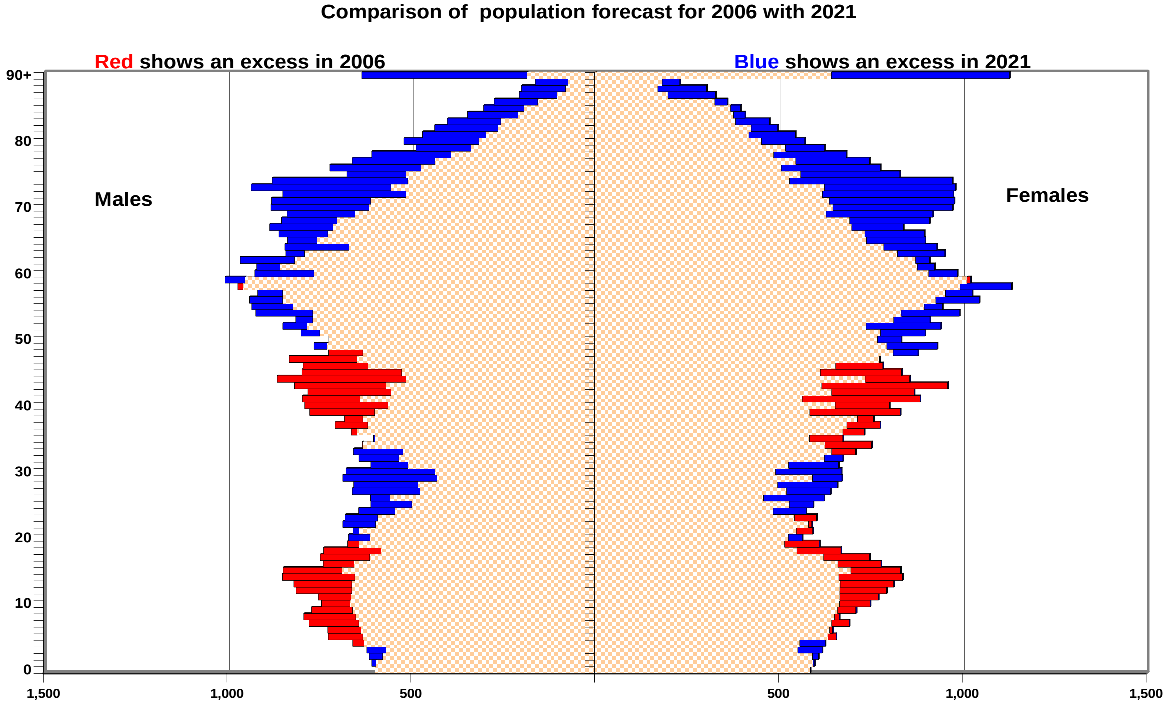
iv. Projected Population Trends

The population projections for this assessment have been undertaken using 2001 as a base year, and employing 2001-2006 trend data. The resultant population projections show an increase from 117,250 persons in 2006 to 120,100 persons in 2011 and 123,000 persons in 2016. This picture of very modest increases continues reaching 125,700 persons in 2021.

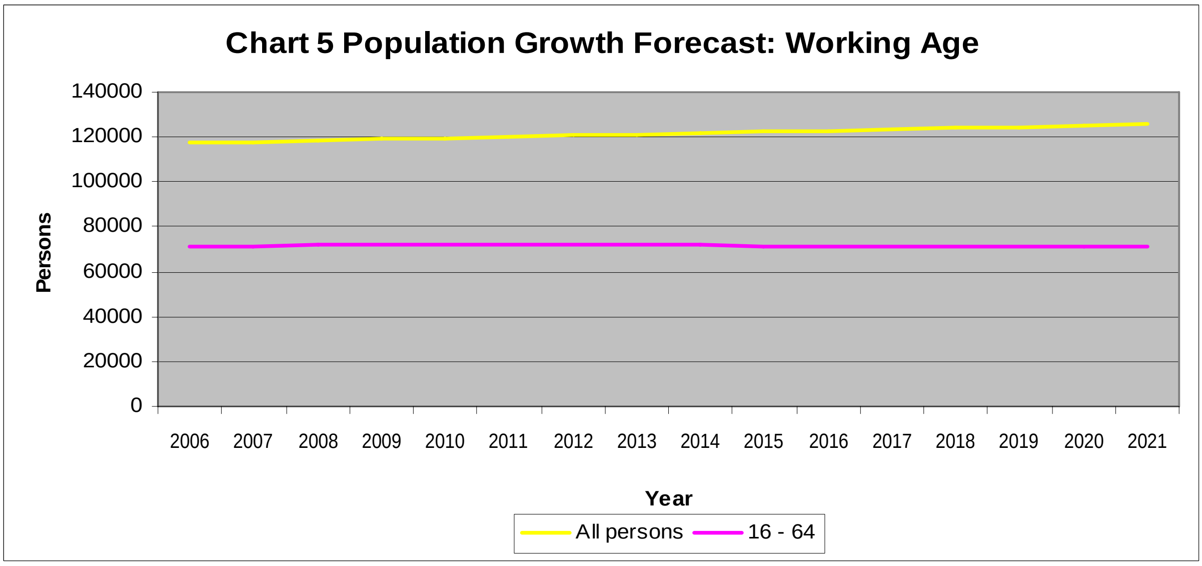
As the projection's age pyramid below shows graphically if trends continue, there will be a differential impact on the age structure of the population. The population age structure is already top heavy, and this and this will be exacerbated in future for the age group 60+. The projections indicate more persons in the 20-30 years age range but less in the age range from the mid 30's and 40's, which probably reflects previous variations in fertility. The decline in numbers of females compared to males is particularly striking in the young population as well as in the 35 to 45 years age range. The largest numerical increase between 2006 and 2021 is in the age range 65-75 reflecting the ageing of the 1950's baby boom but there are increases in all the older persons age ranges.

The projections also suggest that over the medium term the dependency ratio, which indicates the economic dependence of children and the elderly on the rest of the community i.e. those of working age, will continue to rise substantially. Whilst the number of children will fall in actual and proportional terms, the projection shows an increase in the absolute number of persons of pensionable age.

Chart 4 Population Forecast Comparison 2006 and 2021



In terms of the projected workforce their numbers will remain almost static over the next fifteen years. During the next fifteen years the state pension age will be equalised at 65 for both men and women. As a consequence the following projection relates to the 16-64 age group. Recent trends suggest that over the fifteen year period from 2006 persons aged 16-64 will only increase from 70,860 to 71,112, or 0.4%, which compares with the overall population increase of 7.2%.



v. Housing Type

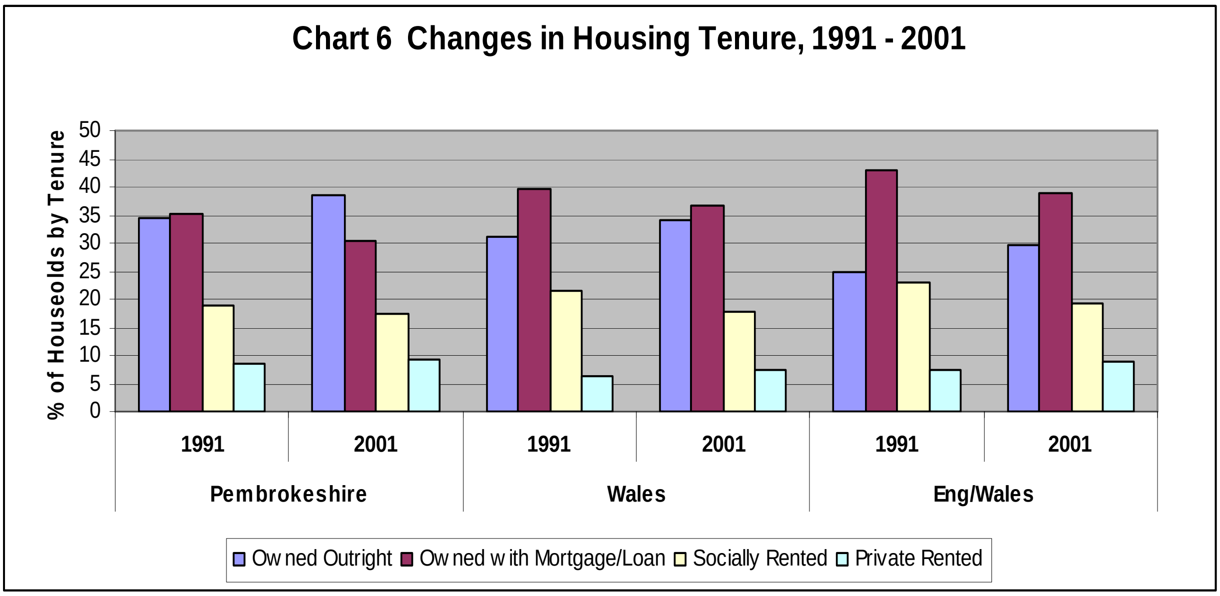
Pembrokeshire has a much higher proportion of detached houses 41.5%, than Wales, 27.1%, or England, 22.8%. This reflects the rural nature of the County as a whole. As a consequence, Pembrokeshire has a much lower proportion of terraced housing or flats/apartments than nationally.

Table 3 Housing Type, 2001						
Accommodation Type	Pembrokeshire		Wales		England & Wales	
	Total	%	Total	%	Total	%
Detached	22,521	41.49	345,365	27.07	5,131,821	22.77
Semi-detached	13,900	25.61	404,479	31.70	7,117,662	31.58
Terraced	11,146	20.53	375,845	29.46	5,869,878	26.04
Flat, maisonette or apartment	6,157	11.34	145,201	11.38	4,325,436	19.19
Other	562	1.04	4,926	0.39	93,844	0.42
All household spaces	54,286	100.00	1,275,816	100.00	22,538,641	100.00

Source: Office for National Statistics, Census of Population © Crown copyright 2003

vi. Housing Tenure

The profile of homeowners has altered in the period between 1991 and 2001 with Pembrokeshire, Wales and England/Wales experiencing a rise in those owning their homes outright, (34% to 39%; 31% to 34% and 25 – 29% respectively) and a fall in those owning houses with a mortgage (35% to 30%; 40% to 37% and 43% – 39% respectively). This is considered to be a reflection on both an aging population of owner occupiers and an increase in the buy to let market.



Source: Office for National Statistics, Census of Population © Crown copyright 2003

Part of the housing problem in Pembrokeshire comes from the high level of second residences and holiday flats and apartments that are not available part of the residential stock. If these are included in the tenure equation then the County, has less owner occupation of properties by its residents than in the rest of the Principality or England/Wales. A similar picture occurs in relation to the proportion of households renting from a council or housing association.

Table 4 Tenure, 2001						
Tenure	**Pembrokeshire***		**Wales**		**England & Wales**	
	Total	**%**	**Total**	**%**	**Total**	**%**
Owner occupied	33,420	61.56	862,343	67.59	14,916,465	66.18
Rented from council/housing association	8,397	15.47	216,523	16.97	4,157,251	18.44
Private landlord/letting agency	4,481	8.25	89,832	7.04	1,888,696	8.38
Other	1,878	3.46	40,350	3.16	698,063	3.10
Vacant	2,788	5.14	51,252	4.02	727,448	3.23
Second residence/holiday accommodation	3,322	6.12	15,516	1.22	150,718	0.67
All household spaces	54,286	100.00	1,275,816	100.00	22,538,641	100.00

Source: Office for National Statistics, Census of Population © Crown copyright 2003

vii. House Prices

Since 2001 house prices in Wales have risen more rapidly than those of England/Wales as a whole. This trend has been reflected particularly strongly in Pembrokeshire, where the attraction of a high quality of life has meant that the increase is double that experienced in England/Wales.

The increasing demand for housing in Pembrokeshire, that has generated this price rise has been driven by in-migration of those attracted to the County as a retirement destination, but also by employment growth and by those who desire a second residence in the area.

Table 5 Residential Property Price Rises 2001 - 2006									
Property Type	**Pembrokeshire**			**Wales**			**England and Wales**		
	2001	**2006**	**% Change**	**2001**	**2006**	**% Change**	**2001**	**2006**	**% Change**
Detached	£103,513	£234,085	126.1	£109,679	£226,766	106.8	£179,233	£308,869	72.3
Semi-detached	£56,627	£150,990	166.6	£63,553	£140,672	121.3	£101,902	£184,027	80.6
Terraced	£51,391	£135,685	164.0	£49,297	£111,435	126.0	£89,348	£161,330	80.6
Flats	£43,546	£138,108	217.2	£58,268	£126,531	117.2	£118,523	£186,651	57.5
Average Price	£72,272	£179,637	148.6	£70,655	£155,881	120.6	£118,442	£203,624	71.9

Source: Land Registry © Crown Copyright

These increases in property prices have had a significant affect on the younger element of the County's workforce finding accommodation. The Joseph Rowntree Foundation's 'Affordability and the Intermediate Housing Market' Study provides information on the difficulties that working households aged 20-39 experience in accessing home ownership.

The analysis in the report is based on house prices for two and three bedroom properties 2004, derived from the Survey of Mortgage lenders. The study shows that the average ratio of house price to household gross earned income in Pembrokeshire is the second highest for local authority areas in Wales and 34th in Great Britain.

Table 6 Affordability and the Intermediate Housing Market 2004				
Local Authority	**Working Households**	**Earned Annual Income**	**Mean House Price**	**House Price to Income Ratio**
Pembrokeshire	9701	£21,682	£120,524	5.56
Wales	271,753	£27,039	£107,864	3.99
Great Britain	5,794,247	£36,865	£152,273	4.13

viii. Council Tax Banding

Dwellings are allocated to a council tax band depending on their selling value, with A being the lowest band and I the highest tax band. Table 7 provides information on the percentage of dwellings per council tax band in Pembrokeshire and Wales as a whole. The County has considerably smaller proportions of dwellings in the lowest valued housing (Bands A and B), with significantly higher levels in mid value properties (Bands C – F).

Table 7 - Council Tax Banding March 2006

Area	Band A		Band B		Band C		Band D		Band E	
	Count	%	Count	%	Count	%	Count	%	Count	%
Pembrokeshire	5781	10.43	8748	15.79	12561	22.67	10002	18.05	11034	19.91
Wales	200751	15.14	286140	21.59	289697	21.86	209041	15.77	170218	12.84
Area	Band F		Band G		Band H		Band I		All Bands	
	Count	%	Count	%	Count	%	Count	%	Count	%
Pembrokeshire	5130	9.26	1802	3.25	269	0.49	80	0.14	55407	100.00
Wales	103914	7.84	48745	3.68	11789	0.89	5237	0.4	1325532	100.00

Source: Valuation Office Agency © Crown Copyright 2007.

ix. Household Income and Earnings

The 2007 Annual Survey of Hours and Earnings (Resident Based) indicates that Pembrokeshire's median weekly gross pay for full time workers was £370, making it third lowest of Welsh unitary authorities, just above Ceredigion and Blaenau Gwent. The comparative Welsh figure amounted to £415, whilst for England and Wales the median rose to £457. Over the last five years earnings in Pembrokeshire have increased by 28 %, which is the second highest increase in Wales.

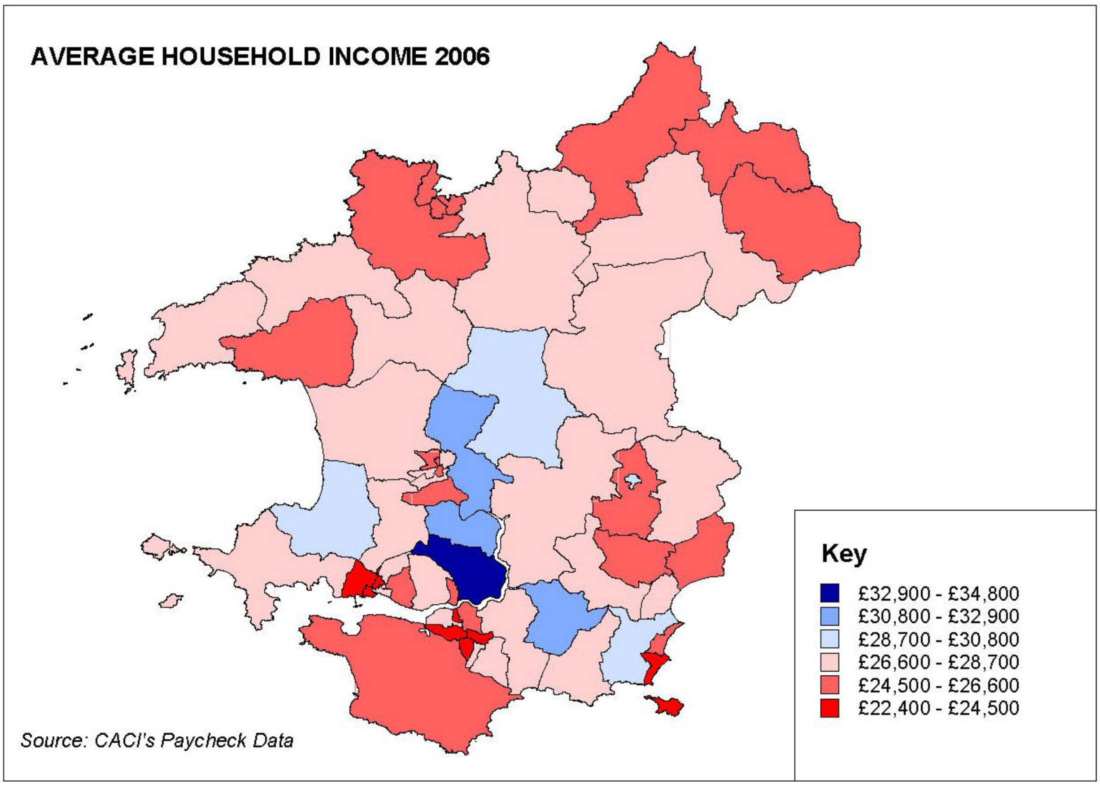
The poor earnings figures are mirrored by average household income levels within Pembrokeshire. Analysis of Information CACI Solutions' Paycheck data for the last four years indicates that Pembrokeshire has one of the lowest averages among Welsh unitary authorities. In 2007, Pembrokeshire had the fourth lowest average household income level (£28,158), which compared with Blaenau Gwent (lowest at £25,473) and Monmouthshire (highest at £34,943). The overall Welsh average was £30,321.

Table 8 Full-time workers: median weekly pay - gross 2002 - 2007

Area	2002	2003	2004	2005	2006	2007
Pembs	288.2	324.9	331.6	344.3	367.5	369.7
Wales	353.5	368.5	382.9	393.4	404.2	415.5
UK	390.9	404.0	419.2	431.2	443.6	456.7

NOMIS Office National Statistics Crown Copyright Reserved

Within the county there is a great disparity between average household income figures. Currently the most prosperous areas are households in Burton (£36,570) and Rudbaxton (£34,362), whilst the poorest areas are Milford West (£23,375) and Pembroke Dock Central (£23,276)



x. Workforce Mobility

Of the resident population in Pembrokeshire at the time of the 2001 Census, 40,212 worked within the authority area with an additional 2,322 people commuting in to the area and 4,655 commuting out. This results in a net migration export of 2333 workers, with a total of 6,977 commuter journeys across the authority boundary.

The table demonstrates that Pembrokeshire has an extremely high percentage or self containment of its workforce with 86.6% living and working in the County. As would be expected the most significant movements of commuters tend to be with the neighbouring authorities of Carmarthenshire and Ceredigion. In both cases more commuters travel out of the County than in from these neighbouring areas, the ratios being 1:1.4 for Carmarthenshire and 1:2.3 for Ceredigion.

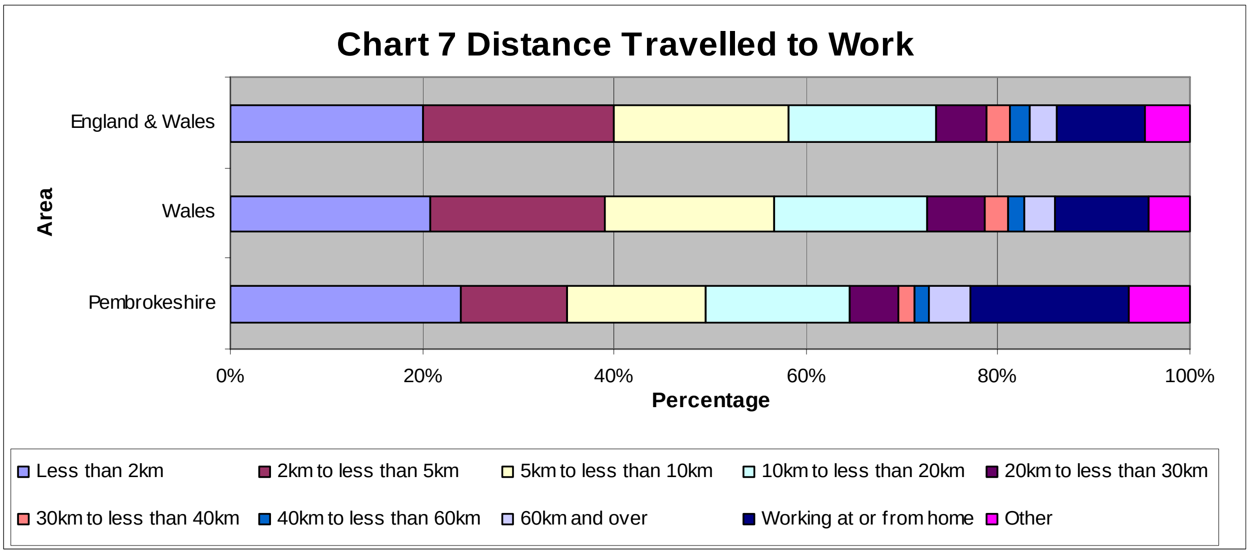
Table 9 Commuter Movements for Pembrokeshire, 2001

Area	Lives/Works in Area	Commutes IN	Commutes OUT	Net	Total Movements IN + OUT
Pembrokeshire	40,212	2,322	4,655	-2,333	6,977

Source: Office for National Statistics, Census of Population © Crown copyright 2003

Within the County, 16.4% of those in employment work from home, a significantly higher percentage than nationally. Private transport (motorcycle, scooter or moped, taxi or minicab) is the favoured choice of getting to and from work of 78.5% the County's commuters, whilst a further 13.9% get to work on foot.

In terms of distance travelled to work four out of ten workers in Pembrokeshire either work at home or within 2 kilometres of home, which is significantly more than national averages.



Source: ONS, 2001 Census of Population

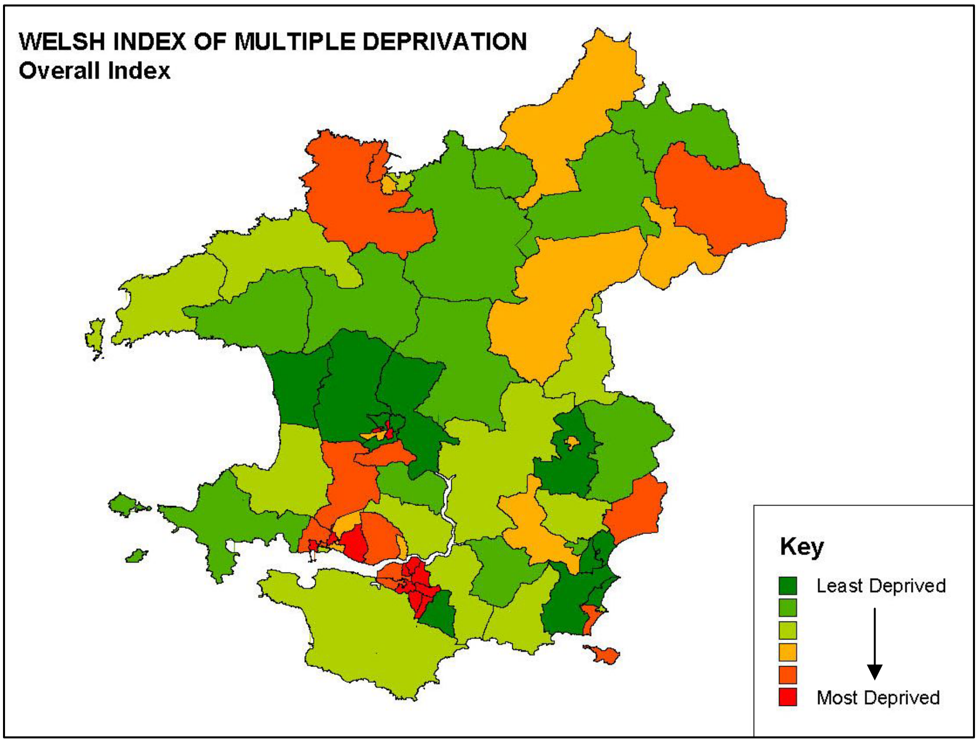
xi. Socio Economic Deprivation

The most robust and current measure of deprivation in Wales is the Welsh Index of Multiple Deprivation 2005 (WIMD), which is based on six factors: housing; employment; health and disability; education, skills and training; income; geographical access to services; and environment.

The results of WIMD 2005 show that only two LSOAs (Lower Super Output Areas) in the Pembrokeshire are in the most deprived 10% LSOAs in Wales, whilst 41% of its LSOAs fall within the 50% most deprived LSOAs in Wales. The three most deprived areas in Pembrokeshire are located in Pembroke Dock Llanion, Pembroke Monkton and Haverfordwest Garth.

In terms of the individual domains that contribute to the overall index score in the 10% most deprived LSOAs for Wales there are:

- Above average numbers of LSOAs in Pembrokeshire for Geographical Access to Services (41%);
- Average numbers of LSOAs for Housing (10%);
- Below average numbers of LSOAs for Income (4%), Employment (3%) and Education (3%)
- No LSOAs for Health or the Environment.


WELSH INDEX OF MULTIPLE DEPRIVATION
Overall Index
Key
Least Deprived
Most Deprived

3. Labour Market

i. Economic Activity

The economic activity rate of an area is based on data on the resident population and workforce and includes those in employment, self-employed and those looking for employment. This can provide the simplest indicator of the strength of labour demand in an area, however, this measure records residents who work in the area who may also commute, so jobs they fill may not be local. The previous section of this report on workforce mobility, however, indicated that there is a high level of self containment of the workforce who resides within Pembrokeshire.

Economic activity rates for the County over the last twenty five years have lagged behind Welsh and GB rates. Between the 1981 and 2001 Censuses male economic activity rates for Pembrokeshire fell by 13.1 percentage points, compared to 4.4 percentage points nationally. By contrast, despite female activity rates for the same period rising by 15.9 percentage points compared to the GB equivalent of 7.1 percentage points, women in Pembrokeshire still remain less economically active than women nationally, although they are more active than Wales as a whole. This suggested that despite the increase in the number of women in the workplace there remained in 2001 a hidden reserve of labour, which was essentially male.

Table 10 Economic Activity Rates 1981-2001

Area	Males (16 – 64)			Females (16-59)			Persons (16-59/64		
	1981	1991	2001	1981	1991	2001	1981	1991	2001
Pembrokeshire	89.7	82.5	76.6	49.0	58.9	64.9	70.5	71.3	70.9
Wales	87.5	81.2	81.2	55.4	62.5	62.5	72.2	72.2	72.2
GB	90.4	86.6	86.0	60.9	67.6	68.0	76.3	77.4	77.3

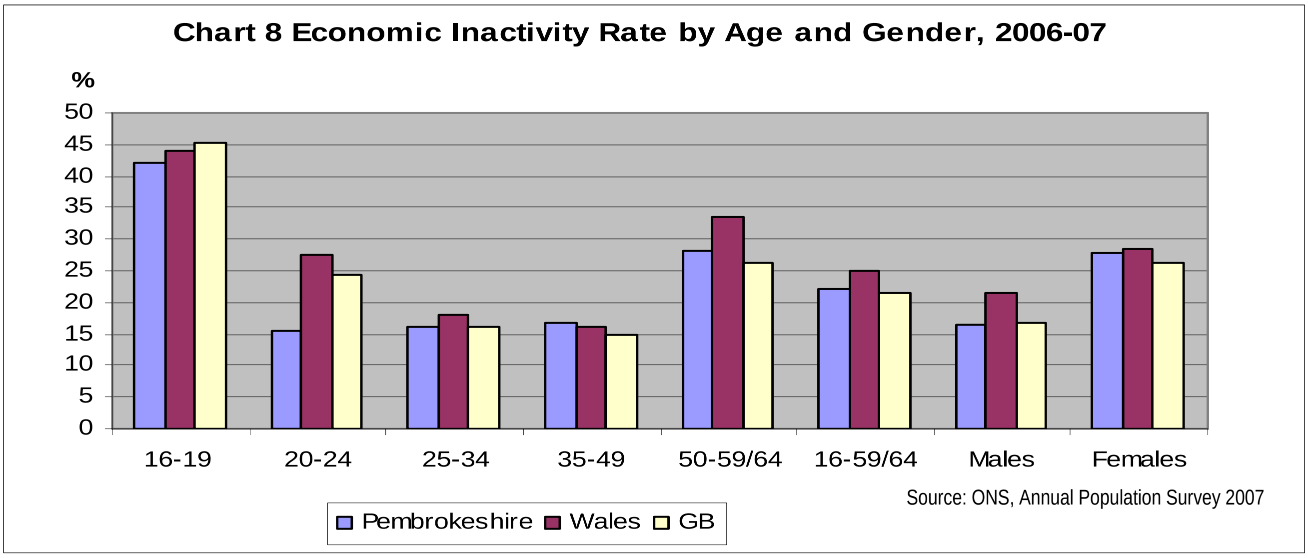
Source: Source: Office for National Statistics, 1981-2001 Censuses of Population © Crown copyright

The latest results from the Annual Population Survey (Sept 2007) suggests that there has been a marked increase in economic activity in the County over the last six years. Overall the Pembrokeshire economic activity rate (78.0%) is now only slightly behind the GB rate of 78.5% and well in advance of Wales as a whole (75.1%). This is mainly the result in males becoming more active in the workplace, with now 83.5% of working age being economically active. Currently, of those people resident in Pembrokeshire who are economically active, 63.3% are employees ((73.8% full time, 26.2% part time), whilst 11.7% are self-employed.

ii. Economic Inactivity

Economic inactivity measures those people that are excluded from the labour market - i.e. not in employment and not classed by the International Labour Organisation definition as unemployed. For statistical purposes, the economically inactive can be broadly split into three groups - those seeking work but not available to start within the next fortnight; those that want work but are not actively seeking it; and those who do not want work. The majority of those in retirement are unsurprisingly classed as economically inactive but this proportion – and the relative size of the retired population - varies across the country. In order to allow consistent comparisons to be made, this analysis of the economically inactive has been restricted to those who are both economically inactive and of working age. Although it is natural to expect some elements of economic inactivity in the population, a relatively high inactivity rate can be considered detrimental in an economic sense, as it is potentially a sign of under-utilisation of a valuable resource. It may also be an indicator of, or contributor to, social exclusion.

In the year to September 2007 the Annual Population Survey indicated that Pembrokeshire had relatively low levels of economic inactivity, with 14,900 working age residents considered to be inactive. This equates to 22.0% of the working age population. This was considerably below the Welsh average (24.9%), but reflective of the situation in Great Britain (21.5%). Pembrokeshire, currently, has one of the lowest levels of male inactivity (17%) among Welsh local authorities, whilst female inactivity (28.6%) equates to the Welsh average. The County's relatively lower levels of economic inactivity may be as a consequence of the incentives (employment opportunities) in the area, with greater opportunities for part time employment within Pembrokeshire a further incentive for people to remain economically active.

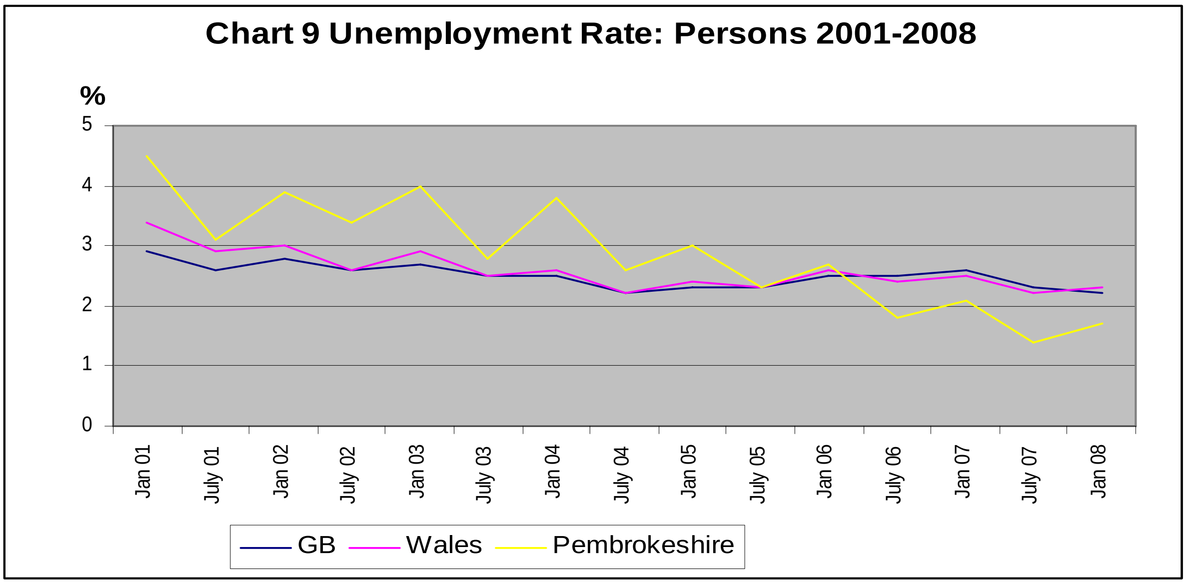


Economic inactivity rates for residents of working age have fallen steadily in recent years. According to the Annual Population Survey, the number of inactive people in Pembrokeshire has actually fallen by 2,300 people since 2004 (Sept 2004-Sept 2007), suggesting that people in the County are moving back into the labour market, either through increased opportunities and incentives to take up employment or through the need to raise household incomes following a period of relatively high price and low wage inflation, including the rising cost of housing. Again – if these figures truly reflect the current state of the labour market – the low rates currently being experienced may not be sustained if the economy slows down. As the population gets progressively older, a higher proportion of its increasingly prosperous residents may take early retirement, some forced. There has been a greater central Government policy focus on economic inactivity recently e.g. from 1st October 2006, there has been legal protection against age discrimination, which may have had the effect of slowing the growth of economic inactivity.

In terms of the current inactive only 15.1 % actually want employment but do not satisfy the full International Labour Organisation job search criteria (by actively seeking work and being available to start a job). The number of economically inactive persons that want a job has decreased by 1,500 over the year and this group of people is larger than those officially classified as unemployed.

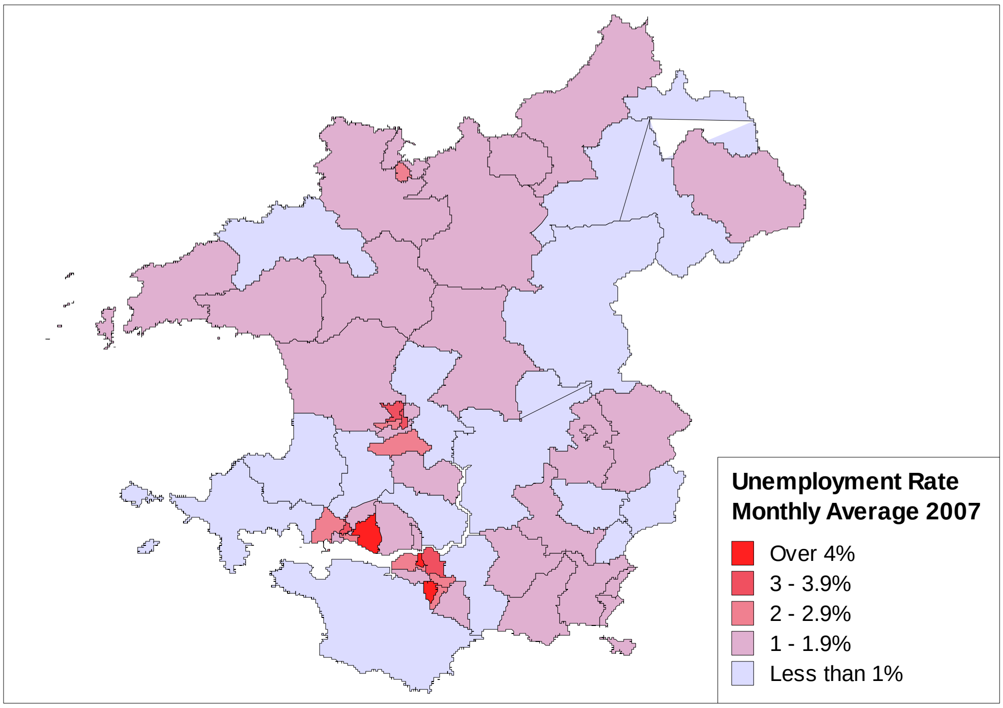
iii. Unemployment

Unemployment in Pembrokeshire has been declining since the year 2000; the trend has been the same for Wales and Great Britain. In actual terms, the overall unemployment rate has fallen from 4.5% in January 2001 and is currently standing (Jan 08) at just 1.7%. This fall has been at a much faster rate than both the Welsh and GB averages, which has meant that since early 2006 the county average has been consistently below national levels.

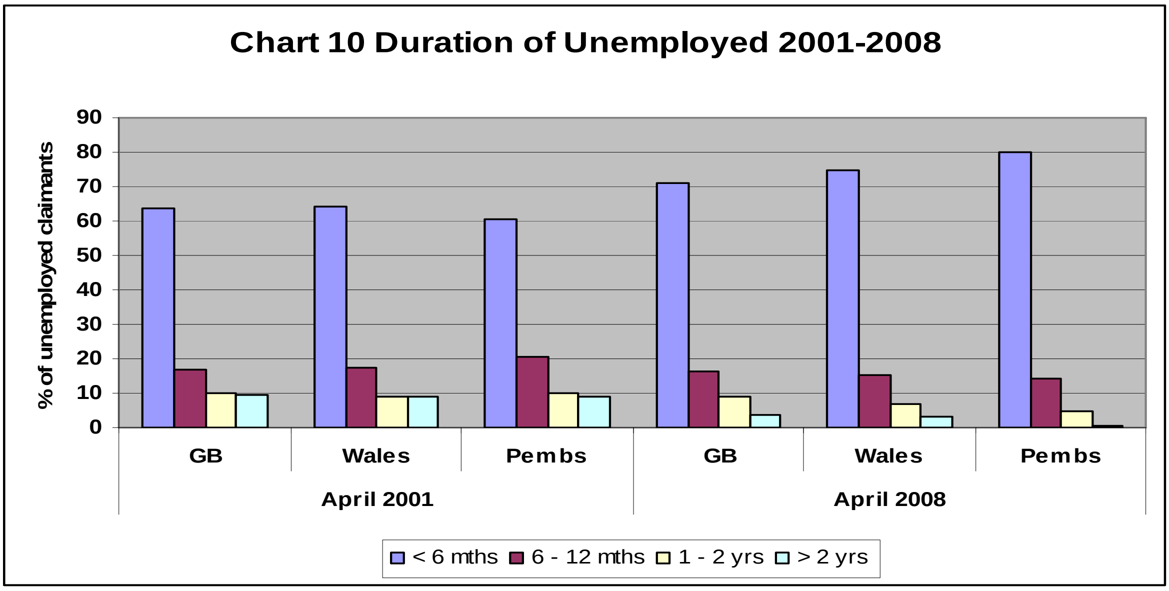


Source: Office for National Statistics (NOMIS): Claimant Count Unemployment, © Crown Copyright 2008

The actual number of claimants over the period has fallen by two thirds and now stands at 999 (April 2008). Chart 9 clearly shows that seasonality of unemployment is still a common attribute in Pembrokeshire, mainly because of a continued emphasis on tourist related employment.

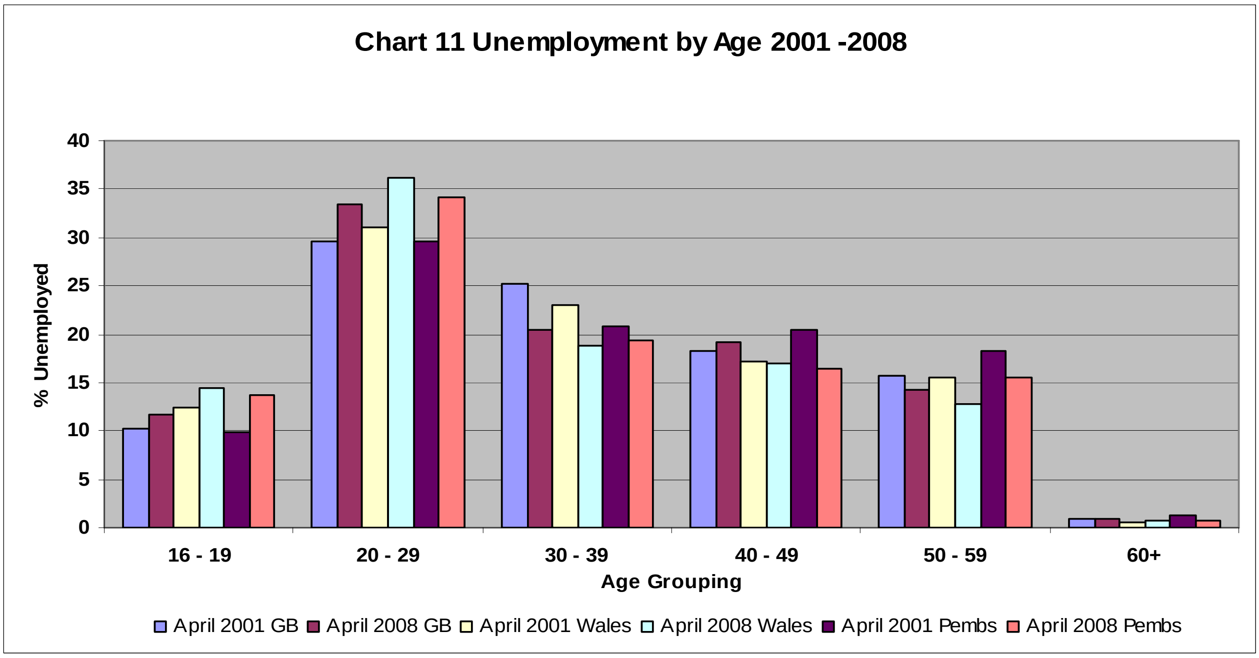


This overall improving unemployment situation has not occurred uniformly across the county, as pockets of higher unemployment still exist. For 2007, the average monthly unemployment rate ranged from 4.3% in Monkton and Milford East to 0.6% in The Havens and 0.4% in Amroth.



Source: Office for National Statistics (NOMIS): Claimant Count Unemployment, © Crown Copyright 2008

In terms of duration of unemployment the length of time people claim unemployment benefit in Pembrokeshire is generally shorter than the regional and national averages. Whereas in April 2001 six out of ten unemployed claimants (60.5%) had been claiming for 0-6 months by April 2008 the proportion had risen to 79.8%, which is significantly higher than for Wales (74.6%) or GB (71.0%). In the case of long-term unemployment, those who have been in receipt of unemployment benefit for over one year, the percentage of claimants for Pembrokeshire (5.7%) is currently half that for Wales (10.2%) or GB (12.6%).



Source: Office for National Statistics (NOMIS): Claimant Count Unemployment, © Crown Copyright 2008

Pembrokeshire's unemployment age structure is very similar to that of Wales and Great Britain, the largest group is the age group 20-29. The county now has a slightly higher than average percentage of unemployed claimants who are in their 50's, and less than the national average who are in their 30's or 40's.

iv. Employment Structure

The most detailed annual benchmark count of employment is the Annual Business Inquiry (ABI), conducted by the Office for National Statistics. The ABI collects information on the number of employee jobs by place of work, but it differs from those provided by both the Censuses of Population and the Labour Force/Annual Population Survey in that the latter besides including self-employed as well as employees also record information by place of residence rather than place of work. Unfortunately, at a local authority level the ABI excludes employee figures for agriculture i.e. class 0100 (1992 SIC). The following analysis should therefore be considered in the light of this shortfall.

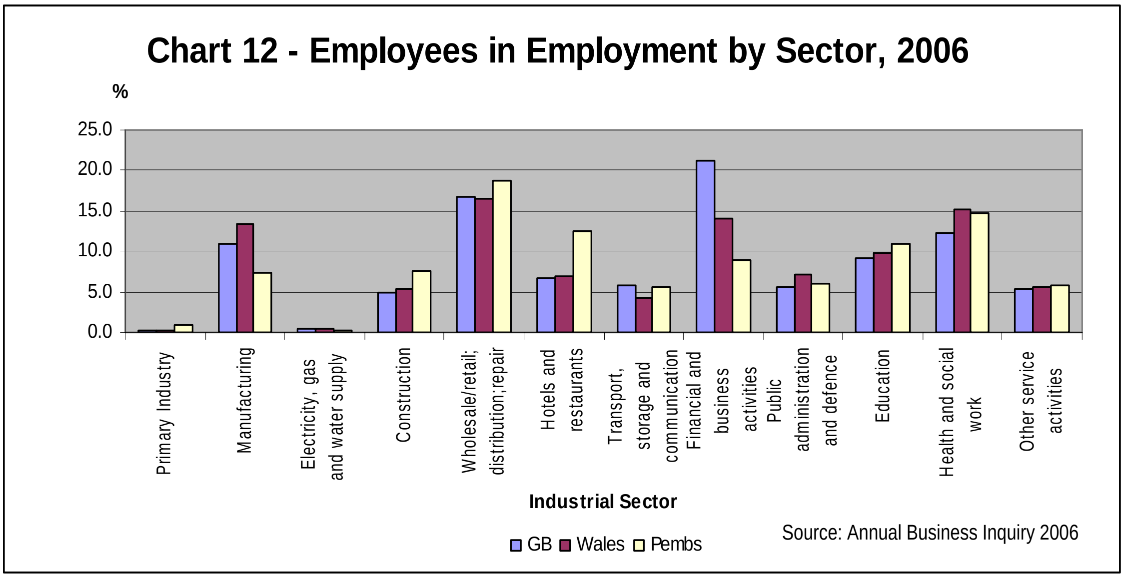
Table 11 Employee Jobs Profile, 1998-2006

	Pembrokeshire				Wales		GB	
	1998		2006		1998	2006	1998	2006
	Number	%	Number	%	%	%	%	%
Male Full-time	9,427	32.9	15,169	38.0	42.9	41.4	44.2	42.5
Male Part-time	2,223	7.8	3,552	8.9	6.5	7.7	6.5	7.7
Female FT	7,099	24.8	9,153	22.9	24.7	25.6	25.8	26.3
Female PT	9,867	34.5	12,057	30.2	25.9	25.3	23.5	23.4
Total Males	11,650	40.7	18,721	46.9	49.4	49.1	50.7	50.3
Total Females	16,966	59.3	21,210	53.1	50.6	50.9	49.3	49.7
Total Full-time	16,525	57.7	24,322	60.9	67.6	67.0	70.0	68.9
Total Part-time	12,091	42.3	15,608	39.1	32.4	33.0	30.0	31.1
Total Workforce	28,616	100.0	39,931	100.0	100.0	100.0	100.0	100.0

Source: ONS – Annual Business Inquiry 1998,2006 © Crown Copyright

The 2006 ABI survey estimates suggest that there were more than 39,900 employee jobs in Pembrokeshire in December of that year. This number was about 11,300 higher (39.5%) than in 1998 when the inquiry was first conducted. The 2006 employee workforce (less farm-based agricultural jobs) was divided slightly in favour of females (53.1%). During the 1998-2001 period, whilst the proportion of male full-time workers fell both nationally and regionally, in Pembrokeshire there was a significant increase. Despite this increase in overall terms full-time workers represent just 60.9% of employees in Pembrokeshire, compared to 67% in Wales and 69% in GB as a whole. As a consequence, close to 57% of the employee jobs filled by women in the County are of a part-time nature (i.e. working for 30 or fewer hours a week), whilst the profile for men remains much more heavily weighted towards full-time jobs with 81% working on a full-time basis.

In order to provide a range of employment to its residents and to offset the effects of wider economic change, the County needs a balance of employment across all sectors. The sector employment structure across Pembrokeshire overall currently does not follow national patterns. The proportion of employees in the County in ‘manufacturing’ and ‘financial and business activities’ sectors is significantly less than regionally and nationally, whilst Pembrokeshire has larger proportions of service related sectoral employment associated with ‘wholesale/retail; distribution and repair’ and ‘hotels and restaurants’.



Source: Office for National Statistics, Annual Business Inquiry 2006 © Crown Copyright

Although jobs in the majority of sectors appear relatively stable, each industrial grouping has its own sensitivity. Within Pembrokeshire a high number of jobs are provided in the public sector, which is considered to be a no growth or potentially declining employer. Analysis of employees in employment over the immediate past does give an indication of general trends in employment. Unfortunately changes to the methodology of data collection, a change to an up-dated Standard Industrial Classification (SIC,2003), together with the exclusion of agricultural employment estimates, tend to confuse analysis of job changes over time. At face value, however, the 2006 estimate of employee jobs in Pembrokeshire was approximately 40% higher than in 1998, which was significantly higher than regional or national increases. It is noticeable that large increases in employee numbers in the County occurred during 2005 and 2006, which may reflect the fall in the significant fall in the unemployed, coupled with the influx of workers associated with large development projects such as LNG and Bluestone.

Employment patterns over the period generally continued to reflect a shift in distribution from the production to service industries. Overall Pembrokeshire experienced significant growth in the ‘hotels and restaurants’, ‘business activities’ and ‘transport & communications’ sectors and a notable decline in ‘manufacturing’ and ‘financial intermediation’. The 2006 figures show public sector and tourism based employment jointly being the largest employers, each accounting for nearly a third of all jobs. Whilst the majority of the public sector employment is full-time, jobs in tourism are often considered to be part-time, seasonal, low quality and informal. Such jobs are typically occupied by migrants and females offering low wages and casual employment terms. Further uncertainty arises around the stability of jobs in tourism given the marked impacts global factors have on visitor numbers

Table 12 Employment Change 1998-2006										
Industry	**Number of Employee Jobs**									% Change 98-06
	1998	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	
Agriculture, forestry & fishing	*1	*1	*1	*1	*1	*1	*1	*1	*1	N/A
Mining, energy & water	*2	*2	*2	*2	*2	*2	*2	*2	*2	N/A
Manufacturing	3,455	2,380	4,098	3,046	2,916	2,978	2,759	2,519	2,974	-13.9
Construction	1,538	2,382	1,511	2,500	1,350	1,522	1,717	2,339	3,078	100.1
Wholesale & retail	6,543	6,260	5,719	7,092	7,146	6,849	6,859	7,605	7,504	14.7
Hotels & restaurants	2,088	3,456	3,683	4,798	3,045	4,026	2,758	4,914	5,051	141.9
Transport & communication	1,284	1,603	1,824	1,877	1,542	1,614	2,023	1,766	2,200	71.3
Financial intermediation	619	606	480	498	533	480	439	484	449	-27.5
Other business activities	1,528	2,358	3,091	2,163	1,709	2,130	1,885	2,813	3,131	104.9
Public administration & defence	2,216	2,120	2,288	2,113	2,199	2,287	2,281	2,508	2,403	8.4
Education	3,383	4,244	4,341	4,545	4,752	4,743	4,646	4,530	4,394	29.9
Health & social work	3,614	4,073	5,151	4,628	4,862	5,248	5,561	6,029	5,868	62.4
Other services	2,130	1,721	1,934	1,972	1,973	1,903	2,249	2,098	2,367	11.1
Pembrokeshire	28,616	31,502	34,368	35,535	32,262	33,993	33,424	37,883	39,931	39.5
Wales	1,038,078	1,069,525	1,080,312	1,089,589	1,097,479	1,117,390	1,162,242	1,189,126	1,183,468	14.0
Great Britain	24,354,983	24,827,357	25,214,647	25,490,315	25,593,747	25,710,646	26,067,531	26,496,642	26,320,590	8.1

Source: ONS, Annual Business Inquiry

*1 *Figures for agricultural employment not available at local authority level*

*2 *Confidential - Disclosive data*

Note - The 2003/06 ABI data is based on the SIC 2003 which differs from previous years' ABI data. This may give rise to discontinuities

As will have been noted the above analysis of employment does not include agricultural workers, this being mainly because the majority of farm employment is family based self employment that is not covered by the ABI employee survey. Agriculture remains the traditional backbone of Pembrokeshire's essentially rural economy despite employment in the industry being in steady decline since the early 1980's.

The latest Welsh Agricultural Survey shows that nearly 5,500 persons are now employed in the industry, this figure including not just employees, but the self employed, who are particularly important in the industry, especially in the more remote rural areas. This indicates that the decline in agricultural employment is continuing, especially in respect of casual workers, whose numbers have fallen by a third in the last four years. Regular workers is the only sector of agricultural employment in the County that is increasing, which mirrors the Welsh trend. In many respects agricultural employment is heavily dependent on government intervention and highly susceptible to external pressures. The beef and dairy industries were traumatized by the BSE crisis, whilst all farmers are threatened by further uncertainties associated with reform of the European Agricultural Policy. Informed predictions suggest that these uncertainties will continue the loss of agricultural employment over the foreseeable future, which will make diversification of the economic base of the industry particularly vital.

Table 13 Employment in Agriculture, 2002 , 2006						
	Pembrokeshire			Wales		
Type	2002	2006	% Change	2002	2006	% Change
Full-time principal farmer	2362	2117	-10.4	22455	20457	-8.9
Part-time principal farmer	2116	2059	-2.7	22580	22645	0.3
Regular workers	638	817	28.1	6084	8302	36.5
Casuals	708	476	-32.8	5173	5021	-2.9
Total	5824	5469	-6.1	56292	56425	0.2

Source:Welsh Assembly Government's Welsh Agricultural Survey

A characteristic of labour supply in Pembrokeshire is the importance of self employment. Levels of self employment in the area have significant effects on the local economy, which has a high proportion of small firms. Self-employment is said to usually increase when total employment growth turns negative due to an economic downturn. This is thought to be because when job market conditions tighten, more people who cannot find suitable employment tend to start their own business and become self-employed. The long period of economic growth that this country has now experienced has meant that this reason for choosing self-employment has not been particularly relevant for some years. The most recent figures suggest self-employment has continued to be a choice of preference for many even when there are good opportunities in the salaried sector.

The 2001 Census indicated that a fifth of economically active persons of working age were self-employed, which was considerably higher than the national average. The percentage of males who are self employed was higher again at 25.5%; this being accounted for by the dominance of agriculture, construction and tourism, all of which have sustained high levels of self employment. A factor contributing to the high incidence of self employment may have been the general lack of job opportunities in the area, which in turn has forced many local residents to start their own small businesses, especially in the tourism sector. The Annual Employment Survey 2007 suggests that currently the proportion of persons of working age in the County that are self employed has fallen, but they still represent a higher proportion of the working population than nationally.

Table 14 Self Employment, 2007						
Area	**Self employed persons of working age in employment**					
	Males		**Females**		**Persons**	
	Total	**%**	**Total**	**%**	**Total**	**%**
Pembrokeshire	6,100	21.8	1,800	7.9	7,900	15.6
Wales	114,500	17.0	38,200	6.6	152,600	12.1
Great Britain	2,442,200	17.0	887,300	7.4	3,329,600	12.6

Source: ONS, Annual Employment Survey 2007

Migrant workers are no longer found only in large conurbations but increasingly are working in rural areas or in regions that have had little or no previous history of migration, whether temporarily or for settlement. Although in employment terms migrant workers only represent a small proportion of Pembrokeshire's current workforce indications are that there numbers are likely to continue to grow as the EU expands over the coming years.

Table 15 Migrant Workers: National Insurance Number Registrations 2002-07					
Area	2002-03	2003-04	2004-05	2005-06	2006-07
Pembrokeshire	120	150	270	640	670
Wales	5380	6780	9900	15800	17020

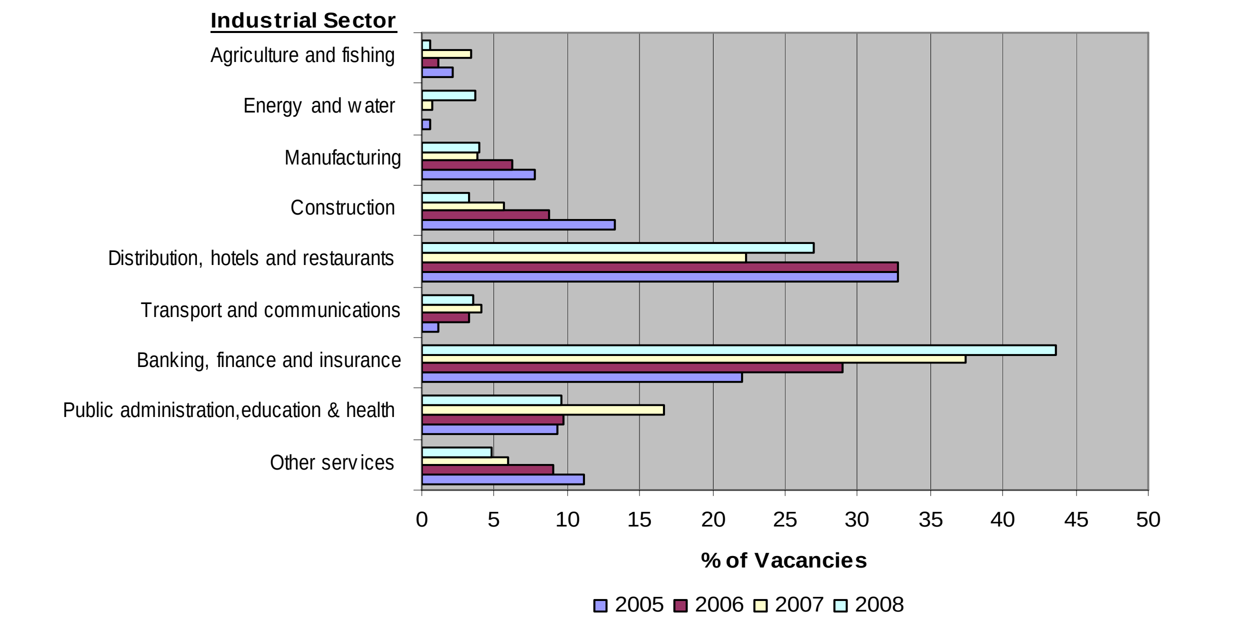
Source: DWP, National Insurance Recording System (NIRS)

During 2006/7, 670 migrant workers were National Insurance registered to work in the county. Little information is available as yet on these migrants as to whether they propose to remain working here and if they have brought, or intend to bring their families to Pembrokeshire to live permanently.

v. Vacancies

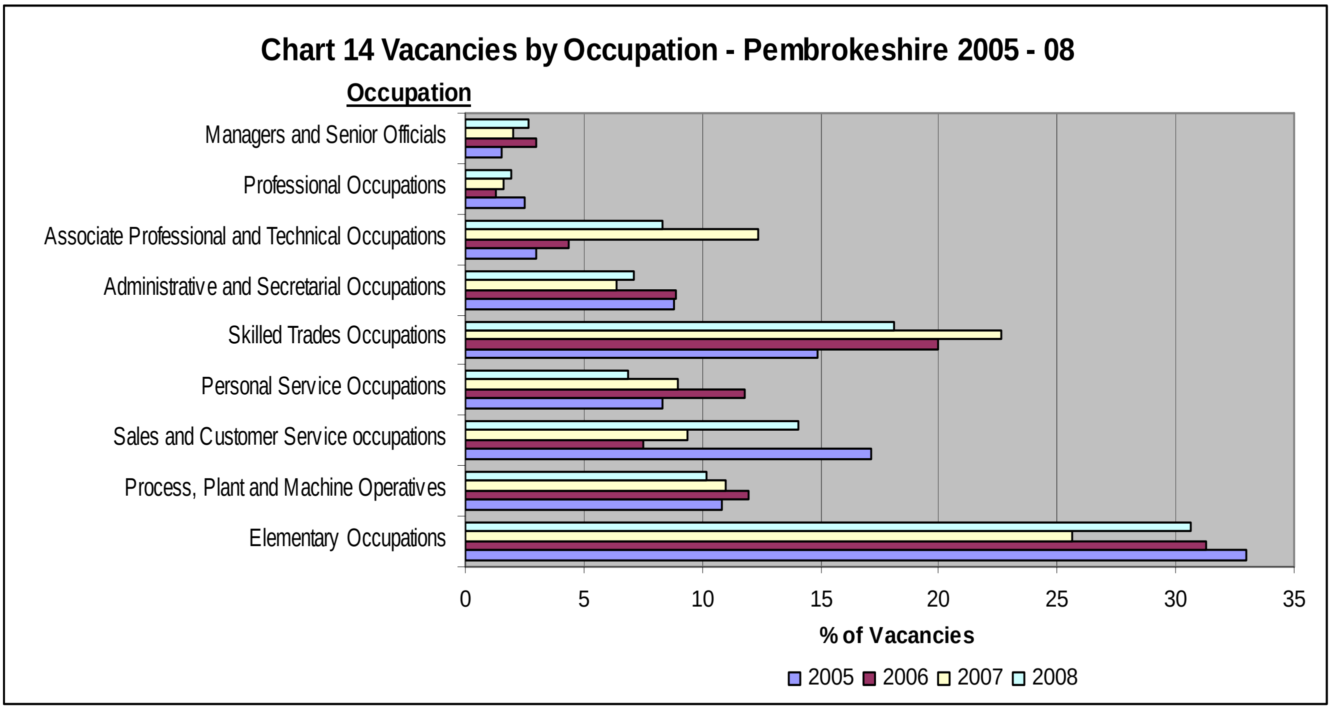
Overall the average number of Job Centre vacancies in Pembrokeshire for April 2008 was 519, this was 216 (29%) less than a year earlier; the April figures for 2005 and 2006 had also been in excess of 700. The following chart shows the current vacancies notified by industry in Pembrokeshire and highlights the number of jobs advertised in the ‘banking, finance and insurance’ (43.7%) and ‘distribution, hotels and restaurants’ (27%) sectors. Over the past year, ‘energy and water’ was the only industry to see the number of job vacancies increase. Of particular significance was the decline in the number of vacancies notified in the ‘construction’ and ‘public administration’ sectors.

Chart 13 Vacancies by Industry - Pembrokeshire 2005-08



Source: NOMIS, Department of Work & Pensions – Notified Vacancies to Job Centre Plus

When considering the type of jobs advertised Chart 14 shows the number of vacancies notified by type of occupation for the past four years. The highest number of vacancies came from elementary positions (30.6%) followed by ‘skilled trades’ (18.1%) and these two sectors account for half of the vacancies in Pembrokeshire’s job centres. This is a reflection of the high turnover rates in the tourism and manual jobs related industries. Professional and managerial positions account for just 4.6% of vacancies between them although not all such vacancies are advertised through job centres.



Source: NOMIS, Department of Work & Pensions – Notified Vacancies to Job Centre Plus

An additional labour demand indicator that may be used alongside job vacancies is 'job densities', which is defined simply as the number of filled jobs in an area divided by the number of working age people resident in that area. In areas with high jobs densities the demand exceeds the supply and whilst this might nominally offer potential job opportunities for residents of the area, the imbalance may be satisfied by workers who live outside the area (inward commuting). In areas with low jobs densities the supply exceeds the demand, and often residents will have to work in other areas (outward commuting) or be unemployed or economically inactive. It should be recognised, however, that there might not be a match between the jobs on offer in a given local area and the skills possessed by the resident working-age population in that area. In such cases both inward and outward commuting may occur and unemployment may exist.

Table 16 Job Density 2001- 05

Area	2001	2002	2003	2004	2005
Pembrokeshire	0.75	0.69	0.72	0.72	0.79
Wales	0.73	0.73	0.74	0.76	0.78
Great Britain	0.83	0.83	0.83	0.83	0.84

Source: ONS, NOMIS

In Great Britain in 2005, there were on average 0.84 jobs per person of working age. In Wales it was fractionally lower at 0.78, whilst Cardiff (1.04) was the only local authority in Wales to have more than one job per person of working age and was due to the city's unique nature of capital of Wales with many workplaces that employ a large percentage of commuters from outside Cardiff. Pembrokeshire's current ratio of 0.79 places it above the Welsh average and ranks 9th out of the 22 local authorities. By contrast, the local authority with the lowest ratio in Wales was Caerphilly, where there were only 0.54 jobs per person, this ratio being in part due to a large number of residents commuting to employment opportunities in neighbouring Cardiff or Newport.

vi. Skills

The 2006 Annual Population Survey showed that 25.6% of Pembrokeshire's working age population were graduates (NVQ4/5/Honours Masters Degree level), a rise of 1.3% from the previous year, and just above the Welsh average of 24.3%. By contrast, just 13.3% of the population had no qualifications, which was below the comparative figures for GB(13.8%) and Wales (16.2%). This level of qualifications illustrates the quality of the Pembrokeshire workforce, which in some respects is surprising given the low earnings levels achieved by Pembrokeshire residents.

In terms of gauging the skills potential of the future workforce of the County, in 2005/6, at GCSE level, 58% of pupils achieved 5 or more GCSE's at grades A* to C an increase from 49% in 2000/1. In comparative terms, this ranks Pembrokeshire 6th highest out of the 22 Welsh UAs, and compares with the overall Welsh average of 53.8%.

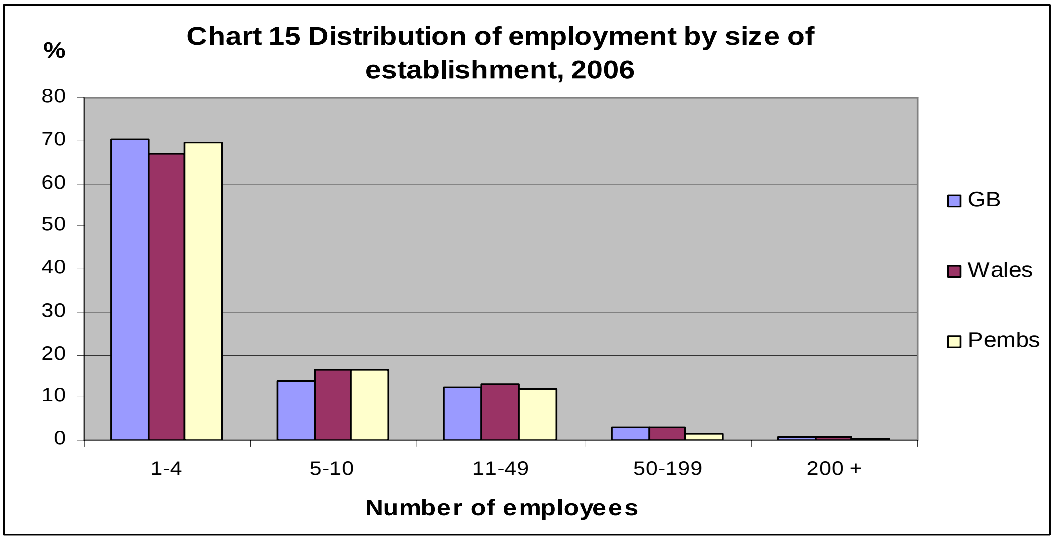
With regard to A level results, over the last 5 years, the number of pupils in Wales entering two or more A levels increased by nearly a quarter (23%). In 2006, 515 Pembrokeshire pupils in maintained schools were entered for 2 or more A/AS levels of whom 93.9% (Wales 94%) achieved at least two passes, and 69% (Wales 68%) achieved two passes at A-C.

The average A level points score achieved was 19.8 (Wales 20.1). The ranking of the achievement of 2 A levels A-C is affected by the percentage of young people remaining in education, thereby showing a different ranking to the GCSE rates.

4. Economic Profile

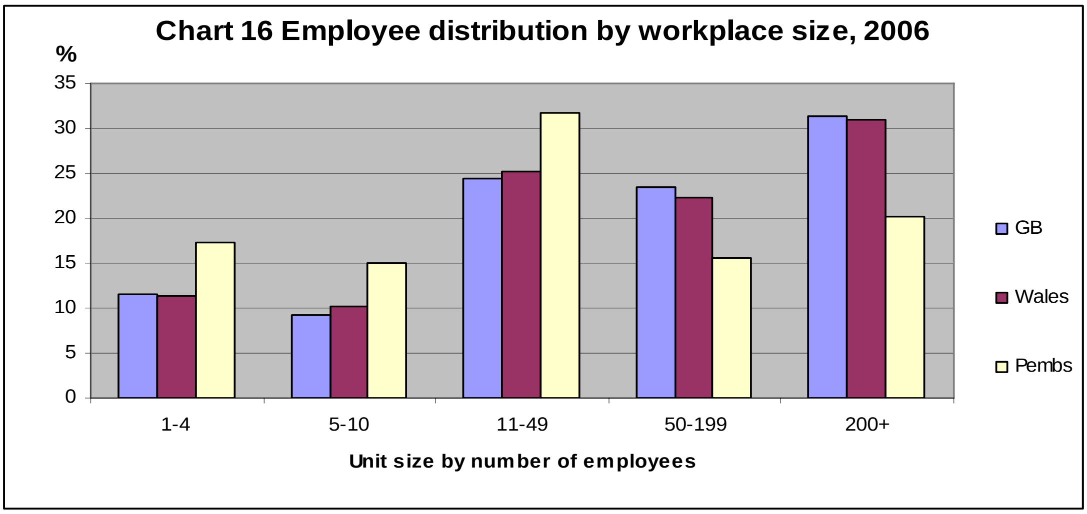
i. Business & Enterprise

The distribution of employees split by size of business they work for is considered to be a good indicator of how dynamic a local labour market is. Those areas which have a high proportion of employees working in small and medium size enterprises enjoy a more dynamic labour market and have a lower risk of high impact company closures. In terms of size of workplace Pembrokeshire largely reflects the patterns of workplace size found across both Wales and nationally, although the proportion of firms employing 50 or more employees is considerably less.



Source: Office for National Statistics, Annual Business Inquiry 2006 © Crown Copyright

The distribution of the proportion of employees by size of establishment clearly indicates that Pembrokeshire has higher numbers of employees working in small firms.



Source: Office for National Statistics, Annual Business Inquiry 2006 © Crown Copyright

An additional indicator of the size of the business population comes from analysis of VAT registered businesses as they give an indication of the level of entrepreneurship and of the health of the business population for an area. It should be noted, however, that VAT registrations may not give the complete picture of start-up and closure activity in the economy. Some VAT exempt sectors and businesses operating below the threshold for VAT registration are not covered. At the start of 2006, the VAT threshold was an annual turnover of £60,000, and 1.9 million of the estimated 4.5 million enterprises in the UK were VAT-registered. However, some businesses do voluntarily register for VAT even though their turnover is below the threshold. Data for 2006 shows that around a fifth of all registrations have turnover below the VAT threshold. It can be seen from the table below that in Pembrokeshire the stock of VAT registered business has remained unchanged, which does not reflect what has occurred in Wales or GB, both of which have seen significant increases.

Table 17 Stock of VAT Registered Businesses 1994 - 2006

Area	1994	1997	2000	2003	2006	% Change
Pembrokeshire	5,150	5,110	4,990	5,090	5,165	0.3
Wales	78,595	77,970	79,050	80,880	84,995	8.1
Great Britain	1,561,975	1,615,530	1,709,730	1,785,345	1,892,385	21.2

Source: NOMIS/Department for Business, Enterprise and Regulatory Reform (BERR).

ii. Land & Property

Demand/Property Enquiries by Location

Over the past six or seven years the commercial property market in Pembrokeshire has changed dramatically this is especially marked in the industrial sector.

<u>Industrial Units</u>

In April 2001 there were 51 industrial units on the market with over 60% being under 3,000 sq ft. By April 2003 the number of available units had fallen to 21 and less than 15% of these were under 3,000 sq ft.

Over the last few years there has never been more than 20 units available at any one time and at times there were considerably fewer. Currently there are 21 units on the market and a further 8 are under construction and for the first time for many years there are more smaller than larger units on the market.

However the geographic spread of the available units is far from ideal and does not match the pattern of demand. Most marked here is the shortage of available units in Haverfordwest.

Size\ Location	Milford	Narberth	Neyland	H/West	P Dock	Fishguard	Other
Up to 1,000 sq ft	1				1		1 St Davids
1,001 – 3,000	1	2	1		2		2 Brawdy 1 Waterston 1 Johnston
3,001 – 5,000							1 Brawdy
5,001 – 10,000			1				1 Tenby
10,001 – 20,000				1	2	1	
20,000 +							1 Brawdy
TOTAL	**2**	**2**	**2**	**1**	**5**	**1**	**8**

Whilst the supply of units has been unable to keep up with the level of demand rents have risen and where in 2003 a small unit in good condition would have achieved a rent of £3.20 a sq ft the asking price today is more likely to be £6-£7 with deals being struck at £5-£6.

When the shortage, especially of small units, began to become apparent the County Council facilitated applications for Objective 1 funding for local developers and three projects in Johnston, Nine Wells and Haverfordwest were successful in their applications. Of the 21 units provided under this scheme only one (in Nine Wells) is still available.

Some private sector developers and investors have also entered the market. In Neyland, on the Honeyborough Industrial Estate, nine very basic 1,000 sq ft units have been built and all are now occupied. In Pembroke Dock a Cardiff based investor purchased the former Cambrian Windows factories, some of these have been converted into small units and we understand that currently only two are unoccupied out of the 12 units that were made available at the end of 2007.

Another private sector initiative was to convert the former Dowty factory in Milford Haven into smaller units, these were quickly occupied as there were no alternative units in that part of the County

Offices

At first sight there are a reasonable number of offices available in Pembrokeshire, but as with the Industrial units the geographic distribution is far from ideal.

Size\ Location	Milford	Narberth	Neyland	H/West	P Dock	Fishguard	Other
Up to 500 sq ft							6 Brawdy 6 Merlins Bridge
501 – 1,000	33 Marina			High Street	Captain Supers		4 Brawdy
1,001 – 3,000				Bridge Street Greens	Sunderland House Pier House		
3,001 +	Cedar Court						
TOTAL	**34**			**3**	**3**		**16**

The bulk of the 33 offices in Milford Haven have been built as part of the former Enterprise Zone and, as has happened with other offices built around Milford Marina we expect to see planning applications submitted to convert the offices into residential units.

The few offices that are available in Haverfordwest do not meet the customer’s requirements which typically include a need for car parking and disabled access.

In Pembroke Dock a number of listed buildings in the Royal Dockyard have been skillfully refurbished into quality offices and after a slow start the majority of the space available has now been occupied. This has encouraged the Port Authority to refurbished Pier House and PEM Developments to start refurbishing the former Commodore Hotel.

Demand

It is not easy to quantify the level of demand for commercial properties. We included questions in the SME surveys commissioned in 2003 and 2006 asking if the businesses expected to move to new or larger premises in the next 12 months. In 2003 11% of businesses expected to move but this had fallen to 5% when the survey was repeated in 2006. However the experiences with the new properties (detailed above) suggests that demand is still buoyant. We have also noted that most of the new occupiers in Neyland never contacted the County Council when seeking new premises.

Key issues

As demonstrated in Neyland and Pembroke Dock basic units are in demand. By keeping the units basic the rents can be minimised. Any requirement to design and construct new units to BREEAM Excellent standards will increase the Rents and this might push the units beyond what many local SMEs can afford. Some SMEs are already suffering from the removal of the Rural Rate relief which previously meant that most small units on the Withybush estate paid no rates.

We have seen projects in Withybush delayed by the lack of suitable infrastructure especially drainage capacity. These delays and the extra cost to provide the require facilities increases the build cost.

One other concern is the availability of high bandwidth Broadband. Most commercial development sites are at the edge of town and almost by definition some distance from the local telephone exchange. This physical distance limits the bandwidth available via ADSL. The cost of providing alternative Broadband facilities is high and again adds to the development cost and eventually the rentals.

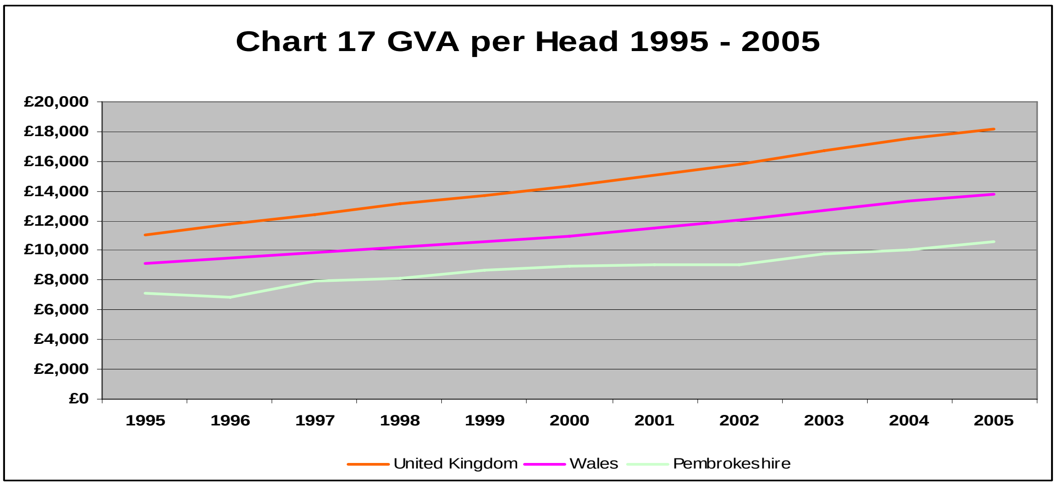
iii. Economic Growth

Gross Value Added (GVA), is an indicator of economic prosperity that allows comparison of regional and national performance to be made and to examine progress over time. Basically it is the difference the difference between the value of goods and services produced and the cost of raw materials and other inputs which are used up in production. GVA therefore provides a measure of the value of production taking place within an area.

Estimates of GVA are published at NUTS3 level, which for Pembrokeshire is the South West Wales area (Pembrokeshire, Carmarthenshire and Ceredigion). No estimates are officially published below this level, but utilising a methodology devised by Kent County Council Analysis & Information Unit, a separate estimate County GVA has been produced that is consistent with the published NUTS3 level data.

GVA per head is an indicator of productivity in that it is calculated by dividing total GVA by the resident population, thereby excluding income brought into an area via commuting.

In 2005 Pembrokeshire contributed an estimated £1,235 million to the UK economy, an increase of 54.8% since 1995, which mirrors the overall Welsh performance for the period. Viewed comparatively with the rest of Wales, Pembrokeshire was the tenth most improved authority over the ten year period, but the value of its current output is just a sixth of Cardiff.



Since 1995 GVA per head has increased in Pembrokeshire from £7,110 to £10,576. This increase of 48.7% compares with a Welsh average of 50.9% and a UK figure of 64.1%. Despite its improvement Pembrokeshire's current GVA per head figure is the fifth lowest of the Welsh authorities, which is headed by Cardiff (£23,989), with the least productive authority being the Isle of Anglesey (£9,392).

Note: For further information on Pembrokeshires Employment Sites, and changes to them between 2000 and 2007, please see the Employment Land Report entitled "*Employment Sites Report Comparison of 2000, 2003, 2005 and 2007 Survey Data*" [Emma Evans, October 2008].

5. Economic Performance Indicators

Whilst the previous sections have examined a large number of factors affecting the economic make-up and general economic structure of the County this section is devoted to comparing the performance of Pembrokeshire relative to other Welsh local authorities. In the final part of this analysis a more detailed benchmarking assessment is undertaken to show how the County's current economic performance compares against authorities in the South West Wales area, namely Carmarthenshire, Ceredigion, Neath/Port Talbot and Swansea.

5.1. The Regional Context

i. Demography

Pembrokeshire's demographic characteristics have a fundamental influence on the county's economic performance and development in that they determine the size and make-up of the workforce. Table 18 shows the age profiles of Welsh local authorities, and confirms that Pembrokeshire has one of the oldest age structures within the Principality. Its median age of 43 years ranks it as one of the 3rd 'oldest' of the 22 in Wales along with Carmarthenshire, and as a consequence of this its dependency ratio is equally high when compared with the rest of Wales. Its dependency ratio of 61.6 is the highest of those counties in the South West Wales region, where Ceredigion, with its high level of students has the lowest ratio at 51.5.

Table 18 Regional Indicators: Age Comparison 2006

UAs	% Population by age groupings, 2006:					Dependency Ratio	Welsh UA Dependency Ratio Ranking	Median Age	Welsh UA Median Age Score Ranking
	0 - 14	15 - 24	25 - 44	45 - 64	65+				
Anglesey	17.0	11.5	23.2	28.3	19.9	58.7	18	43	16
Blaenau Gwent	17.8	13.4	25.7	25.7	17.3	54.2	10	40	6
Bridgend	17.9	12.2	26.9	26.0	17.0	53.6	9	40	6
Caerphilly	18.9	12.8	27.0	25.5	15.8	53.1	6	39	4
Cardiff	17.4	19.0	28.6	21.2	13.8	45.4	1	34	1
Carmarthenshire	17.2	11.7	23.4	27.9	19.7	58.6	17	43	16
Ceredigion	14.5	18.4	20.4	27.2	19.5	51.5	4	42	15
Conwy	16.3	10.7	22.6	27.1	23.4	65.7	22	44	21
Denbighshire	17.1	11.4	23.8	27.2	20.6	60.4	19	43	19
Flintshire	17.9	12.0	27.4	26.7	16.1	51.4	3	40	6
Gwynedd	17.2	13.9	23.2	26.3	19.5	57.8	15	41	13
Merthyr Tydfil	18.3	13.5	25.9	25.7	16.5	53.4	8	39	4
Monmouthshire	17.6	10.7	23.9	28.8	19.1	57.8	16	43	16
Neath Port Talbot	17.2	12.4	25.1	27.0	18.2	54.9	11	41	13
Newport	19.3	13.7	26.4	24.3	16.2	55.1	12	38	2
Pembrokeshire	17.9	11.2	22.6	28.1	20.2	61.6	21	43	16
Powys	16.9	10.5	22.7	29.1	20.8	60.5	20	44	21
Rhondda, Cynon, Taff	18.0	13.7	26.8	25.1	16.4	52.5	5	38	2
Swansea	16.6	15.2	25.0	25.1	18.2	53.2	7	40	6
Torfaen	18.2	13.0	25.1	26.1	17.5	55.6	14	40	6
Vale of Glamorgan	18.5	12.8	25.1	26.4	17.2	55.5	13	40	6
Wrexham	17.6	12.5	27.4	26.1	16.3	51.4	2	39	4
Wales	17.6	13.4	25.4	25.9	17.7	54.5		40	

Source: Office for National Statistics, Mid Year Estimates of Population © Crown copyright

In line with this old age profile Pembrokeshire has one of the highest proportions in the oldest age band (45-64) of persons of working age and less in the younger age bands (15-24 and 25-44).

The key factors that determines the age structure of a locality is the amount of population change that occurs through migration. Putting Pembrokeshire's population change between 1991-2006 in a regional context the County (4.3%) increased more rapidly compared to the overall Welsh rise of 3.2 per cent. It can be seen that across Welsh local authorities there is a considerable variation in population change. For example, the largest increase occurred in neighbouring Ceredigion, which saw its population rise by nearly a fifth over the fifteen year period, whereas six Welsh local authorities experienced an overall decrease in their resident populations, with Methry Tydfil showing the largest fall (-6.8%). Of the remaining areas in South West Wales, both Swansea and Neath Port Talbot experienced falls in their resident population over the period, whilst Carmarthenshire, at 4.9%, increased at a rate similar to Pembrokeshire

Table 19 Regional Indicators: Migration and Population Change

UAs	Total Net Migration 1991-2006	Average Net Migration 1991-2006	Average Net Migration 1991-2006 as proportion of 2006 Population	% Change in resident population 1991-2006	Welsh UA Change in Resident Population Score Ranking
Anglesey	900	60	0.1	-0.3	17
Blaenau Gwent	-2,000	-133	-0.2	-4.6	21
Bridgend	2,100	140	0.1	2.4	14
Caerphilly	-3,900	-260	-0.2	0.4	15
Cardiff	6,500	433	0.1	6.9	5
Carmarthenshire	15,800	1,053	0.6	4.9	8
Ceredigion	13,700	913	1.2	17.0	1
Conwy	11,100	740	0.7	3.1	12
Denbighshire	10,800	720	0.7	7.5	4
Flintshire	4,200	280	0.2	5.7	6
Gwynedd	5,100	340	0.3	2.8	13
Merthyr Tydfil	-4,300	-287	-0.5	-6.8	22
Monmouthshire	8,300	553	0.6	9.6	2
Neath Port Talbot	2,000	133	0.1	-1.3	20
Newport	200	13	0.0	3.4	11
Pembrokeshire	6,400	427	0.4	4.3	10
Powys	14,800	987	0.8	9.6	3
Rhondda, Cynon, Taff	-2,100	-140	-0.1	-0.4	18
Swansea	-300	-20	0.0	-1.2	19
Torfaen	-1,600	-107	-0.1	0.1	16
Vale of Glamorgan	4,400	293	0.2	4.4	9
Wrexham	6,000	400	0.3	5.5	7
Wales	97,100	6,473	0.2	3.2	

Source: Office for National Statistics, Mid Year Estimates of Population © Crown copyright

The change in population can be explained by an in-migration rate for Pembrokeshire which has been consistently higher than out-migration. As the previous section of this report alluded to, however, it is the age structure of the migrants that is the most significant factor for economic development. The County's high dependency ratio suggests that Pembrokeshire may not be performing as well as other Welsh authorities in attracting migrants of working age.

ii. Economic Scale

The macro-economic scale of Pembrokeshire's economy can be assessed in relation to other areas of Wales both in terms of its output and its share of the region's employment pool.

Table 20 Regional Indicators: GVA and Employment

UAs	Share of Welsh GVA 2005	GVA Welsh Ranking 2005	Share of total Welsh employment 2006	Employment Scale Welsh Ranking 2006
Anglesey	1.6	22	1.7	21
Blaenau Gwent	1.6	21	1.6	22
Bridgend	4.5	8	4.6	7
Caerphilly	4.0	10	4.2	9
Cardiff	18.5	1	16.3	1
Carmarthenshire	4.8	6	5.1	6
Ceredigion	2.1	19	2.2	19
Conwy	3.0	16	3.0	16
Denbighshire	3.0	17	3.1	15
Flintshire	5.9	5	5.7	5
Gwynedd	3.7	11	3.9	11
Merthyr Tydfil	1.7	20	1.9	20
Monmouthshire	3.3	14	3.0	18
Neath Port Talbot	3.5	13	3.6	12
Newport	6.7	3	6.4	4
Pembrokeshire	3.0	15	3.4	13
Powys	4.0	9	4.0	10
Rhondda, Cynon, Taff	6.3	4	6.6	3
Swansea	8.0	2	9.0	2
Torfaen	2.8	18	3.0	17
Vale of Glamorgan	3.5	12	3.3	14
Wrexham	4.6	7	4.4	8
Wales	100.0		100.0	

Source: Office for National Statistics © Crown copyright

Currently the County contributes around £1235 million, or 3% to the Welsh economy, which is relatively small by Welsh standards. Pembrokeshire ranks 15th out of the 22 Welsh authorities in terms of GVA and 13th in terms of employees in employment. Within South West Wales Swansea is the largest contributor to the Welsh economy with a current GVA of £3238 million (8%), whilst Ceredigion is the smallest with £837 million.

An additional measure of the scale of Pembrokeshire's economy is its performance in relation to productivity. Table 21, on the following page, shows that Pembrokeshire does not perform very well in terms of productivity, when taking into account average earnings and GVA per head. Only Blaenau Gwent and Ceredigion have lower earnings than Pembrokeshire, whilst in terms of the value of products and services generated by businesses per resident the County out performs four Welsh local authority areas. Within South West Wales the most productive performer is Swansea, whilst Neath Port Talbot is the worst, with a GVA per head below Pembrokeshires. Interestingly, despite this poor performance Neath Port Talbot currently has the highest earnings of all authorities in Wales.

Table 21 Regional Indicators: Productivity and Earnings				
UAs	Average Gross Weekly Earnings 2007	Earnings Ranking 2007	GVA per Head 2005	GVA per Head Ranking 2006
Anglesey	418.0	7	9,392	22
Blaenau Gwent	339.2	22	9,416	21
Bridgend	422.1	6	13,885	7
Caerphilly	400.0	9	9,452	20
Cardiff	425.7	5	23,989	1
Carmarthenshire	399.3	11	11,035	15
Ceredigion	349.5	21	10,876	17
Conwy	377.1	16	11,076	14
Denbighshire	379.5	14	12,803	8
Flintshire	431.0	3	16,019	3
Gwynedd	388.0	13	12,735	9
Merthyr Tydfil	364.2	19	12,659	10
Monmouthshire	373.2	17	15,157	4
Neath Port Talbot	471.2	1	10,500	19
Newport	426.3	4	19,465	2
Pembrokeshire	362.6	20	10,576	18
Powys	370.4	18	12,418	12
Rhondda, Cynon, Taff	406.8	8	10,931	16
Swansea	378.1	15	14,302	6
Torfaen	399.9	10	12,560	11
Vale of Glamorgan	464.7	2	11,809	13
Wrexham	392.4	12	14,321	5
Wales	404.7		13,784	

Sources: Annual Business Inquiry/Annual Survey of Hours and Earnings, Office for National Statistics © Crown copyright

In terms of economic change, Pembrokeshire's performance has been above average over the last ten years. The County's 48.7% increase in GVA per head since 1995 reflects the Welsh average, placing it tenth in performance terms among Welsh counties. In terms of its South West Wales neighbours only Swansea has recorded a more impressive increase in GVA per head than Pembrokeshire. The County's increase in gross weekly pay since 1998 was also impressive and well above the Welsh average, placing it fifth in terms of improvement. As a consequence its 37.8% improvement was the highest in South West Wales, although as has been recorded previously earnings in Pembrokeshire still lag behind the majority of Wales.

Similarly the County has seen a significant increase in employment in recent years. In percentage terms Pembrokeshire has shown the highest increase in job creation in Wales, the increase being nearly three times the Welsh average. Carmarthenshire was second in the Welsh rankings with 37.9%, whilst Neath Port Talbot's workforce actually registered a slight decrease over the period.

Table 22 Regional Indicators: Economic Change						
UAs	% Change in GVA per Head 1995-2005	Change in GVA per Head Ranking	% Change in Gross Weekly Pay 1998-2007	% Change in Gross Weekly Pay 1998-2007 Ranking	% Change in Employment Total 1998-2006	Employment Change Ranking
Anglesey	58.8	7	32.5	9	21.1	7
Blaenau Gwent	44.8	12	18.9	21	-6.8	22
Bridgend	37.0	16	41.4	3	14.8	11
Caerphilly	42.6	15	28.8	13	10.5	12
Cardiff	83.0	2	34.3	8	26.8	4
Carmarthenshire	27.4	20	31.7	11	37.9	2
Ceredigion	47.0	11	36.6	7	23.4	5
Conwy	52.9	8	45.6	1	9.3	13
Denbighshire	50.5	9	23.8	18	17.7	9
Flintshire	35.1	17	26.1	16	16.7	10
Gwynedd	44.7	13	29.4	12	20.0	8
Merthyr Tydfil	61.5	5	17.0	22	29.6	3
Monmouthshire	87.2	1	37.2	6	8.3	14
Neath Port Talbot	21.7	21	26.0	17	-0.8	19
Newport	76.0	3	23.6	19	5.5	16
Pembrokeshire	48.7	10	37.5	5	39.5	1
Powys	34.5	18	31.7	10	1.9	18
Rhondda, Cynon, Taff	43.4	14	41.3	4	7.1	15
Swansea	62.4	4	22.8	20	23.0	6
Torfaen	29.2	19	27.8	15	-4.2	20
Vale of Glamorgan	59.9	6	44.8	2	-5.3	21
Wrexham	17.0	22	28.7	14	5.2	17
Wales	50.9		31.0		14.5	

Sources: Annual Business Inquiry/Annual Survey of Hours and Earnings, Office for National Statistics © Crown copyright

iii. Industrial Structure

The economic performance of any area is essentially influenced by its industrial structure and in advanced economies; the critical structural trend is the growth of what has been termed 'the knowledge economy' across industrial sectors. An assessment has been made to ascertain how Pembrokeshire is performing in respect of innovation, technology, creativity, by examining the county's industrial structure from this knowledge economy perspective. In order to achieve this a distinction has been made between knowledge based production and services as follows:

- Knowledge-based production – aerospace, electrical machinery and optical equipment, printing , publishing and recorded media, chemicals and energy;
- Knowledge-based services – telecommunications, computer and related services, research and development, finance and business services, air transport services, recreational and cultural services.

Table 23 Regional Indicators: Industrial Structure						
UAs	**% Employees on Knowledge-driven Production 2006**	**% Employees on Knowledge-driven Services 2006**	**% Employees in Knowledge Economy 2006**	**% Employees in Knowledge Economy 2006 Ranking**	**% Change in Employees in Knowledge Economy 2001-2006**	**% Change in Public Service Employment 2001-2006**
Anglesey	0.1	8.3	8.4	16	6.1	7.1
Blaenau Gwent	0.5	4.2	4.6	22	-9.9	4.1
Bridgend	1.7	6.2	7.8	18	-28.8	52.2
Caerphilly	1.6	7.2	8.8	14	-0.5	35.3
Cardiff	0.4	22.9	23.3	1	20.5	1.8
Carmarthenshire	0.1	6.8	7.0	19	21.1	38.1
Ceredigion	0.5	20.2	20.7	2	14.6	8.9
Conwy	0.5	8.3	8.8	15	11.9	-0.9
Denbighshire	0.2	8.1	8.4	17	78.2	17.7
Flintshire	1.2	7.8	9.1	13	80.2	1.4
Gwynedd	0.7	12.0	12.7	6	1.9	11.7
Merthyr Tydfil	0.2	9.8	9.9	10	39.3	39.4
Monmouthshire	1.3	8.7	10.1	9	4.9	-11.7
Neath Port Talbot	0.6	6.1	6.7	20	1.5	24.1
Newport	2.1	13.1	15.1	4	15.3	20.3
Pembrokeshire	0.8	9.3	10.1	8	41.0	12.2
Powys	0.5	11.5	12.1	7	73.2	4.0
Rhondda, Cynon, Taff	0.3	9.1	9.4	12	-0.8	5.1
Swansea	0.4	14.8	15.2	3	18.4	18.0
Torfaen	0.2	5.7	6.0	21	-24.0	11.3
Vale of Glamorgan	0.2	13.6	13.8	5	28.2	-17.1
Wrexham	0.6	9.2	9.7	11	8.0	9.2
Wales	0.7	12.0	12.7		16.3	11.6

Sources: Office for National Statistics, Annual Business Inquiry © Crown copyright

Currently one in ten employees in Pembrokeshire work in knowledge driven jobs, which is slightly below the Welsh average, but puts the County in 8th place in the Welsh ranking. Of those counties with higher proportions, virtually all have established universities or academic institutions, which of necessity have significant levels of employment in higher education and research and development. This is true of both Ceredigion (20.7%) and Swansea (15.2%). By contrast both Carmarthenshire (7.0%) and Neath Port Talbot (6.7%) have levels which well below Pembrokeshire

Pembrokeshire has limited strength in knowledge driven manufacturing, with less than one per cent of workers employed in this sector, although the County's proportion is above the Welsh average and the highest proportion in South West Wales. Most of the County's knowledge–driven workers are employed in the service sector, with higher education jobs forming the largest contribution.

The public sector is an important driver of the knowledge-economy and, crucially, provides a 'buffer' against economic downturns. Pembrokeshire's public sector workforce has increased in line with the Welsh average since 2001, although its proportional increase lags well behind Carmarthenshire (38.1%), Neath Port Talbot (24.1%) and Swansea (18.0%).

iv. Business and Enterprise

A dynamic indigenous enterprise culture is crucial to the competiveness and overall economic success of an area. Currently Pembrokeshire has the 4th highest business density i.e. number of firms per 1,000 population, in Wales, being significantly higher than the Welsh average of 33.8. It is also evident that when it comes to size of business small is the norm in Pembrokeshire, as it is for many rural areas. The average size of a business in 2006 was nearly a third less than for Wales as a whole. By comparison, within the neighbouring authority areas of Swansea and Neath Port Talbot, there are less businesses per 1000 population, but the size of businesses are larger, whilst in Carmarthenshire and Ceredigion the position is very similar to Pembrokeshire.

Table 24 Regional Indicators: Business & Enterprise

UAs	% of Businesses in Knowledge Economy 2006	% Change in Businesses in Knowledge Economy 2001-2006	Businesses per 1000 population 2006	Average Business Size 2006	New Business Formation Rates 2006	% Change in Total VAT Registered Businesses 2001-2006
Anglesey	14.5	30.6	31.6	8.9	6.6	2.5
Blaenau Gwent	11.3	28.7	21.3	12.4	10.6	11.2
Bridgend	20.1	93.9	32.0	12.8	9.6	13.4
Caerphilly	15.1	44.8	24.0	12.0	9.7	14.0
Cardiff	27.8	21.1	38.2	15.7	9.7	7.9
Carmarthenshire	18.0	58.1	36.8	9.1	6.3	4.2
Ceredigion	18.4	46.9	40.6	8.2	5.0	1.2
Conwy	17.0	37.8	37.9	8.4	7.3	6.5
Denbighshire	17.1	33.8	36.5	10.4	6.6	4.7
Flintshire	19.2	19.5	33.9	13.0	8.8	9.2
Gwynedd	14.8	25.0	42.2	9.1	6.7	2.9
Merthyr Tydfil	11.1	30.8	24.9	15.8	12.5	18.7
Monmouthshire	27.3	33.1	43.9	9.1	7.7	5.7
Neath Port Talbot	16.2	47.0	26.3	11.8	9.6	12.9
Newport	21.8	37.5	32.6	16.4	9.7	7.6
Pembrokeshire	17.2	66.1	41.7	8.2	6.0	3.8
Powys	17.6	42.8	48.3	7.4	5.1	1.0
Rhondda, Cynon, Taff	16.2	50.4	25.9	12.8	9.7	11.1
Swansea	22.3	41.1	32.1	14.5	8.6	9.2
Torfaen	16.6	45.0	26.9	14.4	9.1	13.7
Vale of Glamorgan	23.4	20.2	32.4	9.6	8.6	6.2
Wrexham	17.4	27.7	31.0	12.8	8.7	8.9
Wales	19.5	36.7	33.8	11.7	7.8	6.6

Sources: Office for National Statistics, Annual Business Inquiry/BERR VAT registrations © Crown copyright

Levels of entrepreneurship in the County, as quantified by the number of new business registrations as a proportion of existing stock, are currently some of the lowest in Wales, but this low proportion may be the result of a number of new businesses in the County falling below the VAT registering threshold. Significantly all the other authority areas with low business formation rates are rural areas which are characterised by large numbers of very small businesses (Anglesey, Carmarthenshire, Ceredigion and Powys. By contrast more urban/industrial areas such as Swansea (8.6%) and Neath Port Talbot (9.6%) have much higher formation rates.This may also explain why the increase in the number of VAT registered firms over the last five years in Ceredigion, Carmarthenshire and Pembrokeshire are significantly below those of Swansea and Neath Port Talbot..

v. Workforce Skills and Qualifications

Pembrokeshire's knowledge economy is powered by its human resource, itself measured according to the knowledge, skills and other attributes of the workforce. This section therefore focuses on profiling the local levels of education and skills of the working age population in the Welsh counties.

Overall Pembrokeshire has moderate levels of skills and qualifications. A quarter of working age people in the County (25.6%) have 'higher end' skills, which is above the Welsh average and ranks the area 9th among Welsh counties. Within South West Wales, however, only Neath Port Talbot has a lower proportion of residents with the equivalent of NVQ 4+.

Table 25 Regional Indicators: Education & Skills

UAs	% Working Population Qualified below NVQ 2 2006	% Working Population with NVQ 2+ 2006	% Working Population with NVQ 3 2006	% Working Population with NVQ 4+ 2006	% of Employees who received job training in last 13 weeks 2006	WIMD 2005 Education, Skills & Training Deprivation Average LSOA Score
Anglesey	39.4	21.0	18.5	21.1	20.2	17.26
Blaenau Gwent	51.4	21.1	14.9	12.6	19.9	39.52
Bridgend	41.5	19.8	18.2	20.5	21.5	22.00
Caerphilly	42.6	22.8	17.4	17.2	20.8	30.21
Cardiff	32.2	16.7	18.8	32.3	24.8	24.70
Carmarthenshire	37.8	20.3	19.0	22.9	19.2	16.09
Ceredigion	32.2	18.5	24.5	24.8	22.1	8.29
Conwy	35.8	21.9	16.2	26.1	19.6	14.75
Denbighshire	34.4	22.3	16.1	27.2	22.9	21.64
Flintshire	28.8	24.8	22.5	23.9	28.6	15.51
Gwynedd	35.6	22.0	16.6	25.8	19.0	12.31
Merthyr Tydfil	50.8	16.5	16.4	16.3	19.1	39.50
Monmouthshire	29.0	19.3	16.9	34.8	25.6	10.55
Neath Port Talbot	40.7	20.3	20.2	18.8	20.4	24.41
Newport	39.1	20.7	17.0	23.2	25.8	28.17
Pembrokeshire	34.6	21.8	18.0	25.6	21.7	13.57
Powys	35.2	19.3	19.2	26.3	17.8	10.35
Rhondda, Cynon, Taff	42.7	19.1	17.9	20.3	18.8	30.23
Swansea	35.8	18.5	19.7	26.0	24.4	24.10
Torfaen	42.0	21.0	17.6	19.4	23.5	27.43
Vale of Glamorgan	28.6	19.0	20.7	31.7	25.4	10.53
Wrexham	40.4	20.2	17.4	22.0	21.1	25.98
Wales	37.1	20.1	18.5	24.3	22.2	21.72

Sources:ONS, Annual Population Surveys; LGDU Wales/NAW/ONS - Welsh Index of Multiple Deprivation 2005

At the other end of the academic scale, the proportion of the County's population with either no qualifications, or qualified to NVQ Level 1 or equivalent (34.6%) is lower than the regional average (37.1%), making it the 7th lowest proportion in Wales. Only Ceredigion among neighbouring authorities has a lower proportion of 'unqualified' persons.

By way of compounding the educational attainment of its workforce Pembrokeshire's average LSOA score in terms of education deprivation, as defined by the 2005 Welsh Index of Multiple Deprivation, was just 13.57, the 6th lowest score in Wales. Only Ceredigion in South West Wales was educationally less deprived than Pembrokeshire.

vi. Labour Market

The last economic development related aspect to be considered is the performance of the County's labour market. Table 26 indicates that Pembrokeshire performs well above the Welsh average in terms of the overall working age employment rate, obtaining a 2006-7 ranking of 6th in Wales and best performing amongst neighbouring authorities in South West Wales. This occurred despite the County performing only moderately in terms of the proportion of males working full-time and below average in respect of female full-time employment rates. This suggests that the high levels of employment may be the result of high proportions of part-time employees compared to the rest of Wales.

Table 26 Regional Indicators: Labour Market

UAs	% Male employees working full-time 2006-07	% Female employees working full-time 2006-07	Working Age Employment Rate 2006-07	% Working Age Population - Econ Active 2006-07	Average Monthly Unemployed Rate 2007	Average Monthly Long Term Unemployed Rate 2007	Self Employed Rate 2006-07	WIMD 2005 Employment Deprivation Average LSOA Score
Anglesey	91.7	58.4	70.0	74.5	3.0	27.7	10.0	18.36
Blaenau Gwent	92.0	61.5	66.0	71.4	4.4	22.3	4.5	43.47
Bridgend	92.5	58.5	68.9	75.2	2.3	6.7	6.4	26.01
Caerphilly	92.7	64.1	66.7	71.3	2.8	17.6	6.2	32.86
Cardiff	90.0	60.1	67.3	72.7	2.2	8.8	7.7	16.86
Carmarthenshire	87.0	57.1	70.8	75.2	2.1	13.6	10.9	25.35
Ceredigion	85.4	53.3	62.7	66.7	1.3	10.3	17.2	12.16
Conwy	87.4	58.6	75.1	78.3	2.4	18.6	11.9	15.81
Denbighshire	86.2	52.5	71.9	75.5	2.4	17.2	9.8	17.95
Flintshire	91.2	50.4	76.2	78.5	1.8	13.6	8.2	10.00
Gwynedd	86.0	56.9	73.3	77.0	2.2	17.9	13.1	12.35
Merthyr Tydfil	89.1	54.7	64.4	70.7	3.7	18.1	4.1	46.82
Monmouthshire	91.1	57.7	77.4	80.1	1.3	6.9	9.5	8.35
Neath Port Talbot	91.9	55.4	65.2	69.2	2.5	9.2	4.4	36.67
Newport	91.0	56.5	73.8	78.4	2.9	11.0	7.4	18.44
Pembrokeshire	90.3	53.3	75.3	78.0	1.6	10.4	11.7	17.55
Powys	89.4	52.4	75.4	78.3	1.5	11.6	15.5	9.32
Rhondda, Cynon, Taff	91.4	60.6	68.6	72.3	2.4	8.4	7.7	34.94
Swansea	88.4	56.1	70.7	75.0	2.3	10.7	7.0	24.76
Torfaen	91.4	57.8	68.9	73.8	2.6	12.8	5.9	20.77
Vale of Glamorgan	88.5	56.3	76.4	81.2	2.1	9.5	8.2	12.95
Wrexham	91.0	60.7	75.8	79.8	2.0	10.5	7.4	14.31
Wales	89.8	57.4	70.9	75.1	2.3	12.8	8.6	21.72

Sources:ONS, Annual Population Surveys/ Job Seeker Allowance Claimants; LGDU Wales/NAW/ONS - Welsh Index of Multiple Deprivation 2005

As has been documented earlier in this report there has been a marked improvement in terms of the levels of unemployment in the County in recent years. During 2007 the average monthly unemployment rate of 1.6% was the 4th lowest in Wales, with only Ceredigion (1.3%) in South West Wales having a lower rate.

Of those claiming Jobseekers Allowance in Pembrokeshire 10.4% were classified as long-term unemployed i.e. out of work for at least 12 months, which compares to a Welsh average of 12.8%. All other areas in South West Wales had long-term rates within three percentage points of Pembrokeshire, which suggests the that the sub region does not suffer from the problems in such areas as Blaenau Gwent and Anglesey where the rates are 22.3% and 27.7% respectively.

The Welsh Index of Deprivation 2005 reflected Pembrokeshire's current performance in the labour market by indication that in terms of employment deprivation the County's average LSOA score was well below the Welsh average, placing it 10th in terms of least deprived local authority area in Wales.

vii. Occupational Structure of Workforce

The occupational structure of Pembrokeshire's workforce is a useful indicator of the County's progress towards developing a diverse, knowledge-based economy. This analysis of the occupational breakdown shows that the proportion of the employed workforce in manager and senior official occupations is similar when compared to Wales but high when compared to the neighbouring counties of Neath Port Talbot and Carmarthenshire. Similarly in terms of skilled trades employment the County has high levels when compared with Wales as a whole.

Table 27 Regional Indicators: Occupation Profile

	Proportion of 2005-2006 workforce employed in the following occupations:								
UAs	**Managers & Senior Officials**	**Professional**	**Associate Professional & Technical**	**Administrative & Secretarial**	**Skilled Trades**	**Personal Service**	**Sales & Customer Service**	**Process Plant & Machine Operatives**	**Elementary**
Anglesey	13.4	12.7	11.8	8.7	18.2	9.7	7.2	6.8	11.1
Blaenau Gwent	9.8	5.7	12.5	11.0	11.2	9.7	8.3	14.1	17.2
Bridgend	12.9	9.7	11.9	10.2	12.2	9.5	8.7	11.3	12.7
Caerphilly	9.9	8.1	11.6	15.4	11.8	7.8	8.4	12.3	14.5
Cardiff	12.2	18.7	16.5	11.9	7.0	6.5	10.8	5.4	10.6
Carmarthenshire	10.0	10.3	12.6	12.2	14.8	9.6	7.0	10.8	12.7
Ceredigion	13.0	10.4	13.7	11.1	17.0	10.4	6.4	6.1	11.6
Conwy	12.3	11.2	11.6	12.6	13.0	11.7	6.2	7.7	13.4
Denbighshire	12.9	11.6	15.5	10.0	12.4	10.4	7.4	7.6	12.2
Flintshire	13.8	10.5	12.3	11.7	12.8	8.6	8.7	10.8	10.9
Gwynedd	12.7	11.4	11.4	10.6	15.3	11.3	6.8	7.6	12.9
Merthyr Tydfil	11.9	7.0	12.8	12.6	10.5	12.5	8.7	10.5	13.2
Monmouthshire	21.2	13.9	13.9	11.0	10.1	7.5	6.2	6.6	9.2
Neath Port Talbot	11.6	8.2	12.2	15.5	13.1	7.9	8.8	11.3	11.1
Newport	11.7	11.9	15.4	11.1	10.1	7.4	10.7	8.5	12.6
Pembrokeshire	12.8	9.4	14.7	9.1	14.5	9.8	8.7	7.8	13.1
Powys	13.6	11.8	12.1	10.9	19.4	8.2	4.0	6.5	13.5
Rhondda, Cynon, Taf	11.7	10.5	11.2	11.3	12.0	8.0	9.7	12.8	12.4
Swansea	12.4	9.5	15.8	13.7	13.1	8.1	8.8	5.8	12.6
Torfaen	13.5	8.9	13.2	13.8	10.9	9.3	6.7	11.2	12.1
Vale of Glamorgan	13.9	13.7	18.6	12.0	11.1	10.5	5.3	5.0	10.0
Wrexham	11.8	8.9	12.5	11.8	12.3	8.6	8.1	12.0	13.7
Wales	12.5	11.2	13.6	11.9	12.5	8.8	8.1	8.9	12.3

Sources:ONS, Annual Population Surveys

viii. Prosperity and Deprivation

In many respects the economic performance of an area is reflected in its overall prosperity and the scale of deprivation that occurs.

Table 28 includes a range of prosperity indicators including household income, house prices, and social data, such as car availability and average size of properties.

Table 28 Regional Indicators: Prosperity

UAs	Average Household Income 2007	Average House Price Oct-Dec 2007	% of Households with 2+ Cars, 2001	Average Number of Rooms per Household, 2001	WIMD Income Domain Average SOA Score, 2005
Anglesey	£29,024	£152,573	32.6	5.6	20.92
Blaenau Gwent	£25,473	£92,042	19.7	5.1	32.12
Bridgend	£31,279	£136,964	27.5	5.5	21.96
Caerphilly	£29,248	£122,609	25.3	5.4	25.97
Cardiff	£33,558	£156,284	25.8	5.4	24.20
Carmarthenshire	£28,550	£139,521	30.4	5.7	20.14
Ceredigion	£28,822	£184,216	33.8	5.7	12.54
Conwy	£29,146	£159,223	28.7	5.4	19.22
Denbighshire	£29,492	£144,556	30.6	5.4	21.05
Flintshire	£32,569	£151,402	37.0	5.5	14.24
Gwynedd	£27,555	£156,906	29.5	5.6	16.09
Merthyr Tydfil	£27,106	£81,796	20.3	5.3	32.45
Monmouthshire	£34,943	£201,789	40.1	5.8	9.67
Neath Port Talbot	£28,984	£106,450	23.2	5.5	28.30
Newport	£32,033	£143,154	25.4	5.4	25.72
Pembrokeshire	£28,158	£180,939	30.6	5.6	19.56
Powys	£28,755	£179,286	36.0	5.7	10.96
Rhondda, Cynon, Taff	£28,690	£93,693	23.5	5.3	28.10
Swansea	£30,145	£133,499	25.9	5.4	25.76
Torfaen	£29,344	£127,914	26.5	5.3	23.10
Vale of Glamorgan	£34,108	£127,914	33.2	5.7	15.63
Wrexham	£30,720	£150,531	30.6	5.4	17.74
Wales	£30,231	£141,876	28.5	5.5	21.72

Sources:, CACI Paycheck data; ONS Census of Population; Land Registry House Prices data LGDU Wales/NAW/ONS - Welsh Index of Multiple Deprivation 2005© Crown Copyright

In 2007, Pembrokeshire had the 4th lowest level of household income in Wales. Within the su-region the County's figure of £28,158 was the lowest of the five counties and contrasts with Swansea's, the highest, at £30,145.

Despite low household income levels, house prices in Pembrokeshire suggest affluence, in that they are currently 27.5% above the Welsh average, which places it third highest area within Wales. BY comparison, neighbouring Carmarthenshire, Swansea and Neath Port Talbot all have average house prices below the Welsh figure.

The Income Domain in the Welsh Index of Multiple Deprivation 2005 reflects the proportion of persons on means tested benefits, including those on Income Support, Jobseekers Allowance, Working Families Tax Credits and Disability Tax Credits. This Index showed Pembrokeshire to be below the Welsh average and the 9th least deprived county in Wales.

Within Wales the standard measure of depravation and inequality is the Welsh Index of Multiple Deprivation (WIMD). The WIMD covers a number of aspects of deprivation including disadvantage in: education; income; employment; health; access to services; and physical environment. Table 29 displays the results of WIMD 2005 as it relates to Welsh unitary authorities.

Table 29 Regional Indicators: Deprivation & Inequality

UAs	Welsh Index of Multiple Deprivation 2005: Overall Index and Individual Domains								
	Overall Index Average LSOA Score	Inequality - Range of Overall Index Ranks	Income Average LSOA Score	Employment Average LSOA Score	Health Average LSOA Score	Education Average LSOA Score	Access to Services Average LSOA Score	Housing Average LSOA Score	Physical Environment Average LSOA Score
Anglesey	20.67	1533	20.92	18.36	13.93	17.26	37.47	38.83	9.69
Blaenau Gwent	33.82	1109	32.12	43.47	40.25	39.52	13.72	10.77	21.02
Bridgend	23.24	1767	21.96	26.01	28.54	22.00	18.90	13.38	22.23
Caerphilly	27.02	1783	25.97	32.86	30.55	30.21	15.08	10.43	23.50
Cardiff	21.28	1895	24.20	16.86	22.86	24.70	6.72	30.07	34.17
Carmarthenshire	22.02	1685	20.14	25.35	21.84	16.09	33.72	15.52	16.13
Ceredigion	15.00	1589	12.54	12.16	4.53	8.29	45.58	36.41	10.44
Conwy	18.03	1672	19.22	15.81	15.06	14.75	24.24	32.41	15.03
Denbighshire	20.42	1845	21.05	17.95	15.70	21.64	25.13	32.25	18.80
Flintshire	15.00	1786	14.24	10.00	14.27	15.51	22.67	20.41	23.67
Gwynedd	17.25	1699	16.09	12.35	12.78	12.31	36.00	45.64	9.99
Merthyr Tydfil	37.23	1407	32.45	46.82	52.74	39.50	14.10	21.21	22.05
Monmouthshire	12.24	1400	9.67	8.35	6.96	10.55	34.65	8.89	23.89
Neath Port Talbot	28.22	1773	28.30	36.67	33.30	24.41	16.76	10.25	22.63
Newport	21.97	1864	25.72	18.44	18.65	28.17	12.57	17.48	35.48
Pembrokeshire	19.43	1379	19.56	17.55	13.70	13.57	42.34	30.93	5.59
Powys	14.26	1628	10.96	9.32	6.81	10.35	49.86	16.24	16.36
Rhondda, Cynon, Taff	29.16	1779	28.10	34.94	34.75	30.23	12.77	21.72	25.76
Swansea	22.56	1882	25.76	24.76	23.01	24.10	13.04	15.66	15.55
Torfaen	21.32	1701	23.10	20.77	21.89	27.43	15.22	10.46	18.21
Vale of Glamorgan	14.97	1798	15.63	12.95	12.50	10.53	18.66	13.41	36.77
Wrexham	19.94	1878	17.74	14.31	20.89	25.98	22.22	35.55	17.96
Wales	21.72	1895	21.72	21.72	21.72	21.72	21.70	21.72	21.72

Source: LGDU Wales/NAW/ONS - Welsh Index of Multiple Deprivation 2005© Crown Copyright

Using the average scores of all the Lower Super Output Areas (LSOAs) in the unitary authority areas, Pembrokeshire ranks 8th least deprived area in Wales The average LSOA score (19.43) is below the Welsh average (21.72), whilst in the sub-region only Ceredigion has a lower deprivation score (15.00).

Inequality within Pembrokeshire, as measured by the difference in ranking places between the bottom and top ranked LSOA, is the second lowest among Welsh authorities and significantly below the Welsh average. By comparison, the most deprived area in the South West Wales sub-region is Neath Port Talbot, which in addition has a inequality range of 1,773, compared to Pembrokeshire's 1,379.

In terms of individual domain scores Pembrokeshire exceeds the Welsh average only in respect of Access to Services and Housing. Despite these high levels of deprivation, in both cases, within the sub-region the County's score is exceeded by Ceredigion.

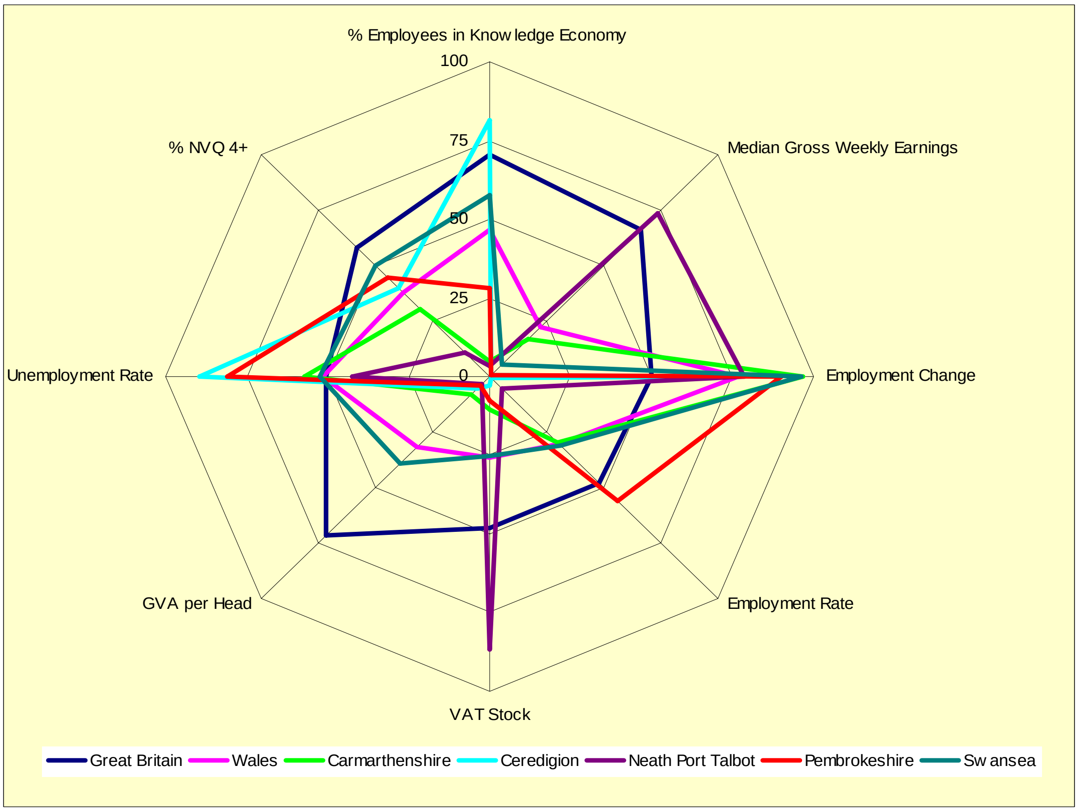
5.2 The Sub Regional Context

From the large number of indicators that are included in the previous section of this report eight purely economic indicators have been taken to assess Pembrokeshire's performance in relation to neighbouring authorities in South West Wales. The indicators chosen were:

i) Unemployment rate
ii) Median full-time earnings
iii) Employment Change
iv) Employment Rates
v) Stock of VAT registered businesses
vi) Gross Value Added (GVA) per Head
vii) % of Employees in the Knowledge Economy
viii) % of the working age population with NVQ4+

In order to make the comparison, the values for each of the indicators have been ranked with all the other county and unitary authorities in Great Britain. These rankings have then been converted to a percentage rank (i.e. out of 100) as a way of standardising the information. During this process each indicator was ranked so that 100 represents the best 'performing'. For example, a low unemployment rate is a good thing and therefore the lowest would be ranked 100, whereas with earnings, a higher figure denotes a more prosperous area so the highest figure would be ranked 100. Using percentage ranking means that a range of indicators can be displayed on one chart – if actual values were used then it would be difficult to chart an

Chart 18 Summary of Sub-regional Performance



unemployment rate, for example, alongside median earnings. The chart type chosen to present the economic indicators is a Spider chart, because it enables the “shape” of the local economy to be drawn, thereby making it easier to spot the differences between areas.

Chart 18 shows that Pembrokeshire is considerably stronger than the majority of other counties in the region in four of the indicators relating to unemployment, employment rate and change and qualifications, but is particularly weak in terms of productivity (GVA per head) and earnings. No one county in the sub region is performing well in respect of all indicators, but the two areas where they are not performing well nationally is in respect of earnings a business stock.

APPENDIX - Definitions of Indicators Used.

i) Residential Population

Population proportions derived from 2006 Mid Year Estimates of Population which are based on the results from the last Census of Population with annual components of change (births, deaths and migration). The estimated resident population of an area includes all people who usually live there, whatever their nationality. Members of UK and non-UK armed forces stationed in the UK are included and UK forces stationed outside the UK are excluded. Students are taken to be resident at their term time address.
Source: http://www.statswales.wales.gov.uk/

ii) Dependency ratio

The share of those too young and too old to generally be productive workers relative to the age group comprising those likely to be in productive working years. For the purposes of this report the limits of productive working years have been taken as 16 – 64 years.
Source: http://www.statswales.wales.gov.uk/

iii) Median Age

The median age is deived from the 2006 Mid Year Estimates and is the age "x" where exactly one half of the population is older than "x" and the other half is younger than "x".
Source: http://www.statswales.wales.gov.uk/

iv) Net Migration

Calculated from the difference between in-migration and out-migration for a given area and period of time. The figures accompany the release of the Mid Year Estimates of Population in the 'Components of Change' information. Source: http://www.statswales.wales.gov.uk/

v) Gross Value Added (GVA)

GVA is the value of the products and services generated by businesses in an area, before taxation and excluding subsidies. Estimates of GVA are published only down to NUTS3 level, by the ONS, but for the purposes of this report a methodology devised by Kent County Council Analysis & Information Team to estimate County-level GVA that is consistent with the published NUTS3 level data has been utilised. NUTS3 data published by Office for National Statistic's '*First Release: Regional, sub-regional and local gross value added'*
Source: http://www.statistics.gov.uk/pdfdir/gva1207.pdf

vi) Gross Value Added (GVA) per Head

GVA per head is calculated by dividing total GVA by the resident population. This calculation therefore excludes income brought into an area via commuting. The figures included relate to 2005. Source: See above

vii) Employment Total

Total employee data taken from results of Annual Business Inquiry, which is an employer survey of the annual number of jobs held by employees broken down by sex, full/part-time and

detailed industry. The survey records a job at the location of an employees workplace. Data is restricted and requires a Chancellor of the Exchequer licence to access data.
Source: https://www.nomisweb.co.uk/Default.asp

viii) Employment Change

This indicator is sourced from the Annual Business Inquiry (ABI) data and is calculated as the percentage change in all employees over the last 5 year period 2001-06. The ABI uses a sample rather than a full count and the data used is workplace based.
Source: https://www.nomisweb.co.uk/Default.asp

ix) Employment Rates

This data is taken from the Annual Population Survey, published by the ONS. The employment rate is calculated as the proportion of those people of working age who are in employment, expressed as a percentage of all those of working age. Data relates to year ending September 2007. Source: https://www.nomisweb.co.uk/Default.asp

x) Knowledge Economy Employees

This data is also obtained from the Annual Business Inquiry, and it is based on a grouping of sectors which are skills and technology intensive (listed below). Collected data is workplace based and relates to 2006.

Knowledge Economy Sectors	**Standard Industrial Classifications (SIC) (2003) Division/Group**
Publishing & media production	221, 223
ICT goods production	30, 32
Telecommunications	642
Financial services	65, 66, 67
Knowledge based business services	72, 741, 742, 743, 744, 748
Higher Education/R&D	73, 803
Audio-visual & news services	921, 922, 924
Libraries, museums & scientific interest	925

Source: https://www.nomisweb.co.uk/Default.asp

xi) Average Business Size

This data is also obtained from the Annual Business Inquiry, and it is based on the total number of employees divided by the number of recorded business units.
Source: https://www.nomisweb.co.uk/Default.asp

xii) Qualifications

The source for this data is the Annual Population Survey (formerly the Labour Force Survey), which is a labour market survey encompassing, population, economic activity (employment and unemployment), economic inactivity and qualifications. Qualifications data available for % of working age population with NVQ1-4+ or equivalents. NVQ4+ is the equivalent of those qualified to first degree and above
Source: https://www.nomisweb.co.uk/Default.asp

xiii) Job Training

Also derived from the data collected from the Annual Population Survey
Source: https://www.nomisweb.co.uk/Default.asp

xiv) Working Age Employment rate

This indicator is available from the results of the Annual Population Survey that are available via NOMIS. Source: https://www.nomisweb.co.uk/Default.asp

xv) Economically Active Persons

This indicator is available from the results of the Annual Population Survey that are available via NOMIS. Source: https://www.nomisweb.co.uk/Default.asp

xvi) Unemployment

The resident-based unemployment rates are derived from the monthly claimant count information that records the number of people claiming Jobseekers Allowance and National Insurance Credits at Jobcentre Plus local offices. This data is collected and published by the Office for National Statistics (ONS)and available on NOMIS
Source: https://www.nomisweb.co.uk/Default.asp

xvii) Self Employment

This indicator that records the percentage of working age who are self employed is available from the data in the Annual Population Survey that is available via NOMIS.
Source: https://www.nomisweb.co.uk/Default.asp

xviii) Occupational Structure

These variables are a subset of the full range of data available from the Annual Population Survey that is available via NOMIS. Source: https://www.nomisweb.co.uk/Default.asp

xix) Average Household Income

Data obtained from CACI's Paycheck data which the County Council has obtained via consortium purchase by the Local Government Data Unit Wales. The Paycheck data is derived from a variety of datasets such as lifestyle data, information from the Census and market research data.

xx) Median full-time earnings

Information for this indicator is taken from the Annual Survey of Hours and Earnings, a national sample survey conducted by ONS and available from NOMIS. Data is published for both Mean (average) and Median earnings, and the preferred measure for this indicator is the median. The data is workplace based, so excludes wages generated via commuting.
Source: https://www.nomisweb.co.uk/Default.asp

xxi) Average House prices

Derived from quarterly information obtained about house sales recorded by the Land Registry.
Source: http://www.mypropertyspy.co.uk/

xxii) Stock of VAT registered businesses

This is based on data from HM Customs and Excise. It counts those firms registering for Value Added Tax (VAT) each year and those de-registering. Net VAT registrations are calculated as registrations minus de-registrations, which are then expressed as a percentage of the total stock of VAT registered businesses. It is annual data which is based on counts as at April each year. Source: https://www.nomisweb.co.uk/Default.asp

xxiii) Car Availability

Derived from Table ST062 – Household Composition by Number of Cars or Vans Available from the 2001 Census of Population information.
Source: https://www.nomisweb.co.uk/Default.asp

xxiv) Size of Property by Rooms

Derived from Table ST051 – Tenure and Household Size by Number of Rooms from the 2001 Census of Population information. Source: https://www.nomisweb.co.uk/Default.asp