OCTOBER 2019

Two County Economic Study for Carmarthenshire and Pembrokeshire

Final Report

Contents

Appendix A – Literature Review;

Appendix B – Rapid Baseline Review; and

Appendix C – Strategic Assessment Review.

1 Introduction

1.1 Overview

Ove Arup and Partners ('Arup') has been commissioned by Pembrokeshire County Council, Carmarthenshire County Council, Pembrokeshire Coast National Park Authority and Brecon Beacons National Park Authority to undertake a two-county, larger than local economic study for the entirety of the County Council areas.

The purpose of the study is to ultimately provide a basis on which to plan future provision of strategic land and premises for economic activities across Carmarthenshire and Pembrokeshire. By drawing on statistical analysis, a detailed literature review of existing initiatives within the area and anecdotal evidence provided through engagement with market agents and key businesses, the Strategy seeks to determine whether there is a current mismatch between supply of strategic employment land and demand, whilst also making wider recommendations in relation to positive interventions that could help support economic growth.

The overall outcome of the study will be to set site-specific interventions for traditional employment uses, and criteria-based interventions for non-land specific sectors.

1.2 Purpose of the Larger than Local Economic Study

The purpose of the two-county, Larger than Local economic study is to:

- Serve as an 'larger-than-local' evidence base document to support the development of the local planning authority areas of Pembrokeshire County Council and Carmarthenshire County Council Local Development Plan documents. The study will also provide regional context for the part of the Brecon Beacons National Park within Carmarthenshire, and the Pembrokeshire Coast National Park.
- Respond to both the requirements within the Technical Advice Note 23 on Economic Development (February 2014) and the Practice Guidance – Building an Economic Development Evidence Base to support a Local Development Plan (August 2015), whilst being cognisant of the principles of the National Development Framework for Wales. The Study will seek to achieve a balance between fulfilling the requirements of TAN 23 and Practice Guidance, whilst placing a strong emphasis on flexibility, realism of sector growth and ability to meet demand at a regional scale. Where possible, references will be provided to the NDF region to ensure longevity of the study outputs.
- Lead with quantitative analysis of forecast demand for employment sites, separately supplemented with anecdotal evidence arising from both engagement and contextual messages arising from the literature review.

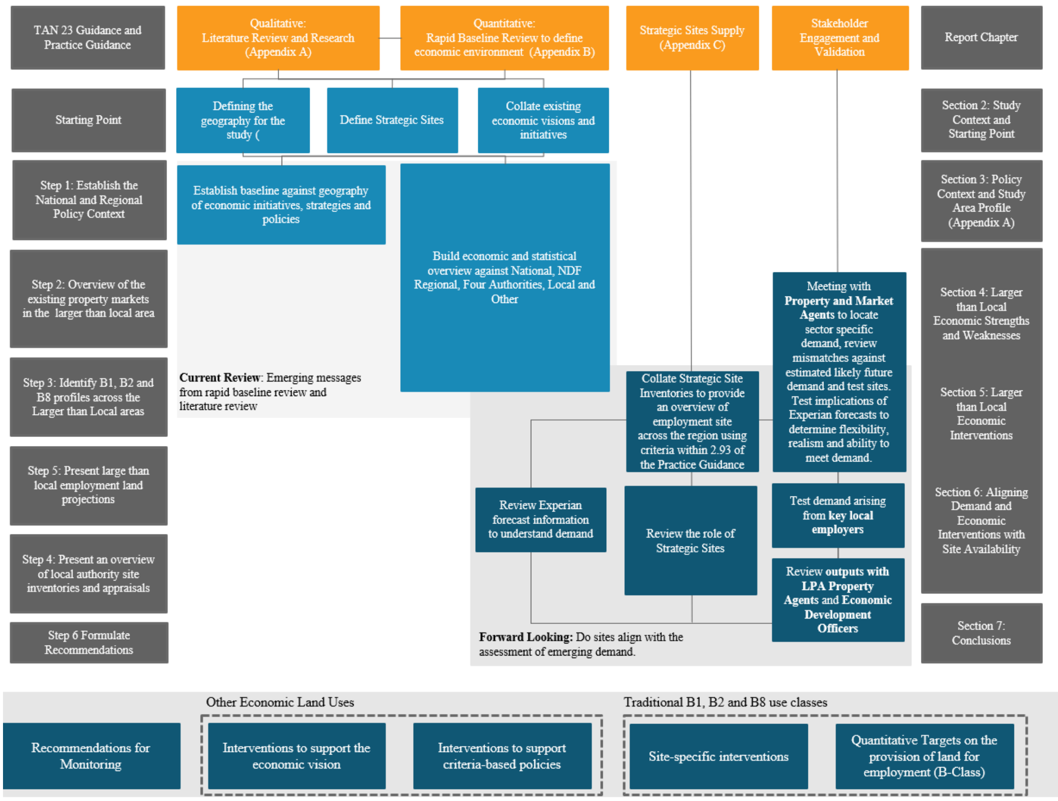
- Disseminate advisory interventions to inform the economic vision, provide site-specific policies and quantitative targets for traditional B1, B2 and B8 use classes, whilst providing information on interventions to support the development of criteria-based interventions for other economic uses and recommendations for monitoring to enable a view of the whole economy.
- Collate information only on Strategic Sites within the Larger than Local Area, noting that it is not the purpose to replicate the role of an Employment Land Review (ELR) or a single-authority Economic Study.

It is not the purpose of the study to provide detailed forecasts of all key sectors. It is necessarily high-level, larger-than-local and focussed on providing a level of clarity to the direction of the economy of the area. It is also not the purpose of the study to review all employment land across the lager than local area. Indeed, this is the role of the Employment Land Review (ELR) process and this commission focusses on strategic land capable of providing an impact for the larger than local area.

1.3 Structure of the Larger than Local Economic Study

Preparation of an economic study comprises two broad strands: assessment of the current economic environment within the Larger than Local Study Area, followed by a review of drivers of change. Figure 1 sets out the proposed study methodology, referencing the TAN 23 and Practice Guidance stages and where these align with individual Report Chapters and Appendices.

Figure 1 Proposed Methodology



The structure of the report is therefore as follows:

- **Section 2** sets out the study context and starting point for the assessment;
- **Section 3** sets out the Policy Context and Larger than Local Area Profile, which summarises the detailed Literature Review undertaken at **Appendix A**;
- **Section 4** sets out the Larger than Local economic strengths and weaknesses, which surmises the qualitative content of the literature review, the quantitative outputs of the rapid baseline review and the feedback from the stakeholder engagement;
- **Section 5** sets out the Larger than Local economic interventions, which are based on the opportunities and threats emerging from the inputs to Section 4;
- **Section 6** sets out how these Larger than Local economic interventions could be applied specifically to the site inventories and appraisals outline within **Appendix C**; and
- **Section 7** concludes the outcomes of the site assessment and economic interventions review, whilst providing recommendations on monitoring these advisory interventions.

For clarity and for ease of reading, this overarching report is supported by several detailed appendices, as follows:

Appendix A – Literature Review;

Appendix B – Rapid Baseline Review; and

Appendix C – Strategic Assessment Review.

A promotional summary will also be produced detailing the proposed interventions for the area, as well as setting out the strategic sites. It is hoped that the Larger than Local area will be able to share the summary document with potential investors and growth companies.

2 Larger than Local Starting Point: Context and Starting Point

2.1 Overview

In accordance with the Technical Advice Note 23 Economic Development, the starting point for the study is to define the Larger than Local Area, existing economic visions across the area and strategic sites across the area.

2.2 'Larger than Local' Starting Point: Defining the Study Area

The Technical Advice Note 23 Economic Development indicates that as market forces do not respect Local Authority boundaries, local planning authorities should work together jointly in regional groups to prepare economic evidence bases. The Practice Guidance *Building an Economic Development Evidence Base to Support a Local Development Plan (2016)* states that economic and property market profiles will need to be sub-divided geographically, as Larger than Local areas can often be split into two or more local economies, property markets or Travel to Work areas.

Following a review of the background literature, there are several functional areas operating across the Larger than Local area which are mapped in **Appendix A**, including:

1. County boundaries and national park boundary features;
2. NDF Region and Mid and South-West Wales;
3. Five Travel to Work areas[1], including Cardigan; Haverfordwest and Milford Haven; Pembroke and Tenby; Swansea; and Llanelli;
4. Local affordable housing sub-market areas in Carmarthenshire; and
5. Local objectives and initiatives, such as boundaries associated with the City Deal, Enterprise Zone or the regeneration priorities within the South West Wales Regional Plan for Regeneration (2018).

It is clear that there is no single boundary feature which is correct for undertaking the Larger than Local assessment. As Pembrokeshire do not have defined Affordable Housing Market areas, the Travel to Work areas do provide a consistent spatial framework for assessment. In addition, as the objectives and initiatives and the NDF region cover areas much larger than the 'two counties', reference will only be made to these features where relevant.

The focus for the Larger than Local area will therefore be Local Authority boundaries and the Travel to Work areas for Carmarthenshire and Pembrokeshire identified through the Census 2011. It is however recognised that Brecon Beacons

[1] ONS (2011) Travel to Work Areas December 2011 Boundaries (Ultra-generalised) based on Census 2011 information.

National Park Authority (NPA) is more aligned with the functional area of South East Wales.

Where possible, the analysis of strengths and weaknesses, and interventions are reported on a Travel to Work basis.

2.3 Larger than Local Study Starting Point: Initial Economic Policy Visions

A full literature review of all policy of relevance to this Larger than Local Study is contained in **Appendix A**. The key economic policy drivers at a national and regional level have been summarised below.

National Development Framework

The National Development Framework (NDF) draft was published for consultation on the 7th August 2019. Once adopted it will be the highest-level development plan in Wales setting out a spatial strategy for Wales to 2040.

A core part of the draft NDF is the encouragement of regional working between the three identified Welsh regions: North Wales, South East Wales and Mid and South West Wales. It states that taking a regional approach *'will recognise that different parts of Wales work differently to each other, with distinct underlying characteristics and challenges. The three regions will address inequalities by building stronger links between public services, communities and business. Each region will be encouraged to build on their existing strengths and pursue opportunities to achieve greater prosperity and well-being[2].'*

Swansea Bay City Deal

The Swansea Bay City Deal[3] is a £1.3 billion investment fund to support economic growth across the South West Wales region. The City Deal targets the creation of over 9,000 new jobs and increasing the region's GVA by £1.8 billion.

The City Deal specifically outlines plans for eleven projects which have been designed to deliver on the above objectives, including:

- In Pembrokeshire, the **Pembroke Dock Marine** project[4] aims to develop a centre for the marine energy, development, fabrication, testing and deployment to strengthen Wales' blue infrastructure.
- In Carmarthenshire, plans for **the Llanelli Life Science and Well-being Village**[5] comprises a life science research centre along with business

[2] Welsh Government (2019) National Development Framework 2020-2040 Consultation Draft: https://gov.wales/sites/default/files/consultations/2019-08/Draft%20National%20Development%20Framework.pdf, page 20.
[3] https://www.swanseabaycitydeal.wales/
[4] https://www.swanseabaycitydeal.wales/projects/pembroke-dock-marine/
[5] https://www.swanseabaycitydeal.wales/projects/life-science-and-well-being-village/

development facilities, leisure facilities and extra care housing to create one of the first developments of its kind.

For further information in relation to the Swansea Bay City Deal please see **Appendix A**.

Figure 2 Swansea Bay City Deal Projects

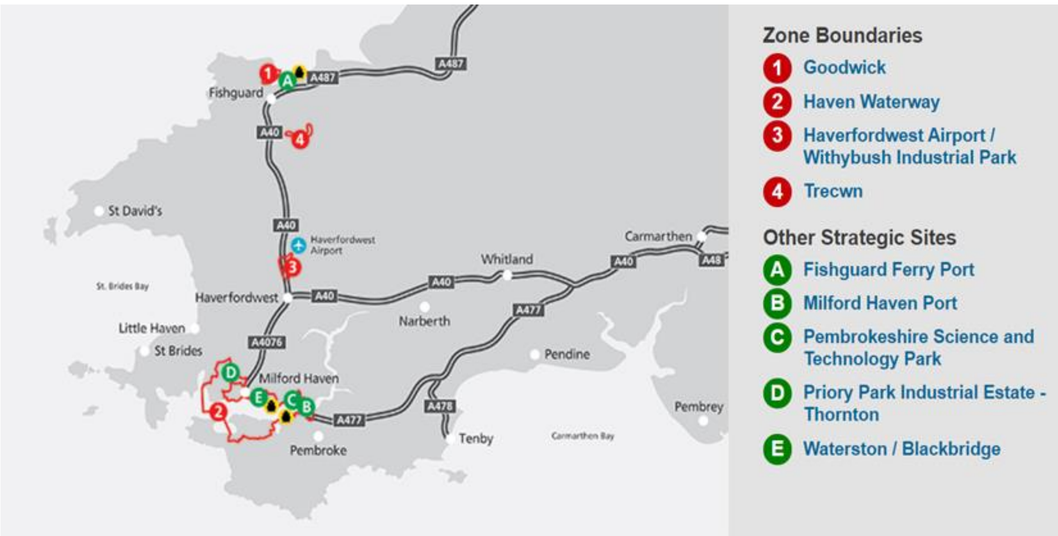
(**Source**: Swansea Bay City Deal)

Haven Waterway Enterprise Zone

The only Enterprise Zone within the Larger than Local area is the Haven Waterway Enterprise Zone[6]. The Haven Waterway Enterprise Zone extends across the four 'Zone Boundaries' and five 'Other Strategic Sites', with a focus on the energy and environment sectors. Further information in relation to the priorities and objectives of the Enterprise Zone is contained within the Haven Waterway Enterprise Zone Strategic Plan and includes initiatives such as the development of a Food Park at a Withybush and supporting the Pembroke Dock Marine projects. This Plan is explained in more detail in **Appendix A**.

[6] https://businesswales.gov.wales/enterprisezones/zones/haven-waterway

Figure 3 Areas and Site in the Haven Waterway[7]



(**Source**: Business Wales)

2.4 Larger than Local Study Starting Point: Strategic Sites

The definition of Strategic Sites is set out within existing literature as in **Table 1**.

Table 1 Definition of Strategic Sites

	Adopted Local Development Plan Allocations	**Emerging Local Development Plan Definition**
National Development Framework		10ha and above
Pembrokeshire	20ha and above	Not defined, but Preferred Strategy identified that these would likely be in the following key locations: Trecwn, Milford Haven and Pembroke Dock (including sites related to the waterway) and Haverfordwest.
Carmarthenshire	9-10ha or above	Not defined, however the Planning Strategy identified these would be based on their contribution to delivering the future growth requirements for Carmarthenshire (see policy SP1 above) and due to their relationship with the Swansea Bay City Deal.
Pembrokeshire Coast	0.93 ha	Criteria-based policies.
Brecon Beacons	0.35 – 1.4ha	Not defined.

Based on the review of background literature, ‘Strategic Sites’ therefore broadly include those **which are larger than approximately 10ha.**

[7] Source: https://businesswales.gov.wales/enterprisezones/zones/haven-waterway

However, although not over 10ha in size, there are a number of areas and sites which are linked to sector priorities and initiatives. These include spatially-clustered sites within areas identified by:

- The Swansea Bay City Deal (including the Pembroke Dock Marine, Llanelli Life Sciences and Well-being Village, or the Creative Digital Cluster at Carmarthen);
- Target areas for regeneration funding with the South West Wales Regional Plan for Regeneration (2018) (including Ammanford, Llanelli, Haverfordwest, Pembroke), City Deal or Enterprise Zone, or
- The South West Wales Regional Plan for Regeneration (2018) includes Strategic Aims of supporting the growth of local businesses, increasing sustainable living, building vibrant communities or maximising the impact of regeneration investment.

Existing sectoral strengths, priority initiatives and infrastructure strengths therefore have a role in determining whether a site is ‘strategic’ at the Larger than Local’ study level, and the principles against which these are assessed against. The above ‘starting point’ definition of strategic sites will therefore be reviewed following a review of the policy context, current strengths and weakness and drivers for change across the Larger than Local area. The outcomes of this review are covered within **Appendix C** and later in Section 6.

3 Larger than Local Area Profile

The Larger than Local Area comprises the local authority areas of Pembrokeshire, Carmarthenshire as well as the Pembrokeshire Coast and Brecon Beacons National Parks. A full spatial and statistical review of the Larger than Local Area is provided within Appendix B with the key themes summarised below.

3.1 Spatial Characteristics

The Larger than Local Area is diverse and comprises extensive coastline, areas of rurality and a number of urban towns and cities. It is particularly known for having a rich natural environment as evidenced by the two national parks (Brecon Beacons and Pembrokeshire Coast) and numerous environmental designations.

The key settlements[8] located within the Larger than Local Area include:

- Milford Haven
- Haverfordwest
- Pembroke
- Pembroke Dock
- Fishguard and Goodwick
- Tenby
- Carmarthen
- Llanelli
- Ammanford/Cross Hands.

The primary characteristics and notable features of each key settlement are presented in further detail within **Appendix B**.

Key transport infrastructure is summarised in the table below:

Table 2 Key transport infrastructure

Key Transport Infrastructure	
Primary Road Network / Trunk Roads	M4 Motorway A40 A4076 A477 A478
Airports	Haverfordwest (Withybush) Pembrey West Wales RAF Brawdy (currently not operational)
Ports	Port of Milford Haven Fishguard Ferry Port

Rail connectivity is more limited, especially in Pembrokeshire and although railway stations are located in all of the primary settlements, journey times are often long due to the indirect nature of many of the journeys which is explained in more detail in **Appendix B**.

[8] Based on Key Settlements as designated within each respective LPAs Local Development Plans.

It should be noted that the M4 motorway comes to an end in Pont Abraham Carmarthenshire, as such the primary east-west route across the Larger than Local Area is the A40.

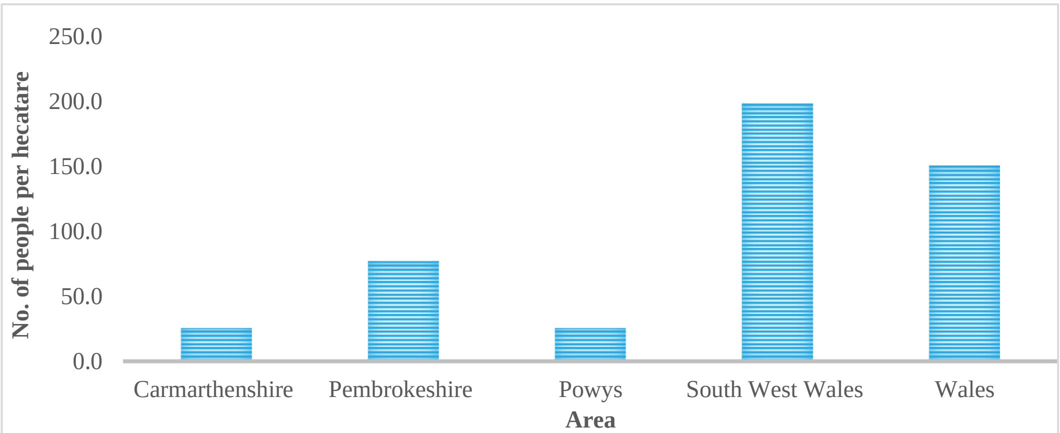
The Port of Milford Haven is a key asset to the area, as the largest port in Wales and one of the deepest natural harbours in the world[9] and is considered to be a strategic location for energy development. Additionally, Fishguard Ferry Port provides further strategic connectivity to Ireland and is an important gateway into Wales and the UK.

There is one University within the Larger than Local Area which is the University of Trinity Saint David located in Carmarthen. Pembrokeshire in particular has a strong military history with sites at the Castlemartin Training Centre to the south of the county[10] and Cawdor Barracks / RAF Brawdy to the west, both of which are owned by the MoD. In 2019, the MoD announced the closure of Cawdor Barracks within the LDP2 Plan Period, with feasibility studies at the site ongoing[11]. A number of other former military sites are prevalent within the area including former RNAD sites in Milford Haven and Trecwn.

3.2 Demographic Characteristics

The population of the Larger than Local area is approximately 311,200[12]. The Area is predominantly rural as reflected by population density statistics shown in figure 4 below[13].

Figure 4 Population Density within the Larger than Local area



Current data and forecast data shows that the area is experiencing an aging population as evidenced in the figure below.

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9 https://www.mhpa.co.uk/the-port/

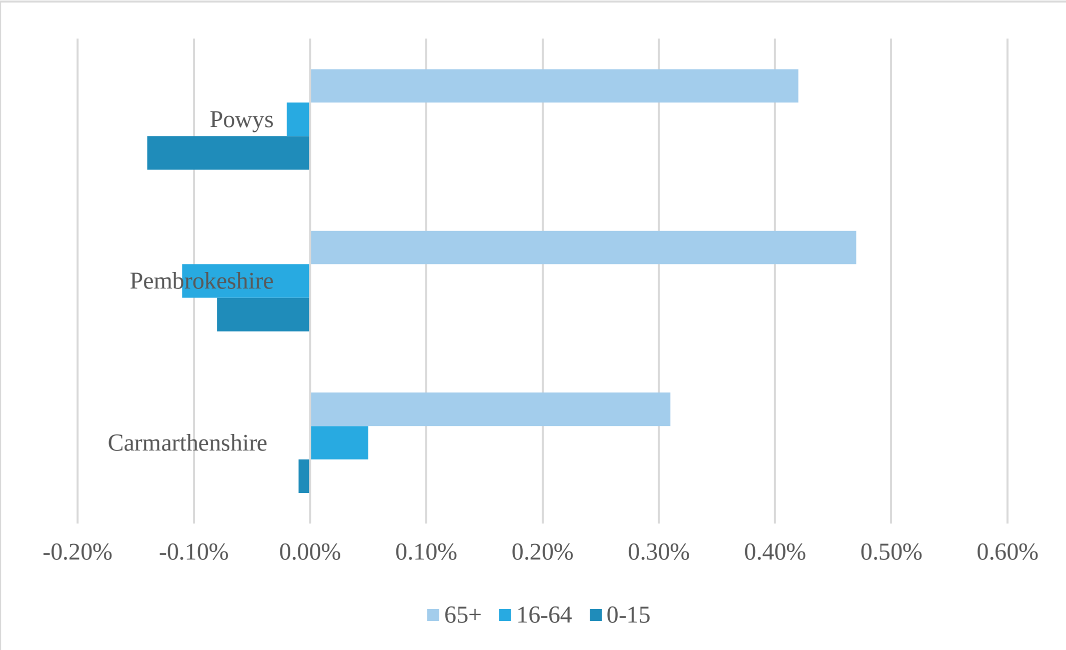
10 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/27471/Castlemartin.pdf

11 https://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2019-02-28/227073/

12 ONS 2011 Census Data

13 ONS 2011 Census Data

Figure 4 Larger than Local area Age Structure 2001-2018



Source: 2001 Census Data/ONS Population Estimates

The Welsh Index of Multiple Deprivation suggests that access to services within the Larger than Local Area is poor, with the majority of areas falling within the 10% most deprived in Wales.

3.3 Economic Characteristics

Significant employment sectors include Education, Health and Public Administration, which collectively employs the largest absolute number of people in the Larger than Local area, as well as retail which employs 12.1% of the workforce in both local authority areas.

The rural nature of the Larger than Local area is evidenced by the percentage of employment within the crop, animal production and hunting sector (2.3% in Pembrokeshire and 3.7% in Carmarthenshire) when compared to the national average of 1%.

Another key employment sector is manufacturing, although data suggests that this employs more people within Carmarthenshire than Pembrokeshire, for example the manufacture of motor vehicles is also significant within Carmarthenshire when compared to the rest of the Mid and South West Wales region (2.4%).

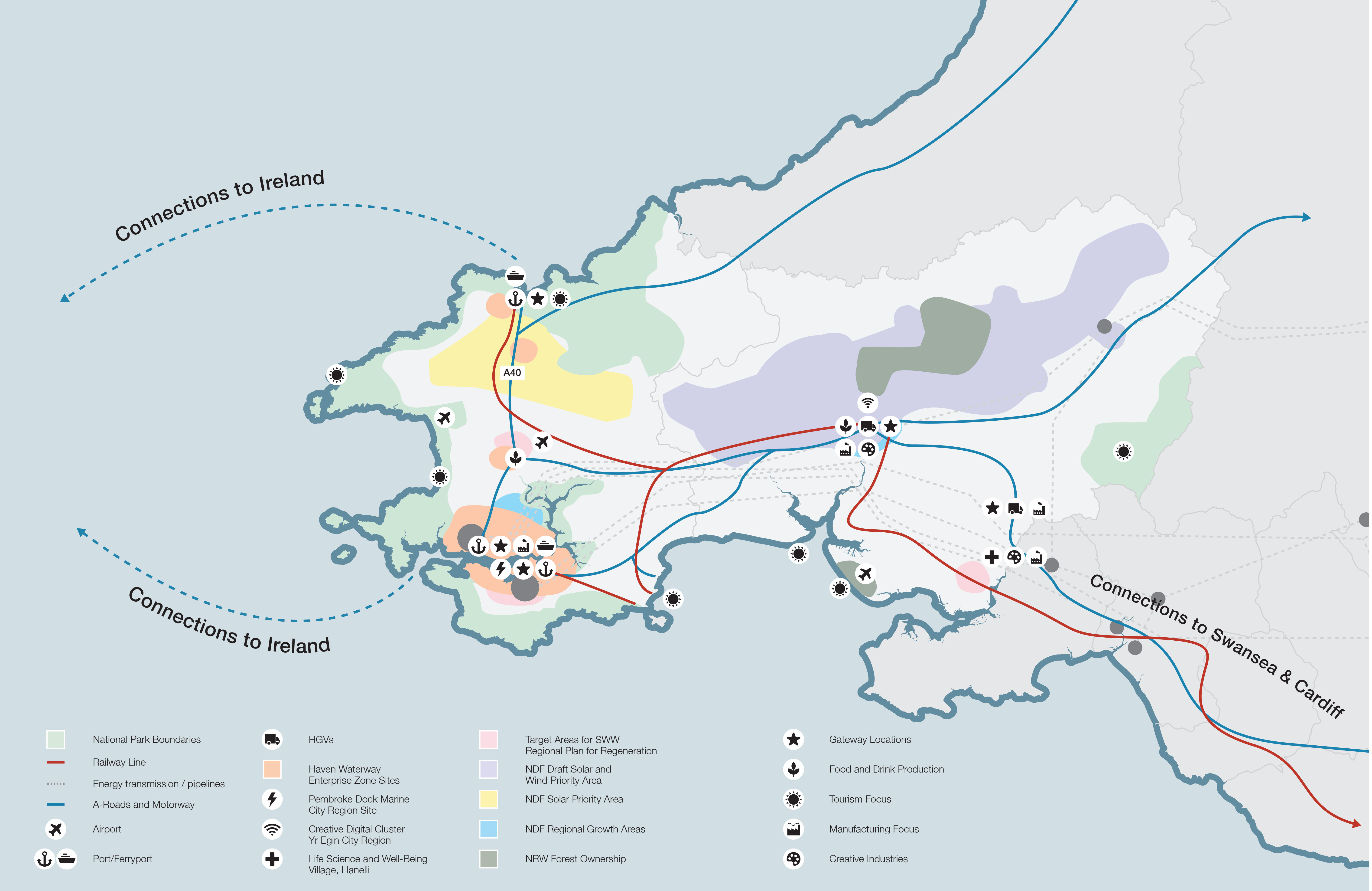
Tourism is a significant economic driver in the Larger than Local Area, particularly in Pembrokeshire where the PCNPA is reported to attract 4.2 million visitors per year[14] alone. This tourism offering has been strengthened by

[14] https://www.field-studies-council.org/media/2419552/500_pembrokeshire_s_facts_of_tourism__jan_11_.pdf

attractions such as Bluestone[15] and Folly Farm[16] and projects such as the Pendine Tourism Attractor Project[17], which demonstrate that tourism can also be viewed as a key growth industry within the Larger than Local Area. Full economic forecasting, showing the level of growth and change expected across all sectors, is available in Appendix B of this report.

[15] https://www.bluestonewales.com/
[16] https://www.folly-farm.co.uk/
[17] http://www.carmarthenshireherald.com/44084/work-begins-on-major-pendine-transformation-scheme/

3.4 Key Diagram



4 Larger than Local: Economic Strengths and Weaknesses

4.1 Overview

By reviewing the quantitative data in relation to growth and change (see **Appendix B),** and gathering anecdotal information through consultation activities, it is clear that there are unique and long-standing strengths within the Larger than Local Area. However, there are also structural challenges which may become increasingly apparent should existing public-sector support change in a post-Brexit world.

This section of the report provides a summary of the identified strengths and weaknesses with a focus on strategic sites and the economic structure to support growth and investment more generally. The findings are presented under several key sub-headings and relate across the Larger than Local area, unless specific reference is made to a geographic area within the region (e.g. Pembrokeshire, Carmarthenshire or a site).

The economic strengths and weaknesses within the area are indivisible from proposed interventions within the economic strategy. For completeness, **corresponding interventions** and **sites** which are likely to be more suitable to build-on these strengths are also identified. This will help support the justification for criteria-based policies and site-based policies.

4.2 Larger than Local Area: Key Sectors

Key sectors

Business Register and Employment Survey (BRES) data (see Section 4.5 of **Appendix B**) shows that significant employment sectors within the Larger than Local area include Education, Health and Public Administration, indicating a reliance on the public sector.

Other important sectors include Accommodation and Food Services, linking to the strength of the tourism sector within the Larger than Local area, Retail is also a significant employer, as is Agriculture, particularly when compared to the national average. Manufacturing is also an important employer with a focus on Carmarthenshire and construction is an important wider sector.

Forecast data from Experian shows a general stagnation in a number of the broad sectors. Employment growth is forecast in Accommodation, Food Services and Recreation, Construction, Public Services, and Transport and Storage, whilst decline is forecast in Manufacturing, Professional and Other Private Services, and Wholesale and Retail.

Table 3 Key Sector Strengths and Weaknesses

Strength / Weaknesses	Geography	Corresponding Interventions
Strength of the Tourism Sector (KS1) The tourism sector is a key element of the Larger than Local economy with a range of natural assets (e.g. coastline and mountains), as well as a range of visitor attractions formed around history (e.g. castles), culture and events (such as the Long Course weekend and Ironman Wales).	All	INV1
Food & Drink Production and Processing (KS2) Linked to the strength of the agricultural sector, food production and processing is a strength across the Larger than Local area. The prominence of the sector is clear when reviewing business structure with strategic businesses such as Puffin Produce and Princes Gate in Pembrokeshire, Castell Howell and Dunbia in Carmarthenshire, as well as smaller start-up businesses such as Pembrokeshire Sea Salt	All	INV1
Energy Generation – Traditional, Marine and On-Shore Renewables (KS3) Pembrokeshire and in particular the area around the Milford Haven Waterway have become well known in the energy sector, promoted through the prevalence of existing businesses, the Enterprise Zone and organisations such as Marine Energy Wales. Even with a transition to low-carbon energy, the existing infrastructure and skilled workforce in engineering design will remain as competitive strengths. In Carmarthenshire, the upland areas have a strong presence of on-shore renewables, in particular on-shore wind and large scale solar.	All	INV1
Manufacturing (KS4)	All	INV1

Carmarthenshire has a number of nationally and internationally recognised manufacturing businesses such as Magstim and Haydale. Pembrokeshire also contains a wealth of manufacturing businesses, many of which are established to support wider sectors such as marine and port related activity.		
Logistics and Distribution (KS5) Logistics and distribution have a strong role in the Larger than Local economy, both reflecting the nature of the other key sectors (e.g. food, fuel and pet foods) and success of indigenous businesses, and the geographic nature of the area and need for locally based logistics and distribution into the wider region and beyond.	All	INV1
Creative Industries (KS6) With a focus on Carmarthen through the S4C and Yr Egin project, and history in Llanelli through companies such as Tinopolis, Carmarthenshire has a strong base in the creative industries.	Carm	INV1

Economic Structure

The economic structure of the Larger than Local area is dominated by the public sector, as shown in the BRES Data. Although GVA has been broadly growing since 2011, this remains lower than the national average.

Business structure is distinctly different across the area, with proportionally more small-scale businesses in Pembrokeshire and the larger scale (250+) employers tending to be focussed in Carmarthenshire. This may reflect trends in earnings and commuting with earnings higher in Carmarthenshire where more people commute out to the wider Swansea and South East Wales areas, and lower in Pembrokeshire where people tend to work within or commute into neighbouring Carmarthenshire.

Table 4 Economic Structure Strengths and Weaknesses

Strength / Weaknesses	Geography	Corresponding Intervention
The advantages of complementary economies: Pembrokeshire is more ‘specialised’ whilst the economic base is more diversified in Carmarthenshire (ES1) When compared to total levels of employment, accommodation and food, agriculture and farming, electricity, gas and steam supply, arts and entertainment, and mining and quarrying is more prevalent in Pembrokeshire than in Carmarthenshire[18]. Carmarthenshire has less over-representation in any specific sector, however higher overall levels of employment, denoting the greater levels of diversification[19].	All	INV1
Perceived dominance of public-sector employment (ES2)	All	INV3

[18] BRES (2017) Employment sectors (see Appendix B)
[19] BRES (2017) Employment sectors (see Appendix B)

Strength / Weaknesses	Geography	Corresponding Intervention
Despite recent falls in the overall proportion employed within the public sector[20], education, health and public administration sectors collectively remain the largest absolute employers of people in the Larger than Local Area[21]. Although several areas, particularly outside of the south east of the UK, have been underpinned by public sector employment during economic downturns to an extent[22], it is the combination of public sector funding support for bringing sites forward and dominance of public sector employment that makes the dominance of public-sector involvement in the area particularly poignant. Overwhelming feedback from businesses stated that growth and development would not have been possible in South West Wales without public sector funding. Administered under the Welsh Government Capital Investment Aid and Employment Aid Scheme, the Carmarthen Property Development Fund is available for up to 45% of the intervention rate[23]. Eligibility excludes sectors such as fisheries, agriculture, energy generation, shipbuilding or manufacturing coal/ steel/ synthetic fibres. Alongside targeted sectoral based initiatives (such as those set out within the South West Wales Regional Plan for Regeneration and the City Deal), there was a perception held that sectors had only grown because of this targeted investment.		
Mixed success of City Deal and Enterprise Zone Funding (ES3) The Larger than Local area contains both the Haven Waterway Enterprise Zone and City Deal projects such as S4C Yr Egin, Llanelli Science and Well-Being Village and Pembroke Dock Marine. The success of these interventions (both land use interventions and project specific / financial interventions) has so far been mixed: • Whilst there have been positive initiatives emerging from the EZ Board and associated partnerships (such as the Port Zone and Transport Study), anecdotal feedback from businesses suggested that the Haven Waterway Enterprise Zone has not been seen to deliver large scale change / investment in the area and does in part conflict with some of the environmental designations in the area. • City Deal projects such as Yr Egin have been a great success, whereas stakeholders considered that additional certainty regarding the delivery and timescales for funding associated with Pembroke Dock Marine was needed. Whilst these interventions are a strength of the Larger than Local area, there is a need to ensure that the benefits are fully known and communicated in order that the most success is made of projects coming forward.	All	INV1, INV6
Markedly lower productivity highlighted in Carmarthenshire (ES4)	Carm	

[20] Assembly (2011) Key Issues for the Fourth Assembly: http://www.assembly.wales/NAfW%20Documents/ki-014.pdf%20-%2003112011/ki-014-English.pdf
[21] BRES (2017) Employment sectors (see Appendix B)
[22] 'Regional Futures: England's Regions in 2030' Arup for the English Regions Network, England's RDAs, DCLG & DfT, 2004
[23] Carmarthenshire Transformational Commercial Property Development Fund (May 2018) https://www.carmarthenshire.gov.wales/media/1219794/property-development-fund-guidelines.pdf

Strength / Weaknesses	Geography	Corresponding Intervention
Latest GVA data shows generally lower levels and lower growth within Carmarthenshire and the associated productivity gap within the County has been raised as a weakness through consultation. The Grant Thornton Local Authority Brexit Dashboards identifies that Carmarthenshire ranks 18th of 22 authorities, indicating low productivity[24].		

Market Strength, Supply and Demand

Our site analysis work, alongside discussions with key employers, property agents and sector leads has indicated that the Larger than Local area benefits from the desire of indigenous businesses to stay within the Larger than Local area and continue to invest and grow their business. This is despite a property market which is considered to have a limited supply of new, high quality premises and within which end values mean that project viability is difficult to achieve. Market failure is therefore a common trend across investment projects, thus requiring a greater proportion of investor input in order to justify borrowing or requiring higher proportions of grant support and public sector intervention.

Table 5 Market strength, supply and demand advantages and disadvantages

Strength / Weaknesses	Geography	Corresponding Intervention
Strength of Welsh-brand (MS1) Welsh-brand produce is considered to command a price-premium and represents a continuing growth market. Raised by stakeholders and expressed by National Assembly for Wales within the '*Rethinking Food in Wales: Food branding and processing*'[25], the Welsh identity has an important role in the promotion and marketing of Welsh food and drink products on a domestic and international level. The 'Rethinking Food' report calls for greater clarity on the possible impact of Brexit on funding for the food and drink industry, noting that there is significant untapped potential in some international export markets.	All	INV1, INV3
Strong local identity, with local firms willing to invest and benefit the area (MS2) With a number of stakeholders citing historic local connections to Pembrokeshire and Carmarthenshire, it was clear that there was a 'culture of altruism' with the vast majority of businesses wanting the area to succeed and were willing to invest to remain in the area.	All	INV1, INV2
End-value Gap (MS3) Whilst there was perceived to be demand for small-scale employment uses, discussions with agents highlighted that overall weak commercial property	All	INV2, INV3

[24] Local Authority Brexit Dashboards Carmarthenshire Summary (2019) https://www.wlga.wales/SharedFiles/Download.aspx?pageid=62&mid=665&fileid=2146
[25] National Assembly for Wales Rethinking Food in Wales: Food branding and processing (June 2019) http://www.assembly.wales/laid%20documents/cr-ld12574/cr-ld12574-e.pdf

uses result in an 'end-value' gap between construction costs and finished value. This 'gap', and impact on constraining job growth, has long been identified as an issue through various iterations of public-sector intervention: the South West Wales Property Development Fund[26], the Wales Property Fund which is available for commercial property development[27] and the Property Enhancement Development Grant administered by the Swansea Bay Regional Plan for Regeneration which is used to bring vacant commercial floorspace back into beneficial commercial use[28]. The challenge associated with 'end value' gap is two-fold. Firstly, stakeholders considered that there was a perceived structural reliance on involvement from the public-sector, which continually challenges the ability of the market to recover and leaves the area vulnerable to the certainty of replacement funds post-Brexit. Secondly, it was considered by stakeholders that without involvement of the public sector, it is challenging for SME businesses to borrow against assets for future growth.		
Perception of 'missed opportunities' (MS4) A perception existed amongst stakeholders of the slowness in the system for responding to market enquiries for growth. Whilst the nature of enquiries was not available for discussion, there a general sense that the consenting and regulatory frameworks were too slow to respond to the market. In addition, some stakeholders commented that responding to lease extensions and offers of land acquisition could be quicker.	All	INV2, INV7,
Successful uptake in Carmarthenshire of the Property Development Fund, with waiting list demand for small-scale high spec units (MS5): Stakeholders cited success of the fund, with evidence of a high volume of inquiries and a waiting list where sites / premises weren't available (tending to focus on smaller scale, higher spec premises). Although the grant has been critical in growth success stories (e.g. Castell Howell), the inquiries have tended to be from smaller scale businesses with fewer Larger than Local inquiries.	Carm	INV2

Place & Geographical Assets

'Place' has emerged as a key driver when considering the future of the Larger than Local area. The quality of the place, natural assets such as the National Parks, and attractiveness of the area for those seeking a better work-life balance are key attributes which will inevitably impact on the region's economic success. Retaining quality place (including housing, education and community infrastructure) is key for both existing employers who need to attract or retain a workforce, as well as those employees looking to relocate to the area.

In addition, the Milford Haven Waterway is considered to be a key geographical asset, as one of the deepest natural harbours in the world.

[26] https://www.npt.gov.uk/5985
[27] https://developmentbank.wales/get-business-finance/property-development-loans
[28] https://democracy.swansea.gov.uk/documents/s44968/12%202%20of%202%20-%20Appendix%20A%20South%20West%20Regional%20Plan%20for%20Regeneration.pdf

Table 6 Place and Geographical Assets Strengths and Weaknesses

Strength / Weaknesses	Geography	Corresponding Intervention
Strength of the 'West Wales' lifestyle draw, but perception that supporting social infrastructure could be enhanced (G1) The Welsh Government Department for Trade and Investment lists why 'place' strongly influences decision making for setting up enterprises in Wales[29]. However, a number of stakeholders cited that the existing infrastructure provision (particularly education and healthcare) within the area did not match the quality of the sense of place; with one business citing that it made attracting a range of skilled specialists to the area (across all levels of occupation) challenging. Evidence suggests that good education and social infrastructure lays the right foundations for productive economic growth within an area[30]. Increasing the attractiveness of 'Place' can have resounding impact on labour market, make local centres a more attractive place to live and boost overall business activity through increased tourism and increased local spend[31].	All	INV1, INV9
Limited availability of developable land with direct access to waterway (G2) The Milford Haven port is considered to be one of the deepest natural harbours in the world[32] with a strongly tidal influence[33]. The Haven is considered to be a busy commercial shipping channel with tanker terminals, a ferry terminal and marinas, which collectively offer access to westward markets within Ireland and import / export strengths. As a result of the environmental and ecological constraints associated with development within the Haven area, the scale of the existing employment uses within the area and proximity of residential development adjacent to some of the sites in the south, there was considered to be a limited availability of developable land with direct access to the waterway.	Pembs	INV4

Connectivity and Strategic Infrastructure

The Larger than Local area benefits from the presence of strategic infrastructure, providing connectivity into and out of the Larger than Local area. Key infrastructure assets include:

- Port of Milford Haven with connections to Ireland and key energy infrastructure;
- Fishguard Harbour with key connections to Ireland;
- M4 motorway / A48 connections to the east;

[29] https://tradeandinvest.wales/why-wales/10-reasons
[30] https://whatworksgrowth.org/resources/what-works-for-generating-better-jobs-and-greater-earning-power/
[31] https://www.centreforcities.org/blog/aberdeens-economic-slowdown-highlights-dangers-one-sector-city/
[32] https://www.mhpa.co.uk/the-milford-haven-waterway/
[33] Supplementary Planning Guidance Seascape Character Assessment December (2013)

- A40, part of the Trans European Road Network; and
- A477, connecting the wider network to Pembroke and the Port of Milford Haven.

Despite these infrastructure and connectivity assets which provide key links within the region, wider Wales and internationally, the Larger than Local area also has a number of connectivity challenges. This is particularly the case when considering strategic rail and bus infrastructure / services, and connectivity north-south. The area also has a number of site-specific infrastructure constraints including sites requiring infrastructure upgrade or investment in order to overcome viability gaps.

Table 7 Connectivity and Strategic Infrastructure Strengths and Weaknesses

Strength / Weaknesses	**Geography**	**Corresponding Intervention**
Regional reputation of West Wales Ports (CSI1) The West Wales Ports of Milford Haven and Fishguard have a key role within the region and beyond, providing an important trade and travel link between Wales / the UK and Ireland. The Port of Milford Haven, known as the UKs largest energy port, is capable of delivering 30% of the UK gas demand, as well as offering passenger ferry and freight services to Ireland and operating a fish docks, Pembroke Port and Milford Marina. In addition, the Port Authority at Milford Haven as a Trust Port has a key wider role as a landowner and facilitator of development / regeneration activities in the area around the Waterway. The Port of Fishguard is operated by Stena Line Ports Ltd, providing an important passenger and freight link to Ireland and more recently becoming well known as a 'port of call' for the cruise sector.	Pembs	INV4, INV6, INV7
Strong connections in Carmarthenshire to the M4 / A40 corridor and maximum range for logistics / HGVs travelling from London (CSI2) Stakeholders cited east / west slip roads to A40 / A48 / M4 as offering strong connectivity by road from key employment (e.g. Cross Hands). Again, stakeholders considered that demand for sites depreciated beyond 5km from these key junctions, and that flat sites around these junctions were considered to be more valuable. However, there was also a recognition of competition from neighbouring authorities (i.e. Swansea) where proximity to larger conurbations was considered to offer better connectivity.	Carms	INV4, INV7
Perceived strong 'east-west' connectivity, however weak overall air, rail and digital infrastructure (CSI3) Whilst the area is considered to have strong east-west connections, driven by the Trans-European Corridor which connects Europe via the UK to the Republic of Ireland, improvements were considered to be necessary to improve accessibility to employment. These enhancements were considered to include: • Further **enhanced east-west rail connections** and overall access to the region by rail[34], which has been identified as a Joint Transport Plan for South West Wales (2015-2020) priority. Stakeholders also identified	All	INV4, INV7, INV9

[34] Joint Transport Plan for South West Wales (2015) Five-year aspirations

poor rail connectivity and perceived underinvestment in enhancements, with poor journey times to Cardiff and London and **northwards on the Heart of Wales line** to mid and north Wales. Investment in Llanelli Railway Station, and Swansea Parkway[35] (i.e. the development of a new railway station north of Swansea), were considered to be transport opportunities. • Enhance **digital infrastructure** to enable 'agile-working'. It is recognised that Digital Pembrokeshire (2019) and Carmarthenshire's Digital Transformation Strategy (2017) will go some way in resolving this. • Enhance **north-south highway** and **bus connections**, and **pedestrian** and **cycling connections**: Whilst recent local investment in the highway network was welcomed by stakeholders and considered to have far-reaching strategic effects, there was considered to be poor integration between different modes of transport and poor local accessibility. • Resolve **bottlenecking of traffic to the Port from Pembroke and Johnston**: Stakeholders considered that road-reliant development at the Port results in bottlenecking of neighbouring settlements of Pembroke and Johnston.		
Tackling Site Constraints: Vacancy does not necessarily mean no demand (CSI4) Whilst there was evidence of vacancy on the strategic sites, this was often related to significant site-based constraints (such as ground-water grouting or utilities constraints) which compounded the existing 'value gap'. A number of stakeholders considered that there should be a more proactive approach to resolving site constraints.	All	INV5
Access to natural resource (CSI5) With good access to natural resources, including wave and tidal energy, coastal areas and land-based industry, such as agriculture and forestry, the natural resources within the area were considered to be a key advantage of the Larger than Local area. However, competing demand pressure from tourists and other growth sectors were seen to be an area for ongoing management.	All	INV1, INV4, INV7

Skills

The diverse economy (current and historic) within the Larger than Local area means that the range of skills on offer is wide ranging with particular strengths in energy related industries, manufacturing, food and agriculture.

Despite this, some stakeholders consider there to be a skills shortage in certain positions, particularly within the middle career levels.

Table 8 Skills Strengths and Weaknesses

Strength / Weaknesses	Geography	Corresponding Intervention
Wide-range of strongly-skilled workforce, however limited availability of early-middle careers (SK1)	All	INV8

[35]https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/777021/WEST_WALES_PARKWAY_STATION_SCOPING_STUDY_FINAL.pdf

Stakeholders considered there was a full spectrum of skills within the area and perception of strong-skilled workforce based on historic sectors within the area. However, on closer review of the data, there appears to be a 'hollowing out' of occupations, as set out within the Labour Force Survey with greater proportion of Managers and Senior Officials in Pembrokeshire, alongside greater numbers of Elementary Occupations and a 'spike' in the numbers of skilled trade occupations when compared to the NDF regional averages. It was perceived that the Lifestyle brand of the area is an attractive factor when deciding whether to relocate within the area. Occupations in Carmarthenshire are more comparable to the regional average, although there are more skilled trade occupations and sales / customer service occupations.		

Coordination, Business Support and Networks

The study has found some evidence of co-ordination, business support and networks, however this seems to be occurring at different levels, across various organisations and there is considered to be opportunity to enhance support across the Larger than Local area.

Table 9 Coordination and Business Networks Strengths and Weakenesses

Strength / Weaknesses	**Geography**	**Corresponding Intervention**
Evidence of some existing business networks operating at an initiative-based level (CSN1) Although general business advice was promoted though Business Wales, the CCP Business Network and the Bridge Innovation Centre, there were considered to be relatively limited networks for general business development.	All	INV7
Partial coordination between authorities at present with regard to development inquiries (CSN2) From stakeholder engagement, it became clear that Welsh Government manage strategic inquiries, whereas individual county councils manage smaller scale requests for development space. Demand was considered to be strong, with evidence of waiting lists for units smaller than 5,000sq. ft, however it was not clear the extent to which these enquiries were being re-directed to alternate sites across the four authorities.	All	INV3, INV7

5 Larger than Local: Building interventions based on market opportunities and threats

5.1 Overview

Alongside identifying existing strengths and weaknesses of the Larger than Local area, baseline work has also highlighted a number of clear opportunities and threats. Many opportunities relate to key sectors identified above, whilst others relate to future working arrangements or specific site work / interventions.

This section of the report provides a summary of the identified opportunities and threats with a focus on strategic sites and the economic structure to support growth and investment more generally. In accordance with the Practice Guidance, the findings are presented as strategic interventions, under a number of key sub-headings and relate across the Larger than Local area, unless specific reference is made to a geographic area within the region (e.g. Pembrokeshire, Carmarthenshire or a site).

5.2 Sectoral Interventions

Maximising existing sectoral strengths

INV1 **Making the most of complementary sectoral strengths by maximising natural resources and adding value:** Building on the advantages of complementary economies (ES1) and the strengths of existing sectors (KS1-6) there appear to be clear sectors through which further complementary benefits and synergies could be derived. Although this is not a comprehensive list, **table 10** below describes examples of these complementary sectoral strengths.

Table 10 INV1 Broad Interventions

Drivers	Broad Intervention	Rationale (Opportunity / Threats)	Potential Sub-Actions / Site-based outputs
ES1, KS1, KS2, G1	**Food and Tourism / Hospitality**: The quality of produce in the Larger than Local Area could feature more in the tourism offer and should be part of the destinations appeal. Some activities exist (e.g. Pembrokeshire Fish Week) but there is an opportunity to make more of promoting local producers and engaging tourists in the sector (e.g. food and drink trail / tours).	Explored further within the Evaluation of Food Festivals[36], there is clear evidence to suggest that food festivals and events can raise the profile of locally-produced / Welsh-branded food, whilst supporting businesses in key food sectors. Building on the 'Food Tourism Action Plan for Wales (2015-2020)', the research further identifies the strategic importance of food festivals for exhibitors which may go beyond direct sales, to R&D opportunities and networking, place-building and full-integration of food tourism into Visit Wales' activities.	• Consider developing and promoting a pan-authority programme of coordinated food events. This could include working alongside transport and events colleagues to ensure careful management of tourists within existing infrastructure constraints. • Working with existing Town Teams, Food Development Team and town-based initiatives, consider developing a network which ensures local providers and businesses can engage with seasonal events.

[36] Wavehill Social and Economic Research (Evaluation of Food Festivals supported by the Welsh Government for the Financial Period of April 2014-2015, from: https://businesswales.gov.wales/foodanddrink/sites/foodanddrink/files/documents/Wavehill%20Ltd%20-%20Evaluation%20of%20Food%20Festivals%202015%20-%20Final%20Version%20-%2026.04.16.pdf

Drivers	Broad Intervention	Rationale (Opportunity / Threats)	Potential Sub-Actions / Site-based outputs
ES1, KS4, KS5, CSI5	**Timber and Housing / Construction**: The Larger than Local area, and in particular parts of Carmarthenshire, contain large forest / woodland estates. Combining a drive to create more productive woodlands, and national ambitions of modern methods of construction (MMC) in the region, there could be an opportunity to review the benefits in terms of timber production for the local construction industry and consider opportunities for modular building facilities linked to council plans for housing delivery.	The wood and forest sector across Wales is well-established, with 850,000 tonnes of timber produced each year[37]. Indeed, the use of Welsh timber in support of the circular economy and delivery of new homes was identified as an opportunity within the 'R*e-imagining social house building in Wales*' (July 2019)'[38] and *Natural Resources Policy* (2017[39]). The authorities within the Larger than Local area are also beginning to consider what opportunities this might play in the affordable housing new-build programme. Recent Arup research has identified that Local Authorities and public-sector bodies (such as Registered Social Landlords) are well-placed to consider MMC on their own sites as these typically represent a more certain and consistent pipeline for delivery[40].	• Consider promoting the Larger than Local area for MMC development, specifically noting proximity between timber resource and possible markets. • Consider providing business support to firms wishing to expand into MMC processes using local resources. Work with experts within the sector to identify sites with appropriate supporting infrastructure (i.e. proximity to resource and transport infrastructure). • Explore opportunities for constituent Councils within the area to act as a developer partner with MMC providers, linked to council plans for housing delivery.
ES1, KS1, KS3, CSI5	**Cruise Sector and Tourism:** Explore and review the suitability of Fishguard or Milford Haven for the cruise sector economy.	Whilst tourism is seen as a key sector within the Larger and Local economy, there is evidence of increasing demand for the Welsh cruise sector. According to the Welsh Government, cruise passenger numbers to Fishguard have increased by 30% from 2013 to 2019[41].	• Review the projected cruise sector demand within the Larger than Local area. • Review the suitability of the Milford Haven and Fishguard Harbour for accommodating both cruise sector movements and port-side uses.

[37] https://naturalresources.wales/about-us/what-we-do/welsh-government-woodland-estate/how-the-woodland-estate-benefits-wales/?lang=en
[38] Welsh Government (July 2019) Re-imagining social house-building in Wales https://gov.wales/sites/default/files/publications/2019-07/social-house-building-draft-strategy_1.pdf
[39] Welsh Government (2017) Natural Resources Policy https://gweddill.gov.wales/docs/desh/publications/170821-natural-resources-policy-en.PDF
[40] Arup (2019) How Modern Methods of Construction can deliver more through the planning system https://www.arup.com/perspectives/publications/research/section/how-modern-methods-of-construction-can-deliver-more-through-the-planning-system
[41] Welsh Government (2018) 'Cruise Development in Wales: Written Statement by the Welsh Government'

Drivers	Broad Intervention	Rationale (Opportunity / Threats)	Potential Sub-Actions / Site-based outputs
		However, there was perceived to be currently competing demand for pilotage into Milford Haven and Fishguard Harbour, with individual advantages of scale and proximity to other tourism assets being promoted respectively.	
KS1	**Reaching a tourism balance:** Whilst the growth in hospitality and visitor numbers associated with sporting events (such as Ironman Wales) is welcomed, stakeholders commented on the impact of increased visitor numbers on infrastructure.	The Larger than Local authorities have an opportunity to implement innovative / sustainable solutions at tourism hotspots in order alleviate current pressures but apply a solution which becomes a demonstrator for similar hotspots elsewhere, reaching a balance between tourism pressures and the benefit of tourist visits. Where appropriate, such solutions should include the private sectors (e.g. tour operators) or other stakeholders (e.g. National Trust).	• Progress towards a seasonal programme of events, particularly into the 'shoulder seasons' to enable better planning and manage risk of overconcentration. • Continue to work to alleviate tourism pressures in key hotspots (e.g. Martin's Haven) and consider innovative ways in which problems could be managed (e.g. demonstrator projects).
ES1, KS3, CSI5	**Natural Resources and Energy Generation**: The natural resource in the Larger than Local area is a key aspect of the destination, attracting both tourists and those relocating to the area to enjoy the quality of the environment. With evidence of already successful firms, this resource also offers great potential for energy generation – both marine, on-shore and low-carbon fuels (such as hydrogen) should be utilised to help the wider decarbonisation agenda.	The National Development Framework (2019) identified a significant area in the north of Pembrokeshire as having the potential for solar energy, and the northern portion of Carmarthenshire (outside of the National Parks) as being suitable for solar and wind energy[42]. Based on consultation drafts, the draft Welsh Marine Plan will also consider opportunities for tidal and marine energy[43].	• Review the successes of existing initiatives in support of energy generation (i.e. Haven Waterway Enterprise Zone or the City Deal Internet of Energy initiatives). • Review opportunities for appropriate renewable energy development across the Larger than Local area (e.g. solar or on-shore wind), as identified within the NDF. • Consider engaging directly with businesses to understand barriers for developing

[42] Welsh Government (2019) National Development Framework https://gov.wales/sites/default/files/consultations/2019-08/Draft%20National%20Development%20Framework.pdf
[43] Welsh Government (July 2018) Draft Welsh National Marine Plan https://gov.wales/sites/default/files/consultations/2018-07/draft-welsh-national-marine-plan-summary-of-responses.pdf

Drivers	Broad Intervention	Rationale (Opportunity / Threats)	Potential Sub-Actions / Site-based outputs
			embryonic research products further within the Larger than Local area. • Consider lobbying central government for support for marine energy research and wider opportunities that may emerge.
ES1, ES3	**On-going support for life sciences sector development:** Stakeholders considered that recent initiatives have enabled growth within this area and a perceived market confidence in developing and manufacturing life-science products. Business development could continue to support firms and growth within this area.	With the NDF (2019) identifying life sciences as a key sector and the Swansea Bay City Deal promoting the Life-Sciences and Well-being at Lanelli and Yr Egin in Carmarthenshire, there is a need to maintain momentum in this sector.	• Ensure support and alignment of relevant businesses to existing projects and initiatives. • Maintain momentum in relation to this sector, given the emphasis through the City Deal.
ES1, KS2, MS1	**Support for Food Sector (farming and fisheries):** Linked to the strength of the agricultural sector, food production and processing is a strength across the Larger than Local area. In addition, stakeholders highlighted that changes at a macro-economic scale (Brexit) may support greater development opportunities in the aquaculture and fisheries sector within the Haven.	Welsh Government have supported the development and active promotion of Wales as a food nation since 2010. With recent consultation on ambitions to develop the food and drink sector further[44], proposed actions include improving the sectors productivity, growing the sectors scale, developing sector-based clusters and actively driving the branding of Welsh food. However, initial work by Welsh Government has identified that Brexit will be an enormous disruptor to the food and agricultural sectors, with 73% of Welsh food and drink exports by value are to the European Union and a significant proportion of the workforce in this sector coming from non-UK EU countries.	• Ensure readiness to respond to changes in demand by liaising with key businesses and Welsh Government to further understand demand, and by reviewing opportunities for simplified planning measures. • Building on the recent Welsh Government consultation, consider opportunities to support the development of food-sector based clusters focussed around supply-chains.

[44] Welsh Government Consultation Paper (2019) https://gov.wales/sites/default/files/consultations/2019-07/food-and-drink-consultation-document.pdf

Drivers	Broad Intervention	Rationale (Opportunity / Threats)	Potential Sub-Actions / Site-based outputs
		Recent consultation on the complex regulatory environment of fishing in a post-Brexit world identified that macro-economic changes could create opportunities to develop this sector further.	
KS6	**Support for creative industries**: On the basis for the continuing regional support for creative industries through the City Deal, and the perception of continuing demand from small and medium creative enterprises for smaller units, the authorities could continue to support these industries.	The Swansea Bay City Deal identifies Carmarthen and Yr Egin as a creative and digital cluster. S4C was officially opened last year and is already close to full occupation, with a second phase of works planned (adding a further 4,250 sqm of commercial floor space for creative sector business[45]. Although growth is projected to remain limited across the sector, there were a number of smaller businesses that were optimistic about future growth.	• Ensure support and alignment of relevant businesses to existing projects and initiatives. • Maintain momentum in relation to this sector, given the emphasis through the City Deal.

Responding to sectoral demand and supporting indigenous firms

INV2 **Explore options to respond to sectoral demand and support indigenous firms by increasing planning flexibility:** To increase the pace by which the planning system can respond to strategic inquiries and market demand (MS4), explore opportunities to increase planning flexibility through simplified planning zones or proactive development briefs, and through support for speculative builds which enables market churn within the smaller-scale stock. Not only could this support existing indigenous firms, this could become increasingly important should Brexit result in changes to the time in which the market needs to respond.

Table 11 INV2 Broad Interventions

Drivers	Broad Intervention	Rationale (Opportunity / Threats)	Potential Sub-Actions / Site-based outputs
MS4	**Limiting 'missed' opportunities:** Stakeholders	Local Development Orders (LDOs) grant permission for certain types of development within a defined	• In recognising the demands of some key employers in the area and in an effort to increase the attractiveness of

[45] https://www.swanseabaycitydeal.wales/news/review-recommends-immediate-approval-of-two-city-deal-projects/

Drivers	Broad Intervention	Rationale (Opportunity / Threats)	Potential Sub-Actions / Site-based outputs
	considered that there was a risk of missing either market opportunities or inquiries as a result of the time taken to gain necessary consents for development. Interventions could include undertaking further research into the use of simplified planning measures or flexible planning policy to enable the market to respond quickly to changing circumstances and macro-economic uncertainty.	area, and in doing so, preclude the need for developers operating within the LDO boundary to apply for planning permission[46]. Whilst LDOs can be introduced to all land within a Local Authority area, a specified zone within a Local Authority area or applied to a specific site, these cannot permit developments which would be Environmental Impact Assessment or those which would significantly impact a European site or designation[47]. There are successful existing examples of LDOs at Treforest Industrial Estate and Parc Nantgarw, Norton Barton Food Village and Herefordshire Enterprise Zone (HEZ). Where developments are determined to be EIA, under Schedule 1 or 2[48], there is an opportunity to develop detailed development briefs about the types of uses which would be supported and site-specific infrastructure delivery plans.	sites for investment, further work / analysis should be undertaken in relation to the potential role of LDOs in locations where the end use of the site is known (e.g. food park). • Where end use is less defined, consideration could be given to other interventions that could support end users and 'smooth' the process of delivery (e.g. Development Briefs / Area Action Plans / Supplementary Planning Guidance). • All Larger than Local authorities could include sufficiently flexible policies in order to support existing strategic sites, as well as support for new strategic employment land coming forward, should it be considered critical to support a programme or potential investor with specific site requirements. This could ensure that future potential is not precluded and allow appropriate / sustainable sites to come forward should investment demand emerge.
MS3, MS5	Discussions with stakeholders and agents highlighted a continued **latent demand for higher quality smaller sites and premises**. To support this demand interventions could include supporting speculative build or shovel-ready applications, to create space	There was a perception from stakeholders and agents that scarcity of new, high-specification employment and commercial stock could result in firms choosing to locate further east where the overall resultant land value is higher. In addition, agents considered that there was consistent demand for smaller-scale secondary stock (less than 5,000 sq. ft), however there was often	• Consider opportunities to work with Welsh Government, the Development Bank of Wales and private companies to bring forward clean, level 'shovel ready' sites to create 'move-on' space within the secondary market. • Consider whether Pembrokeshire and Carmarthenshire could further utilise and benefit from the existing Property Development Fund in order to bring forward small speculative or 'shovel ready' sites across the

[46] The Town and Country Planning (Environmental Impact Assessment) Regulations 2017
[47] See Appendix 1 – The legal procedures of making an LDO - PAS (2019) Local Development Orders: Guidance for councils on preparing Local Development Orders
[48] The Town and Country Planning (Environmental Impact Assessment) Regulations 2017

Drivers	Broad Intervention	Rationale (Opportunity / Threats)	Potential Sub-Actions / Site-based outputs
	within the commercial stock secondary market.	insufficient 'move-on' space which may have been as a result of very low rental values across the area. Development Banc of Wales and Welsh Government are currently supportive of speculative developments and advanced build without pre-lets or pre-sales (see INV3).	region. This would allow for firms wishing to grow to move into new, high quality accommodation or build their own, free up secondary stock for which there is anecdotal latent demand, and provide alternative premises across the Larger than Local area which would also allow businesses born within the national parks to grow without moving too far.
MS2	Whilst sectoral decline is projected for a number of key sectors across the area, **stakeholder confidence in the market was strong with a number of indigenous businesses looking to a expand**. Expansions of existing businesses onto adjacent or neighbouring sites should be supported were possible.	Whilst a number of stakeholders cited historic local connections to Pembrokeshire and Carmarthenshire and a genuine culture of altruism within the area, there was perception that new businesses were favoured over growth of existing firms.	• Consider supporting growth of existing strategic employers and sites, including local adjacent supply chains. • Consider working more collaboratively with employers to understand their needs: whether site based (e.g. more / less space), workforce based (e.g. skills / availability of staff) or other (e.g. funding).

Market strength, supply and demand

INV3 **Explore opportunities for working in partnership with the private sector to reduce reliance on public sector funding**: Given the challenging 'end value gap' between construction costs and finished value (MS3) and the increasing uncertainty of continuing public sector funding (ES2), increasing awareness of existing funds and opportunities for partnership working could provide an opportunity for greater public-sector commerciality / entrepreneurship and to support greater commercial viability.

Table 12 INV3 Broad Interventions

Drivers	Broad Intervention	Rationale (Opportunity / Threats)	Potential Sub-Actions / Site-based outputs
ES2, CSN2, MS3	**Value Gap**: Promote awareness of funding to private sector companies to reduce the 'value gap'. Work has shown that many successful businesses within key sectors of the Larger than Local area have historically been somewhat reliant on financial support (grant funding such as the Property Development Fund) to grow. This largely reflects the market failure in many areas of the region in relation to development cost vs end land / asset value, an economic position which is unlikely to change in the short to medium term.	Much of the funding to date has been EU-led through schemes such as the Regional Development Fund (ERDF) or Structural Fund. There is a real threat that in a post Brexit world the level of support that has been available will no longer be. Specifically, there is potential for delay in setting out similar funding whilst post-Brexit arrangements are confirmed, leading to a potential lag in growth of indigenous businesses within the region. In addition, this structural reliance on public sector funds and the perpetuating 'value gap' means that it is increasingly challenging for emerging enterprises to demonstrate the typically strong balance sheet and access to private finance by borrowing against the asset. The Development Banc of Wales was set up in 2017 and represents an opportunity of financial support for SMEs. As a self-sustaining, cyclical fund, the focus is on maximising outputs of investment strategies and taxpayers funding. By working alongside existing funds (such as the Wales Property Fund, the Wales Business Fund and the Capital Growth Fund), the Development Banc of Wales Strategy[49] is targeted at SME companies with flexibility to support larger businesses.	**Post-Brexit / UK Prosperity funding preparedness at a local level** Mapping of existing local dependencies of sites and programmes on European Union-derived funding. **Raising awareness of available loans** Promote awareness of available funding, and emerging post-Brexit macro-economic funding, to private sector companies to reduce the 'value gap'.
MS3, ES2, CSN2	**Public-private partnerships:** Consider whether, in relation to key sectors, the County Councils can form part of a developer partnership with private sector companies.	Working in partnership can help to pump-prime private sector investments, de-risk development sites and provide essential supporting infrastructure, that makes developments more commercially viable. In taking a partnership approach, Councils	In recognising the value gap / market failure, and in anticipating a potential funding lag post Brexit, the authorities across the Larger than Local area could seek to work collaboratively with the private sector, Welsh

[49] Development Banc of Wales (July 2019) https://developmentbank.wales/sites/default/files/2017-10/DBW%20Strategic%20Outline%20Brochure%20digital.pdf

Drivers	Broad Intervention	Rationale (Opportunity / Threats)	Potential Sub-Actions / Site-based outputs
	The Larger than Local authorities could work collaboratively with the private sector and other partners such as the Welsh Development Banc in order to explore potential partnership structures, finance vehicles and funding packages that may help unlock sites where pump-priming is required in order to bring greatest benefit from development.	can draw on their access to inexpensive borrowing and large asset base. In addition, this can then bring into play private sector attributes such as commercial discipline, and the ability to leverage on the back of public investment to increase the economic impact of the project.	Government and Development Banc in order to explore and develop partnerships / governance / finance structures to bring forward challenging sites and reduce the 'value gap'. These are currently available for commercial property up to £5 million, however any structure would need to recognise the private sector focus of the Welsh Development Banc support.

5.3 Spatial Interventions

Preserving strategic assets for future demand

INV4 **Proactively protect assets / land which enables the strategic locational benefits of the Larger than Local area to be maximised**: Regionally-significant geographic and infrastructure assets (**CSI1**, **CSI2** and **CSI3**), such as the deep-water west-facing Port and east-west slip roads onto the A40 / A48 / M4 at Crosshands, were cited by stakeholders as key reasons why businesses had historically located within the area. Whilst demand for employment land at these locations will change over time, with current projections indicating decline across a number of employment sectors, it is important to preserve land for employment uses at these locations to ensure that the regionally-important nature of these assets is preserved, and the future opportunity of these sites is not lost.

Table 13 INV4 Broad interventions

Drivers	Broad Intervention	Rationale (Opportunity / Threats)	Potential Sub-Actions / Site-based outputs
CSI1, G2	Protect land adjacent to the Milford Haven for employment uses, and specifically those sites with direct access to the port	Given the strength of the existing supply-chain and agglomerative benefits of locating in the Milford Haven area, there is perceived continued demand for quayside access to the deep-water port at Milford Haven with stakeholders citing	• Working with Welsh Government, understand strategic demand for sites with tri-modal and portside access, and promote

Drivers	Broad Intervention	Rationale (Opportunity / Threats)	Potential Sub-Actions / Site-based outputs
	(either through pipe or direct wharfage). Explore opportunities to enhance for tri-modal (rail, water and road) and portside access for employment uses around the Port of Milford Haven. Continue to support development which enables a transition to a low and zero-carbon economy in the area.	anecdotal strategic inquiries for location in the Port area. Loss of sites with access to the waterside would result in the loss of employment opportunities with this strategic connectivity. **Exploring tri-modal sites**: Currently there are considered to be only a limited number of sites with access to a rail-head, and none which have access to a rail-head and an available jetty. This results in 'double-handling' of goods between modes of transport which reduces strategic attractiveness of sites to transporting materials. Where demand exists and where existing functions of sites are rationalised, opportunities to increase overall tri-modal accessibility should be explored (for example conveyors to jetties or railheads). **Preparing for transition to a low-carbon economy**: In light of the 2050 net-zero greenhouse gas emissions target, there are a number of existing businesses along the Haven which are investing in infrastructure to meet the decarbonisation targets and renewable energy requirements. In addition, the recent bid from PCC for the 'Milford Haven Energy Kingdom' to the Industrial Strategy Challenge Fund demonstrates continuing political support for the transition to the low-carbon economy. On the basis that Port industries are being encouraged to consider alternative fuels[50] and the international and national carbon targets remain in place, the strategic locational importance of the Milford Haven area is likely to remain for both existing traditional-fuel employers and emerging low-carbon industries.	the strategic locational advantages of these sites. • Consider implementing safeguarding policies or restrictive policies for changes of use on sites adjacent to the Haven, with Portside access, to prevent the loss of the strategic employment opportunities for this Trans-European gateway. • Continue to work with existing businesses to understand the potential for transitioning to low-carbon or alternative fuels. • Work with the private sector / landowners to prepare development briefs for strategic sites and set out what the locational benefits are within the context of the 'Larger than Local' area. • Consider a specific policy designation for gateway sites.
CSI3	Stakeholders highlighted potential demand for fulfilment sites (sites which enable dispatch, storage and	Anecdotal evidence from stakeholders indicated that employment sites became less attractive beyond 5km from the east-west transport corridor.	• Consider implementing a policy-preference for employment uses adjacent to junctions with east-west access on the A40 / A48 /

[50] Committee on Climate Change (September 2019) https://www.theccc.org.uk/wp-content/uploads/2019/09/Letter-from-Lord-Deben-to-Grant-Shapps-IAS.pdf

Drivers	Broad Intervention	Rationale (Opportunity / Threats)	Potential Sub-Actions / Site-based outputs
	collation of products). Protect and promote land adjacent to the key east-west transport corridor across Pembrokeshire and Carmarthenshire, and specifically those sites (such as Crosshands or Parc Hendre) with direct access to junctions with east / west slips onto the A40 / A48 / M4 (T-ENT) corridor.	The Joint Transport Plan (2015 - 2020) identified improvements to the strategic east / west road and rail links as a key action within the Long-Term Plan and Policy KS2 stipulated plans to improve journey time reliability between key settlements and strategic employment sites. East-west connectivity will therefore be a focus for future transport investment to 2020.	M4 corridor. Consider specific policy designation for gateway sites. • Continue to liaise with Welsh Government regarding the preparation of the national transport model including prioritising Strategic Sites or Future Potential Strategic Sites based on strategic connectivity.
CSI3	Pembrokeshire has a number of current or former airfields, some linked to the military history / presence in the County. Given the location of these facilities and uncertainty over their future function, there may be a need to undertake further review of these assets and consider their future role as part of a wider masterplanning exercise. Whilst it is imperative to preserve strategic assets for future demand, the councils could review the long-term opportunities for airports within the area.	Haverfordwest Airport, for example, is an important operational asset but should the food park succeed there may be demand for expansion land in this area. The site has also been looked at for renewable energy potential. Further west, Brawdy Airfield (although currently not operational) could offer future potential as an alternative connection, especially when the planned road link is completed (avoiding Newgale)[51]. Brawdy Airfield, was one MOD asset identified for disposal or change before 2024, as set out within the MOD's Better Defence Estate report (November 2016)[52].	• Review and establish long-term aspirations for air-travel within Pembrokeshire and Carmarthenshire, and review the role of existing assets to identify whether these should be consolidated, or, if any should be considered to be regional airfields. Consider assets collectively and alongside wider land-use demands. • Consider potential alternative uses for non-profitable or non-functioning assets, including exploring whether these should be included within adjacent employment masterplans.

[51] https://www.pembrokeshire.gov.uk/newsroom/preferred-route-revealed-to-public
[52] Ministry of Defence (November 2016) A Better Defence Estate
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/576401/Better_Defence_Estate_Dec16_Amends_Web.pdf

Strategic site interventions

INV5 **Plan proactively for strategic, site-based interventions:** The site analysis work conducted in defining a network of Strategic Sites across the Larger than Local area has highlighted a number of site-based interventions which have been captured on the site proformas in **Appendix C**. Further site-based initiatives may also emerge through wider interventions such as INV1, INV2 or INV3.

Reviewing existing and proposed spatial initiatives

INV6 **Review the successes and challenges of existing spatial initiatives to ensure lessons-learned for newly-emerging concepts (such as the Port Zone)**: Feedback indicated that Enterprise Zone sites had had mixed success, with a number of stakeholders confused about their overarching purpose. Given new concepts are likely to emerge in response to macro-economic change (i.e. Brexit), an appraisal of the existing initiatives should take place to maximise future impacts of these schemes.

Table 14 INV6 Broad Interventions

Drivers	Broad Intervention	Rationale (Opportunity / Threats)	Potential Sub-Actions / Site-based outputs
CSI1	**Review opportunities to bolster 'Free Port' status**: Recently, MHPA has announced ambitions to establish Milford Haven Port as a 'free port' and 'port zone'.	A 'Free Port' has been defined as a policy-tool whereby after Brexit, it would be considered outside the UK's customs territory and as such would be exempt from UK taxes and duties[53]. A 'Port Zone' has been described as a 'turbo charged' enterprise zone. Essentially, it would establish favourable business, tax and planning procedures for development within the **Port Zone** in order to stimulate industrial activity with a connection to Port activities e.g. energy[54]. Discussions around this concept are ongoing with the Welsh and UK Government along with other sea ports and airports in Wales.	• Continued support for the Port of Milford Haven in exploring the Port Zone / Free Port concept. The Larger than Local authorities should seek to fully understanding the benefits that such a designation could bring to the Milford Haven area in order to advise potential investors and/or indigenous businesses who may benefit from such an initiative. • Consider how this concept could be supplemented with simplified planning arrangements.

[53] https://www.icaew.com/about-icaew/news/press-release-archive/2018-press-releases/regions-2018/help-welsh-ports-to-prosper-after-brexit
[54] https://www.icaew.com/about-icaew/news/press-release-archive/2018-press-releases/regions-2018/help-welsh-ports-to-prosper-after-brexit

Drivers	Broad Intervention	Rationale (Opportunity / Threats)	Potential Sub-Actions / Site-based outputs
ES3	**Review of Enterprise Zones**: To reflect the mixed opinions held on the success of the Enterprise Zones, review the extent to which these designations have delivered benefits or delivered growth.	The success of these interventions (both land use interventions and project specific / financial interventions) has so far been mixed: • The Haven Waterway Enterprise Zone has not been seen to generate large scale change / investment in the area and does in part conflict with some of the environmental designations in the area. • City Deal projects such as Yr Egin have been a great success whereas stakeholders considered that additional certainty was needed regarding the delivery and timescales for funding associated with Pembroke Dock Marine. Whilst these interventions are a strength of the Larger than Local area, there is a need to ensure that the benefits are fully known and communicated in order that the most success is made of projects coming forward	Pembrokeshire should work closely with Welsh Government in order to review the success of the Enterprise Zone within the Larger than Local area. This should include a review of the inquiries to date, the way in which decisions within the zone have been taken and also include a review of the EZ boundary moving forward, recognising the environmental considerations and constraints within the area. The full benefits of the EZ should also be reviewed in order that inquiries can be dealt with in the most efficient way and investors directed to the EZ where the benefits would match investment inquiry.

5.4 Networks and Place-based interventions

Coordination, business support and networks

INV7 **Operate effectively across-authorities and across-departments:** Given greater emphasis on working regionally and across boundaries within the National Development Framework, there is a need to increase the extent to which authorities are operating effectively together to support positive, less sector-vulnerable economic growth. Particularly as a result of macro-economic uncertainty, LPAs, businesses and stakeholders should aim to operate with a mindset of reducing economic vulnerability through viewing the economic function of the area as a whole.

Table 15 INV7 Broad Interventions

Drivers	Broad Intervention	Rationale (Opportunity / Threats)	Potential Sub-Actions / Site-based outputs
MS4, CSI1, CSI2, CSI3, CSI5, CSN2	**Site promotion**: There is an opportunity to work collaboratively between County Councils, National Park Authorities and departments within Welsh Government to actively promote available sites to national and international investors. **Working with landowners**: Future macro-economic uncertainty (such as the implications of Brexit or the decision to not to proceed with a new section of the M4 motorway south of Newport) may result in reconfiguration of existing assets within the area. This should be seen as an opportunity for the County Councils to target 'the right end user' and maximise the strategic locational benefits of these sites. A more proactive approach to partnership from both the public and private sector can help create an environment in which organisations are more likely to work together and help each other tackle barriers to development. Research from the British Property Federation and Local Government Association[55] shows that this can be particularly important where there are substantial challenges for either the public or the private sector, and an overarching strategy for engagement can make a significant difference. **Managing inquiries to alternative sites:** There was anecdotal evidence of 'waiting lists' for smaller sites (approx. 5,000 sq. ft and under). Whilst outside the scope of the Larger than Local 'Strategic Focus', Councils should work together with Welsh Government to support accommodation of these inquiries across local authority boundaries.	It is understood that Welsh Government currently manage inquiries for employment land of a strategic nature, with respective councils responding to smaller scale demand inquiries. Anecdotal evidence from stakeholders indicated a perception of slowness in the ability to provide for these inquiries (see INV2). Anecdotal evidence from stakeholders also indicated that change in structural employers in the area (i.e. the closure of the Murco Refinery) allowed for detailed site appraisal. However, this requires public-sector bodies to engage early with private sector companies to ensure that the opportunities relating to the strategic location of these sites are maximised. In addition, greater coordination is needed between public sector bodies to reduce inter-authority competition.	• Work collaboratively, recognising the complementary nature of many of the key sectors across the Larger than Local area. This would involve the four authorities working without borders (potentially through the Regional Statutory Joint Committee) in order to recognise the benefit of a wider, more diverse economic base across the functional economic area. • Using the Strategic Site inventory at Appendix C, develop a detailed site portfolio (reviewing key infrastructure assets and likely values) against strategic inquiries to understand how strategic demand aligns with these sites. • Work in partnership with the private sector / landowners to prepare development briefs for strategic sites and set out what the locational benefits are within the context of the 'Larger than Local' area. • Review where active promotion would be most effective to attract the 'right end user' that would maximise the strategic locational benefits of the site.

[55] https://www.bpf.org.uk/sites/default/files/resources/BPF-Unlocking-Growth-Report.pdf

Drivers	Broad Intervention	Rationale (Opportunity / Threats)	Potential Sub-Actions / Site-based outputs
			• Work across departments and authorities to help guide prospective inquiries to other locations within the Pembrokeshire and Carmarthenshire area.
	Market Engagement: Greater engagement outreach could be used to develop stronger working relationships with existing key businesses within the Larger than Local area.	There was a perception amongst some indigenous businesses within the area that 'new growth' was prioritised. However, acknowledging the generally altruistic nature of the area, indigenous businesses are more likely to invest in the overall development of the 'place', infrastructure and skills.	• Continue market engagement in order to retain an up to date picture of key employers, investment inquiries and smaller scale employers with high growth plans. This context and understanding can then be applied to the site strategy and / or support mechanisms be put in place. This is likely to need support from Business Wales, Enterprise Zones and the Welsh Development Banc in terms of local knowledge and funding solutions.

Ensuring a broad range of skills at different levels

INV8 **Strategically plan skills development and training to match current and future needs:** The diverse nature of the Larger than Local economy means that employers requirements in terms of skills and qualifications vary greatly. Efforts should be made to support existing key employers in their skills requirements, as well as planning to meet the needs of the identified opportunity sectors / complimentary sectors. The opportunity, alongside the place-based benefits should be developed and sold in order to seek to retain school leavers. This intervention is likely to become even more pressing as the implications of Brexit emerge, on the basis that significant parts of sectoral workforce are made up of non-UK EU workers[56] or macro-economic changes could have structural and concentrated impacts on a particular area of the workforce (i.e. male-dominated sectors, or youth employment).

[56] https://gov.wales/sites/default/files/consultations/2019-07/food-and-drink-consultation-document.pdf

Table 16 INV8 Broad Interventions

Drivers	Broad Intervention	Rationale (Opportunity / Threats)	Potential Sub-Actions / Site-based outputs
SK1	Discussions with key employers have highlighted potential skills gaps, with a particular focus on the middle management grades. There would also be a need to align skills development across the Larger than Local area with emerging / growth sectors (INV1), working with local colleges and universities and communicating the career opportunities within the areas key or emerging sectors (e.g. service industry, MMC etc).	The 'place' and lifestyle offer within Pembrokeshire and Carmarthenshire is considered to be a significant draw for those looking for a better work / life balance or those wishing to live and work in a high-quality environment. However, this asset was considered to be attracting Senior Managers and Officials, and perhaps was less attractive to school leavers or attracting middle managers. This factor is also considered to be a potential barrier to progression, with reduced natural 'churn' in the job market meaning that there is a perception of limited career progression from the lower / middle grades. Stakeholders considered there was a full spectrum of skills within the area and perception of strong-skilled workforce based on historic sectors (e.g. energy). However, on closer review of the data, there appears to be a 'hollowing out' of occupations in Pembrokeshire, as set out within the Labour Force Survey, with greater proportion of Managers and Senior Officials in Pembrokeshire, alongside greater numbers of Elementary Occupations and a 'spike' in the numbers of skilled trade occupations when compared to the NDF regional averages.	• Liaise with education institutions and providers to ensure courses and training aligns with sectoral strengths across the Larger than Local area. • In exploring potential future growth areas (e.g. timber and MMC), ensure that educational institutions are included within early discussions and are aware of the skills / training needs of such an opportunity as early as possible. • Consider further how wider interventions or macro-economic changes (i.e. Brexit) may change the skills / training needs across the larger than local area and plan for re-training / up-skilling. • Promote the Larger than Local area to school leavers, working with key employers in order to clearly outline the opportunities offered within the region.

Connectivity and place

INV9: Ensure the natural assets of the area are not undersold in future investment strategies, however ensure place, connectivity and social infrastructure match the expectations of skilled-worker wanting to relocate into the area:

Table 17 INV9 Broad Interventions

Drivers	Broad Intervention	Rationale (Opportunity / Threats)	Potential Sub-Actions / Site-based outputs
G1	**Ensure the quality of natural assets is reflected in social infrastructure**: Feedback from stakeholders considered that social infrastructure (such as schools, education and healthcare provision) did not necessarily mirror the high quality of natural beauty, when trying to attract and retain a range of skilled and unskilled professionals within the area. It is considered that 'Place' will be critical in both attracting and retaining employees, as well as retaining the younger population.	'Place' is an obvious attractor within the Larger than Local area. This is clear in relation to the draw of natural resources (e.g. marine / on-shore energy generation) or geographical assets (e.g. deep-water port), as well as the draw of the natural environment for those moving to the area for work (whether employer or home based). This natural asset should not be undersold in future investment strategies and efforts should continue where they further enhance the attractiveness of this asset (e.g. further investment in digital connectivity).	• Work across disciplines to ensure that investment in key supporting services and social infrastructure within the area is delivered. • The Larger than Local authorities should continue to work with Transport for Wales and other stakeholders in order to seek upgrades and improvements to key infrastructure. In particular, the rail connections and accessibility which is currently under review has been raised by a number of businesses in the area due to the wider connectivity offered into London. • Authorities should also continue to work collaboratively on active travel investment and infrastructure, linking across the region for the benefit of both the local communities and visitors alike. In turn, this could open-up opportunities in relation to cycle-tourism.
CSI3	**Ensure connectivity supports the sectoral demand**: Feedback from stakeholders considered that connectivity (particularly north-south) needed to 'match' demand for sectoral growth across the area.	Whilst there has been investment in transport infrastructure, with a number of stakeholders indicated that local transport improvements had made a strategic difference to connectivity, there was considered to be improvements necessary to north-south connectivity.	

6 Aligning Demand and Economic Interventions with Site Availability

6.1 Overview

The TAN 23 Economic Development Guidance and Practice Guidance – Building an Economic Development Evidence Base to support a Local Development Plan instigates that once a review of the qualitative demand has been undertaken, this should be aligned with the assessment of sites within the Larger than Local area. This process therefore comprises a summation of the following sub-sections:

Quantitative Assessment

- Reviewing demand-based projections and take-up rates (see Appendix B); and,
- Outputs of the Rapid Baseline Review (Appendix B) and market commentary provided by stakeholders which has been summarised as part of the assessment of strengths and weaknesses (Section 4).

Qualitative Assessment

- Review of the strengths, weaknesses and interventions that have emerged throughout the preparation of the study (Section 4 and 5); and
- Review of available sites within the Larger than Local area.

It should be noted that the purpose of the Larger than Local economic study is not to provide a detailed Employment Land Review. Rather, the study has focused on defining the location and role of strategic employment sites across the Larger than Local area, as well as identifying broader interventions

6.2 Defining demand

TAN 23 advises that the assessment of quantitative amounts of demand and qualitative information on the economy should help inform the development of a site inventory.

Projections

Appendix B sets out the likely employment land requirements based on the forecast change in employment across broad sectors. In summary:

- **Baseline Forecast:** The implication of the baseline forecast scenario is a potential reduction in employment land requirement of the LDP 2 periods to 2033 of circa -4.78 hectares. However, this approach effectively 'nets off' employment gains in office sectors and distribution against job losses in manufacturing. When the baseline forecast focussing on employment gains is explored at a County level, there is a requirement for circa **3.0 hectares of employment land** to meet demands across the office and distribution sectors within the Larger than Local area, recognising also that a reduction in jobs does not necessarily mean a reduction in land requirement as sectors may be becoming more efficient through processes such as automation.

- **Wales Forecast**: Utilising the Wales-level Experian forecasts and applying average growth levels to current employment by broad sector for Pembrokeshire and Carmarthenshire, offers a more positive scenario than the baseline forecast. Whilst the forecasts continue to show a large decline in the manufacturing sector and therefore demand for B1c/B2 floorspace, they also show more growth in the office and distribution sectors. This positive scenario suggests a requirement for circa **6.44 hectares of employment land** across the Larger than Local area.
- **Brexit Forecast**: As part of the study, Experian were commissioned to undertake a 'No Deal Brexit' Scenario Forecast for Pembrokeshire and Carmarthenshire (see **Appendix B** for more detail). The scenario is based on the Bank of England's 'no deal, no transition' outcome and represents a disorderly exit from the European Union. The scenario in general showed greater overall decline in some sectors with a more dramatic decline vs a steadier decline in the baseline forecast, with slower growth in other sectors particularly in the early stages of the plan period (2020 / 21) with overall growth not catching up with the baseline scenario, **which results in this being the most negative of all projections.**

In summary, the analysis of the Experian forecast data shows a clear dominance of non-B class sectors within the economies of the Larger than Local area. This in part reflects wider national trends in relation to sectors such as manufacturing, but also reflects the geographical character of the areas which are orientated more towards sectors such as tourism, leisure and public services which historically do not lead to large land demand. The Experian Forecasts are also underpinned by forecast relative stagnation of other sectors.

Take-up rates

Appendix A reviews in detail the emerging evidence base which is being prepared to support the LDP2 process. Take-up rates are another way in which the potential or likely demand for sites can be estimated, although it should be recognised that historic trends may not be reflective of future growth.

Employment Land Studies / Review undertaken within the Larger than Local area suggest that within Pembrokeshire the majority of demand is arising from SMEs with more strategic demand focussed around the Port of Milford Haven.

Carmarthenshire's up to date ELR showed take-up on existing sites amounted to 3.63ha in 2017/18 with take-up on allocated sites totalling 2.71ha in the same period.

This data would suggest that trends across the Larger than Local area are focussed on the SME market with limited strategic land uptake recorded. However, consultation with key stakeholders has revealed some level of planned investment on a strategic scale at sites such as Blackbridge, Withybush and Cross Hands.

Anecdotal market information

The TAN guidance recognises the whole-economy contribution to economic growth as being important. Within the guidance, local planning authorities are encouraged to recognise market signals and have regard to the need to guide economic development to the most appropriate locations, rather than prevent or discourage development. In addition, PPW advises that planning for economic land uses should aim to provide the land that the market requires, unless there are good reasons to the contrary.

Feedback on current market demand and future proposals for development emerged from anecdotal information provided by stakeholders which is discussed in detail within Section 4 and 5. Market agents provided feedback on the demand for small, high spec employment sites, whilst employers identified demand for specific site intervention and wider stakeholder groups acknowledged the need to preserve locational advantages for future demand. Furthermore, our analysis has indicated that the Larger than Local area benefits from the desire of indigenous businesses to remain within the area, continue to invest and grow their business.

Summary of demand

Although the employment forecasts are low for the area, there is latent market confidence, willingness of indigenous businesses to remain and grow, and desire by stakeholders to preserve locational advantages and strategic assets for future growth.

Whilst the implications of Brexit and other macro-economic changes is currently unknown and forecast demand for a number of sectors is stagnant or declining, there is a broad rationale to continue to pursue the 'strategic opportunities' associated with locational advantages and current sectoral strengths. Indeed, the TAN 23 Economic Development considers that 'land provision targets may be higher than anticipated demand, to allow for the chance to meet demand

The Practice Guidance considers, that were justified, land provision targets may be higher than anticipated demand, to allow for the chance that the assessments are too low and to ensure that no opportunities are missed. They should also allow for flexibility, competition and choice. However, persistent oversupply of employment land may cause harm where the planned land supply exceeds demand, so that allocated employment sites remain vacant for long periods and frustrate development for other land uses.

In recognition of the above, the study has identified a portfolio of strategic sites within the Larger than Local area which either offer strategic benefits that should be protected (e.g. Port or Road Connectivity), are current strategic sites with growth potential (e.g. Withybush) or have potential to play a role in wider economic development interventions (e.g. City Deal). Alongside the identification of sites, the study has developed a series of proposed interventions which outline actions through which strategic growth and support to key employers should be facilitated.

6.3 Strategic Site Definition and Availability

The Technical Advice Note 23 states that any Larger than Local study should identify existing strategic sites across the constituent local authority areas. Strategic sites are considered to be those that are of national, or Larger than Local significance where the site's influecne will go beyond the local authority boundary within which they are located.

Defining Strategic Sites

Section 2.4 of this report sets out the 'starting point' for the definition of strategic sites within the Larger than Local area as being **sites larger than 10ha**. However, following a detailed review of existing sectoral strengths and priority initiatives (such as the City Deal and the Regional Plan for Regeneration), definitions based on 'scale' could be considered to be too rigid and lacking in flexibility to align with the varying nature of anecdotal market demand across the area.

Using a variety of sources including previous work undertaken by Arup, a review existing definition of Strategic Site definitions within the Larger than Local area, a review of existing strategic employment land studies and similar Larger than Local economic assessments undertaken across Wales, the following seeks to recognise variation in the definition of those sites that are strategically important depending on context and to reduce over-reliance on any one type of site.

Table 18 Hierarchy of Strategic Employment Sites

Definition	Strategic Site	Ranking of Sites
Larger than Local Regionally Strategic Site	Sites which are of regional importance with a critical role in achieving national economic development objectives or supporting key economic sector growth priorities.	**Primary Site** – Site of over 10ha which is of a sufficient scale for development and significant investment in growth sectors.
Larger than Local Strategic Site Supporting Cluster	Sites which align with strategic growth sectors or regional and local priorities, however which function as a cluster of sites. These often provide a supporting role to an identified Strategic Site or a key employer supply chain.	**Secondary Site** – Strategic sites that will support more indigenous growth, expansion of existing firms and medium scale investment. These sites collectively amount to more than 5ha and are geographically proximate.
Larger than Local Gateway Site	Sites which operate as a gateway to a Larger than Local market (such as the ports or large sites adjacent to the A40 / M4 corridor).	**Primary Site** – Site located adjacent to a key gateway infrastructure asset.
Larger than Local Future	Sites which have the potential to align with key growth sectors, or which have	**Future Potential Strategic Site** – A site which might be suitable for

Potential Strategic Site	regionally important transport access, however which are currently not considered to be available or achievable as employment land.	attracting significant investment however where additional significant feasibility work is necessary to test allocating the site as a Strategic Site.

At this stage, it is important to reiterate that it is not the role of the Larger than Local study to assess local employment sites. This assessment will continue to be fulfilled by individual Local Planning Authority Employment Land Reviews, with the focus here being on those sites which have 'Larger than Local significance'.

Strategic Site Inventory and Review

Appendix C builds a detailed inventory of strategic sites within the Larger than Local Area. These are aggregated through a review of information provided by Pembrokeshire and Carmarthenshire on **existing employment stock**, a review of the **committed sites** (including those promoted through the respective adopted Local Plans) and **potential sites** (including those defined as strategic within the respective emerging Local Plans or candidate sites submitted through the LDP process).

The process by which these sites are sifted is summarised within **Appendix C** Strategic Sites.

Summary review of Strategic Site Inventory and Appraisals

The Practice Guidance requires that for strategic sites, the Larger than Local study should look to describe the purpose, use of existing and proposed strategic allocations identified together with their size and other main attributes. This should include how sites are identified to meet demand for specific employment sectors, alongside whether any sites are likely to be suited to a better use or less attractive to investment, or whether new strategic sites need to be identified.

After completion of the above assessment the following are determined to be the final 'Larger than Local' Strategic Employment Sites shortlist, with additional detail included at **Appendix C**.

- Fishguard and Goodwick Harbour Cluster
- Trecwn
- Withybush Cluster
- Milford Haven Oil Refinery (Puma Energy)
- South Hook LNG
- Thornton Industrial Estate Cluster
- Pembroke Dock Cluster
- Blackbridge
- Waterstone (Dragon LNG terminal)
- Pembroke Oil Refinery (Valero)
- Pembroke Power Station
- Pembroke Dock Cluster
- Pembroke Science and Technology Park Cluster
- Waterloo and London Road Industrial Estate
- Bynea, Llanelli
- Trostre, Llanelli
- Dafen, Llanelli
- Cross Hands
- Parc Hendre
- Llanelli Wellness and Life Science Village.

6.4 Aligning Demand and Economic Interventions with Site Availability

The Practice Guidance states that conclusions and recommendations of the Larger than Local study should begin with strategic advice about the area's future direction towards the provision of employment sites, where these should be and what markets should be targeted.

Appendix C details site-specific interventions and recommends the categorisation of these sites. It is fundamentally important at this stage to reiterate that, in light of current projections, there is sufficient strategic land available to meet demand. The rationale for retaining sites within **Appendix C** is to develop a portfolio of strategic sites within the Larger than Local area which are consider offer strategic benefits that should be protected (e.g. Port or Road Connectivity), are current strategic sites with growth potential (e.g. Withybush) or have potential to play a role in wider economic development interventions (e.g. City Deal). Alongside the identification of sites, the study has developed a series of proposed interventions which outline actions through which strategic growth and support to key employers should be facilitated.

7 Conclusions

7.1 Overview

The purpose of the study is to ultimately provide a basis on which to plan future provision of strategic land and premises for economic activities across Carmarthenshire and Pembrokeshire. By drawing on statistical analysis, a detailed literature review of existing initiatives within the area and anecdotal evidence provided through engagement with market agents and key businesses, the Strategy seeks to determine whether there is a current mismatch between supply of strategic employment land and demand, whilst also making wider recommendations in relation to positive interventions that could help support economic growth.

7.2 Interventions to support economic vision and criteria-based policies

Using the strengths and weaknesses outlined within Section 4, Section 5 of the Larger than Local study develops interventions which emerge from the rapid baseline review, anecdotal information provided by stakeholders and initiatives outlined within the literature review

Developing an economic vision: an overview of the area

The Larger than Local area is a diverse area known for its rich natural environment which provides a strong draw for its residents and visitors, as well as providing some unique assets which have historically attracted a number of key sectors to the area. Current forecasts show an ageing population across the Larger than Local area with out-migration of the younger population and in-migration of older people and retirees. The area benefits from a number of existing economic interventions including the Swansea Bay City Deal and Enterprise Zone.

The local and regional economy of the area is characterised by a number of key sectors, including agriculture, tourism, the public sector and manufacturing. Forecast data suggests a changing structure of this economy with a general trend of growth in employment across sectors such as tourism and decline in employment in sectors such as manufacturing and retail. It is important to note however, that such declines will not necessarily lead to a reduced demand for land and premises as efficiency changes and automation may be driving forecast employment decline.

Given the areas rurality the Larger than Local area does suffer with an end-value gap, making investment decisions more difficult and leading to a requirement for grant funding, public sector intervention or larger capital investment from the private sector. Positively, the work has found a strong Welsh brand and a number of key employers who identify with the area and wish to remain, bringing benefits to the economy within which they've established. 'Place' has therefore emerged as a key driver when considering the future of the Larger than Local area and retaining the current quality will be key for both existing employers and employees looking to locate in the area.

The Larger than Local area should therefore focus on maximising its strengths and existing assets, whilst seeking solutions to work collaboratively to reduce or overcome the value gap which can be a restriction on development / investment. The area should seek protection of strategic assets in order that their benefit for the area can be maximised, alongside proactively planning for strategic sites where demand is high.

Criteria-based policies

Interventions which will likely inform the economic vision at a larger-than local level, and criteria-based policies within respective LDPs, are therefore focussed on nine broad topics:

- **INV1** Making the most of complementary sectoral strengths by maximising natural resources and adding value;
- **INV2** Explore options to respond to sectoral demand and support indigenous firms by increasing planning flexibility;
- **INV3** Explore opportunities for working in partnership with the private sector to reduce reliance on public sector funding;
- **INV4** Proactively protect assets / land which enables the strategic locational benefits of the Larger than Local area to be maximised;
- **INV5** Plan proactively for strategic, site-based interventions;
- **INV6** Review the successes and challenges of existing spatial initiatives to ensure lessons-learned for newly-emerging concepts (such as the Port Zone);
- **INV7** Operate effectively across-authorities and across-departments;
- **INV8** Strategically plan skills development and training to match current and future needs; and,
- **INV9**: Ensure the natural assets of the area are not undersold in future investment strategies, however ensure place, connectivity and social infrastructure match the expectations of skilled-worker wanting to relocate into the area.

Going forward, the Larger than Local planning authorities should develop, agree and maintain a system of tracking these interventions, agreeing relevant performance indicators to demonstrate progress and consider these in both policy development and the assessment of applications.

7.3 Quantitative Targets and Demand

Projected employment land demand across the area ranges from 3ha – 6.44ha, with Brexit forecasts representing declines in most sectors. These are detailed further within **Appendix B**.

Although the employment forecasts are low for the area, there is latent market confidence, willingness of indigenous businesses to remain and grow, and desire by stakeholders to preserve locational advantages and strategic assets for future growth. In addition, existing initiatives in the area (such as the City Deal) could be support a ‘policy-on’ basis for a positive growth outlook.

The Practice Guidance considers, that where justified, land provision targets may be higher than anticipated demand, to allow for the chance that the assessments are too low and to ensure that no opportunities are missed. They should also allow for flexibility, competition and choice. However, persistent oversupply of employment land may cause harm where the planned land supply exceeds demand, so that allocated employment sites remain vacant for long periods and frustrate development for other land uses.

In recognition of the above, the study has identified a portfolio of strategic sites within the Larger than Local area which are consider offer strategic benefits that should be protected (e.g. Port or Road Connectivity), are current strategic sites with growth potential (e.g. Withybush), or have potential to play a role in wider economic development interventions (e.g. City Deal). Alongside the identification of sites, the study has developed a series of proposed interventions which outline actions through which strategic growth and support to key employers should be facilitated.

7.4 Site recommendations

Site Interventions

Appendix C details site-specific interventions and recommends the categorisation of these sites. It is fundamentally important at this stage to reiterate that, in light of current projections, there is sufficient strategic land available to meet demand. The rationale for retaining sites within Appendix C is to develop a portfolio of strategic sites within the Larger than Local area which are consider offer strategic benefits that should be protected (e.g. Port or Road Connectivity), are current strategic sites with growth potential (e.g. Withybush), or have potential to play a role in wider economic development interventions (e.g. City Deal). Alongside the identification of sites, the study has developed a series of proposed interventions which outline actions through which strategic growth and support to key employers should be facilitated.

Strategic Site policies and ensuring flexibility

Each of the Strategic Sites have been categorised against the Strategic Site definitions and suggestions made for the sectors which are aligned as ‘best fit’ for each site. In determining policy suggestions for inclusion within the emerging LDPs it is expected that these policies could be led by:

- Site categorisation, as set out in Table 18 and Appendix C,
- Locational or asset advantages, for example broad locational groupings as displayed on the key diagram;
- Key sectors, as set out in Appendix C.

All Larger than Local authorities could include **sufficiently flexible policies in order to support existing strategic sites**, as well as support for **new strategic employment land** coming forward, should it be considered critical to support a programme or potential investor with specific site requirements. This could ensure that future potential is not precluded and allow appropriate / sustainable sites to come forward should investment demand emerge.

Monitoring Success

The constituent Local Planning authorities within the Larger than Local area should, through the Economic Development Officers, continue to develop and maintain a system of tracking investment inquiries on a single shared database.

Tracking should as a minimum include the following information:

- Sector;
- Inquiry size (site area or floorspace);
- Dominant use class;
- Specification;
- Reason for inquiry; and,
- If investment doesn't emerge, reason for not locating in the Larger than Local area.