RENEW & REGENERATE

Pembrokeshire. A great place to visit, live and work.

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Contents

Preface

In the aftermath of Covid-19 and in the shadow of its resurgence Pembrokeshire faces an unprecedented level of economic uncertainty. My team deserve full credit for their response to the immediate crisis and I know through the feedback I've received just how vital that support has been for our businesses. With those immediate actions now behind us, it's the right time to look to the future.

Long before Covid-19 our strategy was to build on Pembrokeshire's reputation as a fantastic place to visit and ensure it became a fantastic place to live and work too. The significance of our main comparative disadvantage (remoteness) has been eroded by technology but needs a corresponding shift in attitudes before we see its full impact. The pandemic and society's response to it has delivered a more radical cultural shift than we could possibly have anticipated. Working from home is now a reality for millions and has opened up a world of possibilities for living in one location and working somewhere quite different.

That provides us here in Pembrokeshire with a unique opportunity but one we need to work at to realise. The people we need to attract here won't just discover Pembrokeshire all on their own, nor will they consider it a viable place to live while we lack some of the key ingredients needed in this new world.

Our strategy, is focussed on ensuring we deliver everything our county needs to become the great place to live and work that I know it can be. That means us:

- Delivering UK leading Digital Connectivity with ubiquitous gigabit capable fibre broadband by 2023.
- Reshaping our built environment – through substantial investments to kick start transformation and regeneration of our County and key towns.
- Working with our partners to deliver the next generation of clean, green engineering jobs focussed around the Milford Haven Waterway.
- Ensuring our world class tourism offer becomes even stronger, releasing the industry from the shackles of a public sector run tourism offer and empowering providers and business to lead in managing and marketing that destination to the world.

For too long, supporting Pembrokeshire's economy hasn't had the focus it deserved. I, together with my Cabinet Colleagues, am committed to ensuring that the strategy set out here is delivered and to providing the people and resources we need to ensure Pembrokeshire's economic success.

Paul Miller – Cabinet Member for Economy, Tourism, Leisure and Culture

Vision and measures of success

Pembrokeshire…
a great place to visit, live and work

Measures of success[1]

Connected

Universal access to high quality broadband by 2023

London by Rail Service in less than four hours

Offering

Exciting, vibrant, Urban Centres

The Welsh home of Green Energy

The Freeport of Milford Haven

UK's best managed Destination

Great lifestyle

Skilled work opportunities

Discovered

World Class tourist destination with an even stronger brand and marketing presence

The 'go to' destination for major events

[1] Performance measures outlined in Appendix 2 will provide indicators of success supporting outcomes.

Setting the scene

This strategy…

Combines our economic restart and recovery plans in response to the Covid 19 pandemic with our longer term renewal and regeneration approach and outlines our plans over the next five years to reach our pre-pandemic platform and move beyond it. Our plans are necessarily ambitious aiming to achieve recovery and move to a stronger economic position than that which we had in March 2020. This is a continuation of previous policies, drawn together in one place. Some of the programmes we were pursuing pre-COVID 19 already took future economic and social trends into account. Needs for these approaches have been catalysed and escalated during the pandemic and have indicated that we were and are on the right path and include:

- Early recognition of the importance of really fast broadband to compete with cities, backed up with investment in the capital programme;
- Housing growth targets in the LDP anticipating more home working and de-urbanisation;
- New approaches around localism and resilience, particularly in local food production as well as growth in interest in green energy and sustainable transport supporting the Swansea Bay City Deal trajectory.

The approach described in this document is designed for a ten- year period (with three year reviews). At the end of the document however is a 'live' and time bound action plan. This will be used to steer progress and keep projects relevant and on track. This latter document will therefore be continually reviewed and will change to reflect current circumstances.

Today

Forecasting the future economic position of Pembrokeshire is challenging. Not only do we not fully understand the full effect of the Coronavirus pandemic on the economic well-being and future prosperity of Pembrokeshire there is also the possibility of a *second wave* in the autumn/winter 20/21 and the probability of a *hard Brexit* in December 2020. A picture is however emerging that, according to the *What Works Centre for Local Economic Growth*[2] will "help inform decisions about policies to support economic recovery".

Some statistics and trends

At the macro (UK and pan-Wales) level a range of studies and data sources indicate that the impact is on a scale unprecedented in recent economic history (Office for Budget Responsibility) with, for example, the **monthly decline in GDP (April 2020) being three times greater than the fall experienced during the 2008/9 'financial crash'**[3]. Across most sectors and many dimensions (unemployment, consumer demand, business confidence, investment, exports and imports, stock markets etc.) the economy is in unchartered territory[4].

In **Wales**, the socio-economic characteristics (that define the country and its relative performance) will have a profound and disproportionate effect. According to the Bevan Foundation "Wales is set for a harder economic blow than the rest of the UK". The Enterprise Research Centre reports that Wales has seen the "highest increase in businesses going bust in the UK". The Lloyds Bank Business Barometer reports that 75% of Welsh businesses experienced a fall in demand for their products, and the Learning and Work Institute reports that Wales is more exposed than other parts of the UK, with "250,000 jobs in 'shutdown' sectors…and young people, women and those with low qualifications being most at risk". A third of Welsh businesses are planning redundancies when the Job Retention Scheme ends in October[5].

Unlike the 2008/9 'financial crash' and subsequent recession, the Institute of Fiscal Studies argues that the impacts of the Coronavirus pandemic will not follow 'traditional' north/south - and/or - urban/rural dividing lines. Rather, locations that are characterised by an elderly population, an economic reliance on tourism and hospitality sectors, and with pockets of local socio- economic deprivation are likely to be worst affected (characteristics that summarise Pembrokeshire very well). A 'Centre for Towns' (and University of Southampton) study identifies coastal and ex-industrial towns as being more at risk, and a 'Centre for Cities' report identifies very high levels of debt in Wales.

In the context of the above, and the combined impact of climate change net zero carbon programmes and a renewable future on major fossil-fuel/energy employers, **Pembrokeshire's economy** is facing a 'perfect storm'. Pre COVID what characterised Pembrokeshire's economy was a relatively high proportion of self-employed people, a relatively large proportion of people in low paid, and often season jobs. In addition, the economy is heavily dependent on a few sectors, especially tourism but despite large visitor numbers, our main towns don't have a vibrant retail or leisure offer and, in economic terms, are still declining. Emerging statistics paint a worrying picture: ONS figures (May 2020)

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[2] https://whatworksgrowth.org/policy-challenges/economic-recovery-from-covid-19/

[3] Office for National Statistics

[4] Resolution Foundation; Property Managers Index

[5] Gambit Corporate Finance Research

identify 12,900 furloughed employees (30% of the total county employment figure) and 5700 claiming Self Employed Income Support. A Cambridge Econometrics Local Economic Impact Study (June 2020) identifies Pembrokeshire (along with Conwy) as having more than 20% of total employment in the tourism and leisure sector, and more than 60% of employees who cannot work from home.

A local Business Impact Survey (May/June 2020 – completed by 542 Pembrokeshire businesses) indicated 53% of companies experiencing "significant impacts". The need for additional grant support (as opposed to loans that add to debt), more business support and a more relaxed regulatory environment are identified as the main concerns of local businesses.

Some optimism

Whilst Pembrokeshire is a county that suffers from structural economic weaknesses[6], it has proven to be fairly resilient in the face of previous economic shocks, for example, major employer closures (Murco 2015), the financial crash (2008/9), Foot and Mouth (2000) and Sea Empress (1996).

Indeed, with analysts forecasting a 'green jobs boom', early evidence that Covid 19 is having a buoyant effect on local property (House) prices (UK Residential Market survey, May 2020), and a nascent renaissance in 'localism' and the community 'wealth building' and foundational economy, there are may be opportunities to explore and exploit as part of this Plan. Some agencies go further and argue that there is a "window of opportunity to think differently and reset the way we do economic development".[7] Having said that the property boom may well be short lived and/or very specific and will probably be felt most in the areas that already have affordability problems due to second homes.

[6] PACEC report 'Economic Development Plan for Pembrokeshire, 2017'
[7] Centre for Local Economic Studies

Pandemic aside (just imagine), Pembrokeshire is a place of unrivalled but somewhat unrealised opportunity. It is a beautiful place to live and work, as well as visit, attracting almost **4.5 million visitors** per year. In addition, there is a vibrant and growing food and agricultural sector, celebrating the best of Pembrokeshire Produce.

Perhaps less well known is the strength of the traditional and emerging energy sector, coupled with highly technical and well paid employment opportunities. Indeed, proposals for development of Pembroke Dock Marine Energy Programme as part of Swansea Bay City Deal, hydrogen energy production, and proposals for offshore floating wind and wave energy present the combined opportunity for Pembrokeshire to become the **energy capital of Wales**.

Brexit presents challenges but is happening and it is important that we recognise and capitalise upon Pembrokeshire's natural assets and geographic position. The County and its ports are the **closest point in Wales to the European Union and the Republic of Ireland**. The recent announcement of the potential to create of a **Free Port at Milford Haven** presents a key opportunity to benefit from this geographic advantage.

In Pembrokeshire however, we face a number of economic and demographic challenges. We have an **aging population**, exacerbated by the tendency of people to choose Pembrokeshire as a retirement destination. Unemployment figures are low, but on the increase. Probably of greater significance is **underemployment**, driven by the **seasonality** of many jobs linked to the tourism and hospitality sectors. Many people in Pembrokeshire may have a number of part time jobs to make ends meet and earn enough during peak times to take them through lean periods. These challenges make it imperative for the County Council and its Partners to maximise the benefit that can emerge from the opportunities above, in order to arrest decline and support the development of a more **stable, balanced and affluent** local and business community.

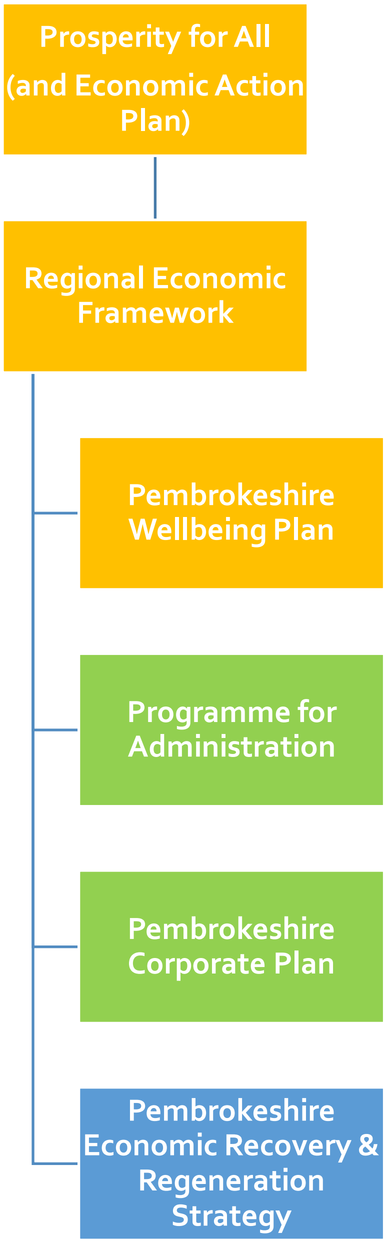
Milford Haven has the UK's fifth busiest port. The County houses the Haven Waterway Enterprise Zone, which at its inception, was based uniquely on existing and potential new energy sites, building on the areas established industry base. Around 20% of the UK's energy supplies are received via Pembrokeshire, and the Zone remains an attractive location for energy companies with its access to energy infrastructure, established supply chain and distribution infrastructure, skilled workforce supported by links to Further Education (Pembrokeshire College) and Regional Higher Education Partners with expertise in a range of energy-related fields. The Zone is also gaining a marine energy focus, given its deep sea port facilities combined with marine conditions suited to wave and tidal stream technologies, plus the benefit of electricity grid access.

Recognising these opportunities, Pembrokeshire County Council is proactively investing in the Regeneration Agenda**. A Head of Service has been appointed and resources have been aligned to create a new team to support these key priorities.** Significant capital funding has been aligned to support key priorities, supported through partnership grants, in particular Welsh Government. The Council is determined to capitalise on *these opportunities* to realise its vision to create a place **where people choose to visit, live and work**.

To facilitate this, the Council's land-use planning policies – as set out in the forthcoming **Local Development Plan 2017-2033** – are being updated in line with the vision for 2033 and in accordance with **Welsh Government National Development Framework** policies and priorities.

Strategic context

The diagram below shows the strategic hierarchy, placing our plan in the National, Regional and Corporate context.

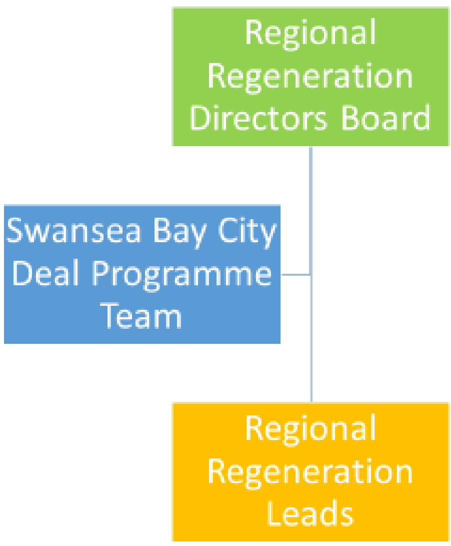


Governance and partnership

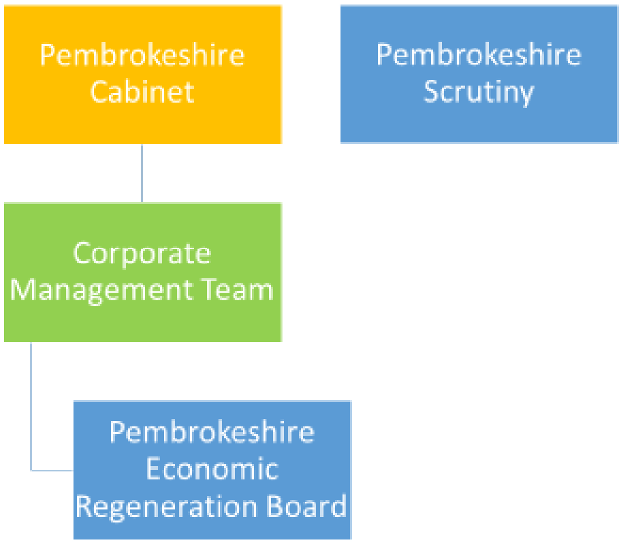
Regional relationships

For almost 15 years south west Wales's local authorities have been working closely together – Neath Port Talbot, Swansea, Carmarthenshire and Pembrokeshire. Over this time the group have responded to major investment opportunities such as the EU Convergence and subsequent programmes and other opportunities from Welsh Government. The group designed a regional economic regeneration strategy which paved the way for the £1bn Swansea Bay City Deal. The structure and relationships have matured over time with strong working relationships between authorities. Each authority is also involved in local regeneration partnerships and groups that engage proactively with a wide range of partner organisations across all relevant sectors, including private, third, skills, Housing Associations and Welsh Government.

A Regional Economic Development Leads group reports to our Regional Regeneration Directors group.



Cabinet and corporate relationships



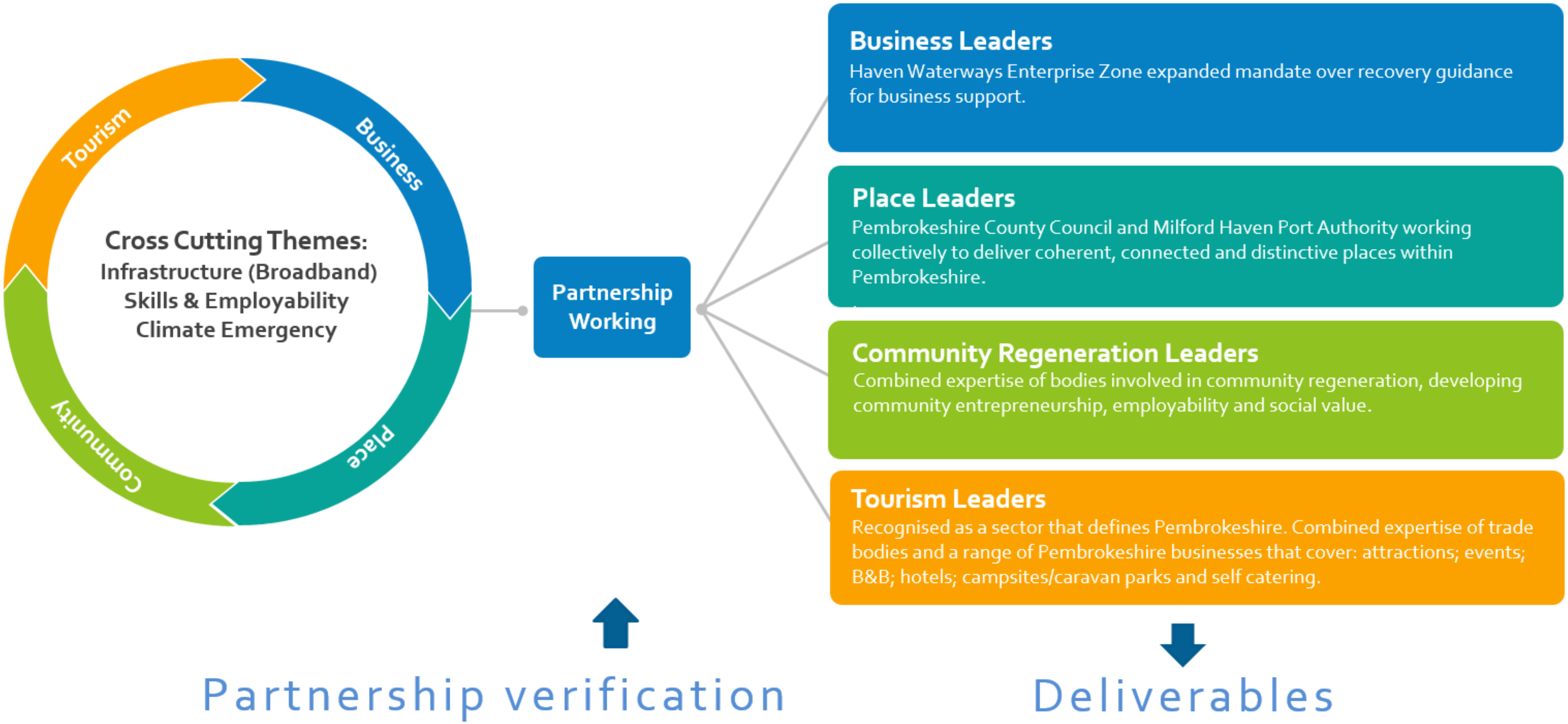
Local partnership relationships

The response to the pandemic has strengthened our belief that the Council is surrounded by capable and willing partners prepared to support the County to cope, recover and ultimately regenerate. It has also given the opportunity to pause and reflect upon partnership structures and how we can work more closely as 'Team Pembrokeshire' to deliver recovery and regeneration. We recognise and believe that the Councils role in regeneration is provide leadership and to enable ***shovel worthy and ready projects***[8] and work with partners to build and support project responses. By necessity this means we need to be outward facing, seeking verification from partners and designing Council policy and service responses to support such ***shovel worthy and ready*** projects which enable **sustainable growth**. To achieve this, we have sought to strengthen relationships with existing partnerships (Business Leaders, Place Leaders and Tourism Leaders) and have established one new partnership to drive People (Leaders). In addition, we are working in support of the Regional Learning and Skills Partnership, Regional Transport Forum and emerging Regional Strategic Development Plan.

At the same time, it requires us to be ready to respond when opportunities arise, with projects ready for implementation. This requires forward planning and investment, developing projects to the feasibility stage and ready for implementation.

[8] Projects which are not only capable of delivery but right for the time, maximise economic and community benefit and reflect climate emergency

Pembrokeshire 2030



What good outcomes will look like (measures of success)[9]

Connected

Investment is needed in key infrastructure to support the local economy and its main industries in order to attract investment and opportunities. The Haven Waterway Enterprise Zone Board recently set out their priorities to Ken Skates MS and Minister for Economy and Skills. They were asked for their number one priority to achieve economic regeneration. The answer **'infrastructure, infrastructure, infrastructure (particularly broadband)'.** This fits well with the Council's objective to support **universal access to high quality broadband by 2023.** Pembrokeshire has been very successful in attracting funding from UK Government. Our broadband strategy is recognised as a leading light in Wales. This will be enhanced through targeted use of Swansea Bay City Deal Funding to complement this approach. The following **Transport & Infrastructure** priorities are either underway or being explored:

- The A40 Llanddewi Velfrey Bypass, which – subject to the Public Inquiry Outcome – estimated for completion by late 2022.

[9] Performance measures outlined in Appendix 2 will provide indicators of success supporting outcomes.

- A40: Penblewin to Redstone Cross improvement is also progressing, which is hoped will run concurrently with the Llanddewi Velfrey Scheme.
- Improved access to key industrial sites (southern Strategic Route to the Southern Energy Sites/Improved connectivity to the Valero Energy Site)
- Improved rail services to West Wales including: South West Wales Metro; London Paddington to Swansea every 30 min; West Wales Express; Review of line speeds on the South Wales Mainline and Swansea District Line between Cardiff Central and South West Wales.
- Improvements to transport interchanges in Haverfordwest, Milford Haven, Pembroke Dock and their environs.
- Active Travel initiatives contributing to de-carbonisation, improved air quality and reduced traffic congestion.
- The Council continues to develop route improvements identified in Pembrokeshire's Integrated Network Map.

This approach should be read in context with the Council's support for other connectivity measures, with emphasis on a coordinated approach to improving rail links and a network of cycle and walking routes between towns to reduce car usage and encourage people to be more physically active. The Council will, with Welsh Government and Business Partners, continue to lobby to achieve these objectives, aligning funding and drawing together combined strength and resources.

Offering

Exciting, vibrant, Urban Centres where you can work, meet, eat, shop and play. Our existing and planned developments in our town centres are later in this document under **'Priority Projects'.**

Like most urban centres in the UK, our high streets face a perfect storm, created following the impact of Covid 19 facing the imminent changes which will result from Brexit. Coupled with a downturn in the retail market, evidenced by unprecedented closures in big high street names there is a crucial need to reimagine and reinvert our town centres.

The 21st Century economy belongs to the knowledge and creative economies. Workers in these sectors want to work in mixed use and diverse town centres, drawing upon their melting pot of history, culture and high quality food and drink. The Council is also keen that footfall is supported by the repurposing of commercial space to housing, mirroring the success of urban 'village centres' (London, Bristol, Edinburgh), with destination and comparison shopping to support.

Developing more quality, mixed access homes in centres with existing public transport infrastructure, we can reduce the need for car transport, supporting sustainability of both our urban centres and the environment.

The Welsh home of Green Energy

Pembroke Dock Marine development even prior to approval (July 2020) has acted as a catalyst to attract interest and investment from the marine and green energy sectors. Proposals are at various stages in development seeking to exploit hydrogen development, off shore floating wind, fixed turbine and wave energy. Inland, proposals are being examined for further hydrogen, wind energy and solar developments. Pembrokeshire is ideally placed, geographically and topographically to maximise such opportunities, giving the County and Wales greater levels of energy production, independence and resilience.

The Freeport of Milford Haven

The Council are working with Milford Haven Port Authority to help secure Free Port status for Milford Haven. This presents a huge opportunity for Pembrokeshire and South West Wales as a whole. Free ports would be designed to divert shipping from crowded areas, and boost the ports' vicinities with warehousing, distribution, manufacturing and other services by what's known as 'industrial agglomeration', with potential benefits also accruing from reduced border paperwork.

UK's best managed Destination

There was a time when the industry in Wales looked to Pembrokeshire as the leading light in Destination Management. In recent years, many have argued that Snowdonia has stolen Pembrokeshire's crown, particularly following major investments in attractions such as Surf Snowdonia and Zip World. In the last couple of years however, Pembrokeshire has started to emerge from Snowdonia's shadow and the industry is again looking with interest at Pembrokeshire's approach. With a new ground breaking trade-led Destination Management Organisation set to launch in autumn 2020 (a first for Wales) and praise from Visit Wales and the wider industry on the organised approach Pembrokeshire has taken to Destination Management through the Covid 19 crisis, Pembrokeshire once again is leading the way.

Great lifestyle

Great connectivity, affordable housing, skilled opportunities and beautiful coastline make Pembrokeshire an increasingly attractive option for people living and working within the County and for those commuting. The increased use of technology, promoting agile working supports the ability to work from home, particularly for those in professional and service areas of work. In addition, and directly as a result of Covid 19, more employers are realizing the viability of their workforce working from home which increases further the opportunities for a skilled workforce to live the dream by relocating to Pembrokeshire.

High quality work opportunities

Growth in sectors such as energy and marine technology, alongside more professional and higher quality offers in sectors such as tourism and hospitality present increased opportunity to live well and earn well in the County. Higher levels of technology in other sectors such as food and automation/diversification in industries such as farming increase these opportunities.

Discovered

World Class tourist destination with an even stronger brand and marketing presence

We are truly earning our reputation as a beautiful, accessible, active and 'green' county. We offer some of the most memorable, enduring and authentic experiences in Wales. We are a place where history and myth collide with a thriving contemporary culture and arts scene.

Pembrokeshire is a leader and innovator, reinforcing the Wales brand values and a 'top 5' UK destination of choice.

There is still plenty of room across our county and across the year for growth, but we are only marketing what we can manage successfully. A commitment to sustainability now comes as standard - this is a genuine differentiator for us and so we carry it through in all we do: managing our assets sensitively; supporting responsible transport and travel choices; buying food, services and supplies locally; developing our home grown talent; celebrating local entrepreneurship, making and ideas; improving digital connectivity;

providing year-round economic opportunities; involving our communities in delivery – a true **'localhood'** approach.

The 'go to' destination of choice for major events

In recent years Pembrokeshire has increasingly been the place of choice for major events, building from delivery of those 'County born' (Fish Festival Week, County show, local food festivals, Boxing Day Swim (Tenby), New Year's Day Swim (Saundersfoot) to Internationals events such as Iron Man, Red Bull Cliff Diving and Long Course Weekend. Better coordination of existing events information to create 'festivals' and themed 'seasons' will add value, improve awareness, reduce internal competition, encourage referral and build excitement. This will encourage accommodation and hospitality businesses to extend their opening. An overall events plan would help consolidate the work done and expertise on offer by event organisers and managers in the county. For the longer term this needs to be backed up by continuing investment in the 'indoor Pembrokeshire' offer, encouraging the private and public sector to increase 'weatherproofing' of attractions and activities, but also giving new impetus to showcasing the county's unique cultural assets and offer.

Key themes

The action plan is a separate and dynamic document, flexible and capable of change. Who know for example that we would be faced with a global pandemic. It is live and within it are a series of projects in various stages of development. It is deliberately responsive, changing as projects are developed. For the purpose of the strategy, below is a summary including key themes (supported through local focus groups highlighted above). We have also highlighted the key business sectors which we see underpinning our local economy and which require our response. Lastly, we have highlighted underpinning themes, crucial for our response and to our success.

Business

Our support strands for business support, underpinned by our relationship with the Haven Waterways Enterprise Zone Board and Pembrokeshire Business Panel. We will seek to work with partners, in particular Welsh Government, to provide a virtual 'Team Pembrokeshire' approach to Business support.

Tourism

Tourism is a business sector, yes. In Pembrokeshire however, tourism is so significant, it impacts upon all aspects of development, has a significant impact upon our communities and influences delivery of services. Pembrokeshire has a population of around 140 thousand people – dwarfed by our visitor numbers of over 4.5 million. Tourism therefore has a very particular focus.

Place

Pembrokeshire County Council is working in partnership with a wide range of organisations and in particular Milford Haven Post Authority to deliver connected, coherent and distinctive places within the County, building on our rich heritage, destination offer and unique townscape.

People

Our focus here is on delivering the highest possible social value. Putting pounds into the pockets of Pembrokeshire's Communities through skilled jobs and business opportunities. Helping the development of socially constructed businesses that will operate in areas which don't necessarily attract private investment.

Key business sectors

Energy; Tourism; Food and beverages; Manufacturing; Land (agriculture, aquaculture and forestry); New retail (a refreshing take on the High Street)

Underpinning themes

There are some key considerations that we will take into account and which underpin all of our developments.

Climate emergency

Encouraging the use of carbon neutral building methods linked to carbon offsetting projects. Using the opportunity created by Covid 19 to benefit from agile working and reduced travel.

Social value

Maximising the impact of the Pembrokeshire Pound and its positive impact on local communities and businesses through:

- Supply chain development
- Targeted recruitment and training
- Supporting skills development in key sectors
- Use of local materials
- Supporting initiatives that create sales opportunities for local businesses (supply chain development/town centre redevelopment/markets)

Connectivity:

Connectivity will be key to further development and we are encouraged by developments in:

Broadband (see page 14)

Rail (see page 14)

Road (improvements to the A40 including the Llanddewi Velfrey Bypass)

Active Travel (see page15)

Air (study into development at Withybush Airport)

Sea (port developments- see page 17)

Priority Projects

Pembroke Dock Marine

Pembroke Dock Marine is a collaborative **project** bringing together four partners to develop a world class centre for the development of **marine energy** in Pembrokeshire. The project will expand upon the region's existing high-skill cluster site, to develop and enhance the existing infrastructure and facilities. Approval of the City Deal Business Plan in May 2020 marks another piece in the jigsaw in achievement of this landmark development.

Already we are seeing the injection of private sector interest with confirmation of investment in floating off shore wind by Blue Gem Wind Energy – the first project of its type in Wales, beginning to unlock the significant potential of floating wind in the Celtic Sea.

Offshore floating wind proposals in the Celtic Sea

This project will launch a new chapter in the development of offshore energy in the South West; a new industry that can deliver significant benefits for the local supply chain and the coastal community of Pembrokeshire, Wales and the wider UK.

Town Centre Projects:

The **County Town of Haverfordwest** and our wider towns offer a range of opportunities for the development of 'market exchange centres'. Here, Pembrokeshire communities and visitors can enjoy the opportunity to work, visit, play, meet shop and do their business in centres increasingly about ***experience***. Covid 19 and close on its heels Brexit have brought about a renewed focus on local goods and services, giving towns centres renewed purpose in serving their hinterland. Early investment in our County Town of Haverfordwest in the creation of **Glan Yr Afon Library and Gallery** has resulted in early signs of increased footfall and anecdotal comments of increased spend in some local businesses. Further developments are planned, reimagining the former 'Ocky Whites' department store into a centre for food, beverages and events at **Western Quayside**.

Western Quayside Events Venue and Food Emporium

Plans for catalytic development in **Pembroke at South Quay** are well developed and early signs of private sector investment elsewhere in the town are becoming evident. A flexible and family friendly library is key to development, alongside a 'Henry Tudor Centre' shared café space and community gardens.

South quay redevelopment from Castle Terrace

The Port of Milford Haven is developing a vibrant mixed use waterfront destination and a fantastic place to live, work and spend leisure time. Plans include a new 100-bedroom hotel plus a multi-purpose Conference and Events Venue. Future plans at Milford Waterfront include leisure attractions, event spaces, and further food, beverage and retail outlets, among other exciting developments.

Pembrokeshire Food Park development is on site, with plans for start-up incubators to get people off their kitchen table, supporting their initial development as a business and helping them move to the first stages of unscaled production. Links to Town Centre developments such as Western Quayside are mutually supportive in this vein.

Funding opportunities

Approach

Throughout this document we highlight what we believe to be the best direction of travel for the economy in Pembrokeshire. Our intention with funding is to **align opportunities in support of our priorities**. Too often, direction is driven by the priorities of others. We are working closely with key funding partners and stakeholders, such as Welsh Government to align our approach. We will look at flexible models of partnership to draw in additional financial, knowledge, and revenue resource. With this in mind we will target funding in support of our priorities.

As programmes and projects are developed our approach to funding will be aligned via known Council, Welsh Government and other stakeholder approval processes. For known projects, we have highlighted cost and opportunity later in this document.

Appendix 1

Action Plan Summary

	INFRASTRUCTURE	KEYSITES	SECTOR
REGENERATION: AGREED PROGRAMME	Broadband Road developments Airport (study) Ports	Pembroke Dock Marine Milford Haven Port Pembrokeshire Food Park (Hub) Enterprise Zone Town Centres (see **Place**)	Food Energy New Retail Land (agriculture, aquaculture) Tourism Manufacturing
RECOVERY: PLANNED PROJECTS	Rail Investments Airport Development Free Port development Improvements to the A40 Active travel investments Improved transport interchanges in Haverfordwest, Milford Haven & Pembroke Dock	Green Energy Investment Pembrokeshire Food Park Spokes Trecwn Developer Investments in Key Towns Science & Technology Park	Market Town Development Managed Workspace Innovation Centre Sector Based Business Support Digital Skills Sector

CROSS CUTTING THEMES

SUPPORTING DELIVERY

Grant Maximisation
New Methods of Funding such as Crowd Funding
Special Purpose Vehicles (Public, Private, & Third Sector)
Listening & responding to partners

BUSINESS

REGENERATION:
AGREED PROGRAMME

Establish new Destination Management Organisation
Deliver the actions in the Destination Management Plan, delivering against the five priority areas:

Narrative and Brand;

Events and Seasonality;

Responsible and Sustainable;

Well-being and Active;

Brilliant Basics

RECOVERY:
PLANNED PROJECTS

Deliver a major three-year Destination Marketing Campaign

Commission and deliver an ambitious Major Events strategy

Create a centre of excellence for hospitality skills

Acquire funding & deliver phase 2 of the Ancient Connections Project

Investment portfolio –
Support the delivery of new and innovative product, especially wet weather options

Seek to make St David's day a Bank holiday and maximise the day's potential

Explore tourism opportunities relating to the Forest Nation vision

Explore the potential for an app to show busy/quiet locations

CROSS CUTTING THEMES

Destination Management

Organisation

Digital Pembrokeshire

Pembrokeshire skills

TOURISM

Pembrokeshire 2030

	DIGITAL	TOWNS	HAVEN	BLUE/GREEN
REGENERATION: AGREED PROGRAMME	Broadband Road developments Airport (study) Ports	Pembroke Dock Marine Milford Haven Port Pembrokeshire Food Park (Hub) Enterprise Zone Town Centres (see **Place**)	Food Energy New Retail Land (agriculture, aquaculture) Tourism Manufacturing	Food Energy New Retail Land (agriculture, aquaculture) Tourism Manufacturing
RECOVERY: PLANNED PROJECTS	Local Full Fibre Network Gigabit Engagement Team Swansea Bay City Deal Digital Infrastructure WG Superfast Phase 2 Lot 3	Market' spaces Meanwhile uses Ocean Lab Investment Portfolio Strategic buildings acquisition	Quay Stores Milford Railway Station development Pembroke Dock Food developments	Haverfordwest river walk Pembroke Green infrastructure plans Town Centre green infrastructure development

CROSS CUTTING THEMES

SUPPORTING DELIVERY

Towns Initiative

Property Programme

Digital Pembrokeshire

Energy Coast

PLACE

Pembrokeshire 2030

	EMPLOYMENT & SKILLS	RURAL, URBAN, COASTAL	SECTOR
REGENERATION: AGREED PROGRAMME	Partnership Employability Provision Employer led skills development Social enterprise and cooperative	Glastir Arwain FLAG Farm diversification scheme	Food Markets Tourism Community
RECOVERY: PLANNED PROJECTS	Growth in vocational learning routes Partnership response to funding Creative routes into employment/ self employment/ small business Maximise Employment Opportunities in Key Sectors. Maximising social value	Market spaces Meanwhile uses Micro and social enterprise development Digital communities Community Land Trusts Green economy, food and local growing Connectivity Business support	Market Towns Social business support Health and well-being Maximising food industry impact Localism agenda Connectivity Supply chain development Supporting Community

CROSS CUTTING THEMES

SUPPORTING DELIVERY

Green/ blue infrastructure

Digital Pembrokeshire

New methods of / access to funding

Employment opportunities

Creation of urban hubs

Joint funding solutions to minimise cost

PEOPLE

Appendix 2 – outcome measurements

Measurements of success will be that Pembrokeshire has:

- Unemployment levels comparable with those experienced pre-Covid, taking into account the season of the year.
- A growing stock of small to medium sized businesses.
- A business survival rate comparable to or above the Welsh and UK averages.
- Full fibre broadband coverage that is comparable with urban areas.
- A stock of energy efficient homes comparable to or above the Welsh average

Indicators

- Unemployment rate
- No. of VAT registered businesses.
- New business/social business start ups
- Business survival rates at 2 years
- Increase in energy generation from renewable (zero carbon) sources
- Percentage full fibre (this should be increasing)
- Percentage of new homes that are zero carbon
- Percentage of homes retrofitted with carbon reduction measures

Performance Measures

- PCC commercial property occupancy levels
- PCC commercial property rent arrears
- People into jobs (as an absolute and a % of people we work with)
- People into training (as an absolute and a % of people we work with)
- People completing recognised qualifications (as a % of people we work with)
- New/usable business floor space (long term or meanwhile)
- Public buildings repurposed to provide shared service space

Appendix 3 – Socio Economic Analysis

Economy Recovery Group

Impact on global economy

The impact of COVID-19 on the economy is profound. The main impact is as a result of the impact of the lockdown rather than the virus itself. The virus is however, also likely to have a direct impact, particularly as a result of people changing their behaviour to reduce their risk of infection. Sadly, the virus has the potential to disrupt the economy through sickness or death although the number of people who have been affected in Pembrokeshire, to date, is small.

The World Health Organisation reported on 27 July 2020 that that the number of cases across the world has doubled in the last six weeks. Against this backdrop of an acceleration in the global number of cases, there is a very real risk that there will be further waves of infection in Pembrokeshire in the Autumn.

The impact of COVID-19 will be felt by all economies across the world. The IMF predicts this will be a 3% contraction across the globe in 2020, (5.9% contraction in the UK), the worst recession since the Great Depression of the 1930s or possibly in the last 300 years.

Impact on UK Economy

A June 2020 OECD report found that under the scenarios it used for forecasting, the UK is likely to be hit harder than most OECD countries, approximately the same impact that Italy, Spain and France could experience. The UK economy is now officially in recession having experienced two consecutive quarters of negative growth. Although the economy grew in June by almost 9%, GDP is still a sixth below pre COVID levels

COVID-19 is not the only challenge the local economy faces. Analysis considered by Cabinet in 2018 found a potential reduction in local GDP of around 1% with a “soft” Brexit rising to 1.8% for a "hard" Brexit. Negotiations between the EU and UK Government continue, but based on the progress of Brexit to date, negotiations have tended to run up to the absolute deadline resulting in uncertainties for business.

Analysis by the Social Market Foundation argues that Brexit is likely to lead to a "double negative" impact under all trade scenarios, with the impact increasing if a free trade agreement is not reached. The report estimates the impact on different sectors and regions of the UK economy. As a whole Wales is less exposed to the direct impact of Brexit as fewer jobs are in the banking /insurance /finance or manufacturing sectors, however, the analysis only covers the relative and direct impact. There is the potential for a significant negative impact on agriculture especially livestock if the EU traded with the UK using World Trade Organisation rules for these products.

Brexit may offer opportunities and Cabinet recently considered a response to a UK Government consultation on Free ports, which highlighted an opportunity for Milford Haven Port to bid to become one and Cabinet supported the designation of a Freeport in Pembrokeshire in principle. Any decision would not be made on Freeport designation until late 2021.

On the basis of previous crises, we know that the initial economic shock of lockdown can be expected to lead to a period of recession and increased rates of unemployment. The degree of impact will depend on how quickly the pandemic can be managed and restrictions lifted but at this stage the timeframe and pace of economic recovery is difficult to predict. Whilst the UK economy is expected to begin recovery as the restrictions are lifted, there is still considerable uncertainty regarding the possible long-term impacts.

For example, both the EY Item Club and the UK Treasury use a similar model to forecast economic growth. On 27 July, the EY Item Club forecast that the he UK economy could take until 2024 to return to the size it was before the coronavirus whereas in mid-July, the Bank of England's noted the UK economy had "clawed back" about half the fall in output it saw during the peak of the coronavirus lockdown in March and April suggesting a much more rapid recovery.

Impact on overall public finances

Previous recessions have led to a period of contraction in public spending as the UK Treasury rebalances overall public spending with the size of the overall economy. The size and timescale within which public spending will contract in real terms is difficult to predict and depends on a number of factors, for instance the willingness of governments to raise taxes or to continue to borrow money.

The OECD currently predict that UK long term interest rates will remain at low throughout 2021. In the longer term there is debate on whether interest rates will rise in real terms. A paper published by the Bank of England[10] argues that there is a very long term trend for

[10] https://bankunderground.co.uk/2020/07/07/global-real-rates-1311-2018/#more-6420

interest rates to fall over the past 500 years and although we can expect volatility, and borrowing costs could rise, the odds are stacked against a prolonged rise in rates.

Impact on Pembrokeshire

It is possible that the impact in Pembrokeshire, in relative terms, will be less severe than in some other areas of Wales. According to a report published by the Centre for Towns research group, an economic downturn from coronavirus is likely to have a disproportional impact on towns in the south Wales valleys region and the coastal communities of north Wales. The group predicts that areas that have been exposed to previous economic 'shocks' and where a high level of households are already reported to have a standard of living classified as 'poor' will be those that are yet again the most vulnerable to the financial effects of the pandemic. While this impact may have an increased effect on these areas that were already facing significant financial challenges, it is expected that every corner of the country will be affected to some degree. In the COVID-19 and our Towns study a wide range of factors were examined and these include the proportion of people who are employed in businesses that have been closed during the government lockdown, the proportion of older residents in the locale, and the levels of social and economic well-being that existed before the pandemic.

Business Support

As might be expected, a large number of businesses in Pembrokeshire have been severely affected by the pandemic. Prior to the pandemic, a number of hotel businesses were in financial difficulty and sadly these have no closed and resulted in job losses.

A range of business grants, loans, reductions in VAT and business rate relief has been made available by the UK and Welsh Government to support businesses and Pembrokeshire County Council has had a role in this by directly supporting businesses. Up until 30 June 2020, companies meeting (NDR) eligibility criteria could apply for business grants. As at 3 July, just over £51m had been paid out. The eligibility criteria were not determined by the Council and grants were be paid to businesses whether or not they were under threat of closure.

A number of businesses, especially recent start-ups "fell through the net" and an answer to a question at July Council highlighted the complexities and sometimes conflicting advice that both the Council and businesses have received on eligibility.

A further grant aimed at start-up companies was launched by Welsh Govern in June 2020. The eligibility criteria are more complex than other grants and although an eligibility checker has been developed by Business Wales, not all potential applicants have used this, adding to the administrative burden. The total amount of funding available is much smaller at of £257,500. This will enable the Council to make 103 grants of £2,500 each.

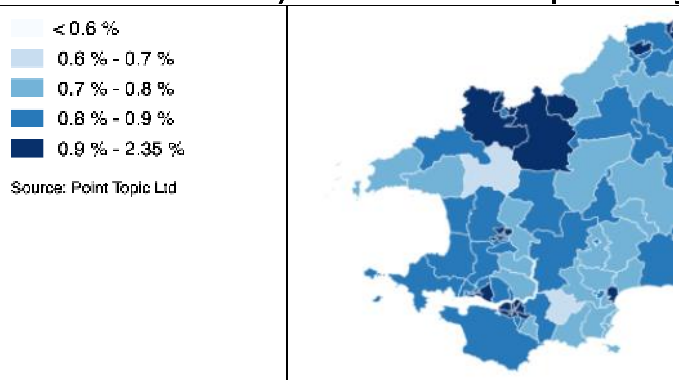
There have been other initiatives to support business. On a practical level, PCC has shared the design of 'unlocking' signs with community and businesses to download free of charge for use in their unlocking plans. Working with the Destination Management Partnership, Visitor Welcome Teams have been set up in Pembrokeshire's busier destinations to help manage tourism.

Broadband and communication

The ability to access to broadband is one of the main factors in whether households and business have been able to adjust to OCVID-19 restrictions. Availability of fast broadband in Pembrokeshire is mixed. About 89% of premises have the capability to access Broadband speeds of >30Mbs but only 7% have access to full fibre whereas in Cardiff these figures are 99% and 39% respectively

Analysis by Point-Topic[11] points to marked differences in the affordability of broadband (a comparison of the cost of typical broadband connections with household income). The map suggests that many areas of Pembrokeshire have relatively expensive broadband – especially the NE of the County and the main urban settlements.

Broadband affordability. Lowest Cost as a percentage of net income



COVID-19 places more importance on households having access to high quality broadband as well as having multiple devices in order for different members of the same household to simultaneously work from home, engage in on-line learning and access services. This point has been picked up by the Centre for Rural Economy (part of Newcastle University) and has also been flagged up PCC Education Senior Managers. It is also worth bearing in mind that faster or unlimited broadband may come at a higher cost.

The Cabinet Member for Economy Tourism and Leisure has made a commitment to improve Broadband "We could, however, be the best digitally connected place in Wales, maybe even the UK. That's our ambition." Projects to improve Broadband include working with communities to make the most of vouchers and a successful Local Full Fibre Networks (LFFN) Challenge Fund which will connect a large number of public sector buildings in Pembrokeshire – such as libraries, and leisure centres - to giga-capable broadband. The Capital programme includes £2m of PCC capital to support fibre broadband delivery. A digital infrastructure strategy will be considered by Cabinet and is planned for October 2020.

[11] http://point-topic.com/free-analysis/broadband-affordability-england-wales/

Employment and labour trends

Although the UK and Welsh Government have committed tens of billions of pounds to protect jobs and businesses during the pandemic there will inevitably be losses of employment as a result of the crisis.

Official Unemployment figures are calculated using the Labour Force Survey and for the 2019 year stood at 4.2%. Monthly administrative system based claimant count figures are available for County (3.9% pre-COVID) and small geographies which track claims for unemployment related benefits though community level, figures are rounded to the nearest 5 resulting in considerable potential for error.

Impacts on the Council's workforce are covered through the organisational recovery cell. It is likely however, that different working patterns will continue into the medium term. Whilst this is likely to be a short term impact it is probable this will contribute to a reduction in footfall in Haverfordwest town centre, where many employees are based.

Future trends

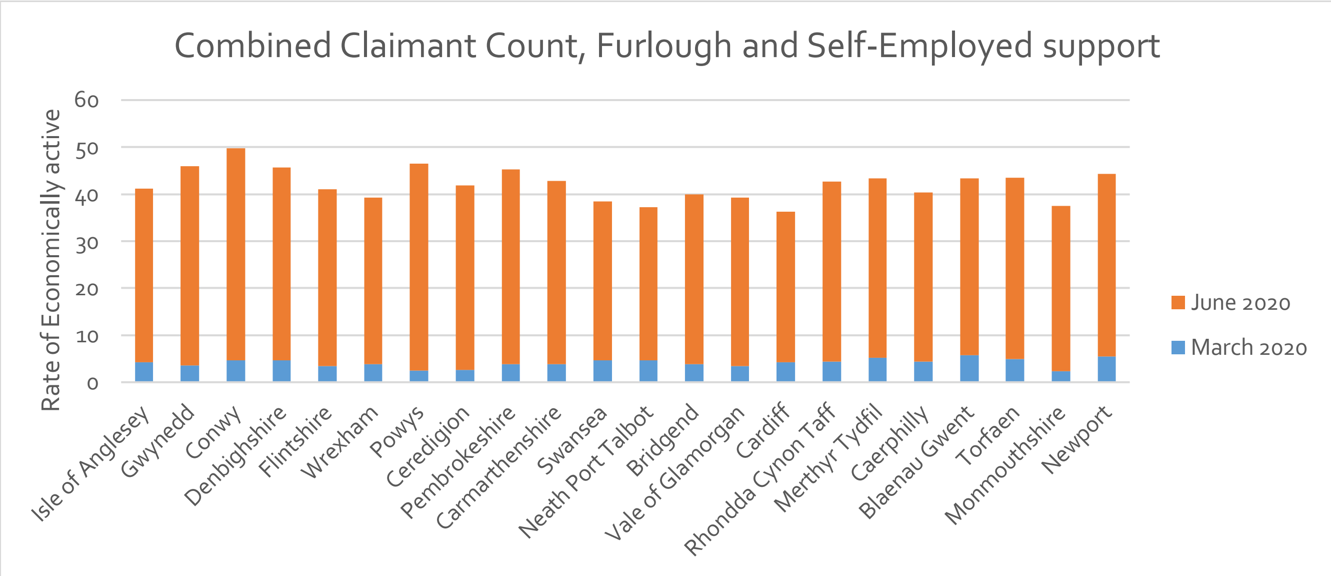
Whilst the Coronavirus Job Retention Scheme (Furlough) and support for self-employed people are still in place, considering support through these schemes as well as Claimant Count numbers in the very short term as this gives a more rounded picture. By the Autumn, as other support schemes end Claimant Count will become a much more useful single measure. Redundancies that have been recently announced will not feature in unemployment numbers until the Autumn. The Office for Budget Responsibility, give an official view of what might happen to unemployment. In its optimistic scenario, the unemployment rate peaks at 9.7% this year, and returns to pre-crisis levels in 2022. In its "downside" scenario, it peaks at 13.2%, in 2021 - with four million people out of work. It is still at 6.3% by the end of this scenario in 2024 - well above pre-crisis levels.

Pembrokeshire's Claimant Count rate has doubled from 2,225 in March to 4,540 in July (there was a slight fall between May and June) a little higher than the increases typically seen across Wales, but a little lower than the median average for local authorities in the UK. This does not tell the full picture because of the Furlough scheme and support for the self-employed. The UK Government acknowledge that no support scheme can offer completely comprehensive coverage. Those most at risk of not qualifying for support include people who are self-employed but below certain thresholds, people who have set up a business recently, freelancers and those with informal employment arrangements

- Furloughed staff - as at June 2020, 12,900 people were accessing the furlough scheme in Pembrokeshire. Of these 317 are PCC employees. If calculated as a rate of those economically active, this figure is close to the UK average at around 22.8%. The scheme will phase out by 31 October 2020 and the end of the Coronavirus Job Retention Scheme will coincide with the end of the tourism season *(N.B. latest figures due 15 Aug, but headline figures have changed little, implying little local change)*
- Support is available for people who are self-employed. The take up rate in Pembrokeshire at 70% is lower than the all-Wales figure of 73% but in line with other authorities in Dyed-Powys. As at 31 May 2020, 5,700 people have made a claim, a

total of £14.1m made available with an average pay out of £2,500. *(N.B. latest figures due 15 Aug, but headline figures have changed little, implying little local change)*

The following graph shows the combined number of people receiving Claimant Count, Coronavirus Job Retention Scheme or support for people who are self-employed expressed as a percentage of those people who are economically active.



Figures suggest, that in very broad terms, the increase due to COVID-19 has been lower in local authorities that started with comparatively high unemployment rates, such as Blaenau Gwent. Pembrokeshire, which had a low unemployment rate now has a rate which is close to the Welsh average.

The relative picture has changed over the COVID-19 crisis: whilst the total percentage in Pembrokeshire changed very little between May and June, substantial increases in all these three benefits in many other parts of England brought Pembrokeshire's comparative rate down from the 3rd highest decile across the 365 authorities in the UK to the 6th decile i.e. close to the UK average. This highlights that figures are still volatile and it will take time for the true picture to emerge.

It is likely that the impact on young people will be more severe than other age groups. This is because younger people are more likely to be employed in sectors which are vulnerable to shut down. They are also more likely to have a casual / zero hours' contract. Evidence suggests that women are more likely to have been impacted than men by COVID related changes to the labour market. There is increasing evidence that older workers will also be impacted and these people face possible age discrimination in funding new employment.

Impact on earnings

Experimental HMRC figures suggest that based on figures up to May 2020, across the UK the number of employees has fallen, as has average wages, both by just under 2%

compared with May 2019. Figures are updated monthly and provide a useful source of data as employment support is withdrawn. If figures continue to fall it suggests that in the medium term, Pembrokeshire's labour force will have less purchasing power, reducing demand for retail and potentially increasing levels of debt. Figures are also available by sector. These show a substantial reduction of 12% in wages in Accommodation and Food Services Activities (essentially tourism) which is also one of the UK economy's lowest paid sector.

Modelling the impact by sector

Whilst it is possible to calculate the potential impact of Coronavirus based on estimated impact on sectors and then modelling this on a local area using the number of people employed in these sectors the results of this exercise would be heavily dependent on initial assumptions and would be subject to a great deal of uncertainty due to gaps in data. Such as approach doesn't take interdependencies between sectors into account and this is significant in Pembrokeshire given the reliance on tourism to provide large numbers of private sector jobs

Tourism

Compared with other countries, the UK's tourism industry was pre-COVID dominated by domestic tourism (about 80% in 2017) rather than having a significant international component such as Spain, about 50% or Portugal, about 70%. This puts the UK tourism industry in a better position to bounce back.

Tourism is one of the most significant sectors in Pembrokeshire worth around £585m per year and supporting over 11.5k FTE jobs. A Destination Marketing Strategy for Tourism was agreed in (last six months). The contextual information for this flagged up several longer term challenges including no increase in spending in real terms over the past decade and limited progress made on smoothing out the summer seasonal peak. On a more positive note, it found strengths, such as a growing reputation for quality of food.

The Strategy anticipates trends and guides the industry towards a more competitive and sustainable future and away from the sorts of numbers of serviced bed-spaces that were provided in the past. Pre-COVID some hotels were in considerable financial difficulties (including those bought by the failed Northern Powerhouse Group). These have subsequently announced redundancies.

Tourism: Immediate impact of lockdown

A Pembrokeshire business survey undertaken in mid-late May 2020 on businesses' views on the impact of COVID-19. Tourism and retail businesses made up the bulk of the sample. Results make for sobering reading with the majority of those who responded (53% / 243) indicated that they felt the coronavirus outbreak had had a 'high impact' on their business. Only 4% indicated that it had had a 'medium impact' and 2% that it had had a 'low impact'. Almost 200 respondents however, (41%) did not answer this question

The survey asked whether businesses could continue to operate if the restrictions in place in mid-May remained in place. Only a fifth considered that they could operate for 12 months or more whereas half thought that their business could survive for 3 months or less.

These responses are only indicative; restrictions have eased, but many indoor pubs, cafes and restaurants are still not open for indoor trade.

A DCMS survey (which will tend to reflect the views of cultural sector businesses) undertaken in the second month of lockdown found that two-thirds of businesses said that the crisis threatened the existence of their business. 26.9% said that they would cease trading within 3 months, and a further 29.5% said they would cease trading in between 3 months and 6 months.

Tourism: Short term

Since mid-July, the tourism sector has been in the process of unlocking and hospitality businesses can still only serve food or drink outside. Anecdotal evidence suggests very strong demand for self-contained accommodation and pre-booking of campsites. Popular tourist destinations have been extremely busy

Visit Britain / Visit Wales has set up a "We are good to go" scheme to give visitors/community confidence that the business has infection prevention measures in place. A Visitor Welcome Team has been set up with the objective of keeping people safe, enhance the visitor experience and reduce community anxiety. The layout of towns such as Saundersfoot has been altered to allow more space for social distancing and for businesses to serve food outdoors.

Anecdotal evidence suggests that some communities that are reliance on visitors or who have large amounts of self-contained accommodation are concerned about the potential risk of COVID infection rates increasing as visitors return.

Whilst it is inevitable that many businesses will have a much reduced income in 2020, tourism and hospitality businesses now have an opportunity to generate income and safeguard jobs. It is too early to say how many businesses will be in a position to continue trading.

Tourism: Medium term

A challenge for many businesses face is remaining viable into the medium term through the winter 2020/2021 and into the 2021 tourism season may not be free from social distancing restrictions. Planned initiatives such as Destination Marketing as well as campaigning to make St David's Day a Bank Holiday have the potential to stretch out the peak tourism season increasing business viability.

It is possible that demand for short haul international holiday destinations will be lower and that people will opt to take a break within the UK especially as a growing number of countries expect UK visitors to quarantine, or vice versa. The airline industry anticipates that it will take around 5 years for it to return to pre-COVID levels of demand. This has the potential to both widen the tourism season beyond the summer peak and increase visitor numbers.

The fundamental aspects of Pembrokeshire's tourism offer – beautiful natural landscapes and beaches - are very unlikely to be harmed by COVID-19 or the response to it. Visitor attractions however, especially those which add value and generate tourism spending are likely to be hit hard in the short term.

Retail and town centres

In response to lockdown more of us are working from home, learning from home, and many businesses have been forced to adapt and boost online sales in an attempt to recoup some loss of earnings resulting from not being able to open during lockdown.

ONS figures published 24 July 2020 found the proportion of online spending reduced to 31.8% in June when compared with the record 33.3% reported in May, but is a considerable increase from the 20.0% reported in February. On-line grocery business OCADO grew by almost 50% in a quarter, enabling it to achieve market growth in a matter of months that it expected that it would take years to achieve. Whilst not operating in Pembrokeshire, in July 2020, Amazon has announced it intends to significantly expand the retail of food items.

Recent retail figures suggest that total sales are at a similar level as before the coronavirus pandemic; however, there is a mixed picture in different store types. Non-food stores and fuel sales have still not fully recovered from the sharp falls experienced in March and April. By contrast Food stores and non-store retailing both reached new high levels since the start of the pandemic, with volume food sales 5.3% higher, and non-store retailing 53.6% higher, than February 2020.

Pembrokeshire's main town centres were declining prior to COVID-19 with an increase in Class A retail vacancies. Pressure was also evident in out-of-town locations and Debenhams announced the closure of the Haverfordwest shop in Dec 2019. There have been a series of major retail business administration / closures throughout the COVID-19 crisis including Intu which owns high profile out-of-town shopping malls[12].

Regeneration plans are focussed on Haverfordwest especially the western bank of the river. The Glan-y-Afon centre is going through a phased re-opening in July. The centre proved to very popular pre-COVID though as yet, is not still not quite open for visitors so cannot generate footfall.

Very few shops in the centre opened during lockdown. Though more have opened since late June when non-essential retail was able to re-open, anecdotal evidence is that footfall is much more limited prior to COVID-19 and well below the levels expected in the run up to the peak tourism season.

[12] https://www.hw.ac.uk/news/articles/2020/covidspending.htm