OCTOBER 2019

Two County Economic Study for Carmarthenshire and Pembrokeshire

Appendix B Baseline Review
Final Issue

Pembrokeshire County Council
Cyngor Sir Benfro

Cyngor Sir Gâr
Carmarthenshire County Council

Parc Cenedlaethol Arfordir Penfro
Pembrokeshire Coast National Park

Parc Cenedlaethol Bannau Brycheiniog
Brecon Beacons National Park

ARUP

Contents

Appendices

1 Introduction

1.1 Overview

As a starting point, the Planning Policy Wales, Technical Advice Notes and relevant Practice Guidance indicates that a review of the national guidance alongside any economic strategies should be undertaken. The purpose of this stage is to review the current and emerging context for economic development within across the Study area.

The Rapid Baseline Review should be read alongside the Literature Review. It is not intended to be a definitive baseline of all economic factors within the study area; instead, it forms a source for key issues across the Study area and an aide memoire which has been used in stakeholder interviews.

1.2 Structure of the Document

Owing to the large area included as part of the study there is a diverse geography including urban centres, rural villages and coastal resorts as well as the two National Parks. As such, in order to be able to fully appreciate the spatial context of the study area, taking in to consideration this diversity and difference, this chapter has been organised into two distinct sections.

- **Spatial Review and Statistical Overview (Section 2)**: The first stage of the report comprises a qualitative review of the Local Planning Authorities within the Study area, following by a statistical analysis of key datasets for the area
- **Key Settlement Review (Section 3)**: The second stage reviews the main priorities and initiatives applying to each of the key settlements within the Study Area.
- **Economic Context (Section 4)**: The third stage review the current economic context for the Study Area, including the assessment of GVA, economic activity, employment rate and occupation, size of businesses and earnings.
- **Drivers for Change (Section 5)**: The fourth stage reviews the forecast changes in employment across the area, and scenario-testing associated with a Wales-based projection scenario and Brexit scenario.

2 Larger than Local Study Area: Spatial Review and Statistical Overview

2.1 Overview

The Study area for this Larger than Local Economic Study comprises four local authority areas; Carmarthenshire, Pembrokeshire, Pembrokeshire Coast National Park Authority and Brecon Beacons National Park Authority:

- **Pembrokeshire**: Pembrokeshire is the most westerly county in Wales, bordering the Irish Sea to the west, and the neighbouring local authority areas of Carmarthenshire to the south east and Ceredigion to the north west. Growth and development in Pembrokeshire is focused on the county's 'hub towns' as defined in the Pembrokeshire LDP which are the 'Haven Hub Towns' of Haverfordwest, Milford Haven, Pembroke Dock, Pembroke and Neyland and the 'North Pembrokeshire Hub Towns' of Fishguard and Goodwick.
- **Carmarthenshire**: Due to the large land area comprising Carmarthenshire county, it shares a border with five other local authority areas including Pembrokeshire to the west and Brecon Beacons National Park to the east/north east. Within its LDP, Carmarthenshire has three defined growth areas which include Carmarthen, the county town, Llanelli and Ammanford/Cross Hands. These are considered to be the main service centres in the county.
- **Pembrokeshire Coast National Park**: Pembrokeshire Coast National Park comprises the majority of the Pembrokeshire coastline with the exception of land adjacent to the Milford Haven waterway in the south of the county, land around New Inn to the south east and the area surrounding the towns of Fishguard and Goodwick in the north of the county. Pembrokeshire Coast National Park operates some administrative functions (e.g. planning) which are separate from Pembrokeshire County Council (PCC), whilst in some areas (e.g. education provision) PCC operates for Pembrokeshire county as a whole[1]. It should be noted that for the purposes of the data which has been collated below, it is included within figures for Pembrokeshire as a whole. The main service centre in the National Park administrative boundary, as per the Pembrokeshire Coast National Park Authority LDP, is Tenby, located to the south west of the county.
- **Brecon Beacons National Park**: Brecon Beacons National Park extends from approximately Abergavenny in the east, to Llandeilo in the west. Like Pembrokeshire Coast National Park, the Brecon Beacons National Park Authority is the planning authority for the National Park. The 9 local authorities bordering the National Park have responsibility for all other statutory local government services within their own respective areas of the park[2]. To the west of the park, this includes Carmarthenshire local authority and it is for this reason the Brecon Beacons National Park has been included as part of the study area.

[1] https://www.pembrokeshirecoast.wales/default.asp?PID=162
[2] https://www.beacons-npa.gov.uk/the-authority/who-we-are/

The main service settlement identified within the Brecon Beacons National Park Authority (BBNPA) LDP is Brecon. As Brecon falls outside the identified study area in this case, it has not been analysed in any further detail within this chapter.

All of the above local authority areas form part of the wider Mid and West Wales region, as defined by the soon to be published draft National Development Framework (NDF). As such, where appropriate, demographic data for the study area has been compared to regional averages as well as national averages in order to contextualise the information presented.

2.2 Study area Demography and Statistical Overview

Population

Population estimates for 2017 state that the estimated population for Carmarthenshire is 186,500 and Pembrokeshire, 124,700 which is approximately 34% of the total population of the Mid and West Wales NDF region[3]. The population of the key settlements within the study area (as defined by the LDP settlement hierarchies) is shown in Table 1 below:

Table 1: Study area Population by Key Settlement

Local Authority	Key Settlement	Total Population
Carmarthenshire	Carmarthen	15,854
	Llanelli	43, 878
	Ammanford/Cross Hands	7,945
Pembrokeshire	Haverfordwest	14, 596
	Milford Haven	13,907
	Pembroke	7,552
	Pembroke Dock	9,753
	Fishguard and Goodwick	5,319
Pembrokeshire Coast National Park	Tenby	4,696

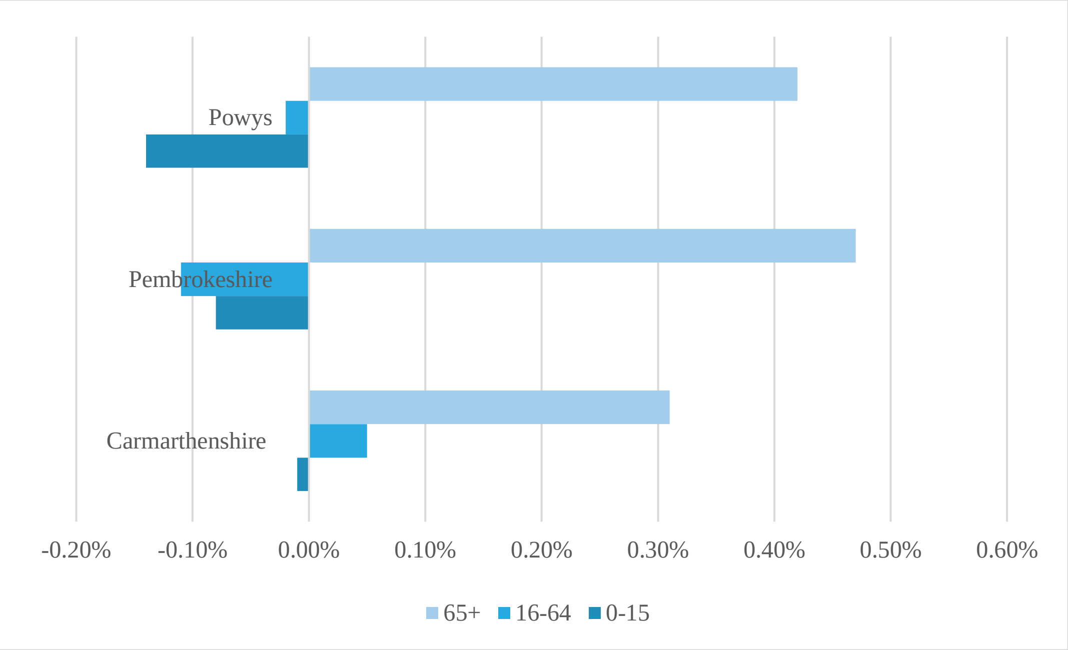
Source: ONS 2011 Census Data

Age Structure

Population estimates suggest that the study area overall is experiencing an aging population year on year as shown in Figure 1 below.

[3] As defined by the NDF

Figure 1 Study area Age Structure 2001-2018



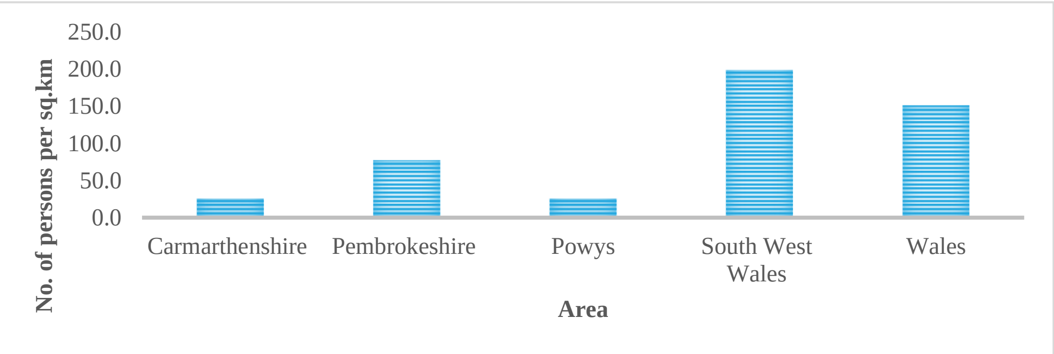
Source: 2001 Census Data/ONS Population Estimates

Data also suggests that this county level picture is consistent with trends at a regional level. For example, the number of residents aged 65 and over in the Mid and South West Wales NDF region has increased by 13.3% between 2011 and 2017 whilst the working age population (16-64) had an overall decrease of 2%[4]. The impact of these statistics on economic activity and the labour market is set out further in section 3.2.

Population Density

Population density statistics evidence the largely rural nature of the Study area, particularly in Carmarthenshire and Powys, and this has been summarised in Figure 2 below. The population density figures for the Study area have been compared to the South West Wales NDF region and Wales averages for context.

Figure 2 Population Density (No. of persons per sq. km)



[4] According to ONS 2011 census data and ONS population estimates.

This data is notable as it also serves to highlight the dispersed nature of the Study area population, thereby increasing importance of connectivity (which is discussed further below) and providing efficient access to goods and services.

Connectivity

Given the breadth of the area, connectivity to other major settlements within the NDF region, Wales and cross-border into England varies considerably depending on which part of the study area is considered. In order to highlight this, the tables below illustrate indicative journey times from each of the key settlements within the study area to notable destinations within the NDF region (Swansea and Aberystwyth), south east Wales (Cardiff) and across the border in to England (London). These journey times have been obtained using GoogleMaps Travel Planner and National Rail enquiries.

Table 2 Haverfordwest Connectivity

Destination	Distance (Miles)	By Road (hr: min)	By Rail (hr: min)
Swansea	58.2	01:21	01:30
Cardiff	97.0	01:56	02:30
Aberystwyth	65.0	01:45	07:00- 08:00
London	242.0	04:40	04:45

Table 3: Milford Haven Connectivity

Destination	Distance (Miles)	By Road (hr:min)	By Rail (hr:min)
Swansea	65.0	01:30	01:40
Cardiff	105.0	02:05	02:45
Aberystwyth	72.0	1:55	07:12 – 08:10
London	250.0	04:45	04:55

Table 4: Pembroke Dock Connectivity

Destination	Distance (Miles)	By Road (hr:min)	By Rail (hr:min)
Swansea	59.0	01:20	02:15
Cardiff	98.0	02:00	03:15
Aberystwyth	75.0	02:05	08:11
London	243.0	04:40	05:25

Table 5: Fishguard and Goodwick Connectivity

Destination	**Distance (miles)**	**By Road (hr:min)**	**By Rail[5] (hr:min)**
Swansea	70.0	01:30	01:56
Cardiff	111.0	02:20	02:50
Aberystwyth	58.0	1:40	07:27
London	255.0	05:00	05:00

Table 6: Carmarthen Connectivity

Destination	**Distance (Miles)**	**By Road (hr:min)**	**By Rail (hr: min)**
Swansea	28.0	00:42	00:45
Cardiff	67.0	01:15	01:45
Aberystwyth	45.0	1:20	06:20
London	212.0	04:00	04:00

Table 7: Llanelli Connectivity

Destination	**Distance (Miles)**	**By Road (hr:min)**	**By Rail (hr: min)**
Swansea	12.0	00:25	00:19
Cardiff	55.0	01:10	01:20
Aberystwyth	61.0	01:50	05:50
London	200.0	03:45	03:30

Table 8: Tenby Connectivity

Destination	**Distance (Miles)**	**By Road (hr:min)**	**By Rail (hr: min)**
Swansea	53.0	01:20	01:45
Cardiff	93:0	01:57	02:45
Aberystwyth	70.0	01:57	07:50
London	235.0	04:45	05:05-05:50

The above tables demonstrate that across the study area, north to south movements are more difficult than east to west movements whether travelling by road or rail. Roads extending north to south are generally in a significantly poorer condition compares to east/west roads making road travel more difficult. Rail connections north to south are generally unfeasible due to a lack of connectivity in the rail network. This results in situations where journeys from Pembroke to

[5] All rail journey times based on travel to Fishguard & Goodwick Railway Station

Aberystwyth involve connections as far away as Shrewsbury hence the significant journey times shown in the above tables.

Whilst journey times by rail to Swansea are generally comparable to those made by road, journey times diverge considerably if travelling further afield, owing to the fact that direct railway routes to cities such as Cardiff and London are not always possible, and connections need to be made (usually in Swansea) which can significantly impact journey times.

Connectivity is limited within the study area not only by rail but also when travelling by local bus services, particularly on north-south journeys and travelling across local authority boundaries. For example, it is not possible to travel by bus from Fishguard to Milford Haven without having to make a change. Additionally, services only operate once per hour with the last service at 7pm. Bus travel from Llanelli to Haverfordwest requires passengers to make two changes with an average journey time of 2 hours and 47 minutes versus a journey time of 1 hour and 10 minutes if travelling by car[6].

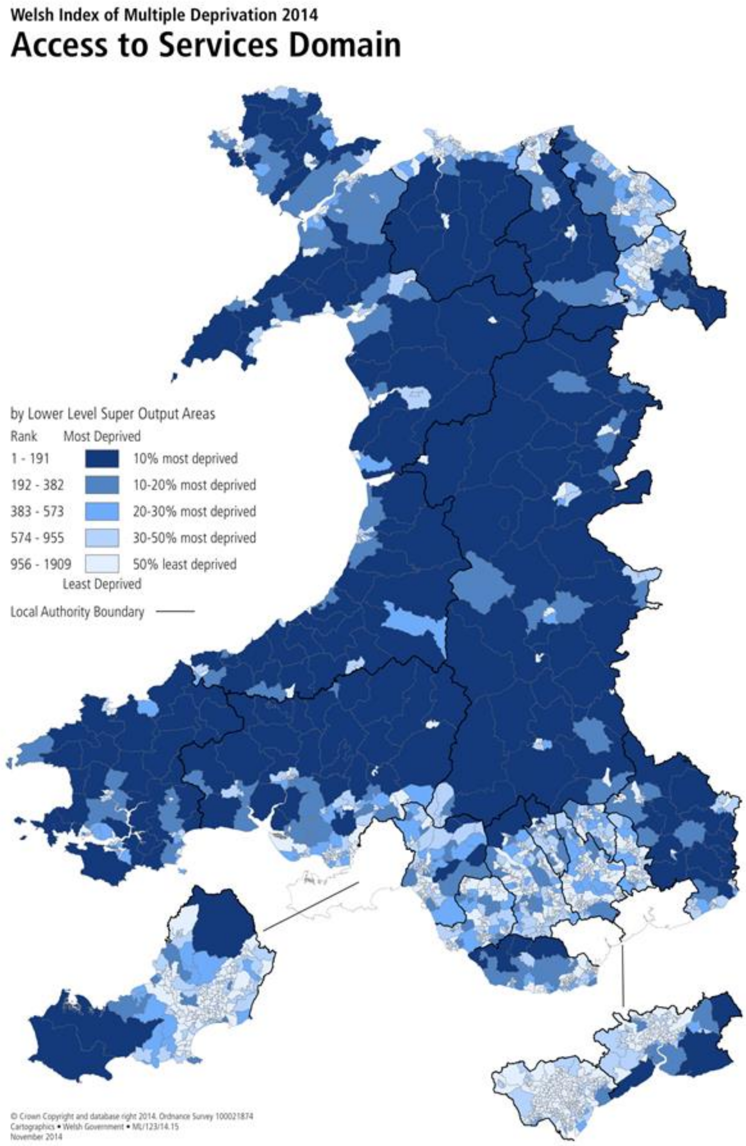
Coach travel is also limited with the National Express 508 service being the primary link between the study area and London. This service operates daily originating in Haverfordwest with calling points throughout the study area, namely Johnston, Milford Haven, Neyland, Pembroke Dock, Pembroke, Tenby, St Clears, Carmarthen and Cross Hands. The total journey time from Haverfordwest to London Victoria station is 7 hours and 35 minutes. National Express also operates one direct coach service daily (Service Number 528) between Haverfordwest and Cardiff with the same calling points as above. The total journey time is 4 hours and 15 minutes.

Poverty and Deprivation

Data obtained from the Welsh Index of Multiple Deprivation (WIMD) shows that the majority of the study area is considered to be amongst the least deprived in Wales[7]. This is the case across each individual WIMD indicators e.g. housing, health and employment with the exception of ‘Access to Services’. The WIMD suggests that access to services within the Study area is poor, with the majority of areas falling within the 10% most deprived in Wales, as shown in **Figure 3** below. This may be an indication of the rural nature of the study area and thus the dispersed nature of services focused only in one or two of the larger towns.

[6] All bus journey time data obtained from Traveline Cymru
[7] Although it is noted that there are pockets of high deprivation around Pembroke Dock and Llanelli.

Figure 3 WIMD 2014 Access to Services Domain Map



Source: StatsWales

In terms of access to the internet, according to the Carmarthenshire well-being Plan, the County has good digital connectivity with 83% of households having access to the internet, this is comparable with the Welsh average of 84% (according to Ofcom figures). Pembrokeshire on the other hand falls significantly below the Welsh average with only 75% of households being able to access the internet from home according to the County's well-being assessment[8]. This is significant as it serves as an indicator of the County's digital infrastructure which if not well served could have implications on the location and operation of employment uses.

[8] Pembrokeshire Public Services Board (2017) https://www.pembrokeshire.gov.uk/public-services-board/well-being-assessment

Culture and Community

The Study area includes two National Parks, world renowned listed buildings including St David's Cathedral, Pembroke Castle and Kidwelly Castle. The historic and natural environment is closely connected to the areas culture and identity as noted within both Pembrokeshire and Carmarthenshire's respective Well-being Assessments.

The environment has significantly boosted tourism in the area, particularly in Pembrokeshire where it has been highlighted as a key sectoral strength[9]. Key tourist venues in Pembrokeshire outside the natural environment include Bluestone Resort, Folly Farm and Oakwood Theme Park and new developments are still planned such as the redevelopment of Llys y Fran Country Park[10]. The strength of tourism industry in Pembrokeshire has also facilitated the establishment of a number of events in the region including Tenby Blues, Pembrokeshire Fish Week (which takes place across the county) and international events such as Red Bull Cliff Diving which has taken place in Abereiddy three times in the last 10 years[11].

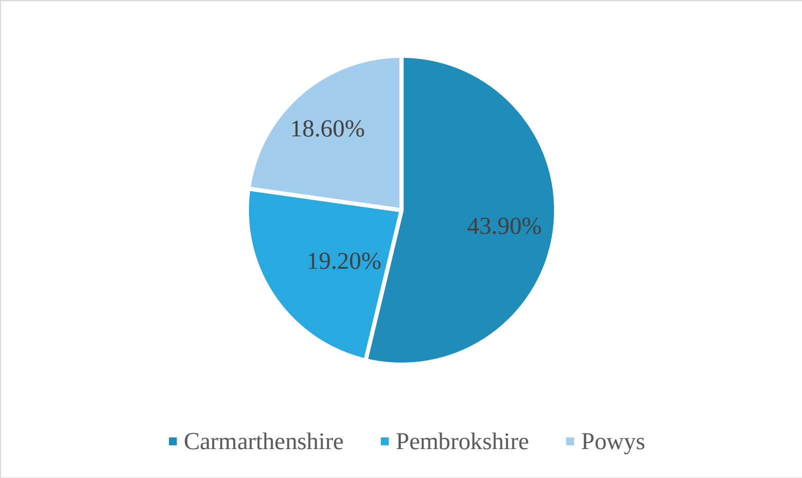
Carmarthenshire is generally less well known for tourism than neighbouring Pembrokeshire however does have a number of attractions for visitors including Ffos Las Racecourse near Kidwelly and the National Botanic Garden of Wales in Llanarthne. The county is also working on projects to boost its tourism potential such as the Pendine Tourism Attractor project which seeks to development a 'Museum of Speed' as well as recreational facilities adjacent to the coast[12].

The study area is also becoming more known as a hub for the creative arts and film, which was recently boosted by the relocation of S4C's main headquarters to Carmarthen in 2018. Pembrokeshire's landscapes are often used as filming locations most famously Freshwater West beach which has appeared in Hollywood films such as Robin Hood and the Harry Potter franchise.

In terms of the Welsh language, the proportion of the population which speaks Welsh across the Study area is notably different between each individual local authority area, as shown in Figure 4 below.

[9] PACEC (2015) Economic Profile of Pembrokeshire
[10] http://www.llys-y-fran.co.uk/
[11] https://cliffdiving.redbull.com/en_INT
[12] https://gov.wales/eu-approval-unlocks-major-funding-boost-carmarthenshire

Figure 4 % population able to speak Welsh by Local Authority



Source: ONS 2011 Census

2.3 Summary

- The **population** of Carmarthenshire is almost a third larger than Pembrokeshire with a notably ageing population. The number of residents aged 65 and over in the Mid and South West Wales NDF region has increased by 13.3% between 2011 and 2017 whilst the working age population (16-64) had an overall decrease of 2%.
- The **connectivity** assessment indicates that north to south movements are more difficult than east to west movements whether travelling by road or rail but particularly by rail where most journeys are unfeasible due to the need to make connecting journeys.
- The **Welsh Index of Multiple Deprivation** suggests that access to services within the Study area is poor, with the majority of areas falling within the 10% most deprived in Wales.
- In terms of **digital infrastructure**, Carmarthenshire is comparable in terms of digital infrastructure, whereas Pembrokeshire is below the Welsh average.

3 Larger than Local Study Area: Key Settlements

3.1 Overview

As mentioned in section 2.1, in order to be able to understand the study area in more detail including for example the key infrastructure, services and employment sectors and sites, a full qualitative analysis of each of the key settlements in each local authority area (as defined by LDPs) has been undertaken and is presented in the following sections.

3.2 Pembrokeshire

3.2.1 Haverfordwest

Haverfordwest is the most populous town in Pembrokeshire. As Pembrokeshire's county town and owing to its LDP designation as a sub-regional centre[13] Haverfordwest is home to the majority of the County's major infrastructure including the main hospital, **Withybush General Hospital**, operated by the Hywel Dda Local Health Board, County Hall (the main Pembrokeshire County Council offices) and **Pembroke Further Education (FE) College** as well as the employment associated with these uses.

Employment statistics are presented in further detail later in this chapter however in terms of existing employment sites, Haverfordwest is home to **Withybush Industrial Park** the county's largest industrial estate[14] which forms part of the much wider **Haven Waterway Enterprise Zone**. The industrial estate is located adjacent to the County's only airport, **Haverfordwest Airport** (also known as Withybush Airport), a former RAF site which now primarily hosts private charter and recreational flights.

Historically, Haverfordwest has had a notable armed forces presence primarily due to its proximity to both Army operated, Cawdor Barracks located approximately 13 miles north west of the town and Castlemartin Army training estate approximately 17 miles to the south. **Cawdor Barracks** (formerly RAF Brawdy) has announced that it is due to cease operations in 2024[15] and given that an estimated 11% of Pembrokeshire's population is part of the armed forces this could have notable demographic implications as well as land use implications given the size of the existing site which should be considered. In February 2019, it was confirmed in Parliament that feasibility studies for the Site were still ongoing by the Ministry of Defence (MoD)[16].

[13] PCC LDP (2013)
[14] https://businesswales.gov.wales/enterprisezones/zones/haven-waterway/areas-and-sites-haven-waterway#haverfordwest-airport---withybush-industrial-park
[15] Ministry of Defence (2016) A Better Defence Estate
[16] https://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2019-02-28/227073/

In recent years Haverfordwest is an area which has been targeted for regeneration by Pembrokeshire County Council. The aim has been to revitalise the town centre whilst protecting the existing frontages and listed buildings. In order to do this, funding has been received from Welsh Government from the Town Centre Loan funding and funding through the Targeted Regeneration Investment Programme[17]. More recently, in January 2019 the new Glan Yr Afon Cultural Centre opened in the town centre. The centre includes a library, gallery and tourist information centre and was funded by a range of partners including PCC, PCNPA and Welsh Government[18].

Haverfordwest is well-connected to the rest of the county and further afield by road. It is located at the intersection of the two major trunk roads located within Pembrokeshire, the A40 and the A4076. The A40 connects to the east, towards neighbouring Carmarthenshire and the cities of Swansea and Cardiff further afield. The A4076 extends north to south connecting Haverfordwest to the county's other principal towns including Milford Haven (to the south) and Fishguard and Goodwick (to the north) (see below). Haverfordwest Railway Station is connected to the West Wales line with services operated by Transport for Wales (TfW).

3.2.2 Milford Haven

Milford Haven is also designated as a 'Haven Hub Town' within the Pembrokeshire LDP, it is primarily a key strategic hub town owing to the **Port of Milford Haven** situated approximately a mile south of the town centre. The Port of Milford Haven is the largest port in Wales, and the third largest in the UK. It transports cargo on a daily basis and is particularly known for its links to the energy sector.

The port is operated by the **Milford Haven Port Authority** (MHPA). MHPA is a 'trust port' meaning that it does not have shareholders, instead all profit is retained and re-invested into the business to help achieve key objectives, one of which is to contribute to the economic development of the Milford Haven area[19].

Recently, MHPA has announced ambitions to establish Milford Haven Port as a 'free port' meaning that after Brexit, it would be considered outside the UK's customs territory and as such would be exempt from UK taxes and duties[20]. As well as exploring the opportunity of a 'free port', MHPA has also announced aspirations for the Port to be part of a Port Zone. 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.

---

[17] https://www.pembrokeshire.gov.uk/newsroom/property-revitalisation-programme-continues-in-haverfordwest
[18] https://www.pembrokeshire.gov.uk/newsroom/glan-yr-afon-officially-opened
[19] https://www.mhpa.co.uk/corporate-governance/
[20] https://www.icaew.com/about-icaew/news/press-release-archive/2018-press-releases/regions-2018/help-welsh-ports-to-prosper-after-brexit

energy[21]. Discussions around this concept are ongoing with the Welsh and UK Government along with other sea ports and airports in Wales.

Owing to its 'trust port' status, in addition to the Port's operational activities, it also has a wide-ranging property portfolio including commercial, retail and industrial premises e.g. Havens Head retail park. The Port is currently working on two 'flagship' projects which would further diversify their interests including the **Milford Waterfront Development**[22] which would comprise retail and leisure uses and the **Pembroke Dock Marine** development which it is hoped will become a marine energy and engineering hub on the Milford Haven Waterway. Pembroke Dock Marine is a **Swansea Bay City Deal** major project and comprises four elements of development: Pembroke Dock infrastructure improvements, the establishment of a Marine Energy Engineering Centre of Excellence (MEECE), the creation of a Marine Energy Test Area (META) and the development of a 90km2 site for the commercial deployment of 100MW capacity wave and floating wind arrays. Each project is being delivered by a different delivery partner.

The strategic position of the Port of Milford Haven means that it is also surrounded by key, large regional employment sites including South Hook LNG, and LNG regasification terminal and Puma Energy petroleum storage and distribution (formerly Milford Haven Oil Refinery). As well as these regional employment sites, the Port also supports a number of supply chain companies. A report carried out by Cardiff University in 2012 estimated that 40% of the total employment in wards surrounding the Haven is either directly or indirectly related to the Port[23] succinctly demonstrating its importance to the area.

Similar to other Pembrokeshire towns, it is noted that Milford Haven struggles in terms of attracting visitors and residents to the town centre in favour of out-of-centre leisure and shopping activities e.g. Haven's Head Retail Park[24]. This is in part attributed to poor connectivity around the town and these are issues which the **Milford Haven Town Team** is seeking to address as outlined within the S**trategic Regeneration Framework for Milford Haven[25].** Milford Haven also benefits from strong community action evidenced by the Town Regeneration Environmental Action Team[26].

In terms of connectivity, Milford Haven is served by the West Wales Railway line although services are infrequent operating approximately every two hours to Swansea[27]. The main artery to the town is the A4076 (Milford Road) which connects the town to the A40 the main trunk road travelling east-west across Pembrokeshire into neighbouring Carmarthenshire.

---

[21] https://www.icaew.com/about-icaew/news/press-release-archive/2018-press-releases/regions-2018/help-welsh-ports-to-prosper-after-brexit
[22] https://www.mhpa.co.uk/milford-waterfront-development/
[23] Cardiff University (2012) An analysis of economic activity dependent on the Milford Haven Waterway
[24] PCC (2018) Strategic Regeneration Framework for Milford Haven
[25] PCC (2018) Strategic Regeneration Framework for Milford Haven
[26] https://www.milfordhaventowncouncil.co.uk/meetings-and-committees/town-regeneration-environmental-action-team-treat/
[27] According to National Rail Enquiries

3.2.3 Pembroke and Pembroke Dock

Pembroke

Pembroke and Pembroke Dock are both identified as 'Haven Hub Towns' within the adopted LDP.

The town of Pembroke is dominated by **Pembroke Castle**, a Grade I listed medieval castle and a prominent regional tourist attraction, attracting approximately 115,000 visitors annually[28]. Despite this, the town centre has experienced relative decline with a number of vacant units on Main Street particularly in the area around the castle[29] In light of this, Pembroke has become a focus for regeneration for Pembrokeshire County Council.[30] Most recently plans have been published plans for the redevelopment of the **South Quay** site (to the east of the castle) for mixed use food, retail and leisure uses including a new visitor centre. This project will be jointly delivered through funding from Pembrokeshire County Council and Welsh Government via its Targeted Regeneration Investment Programme[31].

Pembroke can also be viewed as a gateway town to the Pembrokeshire Coast National Park and the southern Pembrokeshire Coast which includes popular natural tourist attractions including, beaches such as Freshwater East and Barafundle Bay and the popular tourist towns of Tenby and Saundersfoot (located within PCNPA).

Pembroke Dock

The settlement of Pembroke Dock is located to the north west of Pembroke, across the Pembroke river and the opposite side of the Haven Waterway from Milford Haven.

Many of the employment sites within the area are linked to Pembroke Port which supports both commercial port activity, supply chain companies as well as a passenger **ferry from Pembroke to Rosslare**.[32] As a result of this, the majority of land at the dockyard itself is occupied with limited employment land left available.

Due to the port and its proximity to the waterway, Pembroke Dock has also been targeted as a hub for **Marine Energy** potential. This is evidenced by the Pembroke Dock Marine project, being brought forward as part of the City Deal[33] and the presence of international marine energy companies using Pembrokeshire as their European headquarters e.g. Bombora wave power[34].

---

[28] Page 18, Pembroke Strategic Regeneration Framework
[29] See: Pembroke Strategic Regeneration Framework
[30] https://www.pembrokeshire.gov.uk/newsroom/council-commits-to-pembroke-and-south-quay
[31] See: https://www.pembrokeshire.gov.uk/newsroom/council-commits-to-pembroke-and-south-quay
[32] https://www.irishferries.com/uk-en/routes-and-times/rosslare-pembroke/
[33] https://www.marineenergywales.co.uk/marine-energy-in-wales/projects/pembroke-dock-marine/
[34] https://www.bomborawave.com/about-us

Entrepreneurial science and technology related business activity has historically been supported in the Pembroke Dock area including through the facilitation of employment land, most notably at the **Pembrokeshire Science and Technology Park**. This 22-hectare site to the east of the town centre was funded by Welsh Government and Pembrokeshire County Council and was intended to support science and technology businesses looking to expand through the provision of both serviced plots, and office space within the **Bridge Innovation Centre**. Take-up at the site however has been slow with a number of vacant plots still left available.

Pembroke Dock is also characterised by its proximity to other, more traditional large employment sites on the Haven Waterway such as **Valero Oil Refinery** and **Pembroke Power Station** which both lie to the west of the town.

Despite the key asset of the Port, economic activity in Pembroke Dock is relatively low at 64.2%, falling significantly below both the Mid and South West Wales regional average of 74.4% and the Welsh average of 79.1%[35]. This is perhaps a reflection of the aging workforce within Pembrokeshire more generally and the high number of retirees from traditional employment sectors e.g. working at the Port.

Both Pembroke and Pembroke Dock are both relatively well-served by road with the main route into both settlements being the A477. Use of this main artery was further bolstered recently with the removal of the **Cleddau Bridge** toll in April 2019.[36]

Pembroke Dock has a railway station and in the ultimate calling point on services from Swansea. The line forms part of the West Wales line operated by TfW. Rail services are relatively infrequent operating at a frequency of approximately one service every two hours to Swansea where passengers need to alight for onward travel. As noted above, Irish Ferries operates a twice daily service from Pembroke Dock to Rosslare in Ireland, a journey lasting approximately 4 hours.

3.2.4 Fishguard and Goodwick

Fishguard and Goodwick are identified within the adopted LDP as North Pembrokeshire Hub Towns. The two settlements are both located at the County's northern boundary, given their location, just 2 miles apart from each other they are often viewed as twin towns[37]. They are the only towns on the north Pembrokeshire coast which do not fall within the administrative boundary of the Pembrokeshire National Park Authority.

Much of the commercial activity in Fishguard and Goodwick is focused around **Fishguard Harbour**. The **Port of Fishguard** is now primarily used by passenger vessels most notably the **Fishguard to Rosslare ferry** which operates two services a day by Stena Line. In more recent years, Fishguard Harbour has also become a popular destination for **cruise liners** with 35 scheduled to arrive during

[35] ONS (2011) Census Data
[36] https://gov.wales/a477-cleddau-bridge-tolls-be-removed-april-1
[37] http://www.gofishguard.co.uk/about-fishguard-goodwick/

Summer 2019 (May- September)[38]. According to the Welsh Government, cruise passenger numbers to Fishguard have increased by 30% from 2013 to 2019. In 2019, the Aidabella cruise ship docked in Fishguard; with 2500 passengers on board this was the largest cruise ship to visit Fishguard to date[39].

Additionally, Fishguard is also developing its offering as a cultural hub to the north of the county particularly through events such as AberJazz – Fishgard Jazz 'n' Blues Festival as well as the Fishguard International Music Festival.[40]

In terms of connectivity by road and rail, the main route to Fishguard and Goodwick by road is via the A40 from Haverfordwest. There are two stations located in the area, Fishguard and Goodwick station in Goodwick town centre and Fishguard Harbour Station located in close proximity to the ferry terminal. Services are operated by TfW and generally operate between Fishguard Harbour and Carmarthen

3.3 Carmarthenshire

3.3.1 Carmarthen

Carmarthen is the county town of Carmarthenshire, located in the middle of the county on the River Towy.

As the county town Carmarthen is the main administrative hub of the county. The Council offices are primarily based in the town, as is the county's largest hospital, the **Glangwili General Hospital**, operated by the Hywel Dda University Health Board. The South West Wales region's only university, the **University of Trinity Saint David** has its main campus in Carmarthen. The University was established in 2010 after the merger of University of Wales, Lampeter and Trinity University College Carmarthen and in 2013 underwent further expansion when Swansea Metropolitan University became part of the institution. Despite the University presence, the area still has a relatively low number of full-time students with 148 full time students registered as residing in Carmarthenshire, compared to an all-Wales figure of 189,505 registered full-time students[41].

There is one strategic site in the Carmarthen area at **Cillefwr Industrial Estate**, to the south west of the town centre (in neighbouring Johnstown). This comprises a mix of B2-B8 uses. The majority of business activity in Carmarthen is centred around Carmarthen's position as one of the primary retail/commercial centres in the county, occupying a regional retail role in the LDP. In 2010, a new shopping centre, **Saint Catherine's Walk** was developed to improve Carmarthen's retail role[42].

---

38 http://www.fishguardport.com/images/MASTER%20CRUISE%20PROGRAM%2030%20May%202019%20no%20pax%20details.pdf

39 Welsh Government (2018) 'Cruise Development in Wales: Written Statement by the Welsh Government'

40 https://fishguardmusicfestival.co.uk/https://fishguardmusicfestival.co.uk/

41 ONS 2011 Census Data

42 Strategic Regeneration Plan for Carmarthenshire 2015-2030, page 14

Carmarthen is also home to one of the key projects associated with the Swansea Bay City Deal, **Yr Egin**[43]. This digital and creative cluster based at the abovementioned University of Wales Trinity Saint David in Carmarthen officially opened in November 2018 and is now the headquarters of **S4C** employing over 100 people in the creative sector improving the presence of the creative and digital industries within the wider region.

In terms of connectivity, Carmarthen is located in a strategic location in terms of the road network at the junction of the A48 and the A40. It is served by rail through to Carmarthen Railway Station, to the south of the town centre with services operated by TfW.

3.3.2 Llanelli

Llanelli is the largest town in Carmarthenshire and the wider Study area. It is situated to the south of the county on the Loughor estuary to the west of neighbouring Swansea and to the south east of Carmarthen. Similar to Carmarthen it is identified as a growth area within the LDP.

Given its size and strategic location in close proximity to the M4 (via the A4128) and other key settlements such as Swansea and Carmarthen, Llanelli has an important regional function in addition to the county town of Carmarthen. It has the county's second hospital, the **Prince Phillip Hospital** and the main campus of the county's only further education (FE) college, **Coleg Sir Gâr** which has approximately 9,000 registered students[44]. To the west of Llanelli in Pembrey is Carmarthenshire's only airport, **Pembrey West Wales Airport**. Located approximately 7 miles northwest of Llanelli this former RAF site now operates chartered and recreational flights.

In the last two decades Llanelli has experienced large scale regeneration through housing, retail and commercial development (e.g. Parc Trostre).[45] More recently further growth in the town has been stimulated through the Swansea Bay City Deal.

The **Llanelli Life Science and Well-being Village** is one of the flagship City Deal projects and is a mixed-use development comprising education, healthcare, residential, tourism and wellness uses on one 34-acre site in South Llanelli. The scheme was granted outline planning permission in November 2018. **The Beacon,** opened in 2011 is an Enterprise Centre situated in Dafen, north Llanelli off Junction 48 of the M4. It provides a conference and meeting venue, leasable office space and currently has 7 acres of land available across two sites. The development of The Beacon has been supported by the City Deal and the Swansea Bay City Deal has an office within the Beacon itself. In 2016 one of the sites at the Beacon was developed as the headquarters for Wales Air Ambulance providing a significant boost to the facility.

---

[43] https://www.swanseabaycitydeal.wales/projects/canolfan-s4c-yr-egin/
[44] https://www.colegsirgar.ac.uk
[45] Strategic Regeneration Plan for Carmarthenshire 2015-2030

Historically, Llanelli has been a centre for manufacturing and industry[46] evidenced by large existing sites occupied by international employers, such as the **Trostre Steel Plant**, currently operated by **Tata** and **ThyssenKrupp Tallent Ltd**. in Dafen. These industries however are potentially vulnerable as was demonstrated by the decision of **Schaeffler**, an international automotive manufacturer, to close their Llanelli based factory in 2019 to move production to other parts of the world[47]. These businesses also support a wider supply chain within the town including for example transport and logistics operations.

As noted above, Llanelli is reasonably well connected by road to Swansea via the A484 (across the Loughor estuary) and further afield via the A4138/M4. Llanelli also benefits from a railway station, located just south of the main town centre connecting the town to cities such as Swansea and Cardiff in the east and other parts of the county e.g. Carmarthen. Services to key locations such as Swansea and Cardiff are relatively frequent operating at one service approximately every half an hour.

3.3.3 Ammanford/Cross Hands

Ammanford

The final growth area identified within the Carmarthenshire LDP is Ammanford/Cross Hands.

Ammanford, located in the north east of Carmarthenshire, is a former coal mining town and the third largest settlement in the county (behind Llanelli and Carmarthen). Since the decline of the coal industry, Ammanford has become a targeted centre for regeneration by Carmarthenshire County Council and the wider Swansea Bay City Region[48] and there was an ambition to establish Ammanford as a 'strategic hub' as part of the Welsh Government's Taskforce for the Valleys.

The target area for the regeneration of Ammanford, according to the South West Wales Regional Plan for Regeneration, is the town centre which has been struggling due to the number of vacant units and a decline in footfall (reported as decreasing by 12% in 2016/2017[49]). In 2016, Carmarthenshire County Council announced plans to regenerate a key site within Ammanford Town Centre, the former police station, into a mixed-use office, retail and residential development. The first phase of development is now complete with co-op relocating to the site in 2018.

In terms of industry, whilst heavy industry in the town has declined with the loss of the coal industry there are still examples of larger manufacturing companies located in the area for example, **Corgi Sock**s. The majority of large-scale industrial activity however is located in Cross Hands to the east of Ammanford.

[46] Strategic Regeneration Plan for Carmarthenshire 2015-2030
[47] https://gov.wales/written-statement-schaeffler-closure
[48] See for example, the Ammanford Regeneration Development Fund and the South West Wales Regional Plan for Regeneration
[49] South West Wales Regional Plan for Regeneration, page 14

Cross Hands

Cross Hands located approximately 6 miles east of Ammanford was historically a small village. In more recent years, perhaps most pivotally owing to its strategic location approximately 4 miles from the final junction of the M4 motorway, it has become a regional commercial and industrial hub and a key area for growth within Carmarthenshire[50].

One of the key linchpins to the development of Cross Hands' success in terms of the development of employment land has been the establishment of **Cross Hands Food Park**. First developed in 2005, with funding from the Welsh Government and the EU, the Food Park at Cross Hands was originally established to support the expansion of Irish food company, **Dawn Meats Group**. Since Dawn Meats Group first relocated to the area, the food park has developed and is now the main headquarters of locally founded **Castell Howell Foods** (the largest independent food wholesaler in Wales) as well as the Dunbia Group (now a subdivision of Dawn Meats) and Gower View foods. According to Carmarthenshire County Council, the site now employs over **1500 people in the food industry**[51]. This has also facilitated the growth of **supply chain** companies located in the Cross Hands area around the food park for example NR Evans Logistics (a specialist food and drink distributor)[52].

The Food Park is considered to be a core part of the wider **Cross Hands Growth Zone**, which comprises 5 key zones; **The Food Zone** (as above), a **Business Zone**, and **Employment Zone**, a **Mixed Use Zone** and a **Residential and Mixed Use zone**. In order to facilitate the growth zone, local transport infrastructure including spine roads within the site have already been provided by Carmarthenshire County Council.

The Employment Zone[53] at the Cross Hands East site is intended to be a strategic employment site and extends over 19 hectares. Property development assistance from Carmarthenshire County Council through their Capital Programme can be provided for businesses looking to relocate to the site within 5 targeted business sectors including; energy and environment, creative, advanced manufacturing, financial and professional and agri-food technology.[54] The intention of the funding is to bridge the gap between construction costs and the completed market value of premises created.

The Mixed Use Zone[55] and the Residential and Mixed Use Zone[56] have a focus on retail, education, residential and community uses.

---

[50] See Carmarthenshire Strategic Regeneration Plan
[51] https://www.carmarthenshire.gov.wales/home/business/development-and-investment/cross-hands-growth-zone/food-zone/#.XScsJehKhaQ
[52] http://www.nft.co.uk/
[53] https://www.carmarthenshire.gov.wales/home/business/development-and-investment/cross-hands-growth-zone/employment-zone/#.XScwqOhKhaQ
[54] http://democracy.carmarthenshire.gov.wales/documents/s10505/REPORT.pdf
[55] https://www.carmarthenshire.gov.wales/home/business/development-and-investment/cross-hands-growth-zone/mixed-use-zone/#.XScwr-hKhaQ
[56] https://www.carmarthenshire.gov.wales/home/business/development-and-investment/cross-hands-growth-zone/residential-mixed-use-zone/#.XScwuehKhaQ

3.4 Pembrokeshire Coast

3.4.1 Tenby

Tenby is identified within Pembrokeshire Coast as both a Local Centre and Tourism Centre. The coastal town situated in the south eastern corner of the National Park is considered by many to be the **focal point of the tourism industry** in the county[57].

This in part has been attributed to Tenby's location and its relatively easy access to both natural tourist attractions such as the south coast beaches, as well as tourist attractions such as Folly Farm and Oakwood[58]. According to the Tenby Tourism Growth Analysis conducted in 2012[59] the area is also popular with second home owners and static caravan owners which means visitors to the area normally return year-on-year. It should be noted however, that access to visitor attractions both in Tenby and the surrounding area is generally only possible through car travel. Tenby does have a railway station however services, are infrequent and often involve multiple trains if travelling from outside Pembrokeshire county. Local bus services run between Tenby and other parts of the county e.g. Haverfordwest and Saundersfoot. Although additional services run throughout the summer months and on weekends, these are still relatively infrequent operating approximately every couple of hours[60].

In terms of employment within Tenby, this tends to be connected to the tourism industry and local services e.g. retail and there are no significant large-scale employment sites. Owing to the area's reliance on hospitality and tourism there have been initiatives in the past aimed at 'up skilling' seasonal workers and business owners to make jobs within the tourism industry more appealing. One example is the 'Tenby Hotel School' an initiative which was intended to be a collaborative venture between Cardiff Metropolitan University and one of Tenby's larger hotels, to offer degree level courses in hotel management with 'on the job' training. Unfortunately, support for the project was withdrawn by the University in 2014 and as such plans have not come to fruition to date.

Tenby also benefits from a variety of **events** particularly throughout the summer months including for example, the biggest multisport event in Europe, '**Long Course' weekend** which attracts 10,000 competitors and 35,000 supporters to the area and the **Ironman Wales** triathlon event which attracts over 2,000 competitors alone.[61] These events increasingly need to be sensitively managed to ensure that visitor attraction is balanced against the needs of communities and the environment.

[57] See South West Wales Tourism Partnership (2008) 'A Tourism Strategy for South West Wales' 2004-2008.
[58] Beaufort Research (2012) Tenby Tourism Area Growth Analysis
[59] Beaufort Research (2012) Tenby Tourism Area Growth Analysis
[60] https://www.pembrokeshire.gov.uk/bus-routes-and-timetables/south-east-pembrokeshire
[61] http://eu.ironman.com/triathlon/events/emea/ironman/wales.aspx#axzz5tSGmix9E

4 Economic Context

4.1 Overview

The following section of the report reviews the economic context of the study area, including:

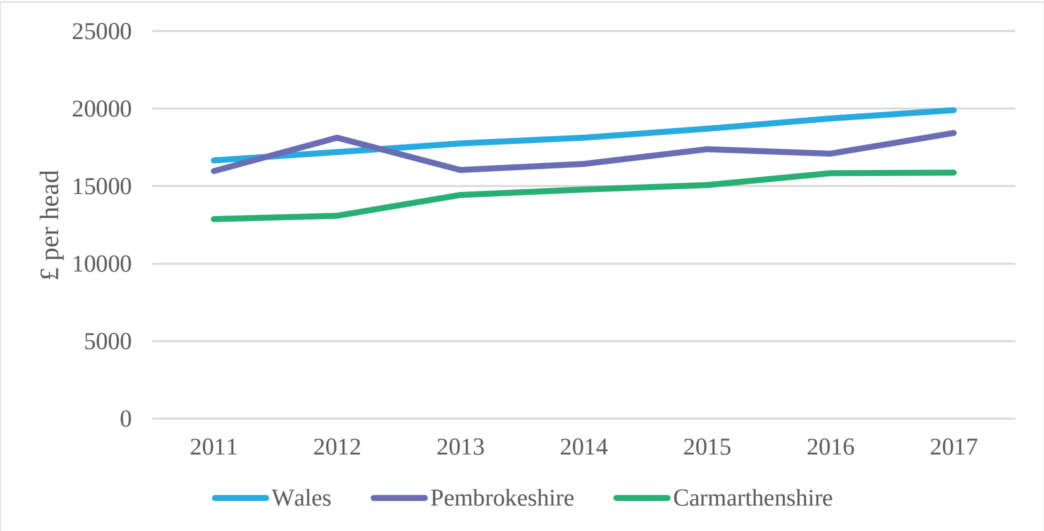
- **Economic Activity**: the economic performance of the area through the appraisal of GVA, employment rate, business size, and earnings;
- **Commuting Patterns**: based on the assessment of inflow and outflow commuting patterns to an area;
- **Education and Training**: the assessment of levels of qualification across the two counties;
- **Economic and Employment Sectors**: based on the assessment of BRES sectors.

4.2 Economic Activity

GVA

Data for Gross Value Added (GVA) per head has been used as a high-level measure of economic performance. Using both the income and production approaches, ONS has devised a single estimate of GVA known as the 'balanced' approach.

Figure 5 GVA per head (Balanced Approach)



Source: StatsWales (2018) Gross Value Added by Measure. Welsh Economic Region and Year http://open.statswales.gov.wales/dataset/econ0093

- **Regional Overview**: GVA with the region has been broadly growing since 2011. Whilst the two counties remain at a lower GVA per head when compared to the national average, the total value of GVA has increased across by approximately £340m in Pembrokeshire and £591m in Carmarthenshire. In terms of where this growth has come from statistical data demonstrates that the Wholesale and Manufacturing sectors have grown most recently, and account for 19.5% and 12.8% of the total GVA within the region in 2017 respectively[62].

- **Pembrokeshire**: Within Pembrokeshire, according to the LDP2 Employment Trends Background Paper[63], the most significant sector in the County in terms of contribution to GVA are Public Services which were worth £445.4 million GVA in 2017 and Professional and Other Private Services, which were recorded to be worth £490.6 million in 2017. Interestingly, whilst regional level data shows Wholesale and Manufacturing has grown in the last few years, statistical data for Pembrokeshire suggests manufacturing is going to decline in value. The Employment Trends Background Paper does however caveat that this will continue to be an important driver in terms of GVA with estimates suggesting it will be worth £283.4 million in 2033.
- **Carmarthenshire**: In Carmarthenshire, public administration, education and health makes the greatest contribution to GVA and was recorded to be worth £806 million in 2015[64]. Distribution, transport, accommodation and food, production other than manufacturing and agriculture, forestry and fishing form key industrial sectors which increased in value between 2011 and 2015.

Economic Activity

Using the Annual Population Survey and Labour Force Survey (June 2019), economic activity rates for the study area are broadly in line with the Welsh national average but lag behind the adjacent county of Powys.

Table 9 Economic Activity Rate (2018)

Geography	Economic Activity Rate
Wales	76.7%
Mid and South West Wales	74.3%
Carmarthenshire	74.6%
Pembrokeshire (including PCNPA)	76.0%
Powys (including the majority of BBNPA)	78.5%

Source: Annual Population Survey (2018)[65]

Whilst economic inactivity within the region is generally low when compared to regional and national figures, the percentage of retirees is high, comprising 19.7%

[62] StatsWales (2018) Gross Value Added by Measure. Welsh Economic Region and Year http://open.statswales.gov.wales/dataset/econ0093
[63] Pembrokeshire County Council (2018) Local Employment Trends Background Paper, available online at: https://www.pembrokeshire.gov.uk/local-development-plan-review/ldp2-evidence-base
[64] ONS (2015) Regional Gross Value Added (Income Approach) by Local Authority in the UK
[65] ONS (2019) Economic Activity rate by Welsh Local Area and Year https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/People-and-Work/Employment/Persons-Employed/economicactivityrate-by-welshlocalarea-year

in Pembrokeshire and 22.8% of the population in Carmarthenshire compared to a national level figure of 15.1%[66].

Employment Rate

The employment rate of those who are considered to be economically active is generally consistent with regional and national averages as shown in Table 6:

Table 10: Employment Rate (2018)

Geography	Employment Rate	Self-Employment Rate
Pembrokeshire (including PCNPA)	72.6%	15.1%
Carmarthenshire	72.2%	9.1%
Wales	73.1%	9.3%
Mid and South West Wales	71.2%	16.7%
Powys (including BBNPA)	77.9%	19.9%

Source: Annual Population Survey (2018)[67]

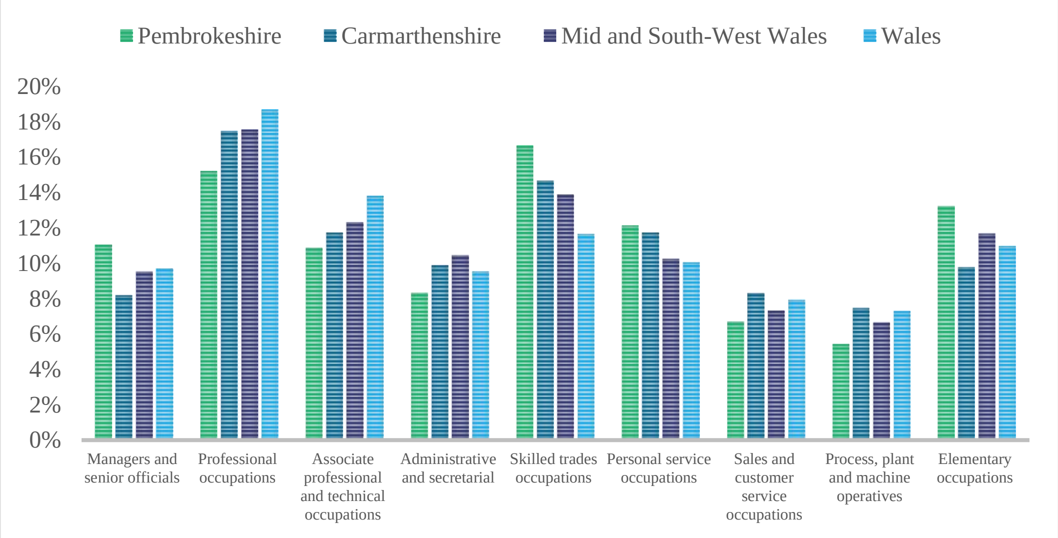
The self-employment rate across the Study area and the Mid and South West region is notably higher than the Welsh average, particularly in Pembrokeshire.

Occupation

When compared to the Welsh national average, there are fewer levels of professional occupations within Pembrokeshire and Carmarthenshire, but greater numbers of managers and senior officials particularly in Pembrokeshire. Whilst there are higher levels of personal service occupations and skilled trade occupations than the national average, there are also greater numbers of elementary occupations in Pembrokeshire.

[66] ONS (2018) Annual Population Survey
[67] ONS Annual Population Survey (2018) available online at:
https://www.nomisweb.co.uk/query/construct/summary.asp?menuopt=200&subcomp=

Figure 6 Employment by Area and Occupation (2019)



Source: Labour Force Survey (2019)[68]

Size of Businesses

The UK Business Count from 2018 indicates that the proportion of different sized businesses across Pembrokeshire and Carmarthenshire is broadly similar to both the Mid-West Wales and Wales averages. Although the overall number of businesses in Pembrokeshire is lower, there are proportionally more small businesses (10-49 employees) in Pembrokeshire, with more very large (over 250+ employers in Carmarthenshire.

Table 11 Proportion of different sized businesses

	Carmarthenshire	Pembrokeshire	Mid and West-Wales	Wales
Micro (0 to 9)	91.15%	89.62%	90.16%	89.09%
Small (10 to 49)	7.61%	9.22%	8.52%	9.22%
Medium-sized (50 to 249)	0.98%	1.07%	1.12%	1.38%
Large (250+)	0.26%	0.09%	0.18%	0.30%

Source: UK Business Counts - enterprises by industry and employment size band

Earnings

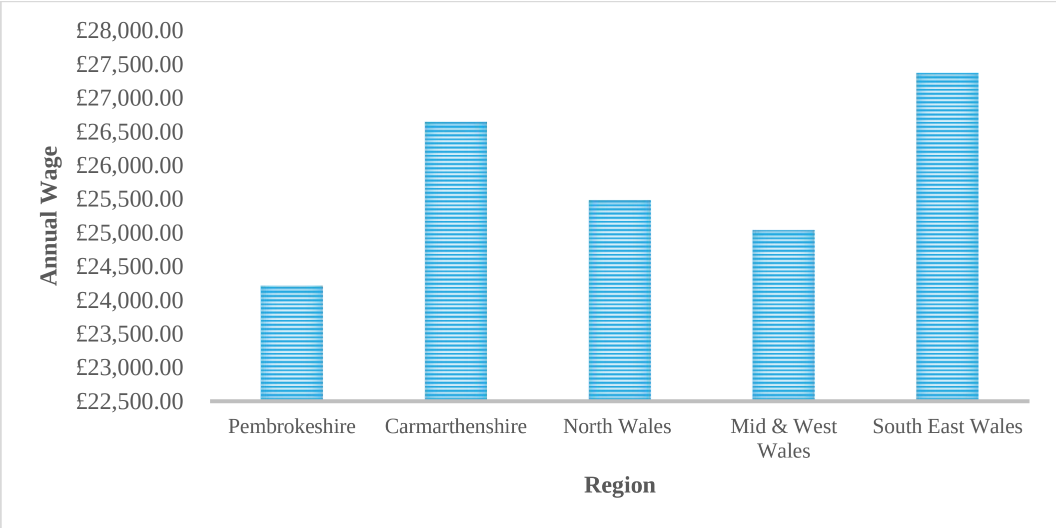
Earnings within the study area are generally consistent with regional averages[69]. **Carmarthenshire** has the second highest gross weekly earnings within the region at £511.40, exceeded only by Swansea. This is perhaps due to its relative proximity to the Swansea Bay City Region and South East Wales more generally

[68] https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/People-and-Work/Employment/Persons-Employed/peopleinemployment-by-area-occupation
[69] Annual Survey of Hours and Earnings (2018)

where earnings are considerably higher compared to Mid and South West Wales figures.

Pembrokeshire records lower average gross weekly earnings of £458.30, which in contrast is the lowest figure recorded within the Mid and South West Wales region. With the exception of Swansea, earnings across Mid and South West Wales local authority areas are lower than the Welsh average of £518.60 and the lowest across Wales.

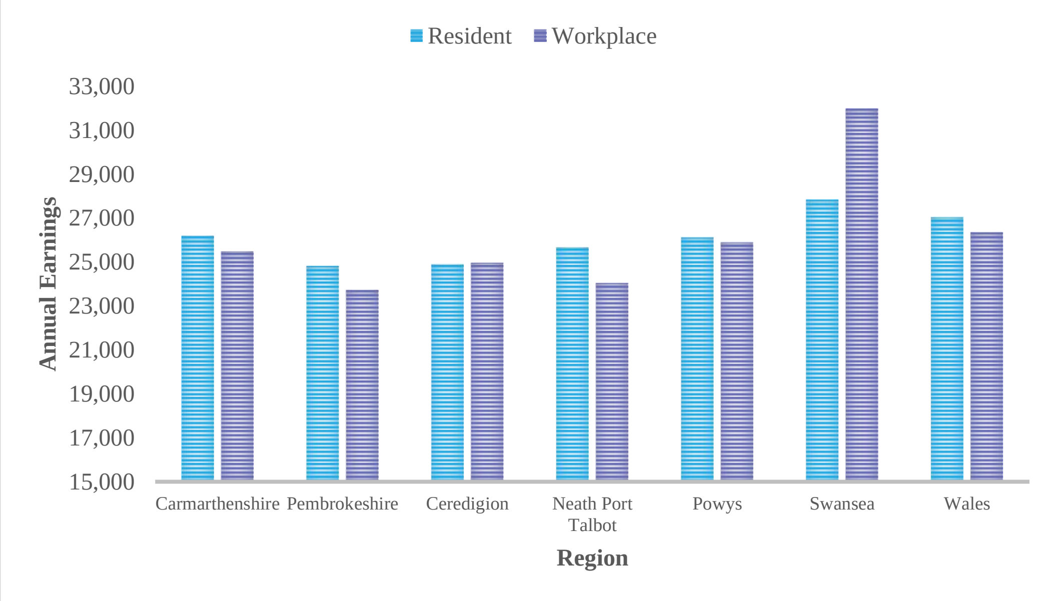
Figure 7 Gross Annual Earnings by Region



Source: Annual Survey of Hours and Earnings (2018)

Figure 7 compares annual wages of residents of Carmarthenshire and Pembrokeshire, with people who work in each authority. Resident wages tend to be higher than those that work in the study area, indicating that the authorities are either self-sufficient labour markets, or should seek to target attracting higher value employment within each authority.

Figure 8 Gross Annual Earnings by place, between residential and workplace



Source: Annual Survey of Hours and Earnings (2018)

4.3 Commuting Patterns

ONS travel to work data (2016) shows that in both Carmarthenshire and Pembrokeshire, residents travel on average 22 minutes from their home to their workplace. The vast majority of these journeys are taken by the private car, interestingly a much higher proportion of the population in both local authority areas walk to work than use public transport (including bus and rail) perhaps suggesting a more localised labour market outside of main settlements.

In both Carmarthenshire and Pembrokeshire there is a higher proportion of outflow commuting compared to inflow commuting.

- In Pembrokeshire the most common destination for both commuting out of the county and in to the county is neighbouring Carmarthenshire, whilst in Carmarthenshire the most popular destination for both inward and outward flows is Swansea.
- The majority of commuters leaving Carmarthenshire for work most often travel within the Mid and South West Wales region with the most outflow commuting being to Swansea, NPT, Pembrokeshire and Ceredigion, followed by Cardiff.
- Conversely outflow commuting in Pembrokeshire tends to be to destinations further afield and/or related to specific types of employment for example ‘Offshore installation’ appears within the top five most common commuter destinations, with Bristol and Cornwall also appearing in the top ten most common commuter destinations. This is significant as it may serve as an indication that there is a more specialised workforce in Pembrokeshire. Figures 9 and 10 set out a full list of the most common commuter journeys.

Figure 9 Top destinations for outflow and inflow commuting – Carmarthenshire

Figure 10 Top destinations for outflow and inflow commuting – Pembrokeshire

Source: 2011 Census Data, Nomis

4.4 Education and Training

Both Carmarthenshire and Pembrokeshire have higher than average levels of population with an NVQ Level 4, with more than a third of the population educated to this level.

The 'hollowing out' of occupations in Pembrokeshire (i.e. higher numbers of managers and senior officials, and greater numbers of elementary occupations), is reflected in the levels of skills within the area – with Pembrokeshire having higher than the regional average levels of people educated to an NVQ Level 4+ and higher than average levels of people with no qualifications.

The same is true of Carmarthenshire, where there are lower levels of NVQ 2 and 3 but notably higher levels of people with an NVQ Level 4+.

Table 12 Levels of Qualifications

	Pembrokeshire	Carmarthenshire	Mid and South West Wales	Wales
% with NVQ4+ - aged 16-64	34.8	35.5	34.2	35.4
% with NVQ3+ - aged 16-64	53.9	52.8	55.1	55.1
% with NVQ2+ - aged 16-64	74.8	73.7	75.0	74.0
% with NVQ1+ - aged 16-64	86.0	85.4	85.6	84.9
% with other qualifications (NVQ) - aged 16-64	5.2	6.0	6.0	6.5
% with no qualifications (NVQ) - aged 16-64	8.8	8.6	8.4	8.6

Source: Annual Population Survey (January 2018 – December 2018)

There is one University within the Study area, the University of Trinity Saint David which is primarily based in Carmarthen. The University was established in 2010 after the merger of University of Wales, Lampeter and Trinity University

College Carmarthen. In 2013, the University expanded when Swansea Metropolitan University became part of the institution.

The University is also part of a partnership with one FE college, Coleg Sir Gâr. The college provides further education courses including A-levels and higher education and has approximately 9,000 registered students with the main campus being based in Pwll, Carmarthenshire. The other FE college within the study area is Pembrokeshire College situated in Haverfordwest which has approximately 2,000 full time students and 12,500 part time students.

Despite the abovementioned educational establishments, outside of term time there is a low number of full-time students residing in the Study area, with 10,148 full time students registered as residing in Carmarthenshire and 6,403 in Pembrokeshire. This is compared to an all-Wales figure of 189,505 students[70]. This is perhaps a reflection of the large proportion of out-migration by young people, or an indication that the majority of students within the Study area choose to study part time, as suggested by the breakdown of Pembrokeshire College's student numbers referenced above.

4.5 Economy and Employment Sectors

Key Employment Sectors

Business Register and Employment Survey (BRES) data by Broad Industrial Group from (2017) has been utilised to provide an indication of the key employment sectors within the Study area and to understand how these compare to wider regional and national trends, with broad headlines including:

- Significant employment sectors within the Study area include Education, Health and Public Administration which collectively employs the largest absolute number of people in the Study area (Carmarthenshire and Pembrokeshire), Mid and South West Wales and Wales as a whole. This indicates that there is a reliance on the public sector within the economy not only within the Study area but also at a regional and national level.
- Retail is a significant employment sector in both Carmarthenshire and Pembrokeshire and employs almost an identical proportion number of employees in each local authority area, 12.2% and 12.1% of the workforce respectively. This is also true nationally with the retail sector comprising 10.1% of employment in Wales.
- Carmarthenshire and Pembrokeshire are often seen to be rural counties in nature, the percentage of employment within the crop, animal production and hunting sector is notable (2.3% and 3.7% respectively) when compared to the national average of 1% however the figures are much more significant in Mid Wales authority areas, Ceredigion and Powys where the figures stand at 4.6% and 6.2% respectively.

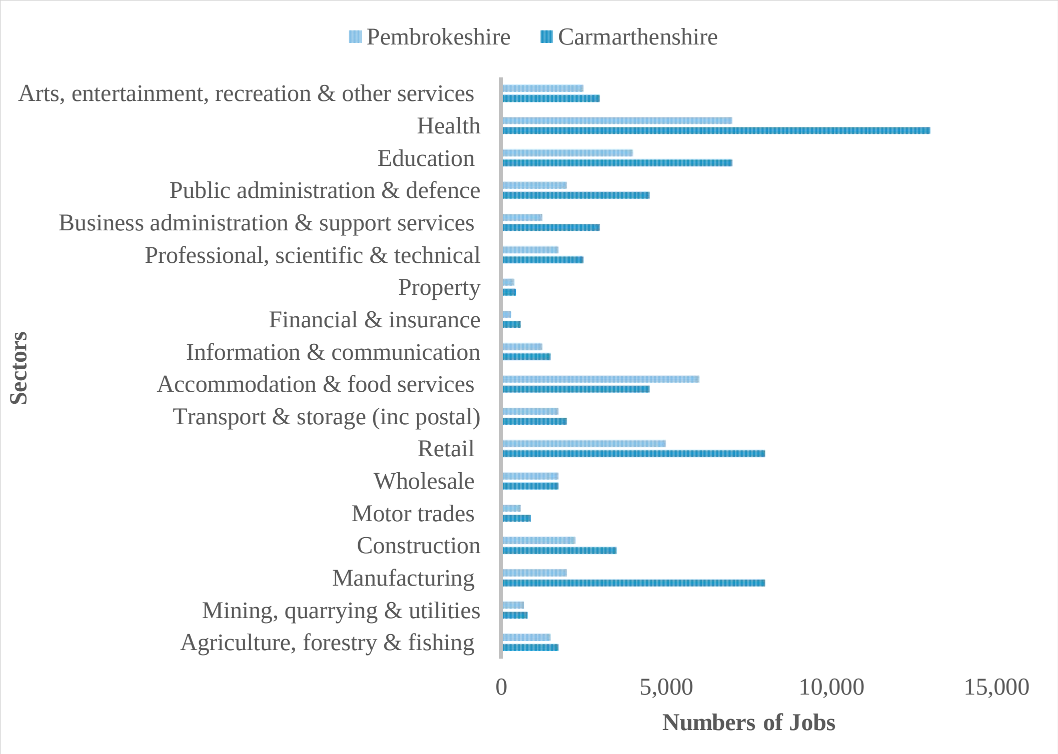
[70] ONS (2019) Annual Population Survey

Breaking down BRES data further by utilising 2 digit SIC codes allows key differentials within employment sectors to be understood in more detail.

BRES data (2017) using 2 digit SIC codes indicates some key differentials within the study area itself which have been highlighted below. By comparing 2012 BRES data (2 digit SIC) to 2017 BRES data (2 digit SIC) we can also understand how employment sectors have changed within each local authority area over time with notable findings also explained below.

- Within Carmarthenshire there is a higher percentage of employment in food and beverage manufacturing (3%) when compared to the Pembrokeshire figure of 0.5% and a national figure of 1.7%. This is one of the fastest growing sectors within Carmarthenshire with employment provision within the sector almost doubling within five years (according to 2012 BRES data). This perhaps highlights quantitatively the impact of specialist sites being developed within Carmarthenshire for this particular industry i.e. Cross Hands Food Park.
- Manufacturing generally employs more people within Carmarthenshire than Pembrokeshire, for example the manufacture of motor vehicles is also significant within Carmarthenshire compared the rest of the Mid and South West Wales region (2.4%).
- In Pembrokeshire, the percentage of employment within the accommodation sector is 7.3% which compares to just 1.4% in Carmarthenshire and 2.1% in Wales. This has continued to grow year on year, increasing by 1.3% in five-year period between 2012 and 2017. Similarly, food and beverage service activities assume a higher proportion of employment in Pembrokeshire compared to neighbouring Carmarthenshire (8.5% versus 5.3%). This is perhaps an indication of the growth and strength of the tourism sector in Pembrokeshire.

Figure 11 % Employment by Sector, Carmarthenshire and Pembrokeshire



Enterprise and Business Counts

A high proportion of the population in both Pembrokeshire and Carmarthenshire are self-employed. According to ONS Annual Population Survey data, 13.9% of the population in Pembrokeshire are self-employed and 10.6% in Carmarthenshire compared to a Wales average of 9.4%[71].

This is perhaps reflected in the fact that the number of registered enterprises within the study area is also high particularly ‘micro’ businesses defined as business employing up to nine people. There are 7,685 registered enterprises in Carmarthenshire, of which a total of 92% are micro businesses. In Pembrokeshire there is a slightly lower figure of 5,585 businesses of which, 87% are micro businesses.

Looking at enterprises by industry, in both counties the largest proportion of private sector enterprises operate within the agriculture, forestry and fishing industry (28% in Carmarthenshire and 13.5% in Pembrokeshire) reflecting the rurality of the study area. The majority of these enterprises in both counties are micro businesses[72]. Of the 10 large (250+ employees) private sector enterprises registered in Carmarthenshire, 50% of these are manufacturing businesses and

[71] ONS (2019) Annual Population Survey https://www.nomisweb.co.uk/reports/lmp/la/1946157392/report.aspx?town=Carmarthenshire [accessed from Nomis 17.09.19]
[72] ONS (2018) UK Business Counts - enterprises by industry and employment size band https://www.nomisweb.co.uk/query/construct/submit.asp?menuopt=201&subcomp= [accessed from Nomis 17.09.19]

50% are in the wholesale industry. In Pembrokeshire there are no large enterprises registered.

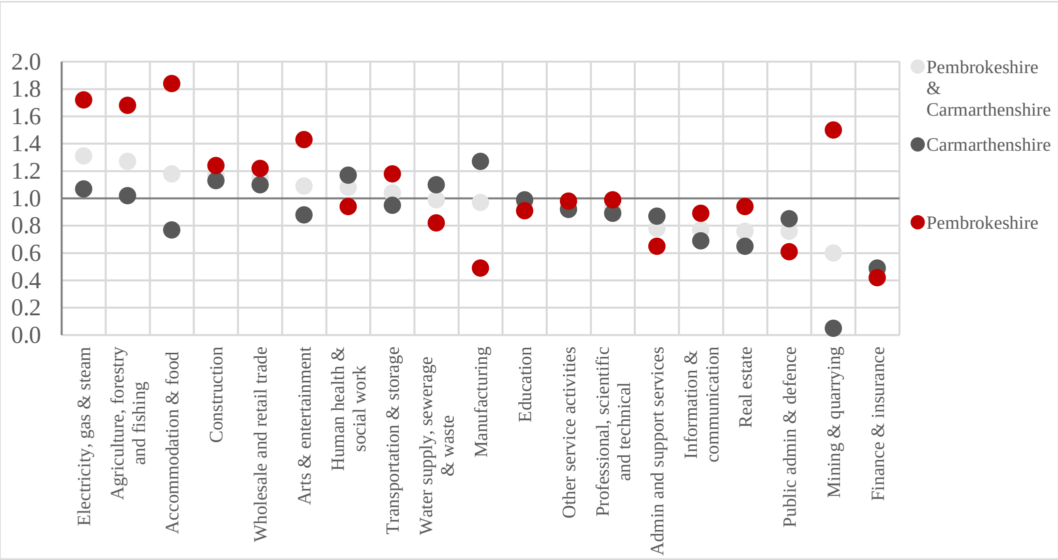
Location Quotient

Location quotient analysis compares the percentage of employment in a given businesses sector for a given area (i.e. Mid and South-West Wales, or Wales as a whole). This uses a ratio approach to analyse whether a sector is over- or under-represented in a local economy; emphasis must be placed on the 'ratio' element of this analysis, these are not absolute levels of employment in these sectors.

Based on a study area average, figure 12 below sets out the levels of over- or under-representation of BRES (2017) sectors in Pembrokeshire and Carmarthenshire respectively:

- 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 within **Pembrokeshire** than the Mid-and South-West Wales region.
- **Carmarthenshire** has less over-representation of specific sectors and is more aligned with the regional average for Mid-and South-West Wales. The most prominent over-representation is within manufacturing.

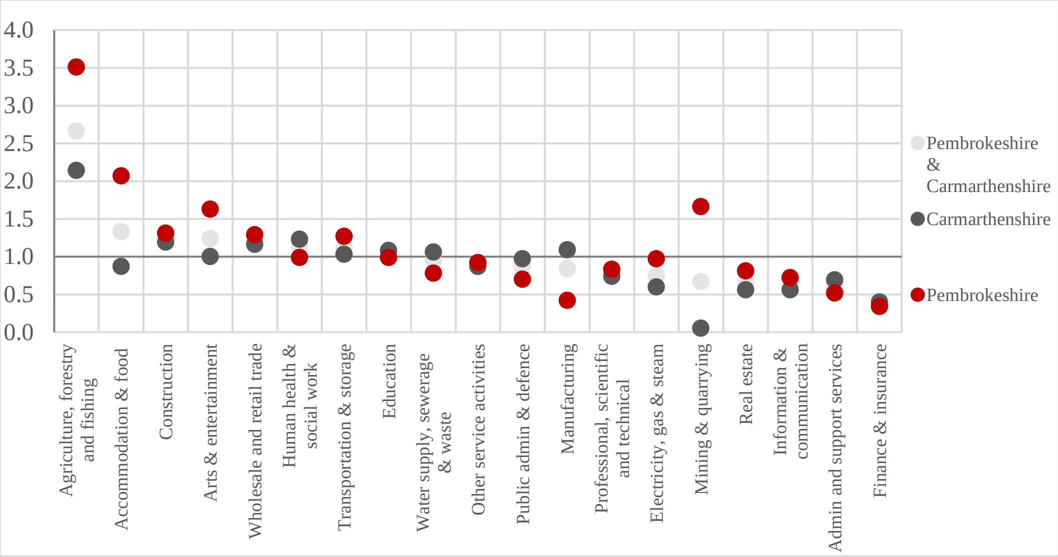
Figure 12 Pembrokeshire & Carmarthenshire Regional Location Quotient



Source: BRES (2017)

When the dominance of sector employment is compared to a Wales-wide average, it becomes clear that there is a greater propensity for employment in Pembrokeshire and Carmarthenshire to be in rural, arts and tourism industries.

Figure 13 Pembrokeshire And Carmarthenshire Wales-wide Location Quotient



Source: BRES (2017)

4.6 Summary

- **Economic Activity**: Whilst GVA has been broadly growing since 2011, this remains at a lower level than the national average. Recent growth originates from Wholesale and Manufacturing sectors, which have account for 19.5% and 12.8% of the total GVA within the region in 2017.
- **Size of Businesses**: Although the overall number of businesses in Pembrokeshire is lower, there are proportionally more small businesses (10-49 employees) in Pembrokeshire, with more very large (over 250+ employers in Carmarthenshire.
- **Wages**: Resident wages tend to be higher than those that work in the study area, indicating that the authorities are either predominantly self-sufficient labour markets, or these should seek to target attracting higher value employment within each authority.
- **Occupations:** There is a hollowing out of occupations 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. Occupations in Carmarthenshire are more comparable to the regional average, although there are more skilled trade occupations and sales / customer service occupations.
- **Commuting:** In Pembrokeshire, the most common destination for both commuting out of the county and in to the county is neighbouring Carmarthenshire, whilst in Carmarthenshire the most popular destination for both inward and outward flows is Swansea.
- **Key Employment Sectors**: Significant employment sectors within the Study area include Education, Health and Public Administration which collectively employs the largest absolute number of people in the Study area (Carmarthenshire and Pembrokeshire), Mid and South West Wales and Wales as a whole. This indicates that there is a reliance on the public sector within the economy not only within the Study area but also at a regional and national level.
- **Representation of key sectors**: When compared to total levels of employment, Pembrokeshire has a distinctly more 'specialised' economy than Carmarthenshire, which is more diversified. When Pembrokeshire and Carmarthenshire are assessed as a whole to the Wales-wide average, the 'Larger than Local' study area is broadly comparable.

5 Regional, Local and Market Challenges and Drivers for Change

5.1 Overview

The Practice Guidance requires that a Larger than Local Employment Study should consider projections and forecasts across sectors to enable the LDP employment land requirement to be determined. The guidance suggests the use of two methods: a review of the past-building completions or labour demand forecasting for estimating future demand for employment.

5.2 Experian Employment Forecasting

The Practice Guidance advocates that in preparing economic studies, it may be necessary to test alternative demand scenarios both to improve technical accuracy or to incorporate policy aspirations. Using Experian employment forecasts, this demand forecasting comprises three stages:

- Step 1: Translating the jobs by sectors into jobs by land use;
- Step 2: For each employment land use, translate jobs into floorspace using employment densities;
- Step 3: Translate floorspace into lands area using development ratios.

It is fundamental to bear in mind that forecasts are just that: a prediction, for which policy interventions can be applied.

5.2.1 Economic Forecasts

In order to supplement and/or update previous employment forecasts the study has utilised Experian employment forecasts (June 2019) for both broad sectors and more detailed employment categories. When considering forecast growth / decline within the broad sectors, Table 13 provides an overview of both short-term (5 year) forecasts and longer term (plan period) projections.

Table 13 Employment Forecasts by Broad Sector – Pembrokeshire Summary

		SHORT TERM	LONG TERM
		2019 - 2024	2019 - 2033
FTE Employment, broad sectors (Thousands)	Accommodation, Food Services & Recreation	0.20	0.40
	Agriculture, Forestry & Fishing	0.00	-0.10
	Construction	0.10	0.00
	Extraction & Mining	0.00	0.00
	Finance & Insurance	0.00	0.00
	Information & communication	0.00	-0.10
	Manufacturing	-0.20	-0.70
	Professional & Other Private Services	-0.10	-0.30
	Public Services	0.40	0.90
	Transport & storage	0.00	0.10
	Utilities	0.00	-0.10
	Wholesale & Retail	-0.10	-0.40

Table 14 Employment Forecasts by Broad Sector – Carmarthenshire Summary

		SHORT TERM	LONG TERM
		2019 - 2024	2019 - 2033
FTE Employment, broad sectors (Thousands)	Accommodation, Food Services & Recreation	0.20	0.50
	Agriculture, Forestry & Fishing	-0.10	-0.20
	Construction	0.20	0.30
	Extraction & Mining	0.00	0.00
	Finance & Insurance	0.00	0.00
	Information & communication	0.00	0.00
	Manufacturing	-0.30	-0.90
	Professional & Other Private Services	0.00	0.00
	Public Services	0.70	1.80
	Transport & storage	0.00	0.10
	Utilities	0.00	0.00
	Wholesale & Retail	-0.10	-0.30

When compared to figures for the wider Mid and West Wales Region[73], the forecasts show general consistency in broad sector change in both the short and long-term. Key differences can be highlighted as follows:

- A forecast decline in finance and insurance in the region when compared with stable employment in both counties, perhaps reflecting overall low levels of employment within the sector at the county level;
- Growth within information and communication within the wider region when compared to stable employment at the county level; and
- Decline in employment within utilities within the short and long term at the regional level, when compared with stable employment or slight decline long-term at the county level.

[73] Region as defined within the National Development Framework (including Powys, Ceredigion, Swansea, Neath Port Talbot, Carmarthenshire and Pembrokeshire)

In undertaking a similar comparison with data at the national (Wales) level, the following key differences can be highlighted:

- Decline in employment in the extraction and mining sector;
- Decline in employment in finance and insurance nationally;
- Growth in information and communication at the national level;
- Longer term growth in professional and other private services; and
- Short and long-term decline in utilities at the national level.

The forecasts at each spatial scale (county through to national) are shown graphically in **Figure 14** to **Figure 17** below.

Figure 14 Pembrokeshire Employment Forecast by Sector

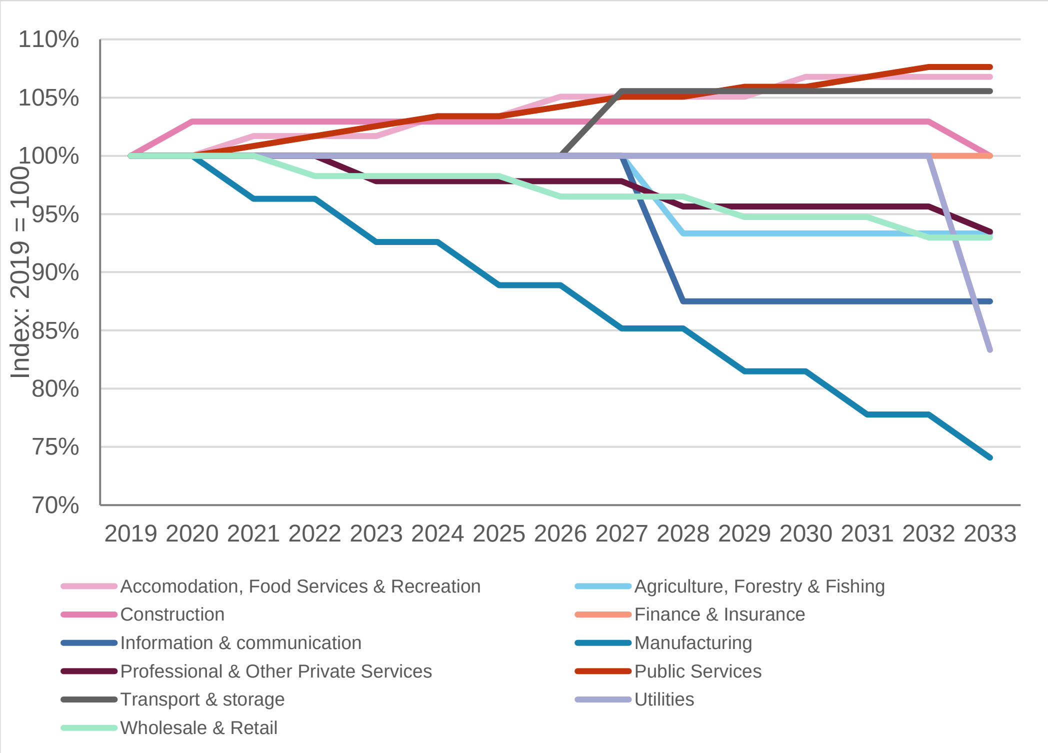


Figure 15 Carmarthenshire Employment Forecast by Sector

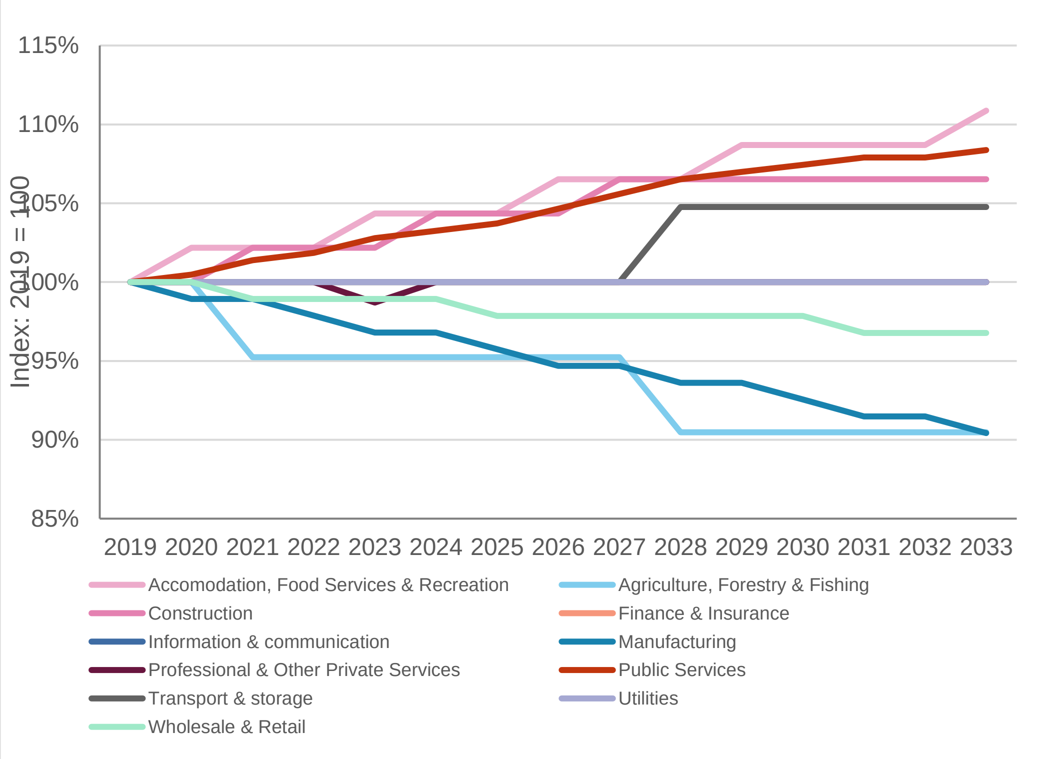


Figure 16 Regional Employment Forecast by Sector

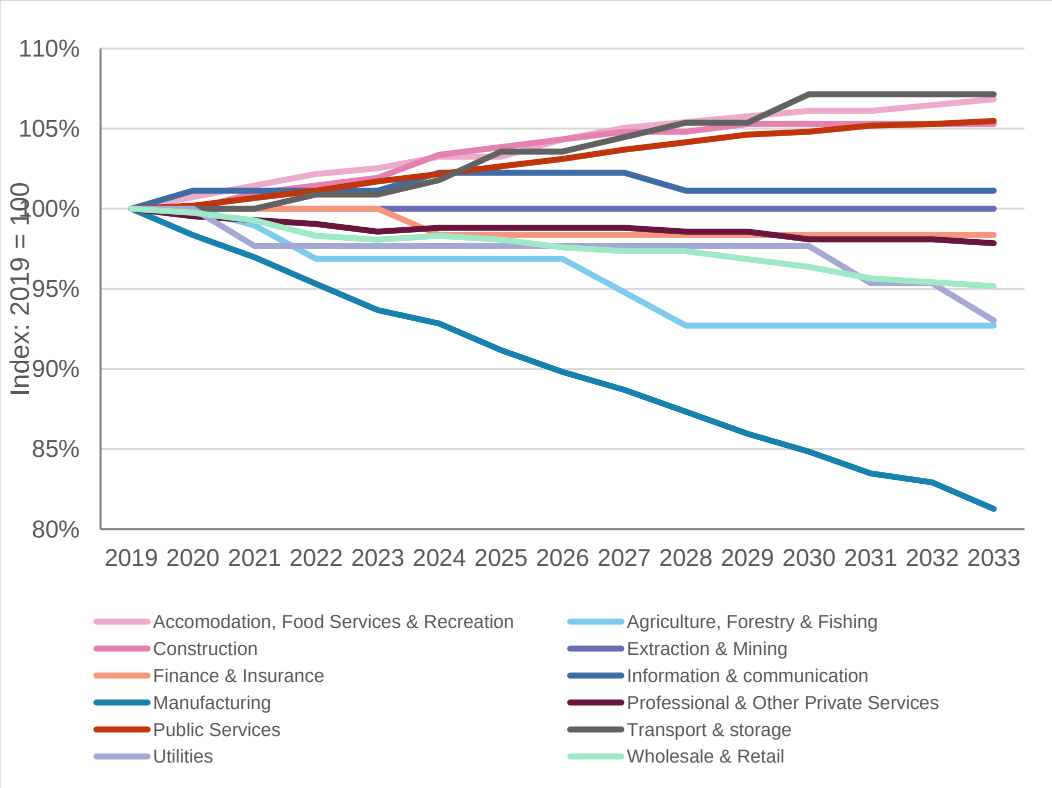
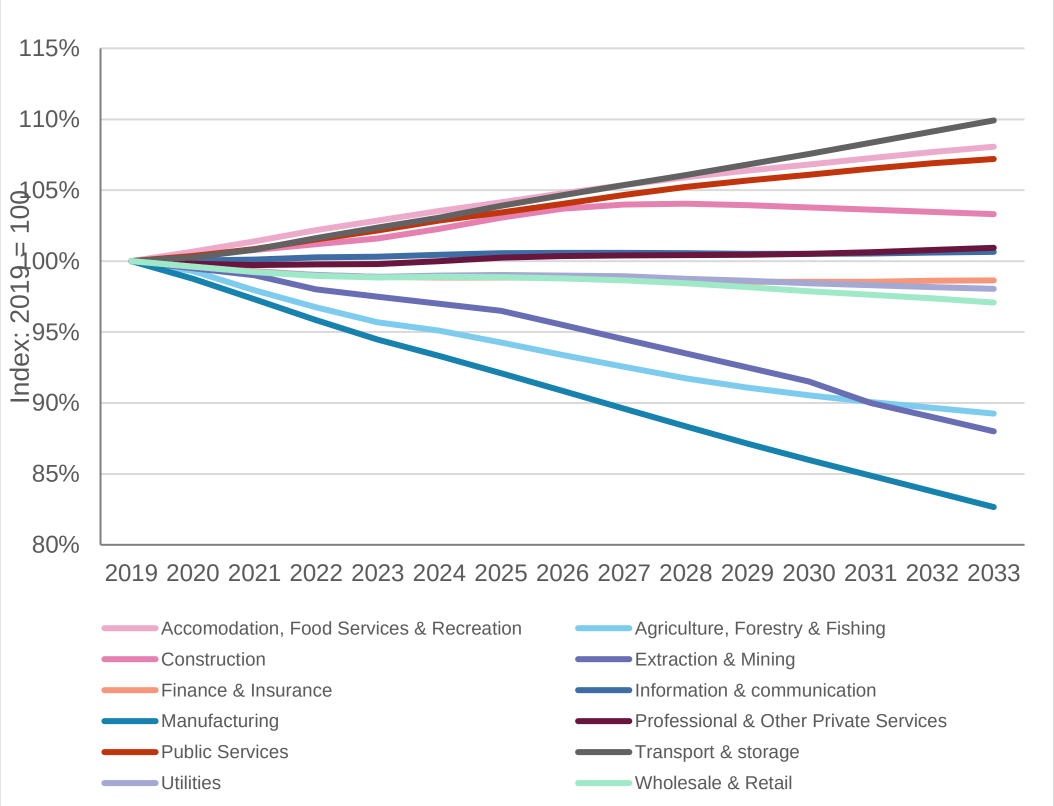


Figure 17 National Employment Forecast by Sector



Our assessment of potential land requirements across the study area have been informed by an understanding of the likely changes in job requirements in the different broad sectors.

Table 15 Likely Job Changes by sector

Experian Broad Sector	Employment Change (2019-2033)		
	Pembs	Carm	Wales
Accommodation, Food Services & Recreation	400	500	7,150
Agriculture, Forestry & Fishing	-100	-200	-1,820
Construction	0	300	2,100
Extraction & Mining	0	0	-240
Finance & Insurance	0	0	-390
Information & Communication	-100	0	280
Manufacturing	-700	-900	-26,920
Professional & Other Private Services	-300	0	1,650
Public Services	900	1,800	26,090
Transport & Storage	100	100	3,820
Utilities	-100	0	-440
Wholesale & Retail	-400	-300	-4,300

The analysis of the forecast data shows a clear dominance of the non-B class sectors within the economies of Pembrokeshire and Carmarthenshire. 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 don't historically lead to a large land demand.

5.2.2 Step 1: Translating the Jobs by Sectors into Jobs by Land Use

The process and assumption used in translating jobs by sectors into jobs by land use is set out in Appendix B for the Baseline Review.

5.2.3 Step 2: Translate Jobs into Floorspace using Employment Densities

In order to translate job forecasts into an estimate of potential B class employment space requirements, it is necessary to apply the latest published density figures for employment space, which take account of recent trends in occupancy for the different B class uses. To estimate space requirements, the following average ratios have been applied to job forecasts:

1. **Offices:** 1 job per 12.5sqm for general office space;
2. **Industrial:** 1 job per 43sqm as an average across B1c and B2 uses; and,
3. **Warehousing:** 1 job per 73sqm for regional or 'final mile' distribution centres.

These assumptions are based on latest Homes & Communities Agency (HCA) guidance on job density ratios produced in 2015[74]. The guidance takes account of recent trends in terms of changing utilisation of employment space, with the key change being the more efficient use of office floorspace due to the higher frequency of flexible working and hot-desking. This has resulted in a reduction in the amount of floorspace per office worker assumed compared to earlier guidance.

An allowance of 10% is added to all positive floorspace requirements to reflect normal levels of market vacancy in employment space. Where a reduction in jobs is forecast, the associated negative floorspace was halved. This reflects that while there may be ongoing job losses, this can be due to efficiencies / automation and does not automatically follow that all the existing employment space will be lost.

It has been assumed that a gross area of 1ha is required to develop 4,000sqm of office, industrial and warehousing/distribution space (equal to a plot ratio of 40%).

[74] https://www.kirklees.gov.uk/beta/planning-policy/pdf/examination/national-evidence/NE48_employment_density_guide_3rd_edition.pdf

5.2.4 Step 3: Translate floorspace into land area using development ratios

Baseline Forecast Scenario

The implication of the forecast scenario is a potential reduction in employment land requirement of the LDP 2 periods to 2033 of circa **-4.78 hectares**. This output is underpinned by:

- The significance of Non-B Class sectors within the Pembrokeshire and Carmarthenshire economies;
- Forecast growth in some of these Non-B Class sectors (e.g. Accommodation and Food), compared with forecast decline in the more traditional B Class sectors (e.g. manufacturing); and
- The relative stagnation of other sectors.

In reaching this forecast, as set out in Table 16, the approach effectively 'nets off' employment gains in office sectors and distribution against job losses in manufacturing. It therefore assumes that all surplus industrial land would be beneficially reused for other employment purposes which may not be the case.

It should therefore be argued that on the basis of the forecasts, there is a requirement for circa **2.5 hectares** of employment land to meet demands across the office and distribution sectors within the study area, as shown in **Table 16**.

Table 16 Net Employment Space Requirement across the Study Area (2019-2033)

	Employment Change (2019-2033)	Floorspace (sqm)	Land Requirement (ha)
Offices (B1a/B1b)	-230	287.5	0.072
Manufacturing (B1c/B2)	-1,280	-28,896	-7.22
Distribution (B8)	20	9,490	2.37
Total	-1,490	-19,118.5	-4.78
Net additional land assuming manufacturing sites are not re-purposed for office / distribution uses.			**2.44**

When exploring these forecast requirements at the county level, the data shows how the forecast changes and associated floorspace requirements are broken down. Whilst in the majority of cases the figures tally to the Study Area, the finer grain analysis does show a higher land requirement for office space in Carmarthenshire.

Table 17 Net Employment Space Requirement, Pembrokeshire & Carmarthenshire (2019-2033)

	Pembrokeshire			**Carmarthenshire**		
	Employment Change	Floorspace (sqm)	Land Requirement (ha)	Employment Change	Floorspace (sqm)	Land Requirement (ha)

	(2019-2033)			(2019-2033)		
Offices (B1a/B1b)	-320	-2,000	-0.5	90	2,288	0.572
Manufacturing (B1c/B2)	-490	-10,535	-2.63	-790	-18,361	-4.59
Distribution (B8)	20	4,234	1.06	0	5,256	1.31
Total	-790	-8,301	-2.07	-700	-10,818	-2.70
Net additional land assuming manufacturing sites are not re-purposed for office / distribution uses.			**1.06**			**1.89**

Note: *Net land requirement is higher when exploring the geographies individually given the forecast decline in offices in Pembrokeshire and growth in Carmarthenshire. When explored jointly these forecasts counteract and lead to a lower floorspace requirement.*

Exploring the forecasts at County level and focussing on employment gains, **Table 17** suggests there is a requirement for **circa 3.0 hectares** of employment land to meet demands across the office and distribution sectors within the study area.

Wales based Projection Scenario

The Experian forecasts for Wales are more positive when compared to Pembrokeshire and Carmarthenshire and have been used in order to provide a positive growth scenario. The process by which this scenario has been developed includes:

- Establishment of employment levels by 2-digit Standard Industrial Classification (SIC) for Pembrokeshire and Carmarthenshire (2017);
- Basing the SIC Data to the 38 Experian Categories;
- Applying the Wales based percentage forecast growth by category (2019-2033) to the 2017 base employment data; and
- Calculating additional / decline in jobs through the methodology explained in Section 4.6.1 in order to generate a land requirement.

Table 18 shows the outputs from this scenario for the study area and whilst the forecasts continue to show a large decline in the manufacturing sectors and therefore demand for B1c/B2 floorspace, they also show more growth in the office and distribution sectors.

This positive scenario therefore suggests a requirement for circa **6.44 hectares** of employment land to meet demands across the office and distribution sectors within the study area.

Table 18 Net Employment Space Requirement across the Study Area (2019-2033)

	Employment Change (2019-2033)	**Floorspace (sqm)**	**Land Requirement (ha)**
Offices (B1a/B1b)	194	4,244	1.06
Manufacturing (B1c/B2)	-1,589	-35,321	-8.83
Distribution (B8)	200	21,534	5.38
Total	-1,195	-9,544	-2.39
Net additional land assuming manufacturing sites are not re-purposed for office / distribution uses.			**6.44**

As with the Baseline Forecast, the Wales Based Scenario has been explored at a county level also to identify any specific locational requirements. Whilst the analysis shows varying levels of change across the use classes in terms of job growth / decline, the associated additional land requirements are similar in both Pembrokeshire and Carmarthenshire with slightly more growth in the distribution sector in Carmarthenshire.

Table 19 Net Employment Space Requirement, Pembrokeshire & Carmarthenshire (2019-2033)

	Pembrokeshire			**Carmarthenshire**		
	Employment Change (2019-2033)	Floorspace (sqm)	Land Requirement (ha)	Employment Change (2019-2033)	Floorspace (sqm)	Land Requirement (ha)
Offices (B1a/B1b)	104	1,921	0.48	90	2,322	0.58
Manufacturing (B1c/B2)	-381	-8,647	-2.16	-1,208	-26,674	-6.67
Distribution (B8)	79	8,937	2.23	121	12,597	3.15
Total	-198	2,211	0.55	-997	-11,755	-2.94
Net additional land assuming manufacturing sites are not re-purposed for office / distribution uses.			**2.71**			**3.73**

Applying the Wales Based Scenario at the county level continues to suggest a requirement for circa **6.44 hectares** of employment land to meet demands across the office and distribution sectors within the study area.

Brexit Scenario

Brexit scenario analysis work which has been carried out by the Welsh Government has produced the below headlines which should be considered in any Brexit forecasting undertaken:

- Loss of access to the single market for example through a ‘no deal’ Brexit scenario poses a significant risk to the Welsh economy as a whole;

- Certain key sectors, most notably food and drink are particularly vulnerable to shock as a result of Brexit especially in relation to changes to existing tariffs;
- Brexit may present opportunities to promote 'Brand Wales' further and consider Wales' USP for international trade and investment. It also may offer an opportunity to create policies and programmes which are bespoke to respond to the needs of the Welsh economy and its key sectors e.g. agriculture.

At a macro-economic scale, work is on-going in mapping the impact of concentrated employment sector change on communities and places – particularly those where there is limited in-commuting and higher concentrations of employees in higher-risk sectors or limited access to alternative sources of employment.

Work is on-going in scenario-testing the impact of Brexit employment sector change on key sectors at risk and Brexit-Experian Forecasts.

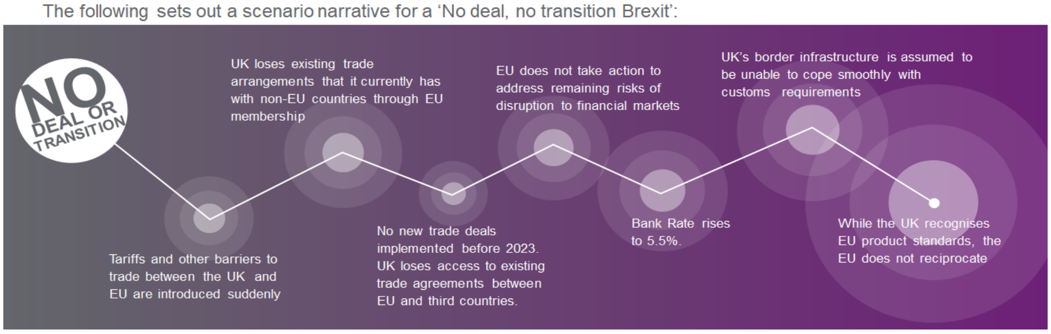
As part of the study, Experian were commissioned to undertake a 'No Deal Brexit' Scenario Forecast for Pembrokeshire and Carmarthenshire. The scenario is based on the Bank of England's no deal, no transition outcome and represents a fairly disorderly exit from the European Union.

The analysis by broad sector within the forecast is centred on the Institute of Fiscal Studies assessment of what reverting to World Trade Organisation means for each sector and has also captured the tone of the Bank of England's report that suggests financial services would be hard hit too.

The model is focused on the trade impacts of exiting the EU, assuming all other factors remain unchanged. Therefore, when the scenario is drilled down to Pembrokeshire and Carmarthenshire it reflects the impact of a change to trade and does not explicitly factor in other elements such as migration, FDI, EU funding, etc.

The diagram below provides a narrative which summarises the approach in the scenario.

The following sets out a scenario narrative for a 'No deal, no transition Brexit':



The following assumptions are also made / underly the scenario presented:

- GDP growth of 0.6% in 2019 and -5.4% in 2020;
- Unemployment peaking at 7.5%; and
- Inflation peaking at 5.5%.

The scenario model is built using workforce jobs and can be directly compared to the June release of the Regional Planning Service data presented above.

Table 20 No Deal Brexit Scenario Carmarthenshire

	Carmarthenshire	
	2019-2033	
	Experian Forecast	No Deal' Brexit Forecast
Accommodation, Food Services & Recreation	600	600
Agriculture, Forestry & Fishing	-300	-300
Construction	700	500
Extraction & Mining	0	0
Finance & Insurance	-100	-100
Information & communication	-100	-100
Manufacturing	-600	-800
Professional & Other Private Services	300	200
Public Services	2800	2500
Transport & storage	0	0
Utilities	0	100
Wholesale & Retail	-700	-1000

The analysis for Carmarthenshire shows a number of broad trends when compared to the 'business as usual forecast' from the June release. These include:

- Similar overall growth in certain sectors (e.g. Accommodation, Food Services and Recreation) but growth which is characterised by a decline in the early stages of the plan period (2020/21) under the Brexit Scenario vs steady growth in the business and usual scenario;
- The same overall decline in certain sectors (e.g. Agriculture, Forestry and Fishing) but with the low point reached earlier / more dramatic decline under the Brexit Scenario;
- Lower forecast growth in some sectors (e.g. Construction) due to a lag / decline post Brexit which doesn't catch up over the remaining plan period;
- Greater overall decline in some sectors (e.g. Manufacturing, Wholesale and Retail) with a more dramatic drop post Brexit vs more steady decline under the business as usual scenario;
- Slightly less growth in some sectors (e.g. Public Services) reflecting generally slower growth in the sector across the plan period under the Brexit Scenario;

Table 21 No Deal Brexit Scenario Pembrokeshire

	Pembrokeshire	
	2019-2033	
	Experian Forecast	**No Deal' Brexit Forecast**
Accommodation, Food Services & Recreation	800	800
Agriculture, Forestry & Fishing	300	200
Construction	500	400

Extraction & Mining	0	0
Finance & Insurance	-100	-100
Information & communication	-100	-100
Manufacturing	-600	-600
Professional & Other Private Services	-300	-300
Public Services	1200	1000
Transport & storage	0	0
Utilities	0	0
Wholesale & Retail	-600	-800

As with the data for Carmarthenshire, the following broad trends appear when comparing data for Pembrokeshire to the 'business as usual forecast' from the June release:

- Similar overall growth in certain sectors (e.g. Accommodation, Food Services and Recreation) but growth which is characterised by a decline in the early stages of the plan period (2020/21) under the Brexit Scenario vs steady growth in the business and usual scenario;
- Lower levels of overall growth in the Brexit Scenario (e.g. Agriculture, Forestry and Fishing), reflecting delayed growth across the plan period;
- Lower forecast growth in some sectors (e.g. Construction) due to a lag / decline post Brexit which doesn't catch up over the remaining plan period;
- The same overall decline in certain sectors (e.g. Finance & Insurance, Information & Communication) but with the low point reached earlier / more dramatic decline under the Brexit Scenario;
- The same overall decline (e.g. Manufacturing) but with a more dramatic drop in workforce jobs earlier in the plan period vs a more steady decline under the business and usual forecast;
- Slightly less growth in some sectors (e.g. Public Services) reflecting generally slower growth in the sector across the plan period under the Brexit Scenario; and
- Greater overall decline in some sectors (e.g. Wholesale and Retail) with a more dramatic drop post Brexit vs more steady decline under the business as usual scenario.

5.3 Past Building Completions and Vacancy

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.

5.4 Other Experian Forecasts

There are a series of other forecasts which are available through Experian data, including a breakdown of self-employment and GVA. As these projections do not have a traditional employment land floor-space, instead these will have greater relevance to initiatives and policy-development.

GVA

As set out in Section 4.2, GVA is a broad indicator of economic performance. In terms of the Experian forecasts, Figure 18 and Figure 19 set out proposed levels of growth in each sector.

- Whilst employment remains broadly the same in Mining and Extraction (See Section 5.2) in both Carmarthenshire and Pembrokeshire, the overall value of the sector is expected to decline. This denotes a decline in the value of employment in this sector or possibly a decline in productivity.
- In Pembrokeshire, growth in sector-specific GVA is broadly attributable to growth in employment in these sectors (such as public services, accommodation or food services) or overall expected increases in productivity (such as financial and insurance sectors). The value of manufacturing is also set to decline across the Plan Period, reflecting a decline in the number of jobs felt at a county-wide level.
- In Carmarthenshire, the picture is quite different. Manufacturing GVA is set to increase, despite and overall fall in job numbers – depicting a greater level of productivity and value added per job. A linear trend of an increase in GVA attributable to an increase in employment is visible for accommodation, food services and retail sectors, and public services. The agriculture, forestry and fishing sector is set to decline in absolute employment terms, and remain broadly average in GVA; indicating an increase in value added within the sector.

Figure 18 Pembrokeshire GVA Forecast by Sector

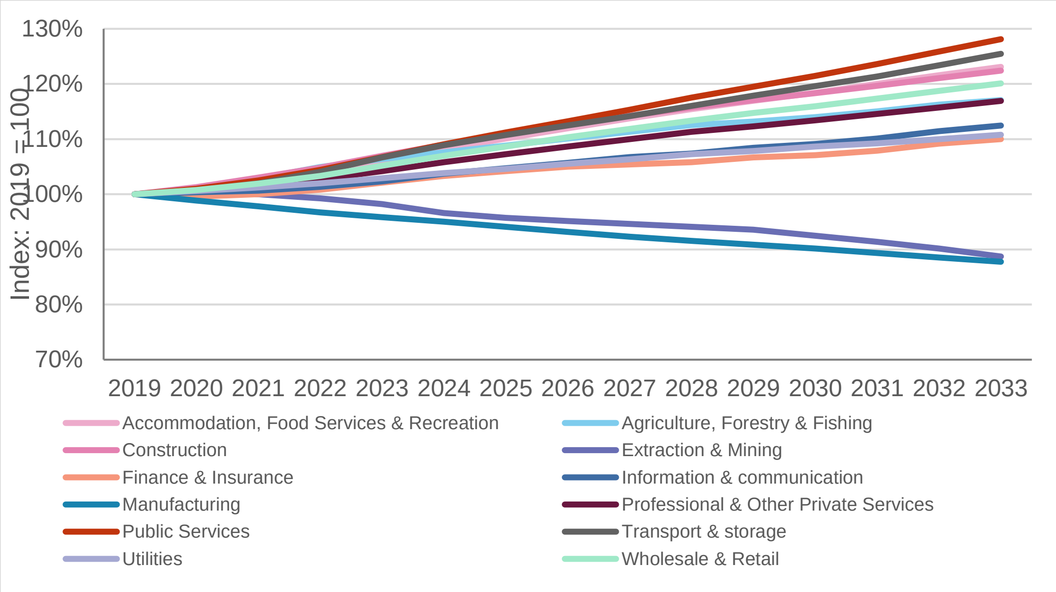
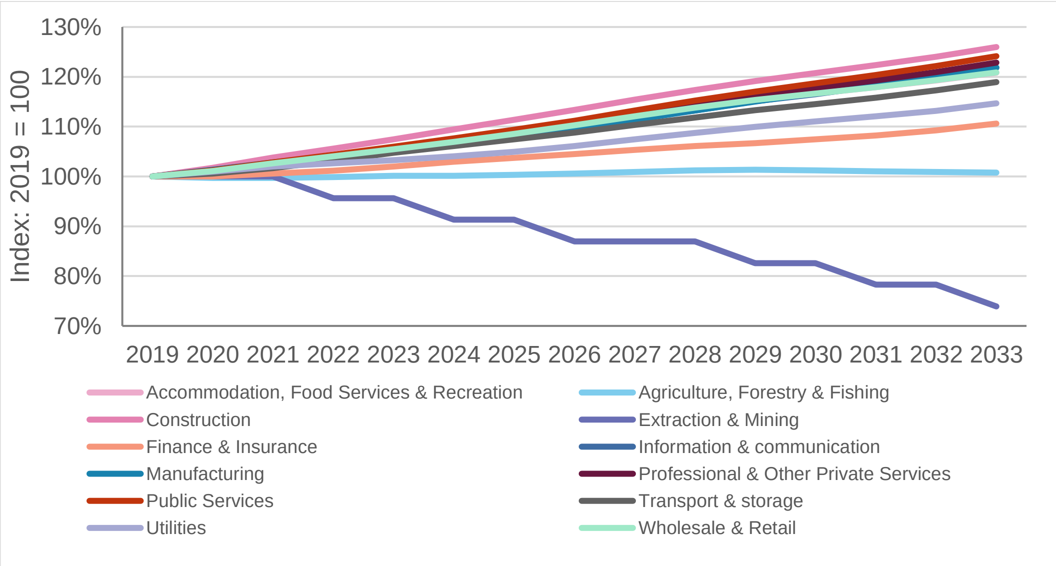


Figure 19 Carmarthenshire GVA Forecast By Sector



Self-employment

Figure 18 and Figure 19 show levels of self-employment forecast by sector. As with the national and mid-and west-Wales trends, there are likely increases in the number of people self-employment in public services and professional and other private services. This is likely to reflect the increasing demand for an increase in public services associated with the provision of older-people care. Additionally, in line with the national trends, there is an overall decline in the number of people employment in retail-based industries – reflecting an overall long-term decline in the retail sector at a macro-economic level.

Figure 20 Pembrokeshire Self-Employment Forecast by Sector

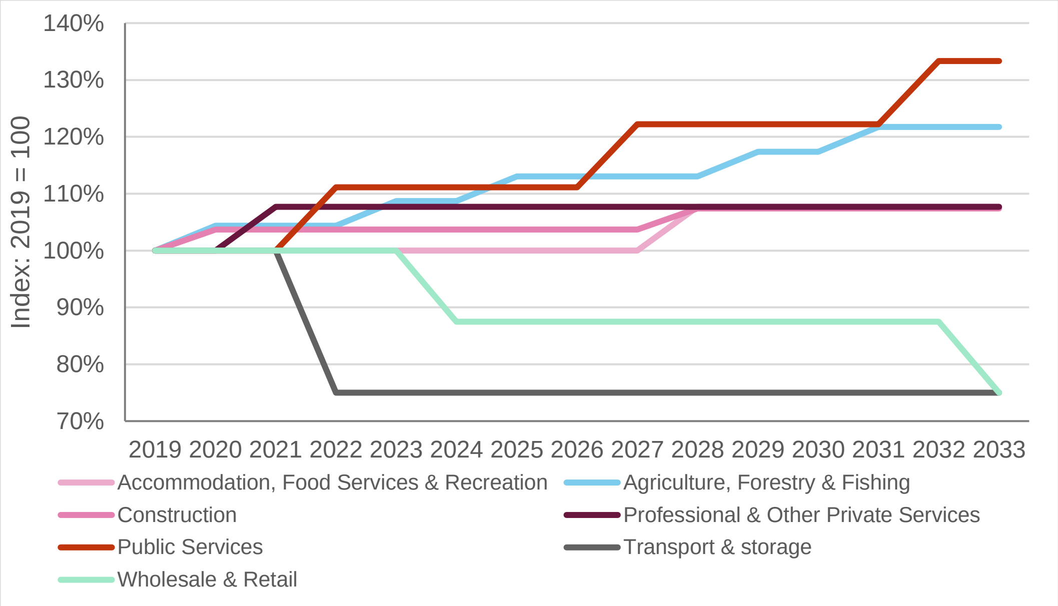
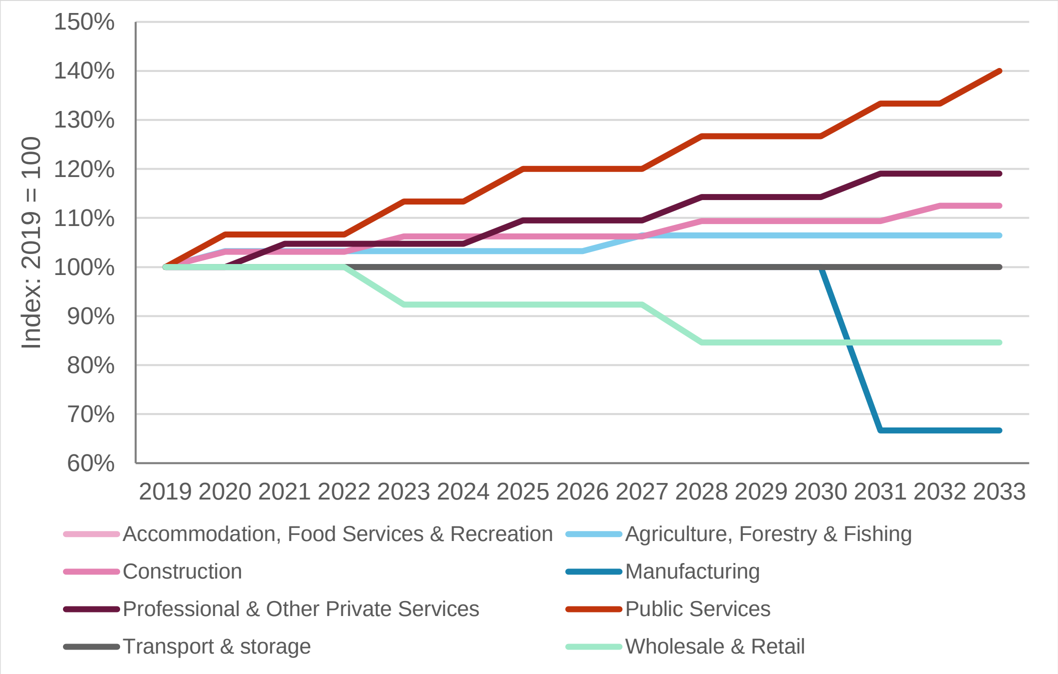


Figure 21 Carmarthenshire Self-Employment Forecast by Sector



Key differences are that Pembrokeshire is predicted to experience greater levels of self-employment growth in the agriculture, forestry and fishing sector, whereas Carmarthenshire is expected to grow the number of ‘professional and other private services’.

Initiatives may therefore explore ensuring policy-support for: use of empty spaces and vacant stores in the key settlements to ensure that there is sufficient space were necessary for reversing the declining trend of self-employment in retail sectors; and, home-based industries, including digital connectivity and workspace development, where appropriate.

Appendix A.A1

Broad Sector Definitions

A1 Broad Sector Definitions

Table 22 SIC Code Broad Sector Definitions

12 Broad Sectors	38 Detailed categories	Proportion of Jobs by Use Class		
		B1a/ B1b	B1c/ B2	B8
Agriculture, Forestry & Fishing	01 - Agriculture, Forestry & Fishing	Non B Class		
Extraction & Mining	02 - Extraction & Mining	Non B Class		
Manufacturing	03 - Food, Drink & Tobacco		100	
	04 - Textiles & Clothing		100	
	05 - Wood & Paper		100	
	06 - Printing/production Recorded Media		100	
	07 - Fuel Refining		100	
	08 - Chemicals		100	
	09 - Pharmaceuticals		100	
	10 - Rubber, Plastic, Non-Metallic Products		100	
	11 - Metal Products		100	
	12 - Computer & Electronic Products		100	
	13 - Machinery & Equipment		100	
	14 - Transport Equipment		100	
	15 - Other Manufacturing		100	
Utilities	16 - Utilities	0	80	0
Construction	17 - Construction of Buildings	20	0	0
	18 - Civil Engineering	10	10	20
	19 - Specialised Construction Activities	0	20	20
Wholesale & Retail	20 - Wholesale	0	10	60
	21 - Retail	Non B Class		
Transport & storage	22 - Land Transport, Storage & Post	0	0	80
	23 - Air & Water Transport	Non B Class		
Accommodation, Food Services & Recreation	24 - Accommodation & Food Services	Non B Class		
	25 - Recreation	Non B Class		
Information & communication	26 - Media Activities	100	0	0
	27 - Telecoms	60	10	0
	28 - Computing & Information Services	100	0	0
Finance & Insurance	29 - Finance	100	0	0

	30 - Insurance & Pensions	95	0	0
Professional & Other Private Services	31 - Real Estate	70	0	0
	32 - Professional Services	100	0	0
	33 - Admin & Supportive Service Activities	100	0	0
	34 - Other Private Services	Non B Class		
Public Services	35 - Public Administration & Defence	10	0	0
	36 - Education	Non B Class		
	37 - Health	Non B Class		
	38 - Residential Care & Social Work	Non B Class		

Appendix B

Brexit: Summary of Literature

B1 Brexit: Summary of Literature

B1.1 Overview

Since the result of the referendum on the UK's membership of the European Union (EU) and the subsequent, planned withdrawal from the European Union ('Brexit'), the Welsh Government has published a series of 'Brexit papers' which set out guidance and proposals as to how Wales can continue to prosper, grow and protect its economy, society culture and environment after Brexit.

In 2017 the Welsh Government published a White Paper entitled **'Securing Wales' Future: Transition from the EU to a new relationship with Wales.** This paper was the result of cross party working between the Welsh Government and Plaid Cymru. The paper set out the Welsh Government's position on Brexit. It acknowledged the referendum result whilst setting out guidelines as to what the Welsh Government saw to be imperative to any future deal with the EU, for example staying within the Single Market. This White Paper was supplemented by a series of papers related to key sectors considered to be of national interest e.g. agriculture.

As of June 2019, the **position of the Welsh Government on Brexit altered**. This is due to Welsh Assembly Members passing a motion to back wider calls for a second referendum on EU membership. The motion was put forward by Plaid Cymru and backed by Welsh Labour.

Whilst this is only a symbolic motion, it marks a significant shift in the Welsh Government's approach to Brexit. This is evidenced by the Welsh Brexit Minister's (Jeremy Miles) plenary speech to the Assembly on the 4th June in which he stated the following, 'we make no apology for the policy that we and Plaid Cymru put forward in January 2017 *[Securing Wales' Future]*… in publishing the White Paper, we were clear that no form of Brexit would be as good for the jobs and livelihoods of people in Wales as remaining within the European Union…but time has moved on…. so, as a Government, we will now campaign to remain in the EU[75].'

Despite this change in approach, the existing Brexit literature published by the Welsh Government has been reviewed and is presented below. It is considered that it provides useful background economic data and qualitative information of relevance to this Larger than Local Study particularly in relation to international trade and key sectors of the Welsh economy.

---

[75] National Assembly for Wales (2019) Plenary record:
http://record.assembly.wales/Plenary/5662#C198608

B1.2 Welsh Government view on Brexit (2017 – June 2019)

B1.2.1 Securing Wales' Future: Transition from the EU to a new relationship with Europe

In 2017 the Welsh Government published a White Paper detailing the aims of the Welsh Government and what it would seek to achieve in 'Brexit' negotiations.

In the paper, the Welsh Government sets out six key areas which it believes need to be addressed in negotiations including: the single market and international trade, migration, finance and investment, constitutional and devolution issues, Wales' social and environmental protections and values and transitional arrangements.

The key messages provided under each of the above overarching areas of relevance to this Larger than Local study are outlined below with the exception of the 'transitional arrangements' heading given that the Article 50 deadline has already been exceeded.

1) The Single Market and International Trade

The Welsh Government makes it clear that the only way to proceed with Brexit in a way which would be acceptable in terms of the single market and international trade would be ensuring unfettered single market access for both Wales and the rest of the UK.

- The EU is the recipient of two thirds of all goods exported from Wales to destinations outside of the UK;
- Wales often benefits from indirect access to the single market due to the strong level of integration within the UK economy and goods and services being shared between Wales, England, Scotland and Northern Ireland. Therefore, a future economic policy with the EU should be consistent across the UK;
- Key sectors mentioned in relation to direct exports from Wales to the EY include: agriculture, steel, automotive, chemicals, electronics, aerospace, pharmaceutical, transport equipment and petroleum.
- Wales more vulnerable to economic shock compared to other areas of the UK due to lower household incomes and reliance on particularly vulnerable sectors such as manufacturing;
- The harmful impact of the loss of free movement of people on transport links (including ports and airports) and cross border movements due to increased border policing, potential congestion and additional costs;
- Potential loss of internal inward investment due to the UK becoming less economically attractive.

2) Migration

This section of the White Paper sets out that Wales inward migration from EU member states has served to benefit Wales and that assurances should be provided to EU citizens living in Wales through the Brexit process.

- Key sectors of the Welsh economy dependent on migrant skills are specifically mentioned including: education (particularly higher educations), life sciences and pharmaceuticals, construction, food and drink, creative sector, animal welfare, health and social care and tourism;
- Cost, time, inconvenience and regulation would have a major impact on Welsh ports (including Fishguard and Pembroke Dock) with potential negative economic impacts especially due to the closeness of the Welsh and Irish markets;

- Migration and the importance of the free movement of people is also addressed in the context of higher education (particularly exchanges) and tourism and ensuring that access to Wales remains as easy as possible;
- Future migration arrangements with the EU should consider an 'employment-based' approach to ensure that Brexit does not result in reduced access to skills and/or does not act as a barrier to economic prosperity.

3) Finance and Investment

Finance and Investment arrangements in the event of the UK withdrawing its membership of the European Union is of vital importance to Wales given the current level of European funding and investment Wales as a whole received. Key points raised around this theme are as follows:

- Wales receives approximately £680 million in EU funding annually most of which forms part of the Common Agricultural Policy (CAP) and structural funds, West Wales is a target area for this funding.
- Agriculture and Fisheries are specific sectors mentioned due to the receipts received by the EU for these industries (CAP and Common Fisheries Policy (CFP)). Any shock to the agriculture industry could have a knock-on indirect impact on other sectors e.g. managing environmental resources (forestry);
- Close co-operation with Ireland through EU programmes such as the European Territorial Co-operation programme and the threat Brexit potentially poses to this is highlighted;
- The importance of cross-border working and existing networks particularly in R&D (often through higher education) is also noted particularly continued participation in EU programmes such as Erasmus+ and Horizon 2020.

4) Constitutional and Devolution Issues

Since devolution the Welsh Government has a number of responsibilities independent of Westminster including for example agriculture, fisheries, environment and economic development which currently work within an EU regulatory framework.

'Securing Wales' Future' states that in order to develop appropriate future frameworks for these issues, and those not currently devolved much more robust inter-governmental working would be required particularly regarding the environment and rural affairs.

5) Social and Environmental Protections and Values

In light of the potential requirement to develop new frameworks for certain issues (see above), Brexit provides an opportunity to develop new policies and frameworks specifically suited to the needs of Wales. Specifically highlighted is the following:

- Opportunities to further protect natural resources and encourage 'green growth' e.g. renewable energy;
- Ambitions to grow the food and drink sector in Wales, building on current EU initiatives/legislation such as protected food names;
- Protection of reciprocal health arrangements, employment and social protection, procurement mechanism, equalities and consumer protection

B1.2.2 Brexit and Our Land: Securing the future of Welsh farming

'Brexit and Our Land' has not yet been formally published with consultation on the draft document having closed on the 30 October 2018.

It should be noted that throughout the document reference is made to 'land management' and 'land managers'[76] acknowledging the linkages between agriculture, forestry and woodland.

[76] Defined as 'farmers, foresters and any other activity drawing on non-urban land to produce goods and services.

The document provides useful background information on the agricultural industry in Wales. Whilst Wales comprises 5% of the UK population and 9% of the overall land area, employment from agriculture in Wales is much higher than the UK average (4.1% versus 1.4%) as well as the percentage of land use in agriculture (78% versus UK average of 70%)[77]. According to the paper, agriculture directly contributes to 0.7% of the UK's GVA but it also has an indirect impact given that the way land is managed influences the natural environment, heritage, coast and wildlife on offer in Wales which contributes to other key sectors such as tourism.

The draft document states that the CAP does not currently do enough to support land managers in Wales. The CAP provides untargeted support and therefore does not include support for wider land managers such as those working in forestry. Additionally, it does not give credence to regional variations within EU member states and the has not addressed wider potential benefits associated with good land management for example, it has not challenged decarbonisation in the farming industry. This has resulted in the draft paper concluding that a potential Brexit offers the opportunity to redesign support schemes and legislative frameworks for the agricultural industry in Wales.

The new land management programme presented within the draft document comprises two overarching schemes: Economic Resilience Scheme and the Public Goods Scheme. The Economic Resilience scheme, unlike the CAP would provide targeted financial support to land managers and additionally, their supply chains. The draft paper does not set out 'shape and scale' of this support as yet.

The Public Goods Scheme proposed by the draft paper is based around the abovementioned realisation that appropriate land management has value beyond economic outputs (e.g. carbon sequestration) and that recognising this value could contribute to retaining land managers on the land. Through a public goods scheme land manager would be paid for the production of goods for which there is currently no functioning market.

B1.2.3 Evidence and Scenario Sub-group

The Brexit papers in part have been developed by cross-sector working through the 'Roundtable Wales' group which is a forum established by Welsh Government which comprises a range of stakeholders working within the environment and rural affairs in Wales. The purpose of the forum to study the effects of 'Brexit' on the rural sector in Wales and to provide advice on potential outcomes.

This Roundtable group also includes sub-groups focusing on particular issues (e.g. seas and coast). One of these sub-groups is the 'evidence and scenario' sub group[78] which has developed potential 'Brexit' scenarios to try and build an understanding of the impact Brexit may have on certain key sectors and the ripple effects which could have on communities and the environment. The group's

[77] Brexit and Our Land, page 6.
[78] https://gov.wales/sites/default/files/publications/2018-12/eu-exit-scenario-planning-workshops-summary_0.pdf

finding paper published in 2018 summarises the key findings of the sub-group's work.

The sub-group devised five potential scenarios structured around three possible trading scenarios:

Figure 22 Evidence and Scenarios Roundtable Sub-group - Trading Scenarios

World Trade Organisation (WTO) default	Complete access to single market and FTA's with third countries	EU- UK Free Trade Agreement (FTA)

Table 23 Evidence and Scenarios Roundtable Sub-group - Possible Brexit Scenarios

Scenario	Evidence
No deal with funding	Trade under WTO rules, funding maintained at current levels with UK government matching EU funding, deregulation in England, strong restrictions on immigration.
No deal without funding	Trade under WTO rules, Welsh funding calculated by the Barnett formula (significantly reduced), strong restrictions on immigration and with other countries having greater access to the UK market.
EU deal with funding	EU-UK FTA trading environment, Welsh funding maintained at current levels with the UK Government matching EU funding, some restrictions on immigration.
EU deal without funding	EU-UK FTA trading environment, Welsh funding calculated by the Barnett formula, (significantly reduced), some restrictions on immigration.
Multilateral free trade with funding	UK Government aspiration, FTAs with the EU-27, with other nations with EU FTAs and new FTAs with other countries, strong restrictions on immigration.

Across all scenarios the sub-group found the following findings in relation to key sectors identified in the report which include: environment, agriculture (including lamb beef, dairy, pork and poultry), animal health and welfare, arable, horticulture, fisheries, forestry and food and drink.

- **Dairy, Poultry and Environment**: Found to be most resilient to shock due to their focus on internal UK markets and therefore limited exporting. There was also considered to be potential for growth in the environment sector, if linked more to eco-tourism. The point is made that this would require investment in creating new markets and developing skills which may be more difficult under certain scenarios;
- **Food & Drink**: Food prices were found to increase across analysis of all scenarios, to varying degrees depending on important tariffs, non-tariff barriers and higher labour costs;
- **Sheep**: The sheep sector was found to be particularly precarious and would face severe challenges in any scenarios; and

- **Fishing**: experienced the most variation across potential scenarios, including collapse if WTO tariffs were implemented to no change if arrangements with the EU remain as currently.

Although some sectors would have opportunities there are some that without transitional support from the government would collapse at a significant rate in scenarios of big change e.g. no deal without funding. Industries such as farming, and fishing were found to require significant changes to improve productivity and efficiency and would perhaps need to diversify to stay viable.

5.4.1 EU Response to Stakeholder Workshops Report: 'The Miller Report'

Subsequent to the result of the UK referendum on membership of the EU, stakeholders involved in the Environment and Rural Affairs (ERA) portfolio in Wales met at the Royal Welsh show and held a round table meeting and agreed that work needed to be carried out to understand in more detail the implications of 'Brexit' on this sector.

After this roundtable discussion the Welsh Government carried out five stakeholder workshops with key stakeholders involved in ERA in Wales to understand further their views of the key risks and opportunities for the sector as a result of Brexit. The views expressed by stakeholders were collated and published as an independent report in October 2016 known as 'the Miller Report[79]'.

The headline findings as outlined in Chapter 3 of the Miller Report were organised by key opportunities and key risks to ERA in Wales posed by Brexit. These have been summarised below:

Opportunities	• There is an opportunity to develop a collaborative approach across sectors in order to maximise impact. • Brexit could provide a chance to develop policy and regulations that are more tailored to the needs of Wales, rather than that resulting from EU-wide compromise. • This is a good time to develop a strong brand and Unique Selling Point (USP) for Wales, based around high quality products and services and drawing upon our excellent natural asset base. • There is scope to develop greater resilience through investment in processing and value-added. • Investment in innovation could be used to replace low-skilled jobs and mitigate the impact of less-favourable access to the European labour market.
Risks	• One of the greatest risks is that Wales will not have a place at the negotiating table. • The loss of access to the single market, for both products (especially meat and fish) and raw materials. • The loss of key workers from the EU, including in critical occupations such as vets working in abattoirs.

[79] Report prepared and published by Miller Research Evaluation Consulting.

	• There is a risk to funding and support – with a need to maintain funding, albeit within the context of a greater focus on environmental outcomes and moves towards self-sufficiency.

Source: The Miller Report, 2016 pg. 5

5.4.2 EU Transition and Economic Prospects for Large and Medium Sized Firms in Wales

In May 2017, the Welsh Government commissioned the Welsh Economy Research Unit of Cardiff Business School to undertake research to understand the impact of a transition out of the EU on the economic prospects of large and medium sized firms in Wales. To inform the report, researchers reviewed previous studies, statistical data and consulted with a selection of large and medium size companies operating across Wales.

The report found that the impact of Brexit was considerably different between those firms which operate in sectors which are not focused on the EU (in terms of markets) for example, construction, civil engineering, paper, wood and TV production and those sectors which are very much EU orientated such as Food and Drink and Automotive.

The report concludes that existing plants in Wales which would be most at risk in a ‘hard’ Brexit scenario would be ‘branch plants of multinationals with production options elsewhere in Europe’ which in many cases are within the aerospace, automotive and transportation sectors. Overall it was found that non-tariff trade barriers were considered to be the most problematic to firms consulted however in certain sectors, most notably Food and Drink, tariff barriers were also a particular concern.

The report found that whilst firms expressed some concerns in relation to the availability of skills and labour, it was felt that this could be addressed during Brexit negotiations. It would be interesting to re-visit this as part of this ‘Larger than Local’ economic study given that negotiations have now been ongoing for over two years from the date of this previous study with limited progress.

The research concluded with a number of recommendations to be considered by the Welsh Government which could be utilised to guide Brexit policies. These were as follows:

- **Focus on business themes not secto**r: The research found that firm characteristics e.g. ownership, product cycle, target markets were a more useful way to target policy responses rather than focusing on individual sectors which may not display homogeneity between companies in terms of the way in which they would respond to Brexit.
- **Holistic approach to food/drink and agriculture**: The report suggests that in a post-Brexit scenario, competition in the food sector would be tied much more closely to the agricultural sector. As such a holistic approach should be taken to sectoral initiatives in this area recognising the link between food/drink processing and agriculture/land use.

- **More focus on certain sectors:** The report recommends further analysis into certain sectors such as Tourism and higher education.
- **Consider value added in Wales:** there is a recommendation that care should be taken to not focus government responses to Brexit only on large exporters and should consider the 'value added i*n Wales* by overseas exports.

5.4.3 Brexit Preparedness Toolkit: Part of the Brexit Transition Support Programme for Welsh Local Authorities

In November 2018, the Welsh Local Government Association (WLGA) in partnership with Grant Thornton published the Brexit Preparedness Toolkit. The purpose of the toolkit is to support local authorities firstly by helping them to understand the risks and opportunities associated with Brexit and identify the challenges and opportunities of Brexit and address its implications.

The Toolkit report is arranged under three key headings: Your Organisation, Your Services and Suppliers and Your Place. Priority actions have been included under each theme which are tasks which the report recommends that each local authority should complete immediately to increase their preparedness for Brexit.

Each priority action has been included within the table below:

1. **Your Organisation:**
   - Mobilise key decision makers and partnerships: Ensure leaders and decision makers understand the potential impacts of Brexit.
   - Create a Plan and be ready to act: Develop contingency plans for a worst-case 'no deal' scenario.
   - Conduct a workforce audit to identify EEA nationals: Consider who in your workforce could be directly impacted by Brexit and how changes in workforce availability could affect services.
   - Encourage Retention: Ensure EEA employees understand their residency rights.
   - Map your current income: Analyse which projects and programmes are dependent on funding and create a gap analysis for future requirements.
   - Understand your financial exposure: Model financial impact to identify real impact of reduced funding sources.
2. **Your Services and Suppliers**
   - Engage with key suppliers to assess their resilience: Engage with business-critical suppliers to understand their level of exposure and the preparations they have out in place and develop contingency plans based on this.
   - Identify key decisions: Work through actions your Council will need to undertake to safeguard services regardless of the Brexit outcome.
   - Understand how your core services may be affected and develop contingency plans

- Understand the risk to your contracted suppliers and your legal position if Brexit renders them unable to deliver their services

3. **Your Place**

- Councils need to understand their communities: consider how migration patterns may affect the make-up of local communities and demand for local services.
- Focus on community cohesion and dialogue: Community leaders should consider how they response to tensions and hate crime which Brexit may exacerbate.
- Step up business continuity and emergency planning duties.
- Understand points of vulnerability within your economy: Understand scale, strengths, weaknesses, sectors and productivity of the local economy.
- Identify any major growth catalysts that are at-risk.