Tyfu Canolbarth Cymru
Growing Mid Wales

A VISION FOR GROWING MID WALES

Strategic Economic Plan Update - 2023

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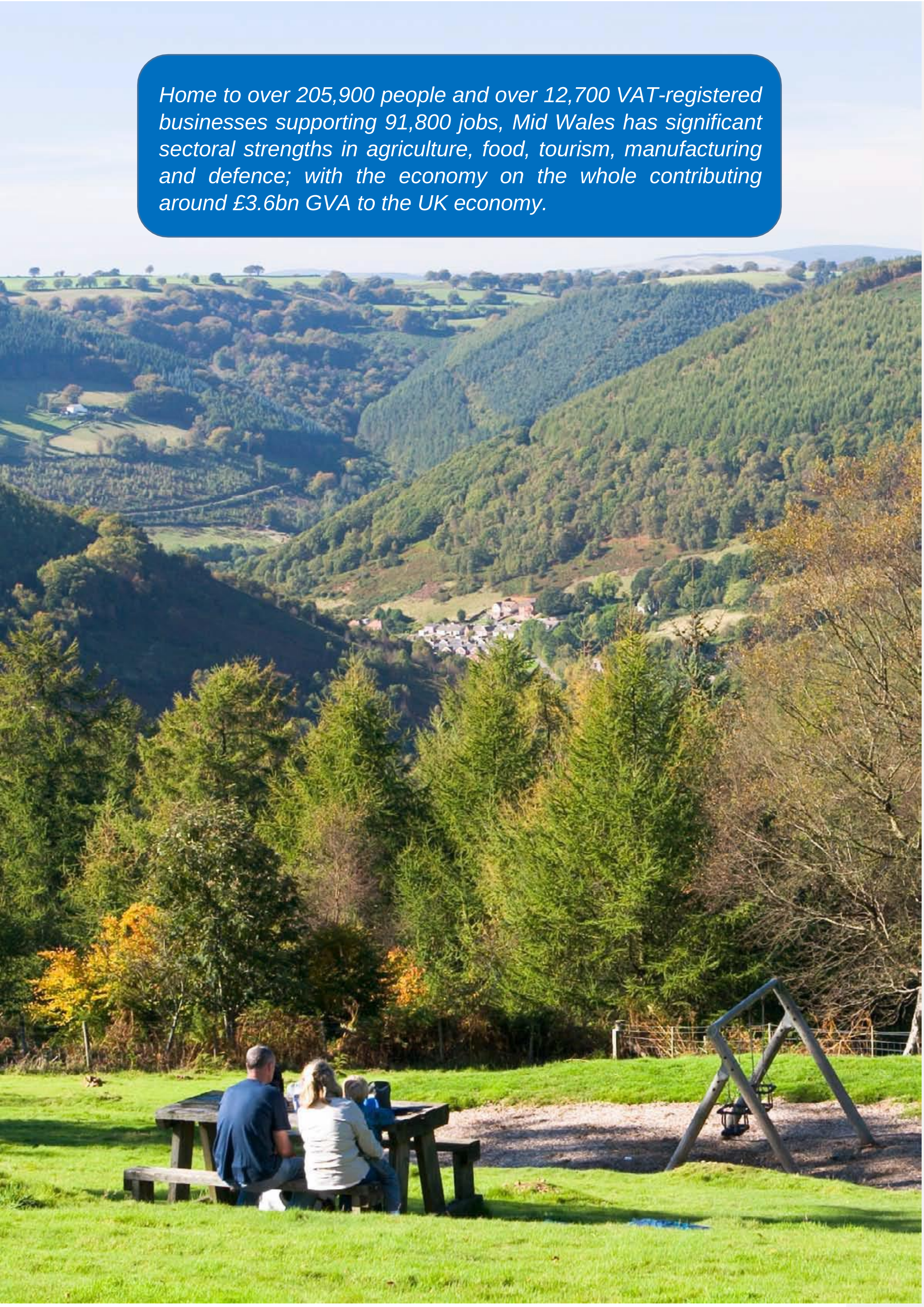
FOREWORD

New foreword to be completed upon agreement of revised document

EXECUTIVE SUMMARY

New executive summary to be drafted upon agreement of revised document

Home to over 205,900 people and over 12,700 VAT-registered businesses supporting 91,800 jobs, Mid Wales has significant sectoral strengths in agriculture, food, tourism, manufacturing and defence; with the economy on the whole contributing around £3.6bn GVA to the UK economy.



1 The Case for Investment

This update to the Growing Mid Wales Strategic Economic Plan highlights our collective ambition and the economic potential for Mid Wales. It sets out the future that we want to build together to achieve sustainable and relevant economic growth, where our people and businesses have parity of opportunity to grow their ideas and have their potential nurtured. We have identified opportunities for direct public intervention in public infrastructure and our workforce alongside private investment opportunities in key regional assets. We are confident that this combined approach will deliver strong results as part of a team approach.

The region is well-known as a predominantly rural area, accounting for 39% of the land mass of Wales[1]; but is less well-known as a place where there is a wealth of opportunity waiting to be unlocked.

The region has significant opportunities both to strengthen existing economic sectors and stimulate economic drivers that will create growth and investment in regional businesses and the labour market. At a time when there is considerable economic uncertainty due to a range of externalities, it is crucial that all parts of Wales and the UK play their part in strengthening the economic resilience and productivity of their regional economies.

There is significant opportunity to take advantage of existing private sector ambition to develop assets of regional importance with tangible and significant economic impact; from our strengths in our research capability, natural landscapes, skilled workforce and industry.

The region's economy however has its challenges. Market failure is prevalent following decades of under-investment and structural decline. Whilst there have been encouraging signs of employment and business growth in key sectors across the region (construction, tourism, food & manufacturing), there remains a significant productivity challenge owing to the underlying structural weaknesses of the economy (comparatively narrow economic base, poor transport links, changing population demographic) that could continue to reinforce a cycle of decline unless addressed.

1.1 Context

Since the first Growing Mid Wales Vision Document was agreed in early 2020, there have been a number of major events which have caused the economic context to fundamentally change. It was important to update the document to take into account this changed context, and the greater challenges they pose in developing the regional economy of Mid Wales;

Coronavirus Pandemic

The economic impact of the coronavirus pandemic on Mid Wales cannot be understated. The business demography of the region, made up of predominantly SMEs, meant that many small businesses struggled to survive, with some businesses actively opting to cease trading. The tourism sector – one of the largest employers in the region – was also disproportionately affected. Now in recovery mode, the historically low levels of unemployment in the region have increased, reflecting a rise in the long-term sick which may be partly attributable to the pandemic.

Economic Downturn and Cost of Living Crisis

The cost of living crisis is fundamentally caused by higher inflation, and low wage growth leaving many households worse off in real terms – paying more for their food, energy and fuel. The crisis has been exacerbated by short-term factors, such as the Ukraine war, but the pressure on living standards has long-term trends, such as low productivity growth and increased market power of firms. Britain leaving the EU has also resulted in much change for Mid Wales businesses. In addition to supply chain issues and increased costs for exporters due to changes with customs and border tariffs, sectors such as hospitality and agriculture report significant issues with labour supply due to the loss of migrant workers from the EU.

Climate change

The need to consider our impacts on the environment and targets set both nationally and locally will be an important consideration in all that we do, including how we continue to support the growth and development of the Mid Wales economy whilst moving towards Net Zero. Both Welsh and UK Government's have released several strategies to set out plans and priorities for meeting our climate change targets.

Energy

Energy prices and our current dependency on importing energy into the UK are issues that have recently come sharply into focus as a result on the war in Ukraine. These issues relate strongly to the climate change agenda and the need for greater amounts of our energy to come from renewable energy sources.

Funding

EU Transition has seen fundamental changes to the way regional investment funding is allocated and delivered, resulting in a more complex funding and delivery landscape. Local Authorities in Wales have had to adapt quickly to take advantage of opportunities arising from the UK Government's Levelling Up Fund, Community Renewal Fund and the Shared Prosperity Fund. The region will continue to monitor funding announcements to ensure we are well place to take advantage of future opportunities to secure investment.

Delivery Landscape

As a result of the changes to the funding landscape, the delivery landscape has become more fragmented and harder to navigate. Key backbone operations that were delivered on a pan-Wales basis under EU funding have ceased to operate, leaving strategic gaps. Some of these gaps have been filled by the UK Shared Prosperity Fund, but there are other gaps that need addressing. Of particular concern is funding for R&I activities.

Regional Working

The emphasis on a regional approach to economic development in Wales has developed considerably over the past decade, with City and Growth Deals acting as a catalyst, encouraging a regional approach on a number of fronts – including regeneration and skills. The latest step in this evolution of regional working is the introduction of Corporate Joint Committees, with strategic powers in respect of Transport, Planning and Economic Wellbeing.

1.2 Purpose

This Strategic Economic Plan plays a key role in outlining a clear vision of how we want to see Mid Wales' economy develop for the next 15 years. It sets out clear regionally-agreed priorities that will establish the strategic context for future investment, based on detailed evidence and understanding of the needs of our businesses and residents. It also takes into consideration events of the last few years which have had a significant impact on how we work.

Delivering our ambitions and meeting our economic potential will mean significant investment in growing the size and productivity of our economy – funded through a mix of programmes and projects.

1.3 Evidence and engagement

This updated document has been drawn together iteratively from content and ideas derived from extensive evidence gathering and engagement with a wide range of organisations and individuals across Mid Wales:

- Mid Wales Regional Skills Partnership Employment and Skills Plan (2022)
- Mid Wales Regional Tourism Study (2022)
- Applies Research and Innovation Study (2021)
- Mid Wales Hydrogen Study (2021)
- Mid Wales Energy Strategy (2020) and Action Plan
- Programme Business Case evidence for the Mid Wales Growth Deal Sites and Premises and Digital programmes
- Marches and Mid Wales Freight Strategy (2018)
- Strategic Economic Priorities for the Mid Wales Region (AECOM, February 2019)
- Economic Baseline Report (AECOM, February 2019)
- Growth Deal Workshops (Spring/Summer 2019)
- Various 1:1 discussions and engagement across both LAs and with key stakeholders.

Detailed work has been undertaken to refresh regional priorities to better align and take account of evolving Welsh and UK Government policies, further develop proposals, and build additional industry support.

A significant number of stakeholders have been engaged to collectively shape and identify priorities that reflect our regional strengths, but are also attuned to the challenges and realities of our economy. A full list of stakeholders engaged throughout the process can be found in Appendix 1.

Building this document has been an iterative process – but it is important to recognise that engagement is a continual process. Our priorities as a region will change over time. How we will need to respond to our economic needs and challenges today will differ from our responses in the future.

Therein lies the strength of our approach. In establishing robust, effective and democratically accountable governance structures regionally alongside a strong case for change – this document articulates how we can ensure a continuing strong and collective regional voice to help shape and deliver our priorities. By Mid Wales, for Mid Wales.

1.4 Strategic Fit

Strong consideration has been given throughout this document to ensure full alignment with both the UK and Welsh Government's ambitions in what is an evolving policy landscape. It demonstrates a clear offer around how we will work together regionally to capitalise on our strength of assets and opportunities to make a significant and impactful contribution to the Welsh and UK economy.

UK Government

There is recognition that whilst the UK economy has significant strengths; opportunities and growth remain unevenly distributed across the country. The Levelling Up White Paper of 2022 sets out a plan to level up the UK, which will require: boosting productivity, pay, jobs and living standards; spreading opportunities and improving public services; restoring a sense of community, local pride and belonging and empowering local leaders and communities.

Supporting this key policy initiative is the UK Industrial Strategy which outlines the five foundations of productivity: ideas, people, infrastructure, business environment and places and four Grand Challenges, responding to global changes: Artificial Intelligence and data;

ageing society; clean growth; & future of mobility. The Build Back Better Plan of 2021 builds on the Industrial Strategy and targets infrastructure, skills and innovation to: Level up the UK; Support the transition to net zero; and Support the vision for Global Britain.

[31] https://www.pwc.co.uk/economic-services/ukeo/ukeo-november-2019-full-report.pdf

There is a clear recognised role for Local Authorities, working individually and in partnership across sectors and Government to drive regional economic growth and productivity enhancements. Collaboration to address shared challenges is a central theme. As well as delivering the Mid Wales Growth Deal, Local Authorities in Mid Wales are also actively delivering the Shared Prosperity Fund and Levelling Up Fund projects.

Welsh Government

The Welsh Government's long-term aim is to build a Wales that is prosperous and secure, healthy and active, ambitious and learning, and united and connected. It recognises four key themes as part of its national strategy "Prosperity for All" - Prosperous and Secure; Healthy and Active; Ambitious and Learning; United and Connected.

It outlines key priority areas that articulate a national policy ambition aligned to the Wellbeing of Future Generations Act that is focused on the integration and collaboration between services to enable early intervention and prevention – delivering better outcomes for the long-term.

Prosperity for All: Low Carbon Wales is also a key policy document – Growing Mid Wales' economic vision cannot sit in isolation to environmental and climate change concerns, but embraces Decarbonisation and a Low Carbon economy at its heart.

The Economic Action Plan specifically outlines the Welsh Government's ambition to grow the economy and reduce inequality. It represents a significant policy shift to acknowledge the importance of partnership working to build resilience and future proof the Welsh economy. It outlines a new Economic Contract between Government and business; Calls to Action; Support for Thematic Sectors and the Foundational Economy, alongside a new approach to supporting regional economic development.

Regional partners also worked closely with Welsh Government to develop the Regional Economic Framework for Mid Wales. This was through collaboration and co-production with stakeholders from across the region, and supports a more regionally-focused model of economic development, in accordance with the Welsh Government's Programme for Government and a commitment to progress the Economic Resilience and Reconstruction Mission for Wales that was devised post-Covid 19.

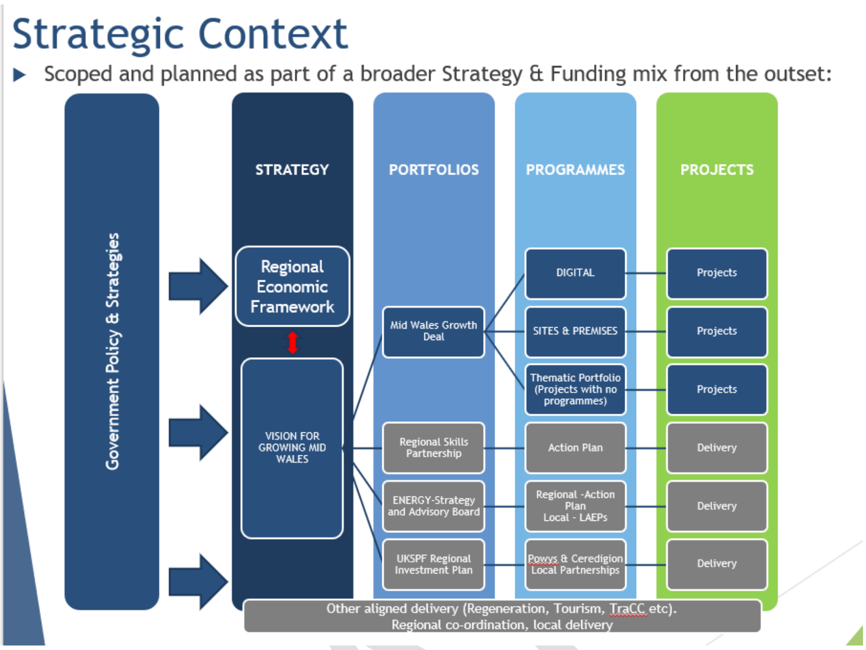
Local Priorities

The ongoing development and activity of Growing Mid Wales builds on the work that Local Authorities, Universities and partner organisations already do, continuing to support the Mid Wales economy.

Collaborating regionally to support the Mid Wales economy does not detract from, or replace what local organisations will continue to do to support local economic growth and support our local communities. It is clear that addressing the challenges and unlocking the opportunities of the Mid Wales economy requires significant, sustained efforts at local, regional and national levels – all working in tandem and for the long-term.

1.5 An Integrated Approach

In order to maximise impact and value for money across the whole range of strategic activity and coordination undertaken by Growing Mid Wales and its partners, it is vital to plan for an integrated approach to activity, taking into consideration activity in the wider landscape. This approach is guided by the strategic priorities as set out in this vision document, and operationalised by regional capacity.



Growing Mid Wales has teams in place to ensure the development and delivery of the Vision for Growing Mid Wales, including the Mid Wales Growth Deal.

While each team undertakes a specific function they all work closely together to ensure alignment and integration of work across the region.

The Mid Wales Skills Partnership

The Mid Wales Regional Skills Partnership (RSP) sits under the wider Growing Mid Wales banner. Primarily a business-led partnership, it works with business leaders and stakeholders across the region to understand the skills provision and labour market needs in order to drive investment that meets the requirements of both employers and workforce.

The RSP supports the Welsh Government's key strategies and policy areas by providing a regional perspective. This includes baseline data for further education planning using employer led intelligence and labour market information (LMI) data. The RSP bridges the gap between education and regeneration in the hope of creating a strong and vibrant economy underpinned by innovation, growth and a capable workforce. The RSP Board, established by the Local Authorities of Ceredigion and Powys, looks at key areas to drive economic growth and investment in the right skills

The Mid Wales Portfolio Management Office

The Mid Wales Portfolio Management Office (PoMO) was established to deliver the Mid Wales Growth Deal, a long-term investment providing capital funding to support regionally significant economic infrastructure that drives private sector investment and stimulates growth. It is supported by a commitment of £110m from UK and Welsh Governments and aims to create long term jobs, increase productivity and play a key role in catalysing economic recovery and growth across the region.

Set within the broader Vision for Growing Mid Wales, the Growth Deal will contribute alongside a range of other strategies and investments from the public and private sector as part of a holistic approach to bring prosperity to the communities and businesses of the region. It is expected to run for several years and is being managed as a 'Portfolio' with an initial shortlisted set of programme and projects being developed that cover a range of investment proposals which align to the eight priority growth areas identified in the 'Vision'

Mid Wales UK Shared Prosperity Fund Team

The Mid Wales UK Shared Prosperity Fund (SPF) Team is one of four lead Local Authority teams across Wales set up to ensure the sound and effective management of UK SPF funding in the Mid Wales region. They work closely with the decision-making Local Partnerships facilitated by the constituent Local Authorities to ensure delivery of funding and activity.

1.6 Partnership Working

Partnership working is key to achieving the vision for Growing Mid Wales. It is only by working collaboratively with partners on a long term basis to target our resources to meet the economic needs of Mid Wales will we truly make a fundamental change. This approach will become increasingly important in the current strained financial context. It is here were the Vision for Mid Wales sets the context and direction for action.

The blockages to development, capital investment and by extension economic growth, are so many and so varied that they cannot be tackled by organisations operating in isolation. The scale of this challenge calls for thriving partnerships between the public and private sector. By joining forces, these partnerships can take the lead in stimulating development activity and economic growth.

Given the interest and role both Welsh and UK Government have in economic development, it is natural that Growing Mid Wales works closely with both administrations to deliver on their policies for sustainable growth. Both governments are also responsible for the design and overseeing delivery of key backbone support initiatives that will help deliver against the objectives listed in this vision document It is vital we continue to work closely with both governments in order to understand the dynamic policy, funding and delivery landscape and target regional resources where most change can be made.

In addition to working relationships, Growing Mid Wales facilitates two formal partnership arrangements to ensure strategic engagement from all sectors and key partners. The Growing Mid Wales Partnership acts as the strategic economic advisory forum for the region, and is made up of representatives from the public, private and third sector. The Mid Wales Regional Skills Partnership is an advisory partnership consisting of partners who have an interest in skills and employability in Mid Wales, and is chaired by the private sector. The Partnership works with business leaders and stakeholders across the region to understand the skills provision and labour market needs in order to drive investment that meets the requirements for both employers and workforce.

The Wellbeing of Future Generation (Wales) Act is focused on the principles of sustainable development and places a duty on Public Bodies to work in new ways to improve the economic, social, environmental and cultural wellbeing across Wales The Act promotes five ways of working – Long Term, Prevention, Integration, Collaboration and Involvement towards seven wellbeing goals. The ways of working and seven wellbeing goals are at the heart of all Growing Mid Wales activity.


A Globally Responsible Wales
A Prosperous Wales
A Resilient Wales
A Healthier Wales
A More Equal Wales
A Wales of Cohesive Communities
A Wales of Vibrant Culture and Thriving Welsh Language

[1] StatsWales, 2020

2 Our Economy

The Mid Wales economy is often characterised as a large and predominantly rural region, comprising 39% of the land mass of Wales[2]. It is known for its natural beauty, strong cultural identities and heritage.

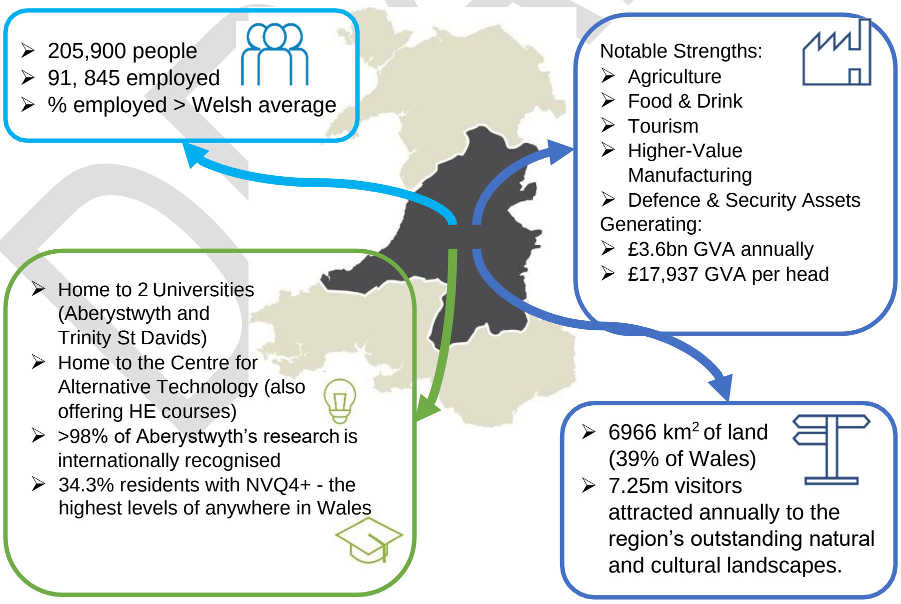
It is less well-known as a land of untapped economic opportunity - where business survival rates outclass the Welsh average; where our natural and academic assets offer an obvious choice for cutting-edge research providing strong opportunities to create new industrial clusters; where there is a strong yet diverse labour market – with strategic commuter links within and outside the region to other parts of Wales and cross-border into England.

The geography of the Mid Wales economy is a critical component in driving and supporting intra-regional growth across Wales and the UK, where the sum total of its economic impact is larger than the sum of its individual parts. The region borders north and south Wales as well as the English Counties of Shropshire and Herefordshire. The impact of other regions on the Mid Wales economy is critical and plans need to reflect this interdependence.

The region's economy has its challenges in addressing the structural weaknesses that are currently hindering the potential of our residents and businesses to flourish. Poor connectivity, low GVA per head, limited skills infrastructure, grid constraints and lack of supporting business infrastructure all play their part in limiting the region's potential to take advantage of our opportunities.

However, whilst the challenges we face are not unique – the opportunities we have are indeed distinctive and rooted within our region.

2.5 At a glance…



[2] StatsWales, 2020.

Data Source: AECOM (2019) Strategic Economic Priorities for Mid Wales and StatsWales[2]

2.6 Our People

The demographic profile of the region presents both challenges and opportunities. At an overall population of 205,900, Mid Wales is characterised by an ageing population and a net out-migration of young people. Since 2014, the region has seen an overall decline in its population of around 1%.

The working age population is less than the Welsh and UK average and is predominantly characterised by higher proportions of 50-64 and 65+ year olds. There is a relatively small share of working age people due to the higher proportions of 50-64 and 65+ year olds. Comparatively, Mid Wales has proportionally fewer people below the working age – though the figures are partly skewed due to the student population in key locations in Ceredigion.

Population projections for Mid Wales currently estimate a 16% decline in the working age population and 37% increase in the 65+ age group to 2039. Unless addressed this predicted trend is likely to reduce the region's workforce over the next 15 years.

Labour Market

There are some 96,100 people in employment in Mid Wales, with economic activity rates (76%) in line with Welsh (76%) and UK (78%) averages, driven by high levels of self-employment (21% of the regional population)[1]. Levels of unemployment in the region are comparatively high at 4.3% at end March 2023 [2], - a whole percentage point higher than the Welsh average - with a marked rise in the unemployment rate since 2020, which could be partially attributed to the pandemic..

Due to the rural nature of the economy underemployment, low earnings and seasonal employment remain key challenges. Average full-time weekly earnings for example were 89% of the UK average in 2022 and 96 %% of the Wales average[4].

Over the five years up to 2022, employment in Mid Wales has decreased by around 6%[5.]

Learning & Skills

Mid Wales performs well in educational attainment with levels of achievement at GCSE level exceeding the Welsh average. 92% of the working population in Mid Wales holds a level 2 qualification or above – the highest rate in Wales – compared to the Welsh average of 87%.[3] The proportion of young people Not in Employment, Education and Training is low while the qualifications profile of Mid Wales performs better than the Welsh average – but with lower rates of older people upskilling.

Despite these strengths, skills gaps and recruitment difficulties are commonplace amongst Mid Wales employers. Apprenticeships and further education delivery are challenged by the rural nature of the region. Employer investment in training is currently relatively low, possibly reflecting the high proportion of small and medium sized enterprises (SMEs).

Attracting more young people to live, work and study in Mid Wales is vital for inclusive and sustainable economic growth. For the region to thrive it must reduce the existing trend of

[3] StatsWales, January 2020
[4] ONS, Average Weekly Wage Data, October 2019
[55] StatsWales, Workplace Employment Data, 2014-2018

[1] StatsWales, Economic Activity Rate, Year Ending March 2023
[2] StatsWales ILO Employment Rates, Year Ending March 2023
[3] StatsWales data, end Dec 2022

young people leaving the area for education and jobs and must be able to retain and attract talent by creating new high value employment opportunities.

Deprivation

The Mid Wales region has a comparatively low level of deprivation when measured with the Welsh Index of Multiple Deprivation (WIMD), with Powys being the second least deprived Local Authority area in Wales. Statistical measures do not tend to capture the true nature of rural disadvantage however, and it is useful to look at the WIMD subindicators to uncover issues. For example, most of Mid Wales is much worse than average for access to services on foot or by public/private transport, with 61.6% of Lower Super Output Areas (LSOAs) in Mid Wales among the worst 20% of LSOAs for Access to Services in Wales in 2014 Housing is also an issue, with nearly a fifth (19.2%) of LSOAs in Mid Wales among the worst 20% of LSOAs for Housing in Wales in 2014. [4]

Poverty in Mid Wales is variable and often hidden due to the rurality and demographics of the region – therefore not resulting in demonstrable concentrations of poverty in datasets (except from pockets identified in some of our larger towns). This often masks issues of rural deprivation in terms of access to services, isolation and fuel poverty across the region.

2.7 Our Businesses

Mid Wales contains 12,705 VAT registered businesses as of 2022. The business base has a very high proportion (>90%) of micro businesses (<10 employees). Just 1.5% of businesses across Mid Wales are classed as medium or large (50+ employees). Since 2010, growth in the number of businesses in the region has remained relatively static at 2% and has lagged significantly behind Wales (21%) and the UK (32%).

Survival rates for new businesses after 5 years are however significantly better in Mid Wales (52%) than for England (38%) & Wales(60%) [6].

The large proportion of micro businesses across Mid Wales is in part driven by the high number of farms and agricultural enterprises, which represent 36% of all businesses. Medium sized enterprises are seen predominantly in the health and manufacturing sectors, representing 2% and 4% of the total business stock respectively. The large geographic area and rural nature of Mid Wales means that business density is also significantly lower than in Wales and the UK.

Construction, Accommodation and Food Services, Professional, Scientific and Technical Services, and Business Administration Services are other significant sectors in terms of business counts. In terms of growing sectors, Ceredigion has seen jobs in Science, Engineering And Technology Associate Profs, roles increasing 117% between July 2021 and July 2022, reflecting the presence of Aberystwyth University, Aberystwyth Innovation and associated activity. Another significant sector for the region is Information and Communication, with the total number of jobs increasing from 1,100 to 1,750 between 2020 and 2021.

Reflecting the sectoral composition of businesses, employment is heavily based in agriculture, with accommodation and food services also being significant, illustrating the importance of the tourism industry to the region. Education and health also contribute significantly to employment in Mid Wales demonstrating the key role of the public sector as a source of jobs in the region, with military bases in other areas offering significant local employment.

Sectoral Strengths

High Value Manufacturing – over 8,800 people are employed in the production sector in Mid

4 Mid Wales Regional Regeneration Plan, 2018

6 StatsWales, 2023

Wales. The region has niche areas of manufacturing expertise such as automation, motion engineering and life sciences.

Agriculture, Food & Drink – of paramount importance to the regional economy, employing over 13,100 people and instrumental in the region's culture and communities[7]. The sector faces potential challenges and uncertainty in responding to Brexit. Opportunities exist to diversify and add value to the agricultural and food sectors; the processing of agricultural produce; and exploiting R&D & food industry strengths and taking account of soil, terrain and weather – such as livestock, in particular Welsh lamb.

Defence and Security – Mid Wales is an important location for UK defence operations, capitalising on the region's geography and secure sites. Home to pioneering activity, with segregated airspace for Remotely Piloted Aircraft Systems (RPAS) off the coast of West Wales and an inland exclusion zone of nearly 500 square miles towards the Epynt. It also has research strengths that provide opportunities to secure Mid Wales' place as a centre of the defence and security industry (e.g. Aberporth, Brecon, Derin Lines & Sennybridge).

Tourism – In Mid Wales 13.2% of employment was in a Tourism industry in 2020, the largest proportion of the four economic regions. The tourism sector employs over 18,500 people in Mid Wales Major opportunity lies in the regions' natural, cultural and heritage assets to add value to the region's tourism sector and subsequently increase the contribution to the Welsh economy, addressing Spread, Seasonality and Spend. This includes the strong cultural connections developed as part of Ireland-Wales projects, and our natural assets: Brecon Beacons National Park, our Coastal Path and Areas of Outstanding Natural Beauty (AONBs).

Productivity

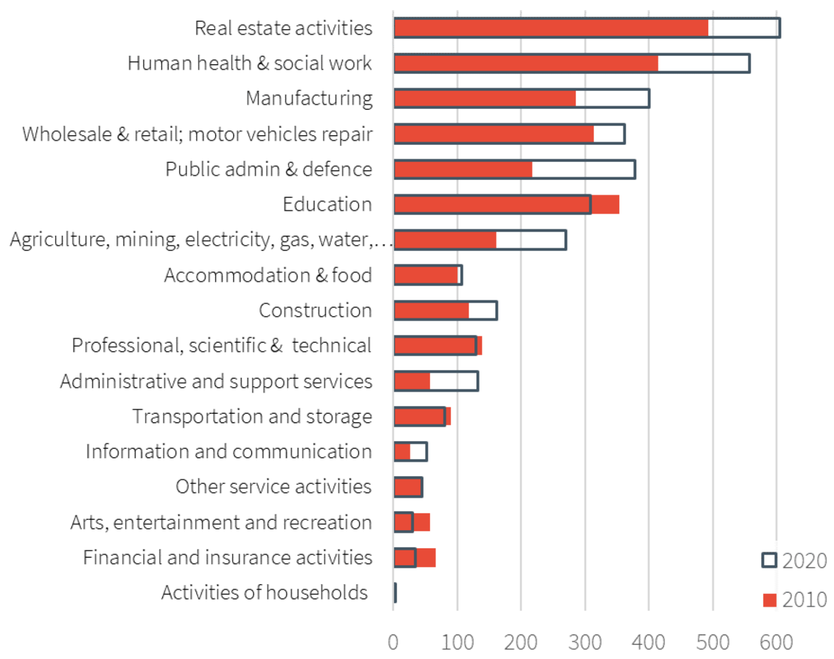
In 2021, Mid Wales contributed £3.6bn in annual Gross Value Added (GVA) to the UK economy (equating to £17,937 per head)[5]. In terms of subregional productivity, Mid Wales is the lowest performing city region in the UK.

This is amongst the lowest in the UK and compares to £69.5 billion (£22,380 per head) for Wales; with Mid Wales contributing approximately 5.3% of the Gross Value Added (GVA) generated by the Welsh economy, a proportion that has remained constant over almost the last twenty years. Powys records the second lowest performance for GVA per hour worked of all areas across the UK[6], lagging significantly behind the rest of Wales and the UK.

The drivers of these trends are complex and mainly due to employment structure including seasonal employment and the presence of low value-added sectors across the region. The largest contributors by sector to the region's GVA are manufacturing, real estate and wholesale and retail. This contrasts markedly with the employment breakdown in the region which shows the dominance of agriculture which is high in employment terms but delivers low GVA to the Mid Wales economy.

[5] StatsWales, GVA data, 2021
[6] ONS, Subregional productivity indices, June 2023 release

GVA (£million by sector), Mid Wales



Source: ONS, Regional gross value added (balanced) by industry

Employment Sites & Premises

Ensuring the right supply and location of employment land and premises to meet business needs is a vital component of supporting the competitiveness of the economy. The employment sites and premises market in Mid Wales differs from adjacent regions, where most of the demand is from businesses already established in the region. There is a recognised lack of availability and investment in modern and technical employment premises with low levels of speculative development and issues of commercial viability in provision. Recent research has amplified this issue, highlighting a strong suppressed demand for new floorspace (a 78% demand/supply 'gap' in Ceredigion and 31% in Powys over the past 10 years, with pressures likely to increase further in coming years). Market rents have also risen pan-region by c.68% in the same period. This challenges the ability of our new and growing businesses to remain in region, increasing the risk that they may have to relocate, thereby reducing regional economic productivity and our ability to retain a young, educated labour force.

Energy

Mid Wales is well placed to deliver on Wales' ambition to capture the opportunities associated with the low carbon economy and clean growth. . The region now generates more electricity from local renewable sources than it consumes (102%), making it a net exporter of renewable energy. This electricity is predominantly supplied by onshore wind (280 MW), hydropower (68 MW) and solar PV (61 MW)[11]. Onshore wind, hydropower and solar PV generate 66%, 16% and 14% of the total amount of renewable electricity generated in the region respectively[11b].

The Mid Wales Energy Strategy states that the region must generate ~200% of its electricity demand by 2035 which will require an additional ~600 MW of capacity to be built[12a].

Overall the region accounts for 6% of Welsh total energy consumption and has seen a 11% reduction in total energy consumption between 2005 and 2020. The resulting emissions from energy consumption have reduced by around 35% since 2005 and nearly 40% since 1990[10].

Grid capacity in Mid Wales is a significant constraint to future growth. Access to the energy network is restricted whilst the significant cost associated with grid reinforcements has held back further investment. As the scale of investment to resolve this problem is well understood by the region, the focus is on local energy generation, particularly of a low carbon nature. Examples of how investment within the region can make best use of alternative energy sources is described in section 6.4. Currently the region's annual electricity demand is 0.89 Twh over 55% of which is consumed by the commercial and industrial sector. Only 12% of commercial and industrial demand is met by gas, reflecting the off-gas nature of the region. Industrial energy and electricity demand has decreased by 6% and 14% respectively since 2005 and emissions have decreased by 39%, in large due to the decarbonisation of the UK's electricity grid[12].

Mid Wales has the highest proportion of off-gas grid properties in Wales at 62%. Domestic energy efficiency is relatively poor and 18% of households in the region live in fuel poverty. However, according to the Welsh Government's latest estimates, up to 45% of all households in Wales were in fuel poverty, following the price cap increase of April 2022[12c]. Retrofitting the region's housing stock is an essential way to improve the health and wellbeing of local inhabitants as well as meet net-zero targets.

2.8 Our Connections

Digital connectivity

Levels of digital connectivity in Mid Wales currently lag significantly behind other parts of Wales and the UK. Approximately 89% of premises in Mid Wales have the capability to connect to Superfast Broadband (30Mbps+), lower than that for Wales (97%) and the UK (98%). Only 39% of the region currently has access to Ultrafast Broadband (100mbps+) compared to Wales (63%) and the UK (76%), while 7% of premises in Mid Wales can only access a broadband connection of 10Mbps compared to 1.6% for Wales and 1.7% for the UK[13]. The region is estimated to have over 20,000 'white premises' which are currently unable to receive superfast broadband (30Mbps) or where there are no plans to provide such service in the next 3 years (21% of the Welsh total).

Mobile coverage in Mid Wales continues to lag behind the Wales and UK average with topography and the lower density of population posing particular challenges in improving mobile coverage in the region. 9.5% of premises have no 4G services across the region while only 53.6% of premises have 4G services from all four operators compared to Wales (60%) and the UK (84%)[14].

[8] StatsWales, Workplace Employment, October 2019
[9] StatsWales, December 2019
[10] Welsh Government (2019) Energy Generation in Wales 2018
[11] BEIS total final energy consumption (2019)
[12] BEIS sub-national emissions, Wales NAEI Greenhouse Gas Inventory
[13] Think Broadband – accessed May 2023
[14] OFCOM, Connected Nations 2021 – Wales Report

Digital connectivity is vital to the Mid Wales economy and its competitiveness to support productivity gains, innovation and improved access to services and markets. Investment in digital infrastructure needs to be prioritised if Mid Wales is to compete with other regions and capitalise on new economic opportunities.

Transport

Transport connectivity both inside and outside of Mid Wales is crucial to economic flows and future growth. The region has 945 km (587 miles) of Trunk and A roads connecting the region with North and South Wales and east to the West Midlands. There are also two railway corridors (Cambrian Main line/Coast and the Heart of Wales line) which run north-south and east-west. Rail links in Mid Wales are characterised by low service frequency, slow line speeds and limited direct services to major UK cities with the only regular principal service being the two-hourly Aberystwyth to Birmingham International through services.

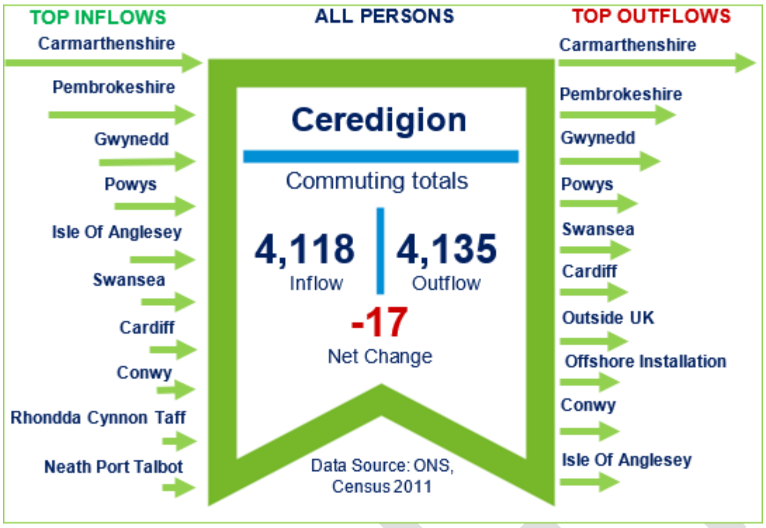
There is a need to improve journey time reliability and capacity, by improving the safety and resilience of the network to support and grow the transition to a low carbon economy. Investment in key routes such as the A483/A489 Newtown Bypass and the A487 Dyfi Bridge north of Machynlleth have provided resilience to the Mid Wales' road network. Continued investment is required to secure these strategic corridors of labour and goods mobility to the future – especially in relation to the A483, A458 cross-border routes and the A44 across the region.

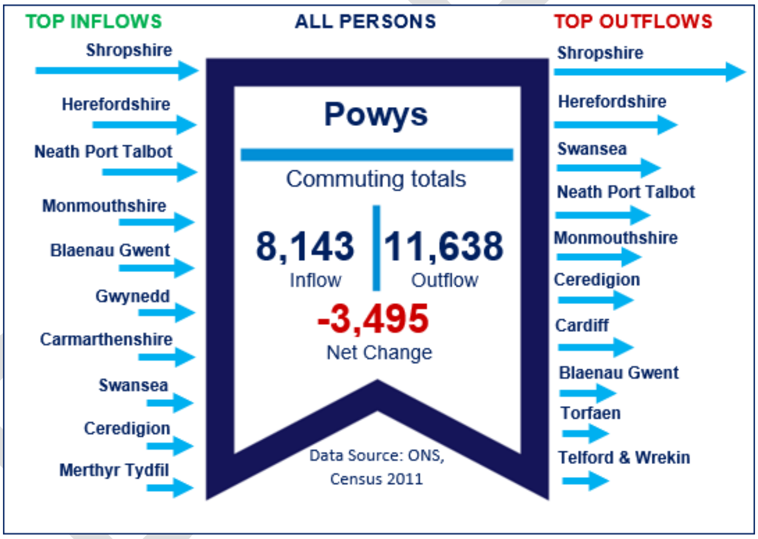
Due to its rurality, Mid Wales has a high dependence on the private car for transport and less than 1% of road miles are driven by buses. The region also has below average take up of electric vehicles with limited charging points compared to the UK average.

Friends and Neighbours

Mid Wales is centrally located with strong economic and social links to our friends and neighbours to the North, South and East across into England. Continued close co-operation with our neighbours will be essential if we are to achieve our mutual aspirations for the continued growth of our economies. We will work closely with all partners bordering the region and in particular the Marches Local Enterprise Partnership, so that we can each add value to our respective Growth Deals.

Mid Wales has a number of key strategic transport corridors upon which people and supply chains across Wales and England rely on daily. Within Wales, a number of our residents commute to work to areas of North and South Wales daily along key road and rail networks – with significant commuting and freights links across into England and the Marches. These cross border challenges have already been captured in the Marches and Mid Wales Freight Strategy, developed and agreed in a cross border partnership.





The importance of this cross-border link is vital to the continuing prosperity of Mid Wales and also the Marches, and a strong continued partnership exists between institutions and Government on both sides of the border.

The realisation of our Vision for Mid Wales will require a strong element of co-operation across Local Authority and Government borders – and a number of options will exist to realise these for the benefit of all parts of our Region and broader economic geography.

Housing

Experience shows that in order to bring about sustainable economic growth in an economy such as Mid Wales, measures intended to improve skills and ensure business are more competitive need to be underpinned. This is achieved by a strategy which seeks to create the conditions for growth aligned with a housing strategy that seeks to ensure appropriate and conveniently located housing for working families and young people.

Whilst Mid Wales has strong commuting flows with its neighbouring authorities, the containment rate within the Mid Wales labour market is high - with many people living and working locally.

Historically, house building in the region has not kept pace with demand and historical allocations – with challenges in the supply and delivery of housing in the region. Regional housebuilding is fairly static at present, with 77 completions in Powys in the last year, and a further 47 completions in Ceredigion[15].

Given the ambition of growth outlined in this Strategic Economic Plan, the region will need to work with relevant policy and delivery stakeholders carefully to ensure that once proposals develop – the region can respond proactively with policy and delivery interventions. The production of the Mid Wales Spatial Development Plan will be a key development in this regard.

[15] Welsh Government Statistical Release (2023) New House Building in Wales, 2022-23
[16] BE Group, Hatch, Per Consulting (2020) Mid Wales Employment Sites and Premises Needs Assessment and Action Plan

3 Our Opportunity

Mid Wales has strong heritage and provenance in key industries and sectors including Tourism, Applied Manufacturing, Agriculture, Food & Drink, Defence & Security. There are also significant developments in regional anchor assets providing significant opportunity to generate new growth. The importance and significant growth potential of the region's foundational economy will also provide a key opportunity to support distributed and inclusive growth.

3.5 Current Key Drivers and Assets

- The **wealth of outstanding natural assets**; from the region's harbours and waterways, mountains and designated landscapes, events and experiences, attractions and destinations, national parks and dark skies - all of which contribute to a World Class tourism offer that could increase visitor numbers and expenditure/income throughout the season.
- Catapulting growth potential of **existing industrial clusters within the advanced manufacturing sector**. Niche areas of expertise such as automation, motion engineering and biotechnology/life sciences offer high value employment and productivity growth potential.
- Enabling opportunities from sustainable and low carbon **academic and visitor potential, such as the Centre for Alternative Technology** to support the wider economy and spur further economic growth and skills development.
- Maximising the potential of **regional specialisms** in high value and research intensive sectors that have the potential to attract talent and investment – such as **emerging strengths in Radio Spectrum, and Veterinary Sciences and Animal Health** and world leading strengths in Agriculture and Biosciences.
- AberInnovation with its world-class facilities in bio- tech, agri-tech, food & drink translates into rapid, high-value economic growth.
- Capitalise on the development of the **Global Centre of Rail Excellence in Ystradgynlais**. This will see the only rail testing facilities of its kind in the UK, and will be the hub of research and development activity across Europe – offering the potential for significant economic growth potential amongst the local and regional supply chain.
- Building on the strengths of the **food and drink cluster across Mid Wales**, in support of the Welsh Government's Food and Drink Action Plan and adding value to agricultural produce and supporting on-farm diversification. Existing strengths in Food Centre Wales and the provenance and identity of food are showcased as part of the Royal Welsh Show.
- The economic growth potential of Mid Wales **leading the UK on energy generation and decarbonisation** interventions that can offer the strengthening of a regional cluster offering strong employment and productivity contributions.
- The potential of Mid Wales as a potential digital innovation testbed – Mid Wales is home to the most extensive LoRaWAN network in Wales, making it an ideal place to trail new applications for Internet of Things (IoT) technology)
- Capitalise on and further develop the region's educational assets, including the region's two universities - Aberystwyth University and University of Wales Trinity Saint David.

3.6 Ways of Working

There are also many opportunities with regards to ways of working and the wider strategic landscape;

- The significant opportunities of shaping business support and aligning infrastructure availability (digital, physical, land and premises) to better support businesses across Mid Wales. There are significant opportunities to demonstrate positive improvements to service delivery across the public sector and align support to grow our smaller businesses into medium enterprises. The alignment of skills provision with key job opportunities in the region, and the establishment of learning pathways. As well as strengthening labour supply for key sectors, young people will be encouraged to remain in the region by the visibility of job and progression opportunities

- The potential of working with other regions, both in and outside Wales, on shared strategic matters to promote opportunities and leverage funding and investment.
- To align activity and delivery with other strategic regional activity in Mid Wales, such as the forthcoming Mid Wales Regional Transport Plan and Mid Wales Strategic Development Plan. There is also the opportunity to align both capital and revenue activity with strategic investments funded by regional investment programmes.

4 The Challenges to Overcome

Since the establishment of the Growing Mid Wales Partnership in 2015, partners have seen a strengthening of support for, and focus on growing the Mid Wales economy. While much has been achieved to ensure a strong focus on pursuing regional economic growth, more needs to be done. It will require much stronger working and recognition of the Mid Wales economy across sectors and institutions – with the full support of both Governments to not only support growth opportunities, but also to invest in our underlying economic and social infrastructure.

4.5 Economic performance

Despite a number of opportunities and positive improvements in the regional economy, Mid Wales continues to lag behind other Welsh and UK regions on a number of key issues:

LOW & LAGGING PRODUCTIVITY: Mid Wales continues to lag behind other Welsh and UK regions in real and per head terms due to the seasonality and structure of its employment base.

A DECLINING, AGEING POPULATION: Rural depopulation, especially of young people, and a changing demographic - demonstrating the 'pinched middle' of a relatively high older population and a proportionately low working age population, and the resulting effect this can have on Welsh language strongholds

NARROW AND VULNERABLE ECONOMIC BASE: Leading to employment and productivity imbalances. The largest GVA contributors are manufacturing, real estate and wholesale and retail – whilst agriculture employs the most, it contributes comparatively less GVA. Employment seasonality also adds vulnerability.

PROJECTED EMPLOYMENT DECLINE: forecasts show the Welsh economy growing by 1.7% during the period 20 (+ 24,000 jobs) while the Mid Wales economy is forecasted to decline 3.45% (reduction of 3,352 jobs) – whilst the UK looks set to grow by 7.4% over the same period.

STATIC AND WEAKENING LABOUR MARKET: gaps in skills provision and infrastructure to adequately meet industry demands are exacerbated by a lack of focus on the issue in Mid Wales. Weaknesses in regional skills infrastructure exacerbates the lack of employment and educational opportunities – leading to a reducing equality of opportunity and labour mobility whilst reinforcing out-migration. Powys' commuting outflows of -3,495 especially highlight the need to improve employment opportunities.

MARKET FAILURE: Underlying structural economic weaknesses aligned with decades of under-investment by the public sector has exacerbated market failure. Market failure is prevalent throughout the economy and can be clearly evidenced through weak and relatively static commercial and residential build rates, declining and narrowing business base and the inadequate state of our digital, road and energy grid infrastructure – which is in critical need of public sector intervention.

THE HIDDEN NATURE OF A RURAL ECONOMY: relatively strong employment and low unemployment data masks low pay and underemployment. The high self- employment and home working data combined with low incomes is masking rural poverty which is a real cause for concern amongst local authorities and policy makers.

There is also a new economic context to consider. Since the drafting of the first GMW Vision document in 2020, the macro-economic context has greatly changed. As well as continuing to recover from the impact of the Coronavirus pandemic, Mid Wales businesses and residents have had to navigate new legislation and arrangements arising out of EU transition, as well as the economic downturn partially triggered by the Russia-Ukraine war and the resulting cost of living crisis. Long standing issues will become even tougher to address, and will require more focused and concentrated effort in order to make a step change to the Mid Wales economy.

Addressing these issues will require a step change in the way we collectively work, and will require a significant set of interventions to both address these trends by providing the basis for new higher value economic growth and attract a new, economically mobile population. Tackling these issues won't be easy, or inexpensive. However we are collectively clear that as a region if we are to see the regional economy perform as it should; and if we are to take advantage of the opportunities available to us – then it has to be the joint focus of regional partners and both Governments to address.

5 Our Ambition

Our ambition is for Mid Wales to take full advantage of the opportunities available to create and support economic and social growth by overcoming its challenges to become a fairer, smarter region that contributes to its full potential to address its productivity challenge.

5.5 Our Vision for Mid Wales in 2035

By 2035, Mid Wales will be:

> "*An enterprising and distinctive region delivering sustainable economic growth for future generations driven by innovation, skills, connectivity and more productive jobs supporting prosperous and bilingual communities*"

Through collaborative and integrated working, we will build on our unique assets to ensure that the region's economy is recognised by the following characteristics:

ENTERPRISING – open for business, new and old. A place to start and grow enterprise to enhance regional productivity with a good quality of life.

SKILLED – a skilled and flexible labour market supported by academic and vocational learning that responds to industry demands that reverses current population trends.

INNOVATIVE – a test bed for innovation, developing new products and processes capitalising on existing research and industry strengths and creating new/strengthening existing industrial clusters.

CONNECTED – a fully connected region, unlocking its economic potential driving business growth and innovation and improving social and labour mobility.

PRODUCTIVE – a strong, productive economy providing the right conditions for business to generate better quality, higher paid jobs alongside better employment opportunity.

PROSPEROUS – a regional economy that is rooted in fairness and equality of opportunity with accessible training and employment pathways.

DISTINCTIVE – a region with a unique natural and cultural landscape & heritage, offering an exceptional quality of life and potential to lead UK decarbonisation and clean growth.

6 Our Strategic Growth Priorities

The economy of Mid Wales exists in fine balance, with a number of industries and sectors inter-dependent on each other due to the current structural make-up of its natural and economic geography.

Growing the Mid Wales economy will require a robust, focused and sustained approach to realising meaningful economic growth. However, such growth must be sensitive to its social and natural environment through pursuing a balanced approach. A balanced approach that does not solely invest in opportunity, but one that also addresses fundamental structural weaknesses alongside growth opportunities – raising ambition alongside reducing inequality.

6.5 Agriculture, Food & Drink

A strong and vibrant agricultural sector generating significant employment and produce to a nationally and internationally recognised standard, coupled with industrial and innovation strengths offers the opportunity to grow the economic base significantly and lead on new high-value food development.

Mid Wales is home to 935[17] food-related enterprises, with concentrations in Welshpool, Newtown, Llanymynech, Knighton, Aberystwyth and Felinfach. This is bolstered regionally by the presence of Food Centre Wales, a dedicated food technology centre offering advice, technical services and training to business start-ups, SME's and existing food manufacturers to develop short supply chains, add value to products, encourage product innovation and ensure a focus on quality. It forms part of the Food Innovation Wales collaboration of food centres that provide technical knowledge transfer support across the whole of Wales.

The sector is further supported in the region through the presence of key strategic support organisations head quartered within its boundaries, including Menter a Busnes, Hybu Cig Cymru, Lantra, Cambrian Training as well as the two main farming unions (FUW and NFU). The Royal Welsh Agricultural Society's presence in the region is also a key driver for the economy and the sector – from its showcase of regional agriculture, and food and drink. The addition of the Aberystwyth Innovation and Enterprise Campus (AberInnovation) this year will further add to the resources available to help the sector grow, looking at future food production.

Whilst all these facilities are there to support the industry across Wales, there is an opportunity to maximise the benefit of their presence in mid Wales to drive growth in the sector, adding value to the food and farming businesses – and associated industries such as forestry - that are already important economically to the region, but could grow further with targeted support and intervention.

Economic Growth Potential

There are 10,275 people employed in the food industry in Mid Wales. As a proportion of total employment, Mid Wales (13.6%) exceeds the Wales (13.0%) and UK (11.7%) averages. This is despite the fact that the number of food businesses in relation to the total business stock is lower in Mid Wales (7.4%) than in Wales (10.2%) and the UK (8.0%).

Mid Wales generates significant employment in food and drink wholesaling (6.6%) compared with the 6.2% registered in Wales and 5.8% across the UK. The proportion of employment in food and drink manufacturing and retailing in Mid Wales also exceeds both the Wales and UK averages. Between 2010 and 2017, food-related employment in Mid Wales increased by 11.5%, higher than the 9.9% growth registered in Wales and 11.3% in the UK

Mid Wales already has a strong and dynamic food and drink processing sector, supporting a strong traditional farming sector. Mid Wales is also home to a varied range of support organisations. Yet there is a strong belief and evidence to show that the sector's contribution to the food and drink economy of Wales and the UK could be further strengthened by a set of targeted investments to tackle some of the key challenges and unlock the potential for growth.

The current profile of the food and drink industry in Mid Wales shows that the industry demonstrates a high rate of inclusivity in that business owners and employees come from a broad range of demographic groups[18]. Further growth opportunities, particularly for start-up businesses, provide inclusive opportunities for sustainable career developments in a sector that can capture market opportunities that come from a growing interest in food and drink provenance as a means of achieving better environmental sustainability.

24 AECOM (2019) Evidence Based Programmes of Interventions Baseline Report

What We Want To Achieve

OBJECTIVE	WHAT NEEDS TO HAPPEN
Enabling and Supporting Market Growth	• Enhanced support for new/existing business to identify and access new market opportunities domestically and internationally. • Targeted support and investment in initiatives that develop market opportunities for local produce in the hospitality sector. • Supply chain development and review – exploring new routes to market to inform wider targeted investments (linking small producers to markets locally, regionally and nationally)
Fostering Innovation	• Building on regional innovation strengths and assets to develop & scale new business opportunities (e.g. Controlled Environment Agriculture, Vertical Farming, Pharmaceuticals from Agriculture, Manufacturing and product development, and trialling new processes and methods responding to automation/AI through Agri- tech). • Opportunity to invest in facilities across the region through publically-owned farms. • Co-invest in specialist liquid processing innovation capacity in the region – this will capture specific opportunities identified by private sector partners to establish a unique innovation facility that will add value to the dairy industry, as well as the soft drinks, beer and wine sectors.
Developing the Right Business Environment	• Ensure there are sufficient opportunities for start-up and growth businesses through an adequate supply of food-grade piloting and manufacturing facilities across Mid Wales in key strategic locations. • Ensure the right provision of business development support and information across Mid Wales by considering outreach/satellite facilities. • Ensuring water, energy and waste infrastructure investments are recognised by providers and Government to enable the sector to grow.
Labour Market Development	• Development of training and career pathways and experiences to raise awareness and take-up of opportunities across the sector, with a focus on higher-value jobs. • Ensure strong alignment across industry and providers by strengthening industry input and aligning skills & employment provision appropriately – with a view to strengthening regional take up of support.

25 AECOM (2019) Evidence Based Programmes of Interventions Baseline Report

6.6 Applied Research & Innovation

Commented [CM1]: Same info but restructured

Mid Wales is home to internationally-significant industries and internationally-recognised research & development assets and expertise that offer opportunities to catapult regional productivity growth.

Capitalising on our existing strengths, harnessing emerging specialisms, alongside strengthened industry engagement and development – could lead to a wealth of untapped opportunity in the region.

Research shows that the region has genuine existing research strengths in **Agri-tech, Food and Bioscience.** We have leading research and development expertise in the agri-tech and bioscience sectors and are home to world leading research centres such as the Institute of Biological, Environmental and Rural Sciences (IBERS).Aberystwyth Enterprise and Innovation Campus (AberInnovation) also offers world-leading facilities and expertise within the biotechnology, agri-tech, and food and drink sectors and capacity to commercialise innovations – but further investment opportunity lies in scale up/grow on space co-located with the R&D cluster and new rail links via Bow Street station.

There are also growth opportunities to build on the regional asset base and existing strengths. Mid Wales has an emerging cluster in **Veterinary Science and Bovine TB** consisting of the Wales Veterinary Science Centre, the £4.2m VetHub1 development aligned to a research Centre of Excellence in Bovine TB and the new Aberystwyth School of Veterinary Science delivering veterinary training in conjunction with the Royal Veterinary College from 2020. Further investment in veterinary science is needed and Mid Wales is ideally placed to become a leader in providing services to the agricultural sector and training the next generation of vets, addressing a UK wide challenge of recruiting and retaining vets.

Another growth opportunity is present in **Radio Spectrum:** Mid Wales is an important location for UK defence operations, offering segregated airspace for Remotely Piloted Aircraft Systems (RPAS) off the coast of West Wales. A National Spectrum Centre offers the potential to promote innovation, develop new products and applications, supporting resilience, integrity and security to place Mid Wales at the centre of UK Government's Spectrum Strategy. The potential applications of Spectrum technology into Mid Wales' key sectors are wide ranging. They include the defence and security sector, the use of robotics, drones and smart machinery in agriculture. This is currently being investigated more fully under a separate funding agreement by Welsh Government.

There are also specialised opportunities available in the Advanced Manufacturing sector. Mid Wales is home to a significant number of advanced manufacturing industries supporting the employment of 6,625 people (8% of regional employment) across a number of sub-sectors (fabricated metal products-31.7%; machinery and equipment-22.3%; basic metals-12.4%)19 with niche areas of expertise suchas power electronics and automotives. . Overall manufacturing employment here has increased by 8.2% from 2010 levels, representing a positive trend to build on as we seek to improve productivity and generate economic growth20.

There are also opportunities present with the emerging **Global Rail Centre of Excellence:** Early progress is being made to establish a testing complex with 2 electrified oval tracks, which will allow for testing speeds of up to 110mph with the option for a tunnel section and a full track. This would be a world class train testing facility in the UK, and would be a significant attraction to investors and provide a vital service to UK and overseas based train manufacturers, the wider industry and the supply chain. This is a Joint Venture between Welsh Government, Powys County Council and Neath and Port Talbot County Council and the private sector.

[19] ONS Business Register and Employment Survey 2017; ONS UK Business Counts

Mid Wales is also home to research assets with the potential to make a significant contribution in the field of climate change and renewable energy, **The Centre for Alternative Technology (CAT):** We are home to CAT, an educational charity dedicated to researching and communicating positive solutions for environmental change. It is currently a significant academic and tourism driver – with plans to grow. Given the demand for more innovative approaches to sustainable energy supply and reduced CO2 emissions it could provide a wide range of economic and environmental benefits.

Economic Growth Potential

The strengths of the region's research and industrial base offers significant opportunity to drive transformational change with the right investment in the right places that both respond to the research opportunity and drive industrial growth.

There are well-known challenges in industry in terms of skills challenges linked to automation and AI, changing product demand and market opportunities, all requiring strong academic/industrial collaboration and cross-fertilisation if the sector is to remain competitive.

With the right investment, the opportunity exists to strengthen existing clusters alongside encouraging new clusters from existing assets and strengths that will drive increased investment levels, boost regional business confidence, strengthen skilled labour supply and help businesses to adapt and capitalise on new opportunities to drive higher value growth.

There is evidence that take up of research and development knowledge and innovation is lower than average here – with opportunity to address R&D tax credits[21], and partly as a result of this, productivity remains stubbornly low compared to the UK on average.

The proposed investments below aim to address thiese weakness by addressing gaps and and developing a strong applied research and innovation ecosystem for all sectors in Mid Wales.

What We Want To Achieve

OBJECTIVE	WHAT NEEDS TO HAPPEN
Investment in Regional Infrastructure and Assets	• Building on research strengths to develop the appropriate facilities and infrastructure to support the growth and expansion of start-up, spin-out and early stage innovative firms • Targeted investment in strategic opportunities to strengthen academic/industrial clustering.

Strengthening Networks and Ways of Working	• Establish a regional innovation partnership consisting of academia, the business & investment community and the public sector to drive innovation and investment activity in Mid Wales • Enable R&D bodies in the region to participate in knowledge transfer activities with businesses within the region, and enabling businesses in the region to access knowledge transfer activities from R&D bodies outside the region. • Encourage regional networking and collaboration in order to add cluster development
Labour Market Development	• Career pathway development in tech-based innovation and industries supporting higher-value jobs – including entrepreneurship and intrapreneurship. • Alignment of HE and FE courses to the needs of tech-intensive and innovative firms • Establish a regional innovation mentoring scheme to encourage collaboration and cross-transfer of innovation management skills

6.7 Strengthened Tourism Offer

Mid Wales is a distinct region with a rich heritage, culture and outstanding natural assets that underpin a vibrant tourism sector – offering a strong platform to drive new growth.

During 2014-2016 Mid Wales accounted for 18% of overnight domestic (GB) trips, 10% of international visits, and 12% of day visits to Wales.

Tourism has an important economic role in Mid Wales. It represents almost 20% of employment – significantly higher than any other economic region of Wales – and was worth an estimated £1.4 billion in 2019[7].

The tourism economy of the region is intrinsically linked with agriculture and food production which are vitally important to the identity, culture, and economy of the region; and has often featured in a number of well-known film and TV productions – a notable example being the Hinterland TV series[24].

The region includes the Brecon Beacons National Park and renowned areas of natural beauty such the Cambrian Mountains, whilst its unspoilt coastline offers five blue flag beaches, and access to a wide variety of marine wildlife. Mid Wales has a network of local and national recreational routes, and a rich cultural heritage that offers opportunities for accessing and exploring the regions natural beauty

Tourism trade is further bolstered by a diverse range of annual events including internationally recognised brands such as Green Man Festival, the Royal Welsh Agricultural Show, Wales Rally GB, and Hay Festival.

Mid Wales towns and villages are attractive assets in their own right, and are bustling hubs for independent businesses and enterprises, all of which support both the foundation economies and act as gateways to the region's stunning natural environment. The regions' coastlines are home to networks of harbour facilities, providing distinct visual identities, supporting tourism and commerce with a canal network inland – offering significant development potential.

Economic Growth Potential

When compared to other regions of the UK, Mid Wales has a lower occupancy rate in tourism accommodation, being around 6% lower than Scotland and 10 % lower than England. In addition, productivity and wages in the Mid Wales tourism sector remain lower than the overall average for the economy in Wales. This results in reduced revenue for the sector in Mid Wales, and in order for the industry to capitalise on its potential, it is vital that Mid Wales is able to strengthen the shoulder season occupancy and maximise visitor spend. However, this must be done in a sustainable manner, protecting the regions' natural assets and sense of place and taking into consideration the infrastructure of a rural region.

Throughout the region, the tourism offer needs investment to generate higher value returns for the economy that is delivered in partnership and aligned with Government and key stakeholders to develop Mid Wales' distinctive offer through addressing seasonality, spend and spread. However, this must be done in a way which is so sustainable and considerate of the rural communities which make up Mid Wales.

[22] StatsWales, Workplace Employment, October 2019

[7] Mid Wales Regional Tourism Study, 2023

[23] AECOM (2019) Strategic Economic Priorities for the Mid Wales Region.
[24] https://www.visitwales.com/things-do/attractions/tv-film-locations/hinterland-inside-guide-tv-shows-secret-locations

Our strength of nature, culture and heritage provides a strong platform for us to play our part in raising the game of the Welsh and UK visitor market. Given the distinctive geography of Mid Wales, a significant opportunity exists to utilise our natural assets and resources to develop a unique selling point that strengthens tourism in the region. Under the ambition of strengthening tourism for the region, high quality, year-round experiences that are beneficial to both visitors and host communities will be invested in. The culture and language of the region is also an asset to be capitalised upon.

Mid Wales has higher levels of sustainable practice built on the strengths of our natural and institutional assets – offering the opportunity for the region to excel in tourism focused on sustainability, the circular economy, in addition to supporting health and wellbeing actions. The focus must be on quality and value, not volume.

Capitalising on opportunities to strengthen our tourism offer will also spur wider economic growth potential. As stronger focus will be given to showcasing what Mid Wales has to offer, this will in turn provide a boost for the food and drink sector and help home-grown businesses to flourish. This will change perceptions of Mid Wales and will attract new business to the region, give indigenous businesses and people the confidence to invest, strengthen career pathways and enable longer-term assurances for investment and support.

What We Want To Achieve

OBJECTIVE	WHAT NEEDS TO HAPPEN
Investment in Strategic Opportunities	• Development of flagship cultural offers and provision of support for local museums, cultural and arts organisations • Develop outdoors and water-based tourism activities • Invest in interpretation and infrastructure at outdoor facilities to enable year round visiting • Develop the eco-tourism offer in Mid Wales • Develop and diversify the events calendar • Support for town centres to enable vibrancy and increase footfall in line with the Transforming Towns agenda
Investment in Supporting Infrastructure	• Investment in basic supporting facilities, such as parking provision, public conveniences and coastal facilities • Encourage inclusive and accessible tourism • Enhance the network of walking and cycling paths and trails • Increase the provision of EV charging points • Improve public transport links to facilitate visitor dispersal throughout the region
Labour Market Development	• Ensure opportunities for quality tourism employment and training opportunities such as apprenticeships to enable the recruitment of more staff into the industry and overcome challenges of staff shortages • Dedicated training for tourism SMEs in marketing, finance, and management.

Strengthened Marketing and Awareness of the Mid Wales Offer	• Trails to disperse tourism and benefit region's key businesses e.g food and drink sector • Explore potential for unified approach to marketing, branding and identity for tourism in Mid Wales • Create a Made in Mid Wales brand and certification • Explore the potential of using Welsh language and culture to create an identity for Mid Wales

6.8 Energy

Mid Wales is extremely well-placed to lead Welsh and UK efforts in developing and generating solutions to address the challenges of a future energy system.

In 2019, the Welsh Government declared a climate emergency and set the net zero target. The natural resources of Mid Wales provide ample opportunity to produce renewable energy. By 2050, the ambition is to be generating 200% of the region's electricity consumption, paving the way for Mid Wales to be significant net exporter of renewable electricity.

Supporting businesses and communities to develop and utilise renewable energy will create and add value to supply chains, and circular economy networks across the region. Nurturing and creating a strong skills base and network, linking innovation with academic institutions and businesses will create inward investment opportunities. Maximising these opportunities will provide economic development and value-added opportunities for the region's businesses and communities, whilst demonstrating the regions' ability to lead on energy production and storage at the UK level.

Economic Growth Potential

Grid capacity constraints are a significant barrier to growth in Mid Wales. The development of the Local Area Energy Plans in both Powys and Ceredigion should identify areas of the region where strategic grid investment could be made to alleviate these barriers. With the recent changes to electricity connection charges, Mid Wales should see an increase in the financial viability of new renewable energy projects going forward. However, UK wide delays in grid upgrades are likely to delay projects from reaching completion.

The UK's energy crisis will have undoubtedly worsened fuel poverty in Mid Wales. Even before the energy crisis, 21% of households in Ceredigion and 17% in Powys were living in fuel poverty. Fuel poverty rates are typically higher in this region due to lower-than-average wages, a high proportion of homes not connected to the gas grid, and an energy inefficient housing stock.

The Mid Wales Hydrogen Study Feasibility Report was published in 2021 which concluded that Mid Wales should plan to follow a "first procure, later produce" approach. In other words, in the short-term Mid Wales should strategically align itself to procure hydrogen from outside the region, for example from North and South Wales who, due to their proximity to industrial clusters, have a higher demand for hydrogen production.

Mid Wales is currently in the process of developing its Local Area Energy Plans (LAEPs) for both Ceredigion and Powys which will be published in early 2024. Growing Mid Wales is involved in overseeing the formulation and implementation of these plans to ensure the local and regional energy planning are aligned. This work will tie into Mid Wales Regional Energy Strategy action plan and task register to ensure delivery against decarbonisation targets.

What We Want To Achieve

OBJECTIVE	WHAT NEEDS TO HAPPEN
Addressing Network Capacity & Grid Constraints	• A Mid Wales Grid Capacity Programme, linked to strategic employment sites and premises, composed of: • (a) working with power companies to identify strategic investment in the grid ahead of need • (b) exploring innovative tech/models of delivery such as micro-grids, batteries and hydrogen
Decarbonisation of our Energy Supply & Use	• Public sector investment in renewable generation and decarbonising assets (e.g. buildings, fleet vehicles). • Mid Wales Battery Storage Innovation Programme: linked to industry, agriculture & skills. Demonstrator technologies to produce renewable energy and store on site to supplement the grid in peak hours or to link to the circular economy such as provide Hydrogen for automotive. • Strategic electric vehicle charging network roll out.
Harnessing Regional Innovation	• Mid Wales Battery Storage Innovation Programme: linked to industry, agriculture & skills. Demonstrator technologies to produce renewable energy and store on site to supplement the grid in peak hours or to link to the circular economy such as provide Hydrogen for automotive. • Investment in key strategic opportunities to test/trial new farming methods/techniques aligned to opportunities for energy generation (e.g. energy from waste, electrification of agriculture trials, anaerobic digestion, grass bio-refining and battery storage). • Explore potential for clustering of industrial development in key strategic sites in the region.
Reducing Fuel poverty	• Energy Efficiency retrofit targeted at energy poor dwellings. • Exploration of local private sector driven District Heating Networks.

6.9 Supporting Enterprise

Our vision is for a strong, resilient and diverse Mid Wales economy that enables enterprises to start, grow and prosper with the right support and infrastructure.

We will achieve this by creating the conditions to drive enterprise growth, investment and competitiveness which will raise regional productivity. We want to ensure enterprises are supported to be dynamic and entrepreneurial, to identify and target market opportunities, exploit innovation, automation, training and digitalisation as key drivers of growth - creating higher value employment opportunities in the process. We also want to ensure both established and growing businesses have the right infrastructure in order to achieve their goals, and can use the Welsh language and culture to grow and support their businesses.

Strong, capable and resourceful social enterprises are also vital for economic growth and the sustainability of communities in Mid Wales. They generate economic activity, have an important social impact and are key to attracting new talent to the area. Our ambition for the social enterprise sector is to be strong and confident, addressing market opportunities and social need, supporting fair work practices and building resilience.

Economic Growth Potential

The Mid Wales business base contains 12,700VAT registered businesses – a broadly static number since 2017[8]Micro and small businesses are the backbone of Welsh economy, even more so in Mid, with 96% of businesses micro (<10 employees) (Wales 89.2%, UK 89.4%) while just 1.5% of businesses are Medium or Large-sized (having 50+ employees) (Wales 1.6%, UK 1.9%)[9] – proportions that have broadly remained unchanged for 15 years. To raise productivity in Mid Wales, it will be vital to support SMEs to grow and expand and fill this 'missing middle'

The large proportion of micro-businesses across Mid Wales is likely driven by the high number of agricultural enterprises, representing ~37% of all businesses across the region, with high self-employment levels. Medium sized enterprises are seen predominantly in the health and manufacturing sectors, representing 6.2% and 4.9% of the total business stock respectively. Notable sectors generating employment include accommodation and food services (12.2%) and retail (10.6%). These reflect the importance of the foundation economy to Mid Wales.

Since 2010, there has been a reduction in retail – falling from 920 to 785 (-14.7%). Conversely there's been a rise in professional, scientific & technical from 755 in 2010 to 880 (+16.6%) in 2017 and a significant rise in the number of public administration and defence enterprises from 15 in 2010 to 85 in 2017 (+466.7%). The five year survival rate for businesses start-ups in 2011 was higher in Mid Wales (48.1%) than both Wales (43.2%) and the UK (44.1%).

Mid Wales faces several distinct challenges in supporting its businesses, including a dispersed settlement pattern that can make traditional views of sectoral clusters difficult. The region's narrow economic base makes it particularly vulnerable to economic shocks - with agriculture a key sector likely to face changes in the future.

It is widely acknowledged there is a lack of good quality employment sites and premises to meet business requirements and expectations. There is minimal activity in terms of speculative building of such sites by the private sector due to market failure. An ageing stock of premises exists that require significant investment to become an attractive proposition.

In order to improve the productivity of Mid Wales and narrow the gap with the rest of the UK, it is vital to deliver targeted and transformational support to businesses, be that through infrastructure, finance or wider business support, including support to encourage the use of

[8] ONS – UK Businesses; activity, size and location – 2017-2022
[9] Statswales, Businss structure in Wales by size band and measure, 2022 data

Welsh in entrepreneurship and economic development, such as the Arfor scheme. In this regard, reports by the Development Bank of Wales noted the importance of interventions to encourage productivity growth and innovation irrespective of firm size.

What We Want To Achieve

OBJECTIVE	WHAT NEEDS TO HAPPEN

Enabling Business Growth	• Strategic Employment Sites: invest in a small number of high- quality employment sites and centres of excellence in target sectors (eg. agri-tech, high value manufacturing, food innovation & low carbon).
	• Mid Wales Business Growth Incubation Network: build on existing provision to deliver high quality shared business accommodation targeting start-ups and micro enterprises providing business support, professional services, networking, training, gigabit digital connectivity, flexible terms, co-location etc.
	• Develop and implement a Mid Wales Employment Sites & Premises Action Plan that would deliver the following outputs;
	  ○ A regional portfolio of good quality business units for start-up and micro enterprises
	  ○ An advanced build programme of good quality commercial property for SMEs
	  ○ Servicing of next generation employment sites
	  ○ Commercial property refurbishment / energy efficiency renewable energy financial incentive scheme
	  ○ Creation of an Infrastructure Investment Fund or other appropriate funding mechanism

Strengthening the Support Offer	• Work to understand business support landscape in Wales and highlight with governments • Work with business support & finance providers to ensure accessible financing options to support business growth that is relevant to the market demands and opportunities of Mid Wales. • Work with relevant providers to strengthen and tailor the support offer for enterprises in Mid Wales by working with and adding value to existing/planned investments as part of a multi-agency approach. • Strengthen the support offer to develop social enterprise in the region by working with existing providers and mapping future demand. • Explore the potential for a regional Clean Growth Programme to support businesses in transitioning to a low carbon future and take advantage of low carbon technologies. • Strengthening Inward Investment – providing a single point of contact and gateway for inquiries, business support and marketing. • Support the development of higher-level business skills and ensure access to high-quality professional services and training, including digital skills for businesses • Enable and support Higher Education commercialisation of R&D and knowledge transfer programmes for technical and business solutions. • Develop a comprehensive and informed regional careers advice service to compliment regional skills activity
Procurement	• Explore a Mid Wales regional procurement programme focusing on 'anchor' institutions such as local authorities, health boards, colleges, universities that will support regional business through purchasing. Provide support for businesses to tender and identify collaborative opportunities, alongside development of local supply chains.

Policy	• Business rates and rate relief – highlight the impact of business rates on rural businesses in town and village centres. • Explore the potential for streamlined planning processes in identified regional enterprise sites.

6.10 Digital

Digital connectivity is an essential part of modern life, influencing how individuals work, communicate and access services. In Mid Wales, it is even more vital we capitalise on the economic opportunities that can be unlocked by investing in our digital infrastructure.

Having good quality, reliable digital connectivity is essential for residents, businesses and visitors to support a thriving Mid Wales economy. It is now recognised as a fourth utility, a critical component to support modern life. Co-ordinated investment in digital infrastructure will act as a catalyst for high quality business growth, innovation within our targeted sectors and provide communities with enhanced access to employment, education and services.

Economic Growth Potential

While Mid Wales has seen improvements in digital infrastructure coverage over recent years, deployment of high speed broadband, fibre to premises provision and mobile coverage in most parts of the region still lags significantly behind that of Wales and the UK. The remote rural nature of the region, its geography, commercial viability and the nature of technologies means that 'not spots' are prevalent particularly in hard to reach locations.

Enhanced, good quality digital connectivity and accelerating its deployment is fundamental to transforming the Mid Wales economy and enabling growth. Confidence in digital infrastructure will be vital to support future business investment in the region. Digital technologies are transforming communications, services, learning and business opportunities at an ever-increasing pace. New digital technology like 5G plus the Internet of Things, Artificial Intelligence and data analytics have the potential to open up new businesses and improve the lives of communities.

Despite there being other programmes and initiatives being implemented across Mid Wales, through both UK Government and suppliers, there still remains a gap in provision and a need for GMW to intervene. Several of these propose interventions may not take place for several years and will initially focus on the more densely populated areas where it could be argued already receive sufficient connectivity. This resulting in the already well-connected areas receiving improved speeds and improved provision, whereas due to a poor return on investment the more sparsely populated and currently poorly connected areas will continue to experience poor provision.

Ensuring access to good quality digital connectivity and supporting digital skills will help bridge the 'digital divide' and give people the freedom to live and work more flexibly while making the region a more attractive place to live. It will also remove constraints on business growth.

The GMW Digital Programme priorities reflect the broader national and regional aims of the UK and Welsh Governments, but they are ultimately driven by our own local needs. Digital Infrastructure is recognised as a critical enabler of strategic outcomes at all levels of Government.

The importance of the role of digital infrastructure in supporting socio-economic outcomes is described clearly through a number of related and mutually reinforcing UK and Welsh strategies, through to the local vision of our Mid Wales Growth Deal and our individual Council objectives. This helps to achieve a high degree of national and local economic and digital infrastructure strategy alignment. UK and Welsh Government and GMW therefore share common objectives which are mutually reinforcing, with both their stated aims seemingly dependent on the availability and affordability of quality digital infrastructure.

OBJECTIVE	WHAT NEEDS TO HAPPEN
Broadband	• • Explore opportunities to connect Hard to Reach Properties, where no improvements to broadband provision are expected by either UK or Welsh Government within the forthcoming years. • Develop means to attract more 'alternative network providers' to the Region to create greater choice for both businesses and residents. • Assist where appropriate the implementation of UK and Welsh Government programmes, such as Project Gigabit.
Mobile technology	• Use of public sector land and buildings and assets to help facilitate deployment of digital infrastructure such as small cells by MNO's. • Establish where 'not spots' will remain following programmes such as the Shared Rural Network and develop interventions to maximise 4G coverage across the Region. • Implementation of relevant policy ensuring that sufficient infrastructure is deployed by MNO's to ensure mobile networks across the Region has capacity to maintain servies during peak times.
Innovation	• Rural test bed and application of new technology / research and development e.g. 5G, RWAS, internet of things, Spectrum. • Utilise the Long-Range Wide Area Network (LoRaWAN) that has been deployed for sending and receiving low power signals from digital sensors across the region. This will enable business, public sector, educational, organisations and individuals to explore, trial and implement Internet of Things (IoT) technology and aspire to have complete coverage in region and exploitation in e.g. transportation, agriculture, tourism, environmental management, social care and housing.
Business Support	• Strengthen capacity in Mid Wales to provide additional resources to help unlock digital connectivity issues on the ground. • Drive uptake & provide support and training for the exploitation of digital services and technology by businesses.

6.11 Transport

To drive economic growth and attract new investment we need to improve connectivity both to and within the region. We will build on our existing linkages to help deliver the transport network required to help grow the economy and raise productivity.

Reliable, resilient, sustainable and connected transport networks are fundamentally important to economic growth and communities in Mid Wales. Good quality infrastructure is vital in linking people up with opportunities, companies with markets and labour supply – and improving our approach in Wales to how we enable and invest in infrastructure is widely recognised[27]. Enhanced transport connectivity will play a critical role in supporting economic flows, improving accessibility, attracting investment and enabling development.

Economic Growth Potential

The size, remoteness and the dispersed pattern of settlements in Mid Wales presents challenges in both the transport of goods and people. The network of strategic road and rail corridors in the region is large because of the vast area covered and constrained by the geography of the region. Roads are predominantly single carriageway, causing poor average speeds, long journey times and poor reliability.

The resilience of the transport network is vitally important to the regional economy. Investment is needed to address fundamental transport issues that constrain movement around the region. The Marches and Mid-Wales Freight Strategy, for example, highlights a number of issues for business that will require a combination of interventions that support and improve the network, making Mid Wales better connected. The promotion of sustainable travel modes and the decarbonisation of transport are also significant ambitions for the region.

Our aim is for an integrated and affordable regional transport system that facilitates economic growth, ensures access for all to services and opportunities, sustains and improves the quality of communities, and supports the transition to a low carbon future.

This will look to:

- Improve journey time confidence, reduce transport costs and increase reliability, to ensure freight, travel to work and public transport movements can make a step change
- Enable business growth / investment / development
- Support a modal shift to sustainable travel and the transition to a zero-carbon economy
- Improve the safety of the transport network

[25] FSB Wales (September 2019) "Are we there yet?" A Roadmap to Better Infrastructure for Wales

What We Want To Achieve

OBJECTIVE	WHAT NEEDS TO HAPPEN

Road	• Improve connectivity of the region addressing cross-border strategic routes and onward connectivity through the Strategic Roads Network into other parts of Wales and into England.
	• Improvement measures to strategic road corridors for the trunk / county road network including pinch point programme and linkages to key markets.
	  ○ Cross Border Corridors into England (e.g. A458, A44 and A483) and other Welsh regions (A487, A489 & A486).
	  ○ A44 West of Llangurig.
	  ○ Key arterial routes within the region (A470, A483 and A487/A486)

Public Transport	• Strategic rail corridor improvements such as line speed enhancements on the Cambrian Line; encouraging lightweight freight being carried on passenger services on Cambrian Coast / Cambrian Main Line; and the development of strategic hub interchanges at key rail stations. • Service connectivity interventions such as a full hourly service on the Cambrian Line to Birmingham International; Connectivity to London including extension of the Heart of Wales Line and selected Cambrian Main Line services to Crewe for connectivity to HS2 / Manchester Airport; and TrawsCymru strategic route development and long distance bus strategic hubs / interchanges with Integrated responsive transport.
Behaviour change	• Active travel packages of support to encourage walking and cycling • Dissemination of information using digital information networks & education to seek behavioural change
Decarbonisation	• Supporting modal shift to public transport. • Strategic Electric Vehicle charging network: potential to follow tourist and commercial routes & key strategic sites. • Train/Bus Hub Electric Vehicle charging points • Public Sector Ultra Low/No Emission Fleets: regional approach to reduce costs and scale.
Integration	• Rural connectivity measures such as smart highways, road and rail hubs and integrated ticketing and integrated responsive transport.

6.12 Skills & Employment

An effective, functioning labour market is essential for Mid Wales economy to grow and prosper. Ensuring the appropriate supply of skills and a capable workforce to meet business and industry demands and needs will be fundamental to our future success.

We have significant strengths regionally in our workforce – but we have structural weaknesses in the skills infrastructure that currently inhibit the regional labour market.

It is imperative that our skills institutions work effectively together to drive regional productivity and growth, underpinning the future success of our employment centres. There is a need to improve the quality and relevance of provision to become industry-led, and responsive to the opportunities regionally to support high-value and productive jobs. This will mean changes to the way we collectively work in the region, from educational provision to career pathways and industry engagement to enabling our residents to access opportunities, regardless of their location in Mid Wales.

Economic Growth Potential

Mid Wales has a highly qualified and skilled workforce. School-age attainment in Mid Wales exceeds the Welsh average. A higher proportion of the working age population are qualified to degree level compared to the national average. These strengths provide Mid Wales with the right foundations for enabling growth.

Mid Wales also faces challenge related to the uniqueness of the region. The region has a declining workforce, emphasising the need to both retain and attract economically active people to Mid Wales and upskill the existing workforce. The region's universities provide a pipeline of talented and skilled young people but there are opportunities to increase the number of graduates finding employment in Mid Wales. Local young people who move away to study find it difficult to find local employment that would enable them to return to the region, leading to a brain drain from Mid Wales.

The scale of Mid Wales and its dispersed population challenge the delivery of education provision. There is a need to develop a skills pipeline in construction, ICT and business skills. Skills and recruitment challenges exist in the following sector-based areas[28]:

Advanced materials and Manufacturing: recruitment difficulties focused on key occupations such as engineers, welders, CAD/drawing office roles and electro- technical.

Agriculture and Food: Potential impact of Brexit, combined with the seasonality of agricultural employment could lead to skills shortages. Also known shortages of vets, dairy technicians, scientists and micro-biologists.

Tourism and Leisure: Recruitment difficulties for chefs and catering roles, cleaning and housekeeping and maintenance roles have been exacerbated by the impact of EU transition.

Health and Social Care: Staff retention is a key issue, whilst recruitment is a continuing problem for care support workers, nurses, domiciliary care staff and kitchen/cleaning staff.

Energy and Net Zero: As businesses and homes seek to save energy and reduce their carbon footprint, there is an increased demand for specialist skills such as retrofitting and hat pump installation.

As our changing demographics regionally progress towards an ageing population, this will bring its own challenges to skills & employment:

Ageing workforce: due to increases in state pension age.

Multi-skilled workforce: as people remain in work longer, there will need to be a number of opportunities for life-long learning to ensure individuals remain employable and skilled.

Digital Skills and Industry 4.0 – As businesses adapt and change for the future, taking advantage of new technologies, there will be a need for workers to appropriately upskill.

Mid Wales' businesses are less likely to arrange training for their workforce and are more likely to report hard to fill vacancies compared to employers in other Welsh regions.[29] Over half of local employers also report that young entrants to the labour market are not considered ready for work.**.** The nature of work and demand for skills is changing and will continue to do so over the next 15 years. One in three jobs in Wales[30] is at risk from automation by early 2030 with lower skilled jobs being most at risk. At the same time as automation, digital technology and more flexible ways of working generate opportunities for growth in areas that offer high quality of life such as Mid Wales.

What We Want To Achieve

The first and foremost requirement for Mid Wales is to ensure a dedicated, evidence based skills system that can put the necessary focus by education providers across the spectrum to better respond to industry demands and maximise future opportunities for both young people and the existing economically active population. The establishment of the Mid Wales Regional Skills Partnership ensures a dedicated function to drive forward this work. Both Local Authorities are also undertaking a review of Post 16 provision in order to help inform the landscape and plan for the future.

Gaps currently exist in our existing skills and employment provision that is putting the future viability of our young people at risk. This has to change.

OBJECTIVE	WHAT NEEDS TO HAPPEN
Deliver responsive demand led provision	• Work with employers in key sectors to further understand their needs and provide strengthened intelligence on skills and training demands to inform academic/vocational provision. • Strengthened FE & HE presence across the whole region. Recognising the role of wider institutions (e.g. CAT) and exploring opportunities to strengthen provision. • Identification of future demands/trends, key opportunities and up-to-date labour market intelligence for Mid Wales • Promoting apprenticeships and developing new apprenticeships that are driven by local business intelligence for future workforce strategies, including opportunities to increase the use of Welsh language in apprenticeships

Tailoring regional skills & employment support	• Development of career pathways and guidance to drive growth in key regional economic sectors. • Strengthened careers information, advice and guidance across the region • Flexible and responsive skills programmes to support the supply of labour, including upskilling the existing workforce, aligned to our key strategic sectors and projects. • Development of a skills and employment pipeline of activity to support wider strategic regional activity, such as the Mid Wales Growth Deal
Capital Investment in Skills Infrastructure	• Investment in training centres and specialist facilities across Mid Wales
Tackling Barriers	• Piloting new, place-based approaches to barriers that prevent people from accessing employment e.g. transport, childcare • Supporting opportunities for young people to participate in digital and STEM activities

[29] UK Commission's Employer Skills Survey (UKCESS) 2015
[30] The Impact of AI in UK Constituencies: Where will automation hit hardest? Future Advocacy, 20

APPENDICES

APPENDIX 1 – List of Stakeholders Engaged

Stakeholders were consulted iteratively throughout the development of this document, or previously as part of wider published work & engagements, on which this document is based.

- Aber Instruments
- Aberystwyth University
- AEIC
- Agroceuticals Ltd.
- Antur Teifi
- BIC Innovation
- Black Mountains College
- Boys and Boden
- Brecon Beacons National Park Authority
- Business Wales
- BVG Airflo Group
- Cadno Comms
- Cambrian Training
- Carbon Trust
- CastAlum
- CAVO
- Celtic Energy Group
- Centre for Alternative Technology
- Chemostrat
- Coleg Ceredigion
- Compact Orbital Gears
- Cyngor Sir Gwynedd
- Dawnson Shanahan
- Development Bank of Wales
- Defence Science and Technology Laboratory
- Dulas Ltd
- Dunbia
- Dwr Cymru
- Dyfodol Cambrian Futures
- Ecodyfi
- Environment Systems
- Evabuild
- Forest Holidays
- Freedom Green Energy
- Fre-energy
- Federation of Small Businesses
- Farmers Union of Wales
- G Jones Construction Ltd
- Germinal
- Going Green for a Living Community Land Trust
- Green Man Festival
- Growing Mid Wales Partnership
- Heritage Hub for Mid Wales
- HSBC
- Ingram Networks
- Innogy Renewables UK Ltd
- Invertek Drives
- Lantra
- Lanyon Bowdler
- Larkhill Consulting
- Leonardo Company
- Local Partnerships
- Makefast
- Marches LEP
- Marine Group
- Menter a Busnes
- Mid Wales Chamber of Commerce
- Mid Wales Joint Health Committee
- Mid Wales Manufacturing Group
- Mid Wales Tourism
- Montgomery Canal Partnership
- Motif Creative
- Natural Resources Wales
- Newmor
- National Farmers Union
- Northern Industrial Battery Services (NiBS)
- NPTC Group
- Paramgan Hutchinson
- PAVO
- PCI Pharma
- Potters Waste Management
- Princes Foundation
- Qinetiq
- Rachel's Dairy
- Radnor Hills
- Randall Parker Foods
- Rebo UK
- Res Group
- Riversimple
- Royal Welsh Agricultural Society
- Rural Health and Care Wales
- Scottish Power Energy Networks
- Severn Trent Water / Hafren Dyfrdwy
  Severn Wye Energy Agency
- Snowdonia National Park Authority
- South West and Mid Wales Regional Learning and Skills Partnership
- Stagecraft
- Strata Florida Trust
- Tastetraders
- Thales
- The Green Valleys CIC
- Trax JH
- Tregroes Waffles
- TSR Surveyors
- University of South Wales
- University of Wales Trinity Saint David
- Visit Wales
- Volac International
- Welsh Government
- Welsh Sausage Company
- Western Power
- Westflight
- WLGA
- Wynnstay Plc