

Carmarthenshire County Council and
Pembrokeshire County Council

**Two County Economic Study
2020-21 Update**

**Review of the 2019-based
Interventions**

Final Report

Issue | January 2021, forecasts updated Spring / Summer 2021

This report takes into account the particular instructions and requirements of our client.

It is not intended for and should not be relied upon by any third party and no responsibility is undertaken to any third party.

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1 Introduction

1.1 Overview

Since the publication of the Two County Economic Study for Carmarthenshire and Pembrokeshire in 2019 there has been unprecedented economic change across the ‘larger than local’ Study Area, specifically in relation to the UK’s withdrawal from the European Union (‘Brexit’) and the onset of the Covid-19 pandemic. These economic ‘shocks’ have had a profound impact on a local, regional, national and international scale.

In recognition of this, Ove Arup and Partners Ltd. (‘Arup’) has been commissioned by Pembrokeshire County Council, Carmarthenshire County Council and Pembrokeshire Coast National Park Authority to undertake a ‘2020-21 Update’ of the Two County ‘Larger than Local’ Economic Study (TCES or ‘Larger than Local’) for the entirety of the County Council areas, first published in October 2019¹.

The Two County Economic Study 2019 (herein referred to as the ‘**2019 study**’) was commissioned in order to provide a basis on which to plan the provision of strategic land and premises for economic activity across the ‘Larger than Local’ area. The overall outcome of the study was to set site-specific interventions for traditional employment uses (B use classes), and criteria-based interventions for non-land specific sectors.

The **2019 Study** culminated in the publication of the following outputs:

- Two County Economic Study – Final Report
- Appendix A – Literature Review
- Appendix B – Baseline Review
- Appendix C – Strategic Sites Review
- Interventions and Strategic Sites Summary Report.

The **2019 study**, and the interventions proposed, formed part of the evidence base for the Local Development Plan reviews being undertaken by each of the County Councils²³ and informed draft policies related to employment growth and strategic site allocations.

The **2020-21 Update** looks to ‘test’ the relevance and scale of change for each of the interventions and strategic site recommendations presented in the 2019 study

¹ N.B. Brecon Beacons National Park was also was a partner in the preparation of the 2019 study, however, was not involved with the 2020/21 update commission

² Pembrokeshire County Council (2019) <https://www.pembrokeshire.gov.uk/local-development-plan-review/ldp2-evidence-base> [date accessed: 18.01.2021]

³ Carmarthenshire County Council (2019) <https://www.carmarthenshire.gov.wales/home/council-services/planning/local-development-plan-2018-2033/development-of-an-evidence-base/#.YAWdxej7SUK> [date accessed: 18.01.2021]

in light of a rapidly changing economic context. The overarching purposes of the 2020-21 Update are presented in more detail in section 1.2 overleaf.

1.2 Purpose of the ‘Larger than Local’ Economic Study Update

The purpose of the ‘Larger than Local’ Economic Study Update is to:

- Utilise the 2020-21 baseline update in order to ‘risk assess’ the findings (SWOT, land requirements and interventions) of the 2019 study to ensure that the Two County Economic Study remains a robust ‘Larger than Local’ evidence base document to support the development Pembrokeshire County Council and Carmarthenshire County Council’s Local Development Plan documents.
- Revisit the quantitative analysis of forecast demand for employment sites and update this with scenarios ‘one year on’ from the publication of the 2019 study (**Appendix B**). In addition, the 2020-21 Update seeks to supplement these findings with anecdotal evidence arising from additional targeted engagement with stakeholders undertaken in Autumn 2020 and contextual messages emerging through an updated literature review (**Appendix A**).
- Using the risk assessment of the 2019 study and the revised ‘one year on’ quantitative analysis of forecast demand, to understand whether there are areas which will require any further justification to ensure that the Two County Economic Study remains a sufficiently flexible document to withstand the changing economic baseline posed by Brexit and Covid-19 recovery.

In addition, the 2020-21 Update has also included the preparation of a dashboard to understand further the spatial implications of the Covid-19 pandemic and other key economic indicators. Prepared in late 2020, this was both useful through the pandemic to draw spatial conclusions in relation to the hardest hit economic sectors, and the impact that this has on the 2019 findings, whilst also providing a valuable tool for the County Councils which can be utilised beyond the context of the Two County Economic Study. Where relevant, ‘snapshots’ from the dashboard can be viewed within **Appendix A**, the baseline review.

This Update Report (including the Review of 2019 Study Interventions; Appendix A Baseline Review and Appendix B Review of Forecasts) is neither an exhaustive list of updates nor has it endeavoured to repeat information collated as part of the 2019 study. It is also not intended to be a definitive baseline of all economic strategies and initiatives within the Study Area.

In addition, as the EU-UK Trading Arrangement only came into force on the 1st January 2021, and the medium-long term impacts of Covid-19 are as yet unclear, the effects remain unknown. A large number of perceived threats and opportunities will be subject to individual businesses and governmental ability to respond agilely to these changes.

Ongoing up-dates to this Study, the SWOT and the Baseline Review will therefore remain essential throughout 2021-22 and beyond.

2 **‘Larger than Local’ Update: Starting Point**

2.1 **Overview**

It should be noted that the starting point for the 2020-21 Update was the 2019 study, and as such, as noted above, it is not the intention of this report to provide an exhaustive list of all policy drivers, spatial context or demographic characteristics. Instead, it focuses on providing an update on the key issues which have emerged throughout 2020 and may require further updates once the implications of Brexit and the Covid-19 pandemic become clearer.

Similar to the 2019 study, the 2020-21 Review of Interventions is prepared in accordance with Technical Advice Note 23 Economic Development. Key definitions and terminology from the 2019 study have remained consistent and this is explained further in section 2.2 below.

2.2 **‘Larger than Local’ Update Starting Point**

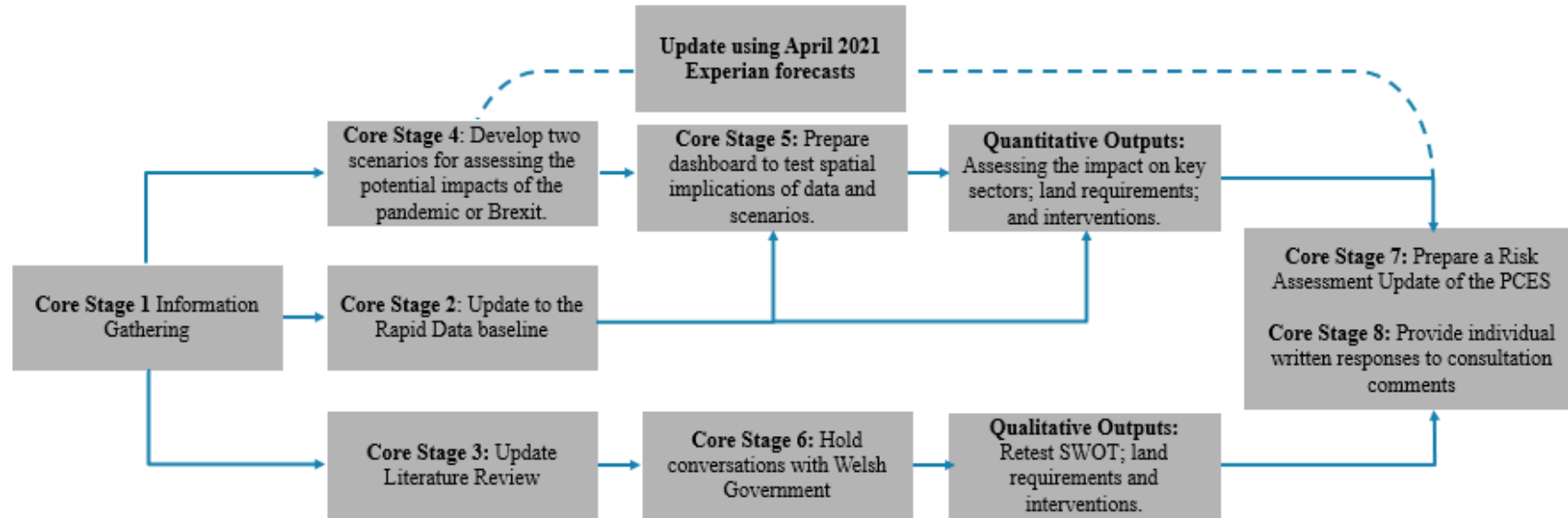
Methodology

The 2020-21 Update follows the core project stages as shown in **Figure 1** below.

The first step in the preparing the 2020-21 Update was an information gathering stage. This identified critical qualitative and quantitative updates to the data baseline and literature review published in 2019. This stage was followed by the preparation of the abovementioned digital dashboard, which assisted in analysis of the spatial implications of the Covid-19 pandemic in particular. This baseline information was supplemented with anecdotal data obtained through targeted stakeholder engagement with Welsh Government sector leads, and representatives from the Two County authorities.

Utilising all of this information the findings of the 2019 study were reviewed within the updated economic context. This then culminated in a ‘risk assessment’ of the interventions and actions recommended as part of the 2019 study to understand their relevance and applicability a year later. This risk assessment is presented within section 5 of this report.

Figure 1 Methodology for 2020-21 Update



Report Structure

In consideration of the above methodology, the remainder of this report is structured as follows:

- **Section 3** sets out the key contextual changes of relevance to the Study Area since the publication of the 2019 study which is then presented in further detail within **Appendix A** Baseline Review (comprising a literature review and data baseline review).
- **Section 4** summarises the implications of this Baseline Review, targeted stakeholder engagement undertaken in late 2020 and review of employment forecasts ‘one year on’, to support an understanding of the main areas of change.
- **Section 5** presents the risk assessment of the key interventions and supporting actions and site-based interventions emerging from the 2019 study, against the updated 2020 findings.
- **Section 6** draws out the conclusions arising from this work and presents further recommendations for the consideration of the County Councils and National Park Authorities.

‘Larger than Local’ Update Starting Point: Understanding a Changing Context

Since the publication of the 2019 study, there have been significant changes in terms of the economic context of the Study Area most notably as a result of national and global ‘shocks’, namely Brexit and the Covid-19 pandemic.

At the time of writing, the effects of both Brexit and Covid-19 are still being felt, with the short, medium, and long term implications yet to be realised. As such, the 2020-21 Update has had to work within the context of constantly changing baseline. Notwithstanding this, the study, which was prepared between October / November 2020 and early January 2021, did seek to remain up to date with emerging trends and issues as they arose throughout the project. A timeline of the key changes can be viewed within a timeline in **Figure 2**.

Limited additional updates were made in Spring and Summer 2021 particularly in relation to updated April 2021 Experian forecasts, which takes account of the original vaccine roll-out programme being exceeded and the economy responding to lockdown lifting from June / July 2021 onwards. This update also takes account of publication of key strategic planning documents by the Welsh Government, namely Future Wales: the national plan 2040. It is acknowledged that there is some asymmetry between the October / November 2020 data baseline, and revised Experian forecasts, however this is reflective of the extremely rapid change occurring at a macro-economic level which has borne out through the study.

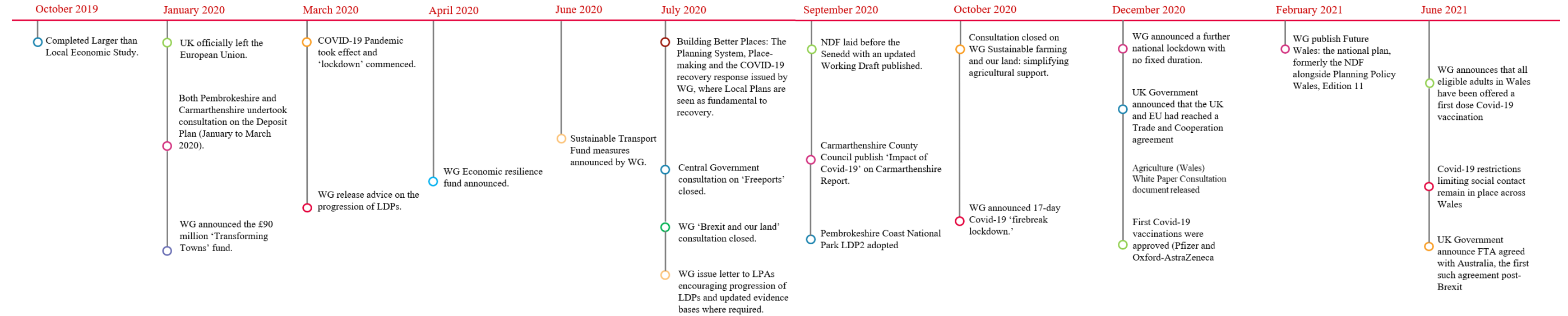
Demographic changes and developments within policy and guidance which have emerged since the publication of the 2019 study are summarised in Section 3 of this report and presented in further detail within **Appendix A**.

‘Larger than Local’ Update Starting Point: Key Assumptions

- As noted above, in preparing the updates to the evidence base, it should be recognised that the study does not ‘start from scratch’. The focus of the 2020-21 Update will be to test whether the 2019 conclusions remain relevant and whether this achieves the strategic aims of the ‘Larger than Local’ area, rather than providing centre-specific recommendations.
- It is acknowledged that the 2020-21 Update has been prepared within a constantly changing economic, social and health-related environment. As such, the 2020-21 Update acknowledges that there is some asymmetry between the comprehensive update that was undertaken in October / November 2020 and the update undertaken alongside the revised Experian forecasts in April 2021. Given the pace of change in the macro-economic, political and social environment, 2021 changes are limited and are treated proportionately in the context of the previous 2019 and 2020 updates.
- Based on the above, it is therefore assumed that the TCES will be updated and continue to be reviewed as the economic context becomes clearer. It is advised that a further update is undertaken following Local Development Plan examination to clarify elements of risk which are currently unknown.
- The Study Area remains consistent with that used for the 2019 study, focusing on Local Authority boundaries and the Travel to Work areas identified for Carmarthenshire and Pembrokeshire through the 2011 census.
- The definition of a strategic site remains unchanged from the 2019 study and therefore is considered to be sites which are larger than approximately 10ha⁴.

⁴ It should be noted that this strategic site definition differs from the definition of a ‘strategic site’ within the Carmarthenshire County Council LDP2 Deposit Plan which defines strategic employment sites as sites which have been identified as making an important contribution to the overall provision for growth during the plan period.

Figure 2 2020-21 Update Project Timeline



3 'Larger than Local' Update: Study Area Profile

3.1 Overview

In line with core stages 2, 3 and 4 of the methodology shown in **Figure 1** the first stage of the 2020-21 Update was to undertake a comprehensive data analysis exercise to understand the changes to the Study Area profile since the publication of the 2019 study. This took the form of a literature review and a data baseline review both of which are presented in detail in **Appendix A** of this report and are summarised in below.

The implications of this review of the study are drawn out within the SWOT analysis in Section 4 and the risk assessment of the interventions presented in Section 5.

3.2 'Larger than Local' Update: Changes to National, Regional, Local Context and Objectives

The following plans, documents and initiatives have been published since the culmination of the 2019 and are considered to be of relevance to the Two County Economic Study. Whilst a summary of each of the documents is provided below, more detail can be found in **Appendix A**.

3.2.1 National Level Objectives

The following documents have been published at a Welsh Government and UK Government level since the culmination of the 2019 study. Their strategic vision and/or key focus on a particular sector means they are considered to be applicable to the Study Area.

Welsh Government: Future Wales: The National Plan 2040

The Welsh Government adopted Future Wales: the national plan 2040 in February 2021. It is the highest-level spatial plan in Wales. Consultation on the draft NDF was ongoing at the time of publication of the 2019 Study, running from 7 August 2019 to 15 November 2019.

For the purposes of publication, the document has been re-named to 'Future Wales: the national plan 2040' (herein referred to as 'Future Wales') but statutorily will remain the National Development Framework. The key changes presented within the Working Draft document compared to the draft NDF can be summarised as follows:

- Re-categorisation of regional policies under four regional groupings, rather than the previously proposed three. The South West region, the focus of the Study Area, is now proposed to comprise Pembrokeshire, Carmarthenshire, Swansea and Neath Port Talbot.

- An acknowledgement of the potential spatial implications associated with lifestyle changes as a result of the Covid-19 pandemic (e.g. uptake in home working).
- No longer includes priority areas for solar energy generation. Priority areas for wind generation have been retained and renamed as ‘pre-assessed areas for wind energy’.
- **Policy 10** defines the Haven Waterway (including the Ports of Pembroke Dock and Milford Haven) and Fishguard Port as ‘strategic gateways to facilitate international connectivity’.
- **Policy 28** confirms that Swansea Bay and Llanelli is designated as a regional growth area within the South West Wales region. This means that it will be the focus for growth and investment, including strategic economic growth.
- **Policy 29** defines Carmarthen and the four Haven towns (Milford Haven, Haverfordwest, Pembroke and Pembroke Dock) as regional growth areas with important sub-regional functions.
- **Policy 32** specifically relates to the Haven Waterway and states, ‘The Welsh Government supports operations at Haven Waterway, and recognises its location for potential new renewable and low carbon energy related development, innovation and investment’.

The above policies serve to demonstrate the importance of the Two County Study Area to the economy of the South West region particularly around the focused growth areas of Llanelli, Carmarthen and the Haven Towns.

Welsh Government Programme for Government 2021 to 2026 (June 2021)

In June 2021, the Welsh Government published its Programme for Government following the Senedd elections in May 2021.

The Programme for Government includes the following key aims for the Senedd to 2026:

- Provide effective, high quality and sustainable healthcare;
- Protect, re-build and develop our services for vulnerable people;
- Build an economy based on the principles of fair work, sustainability and the industries and services of the future. This focusses on supporting young and vulnerable people, supporting Welsh businesses to create new jobs, find new export markets and invest in the sustainable green industries of tomorrow.
- Build a stronger, greener economy as we make maximum progress towards decarbonisation, which includes launching a new 10-year Wales Infrastructure Investment Plan, a Digital Strategy for Wales, a modern legislative framework for transport in Wales and working towards a target of 45% of journeys through sustainable modes by 2040.
- Embed our response to the climate and nature emergency in everything we do, which includes progressing towards a sustainable timber industry, a Wales Community Food Strategy, re-use and repair hubs in town centres, and significantly enhancing green spaces.

- Continue our long-term programme of education reform, and ensure educational inequalities narrow and standards rise.
- Celebrate diversity and move to eliminate inequality in all of its forms.
- Push forward towards a million Welsh speakers, and enable our tourism, sports and arts industries to thrive. This includes consulting on legislation which permits LPAs to raise a tourism levy, alongside legislation to strengthen and increase Welsh Language education provision.
- Make our cities, towns and villages even better places in which to live and work.
- Lead Wales in a national civic conversation about our constitutional future, and give our country the strongest possible presence on the world stage.

Welsh Government: Planning Policy Wales, Edition 11

Alongside Future Wales, the Welsh Government published the 11th edition of Planning Policy Wales (PPW11) which sets out the land use planning policies of the Welsh Government.

Policies remain largely unchanged from the previous edition of the document. Economic development and its relationship to the planning system is set out under the heading of ‘Productive and Enterprising Places.’ The definition of economic development remains. ‘development of land and buildings for activities that generate sustainable long term prosperity, jobs and incomes.’

Paragraph 5.4.3 sets out that ‘planning authorities should support the provision of sufficient land to meet the needs of the employment market at a strategic and local level’ and that ‘development plans should identify employment land requirements, allocate an appropriate mix of sites to meet need and provide a framework for the protection of existing employment sites of strategic and local importance.’

Welsh Government: Sustainable Farming and Our Land

Sustainable farming and our land⁵ provides a policy framework for land management reform in Wales post Brexit.

Due to the higher proportion of employment in the agriculture sector in the Study Area Carmarthenshire (2.6%) and Pembrokeshire (2.8%) compared to 1.2% in Wales; it is acknowledged that the Study Area could be disproportionately affected by any land reform measures post-Brexit.

Welsh Government: Agriculture (Wales) Bill White Paper (December 2020)

During the progression of the study, the Welsh Government published the Agriculture (Wales) Bill White Paper which drew on the consultation responses to Sustainable Farming and Our Land. This adopted the Sustainable Land Management (SLM) policy framework as the overarching principle for future

⁵ Welsh Government (2020) <https://gov.wales/sustainable-farming-and-our-land-simplifying-agricultural-support> [date accessed: 20.01.21]

policy and support. It will be important to monitor how the ‘Sustainable Farming Scheme’ progresses through to introduction of the Bill in Summer 2022.

Welsh Government: Manufacturing future for Wales ‘A framework for action’

A Manufacturing future for Wales: a framework for action⁶ encourages greater innovation and headquarter location across Wales, growth of export potential, increased quality employment and skills across Wales and expanding the research and development base across Wales. Specifically, the South West is highlighted as an area where there is a need to address climate change related to significant industrial processes taking place. Manufacturing is a key sector for the Two-County Economic Study area, particularly in Carmarthenshire owing to the large proportion of total employment within this sector (42%). Results of the consultation would therefore be pertinent to the Study Area.

Welsh Government: Llwybr Newydd ‘A new Wales Transport Strategy’

The new Wales Transport Strategy⁷ sets out the five-year priorities for an accessible, sustainable transport system. As outlined in detail in Appendix A, and presented within the 2019 study, general connectivity within the Study Area and to strategic key settlements outside the Study Area is difficult owing to a lack of infrastructure, particularly for public transport users. As such the abovementioned points will likely be welcome within the region and links to plans for a South West Wales Metro.

UK Government: Treasury Spending Review

The Spending Review⁸ prioritises supporting jobs and stabilising the economy, with a focus on ‘levelling up’ the regions and devolved nations.

The national minimum wage has been increased for all age groups from apprenticeship to 23+ from April 2021, which is positive for lower paid workers and younger employees. SR20 confirms continuation of support for employers including loans; freezing of the business rates multiplier, business rates relief and expansion of the British Business Bank’s Start Up Loans. A range of funding packages are confirmed to support local economies; of significance to the Study Area is:

- £115.6 million in Swansea Bay City Deal;
- £240 million to support farmers and land managers which would particularly help the area given the high percentage of agriculture;
- £2 million to support fisheries in Wales; and

⁶ Welsh Government (2020) <https://gov.wales/manufacturing-future-wales-framework-action> [date accessed: 27.0.21]

⁷ Welsh Government (2020) <https://gov.wales/llwybr-newydd> [date accessed: 20.01.21]

⁸ UK Government (2020) <https://www.gov.uk/government/topical-events/spending-review-2020> [date accessed: 20.01.21]

- At least one Freeport in Wales to be a hub for global trade and investment across the UK, promoting regeneration, job creation and innovation.

UK Government: Budget 2021

Budget 2021 builds on the Treasury Spending Review and has a continued focus on recovery from the Covid-19 pandemic. As a result it includes measures such as extending the Coronavirus Job Support Scheme on a national level to 30 September 2021 and an extension of the VAT cut for hospitality, accommodation and attractions across the UK until the end of September (with a further 12.5% rate until March 2022). Measures of particular relevance to the study area specifically include:

- An addition £740m funding to Welsh Government through the Barnett formula, plus an additional £300m of funding outside of the formula.
- Delivery of a free port in Wales ‘as soon as possible.’
- Accelerated funding for the Swansea Bay City Deal.

UK Government: Levelling Up Fund

The UK Government published its prospectus for the ‘Levelling Up’ fund in March 2021. This confirms that £800m will be invested in the devolved administrations and confirms that in Wales, funding will be delivered through local authorities. The fund will primarily focus on investment projects of up to £20m around three themes: smaller transport projects that make a genuine difference to local areas, town centre and high street regeneration and expanding the UK’s world-leading portfolio of cultural and heritage assets.

UK Government: National Infrastructure Strategy

The Infrastructure Strategy⁹ builds on the Spending Review and outlines support for the ‘levelling up’ agenda and funding through City Deals in addition to the UK wide gigabit capable broadband; which could be beneficial for the Study Area given that many businesses have noted a need to upskill in IT and digital to support the move to home working as a result of Covid-19.

UK Government: Infrastructure Bank

In March 2021 the UK Government published details in relation to the UK Infrastructure Bank. The Bank will operate for the whole of the UK with its core objectives being:

1. **Help tackle climate change**, particularly meeting the net zero emissions target by 2050;
2. **Support regional and local economic growth** through better connectedness, opportunities for new jobs and higher levels of productivity.

The Bank will have £22bn to deliver on these objectives. It will be able to:

⁹ UK Government (2020) <https://www.gov.uk/government/publications/national-infrastructure-strategy> [date accessed: 20.01.21]

- Provide a range of financing tools across the capital structure, including debt, hybrid products, equity and guarantees to support private infrastructure projects;
- Provide loans to local authorities for strategic infrastructure projects;
- Expand institutional investment in UK infrastructure; and
- Provide advisory support to projects. The Policy Design document confirms that a priority will be building strategic partnerships with other organisations, and the Development Bank of Wales is specifically referenced.

UK Government: Ten Point Plan for a Green Industrial Revolution

The Ten Point Plan¹⁰ outlines the Governments approach to build back better, support green jobs, and accelerate the path to net zero. Key points in relation to the Study Area are:

- 1: Advancing Offshore Wind: By 2030, proposals to quadruple offshore wind capacity to generate more power than our homes use today, backing new innovations to make the most of this technology and investing to bring new jobs and growth to ports and coastal towns.
- 4: Accelerating the Shift to Zero Emission Vehicles; which could result in investment of the car manufacturing industry in the area; and
- 8: Investing in Carbon Capture, Usage and Storage; which highlights potential for an industrial cluster in Wales.
- 10: Green Finance and Innovation: commitment to raising total research and development investment to 2.4% of GDP by 2027 and in July 2020 published the UK Research and Development Roadmap.

In particular, the focus on offshore wind and support identified for ports to support this sector could be positive for Pembrokeshire and the wider region. This reflects the presence of Marine Energy Wales locally and also companies such as Blue Gem Wind and their proposals for a demonstration site ‘Erebus’ in the Celtic Sea¹¹.

International Trade Deals

The EU-UK Trade and Cooperation Agreement came into force effectively from the 1 January 2020, after having been agreed by the EU and UK negotiators on the 24 December 2020.

The EU-UK Trade and Cooperation Agreement¹² consists of a Free Trade Agreement, with ambitious cooperation on economic, social, environmental and

¹⁰ UK Government (2020) <https://www.gov.uk/government/publications/the-ten-point-plan-for-a-green-industrial-revolution> [date accessed: 27.01.21]

¹¹ Simply Blue Energy (2020) <https://simplyblueenergy.com/erebus/> [date accessed: 27.01.21]

¹² UK Government (2020) <https://www.gov.uk/government/publications/agreements-reached-between-the-united-kingdom-of-great-britain-and-northern-ireland-and-the-european-union> [date accessed: 21.02.21]

fisheries issues; a close partnership on citizens' security, an overarching governance framework.

The deal sets out preferential arrangements in areas such as trade in goods and in services, digital trade, intellectual property, public procurement, aviation and road transport, energy, fisheries, social security coordination, law enforcement and judicial cooperation in criminal matters, thematic cooperation and participation in Union programmes. It is underpinned by provisions ensuring a level playing field and respect for fundamental rights.

The Agreement does not, however, cover any decisions relating to financial services, data protection, or regimes related to human, plant and animal health which is important for products looking to be exported to the EU. Indeed, these are unilateral decisions of the EU and were not subject to the negotiation¹³.

A full list of trade deals made with non-EU countries is presented on the UK Government website¹⁴ including their current status. A large number of countries and blocs including the Southern Africa Customs Unions, Turkey and Iceland and Norway have agreed to continue trading with the UK on the same terms as when the country was in the EU¹⁵. Notable new free trade deals which have been agreed with non-EU countries since the Brexit deal include Japan, Singapore and Australia.

3.2.2 Cymraeg 2050: a million Welsh speakers

In March 2019, the Welsh Government published 'Cymraeg 2050: a million Welsh speakers' which sets out a strategy to increase the number of Welsh speakers across Wales to 1 million by the year 2050. The Strategy is arranged around three key themes:

- Increasing the number of Welsh speakers;
- Increasing the use of Welsh; and
- Creating favourable conditions – infrastructure and context.

In consideration of these national ambitions to enhance the Welsh language, as well as those at a local level, in February 2020 consultants Iaith/BURUM undertook a review of the draft Two County Economic Study 2020-21 Update. The purpose of the review was to identify any trends / risks based on the emerging findings that may have an impact on the Welsh Language and specifically, the Welsh Language Impact Assessment that Iaith / Burum prepared for the Carmarthenshire County Council LDP2 in December 2019.

The review considered the strategic interventions presented as part of the 2020-21 Update (presented in section 5 of this report) and provided some commentary as

¹³ Institute for Government (2021) <https://www.instituteforgovernment.org.uk/publication/future-relationship-trade-deal>

¹⁴ UK Government (2020) <https://www.gov.uk/guidance/uk-trade-agreements-with-non-eu-countries> [date accessed: 22.01.21]

¹⁵ BBC News (2020) <https://www.bbc.co.uk/news/uk-47213842> [date accessed: 22.01.21]

to the potential impacts they may have on the Welsh language. This analysis presented in Table 10 of **Appendix A**.

The Iaith/BURUM review concluded that *‘there are no specific issues and recommendations arising out of the 2020-21 Update. All such sites in Carmarthenshire are proposed allocations in the Deposit LDP and, in accordance with TAN 20 advice do not require a further Welsh Language Impact Assessment.’*

The review was intended as ‘high level comment’ on the 2020-21 Update and the changes made to the interventions compared to the 2019 study. The Iaith/BURUM assessment highlights opportunities for the Two County authorities to align the interventions/actions recommended within the 2020-21 Update to broader strategies and actions being undertaken in relation to the promotion and enhancement of the Welsh language, and this will be a matter for the further consideration of Carmarthenshire and Pembrokeshire County Councils.

3.2.3 National Level Funding Opportunities

In addition to the above policy and strategic growth initiatives, as a result of the Covid-19 pandemic there have been several funding opportunities which have emerged in order to support the ‘opening up of the economy’ across Wales. The impact of such funds on the Study Area include the following:

- Data suggests that the two county area has benefitted from funding both at an individual business level and in terms of local spatial priorities (e.g. the regeneration of town centres via the **Transforming Town funds**¹⁶). As identified within the 2019 study, revitalising high streets was a regional priority before the pandemic, however, Covid-19 and resultant support available has acted as a catalyst to many of these plans and established schemes (e.g. South Quay in Pembroke) have benefited positively.
- In relation to the **Sustainable Transport Fund (May 2020)**, Carmarthenshire benefited from £1.72 million pounds of funding for works to promote social distancing on public transport, routes to school and within the public realm as well as investment in cycle infrastructure, reallocating on-street parking provision and implementing a package of measures ‘to promote active travel movements whilst facilitating social distancing in rural towns across Carmarthenshire’¹⁷. Pembrokeshire received funding to the value of £560,000, which was utilised for the introduction of 20 mph speed limits, re-allocating road space in town centres, as well as footpath improvements and public transport infrastructure enhancements.
- Support arising from the Covid-19 pandemic, e.g. the **Economic Resilience Fund**¹⁸, was particularly needed within the larger than local area at an

¹⁶ Welsh Government (2020) <https://gov.wales/90-million-programme-transform-wales-towns> [date accessed: 20.01.21]

¹⁷ Welsh Government (2020) <https://gov.wales/sites/default/files/publications/2020-06/local-council-sustainable-transport-measures-allocation-of-funds.pdf> [date accessed: 30.10.20]

¹⁸ Business Wales (2020) <https://businesswales.gov.wales/coronavirus-advice/support/financial-support-and-grants> [date accessed: 20.01.21]

individual business level owing to key economic attributes of the area. For example, across the Study Area there is a reliance on SMEs and micro-businesses which historically are more vulnerable to economic ‘shocks’.

- Additionally, the Study Area has a high rate of self-employment and a sector focus on accommodation and food services which is also evident in terms of the applications for **Coronavirus Job Retention Scheme (CJRS)** for ‘furloughed’ workers and the **Self Employment Income Support Scheme (SEISS)**. Pembrokeshire had one of the highest take ups of furlough in Wales (34%) which may also be a reflection of the reliance on sectors such as accommodation and food services and retail which have been particularly hard hit by the pandemic¹⁹.

3.2.4 Regional Objectives

Since the conclusion of the 2019 study there has also been progress made in relation to regional objectives, most notably projects associated with the **Swansea Bay City Deal** following a commitment of around £115.6 million in 2017²⁰.

Swansea Bay City Deal projects within the Study Area including Pembroke Dock Marine, Llanelli Life Science and Well-being Village, the Digital Infrastructure Project and the Skills and Talent Programme have all progressed since the last study, including approvals of business cases at a local and national level allowing City Deal funding to be accessed. Specifically, in June 2020, the UK Government and Welsh Government approved the business case for the Pembroke Dock Marine project;²¹ which is led by the private sector with support from Pembrokeshire County Council and is expected to generate more than 1,800 jobs in the next 15 years. Approval of the business case means the project can start accessing £18 million funding that the two governments have released.

In the 2021 Budget, the UK Government confirmed accelerated funding for the City Deal to allow projects to be delivered more quickly.

This suggests there is still market confidence and some sense of certainty which will be critical in terms of encouraging further growth post-pandemic within the two county area. It also perhaps highlights that in particular, there is more certainty in the energy, health and wellbeing and digital sectors in consideration of the sectoral focus of City Deal projects. It further reflects positively on the continuation of the construction sector post-pandemic which is important in consideration of the large proportion of employment within construction across the Study Area.

Since the publication of the 2019 study there have been limited further updates in terms of activity within the **Haven Waterway Enterprise Zone**. The role of

¹⁹ WLGA (2020)

<https://www.wlga.wales/SharedFiles/Download.aspx?pageid=62&mid=665&fileid=2166> [date accessed: 20.01.21]

²⁰ Swansea Bay City Deal (2021) <https://www.swanseabaycitydeal.wales/> [date accessed: 22.01.21]

²¹ <https://www.swanseabaycitydeal.wales/news/green-light-for-60-million-pembrokeshire-marine-energy-project/>

Enterprise Zones has not formed part of newly released policy (e.g. Building Better Places), however the Wales Development Bank offers preferential loan terms for companies based within an Enterprise Zone, which demonstrates that there are still financial incentives associated with the designation²².

3.2.5 Local Objectives

Since the previous study, the PCC and CCC LDP reviews have progressed: specifically, Pembrokeshire LDP2 Deposit Plan²³ was published in January 2020; and Carmarthenshire LDP 2 Deposit Plan²⁴ was published in February 2020. Both Deposit Plans provide more detail on site specific allocations and detailed planning policies including for employment land allocations. Section 5 tests the findings of the 2020-21 Update against proposed interventions for strategic sites to understand if there are any changes.

However, since the publication of the LDP2, progress on the Local Plans has been delayed by the new phosphate standard for Riverine SACs in Wales published by National Resources Wales. These targets are around 50% - 80% more stringent than previously, and will impact 44% of the area within Pembrokeshire's planning jurisdiction. The reality of this new guidance is that for development proposals in locations with a main sewage system, foul flows are expected to have an unacceptable potential impact on the status of the SAC. Guidance will apply to new house-builds and to developments such as new hospitals and employment sites; it will also have impacts on LDP2 draft allocations too²⁵. One of the responses to this issue will be in the Establishment of a Cleddau Nutrient Management Plan Board, however this will require ongoing management to understand implications.

The Welsh Government released the new Technical Advice Note 15: Development and Flood Risk, which comes into effect in December 2021. This guidance now requires prospective developers to take into account the risk posed by potential climate change-induced flood and coastal erosion. This has implications for several of the employment allocations proposed for retention.

Additionally, Pembrokeshire Coast National Park LDP2²⁶ was adopted in September 2020 and Brecon Beacons National Park LDP review²⁷ has been paused due to Covid-19 restrictions.

²² Development Bank (2020) <https://developmentbank.wales/get-business-finance/interest-rates/enterprise-zones> [date accessed: 22.01.21]

²³ Pembrokeshire County Council (2020) <https://www.pembrokeshire.gov.uk/local-development-plan-review/deposit> [date accessed: 20.01.21]

²⁴ Carmarthenshire County Council (2020) <https://www.carmarthenshire.gov.wales/home/council-services/planning/local-development-plan-2018-2033/#.YBFOQ-j7Q2w> [date accessed: 20.01.21]

²⁵ Director of Community Services (1st November 2021) Establishment of a Cleddau Nutrient Management Plan Board:
<https://mgenglish.pembrokeshire.gov.uk/documents/s63100/3.5%20-%20202109%20Cabinet%20Report%20-%20Cleddau%20Nutrient%20Management%20Plan%20Board%20FINAL.pdf>

²⁶ PCNPA (2020) <https://www.pembrokeshirecoast.wales/planning/planning-policy/local-development-plan-2/> [date accessed: 20.01.21]

²⁷ BBNPA (2020) <https://www.beacons-mpa.gov.uk/planning/draft-strategy-and-policy/local-development-plan-review/> [date accessed: 20.01.21]

3.3 ‘Larger than Local’ Update: Changing Social, Environmental and Economic Context

A detailed overview of the changing social, environmental context of the Study Area, including an update on each of the key settlements, can be found in the Baseline Review within **Appendix A**.

The key findings of **Appendix A**, which include a summary of the data baseline, literature review and targeted stakeholder engagement, can be summarised as follows:

- Overall, data suggests that the economic baseline for the Study Area has not altered significantly since the publication of the 2019 study. Updated BRES data has been analysed which suggests that overall the key sectors within the region remain as manufacturing, agriculture, accommodation and food services, health and retail. The figures do suggest however that there has been a fall in the proportion of employees working within agriculture in Pembrokeshire, which will be explored further as part of the forecasts and could be significant in the context of ‘Brexit’.
- Despite data showing limited changes in the past year, some notable findings include reduced employment in key sectors e.g. agriculture in Pembrokeshire and, earnings data suggests that overall between 2018 and 2020 earnings within the Two County area have increased, and more notably so compared to the South West Wales region and Wales as a whole.
- Data published by the UK Treasury in relation to the ‘furlough’ scheme can help to understand how the Covid-19 pandemic has impacted the Two County Study Area and this is also explored within the dashboard. Pembrokeshire had one of highest take up rates of furlough in Wales (34%). This can perhaps be explained by the large proportion of employment within the ‘accommodation and food services sector’. Sectoral data on furlough is only available at a Wales wide level, however this shows that, as a sector, ‘accommodation and food services’ had the highest furlough take up in Wales at 78% of the total workforce²⁸.
- In terms of demographic data, new population projections have been released since the 2019 study. These show that in the next 20 years, population growth in both Pembrokeshire and Carmarthenshire will increase overall, however this is at a lower rate than both South West Wales and Wales as a whole²⁹.
- Analysis of anecdotal evidence provided by Visit Wales suggests that 2020 has been a turbulent year for the tourism sector³⁰. This is particularly significant in the context of the Two County area given the importance of this

²⁸ UK Government (2020) <https://www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-august-2020> [date accessed: 20.01.21]

²⁹ StatsWales (2020) <https://statswales.gov.wales/Catalogue/Population-and-Migration/Population/Estimates/Local-Authority/populationestimates-by-localauthority-year> [date accessed: 20.01.21]

³⁰ Welsh Government/Government Social Research (2020) <https://gov.wales/sites/default/files/statistics-and-research/2020-08/tourism-barometer-coronavirus-covid-19-impact-survey-wave-4-2020.pdf> [date accessed: 11.11.20]

sector to the regional economy. The impact of Covid-19 on tourism could also disproportionately impact particular key settlements which rely more heavily on the visitor economy e.g. Fishguard, Saint David's and Tenby, although the medium and long-term effects remain to be seen.

- Despite the challenges faced by the Covid-19 pandemic, critical development proposals within the region, specifically the Swansea City Deal projects, and tourism related investment e.g. the Pendine tourism attractor project, continue to progress³¹. Furthermore, investment priorities within the region have been able to benefit from new national funding streams being established in response to the pandemic e.g. Pembroke South Quay redevelopment receiving investment from the Welsh Government's Transforming Towns fund.
- Draft Local Development Orders (LDOs) have been established for Carmarthen and Ammanford town centres. The aim of these LDOs are to facilitate changes of use of vacant retail units in order to revitalise and regenerate these centres³². Whilst the Covid-19 pandemic and ongoing national 'lockdowns' have acted as a catalyst for LDO implementation, they link to longer term ambitions for regeneration as evidenced by the High Street taskforce work being undertaken and Ammanford being identified as a priority location for the Welsh Government Targeted Regeneration Investment Programme³³.
- The UK Government has progressed plans to establish Freeports following the UK's withdrawal from the European Union. It has been announced that at least one Freeport will be established in Wales, which will be determined in cooperation with the Welsh Government. Limited further information in relation to the Freeports bidding process for the devolved nations is available at the time of writing³⁴.

³¹ Carmarthenshire County Council (2020) <https://newsroom.carmarthenshire.gov.wales/2020/08/pendine-beach-car-park-re-opens/#.X70mCM37Q2w> [date accessed: 24.11.2020]

³² Carmarthenshire County Council (2020) <https://democracy.carmarthenshire.gov.wales/documents/s44891/7.%20Statement%20of%20Reasons%20Carmarthen%20LDO.pdf> [date accessed: 24.11.2020]

³³ Welsh Government (2020) <https://gov.wales/support-improve-town-centres/targeted-regeneration-investment-programme> [date accessed: 24.11.2020]

³⁴ UK Government (2020) <https://www.gov.uk/government/news/government-outlines-new-plans-for-freeports-to-turbo-charge-post-brex-it-trade> [date accessed: 20.11.2020]

4 'Larger than Local' Update: SWOT Analysis

4.1 Overview

Overall, whilst the data baseline review and targeted engagement with stakeholders presents some key updates since the publication of the 2019 study, particularly in terms of the policy context and funding streams, the overarching themes such as sectoral priorities and local assets of strategic importance (e.g. the M4/A48 road network and the Milford Haven Waterway) remain unchanged.

As a result of the above, rather than prepare a fully updated SWOT analysis, the 2020-21 Update has considered threats and opportunities principally arising from the key changes seen over the past year: Brexit and Covid-19, on a key sector-by-key sector basis. This has been informed by the data baseline review and targeted engagement with key stakeholders. This analysis, presented in **Table 1** below, should be considered against the SWOT analysis presented as part of the 2019 study.

The implications of this are considered in more detail in the risk assessment in section 5.

It is worth noting at this stage that threats and opportunities are based on potential trends and should not be read as facts. As the EU-UK Trading Arrangement only came into force on the 1st January 2021, and the medium-long term impacts of Covid-19 are as yet unclear, the effects remain unknown. A large number of perceived threats and opportunities will be subject to businesses ability to respond agilely to this change. **Ongoing up-dates to this Study and the SWOT following the Local Development Examination will therefore remain essential.**

Table 1 Brexit and Covid-19 January 2020 'Initial' Opportunities and Threats Analysis

Sector	Brexit		Covid-19	
	Threats	Opportunities	Threats	Opportunities
Agriculture	<ul style="list-style-type: none"> Agricultural employment in Pembrokeshire has experienced a marked decrease in the past 2 years (from 3.7% to 2.8% of total employment)³⁵. Carmarthenshire has a larger number of people employed in the sector compared to national average. Potential impact of EU-UK Trade Agreement on SPS border controls and cost implications of these. Sanitary and Phytosanitary (SPS) border controls involved extensive checks on animal products, fish, shellfish and their products, live animals and plants and plant products. These checks could increase the costs associated with agri-food trade between GB and EU. 	<ul style="list-style-type: none"> 'Greening' and focus on sustainable land management, which could help respond to the climate emergency. Agriculture (Wales) Bill could be catalyst for land management reform and Domestic Rural Development Proposals in Wales. 	<ul style="list-style-type: none"> Ability to 'shop local' reduced through closure of smaller food outlets in initial lockdowns. 	<ul style="list-style-type: none"> Many agricultural businesses are family owned, which has provided resilient labour during Covid-19. Large proportion of SMEs results in a spirit of 'entrepreneurialism', which has been supported by the Economic Resilience Fund.
Tourism	<ul style="list-style-type: none"> High reliance on sector employment (17.8% of total employment in Pembrokeshire³⁶). Seasonal in nature and generally less resilient to Brexit 'shock'. Although predominantly a location for domestic tourism, potential for impact of reduced EU mobility on visitors. 	<ul style="list-style-type: none"> Potential for drive towards domestic tourism as foreign travel remains uncertain. Carmarthenshire working on a new tourism strategy and linking this to local produce '100% Sir Gar'. Pembrokeshire could consider a similar approach. 	<ul style="list-style-type: none"> High proportion of employees were on furlough (78% of the sector within Wales) Potential for further impact on this sector based on foreign lockdowns. Anecdotal evidence from targeted stakeholder engagement suggested that there had been an increase in 'stay-cations' over summer 2020 i.e. domestic tourism, but that this demand tended to be self-sufficient and did not necessarily result in higher levels of visitor spend. 	<ul style="list-style-type: none"> Potential to capitalise on sustainable, 'green' tourism sector and the drive towards domestic tourism. Opportunity to utilise new funding streams for projects which could perhaps indirectly have a beneficial tourism impact e.g. through Transforming Town fund projects, Sustainable Transport fund. Experian 2021 forecasts suggests a strong 'bounce back' in accommodation, food services and recreation from 2022 onwards in both counties, but particularly Pembrokeshire. Key local tourism projects e.g. Pendine Tourism Attractor Project are continuing despite the pandemic, creating a sense of certainty within the sector.
Manufacturing	<ul style="list-style-type: none"> Experian projections suggests a stagnation in manufacturing jobs across the wider region over the medium-long term, with forecasts not recovering to 2019 levels. Pembrokeshire is expected to experience a decline over the long term, whilst the sector in Carmarthenshire is expected to experience a degree of 'bounce back' post-pandemic but growth does not reach 2019 levels. Employment levels are also high in Retail, Motor trades and Wholesale which are also 'at risk' industries. Further job losses associated with large firms such as Tata in traditional local industries such as steel production. Potential impact of Rule of Origin thresholds on supply chain through EU-UK Trade Agreement. 	<ul style="list-style-type: none"> Opportunities to shift focus from traditional industries towards opportunity areas e.g. life sciences and renewables, which is supported by a Manufacturing Future for Wales: A Framework for Action and the Swansea Bay City Deal. 	<ul style="list-style-type: none"> In the Welsh manufacturing sector, 42% of workers were reportedly on furlough during August 2020³⁷. Unclear how many workers have returned to work. Potential for further decline in manufacturing businesses as a direct result of the Covid-19 pandemic. Trends at the wider regional level shows a general forecast of decline within the sector, reflecting trends more generally across Wales and the UK³⁸. 	<ul style="list-style-type: none"> Opportunities to re-skill and create education/training opportunities linked to changes in sectoral priorities.
Food and Drink	<ul style="list-style-type: none"> Long-term competitiveness of farming and food production following Trading Agreement is unclear. This will depend on ability to access labour and supply chain logistics, the implications of SPS border controls and, where refinement of non-EU/UK materials takes place in the UK, the amount of product that exceeds thresholds for content to meet Rules of Origin requirements. 	<ul style="list-style-type: none"> Agriculture (Wales) Bill seeks to be catalyst for land management reform in Wales which could have knock-on impacts on food and drink sector. Potential for increased focus on localism and Welsh-branded produce in UK stores. Opportunities for linking local food and drink offering to other strategic sectors e.g. tourism. 	<ul style="list-style-type: none"> Proportion of employees on furlough with some uncertainty as to whether they have work to return to. Any future lockdowns very likely to significantly hamper resilience of the sector. Long term impacts on the sector locally particularly in consideration of recent redundancy announcements at key employment sites e.g. Castell Howell³⁹. 	<ul style="list-style-type: none"> Experian data suggests the accommodation, food services and recreation will experience steady growth over the medium-long suggesting the potential for further opportunities to expand the offering. Remains an opportunity to build on local food and drink festivals post-pandemic. Maximise opportunities for local procurement of supply chain.
Digital and Creative Industries	<ul style="list-style-type: none"> Whilst the EU-UK Trading Agreement does not extensively explore the relationship for services. Instead, the UK and EU have agreed to make commitment on market access for services; national treatment for prohibiting discrimination between nationals and banning parties from requiring a local subsidiary before services can be provided. 	<ul style="list-style-type: none"> Opportunities presented generally by local investment in this sector underpinned by the Yr Egin development in Carmarthenshire and projects within the Swansea Bay City Deal. 	<ul style="list-style-type: none"> High proportion of the industry recorded as being on 'furlough' during August 2020 (77% across Wales). There remains some with lack of clarity around how many have returned to work before the end of furlough in October 2021. 	<ul style="list-style-type: none"> Funding opportunities from 'Transforming Towns fund' to support improvements in: <ul style="list-style-type: none"> > developing underused, empty or run-down properties into businesses, housing, leisure facilities, commercial premises, community facilities or creative hubs.

³⁵ BRES (2019) <https://www.nomisweb.co.uk/sources/bres>³⁶ BRES (2019) <https://www.nomisweb.co.uk/sources/bres>³⁷ UK Government (2020) <https://www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-august-2020> [date accessed: 24.11.20]³⁸ See Appendix B³⁹ Food Manufacture (2020) <https://www.foodmanufacture.co.uk/Article/2020/06/23/Welsh-food-manufacturer-to-make-redundancies> [date accessed: 11.11.20]

Sector	Brexit		Covid-19	
	Threats	Opportunities	Threats	Opportunities
	<ul style="list-style-type: none"> Data adequacy is not included within the Agreement, although both sides say they are committed to facilitating cross-border data flows and the deal prohibits either side requiring that data be stored or processed in their territory. Subject to exceptions, the agreement could reduce opportunities for EU international working in this field. 	<ul style="list-style-type: none"> National Infrastructure Strategy (November 2020) includes provision for a strategy for a UK-wide gigabit capable broadband. 		<ul style="list-style-type: none"> improving the appearance of properties and/or reshaping them to make them more viable improving existing premises by introducing innovative services and connectivity, such as high-speed broadband, which will attract businesses. Opportunities to increase 'home-working' and benefits of this for very local economies (i.e. 'fifteen-minute neighbourhoods'⁴⁰).
Logistics and Distribution	<ul style="list-style-type: none"> All goods moving GB-EU will need to demonstrate that they comply with EU law – and vice versa. The deal will also allow for some simplification of customs declarations and paperwork; however this is more extensive than the pre-December 2020 situation. Initial impacts in spring / summer 2021 indicate the combined impact of Brexit and Covid-19 has resulted in a chronic national shortage of HGV drivers. 	<ul style="list-style-type: none"> UK and EU hauliers and passenger transport operators will be able to continue operating without additional permits or licenses. Ships will have access to each other's ports, port infrastructure and customs facilities on terms no less favourable than those applied to their own vessels. Support within 'A new Wales Transport Strategy' (November 2020) for more sustainable transport measures. 	Initial impacts in spring / summer 2021 indicate the combined impact of Brexit and Covid-19 has resulted in a chronic national shortage of HGV drivers.	The Covid-19 pandemic has created an increased demand for e-commerce as a result of 'lockdowns' and retail closures and research carried out by the OECD ⁴¹ has indicated that this is likely to remain post-pandemic. It has also been reported that this increase in e-commerce has seen a resultant demand for warehouse space which may have spatial implications long into the future ⁴² .
Energy	<ul style="list-style-type: none"> Threats appear to be generally lessened within this sector as energy co-operation is part of the overall UK-EU Trade and Cooperation Agreement. The UK will continue to access the EU internal energy market and will have until 2022 to decide how to optimise the use of interconnectors (the physical links that allow for the transfer of electricity across borders). 	<ul style="list-style-type: none"> Future Wales retains strong policy support for renewable energy development. UK Central Government are seeking to achieve 'net zero targets by 2050' whilst also accelerating and improving the delivery of infrastructure projects at speed. UK Central Government released the Ten Point Plan for a Green Industrial Revolution (November 2020), which seeks to: advancing offshore wind; driving the growth of low carbon hydrogen; accelerating the shift to zero emission vehicles; and, investing in carbon capture, usage and storage. This could be both an opportunity evolving from Brexit and Covid-19. 		

⁴⁰ Arup (2020) <https://www.arup.com/perspectives/designing-the-fifteen-minute-neighbourhood> [date accessed: 25.01.21]

⁴¹ OECD (2020) <http://www.oecd.org/coronavirus/policy-responses/e-commerce-in-the-time-of-covid-19-3a2b78e8/#section-d1e102> [date accessed 25.01.21]

⁴² The Telegraph (2020) 'E-commerce boom fuels rocketing demand for warehouse space' <https://www.telegraph.co.uk/technology/2020/12/09/e-commerce-boom-fuels-rocketing-demand-warehouse-space/> [date accessed: 25.01.21]

5 'Larger than Local' Update: Testing the 2019 Interventions

5.1 Overview

As presented in section 1.2, one of the main purposes of the 2020-21 Update was to test the overall findings of the 2019 study against the 2020 baseline to ensure that the Two County Economic Study remains a robust evidence base document for the LDP2 reviews.

The outcome of the 2019 study was a series of broad interventions focused on sectoral priorities, which were recommended in order to promote growth and investment across the Two County area. Against these broad interventions, a series of recommended sub-actions and site-based outputs were defined.

In order to test whether these interventions, sub-actions and site-based outputs remain valid in light of the 2020 baseline review, a risk assessment of the interventions was undertaken which is presented in Section 5.3. The way in which this risk assessment was collated is explained in Section 5.2.

5.2 Testing the 2019 Interventions: Methodology

As presented above, the starting point for risk assessing the 2019 study was the broad interventions, sub-actions and site-based outputs previously identified.

Through a series of tables presented in section 5.3 below, the assessment sets out each of the broad interventions, sub-actions and site-based outputs exactly as they appeared within the 2019 study. The code presented within the 'drivers' column, corresponds to the codes which appear within the 2019 SWOT analysis. Against each of the interventions, is a summary of the 2020 baseline findings in order to begin a comparative analysis. As presented throughout this report, the 2020 baseline includes the literature review, the data baseline (including Experian forecasting) and targeted stakeholder engagement.

The goal of the assessment was to be able to apply a 'risk rating' to each of the interventions (and sub-actions/site-based outputs) and associated actions for reducing this risk. The County Councils can utilise this information to test how content of the LDP reviews may also need to be updated as a priority. Again, it is reiterated here that, given the nature of this Update within the context of a rapidly changing economic environment, that identified 'risks' and the actions for implications should be reviewed and continually sense-checked against latest available information.

In order to be able to consistently apply a 'risk rating' across each intervention, the implications of the 2020-21 Baseline Update on the broad interventions and sub-actions / site-based outputs as identified in 2019 was set out. In considering these implications, the project team posed three key questions:

1. In consideration of the 2020 baseline, is the broad intervention and its associated sub-actions / site-based outputs still relevant?

2. If changes are required to the interventions / actions points what is the required scale of change?
3. What should any revised sub-actions/site-based outputs be?

Utilising professional judgement, the appropriate level of risk was then assigned to each of the broad interventions.

For clarity and consistency, a description of each of the risk ratings is presented in **Table 2** below.

Table 2 Risk Assessment Criteria

Risk Rating	Description	Assessment Criteria
++	Significant Positive	<p>A significant positive risk rating is applied to interventions which relate to sectors which have experienced growth over the past year. It has also been applied in cases where there has been a strengthening of policy and / or funding support for an intervention or linked theme.</p> <p>In addition, consideration is given to whether projects / site-based interventions have been progressing or have reached completion since the publication of the 2019 study.</p>
+	Minor Positive	<p>A minor positive risk rating is applied to interventions which relate to sectors which may have experienced some decline since October 2019, but which are likely to recover in the short to medium term (based on Experian forecasting data) and / or sectors which have experienced limited change since the 2019 study i.e. have continued to progress in a 'business as usual' manner.</p> <p>It has also been applied to interventions and potential sub-actions which have retained strong policy support and / or funding opportunities and / or site-based interventions which are continuing to progress.</p>
0 / ?	Neutral or Uncertain	<p>A neutral or uncertain rating has been applied to interventions where there remains a high level of uncertainty due to a lack of evidence available within the baseline, and as such it has not been possible to define a clear risk rating.</p>
-	Minor Negative	<p>A minor negative rating is applied to interventions that relate to sectors which have experienced overall decline since October 2019, and which are unlikely to recover in the short to medium term (based on Experian forecasting data).</p> <p>It has also been applied to interventions which have limited support in policy and / or limited funding support, and site-based interventions which have made limited progress since the publication of the 2019 study.</p>
--	Significant Negative	<p>A significant negative rating is applied to interventions which have experienced decline since October 2019 and are only likely to experience economic recovery over the long term (if at all).</p> <p>It has been applied to interventions which are not strongly supported by policy and would have very limited access to funding.</p> <p>It has also been applied to site-based interventions which are unlikely to prove viable in the short-medium term.</p>

As noted in the above assessment table, duration has been considered as a factor in attributing risk to each of the intervention.

Table 3 Duration Criteria

Duration	Definition
Short Term	An effect which is likely to occur within 1-3 years of the publication of the study i.e. within the LDP2 plan period for CCC and PCC
Medium Term	An effect which is likely to occur within 4-10 years of the publication of the study i.e. within the LDP2 plan period for CCC and PCC
Long Term	An effect which is likely to occur within 11-15 years (or beyond) of the publication of the study i.e. has the potential to extend beyond the LDP2 plan periods

As noted in the introduction to this report, the 2020-21 Update does not present an exhaustive list of updates and does not repeat information from the 2019 study. This also applies to the risk assessment tables below, which specifically test the findings of the 2019 study, and do not identify any additional interventions.

The 2020-21 Update also sought to update the Experian forecasts, as presented in Appendix B. These relate to the latest available forecasts at the time of the 2021 Update in Spring, which was those published April 2021. Although, the April 2021 forecasts accurately include the outcomes of the TCA and Covid 19 vaccine rollout, the broad trends across the study area remained the same across the 2020 forecasts, when the TCES was originally updated. As a result it is considered that the updated Experian data did not significantly alter the findings of the risk assessment as presented.

Comparative analysis of September 2020 forecasts and April 2021 forecasts are presented in Appendix B.

5.3 Testing the Interventions: Risk Assessment Tables

INV1: Maximising existing sectoral strengths

INV1 Making the most of complementary sectoral strengths by maximising natural resources and adding value: Building on the advantages of complementary economies (ES1) and the strengths of existing sectors (KS1-6) there appear to be clear sectors through which further complementary benefits and synergies could be derived.

Table 4 Maximising existing sectoral strengths

Drivers	Broad Intervention (2019)	Potential Sub-Actions / Site-based outputs (2019)	2020/21 Baseline Update (Summarising data baseline, engagement, literature review)	Possible Implications (Subject to ongoing review)	Risk Rating
ES1, KS1, KS2, G1	Food and Tourism / Hospitality: The quality of produce in the ‘Larger than Local’ Area could feature more in the tourism offer and should be part of the destinations appeal. Some activities exist (e.g. Pembrokeshire Fish Week) but there is an opportunity to make more of promoting local producers and engaging tourists in the sector (e.g. food and drink trail / tours).	<ul style="list-style-type: none"> Consider developing and promoting a pan-authority programme of coordinated food events. This could include working alongside transport and events colleagues to ensure careful management of tourists within existing infrastructure constraints. Working with existing Town Teams, Food Development Team and town-based initiatives, consider developing a network which ensures local providers and businesses can engage with seasonal events. 	<ol style="list-style-type: none"> Fishguard Harbour, which had become a popular destination for and cultural events, has since been adversely impacted as a result of the Covid-19 pandemic. The potential long-term implications yet to be realised. VisitBritain published a paper for government entitled ‘Helping the tourism industry recover from Covid-19 - Proposals for Government’⁴³, this reported that “outdoor events have lost the majority of the 2020 season, with cancellations including 76% of all music events, 68.4% of arts events and 63% of fairs.” The VisitBritain report also included practical ways in which the UK Government could support tourism sector recovery through 2020 and 2021. Measures included: <ol style="list-style-type: none"> Suspending annual license payments and consideration of a more ‘agile’ and ‘reactive’ approach taken to planning and permission to encourage events to be held. Designating more areas of the UK as ‘tourism zones’ as detailed within the Industrial Strategy. Launching a major marketing campaign focused on domestic travel. During targeted stakeholder engagement sessions, CCC set out a focus on tourism which developed interdependencies with local businesses and produce; this has begun with the ‘100% Sir Gar Campaign’⁴⁴ encouraging people to ‘shop local’. PCC expressed their desire to take a similar approach. 	<p>Is the broad intervention and associated actions still relevant in 2020/21? In the medium term there remains an opportunity to further promote food-orientated hospitality and tourism despite a decline in the sector as a result of the Covid-19 pandemic. Experian data shows the ‘bounce back’ of the sector over the medium term. Given the Covid-19 recovery plans in place, such as Building Better Places, there may be increased opportunities to promote events and for the public sector to support food and tourism in its recovery.</p> <p>Scale of Change? The scale of change required to the broad intervention and the sub-actions identified in 2019 would be low given that in consideration of the baseline they remain valid in a medium-term scenario.</p> <p>Additional Action Points?</p> <ul style="list-style-type: none"> Explore opportunities for ‘tourism zone’ designation, or similar, as supported by VisitBritain. Continue to engage with VisitBritain and VisitWales to ensure that efforts are coordinated with national marketing for domestic tourism. Consider further any ways to agilely enable tourist events to resume post-Covid-19, whether that be through licensing or the planning process. Continue to monitor the implications of the EU-UK Trade Agreement on local produce providers and ability to import goods. 	+ / ?
ES1, KS4, KS5, CS15	Timber and Housing / Construction: The ‘Larger than Local’ area, and in particular parts of Carmarthenshire, contain large forest / woodland estates. Combining a drive to create more productive woodlands, and national ambitions of modern methods of construction (MMC) in the region, there could be an opportunity to review the benefits in terms of timber production	<ul style="list-style-type: none"> Consider promoting the ‘Larger than Local’ area for MMC development, specifically noting proximity between timber resource and possible markets. Consider providing business support to firms wishing to expand into MMC processes using local resources. Work with experts within the 	<ol style="list-style-type: none"> The Brexit Deal includes a commitment that ‘The Parties’ (i.e. the UK and EU) shall work together to strengthen their cooperation on trade-related aspects of sustainable forest management’ the detail remains unclear as to what the trade-related aspects will look like. Consultation on ‘Sustainable Farming and our Land’ proposed a definition of rural development post-Brexit which includes ‘measures which are conducive to... starting, or improving the productivity of, an agricultural, horticultural or forestry activity or a rural business’, which demonstrates their commitment to the forestry element of the agriculture sector. This is important given the importance of timber production to the Welsh economy, as reported within the 2019 study. This is reflected at a local level also with the Pembrokeshire Economic Recovery and Regeneration Strategy (2020) identifying forestry as a key sector within the county. 	<p>Is the broad intervention and associated actions still relevant in 2020/21? This broad intervention was focused on utilising local timber supply for local Welsh projects e.g. local authority housing delivery. Therefore despite potential uncertainty in the forestry sector relating to the detail of the EU-UK Agreement, this intervention remains relevant to the two county economy in 2020/2021. This may indeed be an opportunity sector, as a result of a less buoyant global market but a strong commitment at both a local and Welsh level to continue to support the forestry sector.</p> <p>Scale of Change? Considering the intervention at a local level, as is intended, the scale of change is limited. There is still a need to support housing delivery within the Two County area and timber construction/MMC remains a viable option to consider in doing this.</p> <p>Action Points? The action points identified in 2019 were broad in scope and as such remain appropriate to support the broad intervention particularly over</p>	+

⁴³ Visit Britain (2020) <https://www.visitbritain.org/helping-tourism-industry-recover-Covid-19>

⁴⁴ Discover Carmarthenshire (2020) <https://www.discovercarmarthenshire.com/shopping/>

Drivers	Broad Intervention (2019)	Potential Sub-Actions / Site-based outputs (2019)	2020/21 Baseline Update (Summarising data baseline, engagement, literature review)	Possible Implications (Subject to ongoing review)	Risk Rating
	for the local construction industry and consider opportunities for modular building facilities linked to council plans for housing delivery.	<ul style="list-style-type: none"> sector to identify sites with appropriate supporting infrastructure (i.e. proximity to resource and transport infrastructure). Explore opportunities for constituent Councils within the area to act as a developer partner with MMC providers, linked to council plans for housing delivery. 	<ol style="list-style-type: none"> In terms of the local construction industry, BRES data indicates that whilst it still occupies a fairly large proportion of the workforce within the Study Area (5.2% in Carmarthenshire and 5.0% in Pembrokeshire) these figures have reduced overall since the publication of the 2019 study (by 2% in Carmarthenshire and 5% in Pembrokeshire). Notwithstanding this, Experian forecast data shows that in Carmarthenshire in particular, there will be growth in construction sector jobs over the short term before stabilising around the pre-pandemic levels. The County Councils housing targets are being revisited in light of the need to review LDP2 Deposit Plans against Covid-19 impacts. The impact of the Natural Resources Wales guidance regarding new phosphate standard for new Riverine SACs in Wales on new housing development, will need to be closely monitored. 	the medium-long term. As a result no further action points have been identified.	
ES1, KS1, KS3, CSI5	Cruise Sector and Tourism: Explore and review the suitability of Fishguard or Milford Haven for the cruise sector economy.	<ul style="list-style-type: none"> Review the projected cruise sector demand within the 'Larger than Local' area. Review the suitability of the Milford Haven and Fishguard Harbour for accommodating both cruise sector movements and port-side uses. 	<ol style="list-style-type: none"> As reported in the 2019 study, Fishguard Harbour had become a popular destination for cruise liners, which have been adversely impacted as a result of the Covid-19 pandemic. The potential long-term implications are yet to be realised. Initial reviews of the UK- EU Trade Agreement indicate that ships will have access to each other's ports, port infrastructure and customs facilities on terms no less favourable than those applied to their own vessels. Pembrokeshire LDP2 paragraph 3.8 outlines how the LDP will ensure, through specific allocations of land and varied policy approaches, that opportunities to support economic growth are identified, whilst ensuring flexibility to ensure economic circumstances can be responded to. A key consideration for Pembrokeshire in particular is border control land given links to Ireland from the County's two ports (Fishguard and Milford Haven). A PCC Cabinet Report published in November 2020 in relation to Brexit preparedness confirms that discussions are ongoing with the relevant Government departments (HMRC, DEFRA), Welsh Government, the Milford Haven Port Authority, Stena and the Council in relation to the management of checks at the Pembrokeshire border. 	<p>Is the broad intervention and associated actions still relevant in 2020/21? As a result of the Covid-19 pandemic the cruise sector has experienced significant negative impacts, particularly given that cruise ships had been identified early in the pandemic as being susceptible to the spread of the virus and the Government warning against any cruise travel⁴⁵. As a result, it is understood that there were no cruise movements within the Two County Study Area throughout 2020.</p> <p>This, coupled with the potential need for Port side land as a result of border control requirements, means that the relevance of the broad intervention and action points has changed and potentially diminished in the past year.</p> <p>Scale of Change? As indicated above, the scale of change within the cruise sector as a whole over the past year has been high and as a result it is considered that there would be a potentially high level of risk in pursuing the broad intervention as previously identified at this stage. This should be kept under review as the economy and society recover from the pandemic, and the cruise sector introduce new measures to re-build trust (including digital tracing and reduced overall capacity).</p> <p>Action Points? No further action points have been considered owing to the level of decline and uncertainty related to the cruise sector, particularly over the short/medium term. It is recommended that other interventions are prioritised at this time.</p> <p>In relation to some of the 'Larger than Local' Gateway Sites identified within the 2019 Study it is too soon to understand the longer term demand for these. It is recommended at this stage that 'Larger than Local' Gateway Sites are retained until further evidence of the long-term effects of the EU-UK Trade Agreement and the need for border control space is determined (see INV4), and Covid-19 on the cruise sector, become clear.</p>	- / ?
KS1	Reaching a tourism balance: Whilst the growth in hospitality and visitor numbers associated with sporting events (such as Ironman Wales) is welcomed, stakeholders commented on the impact of increased visitor numbers on infrastructure.	<ul style="list-style-type: none"> Progress towards a seasonal programme of events, particularly into the 'shoulder seasons' to enable better planning and manage risk of overconcentration. Continue to work to alleviate tourism 	<ol style="list-style-type: none"> Analysis of anecdotal evidence provided by Visit Wales suggests that 2020 has been a turbulent year for the tourism sector and associated businesses. The impact of Covid-19 on tourism could also disproportionately impact particular key settlements in the Two County area which rely more heavily on the visitor economy e.g. Fishguard and Tenby; although the medium- and long-term effects remain to be seen. Anecdotal evidence from targeted stakeholders engagement suggested that there had been an increase in 'stay-cations' over the summer i.e. domestic tourism, but that this demand tended to be self-catering / self-sufficient and did not necessarily result in higher levels of visitor spend. 	<p>Is the broad intervention and associated actions still relevant in 2020/21? It is considered that in the medium-long term the broad intervention and sub-actions remain relevant. Whilst in the short-term the tourism sector may continue to face challenges, as shown in Experian forecasting, a strong 'bounce back' is predicted and it still remains a key sector for the Two County Area.</p> <p>In light of this, the need to ensure a 'tourism balance' in the Study Area is likely to increase in importance. The pandemic has perhaps highlighted further the need to consider the balance between attracting tourists and supporting the local economy; the county councils should consider the</p>	+ / ?

⁴⁵ UK Government (2020) <https://www.gov.uk/guidance/cruise-ship-travel>

Drivers	Broad Intervention (2019)	Potential Sub-Actions / Site-based outputs (2019)	2020/21 Baseline Update (Summarising data baseline, engagement, literature review)	Possible Implications (Subject to ongoing review)	Risk Rating
		<p>pressures in key hotspots (e.g. Martin’s Haven) and consider innovative ways in which problems could be managed (e.g. demonstrator projects).</p>	<p>This perhaps exposed weaknesses in the visitor economy, which can be reflected in the 2020-21 Update.</p> <ol style="list-style-type: none"> Amongst stakeholders there were differing opinions as to whether this observed upswing in domestic tourism in Summer 2020 was a ‘one-off’ trend or one which may be seen year-on-year, particularly as the risk of infection from Covid-19 may dissuade tourists from foreign travel. The effect of the Brexit deal and Visa free travel across the European continent for UK tourists for 90 days⁴⁶ on tourism remains to be seen. Visit Wales Surveys suggest that even with domestic travel, tourism businesses still struggled to retain staff and make consistent profits in August 2020 compared to regular seasons, with 78% of those working in accommodation and food services being reported as being on furlough during Summer 2020. Experian forecast data does suggest that the accommodation, food services and recreation industry will experience a ‘bounce back’ in terms of the number of jobs over the short-medium term, in the longer term recovering above pre-pandemic levels. Anecdotal data also suggests that as visitor numbers increased during the Summer of 2020, there was a tension between tourists and local visitors heightened by public health considerations. This is particularly given the long term impact the pandemic may have on the public perception and behaviour. As reported by KMPG, Covid-19 is likely to have a long-term impact on human behaviour and this will have a resultant effect on how environments adapt to respond to these changes⁴⁷ The Welsh Government Programme for Government (2021 – 2026), published in 2021, seeks to push forward towards a million Welsh speakers, and enable our tourism, sports and arts industries to thrive. This includes consulting on legislation which permits LPAs to raise a tourism levy 	<p>synergies between improving social infrastructure and the ‘lifestyle draw’ of the area (discussed further later in this assessment) in light of the rise in homeworking and improving visitor experience. In addition, attention should be paid to the impact of tourism on the Welsh language as identified by Iait/BURUM.</p> <p>This is reflected in the Welsh Government’s Programme for Government (2021 – 2026), which sets out aims to push toward a million Welsh speakers and to consult on legislation which permits LPAs to raise a tourism levy.</p> <p>Scale of change? The scale of change in the tourism sector has been significant as a result of the Covid-19 pandemic. However, anecdotal data suggests that the summer season was still strong for the Two County Area with a high number of domestic visitors returning to the area once restrictions had eased. Additionally, key tourism related projects, such as the Pendine Tourist Attractor Project, are continuing through construction, creating a sense of certainty within the sector across the region.</p> <p>Action points? The following further sub-actions are recommended to complement this broad intervention:</p> <ul style="list-style-type: none"> Carry out further work to understand visitor capacity and demand within the Two County area, including for example visitor accommodation assessments and spend surveys. This can be used to understand where gaps are, in either infrastructure or provision, in order to maximise the value of the tourism spend in the local economy. This study should also track the progress of consultation on the proposed Tourism Levy, and consider the impacts of this on the two county area. Consider ongoing ways in which the two county area can promote domestic tourism further to maximise any opportunities arising from the Covid-19 pandemic or ‘Brexit’ uncertainty. 	
<p>ES1, KS3, CSI5</p>	<p>Natural Resources and Energy Generation: The natural resource in the ‘Larger than Local’ area is a key aspect of the destination, attracting both tourists and those relocating to the area to enjoy the quality of the environment. With evidence of already successful firms, this resource also offers great potential for energy generation – both marine, on-shore. In combination with low-carbon fuels (such as hydrogen), this should be utilised to help the wider decarbonisation agenda.</p>	<ul style="list-style-type: none"> Review the successes of existing initiatives in support of energy generation (i.e. Haven Waterway Enterprise Zone or the City Deal Internet of Energy initiatives). Review opportunities for appropriate renewable energy development across the ‘Larger than Local’ area (e.g. solar or onshore wind), as identified within the NDF. Consider engaging directly with businesses to 	<ol style="list-style-type: none"> In June 2020, the UK Government and Welsh Government approved the business case for the Pembroke Dock Marine project;⁴⁸ which is led by the private sector with support from Pembrokeshire County Council and is expected to generate more than 1,800 jobs in the next 15 years. In 2020 the Milford Haven Energy Kingdom (MH:EK) was launched. MH:EK is a two-year £4.5 million project to explore what a decarbonised smart local energy system could look like for Milford Haven, Pembroke and Pembroke Dock. It is being led by Pembrokeshire County Council in partnership with several other organisations including the Milford Haven Port Authority. The recently published Future Wales: The National Plan 2040 strengthens the national policy position of the Haven Waterway. Policy 32 specifically states, ‘<i>The Welsh Government supports operations at Haven Waterway, and recognises its location for potential new renewable and low carbon energy related development, innovation and investment</i>’. Since the 2019 study, the Future Wales plan has removed priority areas for solar energy across the country, but the ‘pre-assessed areas for wind’ (which includes a large part of Carmarthenshire) are retained. 	<p>Is the broad intervention and associated actions still relevant in 2020/21? In consideration of the baseline data review and stakeholder feedback, the broad intervention and sub-actions are considered to remain highly relevant in 2020/21.</p> <p>Scale of Change? It is considered that the renewable energy sector in particular has experienced a positive level of change over the past year as a result of strengthening national policy and the progression of critical projects such as the Pembroke Dock Marine, Swansea Bay City Deal project and project initiated by companies such as Bombora and Blue Gem Wind.</p> <p>Action Points?</p> <ul style="list-style-type: none"> Undertake a specific review of the ambitions within the Ten Point Plan and emerging Wales Infrastructure Investment Plan in combination with key businesses within the area, to understand how best to align provisions within the Plan and what support may be needed. Keep existing strategic site opportunities (set out within Appendix C in the 2019 report) under review to understand how supply can continue to support emerging demand within this sector (i.e. emerging projects within the area – such as Milford Haven Energy Kingdom and others). 	<p>++</p>

⁴⁶ UK Government (2020) <https://www.gov.uk/visit-europe-1-january-2021> [date accessed: 07.01.2021]

⁴⁷ KPMG (2020) <https://home.kpmg/xx/en/home/insights/2020/06/uncovering-and-mitigating-risks-facing-cities-as-a-result-of-Covid-19.html> [date accessed: 06.01.2021]

⁴⁸ <https://www.swanseabaycitydeal.wales/news/green-light-for-60-million-pembrokeshire-marine-energy-project/> [date accessed: 06.01.2021]

Drivers	Broad Intervention (2019)	Potential Sub-Actions / Site-based outputs (2019)	2020/21 Baseline Update (Summarising data baseline, engagement, literature review)	Possible Implications (Subject to ongoing review)	Risk Rating
		<p>understand barriers for developing embryonic research products further within the ‘Larger than Local’ area.</p> <ul style="list-style-type: none"> Consider lobbying central government for support for marine energy research and wider opportunities that may emerge. 	<ol style="list-style-type: none"> At a UK Government level, the publication of the National Infrastructure Strategy places a renewed sense of confidence and certainty in the delivery of large-scale projects. In addition, the Ten Point Plan for a Green Industrial Revolution was released by UK Government in November 2020, which sets out clear steps to accelerate the path to achieving net zero targets. Several of the ambitions within 10-Point Plan will be particularly relevant to the Two County Area. Stakeholder feedback highlighted a real sense of optimism with regard to the energy sector. There are site-based opportunities (set out within Appendix C of the 2019 report) which remain for energy development both on previously identified strategic sites (e.g. those positioned around the Haven Waterway) and at others. Additional predominantly non-employment sites, such as the Nant y Caws Waste Management Site in Carmarthenshire, could also offer opportunities to support the energy sector in future; for example, in potentially harness energy from waste. Energy co-operation is part of the overall UK–EU Trade and Cooperation Agreement. The UK will continue to access the EU internal energy market and will have until 2022 to decide how to optimise the use of interconnectors. The Welsh Government Programme for Government (2021 – 2026), is seeking to maximise progress towards decarbonisation, which include launching a new 10-year Wales Infrastructure Investment Plan. The Programme also recognises the role of a sustainable timber industry in responding to the climate and natural emergencies, and the need to invest in the sustainable green industries of tomorrow. 	<ul style="list-style-type: none"> Undertake a review of potential projects and their infrastructure requirements compared to current infrastructure capacity. This will enable early investment in the infrastructure necessary to support future growth. 	
<p>ES1, ES3</p>	<p>On-going support for life sciences sector development: Stakeholders considered that recent initiatives have enabled growth within this area and a perceived market confidence in developing and manufacturing life-science products. Business development could continue to support firms and growth within this area.</p>	<ul style="list-style-type: none"> Ensure support and alignment of relevant businesses to existing projects and initiatives. Maintain momentum in relation to this sector, given the emphasis through the City Deal. 	<ol style="list-style-type: none"> In November 2020, the business case for the Llanelli Life Science and Well-being Village scheme known as ‘Pentre Awel’⁴⁹ was approved by the Swansea Bay City Deal Joint Committee, following approval by Carmarthenshire County Council’s Executive Board and sign off at Full Council. The project will now be submitted to the UK government and Welsh Government for final sign-off. The message received from stakeholders was that that life sciences is still a growing area within the two county economy, particularly as a result of Pentre Awel. There has been evidence of new activity in this sector since the publication of the 2019 study in terms of smaller scale developments coming forward, linked to sustainable living etc. 	<p>Is the broad intervention and associated actions still relevant in 2020/21? Through an assessment of the baseline data review and targeted stakeholder feedback it has been concluded that both the broad intervention and sub-actions remain relevant in 2020. There remains a sense of certainty and confidence within the life sciences sector across the Study Area, particularly as a result of the continuing progress of key projects such as Pentre Awel.</p> <p>Scale of change? Whilst the scale of change is low, it is considered to be positive change evidenced by the continuation of critical projects (as described above) and a strong sector recovery in the short-medium term shown through forecasts.</p> <p>Action points? The sub-actions identified in 2019 are broad in focus and as such are considered to be sufficient to retain as presented within the previous study.</p> <p>One additional action will be to continue to understand and monitor the impact of the EU-UK Trade Agreement (in particular the impacts of the Rule of Origin and mobility of service sector professionals) on businesses proposing to locate within the Pentre Awel area, and to continue to liaise with them to understand what support may be necessary going forward.</p>	<p>+</p>

⁴⁹ <https://www.swanseabaycitydeal.wales/news/major-step-forward-for-landmark-multi-million-pound-llanelli-project/>

Drivers	Broad Intervention (2019)	Potential Sub-Actions / Site-based outputs (2019)	2020/21 Baseline Update (Summarising data baseline, engagement, literature review)	Possible Implications (Subject to ongoing review)	Risk Rating
KS6	Support for creative industries: Authorities could continue to support this sector, given there is continuing regional support for creative industries through the City Deal, and the perception of continuing demand from small and medium creative enterprises for smaller units.	<ul style="list-style-type: none"> Ensure support and alignment of relevant businesses to existing projects and initiatives. Maintain momentum in relation to this sector, given the emphasis of the City Deal. 	<ol style="list-style-type: none"> There remain opportunities presented generally by local investment in this sector underpinned by the Yr Egin development in Carmarthenshire, nurturing local talent. New Funding opportunities from 'Transforming Towns Fund' to support digital infrastructure. Digital industries could help other sectors adapt to new ways of working such as virtual platforms e.g. for retail and food The PCC skills analysis report as presented in the data baseline identified need for upskilling in digital and ICT across sectors. The UK Government Infrastructure Strategy (November 2020) sets out UK-wide ambitions for gigabit capable broadband, whilst in July 2020, Lee Waters MS announced that the scheme was to be extended to reach a further 39,000 properties across Wales with a particular focus on local authority areas with less than 90% superfast broadband coverage. The Welsh Government Programme for Government (2021- 2026) is also proposing a Digital Strategy for Wales. 	<p>Is the broad intervention and associated actions still relevant in 2020/21? The principle of providing support to the creative industries sector remains relevant in 2020/21 particularly given existing infrastructure in the two county region, namely Yr Egin.</p> <p>Scale of Change? The creative industries sector nationally has experienced disruption and decline as a result of the Covid-19 pandemic and may continue to experience some challenges in relation to the implications of the EU-UK Trade Agreement. This is somewhat reflected within the 'Information and Communication' broad sector Experian forecasts for 2021, but less so within the Professional and other Private Services broad sector.</p> <p>Notwithstanding this, anecdotal data from stakeholders suggests that employees on 'furlough' and lockdown periods have allowed time for people to pursue hobbies and new creative skills. This has prompted a sense of growth in local entrepreneurialism and small business start-ups in the creative industries. CCC in particular set out their desire to support SMEs through recovery, creating a sense of positivity related to the recovery of creative industries sector, anchored by key county assets such as Yr Egin.</p> <p>Additional Action points? In addition to the sub-actions within the 2019 study, the following additional action points are identified:</p> <ul style="list-style-type: none"> Continue to review SME development and understand ongoing willingness to enter the sector. Potentially consider synergies for identifying spaces for new SMEs through existing funding sources (i.e. SME / incubation / rental spaces within the Transforming Towns Funding). This could also offer space for local people to 'work from home'. Continue to lobby for extension of superfast broadband coverage to areas which currently have low levels of provision. 	+ / ?

INV2: Responding to sectoral demand and supporting indigenous firms

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

Table 5 Responding to sectoral demand and supporting indigenous firms

Drivers	Broad Intervention (2019)	Potential Sub-Actions/Site-Based outputs (2019)	2020 Baseline Update (Summarising data baseline, engagement, literature review)	Possible Implications (Subject to ongoing review)	Risk Rating
MS4	Limiting 'missed' opportunities: Stakeholders considered that there was a risk of missing either market opportunities or inquiries as a result of the time taken to gain necessary consents for development. Interventions could include undertaking further research into the use of simplified planning measures or flexible planning policy to	<ul style="list-style-type: none"> In recognising the demands of some key employers in the area and in an effort to increase the attractiveness of sites for investment, further work / analysis should be undertaken in relation to the potential role of LDOs in locations where the end use of the site is known (e.g. food park). Where end use is less defined, consideration could be given to other interventions that could support end users and 'smooth' the process of delivery (e.g. Development Briefs / 	<ol style="list-style-type: none"> CCC LDP2 Deposit Plan seeks to provide a positive framework for the creation of an enhanced economic base with appropriate opportunities for employment and commercial growth and is committed to using positive tools such as Local Development Orders ('LDO') to facilitate and enable regeneration and economic development opportunities. In November 2020, it was announced that Carmarthenshire County Council's Executive Board had approved the implementation of a Local Development Order (LDO) for Carmarthen and Ammanford Town Centres, and at Cross Hands East. PCC stakeholder 	<p>Is the broad intervention and associated actions still relevant in 2020/21? Information gleaned from the baseline review and feedback from stakeholders suggests there is still an appetite for limiting 'missed' opportunities through introducing simplified planning measures/flexible planning policy. It is acknowledged however that on designated sites this is more challenging and may not be possible.</p> <p>Scale of change? Overall there has been a minor positive scale of change in relation to simplifying planning processes to limit missed opportunities. An LDO has been provisionally approved by Executive Board for Cross Hands East (November 2020) as well as town centres including Carmarthen and Ammanford.</p> <p>It is considered that there is a stronger policy position to implement simplified planning procedure (such as LDOs) which have been</p>	++

Drivers	Broad Intervention (2019)	Potential Sub-Actions/Site-Based outputs (2019)	2020 Baseline Update (Summarising data baseline, engagement, literature review)	Possible Implications (Subject to ongoing review)	Risk Rating
	enable the market to respond quickly to changing circumstances and macro-economic uncertainty.	<p>Area Action Plans / Supplementary Planning Guidance).</p> <ul style="list-style-type: none"> All ‘Larger than Local’ authorities could include sufficiently flexible policies in order to support existing strategic sites, as well as support for new strategic employment land coming forward, should it be considered critical to support a programme or potential investor with specific site requirements. This could ensure that future potential is not precluded and allow appropriate / sustainable sites to come forward should investment demand emerge. 	<p>feedback indicated potential LDO opportunities where under consideration within the County.</p> <ol style="list-style-type: none"> Welsh Government’s ‘Building Better Places’ placemaking led Covid-19 recovery plan advocates the use of LDOs. 	<p>published in the past year, namely the Welsh Government’s Building Better Places, placemaking led Covid-19 recovery plan. Key sites within the region e.g. the Enterprise Zone, Cross Hands, Haverfordwest Airport which would benefit from similar interventions, or specific development briefs or area action plans to ensure comprehensive development.</p> <p>Action Points? It is considered that the action points identified in the 2019 study remain appropriate to the broad intervention a year on, and have arguably increased in importance to allow the market to respond to the changing economic and social climate, and as such no further action points have been identified.</p>	
MS3, MS5	Discussions with stakeholders and agents highlighted a continued latent demand for higher quality smaller sites and premises . To support this demand interventions could include supporting speculative build or shovel-ready applications, to create space within the commercial stock secondary market.	<ul style="list-style-type: none"> Consider opportunities to work with Welsh Government, the Development Bank of Wales and private companies to bring forward clean, level ‘shovel ready’ sites to create ‘move-on’ space within the secondary market. Consider whether Pembrokeshire and Carmarthenshire could further utilise and benefit from the existing Property Development Fund in order to bring forward small speculative or ‘shovel ready’ sites across the region. This would allow for firms wishing to grow to move into new, high quality accommodation or build their own, free up secondary stock for which there is anecdotal latent demand, and provide alternative premises across the ‘Larger than Local’ area which would also allow businesses born within the national parks to grow without moving too far. 	<ol style="list-style-type: none"> Stakeholder feedback suggests latent demand for higher quality smaller sites and premises is still prevalent. The Property Infrastructure Fund is being merged into the Commercial Property Fund, which is administered by the Development Bank. This is targeted at speculative commercial and industrial building, and is available for residential, mixed-use and commercial development projects in Wales. Welsh Government are retaining the Property for Business Development Grant. Stakeholder feedback has confirmed that there have been recent inquiries across the County, which are at various stages of approval. SQW Consultants report on South West Wales property market states – <i>“strong demand for industrial space with very constrained supply in relation to smaller industrial premises; which is reflective of a lack of recent development and widespread viability challenges.”</i> 	<p>Is the broad intervention and associated actions still relevant in 2020/21? The broad intervention and action points remain relevant in consideration of the 2020 baseline review. In particular, evidence presented by stakeholders suggests there remains a strong latent demand for smaller, higher quality sites and premises despite a challenging economic back drop.</p> <p>Scale of Change? The scale of change remains limited since the publication of the 2019 study. The Development Bank is still the focus for funding opportunities and access to loans. A key difference is that the Development Bank has now assumed responsibility for the administering of the previously mentioned Property Development Fund which should serve to simplify the process for users as a ‘one-stop shop’. A key challenge which remains is that Development Bank funding is focused on speculative development meaning that there are barriers to access for owner-occupier investment/indigenous firms.</p> <p>Additional Action Points? Alongside the sub-actions set out within the 2019 review, an additional action point here could be to ‘signpost’ to speculative providers that can access Development Bank funding (See INV3) and consider potential for partnering.</p>	0 / ?
MS2	<p>Whilst sectoral decline is projected for a number of key sectors across the area, stakeholder confidence in the market was strong with a number of indigenous businesses looking to a expand.</p> <p>Expansions of existing businesses onto adjacent or neighbouring sites should be supported where possible.</p> <p>Whilst a number of stakeholders cited historic local connections to Pembrokeshire and Carmarthenshire and a genuine culture of altruism</p>	<ul style="list-style-type: none"> Consider supporting growth of existing strategic employers and sites, including local adjacent supply chains. Consider working more collaboratively with employers to understand their needs: whether site based (e.g. more / less space), workforce based (e.g. skills / availability of staff) or other (e.g. funding). 	<ol style="list-style-type: none"> The Development Bank cited a number of projects which are in process of securing funding to proceed within CCC and PCC. Stakeholders stated across the board that working with private sector is still really important, particularly given uncertainty in marketplace. There was an acknowledgement from stakeholders that there is still limited public/private sector collaboration. Furthermore, anecdotal data from stakeholders suggests indigenous demand still there – more so in the case of smaller units. In June 2020, Castell Howell announced that as a direct result of the COVID-19 pandemic they had faced a 65% reduction in sales and as a result they had to enter a consultation process with their staff with a view to making an undisclosed number of redundancies. 	<p>Is the broad intervention and associated actions still relevant in 2020/21? The altruistic culture which is characteristic to the two county area and the commitment of indigenous firms in key sectors remains, and as such, the broad intervention remains relevant, as well as the action points and site-based initiatives.</p> <p>Scale of Change? In the short term, the situation remains largely unchanged from the 2019 baseline. The baseline highlights positive areas of growth for indigenous firms as well as challenges/disruption faced by several of the larger employers e.g. Castell Howell and Tata. As such the overall scale of change in the longer term remains uncertain at the time of writing.</p> <p>Whilst there may be less growth potential, Experian data does suggest a ‘bounce back’ in the accommodation and food services sector. In relation to manufacturing, Pembrokeshire is forecast to continue to decline, but at a slower rate than that predicted in 2019; whilst Carmarthenshire is predicted to bounce-back and maintain a steady level, this is expected to be below pre-pandemic levels. Availability of transportation and</p>	0

Drivers	Broad Intervention (2019)	Potential Sub-Actions/Site-Based outputs (2019)	2020 Baseline Update (Summarising data baseline, engagement, literature review)	Possible Implications (Subject to ongoing review)	Risk Rating
	within the area, there was perception that new businesses were favoured over the growth of existing firms.		<ol style="list-style-type: none"> Development Bank funding remains focused on speculative builds meaning it can be difficult for owner-occupiers to access appropriate funding. Goods being exported from the EU must 'qualify' to ensure that there will be no tariffs which apply. To 'qualify', GB goods will however need to meet the 'Rule of Origin' standard and not exceed more than defined thresholds for materials neither from the UK or EU. This applies to the supply chain for goods. The Welsh Government Programme for Government (2021-2026) aims to support Welsh business to create new jobs, find export markets and invest in sustainable green industries. 	<p>logistics to support manufacturing and export could be a short-term issue, which is being felt nationally across the UK.</p> <p>It is also recognised that there is already positive action being taken in this area across the two county region. Through targeted engagement, both Council's expressed strong local procurement practices in place to support local businesses within the larger than local economy.</p> <p>Action Points? It is recommended that consideration is continued of those presented as part of the 2019 study. Ongoing work should continue to understand the impact of the EU-UK Trade Agreement and Rules of Origin on existing businesses.</p>	

INV3: Market strength, supply and demand

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

Table 6 Explore opportunities for working in partnership with the private sector to reduce reliance on public sector funding

Drivers	Broad Intervention (2019)	Potential Sub-Actions/Site-Based outputs (2019)	2020 Baseline Update (Summarising data baseline, engagement, literature review)	Possible Implications (Subject to ongoing review)	Risk Rating
ES2, CSN2, MS3	Value Gap: Promote awareness of funding to private sector companies to reduce the 'value gap'. Work has shown that many successful businesses within key sectors of the 'Larger than Local' area have historically been somewhat reliant on financial support (grant funding such as the Property Development Fund) to grow. This largely reflects the market failure in many areas of the region in relation to development cost vs end land / asset value, an economic position which is unlikely to change in the short to medium term.	<ul style="list-style-type: none"> Consider mapping of existing local dependencies of sites and programmes on European Union-derived funding to understand where there are opportunities to target UK Prosperity funding, or equivalent, preparedness. Promote awareness of available funding, and emerging post-Brexit macro-economic funding, to private sector companies to reduce the 'value gap'. 	<ol style="list-style-type: none"> EU structural funds are being replaced by UK Shared Prosperity Fund post-Brexit with more funding than the 2014-2020 cycle expected for Wales in 2020/21⁵⁰. Anecdotal evidence from stakeholders confirms that end-value gap still exists across region and is unlikely to change. Stakeholders also suggested that awareness of funding available from Development Bank could be increased across the region. 	<p>Is the broad intervention and associated actions still relevant in 2020/21? The broad intervention remains relevant in 2020/2021. Key stakeholders in particular referenced the fact that the value gap is linked to the structure of the economy of the region and would be unlikely to change over the short, medium and long term,</p> <p>Scale of Change? As highlighted above, the value gap has been a perennial problem across the two county area which is unlikely to change.</p> <p>A critical change in relation to funding is the replacement of EU structural funds with the Shared Prosperity Fund. At the time of writing there is very little available evidence as to what the Shared Prosperity fund will look like and how it will operate meaning the scale of change is largely unknown.</p> <p>Additional action points? Continue to monitor the future of funding opportunities post-EU-UK Trade Agreement.</p>	0
MS3, ES2, CSN2	Public-private partnerships: Consider whether, in relation to key sectors, the County Councils can form part of a developer partnership with private sector companies. The 'Larger than Local' authorities could work collaboratively with the private sector and other partners such as the Welsh Development Bank in order to explore potential partnership structures, finance	<ul style="list-style-type: none"> In recognising the value gap / market failure, and in anticipating a potential funding lag post Brexit, the authorities could seek to work collaboratively with the private sector, Welsh Government and Development Bank in order to explore and develop partnerships / governance / finance structures 	<ol style="list-style-type: none"> Stakeholder feedback suggests that partnership with Development Bank is strong at Welsh Government level (grant funding) but not necessarily as strong as it could be at the local level. There was considered to be a partial lack of awareness of Development Bank projects in region. Strategic sites identified e.g. parts of Dafen would continue to require 'unlocking' in order to be deliverable. 	<p>Is the broad intervention and associated actions still relevant in 2020/21? The potential importance of public-private sector partnerships to facilitate growth despite issues related to market failure/the value gap is a more long-term intervention which remains relevant to the 2020-21 Update.</p> <p>Scale of Change? There has been a limited scale of change in this area since the 2019 study. Stakeholders generally agreed that more could still be done to raise awareness of loan availability to businesses.</p> <p>Since the UK's official exit from the European Union and associated uncertainties with regards to continued funding, private sector collaboration could be considered to have increased in importance since 2019.</p>	0

⁵⁰ <https://publications.parliament.uk/pa/cm5801/cmselect/cmwelaf/1083/108302.htm>

Drivers	Broad Intervention (2019)	Potential Sub-Actions/Site-Based outputs (2019)	2020 Baseline Update (Summarising data baseline, engagement, literature review)	Possible Implications (Subject to ongoing review)	Risk Rating
	vehicles and funding packages that may help unlock sites where pump-priming is required in order to bring greatest benefit from development.	to bring forward challenging sites and reduce the 'value gap'.	3. Stakeholder engagement identified that a lack of public/private partnerships remains. There was an acknowledgement that more could be done, however there is evidence of growing partnership working in the area particularly through the City Deal administration.	Additional Actions? The actions identified in the 2019 study are general in scope and given the scale of change since the last study it is considered that they remain relevant in 2020/21 without the need for further actions to be identified.	

INV4: Preserving strategic assets for future demand

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

Table 7 Preserving strategic assets for future demand

Drivers	Broad Intervention (2019)	Potential Sub-Actions/Site-Based outputs (2019)	2020 Baseline Update (Summarising data baseline, engagement, literature review)	Possible Implications (Subject to ongoing review)	Risk Rating
CSI1, G2	Protect land adjacent to the Milford Haven for employment uses, and specifically those sites with direct access to the port (either through pipe or direct wharfage). Explore opportunities to enhance tri-modal (rail, water and road) and portside access for employment uses around the Port of Milford Haven. Continue to support development which enables a transition to a low and zero-carbon economy in the area.	<ul style="list-style-type: none"> Working with Welsh Government, understand strategic demand for sites with tri-modal access, and promote the strategic locational advantages of these sites. Consider implementing safeguarding policies or restrictive policies for changes of use on sites adjacent to the Haven, with Portside access, to prevent the loss of the strategic employment opportunities for this Trans-European gateway. Continue to work with existing businesses to understand the potential for transitioning to low-carbon or alternative fuels. Work with the private sector / landowners to prepare development briefs for strategic sites and set out what the locational benefits are within the context of the 'Larger than Local' area. Consider a specific policy designation for gateway sites. 	<ol style="list-style-type: none"> The Milford Haven Waterway continues to have strong potential and support to facilitate the delivery of low carbon / alternative fuels and renewable energy. This is evidenced by the approval of the business case for the Pembroke Dock Marine project and the continued commitment of anchor employers for this industry working in the area such as Bombora Wave Power. In addition, further opportunities have emerged particularly around floating wind and the demonstrator project off Pembrokeshire being put forward by Blue Gem Wind⁵¹. Land adjacent to the Haven Waterway has been safeguarded within PCC's LDP2 Deposit Plan. Challenges remain in relation to the strategic demand for these sites, particularly as stakeholders indicated that there are known constraints related to the deliverability of available port-side land. The 'Update on Brexit Preparedness' document published by PCC indicates the emerging need for border control posts in Pembrokeshire after Brexit. It is uncertain at this time where these posts will be. The strategic locational advantages of tri-modal sites adjacent to the waterway and the potential value these could bring to the 'Larger than Local' area should be considered when assessing suitable land to implement border controls. 	<p>Is the broad intervention and associated actions still relevant in 2020/21? This broad intervention had a long-term focus at the time of the 2019 study and centred on the strategic importance of the Milford Haven waterway.</p> <p>Scale of Change? The scale of change since the publication of the 2019 study has been limited as stakeholder feedback set out that there had been no further take up of strategic sites at the Haven Waterway. The low-carbon agenda specifically around the waterway has been enhanced by the continued progression of Swansea City Deal projects and a strengthened policy position in terms of renewable energy development at a UK Government level.</p> <p>Action Points? In consideration of the scale of change, the action points are considered to remain relevant and no changes or additional items are therefore proposed. Whilst there had been no further uptake of strategic sites at the Haven Waterway since the 2019 study, these remain fundamental to protect to ensure that opportunities of their locational advantages are not lost.</p>	+ / ?
CSI3	Stakeholders highlighted potential demand for fulfilment sites (sites which enable dispatch, storage and collation of products). Protect and promote land adjacent to the key east-west transport corridor across Pembrokeshire and	<ul style="list-style-type: none"> Consider implementing a policy-preference for employment uses adjacent to junctions with east-west access on the A40 / A48 / M4 corridor. Consider specific policy designation for gateway sites. 	<ol style="list-style-type: none"> Stakeholder engagement suggested that there is still some demand for fulfilment sites in Carmarthenshire along strategic routes. Feedback confirmed that enquires have been received for this type of use in the past year but sometimes it can be a struggle to accommodate due to the large footprint required. 	<p>Is the broad intervention and associated actions still relevant in 2020/21? It is considered that the broad intervention remains relevant particularly in consideration of anecdotal feedback received from stakeholders and given the Experian forecasts.</p> <p>Scale of change? The scale of change in relation to the potential demand for fulfilment sites has largely remained unchanged since the publication of the 2019 study. Given the scale of land take they require</p>	+

⁵¹ Marine Energy Wales (2020) <https://www.marineenergywales.co.uk/vacancies-with-simply-blue-energy-2/>

Drivers	Broad Intervention (2019)	Potential Sub-Actions/Site-Based outputs (2019)	2020 Baseline Update (Summarising data baseline, engagement, literature review)	Possible Implications (Subject to ongoing review)	Risk Rating
	Carmarthenshire, and specifically those sites (such as Crosshands or Parc Hendre) with direct access to junctions with east / west slips onto the A40 / A48 / M4 (T-ENT) corridor.	<ul style="list-style-type: none"> Continue to liaise with Welsh Government regarding the preparation of the national transport model including prioritising Strategic Sites or Future Potential Strategic Sites based on strategic connectivity. 	<ol style="list-style-type: none"> In terms of the workforce required for such uses, Experian data indicates are significantly less than September 2020 forecasts, however are generally aligned or above the forecasts from 2019. These indicate an overall reduction in employment in the short term, with a levelling-off beyond the pandemic. Availability of transportation and logistics to support manufacturing and export could be a short-term national issue, which is being felt across the UK. 	<p>it is therefore considered that there remains a need to protect land adjacent or in close proximity to the strategic road network. This is particularly the case as Experian forecasts for 2021 show an increased land supply when compared to those of 2020, suggesting recovery may be occurring at a quicker pace than originally forecast.</p> <p>Actions? The actions as presented in the 2019 study are considered to remain appropriate to address the broad intervention in this case. Opportunities for renewable energy or low carbon fuels on these strategic sites could help align with ambitions within the Ten Point Plan.</p>	
CSI3	<p>Pembrokeshire has a number of current or former airfields, some linked to the military history / presence in the County. Given the location of these facilities and uncertainty over their future function, there may be a need to undertake further review of these assets and consider their future role as part of a wider masterplanning exercise.</p> <p>Whilst it is imperative to preserve strategic assets for future demand, the councils could review the long-term opportunities for airports within the area.</p>	<ul style="list-style-type: none"> Review and establish long-term aspirations for air-travel within Pembrokeshire and Carmarthenshire and review the role of existing assets to identify whether these should be consolidated, or, if any should be considered to be regional airfields. Consider assets collectively and alongside wider land-use demands. Consider potential alternative uses for non-profitable or non-functioning assets, including exploring whether these should be included within adjacent employment masterplans. 	<ol style="list-style-type: none"> The Pembrokeshire Economic Recovery and Regeneration Strategy presents the opportunity of creating a Pembrokeshire Food Park adjacent to Haverfordwest Airport, which was one of the proposed Strategic Interventions recommended in the 2019 Study. The proposed development would include start-up incubators to support small businesses to help them to scale up operations and grow close to home. This may be pursued further, perhaps through masterplanning or the creation of a development brief for the wider area. The UK Government has confirmed that the MoD Cawdor Barracks is scheduled for phased disposal commencing in 2024. As mentioned in the baseline data review, the UK Government has also (as set out in Hansards records⁵²) committed to working with Pembrokeshire County Council to find alternative uses for the site. 	<p>Is the broad intervention and associated actions still relevant in 2020/21? The long-term aspirations for Haverfordwest Airport and MoD landholdings remain to be seen and as such the broad intervention remains relevant to the 2020-21 Update.</p> <p>Scale of Change? There has been a limited scale of change in the last 12 months in terms of determining the long-term future of the airport and defence sites. Given the downturn in the aviation sector since the start of the Covid-19 pandemic the opportunity for passenger air travel may have reduced further.</p> <p>Since the publication of the 2019 study, it is understood that work is ongoing within PCC to understand the position of Haverfordwest Airport in more detail which will be valuable to inform any future decision making.</p> <p>Actions points? No further action points are suggested given that those identified as part of the 2019 study remain of most relevance to the broad intervention. These actions should now also be extended to Cawdor Barracks, so that future use following disposal can be considered.</p>	+

⁵² <https://hansard.parliament.uk/Commons/2020-02-26/debates/36348E4C-F511-42F9-8F03-F151D2E6A49A/CawdorBarracks>

INV5: Strategic site interventions

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

Overall, the evidence collated as part of the baseline review and stakeholder engagement suggest that the strategic site interventions as presented within the 2019 study remain applicable in 2020-21 particularly the ‘regionally important strategic sites’. Notwithstanding this, as presented in Table 8 below, given the level of uncertainty at the time of writing it is important to maintain a level of flexibility with proposed strategic site designations. This is particularly applicable within the context of Brexit which could have various long-term implications which as yet remain to be seen.

In consideration of the above, an additional recommended action point in relation to strategic site interventions would be for the County Council’s to engage with local businesses, particularly supply chain businesses to understand the level of non-UK employment within key sectors and the level of export carried out by businesses operating in the two county area. This is considered to be particularly important in relation to manufacturing clusters and transportation, as identified in Table 8, which may be impacted by the Rule of Origin thresholds on supply chain through EU-UK Trade Agreement. This in turn, would have spatial implications in terms of land requirements for these supporting cluster businesses.

The impact of both the Natural Resources Wales guidance, regarding new phosphate standard for new Riverine SACs in Wales, and the TAN 15 guidance, which requires development to take account of climate change within proposals for mitigating and adapting to flood risk will need to be closely monitored. For each of the Strategic Site Interventions, an initial assessment has been undertaken of which sites are impacted by these issues is set out – these will need to be considered in detail within the context of the wider Local Development Plan.

Table 8 Initial review of Strategic Site Interventions

Site Name	2019 Primary Function	2019 Secondary Function	2020 Actions	TAN 15 Affected Site? ⁵³	Within Phosphorous sensitive SAC Freshwater Catchment? ⁵⁴
G1 Fishguard and Goodwick Harbour Cluster	Gateway Site	Sector-specific / Supporting Strategic Site Clusters	See INV1 Cruise Sector and Tourism. In relation to some of the ‘Larger than Local’ Gateway Sites identified within the 2019 Study, it is too soon to understand the longer term demand for these. It is recommended at this stage that ‘Larger than Local’ Gateway Sites are retained until further evidence of the long-term effects of the EU-UK Trade Agreement and the need for border control space is determined (see INV4), and Covid-19 on the cruise sector become clear.	Yes	No
G2 Pembroke Dock Cluster	Gateway Site	Sector-specific / Supporting Strategic Site Clusters	See INV1 Natural Resources and Energy Generation. The sites form part of the City Deal Project, Pembroke Dock Marine and whilst they contain some existing employment uses, are considered to offer further potential for strategic growth. It is considered that the renewable energy sector in particular has experienced a positive level of change over the past year as a result of strengthening national policy and the progression of critical projects such as the Pembroke Dock Marine, Swansea Bay City Deal project.	Yes – Partial	No
E1 Pembroke Oil Refinery (Valero)	Regionally Important Strategic Site	In addition, the Ten Point Plan for a Green Industrial Revolution was released by UK Government in November 2020 and sets out clear steps to accelerate the path to achieving net zero targets. The Welsh Government Programme for Government also sets out ambitions for decarbonisation, including the 10-year Wales Infrastructure Investment Plan. Ability to align with ambitions within this Plan will be subject to businesses ability to shift towards net zero carbon fuels.	See INV1 Natural Resources and Energy Generation. At a UK Government level, the publication of the National Infrastructure Strategy places a renewed sense of confidence and certainty in the delivery of large-scale projects. Stakeholder feedback highlighted a real sense of optimism with regard to the energy sector, and based on initial perspectives ⁵⁵ , there appears to be a generally supportive position within the EU-UK Trade Agreement for energy co-operation.	No	No
E2 Milford Haven Oil Refinery (Puma Energy)	Regionally Important Strategic Site			No	No
E3 South Hook LNG	Regionally Important Strategic Site			No	No
E4 Pembroke Power Station	Regionally Important Strategic Site			Yes	No
E5 Waterston (Dragon LNG)	Regionally Important Strategic Site			No	No
E6 Trostre, Llanelli	Regionally Important Strategic Site		See INV2 Confidence of indigenous businesses. Site is identified as an existing employment site within LDP1. Existing employment stock with limited vacancy which comprises Tata Steel, considered to be a strategic employer of regional importance, as well as more local employment uses to the south west of the site. In the short term, the situation remains largely unchanged from the 2019 baseline, however, beyond the mid-late 20’s, the 2021 forecasts indicate manufacturing growth beyond that of the 2019 forecasts in Carmarthenshire.	Yes – majority	No

⁵³ As per Natural Resources Wales ‘Flood Map for Planning’ 2021 available at: <https://flood-map-for-planning.naturalresources.wales/>

⁵⁴ Based on Catchment Maps for the Teifi, Twyi and Cleddau Rivers, available at: <https://www.carmarthenshire.gov.wales/home/council-services/planning/ecology-advice/new-phosphate-targets/#.YY5W1WDP2Uk> and <https://www.pembrokeshire.gov.uk/planning-and-ecology/phosphates-guidance-from-national-resources-wales> Hop

⁵⁵ Institute for Government <https://www.instituteforgovernment.org.uk/publication/future-relationship-trade-deal/energy>

Site Name	2019 Primary Function	2019 Secondary Function	2020 Actions	TAN 15 Affected Site? ⁵³	Within Phosphorous sensitive SAC Freshwater Catchment? ⁵⁴
			However, there have been recent job losses at the site and therefore the long-term ambitions are somewhat uncertain. CCC should look to continue to support growth of existing strategic employers and sites, including local adjacent supply chains.		
E7 Waterloo and London Road Industrial Estate	Sector-specific / Supporting Strategic Site Clusters		See INV1 Natural Resources and Energy Generation and INV6 Review opportunities to bolster Free Port Status: Site is an existing employment site (B2, B8, Sui Generis uses) as stated within Development Sites SPG. There are some vacant plots available but expansion potential is largely limited. Site is within the Haven Waterway Enterprise Zone. Although there is less strategic focus on the Enterprise Zone, development within the area still has financial incentives associated with it in the form of reduced interest rates on Development Bank loans.	Yes – Partial	No
O1 Withybush Cluster	Regionally Important Strategic Site	Sector Specific / Supporting Strategic Site Cluster	See INV2 Confidence of indigenous businesses and INV4 long term opportunities for airports. Whilst there may be less growth potential, Experian data does suggest a ‘bounce back’ in the accommodation and food services sector, this site could still serve as a regional focus and would be strengthened by the existing proposals to develop a food park at land to the east of the business park. PCC are continuing to understand the position of Haverfordwest Airport in more detail. Ongoing work should continue to understand the impact of the EU-UK Trade Agreement of SPS border controls and cost implications of these. Sanitary and Phytosanitary (SPS) border controls involved extensive checks animal products, fish, shellfish and their products, live animals and plants and plant products where exported. These checks could increase the costs associated with agri-food trade between GB and EU.	No	Yes
O2: Thornton Industrial Estate Cluster	Sector-specific/Supporting Strategic Site Clusters		See INV2 Confidence of indigenous businesses Supply chain focus given sites proximity to wider strategic sites within the Haven Waterway and current employment base which is focussed around engineering and port-related functions. Ongoing work should continue to understand the impact of the EU-UK Trade Agreement and Rules of Origin and mobility of expertise on existing businesses.	No	No
O3: Blackbridge	Regionally Important Strategic Site		See INV4 Protect land adjacent to the Milford Haven and INV6 Review opportunities to bolster Free Port Status: Site is one of the only remaining sites with direct access to the deep water in the Milford Haven area.	No	No
O4: Pembroke Science and Technology Park Cluster	Regionally Important Strategic Site		and INV6 Review opportunities to bolster Free Port Status: The 2019 study identified evidence of sectoral demand at the site for a clustering of employers associated with the marine energy sector.	No	No
O5: Bynea, Llanelli	Regionally Important Strategic Site		See INV3 Public Private Partnerships. Direct access to A484 providing good linkages to neighbouring Swansea. Evidence that the site currently has a sector focus on manufacturing mainly through supply chain companies although this may have been compromised by Schaeffler closure.	Yes – Majority	No
O6: Dafen, Llanelli	Regionally Important Strategic Site		See INV3 Public Private Partnerships. Direct access to A4138 providing direct link to M4 motorway. Site is developing a sector focus on manufacturing and associated supply chain uses	Yes – Partial	No
O7: Cross Hands	Regionally Important Strategic Site	Sector Specific / Supporting Strategic Site Cluster	See INV2 Limiting Missed Opportunities: Site has east/west slips on to the A48/M4 making it highly accessible. Developing a nationally recognised identity around the food manufacturing and distribution sector. In November 2020, Executive Board approved a decision to consider a Local Development Order to be potentially made within Cross Hands East. The LDO could provide the Local Planning Authority with an opportunity to streamline the planning process by removing the need for developers/applicants to make a planning application to the Authority and for development proposals to be submitted as an LDO application.	No	No
O8: Parc Hendre	Regionally Important Strategic Site	Sector Specific / Supporting Strategic Site Cluster	Site includes adopted and proposed employment sites within the adopted LDP. The site is occupied by a number of manufacturing companies in large units which are considered to perform a ‘Larger than Local’ function and has sufficient vacant land for expansion. Site is situated in close proximity to Cross Hands and has good access to the A48/M4 strategic road network via the A483	No	No

Site Name	2019 Primary Function	2019 Secondary Function	2020 Actions	TAN 15 Affected Site? ⁵³	Within Phosphorous sensitive SAC Freshwater Catchment? ⁵⁴
O9: Life Science and Well-Being Village, Llanelli	Regionally Important Strategic Site	Sector Specific / Supporting Strategic Site Cluster	See INV1 On-going support for life sciences sector development: A key site / project as part of the Swansea Bay City Deal, this strategic site forms an important investment in the life sciences sector, a key Welsh Government Priority. Proposals include a wellness village that will provide business, education, leisure and health facilities. There are a number of adjacent mixed use sites (which do not form part of the Strategic Employment Site designation). In November 2020, the business case for the Llanelli Life Science and Well-being Village scheme known as ‘Pentre Awel’ ⁵⁶ was approved by the Swansea Bay City Deal Joint Committee, following approval by Carmarthenshire County Council’s Executive Board and sign off at Full Council. The project will now be submitted to the UK government and Welsh Government for final sign-off.	Yes	No
FP1: Trecwn	Future Potential Site		The Trecwn site is unique in terms of its location and on-site features. The site could attract highly specialised industries with specific locational requirements. The site is isolated, secure and has an underground tunnel network as well as a series of former military buildings on site. The site also benefits from a railhead which could serve future development. Likely to be more suited to certain specific sectors (e.g. tourism), or end users with specific site requirements (e.g. secure site).	Yes	No

INV6: Reviewing existing and proposed spatial initiatives

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

Table 9 Reviewing existing and proposed spatial initiatives

Drivers	Broad Intervention (2019)	Potential Sub-Actions/Site-Based outputs (2019)	2020 Baseline Update (Summarising data baseline, engagement, literature review)	Possible Implications (Subject to ongoing review)	Risk Rating
CSI1	Review opportunities to bolster ‘Free Port’ status: Recently, MHPA has announced ambitions to establish Milford Haven Port as a ‘Free Port’ and ‘port zone’.	<ul style="list-style-type: none"> Continued support for the Port of Milford Haven in exploring the Port Zone / Free Port concept. The ‘Larger than Local’ authorities should seek to fully understanding the benefits that such a designation could bring to the Milford Haven area in order to advise potential investors and/or indigenous businesses who may benefit from such an initiative. Consider how this concept could be supplemented with simplified planning arrangements. 	<ol style="list-style-type: none"> Since the publication of the 2019 study, there has been further information released by the UK Government into Free Ports, although the process for Welsh ports remains unclear. Milford Haven has declared their interest in becoming a Free Port, however Government records show that there is a concern in relation to land availability to support a Free Port operation, ‘<i>The Port raised concerns about land availability in terms of disparity and scale compared to other potential Free Port sites, and indicated that they could create a virtual Free Port that uses technology to monitor shipments and connecting several sites of economic activity</i>’⁵⁷. The Port also raised concerns around being able to expand/develop owing to its landscape setting and proximity to the Pembrokeshire Coast National Park, which has also been listed as a concern for the National Park Authority. The development of a Port Zone with clear/simplified development procedures may help to overcome this issue. A recent Written Ministerial Statement on the subject of Freeports in Wales (July 2021) does indicate that there remains some uncertainty about the future of Freeports in Wales, the 	<p>Is the broad intervention and associated actions still relevant in 2020/21? Further information in relation to Free Ports and the bidding process has been released since the publication of the 2019 study, however no decisions as to which ports should be given such status has been made. The broad intervention remains relevant.</p> <p>Scale of Change? As mentioned, further information has been released since the publication of the previous study, including the criteria against which Free Port status would be awarded. Specific concerns have been raised in relation to Milford Haven with land availability.</p> <p>Action points? Whilst the Free Port bidding process has not yet opened in Wales, it is considered that proposed sub-actions remain broad and relevant. Additional monitoring of the progress of Freeports following the recent Written Ministerial Statement will be essential.</p>	+ / ?

⁵⁶ <https://www.swanseabaycitydeal.wales/news/major-step-forward-for-landmark-multi-million-pound-llanelli-project/>

⁵⁷ <https://publications.parliament.uk/pa/cm5801/cmselect/cmwelaf/205/20506.htm>

Drivers	Broad Intervention (2019)	Potential Sub-Actions/Site-Based outputs (2019)	2020 Baseline Update (Summarising data baseline, engagement, literature review)	Possible Implications (Subject to ongoing review)	Risk Rating
			amount of funding available and the impact on competitiveness ⁵⁸ .		
ES3	Review of Enterprise Zones: To reflect the mixed opinions held on the success of the Enterprise Zones, review the extent to which these designations have delivered benefits or delivered growth.	<ul style="list-style-type: none"> Pembrokeshire should work closely with Welsh Government in order to review the success of the Enterprise Zone within the 'Larger than Local' area. This should include a review of the inquiries to date, the way in which decisions within the zone have been taken and also include a review of the EZ boundary moving forward, recognising the environmental considerations and constraints within the area. The full benefits of the EZ should also be reviewed in order that inquiries can be dealt with in the most efficient way and investors directed to the EZ where the benefits would match investment inquiry. 	<ol style="list-style-type: none"> The Pembrokeshire Economic Recovery and Regeneration Strategy sets out that references the regional importance of Haven Waterway Enterprise Zone and the Pembrokeshire Business Panel. Since the publication of the 2019 study there have been limited further updates in terms of activity within the Haven Waterway Enterprise Zone. The Development Bank preferential loan terms for companies based within an Enterprise Zone demonstrates that there are still financial incentives associated with the designation even within a new framework post- Welsh Government Property Development Fund In June 2020, the UK Government and Welsh Government approved the business case for the Pembroke Dock Marine project;⁵⁹ which is led by the private sector with support from Pembrokeshire County Council and is expected to generate more than 1,800 jobs in the next 15 years. Approval of the business case means the project can start accessing £18 million funding that the two governments have released. 	<p>Is the broad intervention and associated actions still relevant in 2020/21? Given potential competing interests such as a port zone designation at Milford Haven and an alternative accreditation for strategic sites, it is considered that this remains a valid intervention for Local Authorities to consider further in the 2020-21 Update.</p> <p>Scale of Change? Since the publication of the 2019 study it is understood that at the time of writing there has been no further review on the Enterprise Zones located within the Study Area and as such the scale of change is minimal.</p> <p>Action Points? In consideration of the scale of change, the actions points remain relevant and no further actions/site-based interventions have been identified for the 2020-21 Update.</p>	0 / ?

⁵⁸ <https://gov.wales/written-statement-freeports-wales>

⁵⁹ <https://www.swanseabaycitydeal.wales/news/green-light-for-60-million-pembrokeshire-marine-energy-project/>

INV7: Coordination, business support and networks

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

Table 10 Coordination, business support and networks

Drivers	Broad Intervention (2019)	Potential Sub-Actions/Site-Based outputs (2019)	2020 Baseline Update (Summarising data baseline, engagement, literature review)	Possible Implications (Subject to ongoing review)	Risk Rating
MS4, CSI1, CSI2, CSI3, CSI5, CSN2	<p>Site promotion: There is an opportunity to work collaboratively between Authorities and departments within Welsh Government to actively promote available sites to national and international investors.</p>	<ul style="list-style-type: none"> • Work collaboratively, recognising the complementary nature of many of the key sectors across the ‘Larger than Local’ area. • Using the Strategic Site inventory at Appendix C, develop a detailed site portfolio (reviewing key infrastructure assets and likely values) against strategic inquiries to understand how strategic demand aligns with these sites. • Work in partnership with the private sector / landowners to prepare development briefs for strategic sites. • Review where active promotion would be most effective to attract the ‘right end user’ that would maximise the strategic locational benefits of the site. • Work across departments and authorities to help guide prospective inquiries to other locations within the Pembrokeshire and Carmarthenshire area. 	<ol style="list-style-type: none"> 1. General agreement amongst stakeholders that local authorities work well together. Not currently working on development briefs/strategic site inventory –priority of LDP2. 2. Acknowledgement amongst stakeholders that more could be done to engage with landowners directly across region. 3. The SQW Consultants Commercial Property Market report, and feedback from stakeholders suggests that there is still a latent demand for smaller sites as identified in 2019. 	<p>Is the broad intervention and associated actions still relevant in 2020/21? These broad interventions have a more long-term focus and there was an acknowledgement amongst stakeholders during the 2020-21 Update that further work could be undertaken to engage the private sector and landowners, as well as an acknowledgement of the demand for smaller sites. The interventions therefore remain relevant.</p> <p>Scale of Change? There has been a medium scale of change in consideration of these interventions. There will be an increasing need for collaboration between public and private sector to accommodate changes within the EU-UK Trade Agreement.</p> <p>Action points? The action points presented in 2019 are broad in focus, however are critical to continue, and therefore are considered to be appropriate for the 2020-21 Update.</p>	+ / ?
	<p>Working with landowners: Future macro-economic uncertainty (such as the implications of Brexit or the decision to not to proceed with a new section of the M4 motorway south of Newport) may result in reconfiguration of existing assets within the area. This should be seen as an opportunity for the County Councils to target ‘the right end user’ and maximise the strategic locational benefits of these sites.</p> <p>A more proactive approach to partnership from both the public and private sector could enable barriers to development to be unlocked.</p> <p>Managing inquiries to alternative sites: There was anecdotal evidence of ‘waiting lists’ for smaller sites (approx. 5,000 sq. ft and under); Councils should work together with Welsh Government to support accommodation of these inquiries across local authority boundaries.</p> <p>Market Engagement: Greater engagement outreach could be used to develop stronger working relationships with existing key businesses within the ‘Larger than Local’ area.</p> <p>There was a perception amongst some indigenous businesses within the area that ‘new growth’ was prioritised. However, acknowledging the generally altruistic nature of the area, indigenous businesses are more likely to invest in the overall development of the ‘place’, infrastructure and skills.</p>			<p>Is the broad intervention and associated actions still relevant in 2020/21? The interventions are considered to remain relevant to 2020.</p> <p>Scale of Change? Despite the pandemic and uncertainty surrounding Brexit there is still demand for growth and change and therefore engagement is critical.</p> <p>Action Points? The County Councils should work with the Development Bank to consider ways in which funding opportunities are communicated and marketed across the two county region. The County Councils should consider engaging with the Welsh Government to present the case that indigenous firms are precluded from mainstream business development funding.</p>	+ / ?

INV8: Ensuring a broad range of skills at different levels

INV8 Strategically plan skills development and training to match current and future needs: The diverse nature of the ‘Larger than Local’ economy means that employers requirements in terms of skills and qualifications vary greatly. Efforts should be made to support existing key employers in their skills requirements, as well as planning to meet the needs of the identified opportunity sectors / complimentary sectors. The opportunity, alongside the place-based benefits should be developed and sold in order to seek to retain school leavers. This intervention is likely to become even more pressing as the implications of Brexit emerge, specifically on those sector workforces which are made up of non-UK EU workers⁶⁰, or macro-economic changes could have structural and concentrated impacts on a particular area of the workforce (i.e. male-dominated sectors, or youth employment).

Table 11 Ensuring a broad range of skills at different levels

Drivers	Broad Intervention (2019)	Potential Sub-Actions/Site-Based outputs (2019)	2020 Baseline Update (Summarising data baseline, engagement, literature review)	Possible Implications (Subject to ongoing review)	Risk Rating
SK1	<p>Discussions with key employers have highlighted potential skills gaps, with a particular focus on the middle management grades.</p> <p>There would also be a need to align skills development across the ‘Larger than Local’ area with emerging / growth sectors (INV1), working with local colleges and universities and communicating the career opportunities within the areas key or emerging sectors (e.g. service industry, MMC etc).</p> <p>The ‘place’ and lifestyle offer within Pembrokeshire and Carmarthenshire is considered to be a significant draw for those looking for a better work / life balance or those wishing to live and work in a high-quality environment. However, this asset was considered to be attracting Senior Managers and Officials, and perhaps was less attractive to school leavers or attracting middle managers.</p>	<ul style="list-style-type: none"> • Liaise with education institutions and providers to ensure courses and training aligns with sectoral strengths across the ‘Larger than Local’ area. • In exploring potential future growth areas (e.g. timber and MMC), ensure that educational institutions are included within early discussions and are aware of the skills / training needs of such an opportunity as early as possible. • Consider further how wider interventions or macro-economic changes (i.e. Brexit) may change the skills / training needs across the ‘Larger than Local’ area and plan for re-training / up-skilling. • Promote the ‘Larger than Local’ area to school leavers, working with key employers in order to clearly outline the opportunities offered within the region. 	<ol style="list-style-type: none"> 1. Data presented within the baseline review shows that there has been a further small decrease of those employed in skilled trades within Pembrokeshire suggesting that out-migration of skills remains a problem. 2. Stakeholders provided examples of how they have engaged with local educational institutions (e.g. Coleg Sir Gâr) and local employers in order to create bespoke, skill-specific courses as presented within the 2019 study. 3. Re-skilling has been a prevalent rhetoric throughout the Covid-19 pandemic, highlighting a potential changing skillset requirement which could impact the two county area⁶¹. 4. ‘The Skills Analysis of the Effects of Covid-19 on Pembrokeshire’ report sets out that staffing impacts have been varied and wide ranging. Mitigation measures across sectors to maintain business have included reducing staff hours and/ or hours of operation, furlough and making redundancies. The report also highlighted the following key considerations: <i>‘The need for upskilling in digital and ICT across sectors, with specific reference to challenges around working from home and training linked to the use of Microsoft Teams.’</i> <i>‘Changes to health and safety procedures also resulted in additional training requirements (e.g. for construction and food and drink).’</i> <i>‘Mixed future demand for apprenticeships; some sectors foresee there will be no change and others are cautious such as construction, tourism, leisure and hospitality’</i> <i>‘The costs associated with preparing for operation in a post lockdown economy is a major concern for businesses.’</i> <i>‘It is likely that there will be further job losses as a result of the pandemic (following the end of the furlough scheme), and the scale of which is unknown.’</i> 5. There is a potential for the EU-UK Trade Agreement to effect the mobility of service sector professionals, which may have an impacts on skills within specific sectors. This has most acutely been felt, to date, in the number of HGV drivers available. 6. In July 2021, a proposed Business Case was approved for the Skills and Talent programme for the Swansea Bay City Deal area. The programme aims to develop opportunities for individuals across the region to upskill through the identification of skills gaps, working with education providers, developing Centres of Excellence and creation of apprenticeship opportunities. Carmarthenshire County Council is the designated lead Authority for the Skills and Talent Programme with responsibility for delivery across the region. 	<p>Is the broad intervention and associated actions still relevant in 2020/21? The broad intervention and sub-actions remain highly relevant to the 2020-21 Update. There remains a need within the ‘Larger than Local’ area to retain skills and align these with future growth potential over the medium and long term particularly to create workforce resilience in a challenging economic environment.</p> <p>Scale of Change? Since the onset of the Covid-19 pandemic, there has been an increased focus on digital skills, prompted by more home working etc. The pandemic has also perhaps highlighted areas of weakness more profoundly for example, the large proportion of seasonal work in accommodation and food services, leading to a higher uptake of the furlough scheme, particularly in Pembrokeshire.</p> <p>Action Points?</p> <ul style="list-style-type: none"> • Promote the uptake of digital skills to ensure computer literacy, particularly amongst young people particularly as a result of the changing work environment. • Work closely with local education providers to ensure appropriate courses and infrastructure (e.g. IT equipment) is in place to facilitate learning. • Work closely with the Skills and Talent programme for the Swansea Bay City Deal area and Welsh Government to provide resolution to notable skills gaps. 	+ / ?

⁶⁰ <https://gov.wales/sites/default/files/consultations/2019-07/food-and-drink-consultation-document.pdf>

⁶¹ <https://uk.reuters.com/article/uk-health-coronavirus-britain-workforce/uk-faces-skills-shortage-as-Covid-19-splits-job-market-mckinsey-says-idUKKBN27W1P0>

INV9: Connectivity and place

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

Table 12 Connectivity and place

Drivers	Broad Interventions	Potential Sub-actions/Site-based outputs (2019)	2020 Baseline Update (Summarising data baseline, engagement, literature review)	Possible Implications (Subject to ongoing review)	Risk Rating
G1	<p>Ensure the quality of natural assets is reflected in social infrastructure: Feedback from stakeholders considered that social infrastructure (such as schools, education and healthcare provision) did not necessarily mirror the high quality of natural beauty, when trying to attract and retain a range of skilled and unskilled professionals within the area.</p> <p>It is considered that 'Place' will be critical in both attracting and retaining employees, as well as retaining the younger population.</p>	<ul style="list-style-type: none"> Work across disciplines to ensure that investment in key supporting services and social infrastructure within the area is delivered. The 'Larger than Local' authorities should continue to work with Transport for Wales and other stakeholders in order to seek upgrades and improvements to key infrastructure. In particular, the rail connections and accessibility which is currently under review has been raised by a number of businesses in the area due to the wider connectivity offered into London. Authorities should also continue to work collaboratively on active travel investment and infrastructure, linking across the region for the benefit of both the local communities and visitors alike. In turn, this could open-up opportunities in relation to cycle-tourism. 	<ol style="list-style-type: none"> There have been steps taken since the 2019 study to support further investment in social infrastructure, particularly digital infrastructure which is becoming a real focus evidenced by the City Deal's digital infrastructure project. The pandemic has actually opened up further opportunities for investment as a result of new funding streams such as the Sustainable Transport Fund and Transforming Towns Fund, It is acknowledged that conversely large capital projects such as the South West Wales metro may be harder to realise, due to what is likely to be a continuing challenging economic landscape. Notwithstanding this, on the other hand, infrastructure's role in economic recovery has been widely written about in the context of previous global 'shocks'⁶² and as such the next decade could present opportunities for larger scale projects to improve connectivity in west Wales. In January 2020 the Welsh Government announced a £100 million investment programme for town centres across Wales, to be known as the 'Transforming Towns Fund'. The fund incorporates existing funding programmes including the Targeted Regeneration Investment Programme (TRIP), the Coastal Communities fund and the town centre loan fund. This can be used as follows: <ol style="list-style-type: none"> developing underused, empty or run-down properties into businesses, housing, leisure facilities, commercial premises or community facilities improving the appearance of properties and/or reshaping them to make them more viable improving existing premises by introducing innovative services and connectivity, such as high-speed broadband, which will attract businesses. Opportunities to increase 'home-working' and benefits of this for very local economies (i.e. 'fifteen-minute neighbourhoods'), whilst support the 'spirit of entrepreneurialism'. 	<p>Is the broad intervention and associated actions still relevant in 2020/21? Improvements to social infrastructure is an intervention with a more medium-long term focus and as a result remains relevant in 2020/2021.</p> <p>Scale of change? Since 2019, behavioural shifts as a result of the Covid-19 pandemic which could lead to changing priorities in terms of infrastructure investment (e.g. digital) and future local spending as a result of greater homeworking. In addition, the pandemic has opened up potential new funding streams to accelerate planned improvements, whilst other schemes, such as the Swansea Bay City Deal, have advanced over the past year.</p> <p>These trends could also lead to longer term implications on what transport investment priorities should be. Larger transport projects (e.g. rail improvements) are much more long term in focus, but collaborative working such as that evidenced through the City Deal in the region could enhance delivery of potential capital projects.</p> <p>Actions?</p> <ul style="list-style-type: none"> Continue to lobby for extension of superfast broadband coverage to areas which currently have low levels of provision. This will include understanding what the emerging Welsh Government Digital Strategy means for Pembrokeshire and Carmarthenshire. Explore opportunities to maximise local spend from extensive homeworking (through desk rental spaces and small business hubs), which could enable synergies with local entrepreneurialism. Continue to review the implications of the pandemic on transport movements and local transport provision. The Welsh Government Programme for Government (2021 – 2026) has also proposed to deliver 45% of journeys by sustainable modes by 2040 and is proposing to launch a 10-year Wales Infrastructure Investment Plan. 	++ / ?

⁶² <https://infrastructure.aecom.com/2020/the-future-is-now-infrastructures-role-in-economic-recovery>

6 Conclusion

6.1 Purpose of the 2020-21 Update

Since the publication of the 2019 study there has been unprecedented economic change, specifically in relation to the UK's withdrawal from the European Union ('Brexit') and the onset of the Covid-19 pandemic. These economic 'shocks' have had a profound impact on a local, regional, national and international scale.

The **2020-21 Update** looks to 'test' the relevance and scale of change for each of the interventions and strategic site recommendations presented in the 2019 study in light of a rapidly changing economic context. This Update Report, consisting of this Interim Review of Interventions; Appendix A Baseline Review and Appendix B Review of Forecasts, is neither an exhaustive list of updates nor has it endeavoured to repeat information collated as part of the 2019 study. It is also not intended to be a definitive baseline of all economic, strategies and initiatives within the Study Area.

In addition, as the EU-UK Trading Arrangement only came into force on the 1st January 2021, and the medium-long term impacts of Covid-19 are as yet unclear, the effects remain unknown. A large number of perceived threats and opportunities will be subject to individual businesses and governmental ability to respond agilely to these changes. Ongoing up-dates to this Study, the SWOT and the Baseline Review will therefore remain essential throughout 2021 and beyond the Local Development Plan examination.

6.2 Main Messages

The following are considered to be the main messages arising for the 2020-21 Update baseline review and forecast review:

- Overall, the baseline review and engagement with key stakeholders demonstrated that the overarching themes of the 2019 study, including the key sectors identified and some of the key drivers e.g. focus on strategic infrastructure (Haven Waterway and M4/A48/A40) remain relevant a year later.
- There are clear threats arising from a rapidly changing economic context in 2020/2021 as a result of Brexit and the Covid-19 pandemic. The threats of each relate, in part, to a sense of prevailing uncertainty around what the future might look like. For example, there is the potential cost implications associated with the of EU-UK Trade Agreement on SPS border controls, and the overall impact of Brexit on skills and trade regulations (such as Rule of Origin) within the two county area remains to be seen. These may only emerge across the medium to long term. In terms of Covid-19 it remains to be seen how particularly hard-hit sectors (e.g. tourism) approach recovery.
- As set out in section 4 there are also clear opportunities for the Study Area which have emerged across the last year. For example, in relation to agriculture there is the opportunity to further promote sustainable land

management, buoying the sector whilst contributing to environmental targets. There is a sense of ‘entrepreneurialism’ within the two county area as a result of the pandemic and this may lead to some growth in identified key sectors such as tourism and the creative industries, and there has been a recognised growing demand for storage and distribution which the two county authorities could explore in more detail.

- Forecasts show that whilst there has been rapid decline in terms of jobs and GVA has been commonplace across almost all sectors as a result of the Covid-19 pandemic, a ‘bounce back’ demonstrated by a ‘V-shaped’ trend is also prevalent, as shown on the graphs within Appendix B.
- Over the longer term, the forecasts show that growth is predicted within accommodation and food services, public services and professional and other private services. Manufacturing employment is still forecast to experience overall decline over the long term, as is agriculture, forestry and fishing which was the case in 2019. Tr
- When compared to the previous forecasts, the 2021 data shows a slightly higher land requirement in both geographies when compared to the 2020 data, although slightly lower than requirements identified in 2019. For the majority of sectors, this projection continues to relate to the impact of the pandemic and the time needed to recover to pre-pandemic employment levels before growth. This includes a period of recovery and the forecasts in the majority of cases therefore show a ‘lag’ with employment levels in key sectors taking time to bounce back to levels experienced pre-pandemic. The changes in land demand also reflect some key changes in the forecasts, including a reduction in the forecast amount of B8 land which drives the overall requirement down.
- It should also be noted that the forecasted land demand continues to reflect the geographical character of the two county area, which is orientated more towards sectors such as tourism, leisure and public services which don’t historically lead to a large land demand.
- As noted within Appendix B, the forecast nature of the trends presented must be recognised and it is possible that some sectors / categories will bounce back quicker or to a greater extent than forecast, particularly if support is in place to support such a recovery. Some of this potential support has also been explored in detail within the baseline for example the ‘Transforming Towns’ fund which could be a catalyst for the implementation of planned regeneration initiatives (e.g. high street revitalisation) and the Welsh Government’s Building Better Places placemaking-led recovery plan. The two county authorities should look to explore these opportunities in detail in order to maximise potential benefits.

6.2.1 Interventions

The key messages arising from the 2020-21 Update in relation to each of the interventions has been summarised below:

INV1 – Making the most of complementary sectoral strengths by maximising natural resources and adding value.

There remains a considerable level of uncertainty in relation to tourism which has a knock-on impact on exploring linkages with this sector e.g. food hospitality, cruise sector. As a result engagement with bodies such as VisitBritain and VisitWales will be critical to ensure that the two county area is well positioned to maximise opportunities if and when they arise. The two county area remains well-placed to maximise the use of its natural resources for energy generation and the policy framework for such opportunities has strengthened since the publication of the 2019 study.

INV2 – Explore options to respond to sectoral demand and support indigenous firms by increasing planning flexibility.

Sectoral demand moving forward remains an area of uncertainty given the short, medium- and long-term impact of Brexit remains uncertain. Anecdotal evidence suggests there remains a latent demand for smaller premises at the time of writing however, it cannot be stated with certainty that this will continue in the face of potential changes to staffing and trade arrangements and therefore this is something the two county councils should monitor closely.

The Development Bank is likely to be an important resource in facilitating the delivery of employment land in the region and as such a recommendation is to ensure that potential investors in the region are aware of this opportunity. Since the publication of the 2019 study, there have been several examples of the use of LDOs to support growth in the two county region and this approach is also advocated in policy, namely within the Welsh Government's 'Building Better Places' recovery plan. The Welsh Government Programme for Government (2021-2026) supports this intervention by aiming to help support Welsh business to create new jobs, find export markets and invest in sustainable green industries.

INV3 – Explore opportunities for working in partnership with the private sector to reduce reliance on public sector funding.

The Value Gap remains a persistent problem across the two county area which stakeholders agreed was unlikely to change. As such the action to monitor the future of funding opportunities post-EU-UK Trade Agreement remains highly relevant to the 2020-21 Update. Whilst there has been limited change in terms of furthering public-private partnerships since the publication of the 2019 study, given the large scale of change throughout 2020/21 this remains an important action for consideration.

INV4 - Preserving strategic assets for future demand

There remains a sense of uncertainty in relation to future uses around the Haven Waterway and other strategic assets e.g. Haverfordwest Airport. Notwithstanding this, it remains fundamental to protect these assets to ensure that opportunities relating to their locational advantages are not lost. Whilst 2021 forecasts are

below the September 2020 forecasts, as this is aligned with or above the 2019 forecasts, potential demand remains for fulfilment sites. Baseline research does suggest that this demand may experience further growth as a result of the Covid-19 pandemic and the increase in e-commerce.

INV5 - Strategic site interventions

As a result of the UK-EU Trade Agreement and specifically, Rule of Origin thresholds, it is recommended that the County Council's to engage with local businesses to understand the level of export carried out within the two county area. This is considered to be particularly important in relation to strategic site clusters which generally support supply chain businesses. Overall, the evidence collated as part of the 2020-21 Update suggests that the strategic site interventions as presented within the 2019 study remain relevant at the time of writing, although further review at a later date to fully understand the effects of Brexit and the Covid-19 pandemic is also recommended.

INV6 - Reviewing existing and proposed spatial initiatives

There has been limited further information released over the past year in relation to Enterprise Zones, and as such the action point to review the successes and benefits of EZ sites remains relevant. There remains opportunity for ports within the two county area to receive 'Freeport' status however, at the time of writing, there is limited further information in relation to the bidding process for Welsh ports. Additional monitoring of the progress of Freeports following the recent Written Ministerial Statement will be essential.

INV7 - Coordination, business support and networks

The changes which have taken place since the publication of the 2019 study have further highlighted the need for strong coordination, business support and networks within the two county Study Area. For example, the public-private sector will need to work in partnership to accommodate changes required as part of the UK-EU Trade Agreement. There remains an opportunity to work with the Development Bank to consider ways in which funding opportunities are communicated and marketed across the two county region.

INV8 - Ensuring a broad range of skills at different levels

The Covid-19 pandemic has highlighted areas of weakness within the economy of the two county area, for example the high reliance of seasonal/part-time work and work within key sectors such as accommodation and food services has resulted in a high proportion of furloughed workers. There are opportunities emerging in relation to reskilling and upskilling particularly in relation to digital skills. The County Councils should look at ways to promote the uptake of digital skills to ensure computer literacy, particularly amongst young people particularly as a result of the changing work environment. They should work closely with local education providers to ensure appropriate courses and infrastructure (e.g. IT equipment) is in place to facilitate learning. This will also including working

closely with the Skills and Talent programme for the Swansea Bay City Deal area to provide resolution to notable skills gaps.

INV9 - Connectivity and place

The Covid-19 pandemic could result in long-term changes in the way people choose to live and work which perhaps may enhance the ‘lifestyle draw’ of West Wales. Although this remains highly uncertain at this stage, the County Councils should ensure that they are in the best position they can be to capitalise on these potential shifts. As a result it is recommended that the County Councils continue to lobby for extension of superfast broadband coverage to areas which currently have low levels of provision. They should explore opportunities to maximise local spend from extensive homeworking (through desk rental spaces and small business hubs), which could enable synergies with local entrepreneurialism. There is also a need to continue to review the implications of the pandemic on transport movements and local transport provision.