



Report of the Cabinet Member for Economy, Finance & Strategy

Development & Regeneration Scrutiny Performance Panel – 8 March 2022

South West Wales Regional Economic Delivery Plan

Purpose:	To brief the Scrutiny Panel on the Regional Economic Delivery Plan for South West Wales
Content:	A briefing on the new South West Wales Regional Economic Delivery Plan that will replace the 2013 Swansea Bay City Region Economic Regeneration Strategy as the council's economic regeneration policy.
Councillors are being asked to:	Consider the information provided and give views
Lead Councillor:	Councillor Rob Stewart, Cabinet Member for Economy, Finance & Strategy
Lead Officer & Report Author:	Phil Holmes Tel: 01792 636979 E-mail: phillip.holmes@swansea.gov.uk

1. Introduction

- 1.1 It has been eight years since the publication of the Swansea Bay City Region Economic Regeneration Strategy in 2013, and the economic and policy context has changed considerably at the Welsh and UK level since then, particularly in light of the UK's decision to leave the European Union and the impact of the covid-19 pandemic. In addition, the regional landscape is changing with the advent of the new Corporate Joint Committees, and the preparation of new Regional Economic Frameworks by Welsh Government that set out visions and high level priorities for each region in Wales.
- 1.2 To respond to changing circumstances, the four local authorities in South West Wales, in partnership with Welsh Government, commissioned SQW to produce a new Regional Economic Delivery Plan (REDP). This will replace the previous Swansea Bay City Region Economic Regeneration Strategy.

- 1.3 The REDP commission included:
- A thorough analysis of the evidence base on the region's economy, labour market and infrastructure to determine its strengths, weaknesses, opportunities and threats
 - Interpretation of the strategic policy context at local, regional and national level
 - Development of detailed strategic aims and objectives that respond to the economic opportunities for the region and complement the shared regional vision as articulated in the Regional Economic Framework
 - Preparation of Regional Economic Delivery Plan that includes actions that need to be taken to achieve the vision and objectives
- 1.4 The Regional Economic Delivery Plan is attached at Appendix A
- 1.5 The REDP complements the new Welsh Government Regional Economic Framework (REF) and provides a further layer of detail below the REF, outlining the objectives and actions that will deliver against the high level vision in the REF.
- 1.6 The REDP sets out an ambitious 'route map' for the development of the region's economy over the next ten years, identifying priorities for intervention and setting out how business, government, education, voluntary/ community organisations, social enterprises and other partners can work together to bring them forward.

2. South West Wales Regional Economic Delivery Plan

- 2.1 The REDP identifies that South West Wales has a diverse economy and a unique set of natural and cultural assets, underpinned by the quality of its coastal and rural environment, industrial heritage and university presence.
- 2.2 The economic analysis shows:
- In the years leading up to the Covid-19 pandemic, the South West Wales economy performed strongly in generating new jobs: by 2019, there were 322,000 jobs in the region, an impressive increase of 20,000 on the 2013 figure.
 - The productivity gap with the rest of the UK has narrowed slightly over time but is still substantial, with regional productivity (GVA per filled job) standing at 80% of the UK level in 2018.
 - Economic activity rates in South West Wales have improved at a faster pace than the rest of the UK over the past 15 years, but the rate continues to fall behind the UK average: the economic activity rate in South West Wales was 73.8% in 2018, compared with 78.9% across the UK.
 - There has been a steady improvement in qualification levels with 35% of the working age population qualified to NVQ level 4+ (degree level) compared to 22% in 2004, and the proportion with no qualifications has halved over the same period, but in relative terms there is a still a gap with the rest of the UK

- The business base grew in the years leading up to the pandemic but the number of enterprises relative to the working age population (enterprise density) and start up rates remain lower than the rest of the UK.
 - There is a widely recognised gap between demand and supply for industrial premises, with low rental levels affecting the viability of private sector led developments.
 - Across the region concentrations of disadvantage are significant, principally in the urban centres of Swansea, Llanelli, Neath, Port Talbot, Pembroke Dock and upper Western Valleys.
- 2.3 Overall, the review of economic performance suggests good progress over recent years, especially in terms of job creation, but there is a persistent gap in outcomes between the region and the rest of the UK. This reflects the ‘structural’ nature of many of the region’s challenges linked to the long-term processes of industrial change (which in some respects are still ongoing), and are shared with other regions in Wales and the UK.
- 2.4 The review has also identified a series of distinctive strengths and opportunities in South West Wales, especially linked with the region’s energy potential (particularly green energy and the net zero opportunity), university-industrial links, strong cultural identity, environmental assets and quality of life offer. The REDP aims to build on these distinctive regional strengths and opportunities to develop a more prosperous and resilient South West Wales economy.
- 2.5 Unlike the previous Economic Regeneration Strategy, which was predominantly focused on improving productivity, the REDP recognises that ‘Transformational’ growth opportunities need to be balanced with the conditions for incremental improvements in resilience, capacity and capability across the whole of the economy. This was a key theme that emerged from consultation with regional partners during the preparation of the Plan. While there are distinctive opportunities to pursue at the ‘leading edge’, long-term employment resilience and wage growth is going to depend on the sustainability, productivity and expansion of the wider stock of regional businesses.
- 2.6 To help plan for the future, the REDP sets out three ‘Ambitions’ which set out the nature of the South West Wales economy that we want to work towards. These are:
- Resilient and sustainable
 - Enterprising and ambitious
 - Balanced and inclusive
- 2.7 The ambitions are supported by three complementary Missions, which will guide activity over the next ten years:

- Mission 1 – Establishing South West Wales as a UK leader in renewable energy and the development of a net zero economy: Taking forward the region’s major energy related projects and driving the benefits through the region (via industrial decarbonisation, supply chain opportunities, university-linked innovation, etc.).
- Mission 2 – Building a strong, resilient and embedded business base: Understanding and growing the business stock, supporting widespread social and commercial entrepreneurship, creating stronger supply chain and innovation networks, making public sector support sustainable; driving forward technology adoption and diffusion.
- Mission 3 – Growing and sustaining the ‘experience’ offer: Linking environmental quality, quality of life and community character to create a region that retains and attracts talent and investment, and to promote this consistently and powerfully to the outside world

2.8 The REDP sets out some initial key action areas to deliver against the ambitions and missions. These actions will form the basis of a ‘living’ action plan document that will be regularly reviewed by regional partners and will evolve to embrace new investment proposals as they emerge.

2.9 The REDP was approved by Cabinet on January 20th and will become the Council’s over-arching economic regeneration policy document to replace the 2013 Swansea Bay City Region Economic Regeneration Strategy. The REDP is also going through the approvals process in the other local authorities in South West Wales.

2.10 The new Regional Economic Delivery Plan will be owned and overseen by the new South West Wales Corporate Joint Committee (CJC). Once the CJC is formally constituted, it is proposed that the REDP will be presented for adoption as the regional strategy for economic wellbeing. Supporting the CJC, the Regional Regeneration Directors will keep track of progress and will be responsible for developing business cases, securing investment and ensuring delivery on the CJC’s behalf.

3. Integrated Assessment Implications

3.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage

- Consider opportunities for people to use the Welsh language
 - Treat the Welsh language no less favourably than English.
 - Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.
- 3.2 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.
- 3.3 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.
- 3.4 An Integrated Impact Assessment (IIA) screening has been completed and is attached at Appendix B. This tool confirms that a full IIA is not required on the Regional Economic Delivery Plan.
- 3.5 The REDP sets the strategic direction for economic regeneration regionally and locally over the next ten years. The REDP aims to create an economy that is resilient and sustainable; enterprising and ambitious; and balance and inclusive. It is expected to have a positive impact on people and communities in Swansea by improving economic performance and creating sustainable employment opportunities.
- 3.6 In line with the Equality Act 2010 and Public Sector Equality Duty, due regard will be given to the impact on protected groups in the development and delivery of all the actions that flow from the REDP. All actions will be screened and full IIAs will be undertaken if appropriate in the future as the actions progress.

4. Financial Implications

- 4.1 There are no immediate and direct implications arising from this report. Any actions stemming from the Regional Economic Delivery plan will need to identify the nature, timing and design of any programmes or projects and the resulting costs and funding prior to any investment decisions being made.
- 4.2 Council specific future costs will continue to fall to each Council to consider and fund as part of the usual budget management and investment decision making process. Aspects of the wider regional work and some of the future potential funding solutions will fall to the CJC which has revenue levying powers on the constituent Councils of the CJC and thus ultimately still become an individual charge on Council budgets.

5. Legal Implications

5.1 There are no specific legal implications at this stage.

Background Papers:

[Swansea Bay City Region Economic Regeneration Strategy](#)

Welsh Government South West Wales Regional Economic Framework: [South-west Wales regional economic framework \(gov.wales\)](#)

Appendices:

Appendix A South West Wales Regional Economic Delivery Plan
Appendix B Integrated Impact Assessment Screening Form