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CEREDIGION
County Council



Llywodraeth Cymru
Welsh Government

Regional Economic Framework For Mid Wales





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Chief Regional Officer

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Ministerial Foreword



This Government's approach to economic well-being is grounded on the principle that places matter. We want to realise our ambition of delivering better jobs closer to home and ensuring that the benefits of economic growth are felt fairly across all parts of Wales. Regional Economic Frameworks which are co-designed with our partners, are an essential part of our commitment to a more regionally focussed model of economic development. They are part of our work to develop the distinctive strengths of our regions, while supporting inclusive and sustainable economic growth, maximising opportunities to address regional and local inequalities and improving the well-being of our people.

Our Regional Economic Frameworks will help us to tackle our inherent structural challenges responsively, by turning them into opportunities to build dynamic and distinct regions which demonstrate inclusive,

fair and sustainable economic growth. They will help us to design solutions for the future, together with our local partners. And importantly, they will be living and evolving documents which are responsive to changing circumstances.

Our Economic Resilience & Reconstruction Mission sets out our vision of a well-being economy which drives prosperity, is environmentally sound, and helps everyone realise their potential. Co-produced with our regional partners, our Regional Economic Frameworks will have a key role in delivering this vision and ensuring activities at all levels align to focus our resources where they can have greatest impact. They will help us to deliver a stronger regional voice and enable us to build upon the progress already made in developing our regional economies. The Regional Economic Frameworks will also play an important role in helping us recover from the economic damage of the pandemic

and mitigate against the impacts of our exit from the European Union whilst providing the longer term vision needed for a more prosperous, green and equal regional economy.

Our Net Zero Wales Plan will be supported through the delivery of our Regional Economic Frameworks, delivering cleaner, stronger and fairer regions.

We will strengthen the resilience of our natural and built environments to the impact of a changing climate and enable an economic transformation for our regions, which will help to displace our reliance on fossil fuels, and create the industries and the jobs of the future.

My ongoing commitment is to give the people and businesses right across Wales every opportunity to achieve long-term economic wellbeing with dignity and fairness for all. Our Regional Economic Frameworks are an important part of this work and we will continue to work constructively with our key partners, and the many other people who have an interest in the regional economy to meet the challenges we face and to grasp new opportunities.

In particular, the Frameworks will play a key part in creating the conditions where more people, particularly the disadvantaged and young people, feel confident about planning their futures in Wales.

How we deliver is as important as what we deliver, and the principles of partnership, sustainable development, addressing climate change and driving decarbonisation will be at the very heart of this work.

I recognise that Government alone does not have all the answers. A phased, collaborative approach, working together with partners from across the region, is vital to our success. That joint working with our partners has already resulted in us co-developing a single vision that is supported by a shared and prioritised set of outcomes, and articulated in this new Regional Economic Framework for mid Wales. It is a framework that will enable greater alignment and integration across government and one that will drive the joined up economic development and strategic planning between partners that is needed to build new approaches and facilitate further joint working and economic growth in the future. I would like to thank all stakeholders who have engaged and participated in this process so far – particularly our local authority partners and look forward to a continuing conversation with all those who have an interest in a prosperous future regional economy.



A handwritten signature in dark ink that reads "Vaughan Gething".

Vaughan Gething MS
Economy Minister



THE REGIONAL ECONOMIC FRAMEWORK FOR MID WALES

The Regional Economic Framework for Mid Wales, developed through collaboration and co-production with stakeholders from across the region, supports a more regionally-focused model of economic development, in accordance with the Welsh Government's Programme for Government and a commitment to progress our Economic Resilience and Reconstruction Mission for Wales. It sets out what we will do, and how we will do it.

OUR VISION

"An enterprising and distinctive region delivering economic growth driven by innovation, skills, connectivity and more productive jobs supporting prosperous and bilingual communities"

OUR ECONOMIC PRIORITIES

Agriculture, Food And Drink	Applied Research And Innovation	Digital Connectivity	Energy
Enterprise And Entrepreneurship	Skills And Employment	Tourism	Transport And Infrastructure
 Welsh Language, Heritage And Culture			

OUR SHARED VALUES

Inclusivity we will gather more people around the table.	Trust we will trust and respect all those we work with.	Openness we will share our knowledge and resources.	Collaboration we will work together towards our common goals.	Whole System Thinking we will consider the full impact of our actions.	Appetite For Change we will challenge convention and take action.
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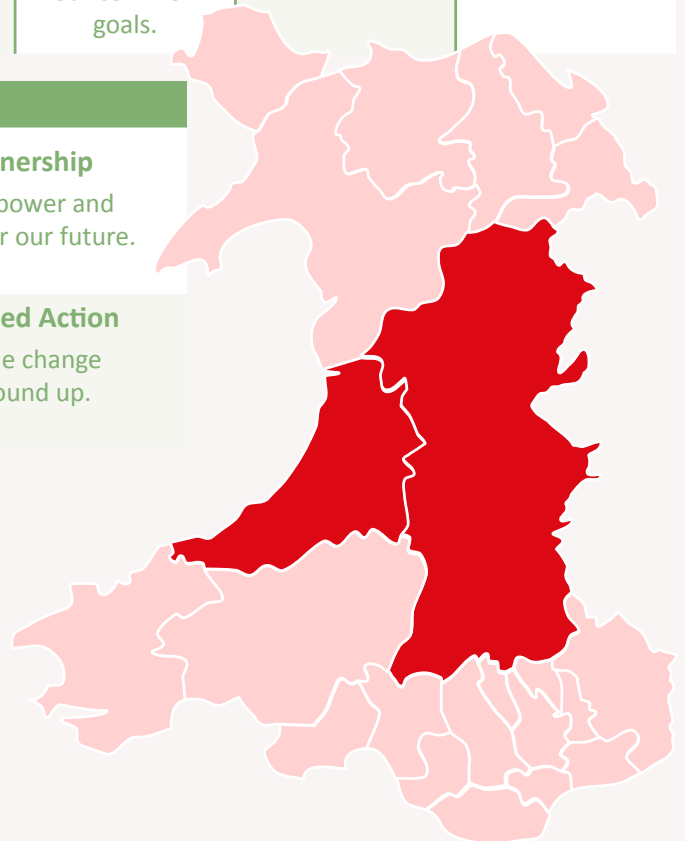
OUR WAYS OF WORKING

Asset-based we will build on our region's great strengths.	Shared-ownership we will share power and responsibility for our future.
Continuous Development we will always push for positive change.	Community-led Action we will enable change from the ground up.

We will implement the Regional Economic Framework for Mid Wales in accordance with the Well-being of Future Generations (Wales) Act 2015 '5 ways of working'.



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1. The Co-Production Process

This is the first REF for mid Wales and part of the transition to a regionally focussed model of economic development. The framework is the result of a different approach involving extensive engagement and co-design with the people that are living and working across the region as well as building on the existing work of regional partners. The approach has been as much about asking better questions, as it has about providing the answers and the REF is the start of a continuous and collaborative process that will be reflected in the way that we work as a region.

The engagement process has in particular highlighted the following themes:

- Equality and diversity
- Children and young people
- The Welsh language
- The environment

The REF is also not meant to be a rigid or traditional business plan but provides a framework to capture how the public, private and third sectors are delivering for the region and place. Many of the conversations informing the REF were about not just what we must do to grow the region's economy, but how we must do it and the kind of decisions that will need to be made. And in facing the significant challenges for the region's economy, particularly the impacts from COVID-19, Brexit and diminishing resources, it is right that the REF determines where to focus, why and the roles and responsibilities.

And in keeping with the principle of building on pre-existing work and not duplicating, this first edition of the REF is intentionally broad and high level, with much of the detailed and technical rationale found in the economic regeneration strategies and the local plans that currently exist or in development. For example, much of the strategic thinking and the detailed regional analysis exists in *A Vision for Growing Mid Wales and the Strategic Economic Plan & Growth Deal Roadmap (May 2020)*. Behind the vision, there is a collaborative approach driven by the Growing Mid Wales Partnership, with partners undertaking extensive engagement to take forward an integrated portfolio of investments, including the Mid Wales Growth Deal.

Therefore, the REF closely reflects the existing work at a regional level and through a place-based and inclusive approach, echoes the discreet challenges and opportunities of people living and working in mid Wales. The engagement phase in the development of this REF has reaffirmed the region's strengths, its key USP's, the challenges that lie ahead and an appetite for greater collaboration and involvement to improve our economic prospects.



2. Shared Values & Ways of Working

Shared values are those which underpin and give coherence to our actions and decision making. They enable us to work together as a region, speak with a collective voice, and drive forward positive change.

Inclusivity

We value inclusivity. Everyone who lives, works, visits and invests in mid Wales is a stakeholder in its economy. Every stakeholder given the opportunity to contribute to decision making, and decision making taking into account its impact on every stakeholder.

Trust

We value trust. To work together we must trust each other. We must trust those who ask us to share our power, trust those who ask us to share their responsibility, and we must trust that those who make decisions will do so with the best interests of the region at heart.

Openness

We value openness. Everyone should have access to the information they need in order to act in the best interests of the region. Communication should be regular, data transparent and access for information equitable to all concerned parties.

Collaboration

We value collaboration. We can only make positive change happen by working together. Collaboration must span sectors and hierarchies, be accepting of concession and compromise, and be focused on doing what is required to make positive change happen.

Whole System Thinking

We value whole system thinking. The economy of mid Wales does not exist independently of everything, and everyone, in the region. As such, the decisions which drive our economic development must take into their consequences for everything, and everyone else. The economy must work for the whole region and every community within it.

Appetite for Change

We value an appetite for change. The way things are done now should not be given automatic precedence over the way in which things could be done in the future. We must base every decision on its own merits and when change is called for, embrace it.

Our Ways of Working sets out how we will apply our shared values, in working towards our shared economic priorities. They provide the backdrop against which the roles and responsibilities of every stakeholder can be defined.

Asset-Based Approaches

We will build on what we already know, what we are already doing and what already works. Our economic development must build on our successes, reduce waste, and grow our economy from our strong base and existing strengths.

Shared-Ownership

We will empower responsibility for the development of our economy and strive to ensure that the REF has a sense of ownership by all stakeholders across mid Wales.

Continuous Development

We will adapt and evolve our REF over time. Economies are changeable, regions are changeable and the needs of stakeholders are changeable. Our current circumstances and context are dynamic and whilst our purpose will be enduring, the way in which we drive regional economic development should be subject to continuous review, reflection and revision.

Community-Led Action

We will work to the principle of subsidiarity, empowering stakeholders and communities who can most effectively drive the change they will reap the rewards of.



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3. Mid Wales – Where Are We Now?

Mid Wales is a region of opportunity and potential, well established as being a great place to live and work, with an outstanding quality of life offer. The region is a large and predominantly rural area comprising the Local Authority areas of Ceredigion and Powys. It accounts for 34%¹ of the land area of Wales but only around 7% of the Welsh population. Mid Wales has a strong cultural heritage and a high proportion of Welsh speakers and known for its natural beauty and remoteness in areas such as the Brecon Beacons National Park and the Cambrian Mountains.

Many of the region's growth opportunities are defined by this distinctive geography. Mid Wales is Wales' most rural region with a distinct natural environment including renowned upland areas and attractive coastline, all of which contribute to prime agriculture, land-based industries and an outstanding tourism offer. The geography, in many ways, defines the economy with dispersed market towns and small settlements with a reliance on road-based travel. This rurality helps to sustain many communities and where there is an important relationship between the economy, the social fabric of the region and the Welsh language. The intra-regional economic links are also critical to the region's growth with connections across north, south and south west Wales and with the English Midlands. The region also supports existing academic and research capability and industrial clusters within advanced manufacturing. The mid Wales region has a very high proportion of micro businesses,

in part driven by the number of agricultural enterprises, reflecting the importance of land based sectors. Employment in accommodation and food services is also significant, illustrating the importance of the tourism industry to the region, and where education and health also contribute as important elements of the economy, demonstrating the key role of the public sector. Mid Wales has relatively low levels of economic inactivity and high educational attainment levels, but the outmigration and retention of our young talent remains a pressing issue.

Prior to the COVID-19 pandemic and the end of the European Union transition period (Brexit), the case for improving the region's economy was well evidenced with poor GDP and GVA, a declining and ageing population, projected employment decline, market failure, low pay, and rural poverty. In addition, the structural challenges facing our town centres, accelerated by Covid-19, and the importance of addressing the viability of the commercial property market continue as major concerns. Most concerning is the region's projected economic decline over the next 20 years against projected growth in the UK economy. This cycle of decline needs to be addressed urgently. Much of the evidence and strategic thinking behind the REF was produced before the outbreak of Covid-19 and leaving the EU and the REF recognises that a lot has changed for the region's economy since then. The co-design and engagement events that informed the REF were specifically aimed at providing an opportunity to test the key

¹ Source: Office for National Statistics

trends and themes with communities and stakeholders. This has largely reaffirmed the understanding of the regional issues and opportunities.

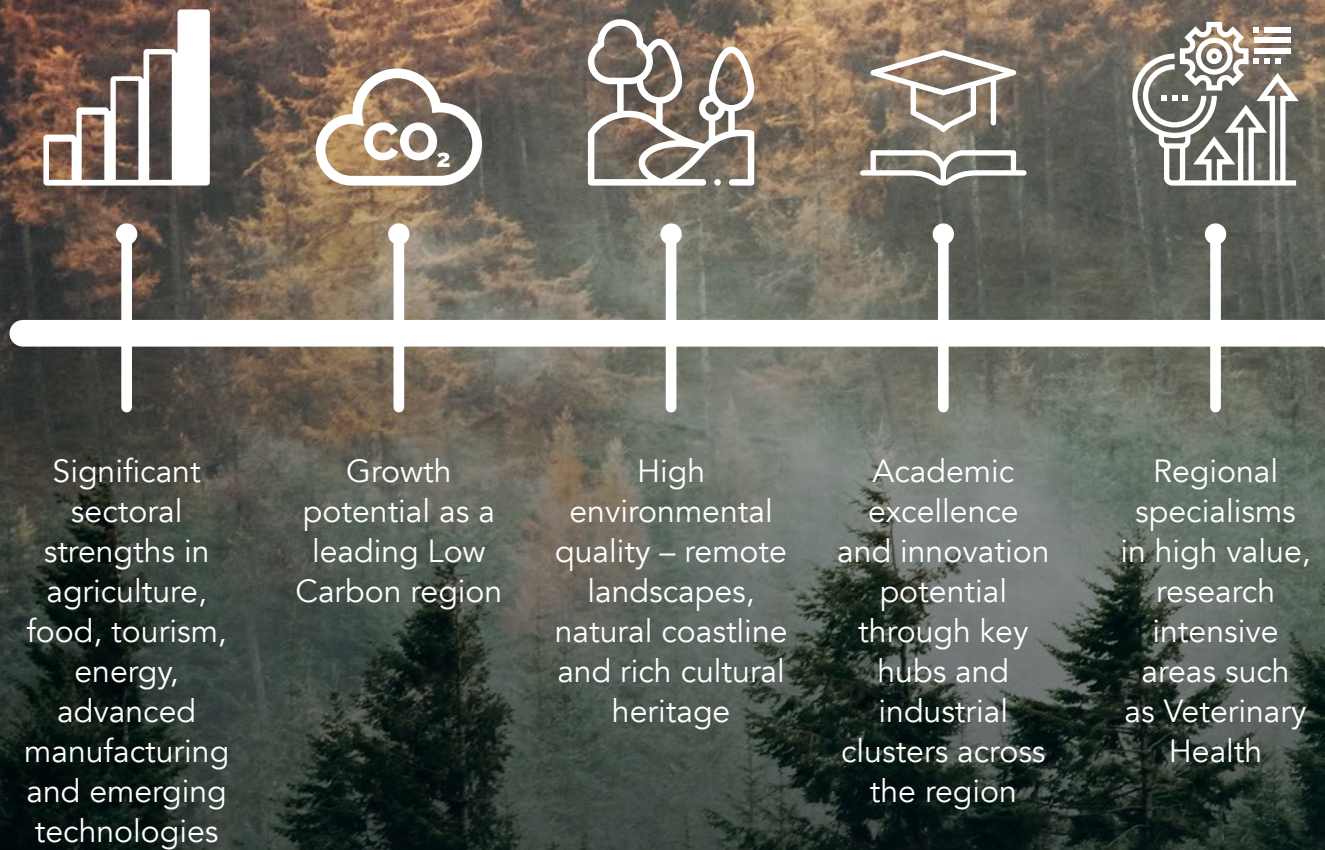
Whilst the economic baseline will be updated, the approach that underpins the framework remains valid – co-design with stakeholders and regional partners working collaboratively to identify shared priorities for the betterment of the mid Wales economy. Therefore, one purpose of the REF is to provide the framework to investigate new and emerging challenges for the region's economy over medium and longer-term, to explore emerging themes as well as adapting to deliver the regional priorities differently.





Mid Wales – At a Glance

Strengths/Opportunities



Weaknesses/Threats

Low productivity and earnings combined with a narrow and vulnerable economic base

Projected employment decline

Market failure and hidden nature of a rural economy

Potential impact of Brexit on rural economy and communities

A static and weakening labour market

Ageing population – reduction in working age population and out-migration of young talent

Poor ICT, transport connectivity and a lack of modern business infrastructure



Regional Assets

Mid Wales has strong heritage and provenance in key industries and sectors with significant developments in regional assets providing an opportunity to generate new, sustainable and inclusive growth. The importance and potential of the region's foundational economy will also provide a key opportunity to improve mid Wales' prospects. The region has a growing sense of confidence and ambition, founded upon the resilience of its communities, strong social capital combined with a proud history of innovation and an entrepreneurial spirit.

The region will build on a range of important and distinct place-based assets that include:

- The wealth of outstanding natural assets, traditional market towns, vibrant communities and cultural assets that support a diverse and growing tourism offer including harbours, waterways and events
- The potential to be a leading low carbon region at the forefront of a green transformation, addressing climate change adaptation and mitigation
- Existing academic and research capability, with key assets including University of Wales Trinity St David and Aberystwyth University
- Aberystwyth Innovation and Enterprise Campus (AberInnovation) – world-class facilities to support bioscience, agri-tech and food & drink, co-located with the Institute of Biological, Environmental and Rural Sciences (IBERS)
- Wales Veterinary Science Centre and Vet Hub development aligned to a research Centre of Excellence in Bovine TB at Aberystwyth University firmly establishing mid Wales as a leader in providing services to the agricultural sector and training the next generation of UK veterinarians



- Unique Remotely Piloted Aircraft Systems (RPAS) environment over and inland towards the Epynt offering the safe testing of unmanned systems and emerging technologies
- Industrial clusters within the advanced manufacturing sector with expertise such as automation, motion engineering and biotechnology/life sciences and specialisms in high value and research-intensive sectors such as Spectrum and Hydrogen
- The Centre for Alternative Technology (CAT) as a centre of excellence for sustainable development and living
- Food Centre Wales at Llandysul, including Project HELIX/Food Innovation Wales and the potential for showcasing our provenance and identity of food as part of the Royal Welsh Showground, building on the regions' track record as a pioneer in organic food production
- The development of the Global Centre of Rail Testing Excellence in Ystradgynlais as a UK leader in future advanced rail technology, research and development

In delivering a place based approach to regional economic development and reconstruction we recognise the opportunities to build on our distinctive strengths, stepping up our investment in town centres, including providing better access to open spaces, the creation of remote working hubs, and making sure that our public services are more accessible, adopting a 'Town Centre First principle' as part of our decision making.





4. Mid Wales – Where Do We Want To Be?

Regional partners have agreed a shared vision for mid Wales to:

- be more enterprising and distinctive region
- deliver economic growth driven by innovation, skills and connectivity
- create more productive jobs supporting prosperous and bilingual communities

Regional partners will work towards the region's vision and become more:

- **Distinctive** – a region with a unique natural and cultural landscape & heritage, offering exceptional quality of life and potential to drive environmental sustainability and lead UK decarbonisation and clean growth
- **Enterprising** – open for business, new and old. A place to start and grow enterprise to enhance regional productivity with a good quality of life.

- **Skilled** – a skilled and flexible labour market supported by academic and vocational learning that responds to industry demands there by reversing current population trends of outmigration
- **Innovative** – a testbed for innovation, developing new products and processes capitalising on existing research and industry strengths and creating new/strengthening existing industrial clusters.
- **Connected** – a fully connected region, unlocking its economic potential driving business growth and innovation and improving social and labour mobility.
- **Productive** – a strong, productive economy providing the right conditions for business to generate better quality, higher paid jobs alongside better employment opportunity.
- **Prosperous** – a regional economy that is rooted in fairness and equality of opportunity with accessible training and employment pathways.



5. Economic Priorities

A shared set of economic priorities are those areas of focus where collective action and investment can deliver the greatest benefits for all across the region, maximising our strengths and assets. The existing body of work carried out by regional partners to produce the *Mid Wales Strategic Economic Plan & Growth Deal Roadmap (May 2020)* provides a solid foundation on which to set out a suite of regional economic development priorities, supported by regional stakeholders and reinforced during our REF engagement phase:

Agriculture, food and drink

We will prioritise agriculture, food and drink. A strong and vibrant agricultural sector generating produce to an internationally recognised standard offers the opportunity to grow our economic base significantly and lead on new high-value food development.



Applied research and innovation

We will prioritise applied research and innovation. Mid Wales is home to internationally significant industries and internationally-recognised research and development assets and expertise that offer opportunities to catapult regional productivity and growth.

Digital connectivity

We will improve digital connectivity as a critical enabler. Our digital infrastructure must enable all those who live, work and invest in the region to connect with each other and the global market place. We will work towards ensuring that no one is excluded from participation in our economy through a lack of digital connectivity.

Energy

We will prioritise energy as a key theme. mid Wales is extremely well-placed to lead efforts to develop green energy solutions, protect our environment and lead efforts to combat climate change regionally, nationally and internationally.

Enterprise and entrepreneurship

We will prioritise enterprise and recognise the importance of the foundation economy. Our vision is for a strong, resilient and diverse mid Wales economy that enables enterprises to start, grow and prosper with the right support and infrastructure.

Skills and employment

We will prioritise skills and employment. Ensuring the appropriate supply of skills and a capable workforce to meet business and industry demands and needs will be fundamental to our future success.

Strengthened Tourism Offer

We will prioritise high value tourism. Mid Wales is a distinct region with outstanding natural assets such as its coastline, attractive market towns and a diverse range of annual events that underpin a vibrant tourism sector, offering a strong platform to drive new, value added and sustainable tourism developments.

Transport and infrastructure

We will prioritise sustainable transport and infrastructure. We need to improve connectivity to and within the region to help grow the economy, increase productivity as well as creating the conditions for business development and growth through a portfolio of sites and premises aligned to our strengths.

These 8 themes must not operate in isolation but seek to align where possible to provide synergy, added value and complementarity. We will also prioritise our language, heritage and culture as an underpinning theme across our priority areas – our approach to economic development must enhance the opportunities for increased take up of the Welsh language, and promotion of our rich heritage and culture.



6. Our Next Steps

Through this first edition of the REF for mid Wales we will aim:

- To work collectively as a region, recognising that how we deliver is as important as what we deliver and embrace the ways of working set out in the Wellbeing of Future Generations (Wales) Act 2015
- To embed our response to the climate and nature emergency in our efforts to build a stronger, greener regional economy as we make maximum progress towards decarbonisation
- To continue to investigate gaps in our knowledge and understanding of the key drivers of change such as the impacts of Covid-19, Brexit and demographic changes including how best to retain a greater number of our young people
- To explore how we measure success for our region – giving consideration to a much broader suite of indicators than purely economic and which reflect the regions well-being as well as its prosperity
- To further develop and deliver the 8 priorities central to the development and future delivery of the Mid Wales Growth Deal, recognising the importance of the Welsh language, heritage and culture as underpinning themes
- To work collaboratively with the Regional Skills Partnership to develop the right skills for a future workforce, aligned to the region's economic development priorities, ensuring the flexibility and opportunity for life-long learning and employability for all and the transferability of skills to new areas as technology develops
- To inform and influence the design and delivery of future national policy in areas such economic development , skills and regeneration to shape programmes and funding opportunities to meet the distinctive needs and opportunities of mid Wales
- To confidently promote and champion the mid Wales region as an area with economic opportunities, an ambitious and attractive place to live, for skilled and well-paid employment and to encourage investment
- To continue the conversation about the future direction of the economy with all of the stakeholders and communities with an interest in a sustainable and successful mid Wales
- To develop the REF through future editions that reflects the context and evolving regional landscape in relation to funding opportunities for regional investment and emerging governance arrangements such as Corporate Joint Committees (CJC's)
- To consider and develop an appropriate means by which to monitor and evaluate our progress in achieving our objectives, including delivery against our strategic priorities, ways of working and which enables our ability to respond to changing circumstances



