

RURAL WALES

**TIME TO MEET THE
CHALLENGE 2025**

ELUNED MORGAN AM

CONTENTS

pt.1

A STRATEGY FOR THE FUTURE

pt.2

A SIX POINT PLAN

pt.3

PILOT PROJECTS

pt.4

DELIVERY



A STRATEGY FOR THE FUTURE

This report makes the case for a more coherent strategy to deliver greater prosperity in rural areas in Wales. At the heart of the plan is an emphasis on a more co-ordinated approach to economic development in the region.

Now is the time to build on existing initiatives and revisit our policy for Rural Wales. We need to consider how to respond to the pressures of globalisation, and the consequences of our departure from the European Union (EU).

We would advocate developing a clear place-based policy to be determined and led by the private sector, Welsh Government and local authorities following consultation with the local population to address the spectrum of challenges which confront us in Rural Wales.

BREXIT POSES A SIGNIFICANT THREAT, BUT ALSO PROVIDES THE IMPETUS FOR CREATIVE THINKING TO MEET THE CHALLENGES AHEAD.

The purpose of this document is to propose ideas to the Welsh Government by individuals and organisations who live and work in Rural Wales to establish a robust programme to prepare for a post Brexit economy.

CO-OPERATION WITH NEIGHBOURING REGIONS MUST BE ADVANCED THROUGH THE ESTABLISHMENT OF A NEW PARTNERSHIP BETWEEN RURAL AND URBAN WALES.

An integrated, co-ordinated approach is required across economic development, planning, transport and public service provision. We must focus on rural towns which are often the economic hub of a much larger geographical area. Creative responses to the challenge of austerity are already being explored to prevent the closure of public and commercial services such as schools, libraries, banks and post offices in small towns and rural communities.

OUR MISSION SHOULD BE TO ENCOURAGE SMART AND INNOVATIVE RURAL DEVELOPMENT WHICH AIMS TO DELIVER A SUSTAINABLE AND INCLUSIVE ECONOMY.

The rural economy must prepare for the shift towards further automation and use of Artificial Intelligence and the possible reduction in traditional roles, by encouraging high tech high skilled jobs in the area.

This document will set out some key recommendations, which will require the Welsh and UK Governments to intervene where there is market failure to enable the delivery of basic public services and encourage investment.

Clarity in terms of the types of public services that should be provided in rural areas should be set out so that the Welsh Government can be held to account and public expectations can be managed.

Benchmarking should be established to measure delivery against other areas, and encourage adoption of new ways if there are shortcomings.



THE OBJECTIVE WILL BE TO ENSURE CLARITY, SIMPLICITY, CONTINUITY, EFFICACY AND FLEXIBILITY.

It is also critical to note that the environment and landscape of Rural Wales are vital assets which can drive innovative development for a sustainable economy.

We know that the environment and landscapes of Rural Wales are treasured by so many people, they must be preserved, but they must not become the reason for curbing economic development where appropriate and where carried out sensitively: a balance must be achieved.

"A SHIFT MUST OCCUR TO ALLOW THIS POSITIVE APPROACH TO WIN THROUGH. THERE NEEDS TO BE A MOVE AWAY FROM RISK AVERSION AND SLOW DECISION MAKING. "

Environmental impacts and local development plans need to be respected but adapted constructively.

We would support the recommendations of the Marsden Report and Future Landscapes: Delivering for Wales Report, which have suggested that National Parks should “reform their purpose to be catalysts for regional development in rural areas.”

Scarce resources will require a streamlining of planning which must focus on crisp and timely decision-making supported by well-resourced planning authorities.

It is essential that there is a coherent and clear delivery plan where responsibility for outcomes is fully established.

Delivery should happen at as local a level as is feasibly possible, and partnership working including with the private sector should be encouraged.

However, careful monitoring of outcomes and failure to deliver should mean that the responsibility rests ultimately with the Welsh Government.



Euned Noya



A “MADE IN RURAL WALES” ECONOMIC DEVELOPMENT PLAN

The economic development plan should be one which is developed in Rural Wales, by Rural Wales, for Rural Wales and cannot not be a plan which is imposed on Rural Wales by Cardiff.

To that end, a group of people with a track record of delivery in Rural Wales has been brought together to make some initial recommendations to the Welsh Government.



THE RURAL DEVELOPMENT FORUM IS CHAIRED BY ASSEMBLY MEMBER FOR MID AND WEST WALES ELUNED MORGAN AND MEMBERSHIP INCLUDES:

Susan Balsom Director, Cambrian Mountains CIC, Trustee Artes Mundi | Melanie Doel Chair, Brecon Beacons National Park Authority | Professor Medwin Hughes Vice Chancellor, University of Wales Trinity St. David | John Idris Jones Chair, Snowdonia Enterprise Advisory Board | Stan McIlvenny OBE Chair, Milford Haven Waterway Enterprise Zone | William McNamara CEO, Bluestone National Park Resort, Pembrokeshire | Glen Peters Managing Director, Western Solar Ltd | Huw Thomas Puffin Produce Managing Director, Puffin Produce, Haverfordwest | Stephen Thornton Public Affairs Manager, Valero Pembroke Refinery | Professor Elizabeth Treasure Vice Chancellor, Aberystwyth University | Eirwen Williams Director Menter a Busnes | Elinor Williams Regulatory Affairs Manager, Ofcom Wales



THE RURAL DEVELOPMENT FORUM PICTURED WITH KEN SKATES, CABINET SECRETARY FOR ECONOMY AND INFRASTRUCTURE.

TRINITY COLLEGE, MAY 2017

Many Town and Community Councils in Rural Wales have been approached to ask what their priorities are for rural economic development and these have been fed into this plan.

These recommendations have been tested on local government authorities, members of Local Action Groups and Public Service Boards in Rural Wales, community organisations and rural businesses.

We hope that the recommendations will inform the Welsh Government's review of its economic development strategy. There will need to be further buy-in from local communities and there will need to be a meeting between a bottom-up community-based economic strategy and a more overarching strategy from above.

DEFINING RURAL WALES...

We would recommend that the Welsh Government calls a meeting of the Rural Development Forum of the WLGA to provide their definition of "Rural Wales" as local government will be key partners in owning and delivering the new Rural Development Plan.

This meeting could be extended to include other key players in Rural Wales.

THE CASE FOR CHANGE

WHY A RURAL DEVELOPMENT PLAN FOR RURAL WALES?

Rural Wales should prioritise building on its natural competitive advantages in order to provide jobs with high pay and to ensure the provision of high quality services for its citizens.

Economic opportunities and high skilled training, along with affordable housing, both to rent and to own, must be provided if young people are to stay and have a future in Rural Wales.

Rural Wales is characterised by its tremendous beauty and has a number of people who are highly entrepreneurial.

It has an established tourism industry and boasts key Universities in Aberystwyth, Lampeter, Carmarthen and Bangor which along with Further Education establishments, are key to driving up the productivity rates in the area.

There are areas of excellent fertile land and rich sea resources which produce quality food. In Milford Haven we have one of the best strategic ports in the United Kingdom.

Rural Wales provides a uniquely clean environment for business development, and the opportunity to use nature as an economically important resource. This offers a marketing advantage for inward investment and/or relocation of modern businesses.

Rural Wales should embrace the opportunities provided by new technologies and the provision of high speed broadband across much of Rural Wales to position itself for the future.

Government has a responsibility to step in and to make up for market failure in rural areas in particular in relation to key infrastructure developments.

HEB WAITH, HEB IAITH.

NO JOB, NO LANGUAGE

Rural Wales remains the heartland of the Welsh language, but young people in particular are leaving for urban areas as there are limited quality skilled jobs.

A vibrant economy is the only way in which the Welsh language will grow and prosper in Rural Wales.

CHALLENGES IN THE WELSH RURAL ECONOMY

LOW GDP AND PRODUCTIVITY FIGURES

Although employment is relatively high in rural communities, income per head is less than in urban areas. Productivity-wise, Wales lags behind other parts of the UK in terms of GVA, at 71% of the UK average in 2015. Rural Wales lags behind many parts of the rest of Wales (for example, Powys' GVA was 67.2% of the UK average).¹

There is however a need to recognise that measuring success should not be restricted to GVA figures, and we need to be mindful of the Welsh Government's Well-being of Future Generations Act which states that other factors such as the environment, equality, prosperity, health, global responsibility and cultural matters including the Welsh language need to be considered in addition to raw economic data.

It is essential that economic activity is enhanced and expanded in Rural Wales whilst sustaining an environment where people can live and work comfortably.

CITY REGIONS

The Welsh Government has a plethora of economic development plans and programmes to enhance economic activity, it is important not to replicate these, and to stop doing some projects which are not delivering.

Recently there has been a shift towards a place-based approach to economic development with a focus on City Regions.

Currently there is an assumption that economic development will take place in relation to four regions; the Cardiff City Region, Swansea Bay City Region (SBCR), the North Wales Growth Deal and the Growing Mid Wales Partnership.

We contend that there are regions which overlap with Rural Wales, but that a specifically rural strategy should be developed which would include the growing Mid Wales Partnership which is made up of Powys and Ceredigion.

The City Deal can facilitate inter-regional relationships both within and between regions. It is vital that no artificial boundaries are created between regions. We need to support existing City Deals to maximise rural impact particular in SBCR which has significant rural coverage.





BREXIT

Brexit will have a huge impact on Wales, but Rural Wales faces additional challenges compared to other parts of Wales as €322 million per year in direct payment support comes into Wales from the Common Agricultural Policy, in addition to €355 million to support its Rural Development Programme.²

Whilst in terms of Gross Value Added (GVA) the contribution of farming is relatively small (0.71% of GVA in 2015), the fact is that 58,300 people are employed in the sector (4.07% of total regional employment).³

Agricultural funding is circulated widely in the local economy and sustains other businesses. Under any future trade agreement with the EU, there is very little chance that the UK will continue to be a part of the CAP.

Challenges in terms of reduced subsidies, increased tariffs, increased competition from outside the EU and increased paperwork demand that we consider how the agricultural industry in Wales can be reshaped to ensure that it remains sustainable.

In the past, the financing of economic development in large parts of Wales has largely been driven by EU funding channels.

In Rural Wales this funding has been channelled through the EU Rural Development Programme and has amounted to an injection of nearly € 1.13 billion of public money for the 7-year period 2014-2020 (€ 655.8 million from the EU budget, including € 292.4 million transferred from the envelope for CAP direct payments, and € 470.2 million of national co-funding).⁴

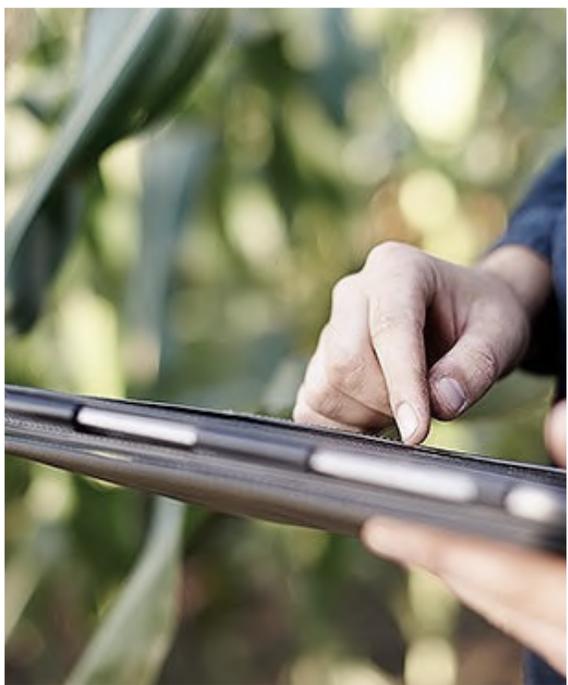
Following the BREXIT referendum, there is real uncertainty regarding the future of financing economic development post 2019 (although the UK Government has promised to honour funding streams until 2020).

There is a need to speed up decision making and payments from the Rural Development Plan if we are to access all the money allocated to Rural Wales prior to BREXIT. Devolving funding allocations to the local level may speed up delivery.

This however is not enough, and we would expect the British Government to make up for the funding that Rural Wales would have received had we continued to be members of the EU.

In addition to agriculture, Rural Wales is home to many public sector institutions and organisations that have benefitted hugely from EU programmes and funding over the past 30 years. Brexit will therefore impact greatly on their future plans, their employment potential and the significant knock-on reduction in spending in the local rural economy.

One of the great advantages of EU funding is the fact that it takes a multi-annual approach. This means that businesses and organisations can plan in the longer-term. The Welsh Government will need to come up with a way to ensure that this longer-term planning can continue and that economic development will not be stifled by annual budget rounds. This could be aided by giving Local Authorities the lead where possible, and should allow small businesses to borrow money up front, as it is difficult for them to sustain cash flow.



THE RURAL ECONOMY IS FUNDAMENTALLY DIFFERENT FROM THE URBAN ECONOMY AND RURAL AREAS FACE UNIQUE CHALLENGES, NEEDING A SPECIFIC POLICY OF THEIR OWN IN ORDER TO FULFIL THE ECONOMIC POTENTIAL AND FUTURE SUSTAINABILITY OF RURAL COMMUNITIES.

INSISTING ON A FAIR SHARE FOR RURAL WALES

Rural Wales faces different challenges from the rest of the country. There must be a recognition that it is far more expensive to deliver the same services in Rural Wales than in urban Wales.

Assessments should be made as to whether Welsh Government programmes and staffing are adequate to meet the needs of Rural Wales and to check to see

whether Rural Wales receives its fair share from national programmes of the Welsh Government.

Local authorities and Welsh Government should explore alternative models of service delivery in Rural Wales including teleservices. We must ensure that any policies arising from the Welsh Government are rural-proofed.

A SIX POINT

PLAN

01

BUILDING ON THE
INFRASTRUCTURE OF RURAL
WALES

02

INCREASING RURAL WALES'
SKILLS AND PRODUCTIVITY

03

GROWING OUR BUSINESSES

04

PROMOTING FOOD,
FARMING AND FORESTRY

05

USING THE FOUNDATIONAL
ECONOMY TO ENSURE LOCAL
JOBS ARE PROVIDED FOR
LOCAL PEOPLE

06

MAXIMISING TOURISM
POTENTIAL



BUILDING ON THE INFRASTRUCTURE OF RURAL WALES



RURAL COMMUNITIES ARE AT A COMPETITIVE DISADVANTAGE WHEN COMPARED WITH URBAN CENTRES.

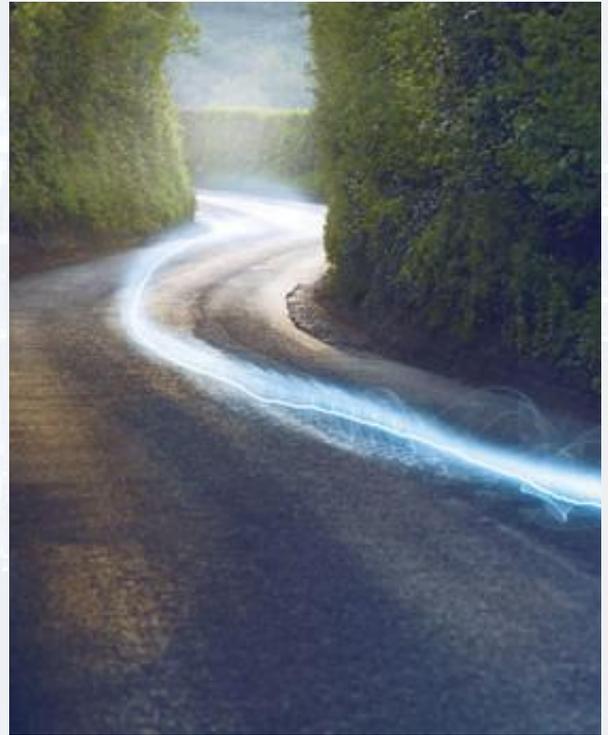
This is particularly true of private sector-led infrastructure developments in Rural Wales.

In relation to Broadband, the Welsh Government has recognised this, and has invested heavily in the Superfast Cymru Broadband Programme, which aspires to provide 96% rate of coverage in Wales by the end of 2017.⁵ The Welsh Government must however persevere to deliver mechanisms which can be used to ensure provision for the 4% of area lacking super-fast broadband coverage.

Achieving such a high rate of Super-Fast Broadband would offer a competitive advantage for Rural Wales compared to other areas of the UK. The Welsh Government needs to promote this more robustly in their inward investment activities.

Any promotional intervention within Wales relating to Superfast Broadband (SFB) should be targeted at those groups which are less likely to take up SFB - there is disparity in take up across age groups and across income thresholds.

Governments of both the UK and Wales need to recognise that in terms of mobile phone coverage, the hilly and mountainous terrain of rural areas, the sparse population and current planning restrictions mean that providing mobile coverage in rural Wales is more difficult than other parts of the UK.



Sparse rural populations also contribute to commercial restrictions which inhibit water and sewerage infrastructure from being provided, which have a knock on effect on housing and business development.

In terms of transport, Rural Wales has very little dual carriageway or motorway infrastructure. It is largely linked through a network of trunk roads and category A routes serviced by local authorities.

Public transport in Rural Wales is heavily subsidised and provided mostly by buses,

which often operate below capacity; indeed, their very inflexibility is unfitting to the modern working day and rural sparsity.

The Welsh Government must have a strategy to protect Rural Wales' main ports (Milford Haven, Pembroke Port, Holyhead and Fishguard Harbour, Mostyn) in the face of the BREXIT threat.

The Welsh Government should also ensure the promotion and use of popular rail lines linking west to east and some coastal northern towns.



RECOMMENDATIONS

- Incentivising the provision of an infrastructure for electric vehicles to re-charge across Rural Wales to encourage businesses and local government to take the UK lead in rural areas, and to pilot the use of driverless electric vehicles (EVs), which could, with subsidies in the long term provide a cheaper and more flexible public transport system in Rural Wales. The Welsh Government should reach out to Chinese firms as part of a wider Belt and Road initiative to bring their electric taxis into rural Wales.
- Encouraging the Welsh Government and UK Government to put pressure on the companies responsible for maintaining the National Grid to reinforce the network in areas where the grid is weakest and economic development opportunities greatest, especially where there is potential to harness renewable energy production and the use of EVs.
- The Welsh Government should explore the option of a new energy infrastructure fund.
- Planning long-term for better North-South, West-East road infrastructure and dualling roads where appropriate.
- Encouraging cross border co-operation and support for infrastructure connectivity to the Midlands
- Exerting pressure on the UK Government for mobile phone masts to become a universal public service obligation and encouraging mobile phone providers to share masts.



INCREASING RURAL WALES' SKILLS & PRODUCTIVITY

Education, vocational training and lifelong learning are central pillars of employability and sustainable enterprise development.

Increasing productivity rates in Rural Wales will depend ultimately on increasing the number of people in employment and rely on increasing skills development.

According to the Office of National Statistics, productivity levels in all sub-regions in Wales were below the average for the UK. The lowest performing area was the rural sub-region of Powys, with a GVA level of 67.3% of the UK average.⁶



RECOMMENDATIONS

- Sustaining a focus on increasing standards in rural schools, which are extremely divergent and a recognition of the need to develop a support mechanism to meet specific rural challenges.
- Building on the work already being undertaken by the Regional Learning and Skills Partnerships to continue the collaboration between industry and local further and higher education establishments to ensure that the skills being taught are those that are required.
- Understanding the need for adequate transport provision to open up economic and training opportunities.
- Implementing a specific skills audit and forward-planning in key sectors in Rural Wales, such as care and hospitality in particular in the light of BREXIT. Using this audit to drive and encourage training in relevant courses.
- Facilitating technology education in the farming sector to benefit from the advances being made in areas such as precision agriculture and agri-tech, linking directly into the Higher Education sector.
- Promoting outreach from sectors such as food preparation, tourism, hospitality to local schools, so that real-life training and application of skills can be experienced with a hands-on approach.



- Recognising that providing courses such as plumbing and electrical engineering is more expensive in Rural Wales and ensure that this is accounted for when allocating Further Education resources.
- Exploring whether there is merit in the Welsh Government adopting a “Scotland Rural College” web portal approach to ensure a single promotional focus for all relevant rural courses and qualifications.



- Encourage women and older people who are significantly under-represented to gain and upgrade their digital skills to take advantage of the work opportunities that super-fast broadband can provide.

RECOMMENDATIONS

- Providing tailored support for indigenous businesses using technology to deliver modular, convenient and interactive training to businesses who want to establish themselves in Rural Wales and to support existing entities to grow. This training should focus in particular on the need to add value to local resources.⁷
- Delivering easier access to funding at preferential rates for business in particular for longer term loans through the Development Bank for Wales. Ensuring that this provides small loan funding across Rural Wales in particular to micro-businesses which provide significant employment. Ensures that the recommendations of the “Government non-financial and financial support for Welsh SMEs” are implemented, but are adapted to rural needs.
- Developing beyond the current Rural Enterprise Zones in Rural Wales and introducing tax incentives around key hubs and market towns ideally using facilities which already exist such as local pubs, schools and redundant shops in town centres.
- Building on the success of rural entrepreneurs and investigating why recent reports have suggested that the start-up rate in Rural Wales are significantly below those of Wales as a whole.⁸ vConsider how the BeTheSpark.com initiative can connect entrepreneurs and organisations.

GROWING OUR BUSINESSES

IN RURAL WALES

Whilst there are a host of potential industries and businesses that could benefit from a robust economic development programme for Rural Wales, it makes sense to focus on sectors where we already have a competitive advantage and where there is more potential for growth or where local businesses can help to deliver essential local services.

It should also be recognised that the environment is a key asset which can be used to deliver economic value.



FOCUS INWARD INVESTMENT INTO RURAL WALES FOR BUSINESSES LOOKING FOR A CLEAN ENVIRONMENT.



- Rework place based focal points that can mobilise wider involvement of the private sector in creating enterprise and supporting new business - and not just regionally provided business advice from specialist contracted agencies.
- Identifying how successful rural development agencies such as Planed, Antur Teifi, Cadwyn Clwyd and Menter Mon can be supported in future, perhaps with the support of the WCVA.
- Supporting the shift towards self-employment in and around villages in Rural Wales with consideration for appropriate housing and co-working locations to be given in future Local Development Plans.
- Reforming planning guidance and culture and adapting Local Development Plans to help promote and nurture businesses. Being flexible where appropriate on building control, licensing, procurement and trading standards with a view to ensuring that investors understand that Rural Wales is “open for business”. Ensuring that planning departments are well resourced.
- Rolling out an information delivery course aimed at all rural planning authorities and requiring all local planning authorities to offer pre-application advice and encourage businesses to take up this service to deliver a shared aim of achieving appropriate development that meets the needs for sustainable economic development for both current and future generations and in particular the people who have lived in the area for a number of years.
- That the Welsh Government implements the recommendations of the Marsden Report and the Future Landscapes - Delivering for Wales Report, which permits employment and economic activity within National Parks and Areas of Outstanding Natural Beauty but still respects environmental considerations.
- Establishing a rural bursary to support young people looking to set up their own business in rural areas.

PROMOTING FOOD, FARMING AND FORESTRY

Food, Farming and Forestry encourage the sustainable management of agriculture and the environment across the countryside and within rural communities. Farming in Wales underpins the whole range of food production, benefiting food chain organisation, including processing and marketing of Welsh produce. Our natural resources and ecosystems provide the foundation for living and working in Wales.

RECOMMENDATIONS

- Appointing a highly-experienced industrialist to oversee a radical overhaul of food, farming and forestry.
- Driving changes in all public sector procurement rules to ensure as far as possible the use of local food.
- Using public procurement to provide an initial guaranteed demand and domestic market (to make up for the danger of losing the EU market) in particular for lamb and beef and to encourage farmers to work in collaboration and in co-operatives.
- Using public procurement and a guaranteed market to encourage adding value to local food with quality and quantity assurances.
- Using public procurement as a spring board to develop relationships with major supermarket retailers to ensure sustainable supply chains are constructed that benefit Welsh farmers, Welsh processors and the supermarkets themselves.
- Refreshing and being more ambitious in the delivery of 'Toward Sustainable Growth: An Action Plan for the Food and Drink Industry in Wales 2014 - 2020.



"FOR THE LAST 45 YEARS, THE COMMON AGRICULTURAL POLICY (CAP) HAS SHAPED HOW THE UK FARMS - BUT BREXIT WILL PUT AN END TO THAT."



- Universities should ensure they focus not just on research but on innovation and commercialisation in particular in the food, plant and biosciences arena. Organisations such as Menter a Busnes should be used to promote innovation – in particular in the food arena.
- Developing a strategy to add more value to dairy produce in a specific geographical hub, in line with the recommendations of the Welsh Dairy Review.
- Exploring the advantages and limitations of investing more in chilling/freezing facilities to allow more flexibility in the meat industry and to allow export beyond the EU borders.
- Taking advantage of the huge opportunities in forestry, both as a raw product and as a material where we can add value locally and ensure use in the construction supply chain.
- Focusing on the benefits of upland Wales with an integrated strategy of food, tourism, energy and eco system services (carbon and water management) in a post BREXIT world and exploring the possibility of delivering a rewilding pilot.
- Developing a sustainable Welsh “game meat” and shell fish strategy.



USING THE FOUNDATIONAL ECONOMY TO ENSURE LOCAL JOBS ARE PROVIDED FOR LOCAL PEOPLE

Whilst Wales has lost a great deal of its manufacturing base, the foundational economy (which amounts to around 40% of economic activity) is concerned with the essential goods and services we all need in everyday life.

The consequence is that this economy does not differ significantly when price and incomes change.

Essentially, there will always be a need for utilities, food, health, education, welfare and infrastructure. This economy is largely local. The combination of these factors means that the foundational economy is far more resilient to the whims of the marketplace and various economic problems. Ensuring that the value of the foundational economy is developed and captured locally is a core recommendation of this report.

RECOMMENDATIONS

- Providing support to keep supply chains as short and localised as possible to keep the economic benefits within the community (e.g. building on the Cardigan 4CG community model).
- That the Welsh Government recognises that despite its commitment to building affordable homes that there has been a shortfall in investment by the private sector in Rural Wales and consequently a reduction in the number of local construction companies and a limit in the number of new homes built.

The Welsh Government and Local Authorities should undertake a thorough review, which must include a definition of what affordable homes mean in rural areas following consultation with construction companies of what needs to be changed in order to encourage the building of affordable homes in rural Wales.

- Advertise and encourage the “Help to Buy” scheme in rural Wales for first-time buyers from the local community.
- Prioritising and working with relevant authorities to relax the planning laws in relation to the building of eco care homes for older people, which use Welsh materials (through creative use of procurement rules) such as Welsh wood and provide apprenticeships for local people.

Extra care facilities and care hubs in rural areas should be provided, preferably with community housing organisations taking a lead role.



- Encouraging community models for social care using the social capital assets that already exist in Rural Wales.
- Intergenerational models of support should be used which will help to develop skills, retain young people and also address social isolation.
- Training people for childcare work.

- Enabling more and more rural businesses to create their own green energy, with emphasis on wind-power, biofuel production, anaerobic digestion and other processes which are becoming increasingly viable on a small scale.

- Encouraging more use of off grid/local grid energy : exploring opportunities provided by the Smart Villages Initiative.

- Developing imaginative solutions including micro renewables to address issues of fuel poverty.





MAXIMISING TOURISM POTENTIAL



Tourism and leisure are fundamental economic platforms for the Welsh economy and even more important to Rural Wales.

According to Visit Wales, tourists spend around £14 million a day whilst in the country, amounting to around £5.1 billion a year.

In recent years the Welsh Government has worked hard to boost the tourism industry, but more could be done to benefit Rural Wales which is richly blessed naturally, historically, geographically and culturally.

RECOMMENDATIONS

- Consolidating existing sea-side town strategies across Wales.
- Expanding upon the work of Visit Wales in marketing coastal destinations on the West coast and promoting the Wales Coast Path.
- Identifying forestry land in North Powys managed by Natural Resources Wales to create a woodland leisure activity resort. Organising pre-planning for infrastructure to the site and producing a prospectus inviting creative bids from the private sector.

CASTLES, HERITAGE, BEAUTIFUL SCENERY & COASTLINES...

WALES IS A MAGNET FOR SWIMMERS, BEACHCOMBERS, WILDLIFE-WATCHERS, WALKERS AND OUTDOOR ADVENTURERS.

IN 2015 CORNWALL HAD 4.3 MILLION STAYING VISITORS & THREE TIMES THAT NUMBER OF DAY VISITORS, 14.7 MILLION. COMPARATIVELY, IN 2015 PEMBROKESHIRE HAD 2.3 MILLION STAYING VISITORS BUT ONLY 2.0 MILLION DAY VISITORS...

- Encouraging Tourism Wales to allow the private sector to lead in developing destination (place-based) marketing campaigns focusing on creating additional day trip opportunities through cooperation with rail providers to allow cheap 24 hour return rail travel and EV shuttles for day tourists.
- Extending the tourism season to provide sustainability within the rural economy.
- Using the Welsh language and culture as a differentiating positive factor in relation to tourism.
- Creating a Tourism Training Centre of Excellence in and for Rural Wales.
- Ensuring that the Welsh Government develop a wider rural tourism strategy beyond Pembrokeshire, Snowdonia and Brecon Beacons, including promoting off-peak and winter activities and events.



PILOT PROJECTS

HITTING THE GROUND RUNNING

Over the course of our meetings, the Rural Economic Forum has discussed several possible pilot projects that are aimed specifically at Rural Wales and could serve as the impetus behind a new surge in development across the area. Below are some pilot projects which could be delivered by 2020.

1 ECO HOMES FOR OLDER PEOPLE

2 LOCAL COMMUNITY CARE PROVIDERS

3 A RURAL WALES PORTAL

4 ELECTRIC VEHICLES FOR RURAL WALES

5 DEVELOPING A HORSE BREEDING CENTRE OF EXCELLENCE IN WALES

6 USING PUBLIC PROCUREMENT TO DRIVE DEVELOPMENT

*....of Wales as the world capital of quality
Shepherd's Pie!*

7 HYDROPONICS

8 TEACHING ENGLISH TO CHINESE NATIONALS IN RURAL WALES

9 REDIRECTING THE WELSH GOVERNMENT'S COMMUNITIES FIRST PROGRAMME

ECO HOMES FOR OLDER PEOPLE

The lack of appropriate homes and facilities in many parts of Rural Wales, together with the increasing demographic challenge of our ageing population has created significant pressure on local government and health services to care for older people.

Of particular importance is the need to provide extra-care facilities, and meet the increasing needs of those living with dementia. The private sector is reluctant to invest in care in rural settings and those that do, are often not local.

Local authorities could take a pro-active role in identifying new available land for such projects.

We would suggest that each local authority following consultation with each local community commits initially to building or supporting the building by Housing Associations of a group of up to 12 eco-homes which are built specifically with older people in mind, where step-up and step-down beds from hospitals can be accommodated and where a carer can be on hand to help out.

The eco-homes should also be a means of delivering local apprenticeships.

The Welsh Government should ensure that Rural Wales receives its share of the 20,000 new homes promised, which would amount to around 5,000 homes. Eco/Passive homes, once built, are very economic to heat and run; this would alleviate fuel poverty and contribute to climate change emission targets.

These homes should be built, as far as possible, using local materials (in particular wood), local supplies and a locally skilled workforce; preferably providing apprenticeship opportunities.

Once these homes are built, they should release local homes for younger people. It should be ensured that covenants are placed on these homes to ensure that it is local people who are able to buy or rent these homes.



LOCAL COMMUNITY CARE PROVIDERS

Alongside the development of the eco homes for older people we would recommend that Housing Associations, Cooperatives or Community groups are given support by Local Authorities to establish local community care provision rather than outsource this to distant companies who do not have the same understanding of the community which they are serving.

This could be based on the Solva Care model of volunteering and similar hospice care (e.g. Paul Sartori Foundation in Pembrokeshire), but needs to be enhanced from the social care budget of local authorities. One such model should be established in one community per local rural authority prior to 2020.



A RURAL WALES PORTAL

The Welsh Government already delivers a host of programmes to grow the economy in Rural Wales, but it is difficult for citizens in Rural Wales to find out about this information.

The provision of a single ('place-based') Rural Wales Development portal as a point of entry and which will direct users to the relevant advice section should be developed. The Welsh Government in coordination with local government in Rural Wales must develop a Rural Wales Website where information in particular for business development can be easily accessed in one place.



ELECTRIC VECHICLES FOR RURAL WALES

Every local authority in Rural Wales should be required to provide individually or in partnership with the private sector at least 10 EV recharging posts including ones for TESLA vehicles by the end of 2018.

This would encourage those first movers and generally high net worth individuals with EV cars to visit the area.

Local authorities in Rural Wales should build a car-sharing rural development app.

Looking ahead, the Welsh Government and Local Government should try and build a partnership with a driverless EV company to offer Wales as a pilot trial area.

DEVELOPING A HORSE BREEDING CENTRE OF EXCELLENCE IN WALES

The breeding, raising and racing of horses can provide significant financial benefits to local economies.

The Welsh Government should consider what measures can be introduced to encourage horse breeding and racing around Ffos Las area.

Ffos Las Racecourse opened in 2009 and brought back top class racing to West Wales for the first time since 1937.

REDIRECTING THE WELSH GOVERNMENT'S COMMUNITIES FIRST PROGRAMME

Government agencies should identify economically inactive individuals in the poorest areas of Rural Wales to receive individually-tailored value-explicit training vouchers. Emphasis should be placed upon diversity in employment, specifically for those currently under-represented.

A specific allocation of funding should be developed in partnership with the UK Government and Welsh Government departments to trial this pilot.

USING PUBLIC PROCUREMENT TO DRIVE THE DEVELOPMENT OF WALES AS THE WORLD CAPITAL OF QUALITY SHEPHERD'S PIE!



Welsh Lamb has long been seen as a valuable product but does not easily compete with lamb from New Zealand, which is imported at much lower price. Furthermore, if Wales loses its current access to the EU market and has to depend on WTO rules, we may have to pay an effective tariff rate of 46% which could make Welsh lamb uncompetitive.

We must add value locally to what is already an excellent brand by processing the original product. Over 79 million ready meals are eaten every week by adults in the UK. We must target this market and provide an initial guaranteed demand through using Welsh public procurement. (Organised by the new highly experienced industrialist appointed). The industrialist will also engage directly with supermarkets to help guide investment decisions, and where possible build mutually beneficial partnerships.

Procurement partnerships should be encouraged with existing ready meal businesses or business start-ups, alongside an established distributor, to ensure a shepherd's pie made of 100% Welsh ingredients is delivered to all Welsh public sector organisations who are contracted to provide food in Wales. This would provide a domestic market for quality Welsh lamb which may be under severe threat post BREXIT in terms of export opportunities.

MADE IN WALES



HYDROPONICS

There are now significant pockets of energy being produced in Rural Wales (e.g. solar farms, windfarms and small scale hydro schemes, in addition to excess heat from large enterprises such as VALERO).

Instead of simply supplying the grid or wasting this heat, these sources of energy could be deployed locally, which could help create employment and address food security issues. Specifically, we would suggest a pilot scheme to produce all-year-round salad and vegetable crops using hydroponics in heated greenhouses and poly-tunnels. Plants are grown without soil, using mineral nutrient solutions in a water solvent.

This is a vast industry and could revive traditional areas of horticulture in Rural Wales such as Pembrokeshire and the Llyn Peninsula where the climate is more favourable and could add value to supply chains linked to current successes such as Puffin Potatoes.

TEACHING ENGLISH TO CHINESE NATIONALS IN RURAL WALES

China has a huge population of single, relatively wealthy young people whose parents require them to receive a broader education to learn English and experience a life outside of China.

Providing English language courses for Chinese students for 2-3 months in Rural Wales alongside co-ordinated programmes of outdoor education, sports, language learning, debate and social skills would be well received in China.

Redundant rural schools could be used to provide such activities and local families could be encouraged to host Chinese students in return for a fee.

Two local authorities should be encouraged to undertake an initial pilot. The Welsh Government should appoint an experienced Chinese expert to drive this initiative.





DELIVERY

The Welsh Government should have the overall responsibility of ensuring the delivery of this plan. They should be clear who is responsible for economic development in Rural Wales, and determine whether it the Economic Secretary or the Rural Affairs Secretary. Shared responsibility should not be an option.

The Welsh Government along with Local Authorities must develop an action plan in concert with the private sector and the third sector to determine who is responsible for delivering what in relation to this document and understand that shared ownership leads to a lack of accountability and poor delivery outcomes.

The Welsh Government needs to understand the severe constraints and lack of capacity of Local Government to deliver economic development. Instead they should be seen as enablers, accelerating development and looking at ways to improve their activities to this end.

The Welsh Government should undertake a review of the resources allocated specifically to Rural Wales within its economic development department and ensure that Welsh Government officials who are responsible for economic development in Rural Wales are based in Rural Wales and are ideally co-located with other economic development actors in the region.

The Welsh Government should undertake a review of the successes of the Development Board for Rural Wales and learn from them.

Post Brexit, the Welsh Government will need to reassess its civil service structure. Some 400 are currently engaged in delivering EU agri-subsidy schemes. It is important that any overall reduction should not fall disproportionately on sub-regionally based offices in rural areas and that a more strategic approach should be taken to repurpose staff for economic development.

WE NEED A CLEAR DETERMINATION OF WHO IS RESPONSIBLE FOR WHAT.

ANCHOR ORGANISATIONS

Anchor companies active in Rural Wales need to be asked to take a key role in providing private sector leadership in helping to coordinate the delivery of an economic development plan for Rural Wales. E.g. Welsh Water, BT and Scottish Power.

The NHS, schools and universities also have a role in driving economic development..

AN INDEPENDENT RURAL COMMISSIONER

The role of the Rural Commissioner would be to hold the Welsh Government to account in ensuring that the plan is on course and meets the objectives set out.

The Rural Commissioner will be responsible for Rural-proofing policy and ensuring Rural Wales is considered in Welsh Government programmes.

The Rural Commissioner will establish with the Welsh Government the minimum standards of public services that can be expected.

He/she would act in partnership with local government, the third sector and the private sector.

The Commissioner would make the link between the rural areas and the urban areas as well as facilitating joint working cross-border with relevant English local authorities.



A BID TO THE UK GOVERNMENT FOR SUPPORT

A private sector driven bid to the UK Government supported by the Welsh Government and Local Government should be developed to help fund initiatives in this programme.

The experience of the successful City Region Bids in Wales should be used to develop the application.



A COMMUNITY-DRIVEN APPROACH

The Community itself is by far the strongest asset of our rural communities.

Involving and engaging the public in Rural Wales and ensuring buy in for the approach proposed in this plan is crucial. Imposing ideas on Rural Wales without consent will not work.

A far reaching consultation exercise to build support for the approach proposed in this document is crucial. Encouraging further creative ideas from a bottom up community driven approach to economic development is the only way to ensure the success of an Economic Development Plan for Rural Wales.

It is the local community which must take responsibility for delivery of as much of this plan as possible. We need to do "with" not to do "to" communities in order for interventions to be effective and sustainable.

CONCLUSION

The **Six Point Plan** set out in this report has been developed by people involved in many areas of life in Rural Wales. The report of these discussions will now be shared with those in government at Welsh level and at local level with a view to influencing the Welsh Government in developing their new approach to Economic Development in Wales.

What is clear is that there is no time to lose.

A plan must be put in place now to ensure that Rural Wales has an ability to flourish economically in the future and continue to be a viable environment for young people and old to live and work.

REFERENCES

1. <http://gov.wales/statistics-and-research/sub-regional-productivity/?lang=en>
2. <http://assemblyinbrief.wordpress.com/tag/common-agricultural-policy/>
3. <http://www.assembly.wales/research%20documents/16-053-farming-sector-in-wales/16-053-web-english2.pdf>
4. http://ec.europa.eu/agriculture/sites/agriculture/files/rural-development-2014-2020/country-files/uk/press-summary-wales-26-05-2015_en.pdf
5. <http://www.gov.uk/government/news/wales-hits-major-1million-fibre-broadband-milestone>
6. http://pstatic.powys.gov.uk/fileadmin/Docs/Statistics/Themes/Economy/PIP2014_en.pdf
7. The Welsh Government's new Development Bank should aim to secure for Welsh businesses "...easier access to funding at preferential rates..." with patient capital solutions, rather than conventional loan products, reducing transaction costs and wherever possible using technology to deliver modular, convenient and interactive business training. The rural development plan needs to ensure appropriate business support assistance to help with market development, exporting and marketing, a problem that is exacerbated by the fact that traditional financial and business support is typically weaker in rural areas. In particular, commercial providers of business services - such as accountants or law firms - tend to be thinner on the ground and have less extensive expertise in key areas. There should be a recognition that lower business densities in rural areas also make it more expensive to deliver business and training support than to comparable urban-based firms, which means that it is important for rural firms to access the right type of advice from the business network. This 'rural premium' can also make it very expensive for firms to participate in training sessions, business meetings and network events. This creates more specific challenges to entrepreneurial rural businesses as they will need to adopt a highly pro-active marketing method in order to extend their geographical markets. This can result in specific management problems for young rural firms as they require specialist knowledge and expertise which is often lacking in the business itself. Another key issue for many rural businesses wishing to expand and grow their activities is the absence of suitable premises and an adequate pool of skilled labour. This issue needs to be addressed sensitively but practically by local authorities (as there is a clear need for a variety of sizes and types of business property in rural areas if the space requirements of businesses at different stages of development are to be met and if growing businesses are going to be retained within the rural economy).
The small size and occupational composition of rural labour markets can also impose a constraint on growing small firms, making it necessary to attract recruits from more distant locations. Lower pay levels and a reliance on informal recruitment practices can make this difficult to achieve. As a result, rural firms attempt to retain labour, with a willingness to train as a means of obtaining the required skills, although locational factors and their distance from centres of population means that many rural firms are disadvantaged in terms of access to suitable training opportunities which are based within towns and cities. Finally, rural firms must take advantage of the potential offered by new technologies to improve links with customers and suppliers, and reduce the comparative disadvantage of remoteness. http://www.lloydsbankinggroup.com/globalassets/documents/media/press-releases/lloyds-bank/2017/20170111-lloyds-bank_2011-vs-2016-start-ups.pdf

Information on Future Generations Act: <http://gov.wales/topics/people-and-communities/people/future-generations-act/?lang=en>