

**SUBJECT: DRAFT ECONOMY, EMPLOYMENT AND SKILLS STRATEGY 2023
AND ACTION PLAN**
MEETING: PLACE SCRUTINY COMMITTEE
DATE: 14/12/23
DIVISION/WARDS AFFECTED: ALL

1 PURPOSE:

- 1.1 To present the Draft Economy, Employment and Skills Strategy (EESS) 2023 and Action Plan (appendix 1) prior to being considered by Cabinet on 7th February 2024.

2. RECOMMENDATIONS

- 2.1 To scrutinise the Draft Economy, Employment and Skills (EESS) Strategy 2023 and Action Plan and consider how it seeks to address the challenges and opportunities for sustainable and inclusive economic growth in Monmouthshire.

3. KEY ISSUES:

3.1 Progress update

- 3.1.1 An Economy, Employment and Skills Advisory Group was established in January 2023 to offer advice and guidance on the development of the Strategy. The Group comprises of elected Members, Local Authority Officers, Cardiff Capital Region representatives, and a representative from Sheffield University with links to Monmouthshire. The Group agreed to commission an economic analysis of Monmouthshire to inform the developing Strategy which was funded through the UK SPF Business Monmouthshire Project.
- 3.1.2 Lichfields were successful and were commissioned in April 2023. The company had previously undertaken a 'Review of employment evidence and strategy' in relation to the Monmouthshire Replacement Local Development Plan and it was felt they were an appropriate choice as it is essential that the EESS aligns with the Replacement Local Development Plan (RLDP) and draft Local Transport Plan (LTP) it was felt they were an appropriate choice.
- 3.1.3 The Replacement Local Development Plan is expected to be adopted in Summer 2025 and will set out the planning policy framework to enable the provision of approximately 6,240 additional jobs between 2018 and 2033 (416 jobs per annum), including allocating a minimum of 38ha of employment land and including policies to facilitate economic growth.
- 3.1.4 The purpose of this research was therefore to provide insight and identify future trends that would inform an Economy, Employment & Skills strategy for Monmouthshire, within the context of the ambition of the RLDP, providing:
- Long term forecasts of GVA (UK, Wales, and Monmouthshire).

- Analysis of Monmouthshire household spend
 - Competitive analysis (including the Cardiff Capital Region, Gloucestershire, Herefordshire, and the West of England Combined Authority.)
 - SWOT analysis for the Monmouthshire economy
 - Sectorial analysis
 - The most appropriate growth sectors that will provide the economies of the future for Monmouthshire and the rationale for these, taking account of key sectors identified by neighbouring authorities, including the Cardiff Capital Region, Gloucestershire, Herefordshire, and the West of England Combined Authority.
 - Investor needs/motivations relating to the identified growth sectors to inform an updated inward investment prospectus
 - An overview of the accommodation and locational needs of existing businesses and the identified growth sectors and potential inward investors over the life of the replacement Local Development Plan
 - Potential policy interventions that could be considered to support future economic prosperity
- 3.1.5 As part of the analysis, Lichfields undertook two Business Engagement Events. The first at County Hall on 26th April 2023 with representatives from– Creo Medical, (Chepstow), Microchip (Caldicot), Siltbuster (Monmouth), Alacrity Foundation, Coleg Gwent, Herefordshire County Council, Mandarin Stone (Monmouth), The Angel Hotel (Abergavenny), Llanover Estate, Materials Recovery Systems (Caldicot) and M4 Commercial Property.
- 3.1.6 A follow -up session was held online on 23rd May 2023 to present the findings and a discussion held on attendee’s perceptions of the key challenges constraining Monmouthshire’s economy and how the emerging EES could help the County realise its ambitions.
- 3.1.7 Meetings with Welsh Government and Cardiff Capital Region City Deal have also been held to discuss constraints and opportunities for future economic growth and investment in Monmouthshire, in line with National and Regional policy and plans. The purpose being to develop and deliver a Strategy that will transform the county’s economy to a new level of growth and prosperity for all.

3.2 Key findings from the Lichfields report

- 3.2.1 Monmouthshire benefits from a very high-quality environment, it also enjoys a strategic location on the Welsh border, has relatively low levels of deprivation and economically performs well. The Council has bold aspirations for future growth. The Strategy will seek to build on existing strengths and overcome weaknesses whilst also seizing identified opportunities and mitigating known threats.

3.2.2 A SWOT analysis from the economic analysis is set out below.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Low unemployment rate. • High economic activity rate. • High skills of resident population. • High proportion of workforce and jobs in SOC1-3. • Strategic location – within CCR, close links to Bristol area, M4/M48/A449, mainline railway. • High incomes/disposable incomes/spending. • High value economy. • High quality physical environment. • Established niche industrial, tourism and professional services businesses. • Affordable commercial rents. 	<ul style="list-style-type: none"> • Older and rapidly ageing population. • Limited number of younger working people. • High house prices/housing affordability issues. • High level of net out-commuting. • Proportion of people commuting out to higher paid jobs elsewhere. • Significant shortage of readily available industrial premises leaving demand unmet. • Shortage of sites for industrial development to meet medium and long-term need. • Large areas subject to constrained broadband access.
Opportunities	Threats
<ul style="list-style-type: none"> • High value economy and high skills provides strong foundation on which to attract investment from existing and new businesses. • Latent growth potential of the existing business base. This includes the well-established and niche mix of successful businesses in the industrial, tech, tourism, and services sectors. • Allocation of good quality industrial development sites of an appropriate size and location are strongly likely to be implemented, adding to economic growth. • Housing growth and affordable housing delivery may help rebalance local demographic profile. • Potential to maximise opportunity from strategic location and connectivity. • Increasing retention of spending and enhanced expenditure from a rebalanced population would add value to local economy. 	<ul style="list-style-type: none"> • Projected continued ageing population and increasing old age dependency ratio. • Projected decline in working age population. • Ongoing limited supply of new industrial floorspace affecting ability to attract new businesses and retain existing businesses /facilitate expansion opportunities. This is starting to choke the expansion capacity of the local economy and increasingly force some existing businesses to relocate outside of the County. Deterioration of some basic town centre and high street infrastructure, visitor facilities and public realm (e.g., Chepstow, Caldicot, . • Projected (baseline)job decline without targeted intervention including a supportive and proactive local/strategic policy approach.

3.3 Recommendations from Lichfields report

- 3.3.1 Lichfields recommended that the EESS should build on Monmouthshire's strengths and opportunities, focusing on existing businesses and new, home-grown enterprises and enable them to operate efficiently and grow in the county. This should be combined with a targeted approach to encouraging selective investment from outside the County.

3.4 Developing our Strategy

- 3.4.1 Our aspiration and key priority themes were presented to Informal Cabinet on 18th July for consideration and discussion and were agreed, in order to guide development of the strategy.
- 3.4.2 Touch points with the Cabinet Member for Planning and Economic Development, Chief Officer for Communities and Place, and Head of Enterprise and Community Animation were held to structure the strategy and supporting evidence and address emerging challenges.
- 3.4.3 Meetings were held with MCC colleagues in the following service areas; Planning and Placemaking, Decarbonisation and Transport Support, MonLife – visitor and tourism economy, Estates, Food Sustainability and Rural Economy, Digital Connectivity, Children and Young People, and Economy, Employment and Skills to work through the objectives and context in line with our Community and Corporate Plan and emerging national and regional policies and strategies.
- 3.4.4 Once the draft objectives had been agreed, a business engagement event was held on 22nd September to present the mission statement, key priority themes and draft objectives to Businesses, Further Education and Higher Education Partners, Welsh Government, and Cardiff Capital Region for further engagement and discussion. Key priority themes and draft objectives were then finalised for the Strategy.
- 3.4.5 The draft Strategy and Action Plan was presented to Informal Cabinet and Senior Leadership Team on 28th November for consideration and discussion. Further comments and feedback were provided and implemented.

3.5 Our four key priority themes and objectives

- 3.5.1 Our Corporate and Community Plan recognises that Monmouthshire has a strong diverse economy and is well placed for growth, employment rates are high as are qualification levels but there is more that can be done. Monmouthshire can be more vibrant. The conditions exist to achieve this. We will work with national, regional, and local partners to increase investment, improve connectivity, and continue the development of an economy, which is thriving, ambitious and enterprising.
- 3.5.2 The Strategy contains four key priority themes: -Place, People, Enterprise, and Infrastructure and a number of objectives which ultimately, have informed the accompanying action plan. These are detailed in the tables below:

Place: – A vibrant, greener Monmouthshire

- Promote the distinctive diversity of Monmouthshire as a county of opportunity
- Support the vitality of our town centres
- Support the transition towards net zero and protect our environment
- Support rural diversification
- Enhance the experience for visitors and deliver sustainable growth in our tourism economy

People: - A fairer, more successful Monmouthshire

- Support a balanced change in the demographic profile of our county
- Support the creation of 6,240 sustainable job opportunities
- Equip people with skills and qualifications to enter employment, enable employment progression and explore a Skills Centre in Monmouthshire
- Collaborate with comprehensive schools, further and higher education partners to enhance access and networks

Enterprise: - A thriving, ambitious, Monmouthshire

- Support the sustainable growth of existing businesses including our larger businesses
- Finding our place in relation to regional growth opportunities
- Increase uptake of support for people wishing to start or grow a business
- Continue to foster a strong entrepreneurial culture
- Encourage innovation and clustering in sectors
- Make public procurement spend more accessible
- Foster a thriving local food economy

Infrastructure: - A well-connected Monmouthshire attracting business investment

- Inform the use and distribution of employment land and premises
- Explore the Council's role in the delivery of employment floor space
- Support improvements in digital connectivity
- Support improvements to key public transport services
- Attract investment from larger high value enterprises

4. **EQUALITY AND FUTURE GENERATIONS EVALUATION (INCLUDES SOCIAL JUSTICE, SAFEGUARDING AND CORPORATE PARENTING)**

4.1 An integrated impact assessment has been carried out and attached to this report as Appendix 2.

Socio – economic duty

- 4.2 Our strategy seeks to tackle inequality, specifically by seeking to address sustainable employment growth through attracting and retaining investment, creating jobs, and improving strategic infrastructure through the identification of sufficient employment land for employment uses. The strategy will seek to develop the skills of all residents and deliver higher value job opportunities. Our residents will be equipped with a range of skills and qualifications to enter employment and enable employment progression while meeting the needs of existing and future businesses in Monmouthshire.

5. OPTIONS APPRAISAL

Option	Benefit	Risk	Comment
Place Scrutiny Committee to consider and comment on the Economy, Employment and Skills Strategy	Any feedback received will be reflected upon, appropriate amendments made and reported to Cabinet on 7 th February 2024		This is the preferred option. The Economy, Employment and Skills Strategy and Action Plan, as drafted, is considered to <i>foster a diverse, fairer, greener, and circular economy, generating sustainable employment growth, and creating conditions for shared prosperity</i> with four priority themes and objectives.

6. EVALUATION CRITERIA

- 6.1 We will evaluate the impact of the Economy, Employment and Skills Strategy, through the delivery of our action plan: the action we will take and how we will measure progress will be in line with our four key priority themes and mission statement - to *foster a diverse, fairer, greener, and circular economy, generating sustainable employment growth and creating conditions for shared prosperity*. Our action plan will be reviewed on a six monthly basis and progress reported through the Service Business Plan, with updates to Place Scrutiny Committee as needed.

7. REASONS:

- 7.1 The Economy, Employment and Skills Strategy (EESS) aligns to the Replacement Local Development Plan (RLDP) and the Draft Local Transport Plan (LTP) contributing to the ambitions set out in both plans, for example in the RLDP supporting the creation of 6,240 sustainable job opportunities.
- 7.2 The Strategy will impact on the Council's ambition for Monmouthshire- a prosperous county, supporting well-being, health, and dignity for everyone at every stage of life. A place where everyone has the skills and opportunity to contribute to our local community and economy.

7.3 The four key priority themes and objectives set out in the Strategy will address Monmouthshire's challenges and build on the identified strengths, focusing on existing businesses and new home-grown enterprises, enabling them to operate efficiently and achieve their growth plans, whilst targeting selective inward investment opportunities.

8. RESOURCE IMPLICATIONS

8.1 The economic analysis of Monmouthshire carried out by Lichfields to inform the developing Strategy was funded through the UK SPF Business Monmouthshire Project.

8.2 Officer time and costs associated with the preparation of the Draft Economy, Employment and Skills Strategy 2023 and Action Plan has been met from the Economy, Employment and Skills budget.

8.3 Delivery of the Strategy and Action Plan, once adopted will be resourced through existing budgets for Officers time and costs across the council, led by the Head of Economy, Employment and Skills. We anticipate that partners including businesses, Further and Higher Education Partners, Welsh Government and Cardiff Capital Region will work with us in delivering this Strategy.

9. CONSULTEES

- Deputy Leader and Cabinet Member for Planning and Economic Development Cllr Griffiths
- Chief Officer for Communities and Place
- Informal Cabinet (18th July 2023 and 28th November 2023)
- SLT
- Welsh Government
- Cardiff Capital Region
- The Marches Forward Partnership
- Business Engagement Events (26th April 2023, 23rd May 2023 and 22nd September 2023) with local businesses, Further and Higher Education Partners and other local authorities
- MonLife
- MCC Children and Young People team
- MCC Planning and Placemaking team
- MCC Estates Team
- MCC Decarbonisation and Transport Support Service Team
- MCC Economy, Employment and Skills Team

10. BACKGROUND PAPERS

Growing Monmouthshire's Future Economy – Economic Analysis, Final Report 29th June 2023 by Lichfields – appendix 3

11. AUTHORS

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Appendices

Appendix 1 – Draft Economy, Employment and Skills Strategy 2023 and Action Plan

Appendix 2 – Integrated Impact Assessment

Appendix 3 - Growing Monmouthshire's Future Economy – Economic Analysis,
Final Report 29th June 2023 by Lichfields