

# Powys

## The Heart of Wales



Plaid Cymru | Party of Wales

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A discussion paper on potential  
economic futures of Powys

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## 1. CONTEXT

- **Challenges:** there are a number of challenges that face Powys including:
- **Depopulation:** The 2011 Census data show that despite the fact that most areas of Wales and the UK had a population increase; the deep rural areas of Powys had a population decline highlighting the fragility of the economic base of these areas. These included communities surrounding Llanfyllin, Llanbrynmair, and central parts of the old Radnorshire such as Llanbadarn Fynydd, Nantmel and even Rhaeadr town had no growth.

This has had a particular influence on those Welsh speaking communities in Powys which has contributed to the 3,000 per annum net loss of Welsh speakers with young people leaving to seek employment and training opportunities.

- **Population Structure:** According to ONS, the population of Powys will decrease from 133,000 in 2016, to 122,400 by 2039.
- **Weak Economy:** The GVA (Gross Value Added) of Powys was just 67.2% of UK average in 2015. Additionally we have too many people in part-time employment and on very low wages.

One of the essential sectors for our rural communities is agriculture, but that has faced immense pressure in recent years, which will be further compounded post Brexit.

Farm business income includes all subsidies, any profit from diversification and costs such as energy, rent, fodder and staff costs.

Nearly 20% of beef and sheep farms are in Less Favourable Areas (LFA) and around 19% of all farms don't make a profit; as was the case in 2014-15.

Despite that, the price of land is still expensive and out of sync with the potential return on capital. Consideration therefore needs to be given to the utilisation of the Powys small holding estate as a key element to facilitate diversification.

As well as the importance of the agricultural sector, there are specific sectors to focus on for the benefit of Powys.

## THE KEY SECTORS FOR THE FUTURE:

**ENVIRONMENTAL**

**CULTURAL INDUSTRIES**

**TECHNOLOGY**

**FOOD & DRINK**

**CARE**

**HOSPITALITY**

- **ENVIRONMENTAL:** environmental technologies, including renewable energy, are a natural complement to the agricultural sector and has the potential to facilitate the diversification of agricultural holdings, including the development of local supply chains and local energy networks. Much more could be done, for example, with small scale hydroelectric projects.
- **CULTURAL INDUSTRIES:** This not only includes traditional cultural activities, but also the potential utilisation of new media forms.
- **TECHNOLOGY:** This sector is linked to all other sectors and offers opportunities for quality employment opportunities within our communities.
- **FOOD AND DRINK:** This sector is associated with the agricultural sector and is essential for the success of that sector. It also forms one of the Welsh Government key priority areas and builds on existing enterprises in Powys.
- **CARE:** As the population gets older, the demand for care services increases. Opportunities exist for the development of indigenous enterprises within the private and third sector.
- **HOSPITALITY:** The natural environment, heritage and cultural assets in Powys offer opportunities to develop unique selling points, to enable the area to offer quality but yet unique offerings making the most of the sense of place.

## 2. VALUES

- **Start at our feet:** the need to emphasise the development of indigenous talent. The days of depending solely on inward investment have long gone.
- **Sustainable development:** Sustainable development: with the emphasis on this type of development, local ownership and on adding value.
- **Green World:** with control over our natural resources, maximising the potential benefit to the area, by keeping money in the local economy and in learning lessons from the historical lack of control over our assets such as with coal and slate in times gone by.
- **Decentralisation NOT Centralisation:** the need for decentralisation within Wales. With the natural development and success of Cardiff it is essential to disseminate that success to other parts of Wales including south Powys.
- **Powys - the unifying bridge:** Powys should not be seen as the gap between north and south, but rather the heart of Wales. Powys is a historical integral part of Wales, an old, old county, the County of Glyndŵr, Sycharth, Cilmeri and much more. Powys should be seen as the Celtic knot bringing the rest of Wales together.

## 3. VISION

- **Emphasis on adding value**
- **Promoting Indigenous enterprise**
- **Facilitating Diversification**
- **Creating new opportunities**
- **Innovation**
- **Skills development**

## 4. STRUCTURAL NEEDS

- **National Grid:** A strong electric network is imperative not only to serve present needs but also to enable further investment in green technologies, to enable further enterprise development in areas such as Newtown, and to enable the provision of electrical charging points to serve the ever increasing demand with electric cars. Plaid Cymru has secured £2m for Electric Vehicle (EV) charging infrastructure across Wales.

The Welsh electricity grid is not fit for purpose. As we move towards a more sustainable future through replacing diesel and petrol with electric vehicles as well as using heat pumps to decarbonise domestic heating in rural areas, the grid will come under increasing pressure. Should the network be therefore upgraded with Welsh Government investment as has happened with broadband?

- **Communications:** there is a dire need to enhance mobile communications. There is an urgent need therefore for Welsh Government to act in facilitating such investment.
- **Business Sites:** the provision of suitable sites for businesses to locate and expand is key. It's a long term development; however there is a lack of provision of suitable sites in key towns at present such as Welshpool.
  - Inward investment agencies state that investors identify Welshpool as their first choice, then Oswestry, then Wrexham. However there are no suitable sites at Welshpool hence the need for site development.
- **Enterprise Agency:** Newtown used to be the home of Development Board Rural Wales and there's a consensus of opinion that a vacuum exists after its demise. There is a need to look at a similar model for the future. Learning lessons in particular from *Udaras na Gaeltachta* in Ireland and the Highland & Island Enterprise Agency in Scotland.
- **Enterprise Finance:** Innovative finance is the key for the future. Community Development Finance Institutions such as Robert Owen Community Bank are showing us the way forward. There are numerous examples available, in particular in other regions of Europe and the Welsh Government has the ability to facilitate these developments.
  - **Recommendation 1:** investment in the grid network to enable further development investment in Mid Wales
  - **Recommendation 2:** press on Welsh Government and Ofcom to enhance the communication network in rural Wales
  - **Recommendation 3:** identify and develop new strategic business sites to enable further private investment
  - **Recommendation 4:** consider the establishment of a local enterprise agency
  - **Recommendation 5:** develop new forms of enterprise finance in the area

## 5. GEOGRAPHICAL OPPORTUNITIES:-

### (i) MACHYNLLETH – Andoain Cymru:

What is clear is the haphazard approach towards economic development by the Welsh and UK governments, in particular in relation to rural Wales since the demise of DBRW, is not working. The fragility of many rural communities, in many parts of Powys will also have a negative effect on the sustainability of the Welsh language.

Strengthening the economy is therefore crucial in order to create the appropriate economic conditions for the Welsh language to flourish.

To do this there are lessons to be learnt from other parts of Europe and the need to be creative and innovative.

Three strategic steps are therefore recommended:

- Establish a rural development agency similar to *Udaras na Gaeltachta*
- Emulate the work of *Andoain Kulturpark* from Euskadi in three areas in mid Wales starting in Machynlleth
- Develop a rural incubator as part of an enterprise park

The work of the rural development agency could promote:

- Indigenous economic enterprise
- Community development
- Based on the principles of linguistic sustainability

The ability to network, share ideas; resources, and to jointly develop businesses is acknowledged in economic development as a means to an end. Also, in relation to the Welsh language there's a need for new cultural domains, and the opportunity for individuals and companies to share resources and develop new opportunities naturally through the medium of Welsh.

The first step will be to emulate the Andoain Kulturpark model [www.kulturparkea.eus](http://www.kulturparkea.eus) from Euskadi/ Basque Country with the proposal to develop a site at Machynlleth now being used as the sheep market and part formerly Travis Perkins. The site was secured for Tesco who have now withdrawn from the development.

The location at Machynlleth is strategically important as it links Ceredigion and Gwynedd. It is also accessible from Powys, with easy access to world class facilities at Aberystwyth University. Also the location is well placed to work with the new site spun off from Bangor University on Ynys Mon/ Anglesey.

A rural incubator will also be developed on this site in order to support turning ideas into reality and promote innovation. It will also promote entrepreneurialism through the medium of Welsh. Suitable flexible space will be available, business advice and support, mentoring, access to funding and training courses and seminars.

The aim, over time, will be to develop a cluster of new enterprises at the site. Emphasis will be placed on a number of sectors initially these will include environmental, cultural and linguistic sectors. As the site develops it will be a catalyst for positive change and put sustainability into action. We suggest a job target of 250 be placed for this development.

- **Recommendation 6:** Develop the Machynlleth sheep market site based on the Andoain model
- **Recommendation 7:** Establish a rural development agency that will utilise the expertise at Menter a Busnes
- **Recommendation 8:** Develop the concept of a rural incubator at this site
- **Recommendation 9:** Placing the Welsh language as a cross cutting theme in each economic development programme

## (ii) NEWTOWN

**North Powys Base:** With private sector investment focussed on Welshpool, public investment in new facilities such as schools and health facilities, could be an economic catalyst for the town and wider area. It will also give a new image and role for Newtown which has been searching for its identity post DBRW.

**Public Investment:** the £114m investment already confirmed by Powys Council in the town should be used in conjunction with these proposals.

**Local Procurement:** The Council has already committed to increase its level of local procurement by £18m. France and Germany procure circa 98% of its public procurement from within its countries. In Wales it increased from 35% in 2004 to 52%. Powys has in recent years been around 30% per annum spent in the local economy. We believe that Powys should bring forward an action plan to increase its public procurement spend within Wales to 75%, creating hundreds of private sector jobs in the county.

**Centre of learning:** Develop Newtown as a Centre of Learning. As the nature of the economy in Powys has changed with an increase in self-employment and changes in farming, allied with the introduction of new technology and precision agriculture, there needs to be a review of the learning provision available at Newtown to develop skills required by the industries of the future.

A new enhanced facility should be developed incorporating the best of rural skills provision. Partnerships should be established with Harpers Adams College, Aberystwyth University, Coleg Cambria and Coleg Cymraeg Cenedlaethol to develop an enhanced facility Powys can be proud of.

**Property Investment:** It is clear that many of the business premises originally built by DBRW are now dated, aren't flexible and don't reflect the needs of businesses. This is particularly true for those businesses that require greater storage capacity but are frustrated by older properties that lack headroom.

A capital investment fund should therefore be created to upgrade the former DBRW premises, working with the current private sector owners, thus enabling businesses to grow and develop on the sites already available.

**New Site Development:** Planning for the development of any brown field sites for commercial use should form an integral part of the vision for the future. One such site that could be enhanced is the former railway yard near Caersws. It is a large site, underutilised, easily accessible. Its central location between Newtown and Llanidloes would also potentially benefit a wide area.

Another underutilised site which could host further enterprise opportunities is the former Laura Ashley site at Carno. Co-operation with the private owner could be mutually beneficial.

**Strategic Site Development:** The development of the bypass, with the money secured by former Plaid Cymru Deputy First Minister Ieuan Wyn Jones presents an opportunity for fresh new thinking about the future of Newtown. With increasingly limited land for development land, consideration how best to utilise existing resources.

The relocation of the golf club should be considered which would then release a valuable site with easy access to the bypass for economic development. This site should not be used for housing but form part of a new 10 year economic strategy for the town.

Likewise discussions should be held with Neath Port Talbot College to secure the future of the agriculture college site either as an agricultural base or an enhanced provision reflecting the modern needs of our rural economy.

- **Recommendation 10:** Focus development of Newtown as the North Powys service centre
- **Recommendation 11:** Implement public sector procurement strategy
- **Recommendation 12:** Develop new Rural Centre of Learning
- **Recommendation 13:** Establish a property investment fund
- **Recommendation 14:** Develop brownfield sites for new enterprises
- **Recommendation 15:** Develop new strategic site in Newtown

### (iii) WELSHPOOL

**Gateway to Wales:** In the same way as Powys needs to be promoted as the Celtic knot tying and connecting Wales together, Welshpool needs to be promoted as the Gateway to Wales and utilise it as a brand that is used by the public and private sector.

**Provision of Sites:** the provision of suitable sites to establish new and expanding businesses is key. It's a long term development, however there is a lack of provision of suitable sites in key towns at present such as Welshpool.

Inward investment agencies state that investors identify Welshpool as their first choice, then Oswestry, then Wrexham. However there are no suitable sites at Welshpool which is why developing new sights is crucial if the area is able to seize these opportunities.

**Private Investment:** the focus in Welshpool should be to facilitate private sector investment and enterprise.

**Canal Development:** this is a valuable heritage asset linking Welshpool and Newtown. It's a strategic site with potential as key destination for tourists. The redevelopment and investment in linking the Severn valley is an important development for the future and will open up new tourism opportunities.

**Railway connection:** in view of the ever increasing importance of Wrexham as an economic and service base for North East Wales, the transport connections between Welshpool and Wrexham must be improved. We already see the dialysis unit at Welshpool being interlinked with the unit at Wrexham and the maternity unit being open for Montgomeryshire residents. Likewise there are educational opportunities for Powys in enhancing partnership working with educational establishments in Wrexham.

We propose therefore that the railway line between Welshpool and Gobowen should be reopened as soon as possible.

- **Recommendation 16:** Identify and develop new enterprise sites in Welshpool to facilitate business development
- **Recommendation 17:** Implement branding for Welshpool as the Gateway to Wales
- **Recommendation 18:** Upgrade the Severn Valley Canal
- **Recommendation 19:** Reopen the railway line from Welshpool to Gobowen

#### (iv) BUILTH

**Food & Drink:** We need to add value to this crucial sector. We need to make the most of the Royal Welsh Show brand and use it to promote the food and drink sector. We propose the development of a food & drink centre to promote new enterprise and facilitate innovative practices.

**Llywelyn and Glyndŵr Country:** – Using the rich cultural heritage of Powys there is a valuable opportunity to boost the economic opportunities provided by increased levels of visitors and cultural tourists.

A network of border trails linking from Mathrafal, near Meifod could be branded as Pengwern, the old name for the capital of Powys, thought to be near Shrewsbury.

Likewise more should be done to promote the fact that some of the oldest written Welsh literature was found in Powys. *'Llyfr Coch Hergest'*, was located on the border at Hergest Hall, near Kington and Prestigne, hence could again form part of the rich cultural heritage of the border area of Radnorshire and therefore an important tourism resource. Enhancing the reputation of Hergest Hall would remind the rest of Wales of the importance of this part of Powys to the nation and thus opening up its potential for Welsh based tourism as well as further afield.

- **Recommendation 20:** Develop a Food & Drink Enterprise Centre
- **Recommendation 21:** Network of Heritage trails based on Glyndŵr and Llywelyn and history of Pengwern and Hergest

#### (v) BRECON

Brecon has a fortunate position of being only an hour's drive from Cardiff, yet is located in the beautiful countryside. This combination should be used to develop the concept of *'Dinas yn y Wlad – City in the Countryside'*. Combining the accessibility of the City with quality of life provided by living in the country. Ensuring efficient communications and the promotion of decentralisation of services from Cardiff should be a key driver for the future economic prosperity of Brecon.

- **Recommendation 22:** Develop an integrated strategy for Brecon based on the *City in the Countryside* concept

## 6. INNOVATION

**Innovative finance:** Innovative finance – there are examples from Euskadi, the Basque Country and Germany which can be emulated for Wales leading to the development of new Community Development Finance Institutions.

**Ideas Bank:** Develop a bank of new ideas that can be developed over time. These can then be tested, developed in the incubator units, it will be a means to promote innovation, creativity and entrepreneurialism.

**Social Enterprise:** The sector is important in the Welsh economy. There have been a number of recent successes in the field of energy production across Wales, asset purchase and service delivery e.g. Llangattock Green Valleys in green energy, or Ynni Ogwen, Bethesda, and Tafarn Sinc Pembrokeshire.

**Wales's diaspora:** We don't do enough to attract the talent that has left Wales to return or to capitalise on the goodwill of the Welsh diaspora to build links internationally. We need to work with the Llwybro/Pathways project in identifying those that may well be interested in coming home.

**Food & Drink:** We need to add value to our resources. We need to make the most of the Royal Welsh Show brand, play to our strengths. As part of this is the potential to develop a food & drink centre at Builth to promote new enterprise and facilitate innovative action in the sector.

**Training Hotel:** We are aware of the importance of the hospitality sector – but the lack of emphasis on the development of the current and future workforce is clear and will become more apparent post Brexit because there will be less staff from overseas. Hotels such as Lake Vyrnwy and Portmeirion offer quality experience for the public but also good employment opportunities.

A dedicated training hotel should be developed potentially in partnership with elite venues to ensure the full '*Naws am Le / Sense of Place* experience'.

**Farm Estate Diversification:** Powys has the largest local authority owned farm estate in Wales. With 11,000 acres and worth nearly £90m, it is a substantial asset.

Powys has underinvested for a number of years. Also the nature of farming has changed tremendously over the years. This estate should be seen as a valuable asset for Powys and therefore a clear economic strategy should be developed with a view of facilitating investment and diversify agricultural businesses.

Work should be done to identify renewable energy opportunities, green technologies and the conversion of some buildings to workshops. The estate should also be used in tandem with the £6m investment support for new entrants into farming secured by Plaid Cymru from the Welsh Government. This would maximise the benefits for rural Powys. Consideration should be given to develop the hydrogen economy in Powys. See the paper: '*The Potential of Hydrogen in the Decarbonisation of Transport in Wales*'.

- **Recommendation 23:** Create a dedicated Community Development Finance Institution for Mid Wales
- **Recommendation 24:** Establish Ideas Bank
- **Recommendation 25:** Facilitate the creation of new social enterprises for social delivery and enterprise
- **Recommendation 26:** Create food & drink centre facility at Builth
- **Recommendation 27:** Establish hospitality training hotel
- **Recommendation 28:** Develop a new strategy to better utilise the Powys farm estate

## 7. DEVELOPING PEOPLE

**Centre of Learning:** as mentioned above we have a vision to develop Newtown as a Centre of Learning.

**Too young to venture?:** restore the good scheme by the Rural Development Board for Wales to boost enterprise visually in our schools. A touring show with guest speakers and trail ideas to prove enterprise is not a dirty word.

**Local Success:** learn from the successful project in Gwynedd highlighting local success, in tandem with a local grant scheme, often investing small sums of money to make things happen

**Llwybro:** this was a programme run by the WDA to track young people over time in order to match them in future years to employment opportunities that may arise in the area in the future. This emulates a similar successful project in the Highlands & Islands of Scotland.

- **Recommendation 29:** Develop a Centre of Rural Learning Facility at Newtown
- **Recommendation 30:** Establish a young enterprise initiative
- **Recommendation 31:** Establish Llwyddo'n Lleol initiative
- **Recommendation 32:** Re-establish Llwybro tracking initiative

## 8. THE FUTURE

**Moving from a CAN'T DO, to a CAN DO CULTURE**