Powys Public Services Board

Well-being Assessment 2017

Economy Key Findings

Powys Public Services Board September 2017

Contents

Economy

This section below describes the five key findings in detail and the data and analysis that was used to evidence our findings.

We rated the impact of each key finding against the 7 well-being goals and whether they are having a positive or negative affect on well-being (see key below).

Key	
	Negative - Critical
	Negative - Substantial
	Negative - Moderate
	No current impact on well-being
	Positive - Moderate
	Positive - Substantial
	Positive - Critical
☆	Negative - Critical (if no intervention)
	No Score Given

Infrastructure

Prosperous Powys	Resilient Powys	Healthier Powys	Equal Powys	Cohesive Powys	Vibrant Powys	Globally Responsible Powys
				☆		

What are the key findings?

For the purposes of this report economic infrastructure is defined as those foundational components within Powys necessary for business to exist and grow. This includes access through transport and telecommunications, primary resources being available including energy and waste, and the availability of land and labour force.

Infrastructure issues in Powys present a major challenge for well-being and for businesses. A lack of infrastructure can greatly hamper a business and reduce its effectiveness. We are seeing this across Powys, with the result of some businesses choosing not to remain in the county. Poor mobile phone and high speed broadband coverage are two major issues which limit the viability of businesses in Powys. This is increased by limited road and rail links, which limit the movement of heavy goods, Furthermore, a lack of inward migration and an aging population has made it difficult for businesses to recruit in Powys. Finally, a limited commercial and industrial property market means that many small businesses, as they continue to grow, leave Powys, as the county, despite having large areas of developable land, lacks suitable medium size business units to promote further expansion. Traditional town centres are also facing heavy competition from internet based companies and larger brands. Development of business is also further hindered by a limited connectivity to local utility grids. The result of this is that many Powys has a large number of small or micro businesses, but a very small number of larger operations.

What does the data tell us?

Infrastructure is identified as being key to the economic development of Powys. There is a growing need to address issues relating to broadband connectivity and mobile phone infrastructure (Office of Communications, 2014). By June 2017, 96% of Powys should have access to superfast broadband due to the Superfast Cymru project. However, in rural areas of the county, there is a growing problem of rural isolation. There is also a strong need for additional childcare places, as well as larger facilities (CYPP, 2015). Additionally, there is need for increased employment opportunity for young people to ensure that they remain in the county (PCC, 2015). At present, east-west transport links are beginning to open up, boosting the local economy and encouraging inward investment and growth. While there is sufficient developable employment land, and there is demand from businesses, development is progressing slowly (Mid Wales Manufacturing Group, 2015). This suggests the possibility that such developments are not financially viable for local businesses due to gap between development costs and potential yield.

In Migration to Powys*

Top 10 destinations

		No. People
1.	Shropshire	640
2.	Herefordshire	290
3.	Cardiff	230
4.	Ceredigion	220
5.	Neath Port Talbot	220
6.	Gwynedd	160
7.	Swansea	150
8.	Carmarthenshire	130
9.	Monmouthshire	110
10.	Rhondda Cynon Taf	90

Total in migration to Powys = 5,130

Out Migration from Powys*

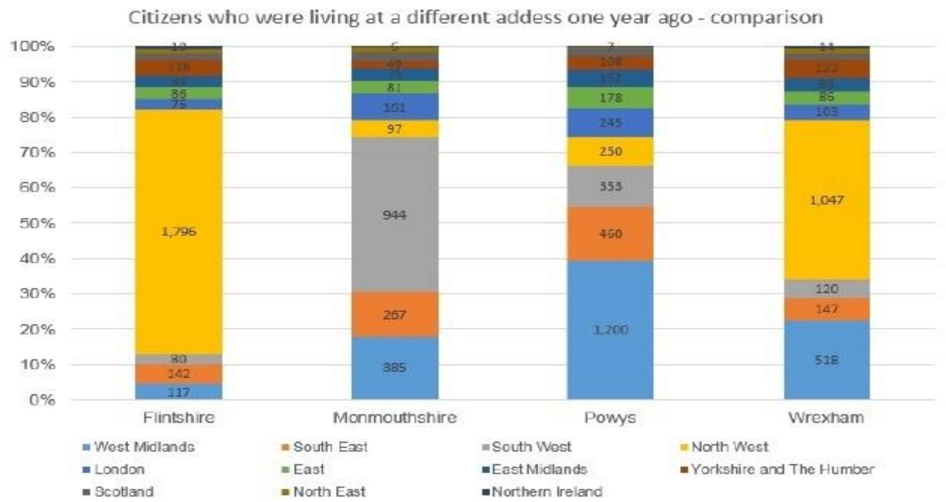
Top 10 destinations

		No. People
1.	Shropshire	740
2.	Herefordshire	250
3.	Ceredigion	230
4.	Cardiff	230
5.	Swansea	180
6.	Neath Port Talbot	180
7.	Carmarthenshire	160
8.	Monmouthshire	150
9.	Gwynedd	110
10.	Telford and Wrekin	100

Total out migration to Powys = 4,870

*Moves within the UK during the year ending June 2014

Net growth = 260



Please note that citizens who have moved from other parts of Wales have been excluded due to the large volume.

Are there any specific locality differences?

Outside of urban centres around 63% of rural communities have a poor mobile phone signal or none at all. The central and northern parts of the County are particularly affected. Through the fixed line network around 40% of rural communities have poor broadband connectivity. The main urban centres across the county are generally well served through the fixed line network and mobile networks. Rural isolation remains a problem.

Road traffic flow in Central and North Powys suffers particularly due to pinch points and flood risk at points along the road network. The regional transport plan identifies the B4358 Beulah to A4081 Llanyre (North of Builth) along with the A44 near Knighton as particular strategic sites that require upgrading. Improvements are also required in Local Growth Zones at Ystradgynlais, Brecon, Llandrindod, and Severn Valley to address active travel, traffic congestion, and parking issues.

The rail network serves the centre and north of the county but there is no north -south connection. The south of the county has no rail connection and is more reliant on the public service bus network.

What do citizens say?

One in five citizens are dissatisfied with broadband connectivity (Ofcom survey).

Transport connectivity is an issue and limits the mobility of the working population (Transport plan).

A lack of suitable business premises (Powys CC property enquiries, Welsh Government Property Database).

What do staff say?

A challenge to promote Powys as a place to return to (migration).

Rural isolation needs to be seen as an issue unique to Mid Wales.

Transport links and Internet connectivity is a big issue outside of urban areas. Physical access to employment.

Lack of industrial premises to allow business growth - multiple units with single tenant blocking the system.

Pressure on funding for infrastructure with public sector funding cuts and Brexit.

Business infrastructure, finance, regulation, property and land availability, slow growth. Retaining young people (supporting career development).

Connectivity – poor public transport links, telephone communications/internet. Deep rural isolation.

What does the third sector/private sector say?

Poor communications networks both transport and telecoms.

Ageing population needs.

Pressure with transfer of public services to the 3rd sector (managing facilities).

Impact on funding for infrastructure with Brexit.

Lack of suitable workshop space in the County across all size bands.

Are there any preventative measures associated with this data?

Roll out of superfast broadband across Powys.

Network providers are providing coverage on a social level, e.g. rural isolation. This should lead to an increase in the number of mobile phone masts and coverage. This is being considered for the next round of 5G licences.

What we don't yet know?

There are data gaps in the extent of coverage of the Fibre Broadband Network and Mobile Phone Coverage (masts). The roll out of the fibre network is constantly changing and the full extent of gaps in coverage will not be understood until the end of the programme 2020

National Trends

According to data from the World Economic Forum's Global Competitiveness Index, the UK is outpaced by all its major Western European trading partners for overall quality of transport infrastructure, regardless of relative wealth. In separate analysis, consultancy firm KPMG, and think tank Policy Exchange have both estimated that the UK has an infrastructure funding deficit of around £400bn up to 2020.

Growth in the roll out of superfast fibre networks has been enhanced through the roll out of Superfast fibre across the UK.

Scenario

Short Term

Based on "do nothing" approach there will be no commercial incentive for telecommunication providers to invest in new infrastructure. The economy would not grow beyond current levels. Transport links will act as a barrier to business growth. Smaller business will struggle to grow. Rural isolation will prevail.

Medium Term

Our growth businesses may look beyond the County for relocation opportunities. There could be slight decline in Gross Value Added (GVA). Net migration flows could start to move into negative territory

Long Term

Powys becomes a commuter location along its border areas with higher levels of unemployment in the central area and western side of the county. Economic productivity will decline in the county.

How do services currently contribute?

1. Delivering Town centre loan scheme in Brecon, Llandrindod and Newtown (£10M) to improve commercial property and bring buildings back into use.

2. Workshop investment programme (capital).

3. Supporting superfast/digital exploitation.

4. Working with partnerships for investment and business growth:

+ Marches LEP

+ Growing Mid Wales

+ Mid Wales Economic Forum

+ Mid Wales Manufacturing

+ Severn Valley Effect

+ Business Wales

+ Internal Services Economic Development working group (Housing, Transport, Property, Finance, Adult Social Services etc.)

5. Working with Welsh Government to further develop the 4 local growth zones in Powys

6. Developing opportunities post-delivery A483/A489 (Newtown Bypass)

Provide option of video conferencing in schools to limit travel to access subjects (although this is not enforceable, only an option).

Organise for training to be delivered locally so that people do not have to travel large distances to access training. This aids reduction in costs and once Powys staff are able to deliver the training, the costs will further reduce.

Is need being sufficiently met?

Given historical trends in business birth and growth rates, it appears the basic needs of businesses in the county are being met by Welsh Government-led schemes and support services. However, this level of support has not been enough to encourage growth, which has remained stagnant. UK Investment in transport funding is falling behind our European competitors. There is a need to address delivery of superfast internet services and mobile infrastructure in rural locations.

Powys LDP Employment Needs Survey identifies strong demand for property but there is little new build activity by the private sector.

Funding is needed to take forward development of the four Local growth Zones.

Business Growth

Prosperous Powys	Resilient Powys	Healthier Powys	Equal Powys	Cohesive Powys	Vibrant Powys	Globally Responsible Powys

What are the key findings?

Powys has a large number of so-called micro businesses (8,670 employing 0-9 employees). However, the majority of the population are presently employed by the public sector, which due to on-going cuts, represents an unsustainable situation. Private business in Powys consists mainly of an above average number of so-called micro businesses with no more than 10 employees. The businesses however, experience limited growth at present, and often move out of the county as they grow. Self-employment mainly concentrates around agricultural businesses, as well as the construction sector. Part time contracts also make up a sizeable area of the working population, and this contributes to Powys' below average weekly salary.

What does the data tell us?

In Powys, while a large number of micro businesses have opened in recent years, the growth of small businesses (defined as businesses with more than 10 employees) has grown by 11%, in comparison to a Welsh average of 14% (Welsh Government, 2007). The situation is even worse for micro businesses, which experience a growth of only 3% in Powys, compared to a Welsh average of 8% (Welsh Government, 2007). This potentially suggests a saturation or stagnation of the market. Self-employed and part time workers account for 38% of Powys' total workforce and contribute to Powys below average weekly wage of £425 (Office for National Statistics, 2015). A further 33% are employed by the public sector. As a result of these two factors, the county has a disproportionate amount of skilled positions and very few unskilled occupations compared to the rest of Wales (ONS, 2014). Finally, with the exception of Cardiff, Powys has the largest number of businesses, mainly in the food and farming sector, that fall under the Welsh Government’s key priority business sectors. As key drivers to the economy, these receive dedicated enterprise support from the Welsh Government.

The economy in terms of business sectors, number of businesses, and overall employment (Source ONS)

The agricultural sector accounts for the largest number of businesses in the County but is not the largest employer outside of the public sector. Whilst production is one of the smallest sectors in terms of business numbers it accounts for 11% of employment (high employment density) and is therefore important to the local economy.

Powys Business Performance 2015

	Micro	Small	Medium	Large	Total
Enterprises Nos	8,080	545	65	10	8,700
Enterprise %age	92.9	6.2	0.8	0.1	100
Turnover (£M)	1,385	676	546	1,140	3,747
Turnover (%age)	37%	18%	15%	30%	
Employment Nos	28,900	9,600	6,400	8,800	53,700
Employment (%age)	54%	18%	12%	16%	
Turnover per employee	£47.92	£70.42	£85.31	£129.55	

Source: Inter-Departmental Business Register (IDBR), Offcie For National Statistics

How Powys Businesses Perform (by enterprise size)

Our largest businesses are very efficient in financial terms in that they account for 30% of business turnover in the County and a significant proportion of the population in employment terms. Turnover per employee is the highest rate at £129 per employee.

Our micro businesses whilst accounting for just over a third of business turnover account for 54% of all employment and illustrates it is not as efficient as larger businesses accounting for £47 of business turnover per employee (less productive financially). However, given the large number of businesses that fall within the Welsh Governments key sectors for economic growth it should be remembered that these sectors offer a greater opportunity for new growth.

Business Size and Overall Employment Figures

Sector	Employed	Businesses	Employed %	Businesses %
Agriculture, forestry and fishing	10200	3,315	15.72%	38.06%
Production	7200	380	11.09%	4.36%
Construction	5100	810	7.86%	9.30%
Wholesale, retail, transport, hotels and food	13900	1,815	21.42%	20.84%
Information and communication	1200	205	1.85%	2.35%
Finance and insurance activities	500	50	0.77%	0.57%
Real estate activities	900	140	1.39%	1.61%
Professional, scientific and technical activities; administrative and support service activities	6100	1,225	9.40%	14.06%
Public aministration, defence, education and health	15600	340	24.04%	3.90%
Other service activities	4200	430	6.47%	4.94%
	64900	8,710	100.00%	100.00%

Source: Annual Population Survey, ONS

Are there any specific locality differences?

Powys has significant industrial centres in our large towns such as Welshpool, Newtown and Ystradgynlais. Four out of five of our very largest business (250+ employees) are located in the Severn Valley catchment in the north of the county. Approximately 64% of the county's medium sized business (50 -249 employees) are based in the Severn Valley catchment including Newtown and Welshpool. This would suggest that the north of the county is the economic driver of the local economy.

What do citizens say?

Prefer direct business support and financial interventions other than loans. There is a shortage of small business units in the area (the Council's extensive portfolio reflects this - it's fully occupied). Need access to "face to face" support services rather than other media (quicker more personalised communication) and mentoring support rather than just web based services. Uncertainty with Brexit. For some citizens say childcare provision such as nurseries or child minders would enable them to consider entering the employment market.

What do staff say?

There is a need to address the shortage of small business units in some areas of the County by providing larger units that allow progression for tenants. Funding support is limited and more dynamic interventions are required to encourage start-ups and business growth. Uncertainty with Brexit. Encouraging growth of Micro businesses into small business. Decreasing services, financial pressure, and transfer of services to community/voluntary organisations. Reduction in community grant has affected community transport, leisure, and retention of services.

What does the third sector/private sector say?

There is a need for capacity building in the third sector and financial resource to enable the development of social enterprise and community based services. There is an opportunity for the third sector to provide services previously provided by the public sector.

The private sector see business rates and regulation as an issue. Access to finance and premises are becoming a barrier to growth. Access to and retention of skilled staff is an issue. Need better links between employers and schools. Uncertainty with Brexit. We need to ensure we are providing funding, advice and support to our businesses

We need to ensure we are offering the right skills (a career path) within our educational system for the types of business and tourism we have here and want to attract to Powys

Are there any preventative measures associated with this data?

Implementing the Economic Development strategy.

Superfast Broadband Exploitation Programme carried out by Welsh Government which will continue until 2020.

Growing Mid Wales partnership and the Marches Local Enterprise Partnership.

What we don't yet know?

Understanding our businesses and the emerging trends, i.e., our natural business growth.

Opportunity to understand our unemployed and economically inactive population better to identify opportunities to grow the labour force.

Industrial Property capacity is at its limit, we have developers that are reluctant to build as they cannot achieve sufficient rental yields to justify investment. Initial research undertaken by Powys County Council shows that there is demand for small units in particular. Need to understand what/where people will build in the future

National Trends

Productivity measured in Gross Value Added per head in Wales is 71.4%, the lowest of any UK country or region. Within Powys this figure is 66%. Both measures are relatively static.

Scenario

Short Term

Based on the public sector "doing nothing" the economy will depend on market forces in the private and third sector. If better commercial opportunities exist elsewhere then private enterprise will be less inclined to develop in or locate to Powys. The third sector may become more fragmented without public support and deliver less effective community services.

Medium Term

Without public sector investment and innovation, economic growth could stagnate in the central and north western areas. The population would become more dependent on employment outside of the County which could have an impact on housing supply and prices along our borders. There could also be much greater additional pressure to make developable land available for business to locate to the border areas. Similarly our central and north western areas could fall into decline.

There could also be a decline in the types of community services available at local level as wealth shifts to our border areas.

Long Term

Without public sector investment private enterprise will migrate to areas that offer better business opportunities which could cause long term economic decline particularly in the central and north western areas. With less employment opportunities, a division may emerge across the county with younger family units moving to the employment locations along our borders. Affordability could also become an issue which forces these groups to migrate out of Powys. The central and north western areas could see higher unemployment and oversupply of accommodation which could cause lower house prices. This may encourage inward migration of older age groups with additional economic cost for the community in terms of care services. Private enterprise and social enterprise may become more focussed on care services which historically provide lower paid employment opportunities and generate much less wealth at a local level. This will have a negative impact on the county's productivity and ultimately wealth generation.

How do services currently contribute?

Regeneration currently signposts businesses (private sector and social enterprise) to potential sources of information, advice and funding e.g. Business Wales, Finance Wales, as well as playing an active role in helping locate premises etc. The following initiatives are undertaken:

Economic Development Strategy

1. Delivery through Arwain programme - funding for community led rural development

2. Town centre loan scheme

3. Working with partnerships for investment and business growth;

+ Marches Local Enterprise Partnership

+ Growing Mid Wales

+ Mid Wales Economic Forum

+ Mid Wales Manufacturing

+ Severn Valley Effect

+ Business Wales

+ Internal Services Economic Development working group (Housing, Transport, Property, Finance, Adult Social Services etc.)

4. Supporting superfast/digital exploitation

5. Nant Helen Fund - Planning gain funding for the Ystradgynlais area

6. Community grants - annual capital grant administration of revenue Service Level Agreements

7. Powys Armed Forces Covenant

8. Implementing Inward Investment campaign - Move to Mid Wales - Discover Powys

Is need being sufficiently met?

The various forms of support available from the public sector is managed between Welsh Government, enterprise support agencies, Powys County Council, and the Brecon Beacons National Park Authority. Support to business is also available through the third sector and private sector. The economy is currently healthy given the high employment levels and the high number of businesses that fall into Welsh Governments key priority business sectors. However, low productivity suggests the economy may be approaching a pivotal point and business growth is static. Supply of small – medium sized business workshop units is limited as the cost of supplying these units is unattractive to developers (rental yields are low). This would suggest that there is a need for further support particularly from the public sector to address areas that may be failing.

Tourism

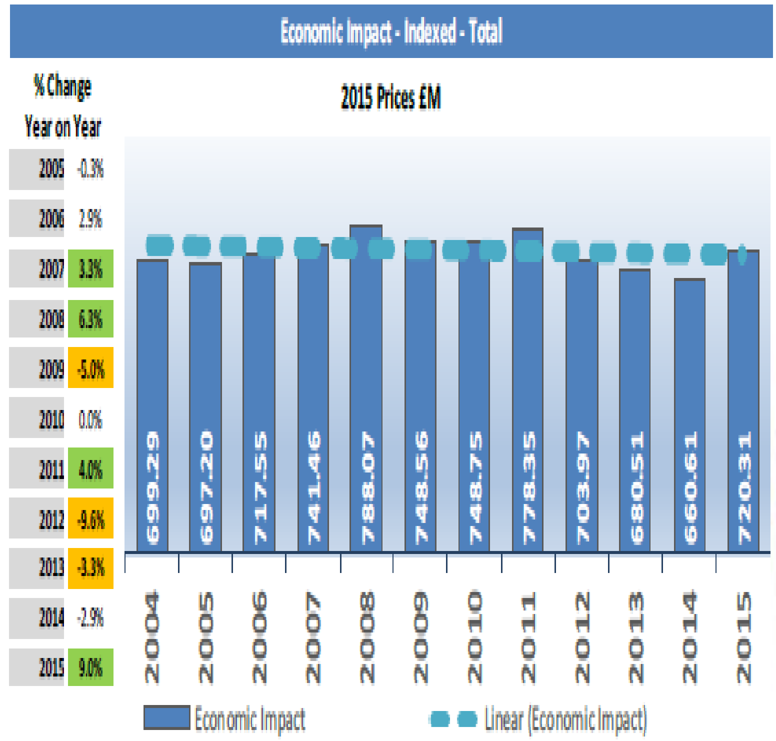
Prosperous Powys	Resilient Powys	Healthier Powys	Equal Powys	Cohesive Powys	Vibrant Powys	Globally Responsible Powys

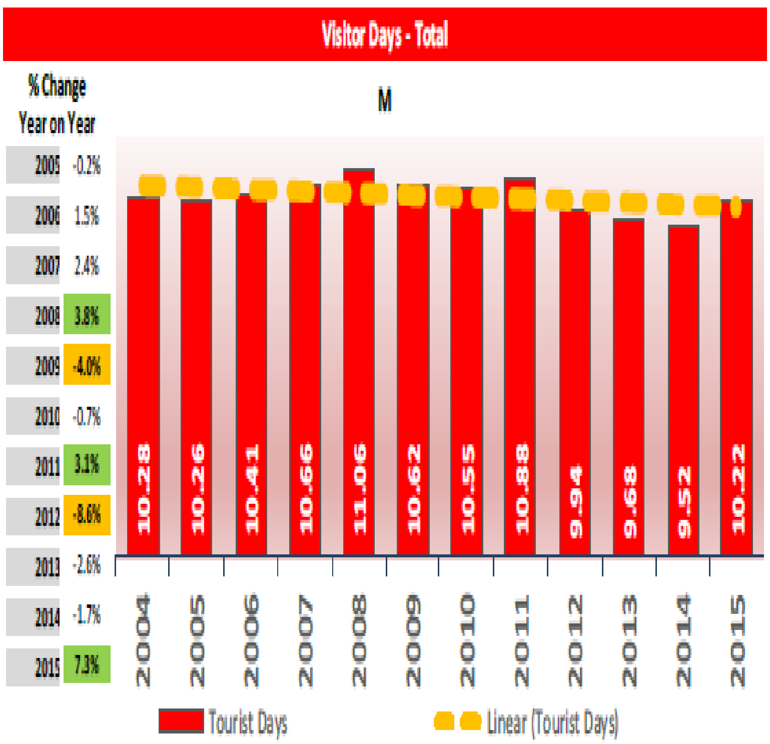
What are the key findings?

Tourism has continued to grow over the past few years in Powys, with an increased number of tourists staying within the county. This has resulted in a large investment of cash to the local economy of some £720 million, which also marks an increase from previous years (PCC, 2015). Tourism seems to be more prominent in rural areas, with Montgomeryshire seeing the most tourists staying overnight, and southern localities towards Brecon seeing more day visitors. Food and drink represents the largest section of the tourism industry in Powys at present (PCC, 2015). However, if market needs are not properly addressed, there is a risk that these numbers may begin to decline, although growth will continue in the short term. Whilst support may continue through Welsh Government, it is likely to meet the national need, potentially reducing the regional impact for Powys and eroding local representation.

What does the data tell us?

In 2015, Powys saw a 5.8% increase in the number of tourists compared to 2014, with a total of 4.5 million visitors (PCC, 2015). The number of staying visitors has also increased by 8.9% to a total of 1.4 million. The remaining 3.1 million visitors were made up of day visitors, which represented a 4.5% increase over the previous year. Overall, the tourism industry contributed £720.3 million to the local economy (PCC, 2015). This was an increase of 9% from £653 million in 2014. A total of 86.6% of this income was generated by staying visitors. This increase also resulted in an increase in employment in Powys with total employment going up by 8.6% to a total of 11,129 people in employment (ONS, 2014). Food and drink was the largest sector for employment in the tourism industry.





Are there any specific locality differences?

Tourism generates £720 million, it is more predominant in more rural areas.

Food and drink (21%) has the largest economic impact on the tourism industry.

More room nights in the north of the county (Montgomeryshire), and more day visitors to the South (particularly Brecon Beacons).

Room nights generate more economic activity than day visitors

What do citizens say?

Promoting the area as a place to return to

Decreasing services, financial pressure, and transfer of visitor services to community /voluntary organisations.

Civic pride - tourism promotes the local identity and positive uniqueness of the area. It is a sector that is good for the County. Pressures in the eastern side of the Brecon Beacons National Park. Need to promote the Western Brecon Beacons area and Ystradgynlais.

What do staff say?

Connectivity – poor Public transport links, telephone communications/internet

Political environment. Brexit. Impact on funding. Uncertainty.

Pulling visitors into a rural area, road links, VAT thresholds, and business rates are an issue.

Encourage community confidence to develop sustainable community based services. Capacity building.

What does the third sector/private sector say?

Need for capacity building and partnerships. The third sector provide infrastructure support in terms of visitor facilities and information services. Pressure on public funding has implications for the future delivery of services.

Are there any preventative measures associated with this data?

Working in a commercial market so data is produced and research is key to forecast demand and ensure we exploit tourism to its potential.

What we don't yet know?

1. What potential effect has Brexit had on Powys over the long-term?

2. Understanding the impact of tourism in the Powys economy as a whole.

3. Understanding the local impact of tourism in Powys, the strengths of each area and opportunity for development.

National Trends

Overseas visits to the UK are expected to grow. Domestic leisure spend is expected to grow as a result of an aging population (increased leisure time and disposable income). Visiting Friends and Relatives segment is likely to see growth as families seek to maximise the value of retirement.

Scenario

Short Term

Based on "do nothing" short term growth will be achieved. Day visitor numbers will decrease slightly but an increase in overnight stay visitors will add greater value to the economy.

Medium Term

If market needs are not addressed there will be a steady decline in the value of tourism to the local economy and the Visit Wales target for 10% growth in the value of tourism in Wales could be compromised.

Long Term

The decline will plateau out as delivery is driven directly by Welsh Government and the private sector. The economic interests of Powys may not be represented.

How do services currently contribute?

Llandrindod Wells Lake Project - Bid

Montgomery Canal Bid

Powys War Memorials Project

Major Events - Tour of Britain 2016 / Urdd Eisteddfod 2017

Tourism partnership working and destination development projects

Marketing Powys

- Website

- Promotional Material

- Links to Events and Festivals

- WG initiatives

- Links to "things to do" information in Powys

Undertaking Market Research

Providing Visitor Information and local service

Is need being sufficiently met?

Demand is being met with available resources. However external funding is a key component that enables this delivery. Year on year performance has improved in 2014/15 and the will be a challenge to maintain growth. Initial indicators are that the Brexit vote has enhanced domestic tourism and tourism as an export (exchange rates) and reduced tourism as an economic import.

Employment and Skills

Prosperous Powys	Resilient Powys	Healthier Powys	Equal Powys	Cohesive Powys	Vibrant Powys	Globally Responsible Powys
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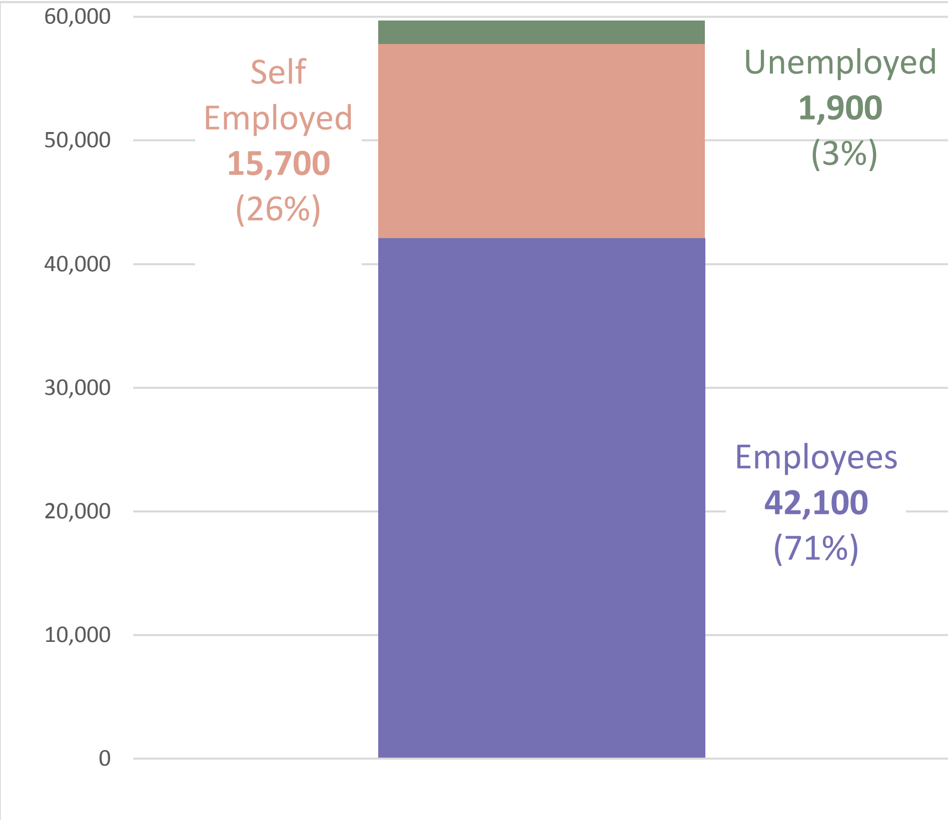
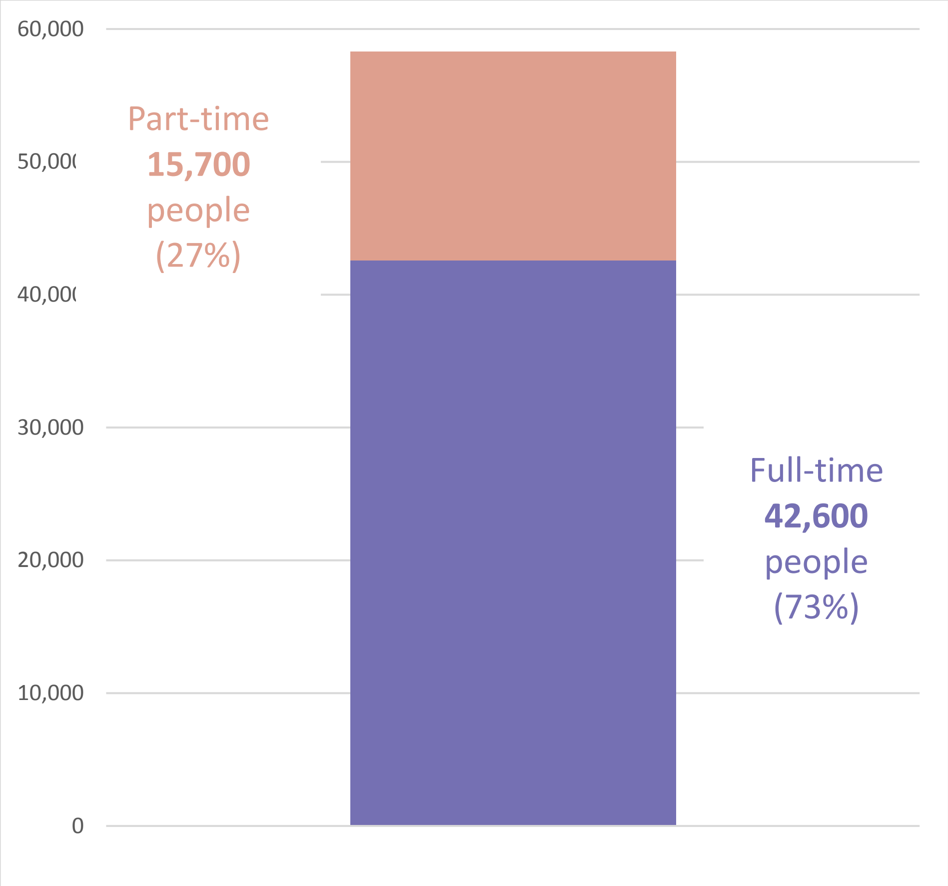
What are the key findings?

Economic activity rates in Powys are relatively low and have remained for the most part static for the past several years. Powys has the lowest number of people in Wales who are economically inactive but seeking employment (ONS, 2011). Powys also has a below average number of people without any formal qualifications (ONS, 2014). While unemployment and economic inactivity rates are low in Powys, the county also has the lowest productivity rating of any sub-region in the entire UK (ONS, 2015). Productivity is far below the Welsh average. This may in part, be attributed to the large number of part time workers in the county.

What does the data tell us?

At present, a total of 2,200 people in Powys are classed as economically inactive but seeking work (ONS, 2011). This represents 3.3% of the total population which is well below the Welsh average of 4.5%. Powys also has a below average number of people without any qualifications, at only 10% compared to a Welsh average figure of 13%. As part of the Powys Strong Communities Plan, efforts are being made to support the remaining 15,000 people in Powys classed as economically inactive into work (PCC, 2015). Despite these efforts, Powys continues to be classed as the least productive sub-region in the UK, with productivity per hour thought to be 33% below that UK average of 67%. This is believed to be the result of the above average number of part time workers in Powys, who make up 37% of the total workforce (ONS, 2014).





Are there any specific locality differences?

There is a wealthy pocket in Crickhowell with minimal unemployment.

Large proportion of people work for the public sector in our main towns. Our main employment centres are based at Newtown, Welshpool, and Ystradgynlais The highest levels of population density).

Crickhowell has the lowest working population aged 20-39,

Newtown has the highest working population aged 20-39,

Llandrindod and Rhayader have the lowest working population 40-59

Crickhowell have the highest working population 40-59

Newtown has the lowest working population aged 60+

Knighton and Presteigne has the highest working population aged 60+

What do citizens say?

Would prefer more locally-based, face to face business support and interventions. Access to suitable local employment opportunities.

What do staff say?

Economic data doesn't reflect the unique circumstances of the county and its predominantly agrarian economy - have to further engage with businesses to fully understand barriers to growth and business needs for skills. Currently young people are choosing to get skills in other places outside of Powys so it pushes them out of county and apprenticeships are not being offered.

What does the third sector/private sector say?

Barriers to employment for economically inactive vary greatly in county - need to look at flexible childcare etc. Lack of skilled workforce in some sectors.

Businesses feel that pre 16 education does not promote local employment or practical vocations as career paths. Entrepreneurship is not promoted effectively as a career path in schools. Businesses feel that students are pushed towards academic achievement through university rather more suitable education routes that could lead to local employment opportunities and strengthen the local economy.

Are there any preventative measures associated with this data?

For more information on preventative measures, please see the Social and Economy summative analysis documents.

What we don't yet know?

Gap in evidence on reasons for poor business growth - this will feed into Regeneration department activity targeting part-time jobs/productivity.

Definitive data on the migration of younger people - do they want to come back?

Create an environment, jobs, social activities - cinema etc.

Understand migration patterns in detail - we know the where, but not why they are going?

National Trends

In terms of economic inactivity, UK rates are lowest since records began in 1971, and have fallen slightly at both UK and Wales's level over the past year. Current GVA per head in Wales is 71.4%, the lowest of any UK country or region. As a proportion of the UK average, GVA per head in Wales has varied between 71% and 74% since devolution - this means Wales (and Powys) has broadly followed a similar path in growth to the rest of the UK over the same period, albeit at lower levels.

Scenario

Short Term

Based on a 'do nothing' scenario, it is likely that numbers of economically inactive in the county will remain low but unchanged, based on previous data. The same can be said for productivity levels and the number of part-time jobs in the county, but are inextricably linked to business birth and growth rates.

Medium Term

It should be noted that the demographics of Powys will change greatly over the next 10 years, with Powys predicted to have the highest proportion of over 65s in Wales by mid-2016. This will invariably impact on economically inactive data (higher level of retired people etc.) and productivity levels (less people contributing economically), especially based on a 'do nothing' scenario.

Long Term

Same as for medium term.

How do services currently contribute?

Regeneration are currently developing an ESF-funded project, Workways+, to target specific groups of the economically inactive through supported work placements. Youth Services also contribute with activity targeted at reducing the number of NEETS that are at risk of becoming long-term economically inactive. Regeneration currently signpost businesses to potential sources of information, advice and funding e.g. Business Wales, Finance Wales, as well as playing an active role in helping locate premises etc. They have also established and participate in the Severn Valley Effect scheme in North Powys, providing business support to individuals and start-ups.

Young Engineers Pilot Project

Powys Piot Prime Cymru

Cynnydd ESF application - Youth Service project

Transforming Learning & Skills Programme

Is need being sufficiently met?

Once the three proposed Powys County Council led ESF operations (Cynydd, Cam Nesa, and Workways+) are approved and running in the county, this will provide a rounded service in term of meeting the needs of the long term economically inactive and young people at risk of becoming NEET.

Given historical trends in business birth and growth rates, it appears the basic needs of businesses in the county are being met by Welsh Government-led schemes and support services. However, this level of support has not been enough to encourage growth, which has remained stagnant.

Poverty and Deprivation

Prosperous Powys	Resilient Powys	Healthier Powys	Equal Powys	Cohesive Powys	Vibrant Powys	Globally Responsible Powys
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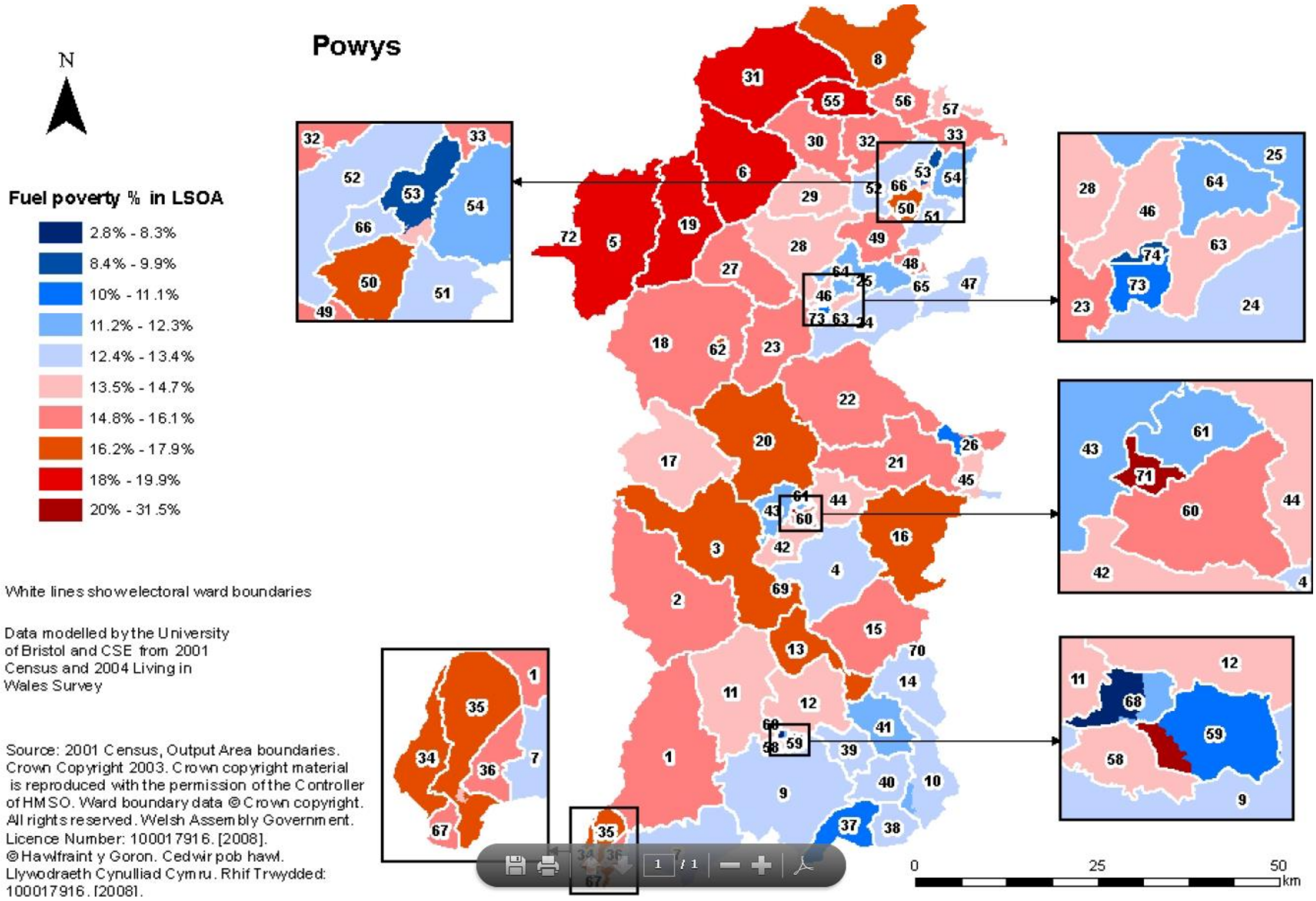
What are the key findings?

Some areas of Powys are the most deprived areas of Wales according to WIMD (Welsh Index of Multiple Deprivation), with Ystradgynlais being ranked in the lowest 10% in Wales, and Newtown South and Welshpool Castle being ranked in the worst 20% in Wales (Welsh Government, 2014). Powys has a poor score in terms of employment. While the majority of the population are in employment, many are in part time work and earn below average salaries. Young people, particularly males, are also struggling to find work. Fuel poverty is high in Powys as a result of its rural setting with lack of access to cheaper fuels such as gas and high elderly population (Welsh Government, 2014). There is a growing divide between least and most deprived in terms of life expectancy, with long term health issues becoming more and more common in those less well off (NHS Wales, 2016). Powys is also one of the most expensive places to buy a house. Fewer people are now owning a home outright or through mortgage. Instead, a large proportion are renting (Home.co.uk, 2015). This may be linked to a below average weekly income. While it cannot be fully determined, the reform of the welfare system is expected to impact more than half of Powys' population, and as a result of benefit reductions or termination, see an average drop of 2% in GDHI (ONS, 2015). Powys is ranked in the bottom 10% in terms of access to services, particularly in terms of access to services by foot or public transport (Welsh Government, 2014). There is also a larger than average amount of the population without access to a 2G signal. Homelessness presentations shows the number of persons in housing crises across the county. Lettings and waiting lists data shows the availability of council housing to the demand for social housing/affordable accommodation, it shows that we do not have sufficient supply to meet demand particularly for small households. Over the previous 18 months there has been a dramatic rise in food banks in Powys, those now in existence are supporting more and more people who are in work but still struggling to make ends meet (Powys Association of Voluntary Organisations, 2015).

What does the data tell us?

According to WIMD, a number of areas within Powys are identified as some of the most deprived in Wales. In particular, Ystradgynlais is ranked among the lowest 10% of all LSOAs in Wales (Welsh Government, 2014). There has been a sharp increase of 32% in homeless presentations between 2015 and 2016, with 1,812 persons registered on the Common Housing Register in 2016. At present, Powys has the highest employment rate in Wales. However, average weekly income is low at £487, well behind the £539 national average (ONS, 2015). In addition, of those in work, 29% are employed on a part time basis. Youth unemployment in Powys was around 1.7% in November 2016 compared to the overall rate of 1%. Powys has a below average number of children in poverty, with only 13% compared to a Welsh average of 21.9%. An estimated 16% of Powys households are thought to be in fuel poverty, this is believed to be mainly due to the rural nature of the county and lack of connections to the gas network (Welsh Government, 2014). There is a growing divide in terms of public health between the least and most deprived areas of Powys (NHS Wales, 2016). In addition to a widening gap in healthy life expectancy, obesity is quickly becoming an issue, particularly among younger age groups. 25% of all 4-5 year olds in Powys are now classed as obese.-Powys is the 6th most expensive local authority in Wales to buy a house, based on ratio of full time earnings and Land Registry house prices (Home.co.uk, 2015). The size of existing households is also shrinking, and is projected to fall as low as 2.13 persons by 2026. Private and social renting has also seen an increase of 3%. The number of planning applications have also decreased. The reform of the welfare system is expected to have an impact on Powys residents, as 9,750 (12% of the population) claim a form of DWP benefit. In total 56% of the population are expected to be affected by the reforms. This is expected to result in an average loss of 2% GDHI per head (ONS, 2014). Powys is one of the worst local authorities in Wales in terms of access to services, In particular, access to areas by foot or public transport is poor. A total of 1.6% of the population live in areas with no 2G phone signal (OFCOM, 2014).


Powys
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Fuel poverty % in LSOA
2.8% - 8.3%
8.4% - 9.9%
10% - 11.1%
11.2% - 12.3%
12.4% - 13.4%
13.5% - 14.7%
14.8% - 16.1%
16.2% - 17.9%
18% - 19.9%
20% - 31.5%
White lines show electoral ward boundaries
Data modelled by the University of Bristol and CSE from 2001 Census and 2004 Living in Wales Survey
Source: 2001 Census, Output Area boundaries. Crown Copyright 2003. Crown copyright material is reproduced with the permission of the Controller of HMSO. Ward boundary data © Crown copyright. All rights reserved. Welsh Assembly Government. Licence Number: 100017916. [2008].
© Hawlfraint y Goron. Cedwir pob hawl. Llywodraeth Cynulliad Cymru. Rhif Trwydded: 100017916. [2008].
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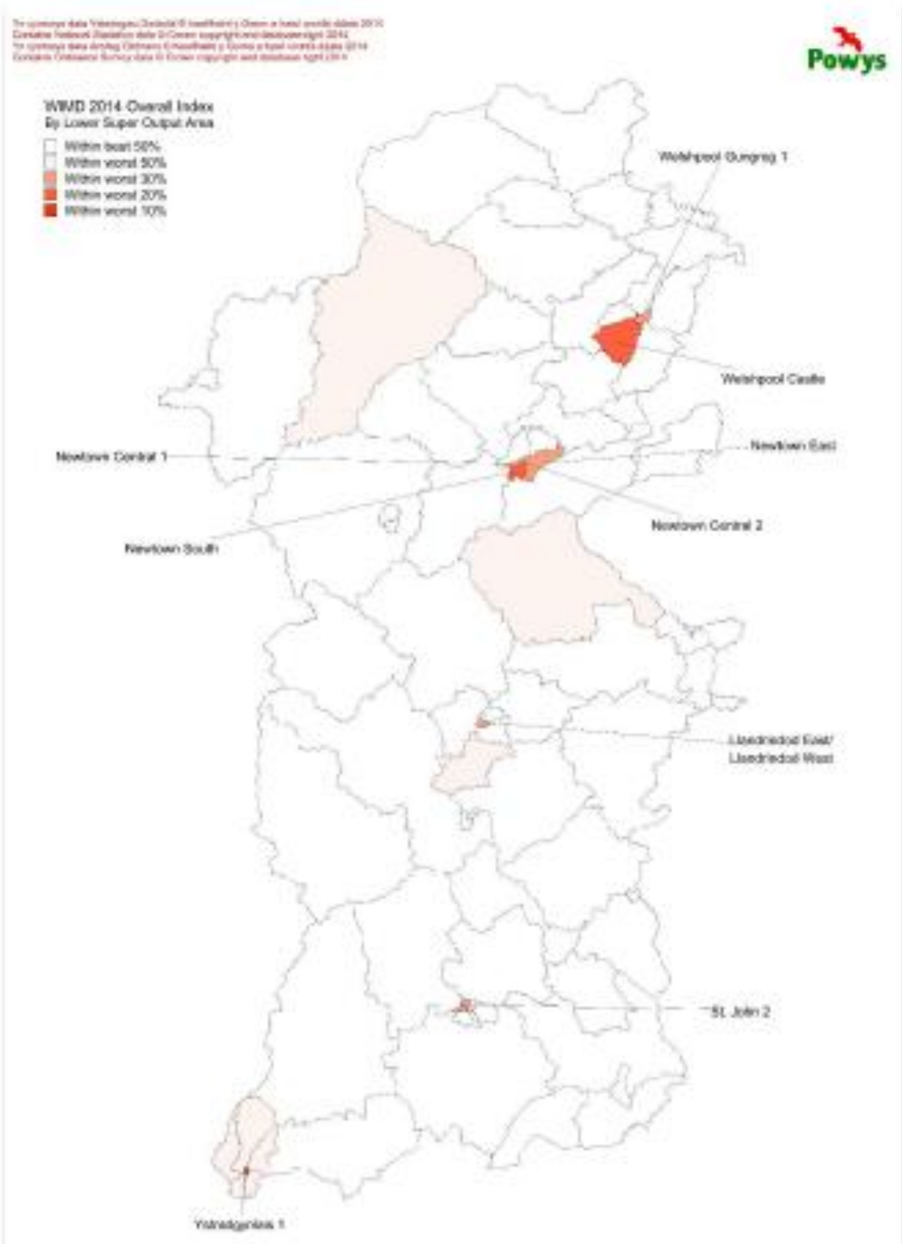

Are there any specific locality differences?

The North-Eastern areas of Powys, in particular the Llanfyllin and Llansantffraid LSOAs, score the lowest in all aspects of economy and health.

In Mid Powys, several towns score below average in key areas. Welshpool and Knighton have a lower score in relation to deprivation, economy, health, and adults with no qualifications. Newtown scores poorly in relation to health and economy. Llanidloes scored poorly in terms of economy, as does Llandrindod Wells. And St. John has a low score relating to deprivation, economy, and health.

The Western Corridor of Powys scores poorly across the board, with Machynlleth, Rhayader, Llanwrytd Wells, Maescar, Ystradgynlais, and Tawe Uchaf being the worst affected.

And in South East Powys Llangattock and Glangrwyney score poorly in health aspects.

Homeless presentations have increased by 107% in Brecon area between 2014/15 to 2015/16 over the same period the increases in Welshpool has been 39%, Newtown 30% and Llandrindod 13%. There has been a reduction of 3% in Ystradgynlais. The greatest number of homeless presentations are in Newtown and Welshpool.

Fuel poverty differences show Machynlleth and Llanfyllin are the highest (20.2%) followed by Ystradgynlais at 17.4%. The lowest is in Crickhowell locality (13.3%) and Newtown Locality (13.7%).

What do citizens say?

A question was asked on this issue in Residents Satisfaction Survey 2015. Respondents were asked how likely it was that they would have to make a conscious decision about whether they switch on their heating or buy food during the winter months.

The "heat or eat" question resulted in 1 in 9 or 11% of residents stating that they were "fairly or highly likely" to be faced with this decision. 81% felt this decision was unlikely to be something they'd need to consider. Interestingly when looking at resident type the figure dipped to 65% for those who had only moved into the county within the past five years.

This may be related to the fact that Powys has a higher energy consumption than other Welsh counties and this is likely to be linked to our rurality and the use of fuels like gas and coal, the condition of some older properties and potentially the general increase in energy costs. When asked what type of fuel was used to heat their homes respondents there was roughly an equal mix of types, with storage heaters being the least used.

What do staff say?

Payment by direct debit is prioritised by the Housing service as it is the cheapest method of collecting rent. The demand for housing varies across the county as does the level of homeless presentations. There is generally more demand for services in relation to people wanting housing and homelessness issues in north of the county. The size and type of accommodation available does not match the demand when welfare reform and the restrictions in available benefit is taken into consideration.

What does the third sector/private sector say?

The Money Advice Service has been working with leading consumer analyst CACI to build a model that can estimate the levels of over-indebtedness across the UK.

We want people to visit the Money Advice Service website to use the free Debt Advice Locator Tool to find free impartial advice in their area. The Housing Service and some of its Housing Association partners has made available additional money advice/debt management.

Are there any preventative measures associated with this data?

Agencies and organisations do assist tenants in arrears, housing need and homelessness by providing advice and assistance. Income and Awards, Citizens advice, Shelter Cymru, Money Saviour etc. Powys CC has a Delivery Partnership Agreement with the DWP to provide money advice & support to tenants in receipt of UC who opt-in, this is delivered by the Money Advice & Support Team. In addition the Discretionary Housing Payment is actively promoted by Income & Awards. PCC are in the process of re-designing the delivery of Council Tax administration which is more customer focused and ensuring maximising entitlements to discounts, exemptions and reliefs at the earliest opportunity. The Council since April 2016 has a duty to prevent homelessness. It has restructured its service in order to prioritise this work.

What we don’t yet know?

Data relating to Housing Association and Private Sector tenancies in particular tenants in arrears. Private sector housing conditions. The number of persons affected by the under 35's shared accommodation rate. The number of people in Powys with bank accounts. The level of borrowing in Powys.

National Trends

The Joint Strategic Needs Assessment 2014 identified the 5 Lower Super Output Areas (LSOA's) and the Income & Awards data provided mirrors these findings.

Income loss due to Welfare Reform in Powys is 2%, £391 per working age adult, Powys is below Wales’s income loss of 3%, £480.5.

Powys is over the UK national average for Indebtedness, UK average 16.1%, however we are under Wales’s average of 19.6%. Powys average is 17.1.

Scenario

Short Term

By 2017, it is projected that the welfare reform may impact up to 56% of the working age population. The availability of the right size and type of accommodation with regard to the welfare reforms is significant and will affect what housing providers build. The shared accommodation rate will affect all tenancies granted since April 2016 from April 2017. The Council does not have the stock in the private or social sector i.e. shared accommodation to address the demand.

Medium Term

If the welfare reforms continue an increasing number of people will not be able to access or afford accommodation. Powys County Council has an ageing population we need accommodation which will provide for younger people however welfare reform such as the under 35's shared accommodation rate is discouraging this group from remaining in Powys. The Council needs to have a strategy of encouraging younger people and families to remain in the county.

Long Term

It will take time to either modify existing accommodation or build new accommodation for the smaller household sizes. This however could make the situation for Powys worse. The settlement for local authorities is linked to the number of children in the county. We currently have a large number of family housing in the social housing sector but due to welfare reform we cannot let the accommodation to small households as the benefits will not cover the costs. Converting this to smaller shared accommodation may discourage families from remaining in Powys.

How do services currently contribute?

Housing Service led on the prevention of homelessness and provide accommodation. Social services support citizens in various ways. The development of an early intervention service will assist. Income and Awards provide services to assist people to access benefits and manage financially.

Is need being sufficiently met?

The prevention and alleviation of homelessness is currently being dealt with however if there is increased demand a review of provision and services will be required. Social landlords are improving the condition of their stock and will achieve Welsh Housing Quality Standard which will result in affordable/sustainable housing. Private Sector Housing is serviced by the Housing service and funds are available in the form of loans to improve the quality of the private sector accommodation. Disabled facilities are financed through Disabled Facilities Grant (DFG) or social landlord funds. New build properties can be financed by Social Housing Grant from Welsh Government, the Councils Housing Revenue Account can now be used to build new homes. Welsh Government has recently announced significant increase in capital available to construct new affordable housing.