



Pembrokeshire County Council

THE LDP AND THE PEMBROKESHIRE ECONOMY

Local Development Plan Background Paper

Pembrokeshire County Council
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LDP AND THE PEMBROKESHIRE ECONOMY

1 Introduction

1.1 Since the preparation / publication of the LDP Preferred Strategy the assumptions made about the economy have been impacted by global and national economic trends and recent changes in Government policy.

1.2 The LDP Deposit Plan is founded on a significant knowledge base on the operation of the local economy, supported by national and regional studies. Much of this information relates to the historic performance of the local economy and associated demand for and take up of employment land. There has been a need to draw together this widespread evidence into a single source document to help to justify the ambition of the County Council to bring about a step change in economic performance, through:

- Sustaining and enhancing the rural and urban economy
- Developing a quality visitor economy founded on an outstanding natural and built environment
- Supporting the development of the distinctive role of Pembrokeshire's towns, especially within the Haven Hub
- Regenerating Town Centres
- Building on the County's strategic location for energy and port related development.

1.3 As part of preparatory work for the earlier stages of plan preparation the Council has drawn on a range of economic evidence including national and regional information, in-house knowledge and stakeholder input. This includes a range of technical reports prepared by the County Council, either alone or in partnership with other organisations, by consultants, or by external organisations pertaining to the economy. These are listed appendix 1 and include key papers produced by the Economy Overview and Scrutiny Committee of the Council.

2 Purpose of Report

2.1 The Council has identified the need to draw together the disparate evidence used to establish whether the strategic and general policy approach to the provision of employment land through the LDP for the period from adoption to 2021 is sufficiently resilient to meet existing needs and changing economic circumstances.

2.2 The purpose of this paper therefore is to:

- explain the evidence base that has been used and the process that has been employed to inform the LDP of local economic development trends and issues during its preparatory phase.
- To outline the information base and understanding of local economic trends held by the authority through its Economic, Regeneration and Tourism work programmes.
- To provide a critique from a local economic / regeneration perspective on the employment policies / allocations and to consider whether the policy criteria and allocations proposed are sufficiently resilient to provide for the bringing forward of sufficient land in the right locations to meet the requirements posed by alternative economic scenarios.

2.3 Unless otherwise indicated statistical data for Pembrokeshire should be taken to refer to whole county data, rather than the area of the LDP.

3 Economic Development – Key documents

3.1 This section identifies key economic conclusions within those national and regional plans and strategies of relevance to decision making in relation to providing for employment land use needs within the LDP.

3.2 People Places Futures, The Wales Spatial Plan provides a framework for the future spatial development of Wales, seeking to address challenges associated with demographic change, accessibility and the distribution of resources over the next 20 years. The Plan identifies 'Pembrokeshire the Haven' as one of five regions

3.3A 'refresh' of People Places Futures, The Wales Spatial Plan in 2008 incorporated an update of the Pembrokeshire – the Haven Spatial Plan Area, undertaken during 2008 in partnership with key stakeholders and Carmarthenshire County Council. The Plan identifies a Vision for the Pembrokeshire the Havens area as:

“A network of strong communities supported by a robust, sustainable, diverse high value-adding economy underpinned by the Area’s unique environment, maritime access and internationally important energy and tourism opportunities”.

3.4 This work has helped to frame the economic context for the LDP and has led to the commissioning of a “Complementarity Study” (reported at 3.13 below) which has further defined how settlements might best fulfil different but complementary roles in developing the economy of the area.

3.5 The key strategic priorities for achieving the vision are:

- Overcoming the Area’s peripherality by improving strategic transport links and economic infrastructure including improved telecommunication links, and maximising the potential of the Area’s maritime assets and proximity to Ireland
- Developing a more diverse, entrepreneurial knowledge-based economy, working closely with higher and further education institutions, indigenous businesses and multinational companies, in order to increase wage levels and create enough well-paid jobs to establish a critical mass that will both attract people with higher skills and reduce the out-migration of young skilled people. Energy and the environment will be critical to achieving success
- Increasing higher value-adding economic activities, particularly in the rural economy, by developing an all-year, high quality tourism and leisure sector
- Developing the Area’s three strategic hubs. Critical to this is the renewal of town centres, development of complementary settlement roles within and between hubs, strengthening community, economic and social outreach and spreading benefit and growth to the wider hinterlands and smaller rural communities
- Raising skill levels through effective partnership working and tailoring learning and up-skilling to better meet existing and future business needs across a range of sector;

- Sustaining and strengthening communities by taking focused action to address both rural and urban deprivation and economic inactivity and to ensure housing provision appropriate to all;
- Protecting and enhancing the Area's important environmental assets, maximising their potential through exemplary sustainable development.

3.6 The County Council's Economy Overview and Scrutiny Committee has undertaken a comprehensive review of key economic areas of importance to the economy which has involved significant external engagement and private sector participation. Relevant Reviews which have helped to inform PCC input into national and regional plans and the LDP preparation process are: -

▪ Tourism ¹	September 2010
▪ Business Support ²	September 2009
▪ Energy Sector ³	June 2009
▪ ICT & Broadband ⁴	November 2008
▪ Sites & Premises (update)	June 2008 ⁵ and May 2003
▪ Marine Leisure ⁶	March 2006
▪ Inward Investment ⁷	March 2005

3.7 Regeneration – Masterplan (2007). A comprehensive assessment of regeneration investment needs and priorities was undertaken by a public sector stakeholder group to help prioritise bids for Welsh Assembly and other funding sources.

3.8 Pembrokeshire Objective 1 Strategy (2000 -2006) provided the context against which projects seeking funding under the Objective 1 programme were assessed. The strategy was based on a Strategy and Vision document produced by DTZ Pidea and local stakeholders in 2000 and was approved by a local partnership which oversaw delivery of the Objective 1 programme in the County. Various monitoring reports are available that measure progress.

3.9 Pembrokeshire – Rural Development Plan (2009). Pembrokeshire County Council has acted since 2007 as the lead body for a broad partnership of key stakeholders with an interest in the rural economy (the whole of Pembrokeshire is defined as rural for the purpose of the RDP). The partnership produced in 2009 an updated Rural Development Plan for Pembrokeshire which has set the context for the current round of rural development projects to be delivered 2011-2013.

¹ Agenda frontsheet & Minute

<http://vmmoderngov:8070/ieListDocuments.aspx?CId=292&MId=2123&Ver=4>

² Agenda frontsheet & Minute

<http://vmmoderngov:8070/ieListDocuments.aspx?CId=292&MId=1978&Ver=4>

³ Agenda frontsheet & Minute

<http://vmmoderngov:8070/ieListDocuments.aspx?CId=292&MId=1965&Ver=4>

⁴ Agenda frontsheet & Minute

<http://vmmoderngov:8070/ieListDocuments.aspx?CId=292&MId=1838&Ver=4>

⁵ Agenda frontsheet & Minute

<http://vmmoderngov:8070/ieListDocuments.aspx?CId=292&MId=1833&Ver=4>

⁶ Agenda frontsheet & Minute

<http://vmmoderngov:8070/ieListDocuments.aspx?CId=292&MId=1172&Ver=4>

⁷ Agenda frontsheet & Minute

<http://vmmoderngov:8070/ieListDocuments.aspx?CId=292&MId=1014&Ver=4>

This strategy was a refresh of the Objective 1 strategy but with a greater rural focus.

3.10 An Economic Framework document (2007) was produced as an internal briefing document to help contextualise applications for external funding.

3.11 With the exception of the Tourism report which post dates the work these key documents (or emerging work) have informed work on the WSP Refresh, the 'Pembrokeshire the Haven Spatial Plan Area Strategy' and or the Complementarity study and support delivery of the WSP 'Pembrokeshire the Haven Spatial Plan Area Strategy' Vision outlined above.

3.12 LDP Stakeholder Consultations. Private sector and stakeholders with a particular interest in the Pembrokeshire economy have been involved in informing the policies of the LDP through various forums including the Spatial Plan Business Panel and Business Stakeholder Group.

3.13 The Pembrokeshire – The Haven Spatial Plan Area Complementarity Study⁸ makes recommendations in respect of the economic growth potential of relevance to the plan area and identifies the need to build on:

- Haverfordwest's key role in broadening the economic base of the spatial plan area, as a focus for commercial development, building on its strength as an administrative centre and further development of business services, maintaining and enhancing the existing complementarity with Carmarthen.
- Opportunities for the development of Research and Development / high technology sectors, drawing on Haverfordwest's proximity to the Technium (Pembroke Dock), R & D facilities associated with the energy sector in Milford Haven and Pembroke Dock and potential opportunities associated with further and higher education (and University links) and the hospital.
- Haverfordwest's function as a transport hub;
- Haverfordwest's role as a sub-regional centre for the rural economy, complementing settlements such as Crymych, Whitland and Newcastle Emlyn;
- The growth potential of the Haven hub towns and the strong leisure appeal of Haverfordwest, recognising their complementary potential to develop the complementary leisure support function – heritage and maritime assets, museums and galleries, cafes, bars and restaurants, nightlife and higher order retail and leisure facilities – to support the southern coastal corridor visitor offer;
- The economic potential of Milford Haven and Pembroke Dock ports the spin off to the wider area, citing their continuing role as key transport and communication sectors, linked to the waterway and the commercial ports,

⁸ Pembrokeshire – The Haven Spatial Plan Area Complementarity Study 2009, prepared by NLP for WAG(in conjunction with CCC, PCC and PCNPA)

with further potential as a key energy sector centre, including servicing the renewables sector and for heavier industry and strong growth potential for the growing marine leisure sector.

- Commercial Leisure opportunities including the proposed Martello Quays marina / Waterfront scheme at Pembroke Dock and the existing marina at Milford Haven.
- Pembroke Dock's role as the key secondary retail centre serving the south of the county, supporting Haverfordwest's primary role;
- Milford Haven's location for housing, leisure and employment, recognising the need for contraction of its retail function to focus on serving the convenience needs of the immediate population and regeneration of the local centre, with improved connections between the retail centre and the Marina / Havens Head and improved role as a niche provider of leisure entertainment and an improved evening economy;
- Pembroke's role as a specialist retail centre, linked to its leisure And tourism function
- The Fishguard / Goodwick Hub's key role as a gateway to Ireland, as part of the trans European transport network and as a local tourism and service centre, with potential to improve current performance through capitalising on its gateway function, provision of high quality visitor accommodation and facilities including the proposed new marina and provision of small scale employment and live work units;
- the promotion of value-added spin off activities such as the agriculture Mart role of **Crymych**, and speciality retailing in **Narberth**;
- New development for rural communities directed towards the day to day needs of existing communities, with settlements working towards 'local hubs', by sharing services and functions.

3.14 The study recommends a policy stance that allows for an appropriate allocation of land for private market and affordable homes, employment and place-based tourism to those smaller centres [Crymych, Johnston, Kilgetty, Letterston], provides for a basic level of services and facilities to secure their continuity as vibrant, sustainable nodes, whilst also preventing an unsustainable level of growth that might serve to undermine complementary relationships between settlements.

4 Current Issues

- 4.1 The challenges for the Pembrokeshire economy are different to many other areas due to its geography and economic history and this distinctiveness is acknowledged by its designation as a discrete Spatial Plan area. In the 1980s and 1990s the County experienced the highest rates of unemployment in the UK in the aftermath of major defence and energy plant closures, together with economic difficulties in both agriculture and tourism. Whilst since then economic change and improvement has been rapid there is an underlying caution about being overly dependent on a small number of sectors (or large employers). A prime economic development objective has been to increasingly diversify the local economy, encourage higher value business sectors such as renewable energy and the wider knowledge economy (with their higher skill requirements) and to add value to existing sectors such as tourism, engineering and agriculture.
- 4.2 The LDP planning process has involved continuous close working between planning, economic development staff and others to draw on WAG and other strategies, plans and processes in order to frame LDP policies in a pragmatic way and with the flexibility to respond to economic uncertainty or rapid change.
- 4.3 In recent years the Welsh Assembly Government has drawn on the European Structural Fund to help deliver its economic development agenda in Wales. The Wales European Funding Office (WEFO) manages the European programmes on behalf of WAG and have developed strategic frameworks to assist delivery. There are Spatial Frameworks for each spatial plan area which cover Strategic Infrastructure, Environment for Growth and Physical Regeneration and Thematic Frameworks which cover a range of activities including R&D and Innovation; E Solutions; Sustainable Transport; Climate Change; Environmental Risks – Waste Management; and Community Development. In addition WAG identified 10 key sectors for priority support. The strategic context for attracting public sector funds to assist economic development has been complex and time consuming.
- 4.4 In 2010 The Welsh Assembly Government announced its Economic Renewal Programme (ERP) which sets out a significant change in the way that it will deliver economic development and business-support services. Innovation has continued to feature strongly as a theme in the ERP based on the exploitation of knowledge and with HE engagement. There will also be a new focus on supporting 6 broad industrial sectors together with on-going support for agriculture and tourism. It is unclear how public sector spending cuts will impact on private sector investment in Pembrokeshire but the move from simple grant aid to repayable grants and imposition of BREEAM excellence for all new WAG supported development is likely to reduce the commercial viability of industrial site development and factory building.
- 4.5 The proposed WAG investment in “next generation” broadband infrastructure may create new opportunities for business growth in both urban and rural settings. However the change to “repayable” WAG business grants with a focus on six key sectors (WAG ERP) may have negative implications for the scale and nature of future business growth.

- 4.6 Pembrokeshire has been highlighted by WAG as the UK's energy capital by virtue of the fact that the area now has the capacity to supply 25% of the UK's refined oil products (processing over 15 million tonnes per year and with tank storage capacity of 9.2 million barrels), up to 22% of the UK's national gas (processing 9 billion cubic metres per annum) and from 2012 will contribute to the national electricity grid with a 2000MW gas fired power station. The two oil refineries, Chevron and Murco, are both for sale as going concerns. Whilst there is not believed to be a short term threat of closure it introduces a significant element of uncertainty to the economic and wider planning processes.
- 4.7 Pembrokeshire is acknowledged to be a prime location for the development of offshore wave and tidal energy production and testing and the deep water facilities of the Milford Haven Waterway have significant potential to host manufacturing and service facilities for renewable technologies including wave and off-shore wind.
- 4.8 A significant challenge will be to capture investment in the new higher value growth sectors such as renewable energy and environmental goods and services whilst at the same time supporting indigenous business growth and encouraging innovation and R&D. The county has many assets including its landscape, climate, industrial and tourism infrastructure (including its ports) and a skilled workforce. A brief description of Pembrokeshire's economic history and the current and emerging drivers for change is attached as Annex 2.

5 Key Statistics and Sectoral Performance

5.1 A simple analysis of the Pembrokeshire economy shows employment within key sectors: -

Figure 1

	Pembrokeshire (employee jobs)		Pembrokeshire	Wales	Great Britain
	1997	2008	(%)	(%)	(%)
			2008 profiles		
Total employee jobs	32,374	39,600	-	-	-
Full-time	20,000	24,000	60.6	66.4	68.8
Part-time	10,000	15,600	39.4	33.6	31.2
Employee jobs by industry					
Manufacturing	3,186	3,200	8.0	13.7	10.2
Construction	1,781	3,100	7.8	5.2	4.8
Services	23,490	32,700	82.6	79.1	83.5
Distribution, hotels & restaurants	8,960	12,100	30.4	23.0	23.4
Transport & communications	1,411	2,200	5.4	4.3	5.8
Finance, IT, other business activities	2,431	3,600	9.2	14.1	22.0
Public admin, education & health	8,535	12,600	31.8	32.9	27.0
Other services	2,152	2,300	5.8	4.8	5.3
Tourism-related [†]	3,998	6,000	15.1	8.6	8.2

Source: ONS annual business inquiry employee analysis 1997 & 2008

5.2 In general terms agriculture, tourism, retail (part) and construction are made up of small and micro businesses together with the self employed whilst energy, health and local government are dominated by large employers. Part time working is higher than average reflecting the dominance of the service sector especially tourism and retail.

5.3 There has been significant employment growth in recent years. Overall numbers in employment (including the self employed) have increased from 43,000 at the turn of the Century to 52,500 in 2008-09, an increase of 22%. Consequently the proportion of people of working age that are in employment has risen from being below, to above the Welsh and GB averages. Given the impact of recession and lower growth forecasts it is not realistic to expect significant growth in the short/medium term.

All people - Economically active - In employment

Date	Pembrokeshire	Pembrokeshire (%)	Wales (%)	Great Britain (%)
Mar 99-Feb 00	43,000	65.3	68.2	73.8
Mar 00-Feb 01	46,000	68.4	69.2	74.1
Mar 01-Feb 02	46,000	67.1	69.1	74.3
Mar 02-Feb 03	47,000	68.6	69.8	74.2
Mar 03-Feb 04	48,900	70.3	70.5	74.3
Jan 04-Dec 04	49,200	70.3	71.2	74.4
Apr 04-Mar 05	49,900	71.0	71.4	74.5
Oct 04-Sep 05	50,200	71.4	71.4	74.6
Jan 05-Dec 05	50,200	71.9	71.3	74.5
Apr 05-Mar 06	50,800	72.3	71.1	74.3
Jul 05-Jun 06	51,100	72.5	71.1	74.2
Oct 05-Sep 06	51,100	72.4	71.1	74.1
Jan 06-Dec 06	51,300	72.8	71.1	74.3
Apr 06-Mar 07	52,000	73.7	71.0	74.3
Jul 06-Jun 07	53,600	75.8	71.1	74.4
Oct 06-Sep 07	53,400	75.3	70.9	74.3
Jan 07-Dec 07	53,000	74.4	71.1	74.4
Apr 07-Mar 08	51,900	73.1	71.3	74.5
Jul 07-Jun 08	51,100	71.8	71.5	74.5
Oct 07-Sep 08	51,700	71.7	71.3	74.5
Jan 08-Dec 08	52,600	72.9	70.7	74.2
Apr 08-Mar 09	52,800	73.3	70.4	73.9
Jul 08-Jun 09	52,400	72.8	69.4	73.3
Oct 08-Sep 09	52,500	73.1	69.0	72.9

Source: ONS annual population survey

Note: numbers are for those aged 16 and over, % are for those of working age (16-59/64)

- 5.4 The growth in employment has been matched by a fall in unemployment and in economic inactivity which coincides with an increase in the reported average wage levels greater than elsewhere in south west Wales.
- 5.5 These wage figures need to be treated with a degree of caution as large construction projects have seen an increase in “Travelling Men” working in the area and filling well paid positions. There is some evidence to support this supposition in the published data with residents earning less than the “workplace” workers.

Gross Weekly Pay for a full time worker (2009)

Resident in Pembrokeshire	£431.70
Workplace in Pembrokeshire	£440.00

5.6 As this data is collected via a 1% sample there can be year on year variations due to sampling errors and the data does not include self employed. With these reservations in mind both workplace and residence wage levels appear to have closed the gap with the Welsh and GB averages. In the case of residents the average wage level has risen by 49.8% over the last 7 years, this compares with increases of 25.9% and 25.0% for Wales and GB respectively.

Average Wages Full-Time worker (residence)

	Pembrokeshire	Wales	GB
2002	£288.2	£353.5	£392.7
2003	£324.9	£368.5	£406.2
2004	£331.6	£382.9	£421.3
2005	£344.3	£393.4	£432.8
2006	£367.5	£404.2	£445.9
2007	£364.2	£414.8	£460.0
2008	£415.3	£424.8	£480.0
2009	£431.7	£444.9	£491.0

Source: ONS annual survey of hours and earnings - resident analysis
Median earnings in pounds for employees living in the area.

5.7 The omission of the earnings of self employed in the above is a concern in Pembrokeshire where self-employment is a major factor in the labour market with about one person in 7 being self employed compared with about one in 12 across the whole of Wales.

5.8 Of further concern is the absence of comparative data on the median and 20 percentile weekly income, particularly given continuing difficulties in relation to housing affordability.

LABOUR SUPPLY

	Pembrokeshire (numbers)	Pembrokeshire (%)	Wales (%)	Great Britain (%)
All people				
Economically active [†]	55,400	73.9	72.7	76.7
Self employed [†]	11,900	14.8	8.3	9.1

Source:WAG Regional Economic and Labour Market Profile -Jan – Dec 2009

5.9 Self employment has remained broadly static and although it fell slightly during the LNG construction phase (from around 11,000 in 2005 to 9,000 in 2006-07) has now risen to 11,900. Whilst there is no sectoral breakdown available for self employment, an assessment of new business starts does not indicate any significant change over recent years.

5.10 Taking into account equalisation of retirement age, work force numbers⁹ are projected to remain broadly static, increasing from 70,860 to 71,112 or 0.4% between 2006 and 2021, compared to the overall population growth forecast of 7.2%.

5.11 Following a long period of relative stability year on year, the number of VAT registered businesses has shown a significant decline in 2009 compared with 2007. Statistics on registered enterprise 'births' and 'deaths'¹⁰ show a trend of significantly fewer starts for Pembrokeshire as compared with Wales and south west Wales, but with de-registrations on a par within the region, but considerably more significant than for Wales as a whole.

Year	Stock of VAT registrations
1994	5165
2000	5050
2007	5305
2009	4790

Source: WAG Regional Economic and Labour Market Profiles

5.12 These key labour market profile statistics show that Pembrokeshire has grown considerably over the last 10 years in employment terms and in wage levels and that much of this growth has been due to on-going investment in the energy sector, growth in public services and the expansion of quality tourism markets. Recent statistics call into question the comparative buoyancy of the economy locally, and point to the need for maintaining flexibility of opportunities across the spectrum of land use requirements.

⁹ Background paper Pembrokeshire Economic Profile 2008

¹⁰ VAT / PAYE registrations, WAG labour market statistics

6 Overview and Scrutiny Committee Work Programme – Land use related issues

6.1 Business Support Review (September 2009)

6.1.1 A survey of local banks and accountants was undertaken to try to assess the impact of recession on local business. The main conclusions were:

- optimism about the performance of tourism despite the recession;
- generally agriculture was performing well despite farmers still leaving the industry;
- construction badly hit with significant redundancies and some business failures;
- retail sector adversely affected by the recession, exacerbated by a significant increase in business rates in some areas;
- financial management is still a challenge for many businesses.

6.1.2 The most recent survey of 807 businesses within the County in 2006 indicated that:

- 60% of businesses surveyed had been trading for more than 10 years and 10% less than 3 years;
- 34% were self employed and 51% employed less than 5 people;
- Broadband use by businesses had increased from 4% in 2003 to 30% in 2006;
- Business confidence was greater in 2006 than 2003 though there was a lower need to recruit extra staff;
- There was a reduced demand for retail and office premises between 2003 and 2006.

6.2 Energy Sector Review (2009)

6.2.1 The 450kv transmission lines that will service the new Pembroke Power Station will have capacity to service additional power generators if developed on major sites around the Milford Haven Waterway.

6.2.2 Pembrokeshire is well placed to capture UK investment in wind, wave and tidal energy given its proximity to coastal energy resources, port infrastructure and local employment and skills.

6.2.3 There is on-going concern about the inadequacy of the road and rail transport infrastructure servicing the County and strategic industrial sites around the Milford Haven Waterway.

6.2.4 The consenting process for the new power station encourages the utilisation of waste heat for economic benefit and to minimise environmental damage.

6.2.5 There is a need to review development site options to service the emerging renewable energy market and make the case for public sector funding support to assist the provision of supporting infrastructure.

- 6.2.6 Pembrokeshire Technium and adjoining Science and Technology Park will target energy related developments and research.
- 6.2.7 The Committee also endorsed representations to the Welsh Select Committee on the theme of "Ports in Wales". These representations identified the significant opportunities for commercial and marine leisure (marina) development along the Milford Haven Waterway and Fishguard, together with Cruise Liner servicing and the development of service base facilities for alternative energy developments. The benefits of Enterprise Zone Designation as a catalyst to stimulate new investment, based on the Milford Haven Enterprise Zone (1984 -1994) experience, were also highlighted. The conclusions and recommendations of the Select Committee broadly reflect the Council's concerns and are attached as Appendix 2.

6.3 ICT and Broadband Review (November 2008)

- 6.3.1 ICT with high speed broadband connectivity was considered essential to improve business performance and help offset peripherality and distance from major markets (increasingly broadband is also seen to be the 4th utility and considered essential to many social and leisure activities.
- 6.3.2 Given the increasing expectations of businesses, residents and visitors to access high quality broadband and internet access via 3G mobile connections, there is an economic need to improve the County's telecom infrastructure. The existing level of broadband provision in Pembrokeshire has benefited from BT's and WAG's enablement programme of exchanges but there are still significant numbers of "not-spots" and areas with limited bandwidth.
- 6.3.3 Demand for broadband and for bandwidth is likely to grow for the foreseeable future. The application of ICT drives productivity and competitiveness across the whole economy and increased trade and globalisation is enabled by ICT. Technology businesses depend on infrastructure and current private sector investment plans alone are unlikely to change the situation significantly, which is why the Welsh Assembly Government has recently committed to rolling out the UK's first, all region, next generation network which will offer, as a minimum to businesses by 2016 and homes by 2020, a synchronous 100mbs service in urban areas and 30mbs to rural locations.
- 6.3.4 Whilst there will be physical and commercial challenges to delivery, the programme planning process should facilitate investment in infrastructure wherever and whenever possible.

6.4 Premises Update (June 2008)

Fig 1 Total Industrial Units Available (public and private sector)

Size (ft ²)	April 2001	April 2003	April 2005	Jan 2008	June 2010		
>1000	13	1			7		
1001 - 3000	21	2	3	8	14		
3001 - 5000	3	5	2	2	3		
5001 - 10,000	4	6	3	5	5		
10,000 - 20,000	10	7	1	3	3		
20,000+	-	-			1		
Total	51	21	9	18	33		

Source: Property Pilot/Agents Details

Fig 2 Total Units by Location (2010)

Size (Sq Ft)	Milford	Narberth	Neyland	Haverford west	Pembroke Dock	Pembroke	Fishguard	Tenby	Narberth	Other
> 1000					1*			1		5
1001-3000	1	1			9*	2			1	
3001 - 5000			0	1				1		1
5001 - 10000			1		1			3		
10000 - 20000					3					
20000+				0						1

Notes

0 = Building for sale but business currently trading from site
 * in addition there are 14 units available at the Pembrokeshire Technium, available for business associated with incubation and growth in the knowledge economy

Other: Brawdy Business Park x1 between 3001-5000 Sq Ft and x1 20000+
 Eglwysrwr x1 under 1000 Sq Ft
 Nine Wells
 (Broadlands Enterprise Park) x2 590 Sq Ft and x2 770 Sq Ft

6.4.1 In general the available units are of a reasonable quality although some of the former naval units in Pembroke Dock require some improvement work or alterations to make them suitable for general industrial use.

6.4.2 Between 2005 and 2010 approximately 52 units were built, all by the private sector, most received public sector support but with one recent development privately financed

Johnston	5 x 1000 sq ft
Nine Wells	10 x 1000 sq ft, 1 x 2000 sq ft, 2 x 3000 sq ft
Withybush	1 x 1500 sq ft, 2 x 2500 sq ft
Honeyborough	9 x 1000 sq ft
Narberth	12 x 1000 sq ft
Withybush	5 x 2000 sq ft
Pembroke	Dock 5

6.4.3 These new units were supplemented by the release of properties in the Naval Dockyard and the subdivision of larger premises in Pembroke Dock (former Cambrian Windows factories) and Thornton (former Dowty Factory). This accounts for the increased number of available units in Pembroke Dock.

6.4.4 A review of the distribution of available offices is currently being undertaken and the results will be made available at a later date.

6.4.5 The County Council undertook surveys of approximately 800 businesses in 2003 and 2006 which sought to quantify demand for new or larger premises.

2003 – 11% (approx 88 businesses) with 3.6% (approx 28 businesses) looking for industrial units.

2006 – 5% (approx 40 businesses) with 2.1% (approx 17 businesses) looking for industrial units.

6.5 Marine Leisure (March 2006)

6.5.1 This review recognised the complex challenges of integrating and delivering high quality coastal zone management. Whilst most of the marine leisure activities are on, or adjoining, land in the Pembrokeshire Coast National Park there are relevant references to the LDP area.

1. The importance of ensuring that launching and landing facilities for craft are well maintained and managed and of a high standard.
2. The endorsement of the need for Harbours of Refuge at approximately 20 mile intervals as part of a pan Wales network. The proposed Fishguard Marina would offer such a refuge for the Southern part of Cardigan Bay.
3. Marine Leisure is a proven catalyst for employment creation and regeneration eg Neyland and Milford Docks and marinas form an important part of the regeneration strategies for Martello Quays, Pembroke Dock and Goodwick/Fishguard.

6.6 Inward Investment (March 2005)

6.6.1 The number of serious inward investment enquiries which require follow up activities has been monitored over a number of years.

Year	04/05	05/06	06/07	07/08	08/09	09/10
Enquiries	72	65	48	47	51	46

6.6.2 A shortage of high quality larger units for let, coupled with falling unemployment, in recent years has led to reduced general inward investment marketing and a greater focus on encouraging new technologies (especially renewables) and business incubation at the Pembrokeshire Technium. In addition the nature of inward investment has changed considerably over the last 10 years with the reduction of “footloose” manufacturing operations and the surge of development interest along the Milford Haven Waterway in energy related investments (totalling £2.5bn over the last 5 years).

6.6.3 The number of jobs generated from Inward Investment has remained buoyant due to the temporary construction works on the major energy projects and the number and scale of “shutdowns¹¹” at the two oil refineries.

6.6.4 As the recession has set in there has been a steady increase in small scale “lifestyle” relocations and business starts. These lifestyle relocations are difficult to monitor because the scale of the activity does not require significant public sector support.

6.6.5 Tourism stands out as a growth sector with major investments at Bluestone Holiday village, Slebech, St Brides Hotel, Saundersfoot and the Retreat Group investments at Roch and St Davids. Most of these investments are locally led rather than inward investment. The two new marina proposals at Fishguard and Pembroke Dock will be largely dependant on inward investment.

6.7 Tourism Review (September 2010)

6.7.1 The Review involved extensive engagement with the private sector and highlighted the vital importance of tourism to the Pembrokeshire economy.

6.7.2 Over the last 3 years significant progress has been made in addressing local strategic tourism objectives:

- Providing a quality experience for visitors means improving the quality of infrastructure and physical facilities, as well as improving people skills such as customer care, attitudes to visitors and business skills;
- Improving accessibility relates to transportation links, access to information, access to the sea, coast and countryside and facilities for people with special needs;
- Partnership working between organisations has markedly improved;

¹¹ For major maintenance / refurbishment

- Improving environmental, social and economic sustainability includes protecting or enhancing the assets that make Pembrokeshire so special, as well as improving revenue and employment by reducing seasonality.

6.7.3 Specific land use issues highlighted include the need:

- to focus on improving the quality of attractions and accommodation;
- to refine and reduce the area where extensions to existing or new caravan sites will be permitted;
- for new caravan sites to be well related to settlements;
- For caravan site extensions to be encouraged to provide environmental improvements;
- For upgrading from static caravans to chalets
- For retention of seasonal and holiday occupancy restrictions.

7 Sectoral Trends and scenarios

7.1 In order to inform the LDP process it has been necessary to demonstrate understanding of the performance of key sectors within the County, prospects for future development and diversification and implications for use of land, together with an understanding of infrastructure requirements and business needs.

7.2 The gathering and sharing of business intelligence takes place in a number of ways through:-

- regular dialogue with public sector business support organisations (Pembrokeshire Unified Business Support Group);
- the FS4B Business information and support service to local businesses (an office with 4 officers based in Pembroke Dock);
- the Overview and Scrutiny committee work programme that draws on the knowledge and expertise of stakeholders;
- engagement with trade bodies, particularly Pembrokeshire Tourism;
- the Spatial Plan Business Panel that considers current issues and priorities in the Pembrokeshire Haven area;
- regional fora that consider wider regional issues and opportunities for joint working;
- Business surveys, statistical analysis and Research Papers;
- Local strategic documents (see Section 4);
- Welsh Assembly Government and UK economic development strategies.

7.3 In recent years the Welsh Assembly Government has increasingly focused its efforts on supporting and developing key sectors which were considered to have greatest growth potential and benefit to the Welsh economy. 'A Winning Wales' strategy in 2002 identified 10 sectors comprising: Automotive, Aerospace, Agri-food, High Technology, Pharmaceuticals / bio-chemicals, Financial Services, Creative Industries, Construction, Hospitality, Leisure and Tourism and Social Care. In 2005 'Wales a Vibrant Economy' update of the strategy highlighted Energy and the Environment as additions to the list.

7.4 In 2010 The Welsh Assembly Government announced its new Economic Renewal Programme. Innovation continues to feature strongly as a theme based on the exploitation of knowledge through HE engagement. In addition there will be a new focus within DE&T on supporting 6 broad sectors: ICT, Energy and the Environment, Advanced materials and manufacturing, Creative industries, Life Sciences and Financial and Professional Services. Tourism and agriculture will also continue to be supported through WAG.

7.5 The following brief descriptions of sectoral trends draw on all these information sources.

7.5.1 Energy

(Information Sources include: EO&S Energy Review, MHPA annual reports, Mouchel initial review for MHPA Masterplan, WAG energy and employment strategies, Energy sector jobs to 2030 a global analysis, Energy Savings Trust publications, DECC UK Ports for the Offshore Wind Industry)

Recent performance: With approximately £2.5bn of capital investment between 2006-2012 the sector has seen considerable growth in gas

importation and power generation. The sector employs 2000 people and generates £100m local spend per annum. On-going efficiencies and rationalisation of employment at the two existing refineries will be offset by approximately 500 new jobs created at South Hook LNG, Dragon LNG and the new Pembroke Power Station (opening in 2012). Three commercial wind turbines have been constructed at Waterston with the prospect of larger ones on the adjoining Dragon/Petroplus site.

Future Prospects: The international oil refining market is highly specialised and influenced by global economics and politics. The Milford Haven Port Authority master planning process has commissioned consultants to review the longer term prospects of the Port. Their preliminary assessment¹² may be summarised as:

- Uncertainty over growth in oil demand and growing gap between refinery and the pattern of demand resulting in modification to refineries or increased trade in oil products;
- LNG traffic will be determined by local site constraints rather than the market;
- The importation of bio-diesel and ethanol is likely to increase in Milford Haven with a potential volume of 280,000 tons pre annum by 2015;
- The Atlantic Array offshore wind farm lies less than 50 miles away and could be serviced in part from Milford Haven;
- Biomass power generation would require larger ships but could share the existing transmission infrastructure;

It is not possible to predict the long term future of the 2 local refineries but they represent a massive capital resource and have been the subject of recent investment. The 2 LNG plants at South Hook and Dragon are strategically important to the UK's energy security.

The Milford Haven Waterway is recognised by DECC as a potential construction port for the new off-shore wind programme which will require at least 8 hectares of land for lay down and pre assembly and 200 – 300m length of quayside capable of accommodating 6m draft vessels at all states of the tide.

Pembrokeshire's wave and tidal resources are acknowledged as having UK wide importance with a number of demonstration projects under development (see www.marineenergypembrokeshire.co.uk).

Risks:

In the near future the points of peak global output of oil and gas will be passed: - some countries, including the UK, have already passed their domestic peaks.

A National Assembly for Wales Research Paper on Peak Oil¹³ (July 2008) notes that the UK's oil production peaked in 1999, that the UK became a net importer of oil in 2006, and that imports will form an increasing proportion of oil consumption in the UK.

¹² MHPA Port Masterplan Workshop Mouchel Presentation, April 2010

¹³ <http://www.assemblywales.org/08-042.pdf>

Arguments range over the likely timing of the global 'peak'. Issues relating to the nature and implications of the production downslope, including increasing costs for oil, are likely to impact on the industry locally during the lifetime of the LDP. It will be important for the Energy industry in Pembrokeshire to continue to develop resilience and flexibility, through increasing diversification, including into servicing the renewables industry, developing the skills base and building on the opportunities presented by LNG.

Chevron and Murco are major employers with significant local supply chains especially in the engineering and fabrication sectors and are currently "for sale" as going concerns. If these two refineries were the only UK refineries for sale this would be a cause for concern but at the current time most of the UK, and many European, refineries are on the market. As the demand for refined products continues to grow in the longer term the assumption is made that the UK will need to maintain its current refining capacity. Should refining capacity be increased closer to the sources of crude then there must be a possibility that some UK refineries will close, but this is considered unlikely to be within the period of this plan.

Past experience at the former Esso refinery site has shown that it can take up to 30 years to redevelop a major refinery site (or an ex MOD site).

There is likely to be some consolidation of engineering/fabrication businesses when the current phase of major construction projects finish. Reduced public sector funding may delay the development of waterfront land and inhibit bids to exploit manufacturing and service opportunities in the renewable energy sector.

7.5.2 **Other Marine and Port Activities**

Considerable emphasis is placed on the contribution of the ports in Pembrokeshire to the wider economy of Pembrokeshire, Wales and the UK.¹⁴¹⁵¹⁶ ¹⁷ ¹⁸

Recent performance: Irish Sea ferry passengers have fallen by 30% between 1998 - 2008 and 40% on the Southern corridor which includes Milford Haven and Fishguard. Freight grew at 3.2% per annum over the same period. The recession has adversely affected both markets.

In Milford Haven construction related activity has shifted from LNG to the new Power station and there has been an increase in the importation of animal feedstuffs. The Cruise market continues to show gradual growth. The port continues to be the largest fishing port in Wales with 3000 tonnes of fish landed each year

Future Prospects: The Milford Haven Port Authority continue to diversify their port operations and plans include a proposed new ro-ro service to

¹⁴ Oxford Economics The economic contribution of the UK shipping industry

¹⁵ House of Commons Welsh Affairs Committee Ports in Wales

¹⁶ The Wales Freight Strategy

¹⁷ The Wales Transport Plan

¹⁸ the South West Wales Regional Transport Plan

France/Spain¹⁹²⁰. The development of the Blackbridge site to cater for the renewable energy sector, biomass power generation, offshore support operations, ro-ro services and a berth for liners is also part of their strategy.

Marina developments are planned for the Milford Haven Waterway and Fishguard, but have been delayed due to adverse market conditions. It is anticipated that there will be a return to growth for this market in the medium term.

Risks: Ports policy in Wales is not devolved but transport policy is: there is an identified need for more joined up strategic planning process to ensure that the Milford Haven Waterway, which is the third largest port in UK, and Fishguard which is also part of the trans European network are serviced by first class road and rail infrastructure.

The future of Milford Haven as a Trust Port is also unclear. Any change in the port's status could influence its role in economic development and its wider community regeneration role, currently the port authority has a significant portfolio of employment properties as well as financial interests in local businesses. A fully commercial port operation could divest itself of these holdings to focus on its core business.

7.5.3 **Tourism and Hospitality**

Recent performance: The STEEAM report 2009²¹ estimates annual visitor spend of £498m and support for nearly 16,000 jobs directly or indirectly (35% of the total employment in the county). A recent Deloitte report²² indicates direct employment is approximately 15% of total employment.

The County Council's Tourism Strategy (2006-2012)²³ identifies a positive growth trend generally, with a number of new "Quality" accommodation providers entering the market in recent years. There has been an estimated £160m capital investment in tourism in the last 5 years. Tourism satisfaction rates remain high and continue to improve. There is continuing evidence of growth in bookings during the autumn and winter. There are 51 attractions advertising that they are open all year in 2010 compared to 31 in 2005, an increase of nearly 65%.

Future Prospects: Deloitte forecast that the Welsh Visitor economy will grow from £2.7bn to £4.4bn by 2020 representing 2.6% real growth per annum. The Council's Economy Overview and Scrutiny Committee²⁴ concluded that Pembrokeshire's tourism product and brand has improved significantly in the last decade and there are good prospects for future growth.

¹⁹ MHPA Annual Report 2009,

²⁰ MHPA Port Authority Port Masterplan Stakeholder Seminar October 2010

²¹ Available at www.tourismhelp.co.uk/objview.asp?object_id=329

²² Available at www.tourismhelp.co.uk/objview.asp?object_id=329

²³ Available at <http://www.tourismhelp.co.uk/content.asp?id=339>

²⁴ Report available at <http://vmmoderngov:8070/ieListDocuments.aspx?CId=292&MId=2123&Ver=4>

Risks: increased competition at home and abroad together with increasing visitor expectations of quality and value for money, not always matched by the trade. Reduced investment in infrastructure to improve accessibility and visitor facilities may reduce the high level of repeat visits.

7.5.4 **Retail**

Recent Performance- There has been a reduction in the number of Small independent retail operations in town centre locations, particularly in the Haven towns²⁵. Such closures have been partially offset by new employment opportunities on out-of-town retail sites in Pembroke Dock, Milford Haven and Haverfordwest. In addition there has been considerable growth in niche retailing especially in Narberth which has successfully exploited tourism and leisure spend and in respect of local food production and related local farmers' markets, farm shops and 'Pembrokeshire Direct'.

Future Prospects: The opening of a new 33,000 sq ft Marks and Spencer in Haverfordwest in November 2010 is likely to reduce retail leakage out of Pembrokeshire and may encourage further retail growth in the county town.

The county's tourism offer is gradually becoming less seasonal and is attracting higher value markets offering on-going opportunities for growth in niche retailing²⁶, including locally produced food and drink.

Risks: The Pembrokeshire economy is highly dependent on public sector employment, tourism, agriculture and the energy sector, reduced expenditure in any of these sectors or increased retail competition from town centres in the wider Region or the internet may adversely affect retail profitability and survival.

There is likely to be reduced funding available to support town centre regeneration works for public realm improvements and private sector investment.

Given the lack of redevelopment opportunities in existing town centres, traders need to work with out-of-town operators to maximise the drawing power of each town.

7.5.5 **Construction**

Recent Performance - LNG construction projects at South Hook and Dragon (2007-2010), the new Pembroke Power Station (2010-2012) and major refinery shut downs totalled over £2.5bn. and resulted in a 50% increase in employment between 1997 and 2008 requiring the importation of labour as well as the employment of local workers^{27,28}.

²⁵ PCC Retail Survey information 2009,10

²⁶ CACI data sources

²⁷ LNG Social Impacts study

²⁸ EO&S energy review

However the collapse in the UK housing market has had a knock-on effect and has resulted in a significant reduction in residential construction with a consequent loss of jobs amongst smaller construction companies. Tourism provides an important source of work for maintenance activity and specialised trades.

(see also Manufacturing and energy sectors)

Future Prospects: There are no new major energy construction projects in the county confirmed post 2012 though there is significant interest in developing the renewable energy business and potential biomass power generation. Planning consents have been given for major marina related development at Pembroke Dock though progress is dependent on market conditions improving. There is a high percentage of self employment in the County (over 50% higher than the Welsh average) particularly in construction trades with a current focus on small extensions and home improvements rather than new residential build. Demand for retirement and second homes continues as a factor sustaining relatively high residential property values, particularly in the coastal areas and the National Park. The lengthening of the tourism season may encourage more planned maintenance of properties.

Risks:

The Pembrokeshire economy is highly dependent on employment in the public sector, tourism, agriculture and the energy sector. Reduced expenditure in any of these sectors will have a knock on effect on the level of construction activity.

7.5.6 **Manufacturing**

Recent Performance - manufacturing employment in Pembrokeshire (8.0%) is significantly lower than UK and Wales averages (13.7% and 10.2%)²⁹ but has been consistent at this level over many years whilst manufacturing nationally has seen significant reductions in employment numbers. Local manufacturing activity is mostly concentrated in engineering and fabrication with a small number of more specialised companies.

Many larger engineering companies and their supply chains have benefitted from the LNG construction projects, less so from the new power station contract. The County has lost a small number of manufacturing activities in recent years due to increased competition from Eastern Europe and the Far East. The engineering and fabrication skills in the County are of a high level and companies have generated new business nationally and internationally³⁰. In general job numbers in manufacturing have been fairly static at approx. 3,200 over the last ten years.

Future Prospects: High level skills and a dependable labour force are critical to the engineering and fabrication sector, an energy workforce group has been established and is successfully addressing skills issues and challenges³¹ for

²⁹ ONS Annual Business Enquiry

³⁰ PCC Convergence bid

³¹ energy workforce group minutes

the energy sector including engineering and fabrication skills through a partnership approach led by Pembrokeshire College. These same skills will strengthen the County's ability to attract investment in the emerging renewable energy sector.

Pembrokeshire College also provides some degree courses, but there is a strong aspiration to enhance the level and extent of HE engagement in the County. The County Council has built a technology and incubation centre together with growth units at Pembroke Dock on a 10 ha. site dedicated to the development of the `Knowledge Economy`. A partnership has been established with Swansea University to establish on-site research with a special focus on supporting the traditional and emerging energy sectors whilst also seeking to provide manufacturing and other business sectors with R&D and technology support.

The deep water and water side land and infrastructure of the Haven Waterway provides an asset which has been developed in the past in the "national interest" and is likely to continue to do so in the future.

Risks: Distance from major markets and limited broadband capacity remain as constraints for the growth of manufacturing. There is a concern that the public spending review will inhibit new government capital projects and squeeze profit margins within their supply chains.

The development of the Blackbridge site will require public sector funding support to provide essential infrastructure, if its full development potential is to be realised.

The commercial viability of constructing good quality modern units may be inhibited by the removal of WAG grant support.

7.5.7 Agriculture

Recent Performance –There has been on-going rationalisation and consolidation of farm holdings in order to achieve economies of scale which is linked to the reduction in direct labour and the increased use of agricultural contractors. Agricultural commodity prices have generally improved in recent years³² though there is still volatility in milk prices. National and local branding has gained considerable credibility amongst the public and the Pembrokeshire Produce Mark continues to be well supported with approx. 270 registered members. Some on-going growth in horticulture and agri-food activities is reflected in the popularity of Farmers Markets and it's spin-out home delivery service (Pembrokeshire Direct) as well as an increase in lifestyle "hobby farming"³³.

Future Prospects: Generally agricultural commodity prices are likely to remain firm though EU subsidies are still essential to farm profitability.

There is an expanding local market for locally sourced products to meet the needs of residents and visitors and with increasing opportunities to address

³² NAW Welsh Agricultural Statistics

³³ Agri food Strategy

wider markets³⁴. There is anecdotal evidence that farm diversification is continuing into a wide range of activities though quantifiable evidence is difficult to obtain.

Risks: CAP reform may reduce subsidies and adversely affect farm incomes. Expansion of the agri-food sector requires high specification production units to meet stringent health requirements. The availability of specialised food units may be adversely affected by changes to the WAG funding regime for property development.

7.5.8 Public Sector

Recent Performance - On-going growth during 2000-2010 resulted in an approximately 50% increase in the numbers employed.

Pembrokeshire County Council currently sources approximately 50% of its supply chain locally.³⁵³⁶

The Health sector is likely to be less dependent on local sourcing. The Welsh Assembly Government and national government have a limited administrative presence in the County, the exception being the DPWS call centre at the Cleddau Bridge.

Future Prospects: 2011-2015 is likely to be a period of reduced public spending and service and employment rationalisation, with an associated reduction in capital works and 'knock-on effects' on the construction sector and the wider public sector supply chain.

Risks: Given the high percentage of local businesses that trade exclusively in Pembrokeshire it is inevitable that some will be adversely affected by Government spending cuts.

7.5.9 Other Services

Recent Performance -There is a wide range of service-related businesses supplying the key economic sectors outlined above and the wider business community, residents and visitors. Of particular note will be professional and financial service support for small and micro businesses and a wide range of sectoral support services and products such as cleaning and food for tourism; farm supplies, feedstock and contractors for agriculture; plant hire and builders materials for construction; engineering suppliers, security and transport for major energy projects³⁷³⁸³⁹.

³⁴ Rural Development Plan

³⁵ Budget Statements

³⁶ EO&S Committee Reports,

³⁷ ONS Annual Business Enquiry

³⁸ EO&S Committee Reports,

³⁹ PCC Business Surveys,

Other sectors such as transport, telecoms, ICT and business support services and fishing whilst inevitably affected by the performance of the local economy may be particularly influenced by other factors such as energy costs, broadband availability, fishing licences and quotas

Future Prospects: Most supply chains will be directly affected by the performance of their host sector(s) with energy, the public sector, agriculture and tourism exerting greatest influence, estimated at approximately £1bn⁴⁰ per annum.

Risks: In addition to the risks relating to key sectors there is a concern that businesses in general and micro businesses in particular need to be able to exploit the potential of broadband for marketing, service support and customer relationships and ICT for financial and stock management much more effectively. Next Generation Broadband is considered to be critical to long term business success across all sectors.

In summary the prospects for economic survival and growth vary from sector to sector and will be influenced by both global and local trends (it is estimated that 75% of local businesses currently trade solely within Pembrokeshire^{41,42}). A high quality and affordable infrastructure is a key requirement for economic stability and growth and in particular the provision of first class communications infrastructure (road, rail, port and telecoms) together with serviced industrial sites and modern premises are vital, if we are to help generate sustainable, well paid employment and thereby assist our towns and villages to thrive and prosper.

⁴⁰ BREAKDOWN: Tourism 500m, Energy 100m, Public sector 200m and agriculture 200m

⁴¹ EO&S Committee Reports,

⁴² PCC Business Surveys,

8 Key Sectors – Future Prospects and Land Use requirements

Key Sector	1 – 5 years	5 – 10 years	Rationale	Land Use Implications
Energy	fair/good	good	The performance of the energy, marine and engineering sectors is inter-related and clustered around the Milford Haven Waterway. Pembrokeshire's skill base, port infrastructure and renewable energy resources offer positive prospects for growth.	<p>a) Existing energy operations more likely to consolidate through efficiency gains than close entirely or grow. Each installation occupies an extensive site with room for rationalisation of activities.</p> <p>b) Biofuels power generation would require a significant site (est 10 ha) with access to deep water for it's feedstock and the national electricity grid.</p> <p>c) Off shore wind, wave and tidal energy will require extensive land for product assembly or service support with all tide access. There are opportunities for smaller scale demonstration projects</p> <p>d) the marine sector has limited deep water general cargo facilities and no dedicated cruise liner berth which is inhibiting opportunities and growth.⁴³⁴⁴</p> <p>e) the engineering/ fabrication cluster around the Haven enjoys an international reputation with prospects for diversification and growth.</p>
Marine	fair/good	good		
Engineering/ Manufacturing	fair/good	good		
Public Sector	poor/fair	fair	Public sector rationalisation seems inevitable. There is limited WAG or UK government employment and property ownership in the County (outside of the defence and health sectors).	The County Council, FE, Health and other public bodies are reviewing their land and property requirements to rationalise and share facilities wherever possible. The M.O.D still owns Brawdy Barracks, outside the National Park, and land/ premises at Castlemartin, Manorbier and Penally within the National Park.

⁴³ Fishguard port requires upgrading and investment

⁴⁴ Milford Haven Port Authority are producing a Port Masterplan

Tourism	fair/good	good	There has been a consistent growth trend in recent years with high levels of investment and customer loyalty.	Tourism investment is generally targeted at improving/ upgrading existing facilities and includes proposals for a new marina at Fishguard and the redevelopment of Pembroke Dock Waterfront – Martello Quays. New investment with significant land use implications will need to be judged on its merits.
Agriculture	fair/ fair	fair ?	Whilst different aspects of agriculture have seen variable performance in recent years and CAP reform has created uncertainties for the future, there is an increasing commitment to reducing dependency on food imports.	The on-going rationalisation process leading to fewer larger farms may provide opportunities to utilise redundant assets to encourage rural diversification and thereby improve the sustainability of rural communities. Agri food is a niche growth area. Potential for shift into zero grazing farm business – major intensification of farming practice
Retail	fair/ fair	Fair / good	Retail and Other Services share a significant dependence on the performance of other key sectors.	The trend towards more compact town centres is likely to continue given increasing competition from regional shopping centres such as Carmarthen, out of town shopping and the internet. In Pembrokeshire retail and leisure are particularly closely linked given the importance of tourism and Haverfordwest's central location in the county is likely to reinforce its county town role.
Other Services	fair/ fair	fair	There is ongoing population growth and gradual improvements to average wage levels and household income	An ageing population base will give rise to increasing demands for personal care services, including increasing demand for extra care housing and for home based support across the County.

Poor – Implies a significant reduction in spend/ activity

Fair – Implies no significant change

Good –Implies a consistent improvement in spend/ activity over time

9 Strategic and Major Development Sites

9.1 Whilst Pembrokeshire's peripherality and distance from markets is a disadvantage the area's geography, port infrastructure and high quality environment provides distinctive opportunities for investment and job creation. The brown field site legacy resulting from defence and oil refinery closures has provided and continues to provide opportunities for a range of economic development activities. Deepwater access and relative proximity to Midlands markets offer future development potential for containerised transport from southern Europe.

9.2 The county's strategic and principal development sites are described below:

Pembroke Dockyard – (96/00002):

This 21.27ha site lies within the historic walled dockyard at Pembroke Dock and provides support land to the Port of Pembroke and Irish Ferries ferryport. An additional 8 has. of redundant MOD land was recently acquired by the Milford Haven Port Authority and provides valuable additional quay space and slipways together with support land and premises for marine related use.

Pembroke Power Station: (95/00001)

This 195.10ha site is currently fully utilised for the construction of the new 2000 mw gas fired power station. On completion there will be significant development potential particularly for activities which can utilise the waste heat arising from the power station.

Chevron Oil Refinery (000/00002). This 215.3 ha site is fully occupied as an oil refinery with adjoining deep water jetties and is currently available for sale. There are on-going opportunities for refinery related or other appropriate investment.

Former RNAD: Blackbridge (086/00004):

This potential 5.96 ha site and adjoining land extending to over 33has. has been the subject of previous developer interest for energy fuel production. As the Haven's last significant deep water development site it is considered to have potential to play a strategic role in servicing renewable and traditional energy developments together with wider port operations including Cruise Line berthing.

Petroplus/Dragon LNG (000/00004) This 177.2ha site is fully occupied as an oil storage depot, LNG terminal and 45mw gas fired CHP plant and there has been a recent consent for 4 wind turbines to be constructed on site. Any future development is likely to be ancillary to existing operations or associated with development opportunities on the adjoining Blackbridge site.

South Hook LNG (Ex EssoSite) (000/00007)

This 209.30ha site became vacant in circa 1980 following the closure of the Esso Refinery and lay dormant for almost 30 years until its recent development as the South Hook LNG terminal. The site is serviced by a recently refurbished deep water jetty. There may be opportunities to utilise brown field land for new development.

Milford Haven Refinery (Murco) (000/00003)

This 123.7 ha site is fully occupied as an oil refinery and is currently for sale. There are on-going opportunities for refinery related or other appropriate investment. It is serviced by a deep water jetty near Gelliswick.

Withybush Business Park (040/00001) – This 20.61ha brown field site has been fully serviced to provide a high quality development site. It's unique characteristic is proximity to the adjoining Haverfordwest airport with excellent access from the A40

Cleddau Bridge Pembrokeshire Science and Technology Park: (96/00001)

This 22.42 ha partially brown field site has been reclaimed and the Northern section is fully serviced and hosts the Pembrokeshire Technium Business Innovation and Growth Centre. The site is themed to provide a high technology location for businesses. The Southern sloping section is currently agricultural land and lacks services.

Trecwn:

This ex-explosives storage and maintenance facility comprises 25,000 sq m of buildings, 58 storage tunnels, each with a chamber volume of between 2278 and 5943 cu m of storage tunnels, with the majority served by narrow gauge railway with a standard gauge main line rail link. The site has been well maintained during the years since closure and continues to provide a unique storage facility with significant development and employment creation potential. The proposed allocation relates to 21.11.ha at the south western end of the site.

10 Employment Sites –Assessment and Commentary

10.1 Background

10.2 The bringing forward of development land in Pembrokeshire has been undertaken mainly by the public sector over the last 20-30 years. The relatively high costs of land acquisition and service infrastructure and relatively low land values has required public sector assistance which included Enterprise Zone designation (1984-1994) on key sites around the Milford Haven Waterway together with European and Central government grants to underwrite the infrastructure costs of bringing forward land for development. Close partnership working with the WDA and subsequently the Welsh Assembly Government, together with other key stakeholders (including the Milford Haven Port Authority and National Park Authority), has continued to bring forward key sites eg Pembroke Dockyard, Withybush and the Cleddau Bridge (Pembrokeshire Science and Technology Park). The Regeneration Masterplan provides the framework to prioritise public sector investment for employment sites and town centre improvements.

10.3 The County Council undertakes an assessment of available employment land every 2 years.

10.4 The most recent survey in 2009 spanned a period of major change from a buoyant local economy with significant major construction locally into recession driven downturn in take up of employment land, and uncertainty as to whether recent activity can be sustained in the longer term. The period of growth at the start of this period was particularly important in Pembrokeshire, as it coincided with construction work on a number of major projects, including two LNG terminals and the Bluestone visitor centre. Construction phase work continues on further major projects, notably the new Pembroke Power Station, but other areas of the economy have exhibited the effects of the downturn.

10.5 A distinctive feature of the economy in Pembrokeshire is that, with the exception of major energy and port related 'national interest' schemes and a few other big projects and enterprises (such as Bluestone), much of the business activity is smaller scale and involves small and medium sized enterprises. This manifests itself in the survey results in the form of a few major sites (generally related to the Milford Haven Waterway or to Haverfordwest) and elsewhere a greater number of much smaller scale sites (some of which are micro-sites for home-based working) supporting a more modest scale of business activity and aspiration and reflecting the particularly strong culture of entrepreneurship in rural areas of the county, illustrated by the number of SMEs and employees based in rural locations⁴⁵⁴⁶⁴⁷⁴⁸ but one that nonetheless makes a crucial contribution to the economy of the County.

⁴⁵ ONS Annual Business Enquiry

⁴⁶ EO&S Committee Reports,

⁴⁷ PCC Business Surveys,

⁴⁸ PCC LDP Background Paper: The Scale and Location of Growth 2010

10.6 Since 2008 the Welsh Assembly Government has withdrawn traditional regeneration funding streams to concentrate resources on the preferred Strategic Regeneration Areas (none in Pembrokeshire) and to develop new investment vehicles such as JESSICA to support private sector led development packages.

10.7 WAG also now require developers to achieve BREEAM excellent standard on any new development utilising WAG land or requiring WAG funding support.

10.8 The Welsh Assembly Government's Economic Renewal Programme will result in all future WAG grants being repayable.

10.9 As a consequence of these changes industrial land that is not already fully serviced will be less commercially attractive to bring forward for development and speculative private sector construction of new industrial units may also be less commercially attractive in areas such as Pembrokeshire with relatively low land and rental values. There remains one European grant scheme for property development in Pembrokeshire (PDF) which may assist new developments at Withybush in the short term.

10.10 Area assessments of employment sites follow:

Pembroke and Pembroke Dock.

10.11 Whilst Pembroke is principally a local retail and service centre and day visitor attraction, Pembroke Dock is the main sub regional retail and service hub for South Pembrokeshire and an important industrial centre and ferry port.

10.12 There are a number of strategic development sites in and around Pembroke and Pembroke Dock that provide land for targeted, more specialised development opportunities.

- Pembroke Power Station – a 195.1 ha brown field site for energy related activities or development that is able to utilise surplus heat from the new power station.
- Pembroke Dockyard – a 21.3 ha site together ex MOD land with a range of buildings, is available for marine (and renewable energy) related activities.
- Pembroke Science and Technology Park – a 22.4 ha partial brown field site allocated to support Pembrokeshire Technium and its incubation and growth units.

10.13 The amount of non-strategic employment land available for development has gradually reduced over the last few years due to on-going demand and the limited supply of serviced land on offer to the open market. The total area available at West Llanion (096/00003), Ferry Lane (096/00004), Kingswood (096/00005) and Waterloo (096/00006) which was estimated as 5.5ha in 2009 is estimated to currently provide 1.2ha of developable land.

10.14 The supply of and demand for industrial units has varied considerably in recent years with the new 10,000sq m. Masco double glazing factory releasing

approximately 4000sq m of smaller units. Recent major construction projects have also stimulated demand. The anticipated development of the Martello Quays may result in the loss of approximately 1000 sq m. of small units in the medium term.

<u>Pembroke and Pembroke Dock</u>		Land Allocation in has.						
		Total	2003	2007	2009	Effective availability 2010		
Strategic Sites	Major Use(s)							Assessment of supply and demand
Pembroke Power Station	Existing: Power generation. Potential: industry requiring heat or power supplies.	195.1	195.1	195.1	0	Note: Est. 30 - 40has. in 2012		New power station will become operational in 2012 which should release parts of the site for developments especially to utilize the surplus heat on site e.g. for horticulture of other uses
Royal Dockyard	Existing: marine related/Ferry port. Potential: marine diversification and renewable energies	21.3+	2.85	1.81	1.81	5		MHPA acquired an additional 8 has. approx from the MOD in 2009 for marine related uses together with buildings. Opportunities include ship repairs, renewable energy related, general cargos
Cleddau Bridge: Science and Technology Park	Existing: service related micros/SMEs Potential: R&D, high-value manufacturing :	22.4	22.4	18.23	18.19	9		Progress is dependent on the type and scale of HE and private sector involvement – marketing plan in place and being actioned. Subject to significant investment in infrastructure for greenfield

Other Sites							
West Llanion	Existing/potential: mainly service related		0.32	1.26	1.26	0.5	Likely to be some (re)development linked to the Martello Quays development project.
Ferry Lane	Existing/potential: Manufacturing		0.20	0.28	0.28	0	Combination of older and new units suited to larger scale manufacturing
Kingswood	Existing/potential: Manufacturing, storage and service related.		1.03	1.69	1.79	0.2	Small area of development land adjoining the Pembroke turning. Some redevelopment potential of post-war factory units.
Waterloo	Existing: engineering and fabrication. Potential: also some growth in marine leisure		1.88	2.21	2.23	0.5	0.2 ha is severely contaminated and unusable Heavy-lift quay available at Ledwoods. Small area available off London Road.

Haverfordwest

<u>Haverfordwest</u>		Land Allocation in has.					
Strategic Sites	Major Use(s)	Total	2003	2007	2009	Effective availability 2010	Assessment of supply and demand
Withybush (040/00001/6/8/10)	Brown field site, part occupied and designated for good quality business use.	18.2	16.6	16.2	15.6	15.6	Fully serviced site in close proximity to Haverfordwest airport. Developer interest sought with grant package available to assist site development.

Other sites:							
Withybush East (040/00004/5/9/11/12)	Mixed use commercial development, including consent for a motor retail park.	28.80	17.20	14.75	13.30	3.0	Incremental take up as serviced land becomes available. The majority of remaining allocated land lacks roads and services.
Old Hakin Road (040/00002/7)	Part existing industrial site and part Greenfield.	5.18	1.29	1.36	2.00	2.00	Proposed mixed use allocation, requiring infrastructure.
Merlins Bridge Creamery	Proposed creamery extension	1.40	1.40	1.40	1.40	1.40	Land has potential for other compatible uses, eg Anaerobic Digester.
Station Yard	Redundant part of Haverfordwest railway station	1.46	0.00	0.59	0.59	0.59	Limited availability

10.15 Haverfordwest functions as the primary service centre and county town for Pembrokeshire. It is the main centre for Local Government and for health provision (Withybush hospital) and has a Local Authority operated airport which has been the subject of recent investment.

10.16 The key strategic development site at Withybush is located in close proximity to Haverfordwest airport. The 20.6 ha site is designated for high quality development which could cover a range of non-retail employment uses.

10.17 The County Council bought forward 17 has of fully serviced land in 2002/03 at Withybush East (040/00011 and part 040/00004), now virtually fully occupied.

10.18 Land acquired speculatively (040/00004) by the private sector to develop a motor retail park and industrial development site (part 040/00004) hasn't proceeded yet given the downturn in the market and less attractive investment environment and may be brought forward for other employment uses.

10.19 Owners of the site 040/00005 to the North of Withybush East are bringing it forward intermittently, mainly for external storage as there are limited on-site services available. (Note Crundale pumping station constraint).

10.20 There is approximately 0.68 has of land available for development at the Old Hakin Road (040/00007) and 1.31 has (040/00002) allocated for home/work units aimed at the increasing growth in "lifestyle" businesses.

10.21 Strategic Employment Land at Withybush comprises a mix of 15has serviced and 10has requiring services (approx), being promoted for airport related or high quality business uses.

10.22 A number of units have been built speculatively over the last 5 years, with grant assistance, small units at Withybush and office units at Avallenau, Merlins Bridge – most of which are now occupied.

Milford Haven		Land Allocation in has.					
Strategic Sites:	Major Use(s)	Total	2003	2007	2009	Effective availability 2010	Assessment of supply and demand
Former RNAD site :Blackbridge (086/00004):	Vacant brown field site with marine and energy related potential.	5.96	5.96	5.96	5.96	5.96	This potential 5.96 ha site and adjoining land extending to over 33has. has been the subject of previous developer interest for energy fuel production. As the Haven's last significant deep water development site it is considered to have potential to play a strategic role in servicing renewable and traditional energy developments together with wider port operations including Cruise Line berthing
South Hook LNG (Ex Esso Site) (000/00007)	LNG terminal and storage .	209.3	209.3	209.3	0.00	0.00	This 209.30ha site became vacant in circa 1980 following the closure of the Esso Refinery and lay dormant for almost 30 years until its recent development as the South Hook LNG terminal with the

							potential to provide almost 20% of the UK's gas needs. The site is serviced by a recently refurbished deep water jetty. There may be opportunities to utilise brown field land for new development.
Milford Haven Refinery (Murco) (000/00003)	Oil refinery	123.7	0.00	0.00	0.00	0.00	This 123.7 ha site is fully occupied as an oil refinery and is currently for sale. There are on-going opportunities for refinery related or other appropriate investment. It is serviced by a deep water jetty near Gelliswick.
Petroplus/ Dragon LNG (000/00004)	LNG terminal and storage	177.2	0.00	0.00	0.00	0.00	177.2ha site is fully occupied as an oil storage depot, LNG terminal and 45mw gas fired CHP plant and there has been a recent consent for 4 wind turbines to be constructed on site. Any future development is likely to be ancillary to existing operations or associated with development opportunities on the adjoining Blackbridge site.

Other sites:							
Haven Head Business Park Northern Extension(Lidd eston Ridge)	Vacant land	3.03	3.03	3.03	3.03	3.82	Unserviced brown field site in proximity to Milford Docks may be expensive to bring into productive use
Milford Docks	Marine leisure and port operations	7.47	0.25	0.25	0.00	0.50	Some redevelopment opportunities to make better use of existing land.
Havens Head Business park	Mixed use development	1.50	0.00	0.00	0.00	0.00	Little additional development potential
Dale Road	Part brownfield site	4.64				4.64	Part contaminated land Adjoining residential uses
Thornton	Mixed use development	22.07	7.91	7.46	5.46	3.0	This site has seen growth in recent years due to major construction projects, developer commitment and the limited supply of land elsewhere
Waterston	Mixed Industrial use including B2 development	9.48	2.66	2.66	2.55	0.5	No land effectively available though some land vacant and the subject of development proposals

Milford Haven

10.23 Milford Haven functions as a sub-regional retail centre and an important service centre for the energy and marine sectors. The recent redevelopment of Milford Docks as a marina and niche retail area has helped to diversify the town's economy and offset the impact of the decline in the fishing sector.

10.24 The main strategic development site is the former RNAD, Blackbridge site (086/00004) of 5.96 has. and adjoining land. This site is likely to be highlighted as a development priority in the emerging Milford Haven Port Authority Masterplan.

- 10.25 Recent development has been focussed around Milford Docks where legacy enterprise zone benefits stimulated private sector investment and at Thornton (part 086/00003) where some privately owned land has recently been opened up for phased development.
- 10.26 The operational areas of Milford Docks (086/00005) are likely (subject to the MHPA Masterplan) to be reserved for marine related commercial activities, Haven Head Business Park Northern Extension (Liddeston Ridge) (086/00001) is just under 4has, requiring infrastructure and services.
- 10.27 Dale Road, Hubberston (086/00002) is a 4.64ha site part of which suffers from contamination and will therefore be a costly site to bring forward for development, but mre cost effective for employment use, then for other uses.
- 10.28 Waterston on the outskirts of Milford Haven (146/00001) provides a mixed use site for general industrial use.
- 10.29 The redundant “Dowty” factory was converted into smaller units in c2005/6 and has provided a useful range of low cost accommodation assisting business growth. There is a regular turnover of office and retail tenants at Milford Marina and some conversion of commercial units to residential accommodation.

Neyland

- 10.30 Whilst Neyland town functions as a local retail centre the Honeyborough business park provides an important service centre for the Haven Hub towns. There has also been an incremental growth in motor dealerships at Honeyborough which has diluted the rationale for a dedicated motor retail park at Withybush, Haverfordwest.
- 10.31 There are two main sites at Neyland. The first is Brunel quay including the Marina (093/00002) extending to 3.06has. which is virtually fully developed though with minor marine related infill possibilities.
- 10.32 The main site at Honeyborough (093/00003) has developed incrementally over 20 years and is now approaching completion. Approximately 900 sq m has been developed in recent years. The adjoining extension site 093/00001 extends to 8.55 hectares but requires investment in service infrastructure to make it effectively available for development.

<u>Neyland</u>	Land Allocation in has.						Assessment of supply and demand
	Major Use(s)	Total	2003	2007	2009	Effective availability 2010	
Honeyborough (2X LDP sites)	Manufacturing and service industries	19.5	4.52	10.22	10.24	2.00	The main part of the site is privately owned and unserviced, other parts are sloping. It is unlikely that these areas will be available for development in the short/medium term without public sector funding support.
Brunel Quay	Marine Leisure and fishing related	3.06	0.00	0.00	0.07	0.07	Some minor potential for marine leisure related activities.

Narberth

10.33 Narberth functions as a niche and local retail centre and a popular distribution and service centre for the County.

10.34 The main sites are at Redstone Road (088/00002) where there has been incremental development of this 2.36 site over the last 10 years, but highways constraints preclude any additional allocation.

10.35 The site adjoining the new primary school (088/00001) is unlikely to come forward for development in the foreseeable future given the lack of on-site infrastructure and services and therefore not proposed as an allocation for the LDP.

<u>Narberth</u>	Land Allocation in has.						Assessment of supply and demand
	Sites	Major Use(s)	Total	2003	2007	2009	
Redstone Road	Mixed industrial	2.36				0.00	Highways constraints

East of Narberth	Green field site	9.56	11.56	9.56	9.56	0.00	Unserviced site which is unlikely to be marketed for employment uses.
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Fishguard/Goodwick

10.36 Fishguard acts as the principal retail and service centre for a large part of North Pembrokeshire and the harbour at Goodwick is the ferry terminal for the ferry services with Rosslare.

10.37 The closure of the Dewhirst factory in 2003 and loss of 179 jobs highlighted the need to diversify the local area's economy and a strategy was devised and implemented to achieve this. Two key elements of this strategy are still on-going, the first is the improvement of the road system in the town centre by opening up a new supermarket development site with new parking and relocating the primary school. This is now in the development phase. The second is the construction of a new marina linked to improvements to the Ferry port infrastructure – this is perceived to be an important development and diversification objective and is still being pursued.

Trecwn is a strategic site (136/00001) with extensive buildings, storage tunnels and rail links in close proximity to Fishguard and Goodwick. The site previously provided employment for over 500 personnel with extensive buildings, storage tunnels and still has the potential to play a significant role in the local economy. The proposed allocation relates to 21.11.ha at the south western end of the site.

Maesgwynne (034/00001) is a high profile site which is unlikely to come forward without public sector direct intervention.

Goodwick Industrial Estate (034/00003) Whilst the designated industrial areas are fully occupied it was anticipated that the car parking area to the east could be relocated to allow the development of industrial units to support the proposed marina development. This is considered to be an important diversification and employment creation opportunity which should be protected.

Celtic Link Business Park (034/00006) is a significant site on the outskirts of Fishguard with development potential on the residual 5.83 ha to support investment at Fishguard Port and provide land for a range of local support services.

10.38 There has been a shortage of industrial units in the Fishguard/Goodwick area for a number of years though planning consent has been granted at Celtic Link Business Park.

Fishguard and Goodwick		Land Allocation in has.					Effective availability 2010	Assessment of supply and demand
		Strategic Sites	Major Use(s)	Total	2003	2007		
Former RNAD: Trecwn	Ex MOD explosives storage and servicing depot	21.11	21.11	21.11	21.11	21.11 +	The site extends to over 200 has., and includes 25,000 sq m. of buildings and 6m. cu ft of storage tunnels and a narrow gauge railway system with main line connections. Vacant for the last 15 years the site has been maintained in good condition.	
Other sites:								
Maesgwynne	Greenfield site	5.77	5.77	5.77	5.77	0.00	Approved for residential use, not proposed for employment allocation in the LDP	
Feidr Castell (2 sites)	Industrial site	2.54	0.60	0.43	0.43	0.43	Near completion, limited demand	
Goodwick Ind Estate	Industrial site	5.08	0.97	0.19	0.00	0.00	Limited demand	
Goodwick Station Yard	Redundant station yard	0.92	0.92	0.92	1.25	1.25	Future use will be influenced by proposed marina and port development and bus / rail interchange.	
Celtic Link	Part developed industrial site	13.31	12.00	8.97	5.83	5.83	There is on-going interest in this site.	

Other Locations

10.39 There is an on-going need to facilitate a supply of employment land and premises in more rural areas in order to address rural deprivation, encourage age balanced communities and minimise travel to work costs.

10.40 European grants have facilitated the supply of small units by the private sector in Johnston and at Nine Wells (in the National Park area) and other forms of assistance have facilitated developments at Brawdy Business Park, including storage.

10.41 42 employment sites have been identified throughout rural Pembrokeshire

10.42 A flexible approach to the utilisation of redundant farm buildings for new businesses and business growth is required in order to maximise opportunities for new business starts and business growth in more rural parts of the County.

<u>Other Locations</u>		Land Allocation in has.					
		Total	2003	2007	2009	Effective availability 2010	
Sites	Major Use(s)						Assessment of supply and demand
Carew airfield	Storage and manufacture	8.27	8.27	4.05	4.32	??	
Crymych (adjoining Riverlea)	greenfield	1.86	7.91	5.09	5.20	0.00	Local demand site requires infrastructure and access.
Johnston (Arnold's yard)	Ex scrap yard	5.45	5.45	5.45	5.45	0.00	Contaminated site requiring major investment.
Johnston (Brickhurst Park)	Mixed uses	2.55	0.00	0.00	0.00	0.00	Fully occupied but with significant redevelopment potential.

Johnston (Station Estate)	Light industrial	1.92	0.87	0.38	0.61	0.61	Popular location
Brawdy Business park	Mixed uses	3.07	0.00	0.00	0.00	0.00	Ex Defence site providing low cost accommodation.

11 Conclusions

- 11.1 The Council has identified the need to draw together the disparate evidence used to establish whether the strategic and general policy approach to the provision of employment land through the LDP for the period from adoption to 2021 is sufficiently resilient to meet existing needs and changing economic circumstances.
- 11.2 There is considerable uncertainty over future direction, scope and scale of economic development resulting in a broad spectrum of scenarios for the international energy, UK, Wales economies and Pembrokeshire. The LDP must respond to this uncertainty with a resilient framework of strategic policies for economic development complemented by site allocations and strong policy criteria.
- 11.3 Land identified for employment use will require significant investment in infrastructure and services. There is concern that reduced public sector funding will discourage private sector investment and limit the amount of land that is effectively available for development. Greater focus on criteria based planning policy should ensure flexibility to address employers/developers needs with due regard to environmental and other constraints.
- 11.4 Businesses are seeking affordable premises and the need to build to BREEAM Excellent standard significantly adds to build costs. These premiums are passed on via higher rentals etc. that businesses find difficult to afford. This is especially true of engineering and similar businesses where large doors are left open for access and ventilation and some of the benefits of BREEAM excellent standards of insulation may be lost.
- 11.5 There are potential threats to the economy with global changes in the oil economy and with the two Pembrokeshire refineries being for sale, as major oil companies consider withdrawing from the downstream activities⁴⁹.
- 11.6 There are specific opportunities for the local economy in the form of Renewable Energy (especially the development of Marine Energy Technologies), Quality Tourism, Agrifood and niche manufacturing. These activities may stimulate new investment and employment creation on sites with the necessary locational characteristics and there will be a need for flexibility within the planning system to consider individual cases on their merits.
- 11.7 During the period of the JUDP the availability of employment land has changed significantly due to large scale take up for major energy projects at South Hook, Waterston and the Pembroke Power Station site. This reversed the trends of the previous ten years when large brownfield sites became available. Blackbridge and Trecwn however still represent considerable “opportunity assets” for development requiring their rare locational characteristics.
- 11.8 A combination of employment land allocations and criteria based policy is required to meet the land use requirements for dispersed rural enterprise and to

⁴⁹ in all 6 of the 9 major British refineries are currently for sale

ensure that appropriate employment land can be brought forward to meet location specific, diverse and unpredictable needs of rural enterprises.

11.9 Detailed information on infrastructure and service constraints will be made available in supplementary planning guidance.

11.10 The land use implications of the Pembrokeshire economy place a mix of requirements for the LDP, embracing specific land use allocations, policies protecting existing employment land, minerals resources and environment and cultural heritage and criteria based policies which provide the basis for securing the right scale and type of development in the appropriate locations in accordance with the settlement hierarchy and the distinctive requirements of the economy, including, at opposite ends of the spectrum:

- for a small number of major development sites, including for energy and port related development, that may come forward over an elongated time span and which will require extensive project development and
- for small scale development across rural Pembrokeshire.

11.11 Waste planning requirements for the LDP recognise the suitability of some employment land allocations for certain types of waste treatment and set out criteria for allocations for other types of

11.12 In relation to renewable energy the County Council has identified the need⁵⁰ for:

- sites for stand alone renewable energy projects,
- requirements for renewable energy to be incorporated into major development sites and
- co-location of waste energy uses/ renewable energy sources with energy consumers,
- developing the potential in Pembrokeshire for servicing the renewables industry and associated Research and Development both on and off-shore.

11.13 Generally there has been poor take up of JUDP allocated sites and evidence is weak that allocating a site in a rural area is effective in providing for the needs of rural enterprise. There are some significant questions about the way the rural economy functions and a criteria based economy is preferred to allocations as more responsive to the particular opportunities that arise.

11.14 There is continuing squeeze on agriculture, with changing patterns of farming practice and flux between those intensifying the scale of operations, and those reducing the intensity and securing added value through quality and 'local food

⁵⁰ Pembrokeshire County Council: LDP Background Paper on Renewable Energy 2010

miles'. Increasing pressures on the Pembrokeshire housing market from tourism and those making lifestyle choices will ensure continuing employment and housing challenges for young people, with significant reverse commuting and a prevalence of low paid / part time / seasonal jobs.

- 11.15 The ageing population structure, considered alongside continuing pressures for young people to leave Pembrokeshire for education/ employment and housing is likely to continue with future growth of the rural economy predicated on tourism, personal health care and rural services. The authority recognises the importance of housing market choice and affordable housing within the Pembrokeshire economy.
- 11.16 The Pembrokeshire economy has a history of vulnerability to major plant closures brought about via external influences and decisions. Land and infrastructure requirements need to be regularly reviewed to ensure that they meet the needs of employers and investors. The WAG proposal to use the Spatial Plan process to identify infrastructure requirements will help to highlight the performance of the commercial property market, it's successes and failures.
- 11.17 The authority has worked with other private and public sector organisations to ensure that the draft LDP meets the needs of businesses, investors and residents.
- 11.18 The Authority is committed to providing resilience within the LDP in the face of these unprecedented economic uncertainties. In response to these uncertainties the LDP shall build in flexibility by identifying a range of employment sites in terms of size and location, with particular emphasis on identifying allocations to develop energy and port related economic growth around the Haven Waterway, providing opportunities for employment growth close to the main centres of population and providing for the particular needs of rural enterprise through focussed allocations supported by strong criteria based policies.

Appendix 1: Background Documents: the Local Economy

10.1 Wales Spatial Plan Pembrokeshire and the Havens Complementarity Study and background papers;

10.2 Detailed Reports on the economy considered by the County Council's Economy, Overview and Scrutiny Committee, including:

Tourism	September 2010
Business Support	September 2009
Energy Sector	June 2009
ICT & Broadband	November 2008
Sites & Premises (update)	June 2008 and May 2003
Marine Leisure	March 2006
Inward Investment	March 2005

10.3 Annual Tourism STEEAM Reports (Pembrokeshire,

10.4 Welsh Assembly Government: Economic Renewal programme 2010, Research Paper on Peak Oil 2009

10.5 Milford Haven Port Authority Annual Report 2009

10.6 Milford Haven Port Authority Port Masterplan Stakeholder Presentations (2010)

10.7 Published LDP Evidence Base Papers

<http://www.pembrokeshire.gov.uk/content.asp?id=15863&Nav=109,141,1014>

Appendix 2

House of Commons Welsh Affairs Committee Ports in Wales Report 2009: Conclusions and recommendations

Conclusion

158. Ports are important transport infrastructure resources. They serve a key role in the transportation of freight and people and are vital for seaborne trade and international commerce. In addition, they serve as the nodal interface where maritime transport connects with other modes of transport and where trading, logistics and distribution activities can take place. There are a number of opportunities for Wales's ports to make a greater contribution to the economy, but these opportunities will not be exploited without the right policy framework, and without support from government at all levels.

159. The cruise market in particular offers a significant opportunity for the economies near the Welsh ports. Developing this market, however, will require public investment in facilities and public sector support to ensure its continued promotion and marketing. Recent initiatives are welcome, but more ambition must be shown in order to exploit the market's full potential. For this to happen, the Department for Transport needs to fully support targeted investment in Welsh ports, in spite of its historic reluctance to intervene in the sector. The identified investment should proceed now in order to attract cruise operators who have a 3–4 year forward planning period.

160. Most Welsh ports have spare capacity and are well placed to take advantage of changing supply-chain and distribution practices, such as the increased use of feeder ships to transfer goods from major hub ports. By developing short-sea shipping or feeder services, Welsh ports could offer alternatives to road transport, which is environmentally damaging and increasingly time dependent as traffic levels rise and roads become more congested. The Wales Freight and Ports Group has been working effectively to create a better understanding of logistics chains and the movement of goods and to share market intelligence. This needs to be extended through a co-ordinated ports policy for Wales shared between the Welsh Assembly Government, the Department for Transport and the industry. Department for Transport officials should participate in the Wales Freight Group, if the group believes this would enhance the Department's understanding of the challenges facing the Welsh ports and wider freight sector.

161. Ports also have a central role to play in the energy sector. Milford Haven, for example, has grown to become one of the most important locations for the sector in the UK. The growth in renewables could provide new opportunities for ports, both as locations for energy generation installations and in terms of the supply and distribution of fuels and equipment.

162. Wales's ports serve broad hinterlands and must be adequately connected by transport links and surface access so that freight and people can travel swiftly to and from the ports. A lack of strategic planning for investment in key routes by the English regions can have a significant impact on routes into/out of Wales. Ports should be given

a greater profile in transport and planning decisions locally, regionally and across borders. The Department for Transport and the Welsh Assembly Government must work together to address crossborder rail and road issues affecting ports. Greater cross-border co-operation on this issue is essential and should form part of an integrated transport policy that covers all modes of transport.

163. Ports policy is the reserved responsibility of the Department for Transport, whilst many other relevant policy areas are devolved to the Welsh Assembly Government. Our inquiry has found that different approaches have led to a lack of coherent strategic objectives for ports in Wales from both levels of government. Government at all levels must use its powers in a complementary and focused way to achieve the agreed outcomes that will lead to an expansion in the port sector in future. In this context, we would expect the Department for Transport to follow through its stated commitment to local decision making in the creation of locally relevant policy and we recommend that the Department for Transport and the Welsh Assembly Government develop a distinctive ports policy for Wales to identify where investment should be targeted to enable the sector to thrive.

164. Given the administrative division of reserved and devolved matters relating to ports, we believe that the Wales Office should play a much greater and more proactive role in facilitating co-operation between the Welsh Assembly Government and relevant central government departments. The Wales Office must ensure that it is doing everything possible to represent Welsh interests within Whitehall. The Wales Office does not have the technical expertise to deal with many of the specific issues involved, so, a robust and direct working relationship must be established between the Department for Transport and the Welsh Assembly Government. It is essential that the Department of Transport should have a clear understanding of Welsh needs and priorities in order to ensure that the right support is on offer.

165. The authorities involved in security at Welsh ports co-operate very closely, but there is scope for more co-operation with the private sector such as the port operators and ferry companies. So that the Welsh ports are not seen as an easy point of entry into the UK, each member of the port community must play their part in ensuring threats to port security are minimised, and that up to date information is available on the goods and people travelling through Wales's ports. We are not convinced that the significant additional pressure that has been placed on the local police force by the expansion of Milford Haven in recent years has been reflected in resource allocations. We recommend that additional resources be made available to Dyfed Powys Police to enable it to undertake these activities. These resources must be proportional to its additional responsibilities and must reflect the importance of Milford Haven to the whole of the UK.

Conclusions and recommendations

The cruise market

1. The relevant authorities must work together in Wales to ensure that the passengers who currently visit Wales on cruise liners spend their money in the hinterlands of the particular port of call. If improved facilities are developed in Wales, it will be essential that this co-operation continues. (Paragraph 22)

Barriers

2. Cruise based tourism can bring significant benefits to local economies. A limited number of cruise liners already visit Welsh ports but their frequency is constrained by the lack of appropriate facilities for them to berth safely. This could be resolved at relatively little cost compared to the economic benefit that might accrue from putting Wales on the cruise map. There is a significant opportunity for Wales to capitalise on the growth of the cruise market and demand for new cruise destinations, but coordinated work and investment will be required to deal with existing constraints and enable Wales to benefit from the projected growth of the cruise market. (Paragraph 26)

Challenges

3. Cruise companies need a long lead time to plan their itineraries and advertise these to customers. Work to develop the jetty at Holyhead should start as soon as possible, and efforts will need to be made to quickly find ways of overcoming problems associated with state aid. (Paragraph 32)

4. The lack of quayside facilities for ships mean that, at the moment, other ports in the UK and Ireland are more attractive to cruise companies than those in Wales. Investment is needed to develop these facilities; the Department for Transport should assist the Welsh Assembly Government's efforts to ensure that this happens as soon as possible. The Welsh Assembly Government should continue to work with the cruise companies through Cruise Wales to ensure that any facilities developed in Wales meet their requirements in the medium to long term. (Paragraph 33)

5. The Cruise Wales partnership works hard to raise the profile of the whole of Wales as a cruise destination, and to gain a better understanding of the needs of both the, cruise lines and their customers. We welcome the recent announcement of £1.2 million in European Funding for the Celtic Wave which will enable the ports of Holyhead, Milford Haven and Swansea to work with their counterparts in Dublin, Waterford and Cork to market the region as a cruise destination. However, more ambition must be shown in order to exploit the full potential of the cruise market. Promoting Wales as a destination along with other Celtic/Irish Sea ports must be a priority so that the cruise lines can include Wales in their itineraries as soon as possible. The UK Government should support this work so that the UK as a whole can offer a more diverse range of itineraries to cruise companies. (Paragraph 34)

6. Developing the cruise market in Wales will benefit the whole of the UK. By improving the facilities in Wales, more UK based cruise itineraries can be created but this will require public investment. We are concerned that the lack of clarity from the Department for Transport about the scope and availability of public funding for cruise facilities could

affect ambitions to develop Wales as a cruise destination. The Department's policy of non-intervention in port development should not apply in this context. The market will not invest in a capital scheme for developing cruise facilities because of the low rate of return to the port operators from cruise operations. We are concerned that the Department for Transport has not given sufficient consideration to the benefits to local and regional economies from cruise tourism. (Paragraph 36)

Logistics

7. Ports are a key link in the supply chains in the UK. Overseas manufacturers and freight forwarders will look at the total supply chain from the point of origin to the final destination. The UK and Welsh Assembly Governments need to be aware of the relationship between logistics and supply chains and the location of jobs. Furthermore, the Welsh Assembly Government should ensure that it understands what the market requires by undertaking demand forecasting to inform policy development and assist the Welsh ports to increase their business. (Paragraph 44)

8. We recommend that the Welsh Assembly Government undertakes a review of spare capacity at Welsh ports. This would help identify the transport and infrastructure improvements needed to facilitate more freight movements through Welsh ports. The freight sector needs a long lead-time to plan operations. We suggest that this activity should, therefore, start as soon as possible. (Paragraph 45)

Short-sea shipping

9. Whilst a large scale container development in Wales would not be viable, we would support the industry's view that Wales should be developing short sea shipping or feeder services to and from the main container ports in the UK and North West Europe. This would provide business opportunities for the ports and would reduce the environmental impact of the freight sector. We would encourage the Welsh Assembly Government to assess the scope to develop business in this area with the aim of increasing the volume of goods being transported to Wales by sea. (Paragraph 51)

10. Witnesses have recognised the important role the ports can play in supporting a more environmentally sustainable transport policy in the future. Transporting goods by sea is often more environmentally benign than doing so by road and should be encouraged. (Paragraph 52)

Energy Sector

11. The Welsh Assembly Government is well placed to assist the Welsh ports to take advantage of the growth of the renewable energy sector, both in terms of servicing the industry and as a location for energy installations. Welsh Assembly Government Ministers should work together to identify where these opportunities exist and communicate them to the UK Government. The Wales Office has a role in making sure this direct liaison happens. (Paragraph 57)

A distinctive Welsh approach

12. The Department for Transport and the Welsh Assembly Government have different views on the investment of public funds in ports. The former supports an approach that

lets the market lead investment, whilst the latter supports greater government engagement. The Department for Transport's approach has worked for the larger English ports because the growth of the sector in England and Wales is skewed by their success, and boosted by their high population densities and high levels of economic activity. Most Welsh ports, however, are operating below capacity and face specific challenges which would justify a more strategic approach to their development. (Paragraph 64)

13. Increasing the volume of freight being transported by sea would reduce the environmental impact of the freight sector. However, Welsh ports face specific challenges (such as poor connectivity with the transport network – see section 3), which shackle their ability to compete. For this reason, we welcome the Welsh Assembly Government's willingness to consider investing in Welsh ports. We believe there is merit in identifying where there is spare capacity at Welsh ports and opportunities for the future. (Paragraph 65)

14. The Department for Transport acknowledges that decisions on port development are best dealt with regionally or locally but maintains that investment in ports should be market-led. The different approaches of the Department for Transport and the Welsh Assembly Government could result in the lack of agreed and coherent strategic objectives for Welsh ports, in the knowledge of which sound commercial investment decisions could be confidently made. Government at all levels must use its powers in a complementary and focused way to achieve agreed outcomes that will lead to an expansion in the port sector. In this context, we would expect the Department for Transport to follow through its stated commitment to local decision-making in the creation of locally relevant policy. It must be prepared to cooperate with the Welsh Assembly Government to consider public investment where local factors inhibit the exploitation of market forces to provide for investment in Welsh ports. We recommend that the Department for Transport and the Welsh Assembly Government develop a distinctive ports policy for Wales to identify where investment should be targeted to enable the sector to thrive. (Paragraph 66)

15. Given the administrative division of reserved and devolved matters relating to ports, we believe that the Wales Office should play a much greater and more proactive role in facilitating and encouraging co-operation between the Welsh Assembly Government and relevant central government departments. The Wales Office must ensure that it is doing everything possible to represent Welsh interests within Whitehall. The Wales Office does not have the technical expertise to deal with many of the specific issues involved, so, a robust and direct working relationship must be established between the Department for Transport and the Welsh Assembly Government. It is essential that the Department of Transport should have a clear understanding of Welsh needs and priorities in order to ensure that the right support is on offer. The personal role of the Secretary of State for Wales in particular—as well as the Wales Office as an institution—is crucial. He must make sure that in this area of policy such relationships are established, maintained and work well. This is, of course, the key role of the Secretary of State and his team across all areas of Government policy and interaction. (Paragraph 67)

Grant Funding

16. The Department for Transport and the Welsh Assembly Government should raise awareness of the eligibility of ports for the Freight Facilities Grant. (Paragraph 68)

17. The Department for Transport and the Welsh Assembly Government should do more to assist ports in Wales to access relevant EU funds where these are available. Witnesses told us, however, that in many instances the rules set by the European Commission mean that these funds are not available for Welsh ports. In these cases, the UK Government should lobby the EU for a fairer system. (Paragraph 71)

Policy Framework

18. All levels of government must facilitate the development of Welsh ports by providing the right policy framework within which they can operate efficiently. Our evidence has demonstrated that at present these conditions do not exist. Many Welsh ports are disadvantaged because of inadequate road or rail links, or because of delays within the planning process. For Wales's ports to develop and increase their contribution to the economy, the Department for Transport and the Welsh Assembly Government should put in place the right policy framework, which includes an integrated transport policy, land use planning and spatial planning across regions and borders. The Wales Office should proactively encourage this process. (Paragraph 74)

19. We found no evidence of tension between the Department for Transport and the Welsh Assembly Government at present. However, we are concerned that a lack of dialogue at ministerial level could result in different levels of government moving in different directions on ports policy. Given the administrative division of reserved and devolved matters relating to ports, close co-operation will be needed in the future to ensure that policy remains joined up, and that all levels of government share ambitions and coherent objectives for the ports in Wales. The Wales Office should be central to this process. (Paragraph 77)

20. Government needs a thorough understanding of the needs and challenges facing the freight and ports sectors to be able to develop appropriate policies that can facilitate their growth. The Wales Freight Strategy is an example of a co-ordinated and intermodal view of the freight sector which is supported by the Wales Freight Group and more recently the Ports sub-group, and is a model which could be used more widely by government. The Welsh Assembly Government will need to continue to work closely with the freight sector to understand logistics chains, the role of the Welsh ports in these and how government can facilitate their efficient operation by providing the right policy framework. Stakeholders such as the Welsh Freight and Ports Groups are being used to ensure that relevant policies take account of the needs of this sector. This data should inform the Welsh Assembly Government's discussions with the Department for Transport on issues affecting Welsh ports. The existence of these stakeholder groups should therefore result in the ports having a more effective means of proactively engaging with both the Department for Transport and the Welsh Assembly Government. (Paragraph 84)

21. We note that the Welsh Assembly Government Minister for the Economy and Transport does not see a role for the Wales Ports Group in liaising with the Department for Transport. Nevertheless, despite the reassurances from the Department for Transport that they regularly liaise with the ports, we are concerned that there is little consultation with the sector on relevant policy areas at a UK or England and Wales level. We recommend that the Department for Transport should use the Wales Ports Group as a means of consulting with the ports industry in Wales to gain a better understanding of their collective concerns regarding relevant government spending

decisions. We also recommend that Department for Transport officials should participate in the Wales Freight Group, if the group believes this would enhance the Department's understanding of the challenges facing the Welsh ports and wider freight sector. (Paragraph 85)

Cross border co-operation

22. The Department for Transport and the Welsh Assembly Government must work together to address cross-border rail and road issues affecting ports. Decisions on investment in the wider transport infrastructure have affected the efficient movement of goods and people in and out of the Welsh ports and the competitiveness of the Welsh ports. A lack of co-ordination has resulted in inadequate landside access to some Welsh ports in the past. Greater cross-border cooperation on this issue is essential and should form part of an integrated transport policy that covers all modes of transport. The Wales Office should facilitate and encourage this process. (Paragraph 91)

23. Both levels of government should ensure improvements and construction work on the Strategic National Corridors and the Welsh Trunk Roads Forward Programme are closely co-ordinated. We urge the Welsh Assembly Government and the Department for Transport to keep the whole supply chain in mind when considering transport infrastructure improvements and to consult fully with each other before commissioning such improvements. (Paragraph 93)

Roads

24. The lack of a dual carriageway serving the important ports in Pembrokeshire causes traffic congestion and longer journey times for vehicles and passengers using these ports. This issue impacts on their attractiveness to freight businesses. We acknowledge that there needs to be a sufficient justification for expenditure to dual this route and that the Welsh Assembly Government's current approach allows for dualling in the future, should this be justifiable financially. The Welsh Assembly Government should keep this issue under review so as to ensure that ports in Pembrokeshire are not disadvantaged by an inadequate road connecting them to the main motorway network. (Paragraph 98)

25. The Welsh Assembly Government's consultation on the National Transport Plan proposes improvements that will address the capacity issues on the A55 across the Menai Strait. We welcome these proposed improvements and urge the Welsh Assembly Government to ensure they take place as soon as possible. (Paragraph 101)

New links from the ports

26. Where expanding a port's operations requires investment in road and rail infrastructure, it is right that the developer should pay a proportion of the cost. However, our evidence suggests that existing guidance is unclear about the extent of public funds which may be available to assist development. Both governments should provide more clarity on the contribution they are willing to make to such developments and within a timeframe that enables ports to plan their future business activities and investments. (Paragraph 106)

Rail

27. Upgrades of the rail network would be required if rail were to contribute fully to the transport of goods to/from Welsh ports. We welcome the UK Government's recent announcement on the electrification of the line from London to south Wales, which will provide more capacity for goods on the railway, therefore more opportunity to move goods by train. The Department for Transport should clarify whether there will be benefits for freight as a result of this development. (Paragraph 112)

Strategic and land use planning

28. The level of importance afforded to the ports as economic drivers varies across local authority areas in Wales. This can have an impact on not only policies within the area, but also policies that cross local authority boundaries, such as transport. The Welsh Assembly Government has a central role to play in ensuring that local authorities recognise the potential of ports and that the planning system and transport infrastructure operate ways that benefit the ports, or will be able to benefit the ports in the future. The Department for Transport must play its part and the Wales Office must ensure that different levels of government are joined-up and that cross-border co-operation takes place. We reiterate the importance of considering the whole freight supply chain in policy and planning decisions, both locally and nationally. (Paragraph 117)

Land use conflicts

29. Land suitable for use as harbours or ports is a valuable resource, and in urban settings is non-renewable: once given over to other purposes it cannot be easily replaced. The port operators are best placed to understand the requirements of their business and to identify land which is surplus but they should do this in close consultation with the business and local community. Whilst disposing of land for non-port related functions, such as housing, might provide the ports with higher financial returns in the short term, the local authorities should work closely with the port operators to ensure that it does not compromise any future development at the ports that might lead to job creation in the local area. Where necessary, local authorities should use their planning powers to restrict use of land to port-related functions and secure it for the future. (Paragraph 121)

Environment

30. Renewable energy developments in the Severn Estuary could significantly impact on the tidal regime in the estuary, which in turn could affect the operations of the ports in Cardiff and Newport. Provided that adequate locking facilities are built in, not all these implications would necessarily be negative. The UK and Welsh Assembly Governments should give careful consideration to the potential impact of any development in this area on the South Wales ports, together with the Wales Freight Group. (Paragraph 126)

Threats

31. We heard in evidence that joint assessments of all of the risks between different authorities do not happen at present and that there may be scope for greater coherence between the different arrangements. This lack of coherence could lead to differing priorities over the allocation of resources for security. Witnesses reassured us that this area is kept under review, but we recommend greater harmonisation of risk assessment methodologies to ensure consistency. We further recommend that the proposed Joint

Committee on the National Security Strategy examine this aspect of national security at an early opportunity. (Paragraph 135)

Border control

32. We urge ports and carrier companies to work more closely with the UK Border Agency to ensure that correct and timely passenger and crew information is provided. This would help the authorities to develop an accurate picture of movements in and out of the UK from the Common Travel Area. (Paragraph 138)

Police and border control staffing at ports

33. In light of conflicting evidence, the Welsh Assembly Government, Wales Office and the Home Office should ensure the engagement of SOCA (the Serious Organised Crime Agency), Special Branch and the Security Service (MI5) in identifying, categorising and tackling the threat, in liaison with other law enforcement and order protection agencies. (Paragraph 143)

Milford Haven

34. We emphasise that witnesses did not state that specific threats to Milford Haven had been identified. However, we did hear concerns about the risk of a threat and the specialist capability of the local police force, Dyfed Powys Police, to respond in the necessary time, as defined by the Home Office, to deal with any incidents at such a site. Milford Haven is a vital port and has expanded rapidly. Dyfed Powys Police must be adequately resourced to deal with the demands they now face in this area. We recommend that additional resources be made available to Dyfed Powys Police to enable it to undertake these activities. These resources must be proportional to its additional responsibilities and must reflect the importance of Milford Haven to the whole of the UK. (Paragraph 146)

Co-operation

35. There is considerable co-ordination between agencies within Wales, with relevant bodies across the border, and nationally, on issues of ports security. Co-operation between the police and authorities dealing with control of the borders is particularly efficient and avoids duplication and overlap. (Paragraph 152)

36. However, we are concerned that the evidence we received suggested there were gaps in existing arrangements and that relationships could be improved. Minimising the threats to the ports and their hinterlands requires all the relevant players to cooperate effectively. The authorities and the private sector will need to work closely to facilitate this. The ports and ferry operators must play their part in ensuring that the authorities, such as the UK Border Agency, have adequate information on passengers travelling into the UK. (Paragraph 153)