

Mid Wales Regional Committee

Ceredigion County Council

The invitation letter from the National Assembly for Wales Office refers to the merger of the Development Board for Rural Wales into the Welsh Development Agency in 1998. The important point here is the use of the word "into", in Mid Wales the merger was seen as between the Development Board for Rural Wales and the WDA.

The Development Board was seen as a strong ally in economic development appropriate to the rural area of Mid Wales. This was probably an approach less familiar to the WDA at that time. We would hope that the Agency continues to spread development opportunity throughout the County wherever the need arises. We are pleased to see the Board's social development approach to the regeneration of the local community taken forward by Agency in its Community Regeneration Policy.

Rural areas have multiple causes of social and economic deprivation and there is no quick fix answer to deal with the various issues underlying these problems. The community regeneration approach involves self-help and bottom up answers to local problems, it is a positive way forward by partners but it needs a high level of commitment and long term funding if it is to work. This includes a level of support both in funding and political commitment by the development agencies and the local authority. The County Council will have a duty placed on it to prepare a Community Strategy and all the partner organisations with a community regeneration agenda should pool resources and pull together to maximise opportunities under Priority 3 of Objective 1.

The WDA finds difficulty and hence secured limited success in attracting inward investment of any significant note to Ceredigion the notable exceptions are Cybercall and Aeron Valley Cheese. The Council feels the situation is unlikely to change in the foreseeable future unless we can provide high quality serviced sites, sufficiently attractive to both indigenous and inward investment companies. Our concern in Ceredigion is that supply of land which is a demand and response led approach only, leaves us un-competitive in relation to more accessible regions with adequate supply of brown field sites and land allocations. A more flexible supply and proactive led development approach should follow the Objective 1 initiative in West Wales. The opportunities for significant public/private investment development are few and far between, when they do appear in Ceredigion, the desire to respond quickly and positively is frustrated by the lack of funding and resources to give direction and confidence to the project. The new WDA offices at Y Lanfa, Aberystwyth is a positive move by the Agency, but as an organisation, it is still perceived as being Cardiff centric, and exciting new projects and

business proposals can easily be frustrated by the lack of empowerment and resources allocated to the Mid Wales Division. We have some very exciting projects on the horizon in this county and Objective 1 resources will obviously be of help in realising their potential. Unfortunately the European resources are not always matched by additional funding to the division or region.

The Agency is active in its search for suitable strategic sites for development at Aberystwyth and in Cardigan area, and the work of Mid Wales Partnership in assessment of employment land will hopefully take account also of the other key towns of the County - e.g. Lampeter, Tregaron and Llandysul. All our towns and larger settlements need to provide job opportunities to sustain and support viable local communities. We would like to see the Agency concentrate - yes, on strategic sites, but also to spread investment throughout the rural areas of the county.

Ceredigion with a 7.8% population growth in the last year, is the fastest growing County in rural Wales and is second only to Cardiff. Strangely the unemployment rates have been falling as per the national trend and we have a 3.5% rate and 1,150 unemployed persons. Staff recruitment and retention in public and private sector is starting to become an issue for both skilled and manual posts. The County has an excellent record in education, unfortunately this results in an exodus of young talent and skills to more prosperous areas offering career and leisure opportunities. The incentive to remain or at a later stage, to return, is dependant on well paid job opportunities. This explains why so many are forced to consider self employment as the only career option. The enterprise grants and training support for start up initiatives is probably more essential in rural areas like Ceredigion.

Business support is delivered very effectively through the Business Connect partner consortium, but it is basically reactive in responding to clients. Business Connect could and should be complimented by a pro-active approach operating under similar partner consortium arrangements. There are good examples in Ceredigion where the Division and the Council already work proactively, for example;

Town centres environmental enhancement schemes

Development projects such as Aberporth

Community regeneration initiatives MTIs

Identification and supply of land for development in Cardigan and Aberystwyth.

The provision of a competitive information society is likely to influence, more than any other investment, the future prosperity of the region. The Council working with regional economic forum partners is totally committed to the development of the MARAN project - Multi Agency Rural Area Network, which will deliver ample bandwidth and cost effective shared use of

internet access. The construction cost is high but unavoidable if the economy is to be competitive with other regions. The costs are so high that it requires resources from all partner organisations including the Assembly.

In considering ICT developments, it's not all good news and we should be aware of the possible flip side to the coin. In addition to the general concern it could have on local services and purchase of goods, there is concern and apprehension surrounding longer term education provision in schools, colleges and universities. Let me expand. The high cost of higher education, with student loans and debts averaging £10,000 after 3 years in university, combined with the revolution in long distance learning presents a serious recruitment issue for higher educational establishments located some distance and inaccessible from centres of population. The financial advantages of attending your local university combined with ICT distance learning will have an impact, and the knock effect on peripheral institutions is clear.

In talking about peripheral issues let's not forget the important role that transportation, be it road, rail or even air links, has on the well being of the local economy. Our transportation capital assets in Ceredigion are without any investment, modernisation or improvement programme. The Assembly's Transport Initiative Grant towards the Ceredigion south Link road, nearly £500,000 in total, has covered some of the preparatory design work but we still await eagerly the first highway scheme. The DERA airfield near Aberporth is an example of yet another under-utilised infrastructure, this should be released and developed in conjunction with a public private joint venture business park for south Ceredigion, but projects of this scale often require the full support and commitment of WDA and Assembly.

Wealth, prosperity and the well being of the local community is created by new or expanding enterprises and, just as importantly by the level of earnings of its workforce. Ceredigion's wealth creation ability, through earnings and salaries, is slowly being eroded, examples being

a) The local economy in Ceredigion benefits greatly from the presence of the public sector institutions - the two universities, National Library, hospital and the council to name a few, it's estimated that public sector employees account for nearly 1/3 of the local workforce. Since 1995, the average annual earning in the public sector has grown by 10% less than comparable growth in the private sector and it these very institutions facing modernisation and restructuring in their labour resources.

b) The County continues, for the present at least, to be dominated and dependant upon the agricultural industry as one of pillars of the local economy, but with net farm incomes falling by 50% in 1998-9 and a further 25% in 1999-2000, average wages are now at £4,500. This has a significant impact on the distribution of wealth in rural areas and in market towns.

c) A similar position exists in the tourism sector, a fickle industry by definition and dominated by low wage low skill seasonal staff.

It is always difficult in rural areas like Ceredigion to establish new enterprises which are wealth creating from such a low economic base. We have concentrated in the past on investing in small start up companies leaving the marketing and development of more strategic sites and investment opportunities to the Development Agency. There is a latent entrepreneurial culture here in Ceredigion but the lack of sufficient funds and opportunities for these young start up companies and existing businesses to expand and develop is a major constraint to growth in this area. Our main contention in Ceredigion is that despite this new enterprising culture, partnership culture and the interest in people centred initiatives, the lack of funding generally means that there is still serious doubts that what is often preached in terms of spreading prosperity to peripheral regions is not always practised. The evidence is not there at present and the jury is still out.

A major failing of current economic development policies towards peripheral areas is the fragile basis upon which the funding arrangements are provided to these regions. We would advocate a differential and positive discriminatory level of support to overcome disadvantages. The European Commission recognises this disparity in economic need and we ask others to follow this example.

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Cabinet Member

Economic Development, Tourism, Training and European Issues