

MEETING	Education and Economy Scrutiny Committee
DATE	13 February 2025
ITEM TITLE	Gwynedd Economy Plan
CABINET MEMBER	Cllr. Medwyn Hughes
AUTHOR OF THE REPORT	Osian Elis, Team Leader (Developing Businesses in Gwynedd) Sioned Williams, Head of Economy and Community Dylan Griffiths, Economic Development Service Manager

1. PURPOSE OF THE ITEM – WHY DOES IT NEED TO BE SCRUTINISED?

1.1. To report on work to-date in developing a new Economy Plan for Gwynedd, inviting the input of Members on the content of this report and on any additional issues they believe are important in shaping the Plan.

2. SUMMARY AND KEY ISSUES

2.1. This report outlines the steps taken by the Economic Development Service to develop a new Economy Plan for Gwynedd. In line with the requirements of the Well-being of Future Generations (Wales) Act 2015, which requires public bodies to consider the Five Ways of Working when developing new policies or strategies, the steps taken to develop the Plan are outlined according to the Five Ways of Working:

- Thinking for the long-term.
- Involvement of stakeholders and residents.
- Prevention.
- Integration with other strategic plans.
- Collaboration with partners.

2.2. Members' input is sought on the content of this report and on any additional issues they believe are important in shaping the Plan. Along with feedback from other stakeholders (Section 5.), the Committee's contributions will help inform the development of the initial draft of the Economic Plan.

3. BACKGROUND AND CONTEXT

3.1. At the Education and Economy Scrutiny Committee meeting on 25th January 2024, a report was presented on the Council's progress in delivering the third project priority under the "Prosperous Gwynedd" objective of the corporate plan, the Council Plan (See [Item 5](#)):

"Creating the best possible circumstances in Gwynedd for businesses and community enterprises to thrive, and support the people of Gwynedd into work."

In the report for Item 5, it was concluded that planning would be necessary for the period beyond March 2025, specifically in the form of a new Gwynedd Economy Plan. The [performance report](#) presented to Cabinet in November 2024 outlines the progress made on the work programme of the abovementioned project priority.

3.2. It means that the Council does not currently have a formal strategic plan for the development of Gwynedd's economy as a whole, though regeneration and tourism are addressed specifically in the Regeneration Framework, the Sustainable Tourism Economy Plan and the Slate Plan. The economy is also addressed in *the* Council Plan *under* the "Prosperous Gwynedd" objective, but this is within a Council-wide context. It requires a long-term, high-level plan specifically for the purpose of economic development, with a vision and approach that addresses the economy of Gwynedd as a whole.

3.3. Developing this type of plan is crucial given the anticipated changes in the business and investment programmes of the Welsh Government and the UK Government. This uncertainty is identified in the Council's corporate risk register. In this context, the Economy Plan will provide strategic direction tailored to the opportunities and challenges specific to Gwynedd, ensuring continuity regardless of shifts in regional and national funding arrangements. Additionally, the plan will serve as a key tool for engaging with strategic partners, clearly outlining Gwynedd's economic priorities, and securing the necessary resources and support to achieve them.

4. THINKING FOR THE LONG-TERM

4.1. To ensure the Plan's long-term relevance, the following issues have been identified:

4.1.1. The sectoral and employment profile of the economy in Gwynedd demonstrates a relatively narrow industry base. The public sector is the largest employer, with over a third (36%) of workers employed in public services – higher than the averages for Wales and North Wales. Agriculture, forestry, and fishing account for 19% of enterprises in Gwynedd, double the proportion in Wales and four times the UK average (5%), and accommodation and food services represent 13% of enterprises, twice the UK figure. These figures reflect the rural nature of the economy in Gwynedd, as does the relatively low share of enterprises (6%) in professional, technical, scientific, and administrative sectors (UK average: 14%) and the small proportion of workers (5%) in manufacturing.¹

4.1.2. Due to the high reliance on seasonal industries, a high proportion of workers in Gwynedd hold part-time jobs (2023).

¹ 2021 Census (ONS) – [Employment by industry](#); Office for National Statistics (ONS), dated 25 September 2024, ONS website, statistical bulletin, [UK business; activity, size and location: 2024](#).

	Part-time	Full-time
Gwynedd	41%	59%
Wales	34%	66%
UK	21%	69%

Source: [ONS Business Register and Employment Survey](#).

- 4.1.3. The percentage of people who are self-employment in Gwynedd (13%) is higher than the Welsh (8%) and UK (9%) averages.² Additionally, most businesses are small, with 77% of enterprises employing four people or fewer.³
- 4.1.4. Gwynedd's productivity lags behind Wales and the UK, with Gross Value Added (GVA) per capita at £20,950, compared to £22,380 for Wales and £30,221 for the UK.⁴
- 4.1.5. Partly as a result, Gwynedd faces low wages, with a full-time weekly salary of £573 (Wales: £636; UK: £682) and a gross household income of £17,430 (Wales: £18,028; UK: £21,679).⁵
- 4.1.6. Despite a lower unemployment rate than the Welsh and UK averages, Gwynedd experiences high levels of poverty and socio-economic disadvantage. According to the latest data of the Welsh Index of Multiple Deprivation (WIMD) (2019), poverty is widespread across rural and urban areas in Gwynedd, with worsening deprivation since 2014 in some communities; and with parts of Bangor and Caernarfon ranking among the 10% most deprived areas in Wales.⁶ Gwynedd has the highest levels of fuel poverty in Wales and, reflecting the seasonal nature of employments, Universal Credit claims are higher in winter and lower in summer.
- 4.1.7. Gwynedd faces a major demographic challenge with an ageing population and significant youth outmigration. Between 2011 and 2021, the population aged over 65 grew by 8.6%,⁷ and in the period between 2001 and 2022, negative net migration among individuals aged 15-39 was equivalent to c. 3,600 leaving Gwynedd.⁸ This has led to the following decline in the working-age population:

² ONS Annual Population Survey (Oct. 2023 – Sept. 2024),

<https://www.nomisweb.co.uk/reports/lmp/la/1946157384/report.aspx>

³ Office for National Statistics (ONS), dated 25 September 2024, ONS website, statistical bulletin, [UK business: activity, size and location: 2024](#).

⁴ Gwynedd Council, *Education and Economy Scrutiny Committee Report* (2024):

<https://democratiaeth.gwynedd.llyw.cymru//documents/g4895/Pecyn%20adroddiadau%20cyhoeddus%2025ain-lon-2024%2010.30%20Pwyllgor%20Craffu%20Addysg%20ac%20Economi.pdf?T=10&LLL=1>

⁵ *Ibid.*

⁶ Statistics for Wales, *Welsh Index of Multiple Deprivation (WIMD) 2019, Findings Report* (2019). [Online]:

<https://www.llyw.cymru/sites/default/files/statistics-and-research/2020-06/mynegai-amddifadedd-lluosog-cymru-2019-adroddiad-canlyniadau.pdf>.

⁷ 2021 Census (ONS) – <https://www.ons.gov.uk/visualisations/censuspopulationchange/W06000002/>

⁸ StatsCymru, [Internal migration statistics](#) (ONS).

Age Group	2011	2021	+/- %
Ages 16-24	16,723	14,260	-14.7%
Ages 25-34	12,532	13,127	+4.7%
Ages 35-49	22,808	18,659	-18.2%
Ages 50-64	23,720	24,655	+3.9%
Total working age (16-64 years)	75,783	70,701	-6.7%

Source: Cyngor Gwynedd, [Llechen Lân](#) (2024, p. 9).

It represents a reduction of c. 5,000 in the number of workers in Gwynedd. The working age population is likely to continue to fall, exacerbating existing recruitment challenges across the economy.

4.1.8. Gwynedd has the highest proportion of Welsh speakers (64.4%) in Wales and, according to the Commission for Welsh-speaking Communities, has the highest proportions of Welsh speakers in the following industries:

- Public administration, education and health (84%).
- Agriculture (84%).
- Construction industry (74%).

The Commission states that any changes in these Industries could have structural impacts on the vitality of the Welsh language. As such, in terms of the relationship between Welsh and the economy, these industries are important – and there is an opportunity to increase the use and visibility of Welsh more widely across the economy.⁹

4.1.9. Advances in digital technologies, e.g., artificial intelligence, are likely to create new opportunities and challenges. It requires digital skills among employees and adequate broadband connectivity across the county. Access to high-speed broadband connectivity has improved in Gwynedd but remains relatively weak in some rural areas.

4.1.10. Gwynedd has strong potential in several high-value industries which either have a presence already or present opportunities for new developments. According to a report commissioned by the Council in 2020, the following industries were recognised:

- Creative and digital (e.g., audio and music, television and video production).
- Professional and advisory services.
- Green and clean industries.
- Life sciences.

⁹ Commission for Welsh-speaking Communities, *Empowering Communities, Strengthening the Welsh Language: The Report of the Commission for Welsh-speaking Communities on communities with a higher density of Welsh speakers* (2024, pgs. 23. [Online]: <https://www.gov.wales/sites/default/files/publications/2024-08/empowering-communities-strengthening-the-welsh-language.pdf>

- Advanced manufacturing.
- Aerospace.

4.1.11. Climate change is among the most significant challenges of our time. It will create economic problems for Gwynedd, requiring preventative action through decarbonisation and the promotion of green business practices.

5. INVOLVEMENT – INPUT FROM THE PUBLIC AND STAKEHOLDERS

5.1. To identify the opportunities, challenges and issues facing the residents, communities and businesses of Gwynedd, as well as the Council’s strategic partners, we sought input from a wide range of stakeholders. The key messages gathered are outlined below:

5.1.1. The Ardal Ni Consultation held in 2022 provided insights into what matters most to Gwynedd residents, the challenges they face and the way in which they would like to see their local areas develop. Across Gwynedd, the following concerns regarding the economy were highlighted:

- Lack of high-wage and full-time employment opportunities.
- A fragile local economy and the need for greater business support.
- Rising poverty levels and the high cost of living.
- Youth migration and the lack of local opportunities for young people.
- Deteriorating high streets.
- A desire for a sustainable visitor economy.

Residents expressed a strong desire for a more prosperous and resilient economy – one that offers well-paid, full-time jobs while safeguarding the Welsh language and environment.

5.1.2. In 2024, the Council conducted a Business Survey to gather input from local businesses regarding their experiences, future intentions and challenges. A total of 130 businesses across 16 industries responded, with accommodation and hotel enterprises being slightly overrepresented (38.5%) among the respondents. The key findings include:

- 43.1% aim to grow their business, 23.1% wish to maintain their current position, while 13.1% anticipate closure.
- 36.2% have already faced recruitment difficulties.
- 65.7% expect future challenges in recruiting individuals with the right skills and experience.
- 40.7% cite rising energy costs as a major concern.
- 13% identify declining customer demand as a challenge.
- 29.1% express concerns over new Welsh Government and Council regulations.
- 28.5% seek marketing support.
- 21.5% require assistance with digital development.

- 16.2% request support for Welsh-language marketing, while 15.4% are interested in Welsh-language training.

5.1.3. A series of meetings have also been held with strategic partners inside and outside the Council, with the aim of identifying challenges and opportunities in the economic development field. This includes the main public bodies of the county, large employers and representatives of the private sector. This engagement is ongoing, but key themes emerging so far include:

- Short-term funding is a problem.
- The importance of maximizing the value and volume of public spending locally.
- Part-time and low-wage employment is a problem and contributes to high poverty levels.
- Potential to grow the size and productivity of existing businesses in Gwynedd.
- Potential for growth in high-value industries.
- Population ageing and youth migration pose challenges to the economy and the future of the Welsh language.
- The local economy must work for the benefit of Gwynedd's residents.

6. PREVENATION – PREVENTING PROBLEMS FROM ARISING OR WORSENING

6.1. Based on key findings from research and Public and stakeholder engagement, the Economic Development Service has identified a series of desired changes in Gwynedd's economy, to be incorporated in due course into the content of the *Economy Plan*:

- Diversify the economy by expanding into a broader range of industries, including high-value sectors.
- Improve transport and rural digital connectivity to enhance accessibility and economic opportunities.
- Unlock and support the potential of existing businesses and enterprises in Gwynedd.
- Increase per capita productivity through innovation and investment.
- Improve wages and reduce reliance on seasonal, precarious employment.
- Lower levels of poverty and socio-economic disadvantage across the region.
- Encourage young people to stay or return to live and work in Gwynedd, while also supporting older residents who wish to continue working and contributing.
- Foster an ecologically sustainable, low-carbon economy that supports environmental well-being.
- Enhance the use and visibility of the Welsh language in the economy and daily life.

This approach prioritises purpose-driven growth, not growth for its own sake; aiming to create an inclusive, sustainable economy that maximises benefits for the people of Gwynedd while protecting and strengthening the Welsh language and environment.

Ultimately, the goal is to develop the economy in a way that enhances the well-being of Gwynedd's residents.

7. INTEGRATION – ENSURING ALIGNMENT WITH OTHER STRATEGIC PLANS

7.1. To ensure that the Gwynedd Economy Plan aligns with other strategies, we have considered the broader strategic context within which the Plan will be located:

7.1.1. Within the Council, it means responding to the strategic direction set for the economy in the "Prosperous Gwynedd" objective of the Council Plan:

"Strengthening the economy and supporting the people of Gwynedd to earn a decent salary."

The sustainable development principles found in the plans that the Council is already implementing in the field of economy—The Sustainable Visitor Economy Plan, The Slate Plan, and the Regeneration Framework—should also be incorporated.

7.1.2. Conversations have also been had with the Council's Language Officers and the Procurement Unit to ensure alignment with the corporate Language Strategy and the new Procurement Plan currently in development. Similarly, the Local Public Service Board Programme Manager has been consulted to consider the Board's Wellbeing Objectives, specified Local Wellbeing Plan, 2023-28.

7.1.3. A formal assessment will be conducted in due course to evaluate the contribution of the Gwynedd Economy Plan to the Council's Seven Well-being Objectives, as specified in the Council Plan.

8. COLLABORATION – WORKING WITH PARTNERS

8.1. Collaboration will be important during the implementation phase of the Economy Plan in order to maximise its value.

8.1.1. Considerable engagement has already taken place to generate buy-in and interest in the Plan among partners. To this extent, conversations have been had with local, regional and national stakeholders, with the aim of including them throughout the lifetime of the Plan – e.g., major local employers, public bodies and higher education and further institutions, businesses and community initiatives, and the Welsh Government and the UK Government.

8.1.2. Given the growing emphasis on regional collaboration in the economic development field, particularly in North Wales through the Corporate Joint-Committee and the Ambition Board, but also in the West as part of the ARFOR Partnership, principles of joint working must be embedded throughout the implementation of the Plan.

9. IMPACT ON EQUALITY, THE WELSH LANGUAGE, AND SOCIO-ECONOMIC RESPONSIBILITY

9.1. Comprehensive equality and linguistic assessments will be prepared as appendices to the

Economic Plan in due course. The Council's Equality and Language Officers will be consulted to ensure these assessments are thorough and well-informed.

10. NEXT STEPS

- 10.1. Upon receiving feedback from Members, the Economic Development Service will begin drafting the Gwynedd Economy Plan, with the aim of presenting it to the Cabinet for adoption at its meeting on 8th April this year.