

Perfectly Placed for Business and Growth

Conwy County's Economic Growth Strategy
2017-2027



Priority 5

People in Conwy live in a county which has a prosperous economy

Conwy County Borough Council
2017-2022

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Events - Conwy Feast (Image courtesy of Conwy Feast)

1. Foreword

The North Wales economy is entering a period of significant change, challenge and opportunity. For the first time there is an ambitious, single economic growth vision for the region developed by the six local authorities, the private sector, and further and higher education partners through the North Wales Economic Ambition Board. This vision paves the way for the growth bid referenced in the Chancellor's 2016 Autumn Statement, which could see substantial investment in major infrastructure developments across the region. These developments would support large-scale strategic projects within the region such as Wylfa Newydd, the Deeside Enterprise Zone and the Orthios development at Holyhead. The projected outcome of these investments is the creation of 120,000 new jobs across North Wales and an additional £7.2 billion value added to the region's economy by 2035. All of this growth is being undertaken at a time of increased focus on devolution and in the context of Britain exiting the European Union.

So what does this mean for Conwy County's economy? Conwy is perfectly placed to take advantage of all of these regional economic developments. Its central location means that it will benefit from the strategic investments in terms of jobs, supply opportunities and improved connectivity. Conwy County has the capacity to deliver within each of the three strategic growth sectors identified in the growth vision; advanced manufacturing, energy and digital. The county already has pioneering food manufacturing businesses, and there is the potential to grow this sector by investing in technology and premises, particularly in relation to food processing. Within the energy theme, Conwy could deliver a tidal lagoon which, in addition to generating energy, would also provide flood defence and add to the county's tourism infrastructure. Meanwhile, digital capability and capacity is fundamental to Conwy's thriving tourism and creative sectors.

The North Wales Skills & Employment Plan which supports delivery of the Growth Vision identifies three priority sectors (energy, manufacturing and construction) and four growth sectors (creative and digital; health and social care; tourism and hospitality, and food and drink). The growth sectors are particularly relevant for Conwy County's economy with increased capacity in health and social care being a critical need for the county. It's important to note that there are sectors which are significant for Conwy's economy which are not recognised as priorities within the regional agenda. Geoscience, automotive, retail and agriculture all play an important role within Conwy and will continue to contribute to the county's future economic growth and prosperity.

One of the most dominant characteristics of Conwy County's economy is the significant number of SMEs and micro businesses within the region. These have helped the county through the recent difficult years of economic downturn. The impact of slow growth and a strong pound has not been as significant across Conwy as in many other areas of the country. The key to economic prosperity within the county therefore is to build on these local strengths supporting business growth and innovation, whilst also capitalising on the wider strategic developments within the region.

This strategy considers the initiatives which can be undertaken to enable businesses within the county to grow, diversify, upskill and compete in UK and global markets. It identifies strategic opportunities which would both create new jobs and improve the quality of existing jobs within the local economy, moving from seasonal to year-round employment. The important factor for Conwy is confidence in what it already offers and in its potential for the future. With its road, rail and sea links to both the Northern Powerhouse and to Ireland, Conwy County is perfectly placed for business. As a result Conwy should be ambitious, outward-looking and bold in exploring new opportunities. Working together, the private, public and third sectors can capitalise on these opportunities to grow the county's economy.



Outdoor Tourism - Surf Snowdonia

2. Executive summary

In Conwy our aspirations are to increase productivity, competitiveness and growth for our county and the businesses that operate here. This ambition is also driving the North Wales Growth Vision, which identifies linkages with Ireland and the Northern Powerhouse as well strategic developments within the region to increase the GVA of North Wales to £20billion by 2035, creating 120,000 new jobs. Conwy County is perfectly placed for its economic growth to draw on this vision, taking advantage of these wider opportunities for the benefit of the prosperity of people living and working in the county.

We also want to invest in key economic drivers within Conwy County itself, to build upon the excellent work that has been underway in the county over recent years and further strengthen our SME economy. We want to address key challenges in the county around the low salaried, part-time, seasonal employment and the loss of our young talent through outward migration. We want to encourage the growth and establishment of businesses that can create the jobs that will support thriving communities, language and culture within Conwy. The following cross-cutting themes will be fundamental in achieving this goal:

<p>Employment, skills and apprenticeships - growing the size and capability of the workforce</p>	<p>Infrastructure that enables growth - making the county a magnet for people who want to set up and grow dynamic, forward looking businesses</p>	<p>Transformational tourism - making Conwy a truly international, year-round destination</p>
<p>Making the Conwy pound work harder - making sure more of the money that is generated in Conwy is spent in Conwy</p>	<p>Dynamic leadership - through close collaboration of the public, private and third sectors</p>	<p>A confident, outward looking approach - capitalising on the opportunities that lie both east and west</p>

The aim of this growth strategy is to build on these themes to develop high impact initiatives which will make a significant contribution to Conwy’s economy. Delivering these big ambitions will require close collaboration between the private, public and third sectors with new ways of working. They will require both public and private investment. And most importantly of all they will require vision, imagination and ambition.

The five ambitions to grow Conwy County’s economy are:

<p>1 To create state-of-the-art business premises to support growth and attract new businesses</p>	<p>2 To actively attract head offices/ international bases into the county</p>	<p>3 To establish a higher education presence in the county</p>	<p>4 To develop the night time economy and a winter tourism offer across the county making Conwy a year-round visitor destination</p>	<p>5 To facilitate the tidal lagoon and other renewable energy projects across the county</p>
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Fabrication - Evadx

These ambitions will develop existing businesses, attract new ones, create quality year-round jobs and keep young talent in the county. This is a bold, confident vision which looks for new opportunities and promotes what we have to wider markets. Over time it will deliver:

£1billion economic value of tourism to the county

3,500 additional PAYE jobs within the county

Increase in the proportion of full-time jobs from 59% to 70%

Increase average salary to 95% of the UK average

These goals are all designed to support our overarching ambition of increasing productivity and competitiveness which will create jobs and prosperity for our county, as well as complement the priorities of the North Wales Economic Ambition Board Growth Vision.

3. Economic context

3.1 North Wales

This Economic Growth Strategy for Conwy has been developed in the context of the wider Economic Growth Vision for North Wales. The Growth Vision was produced through the North Wales Economic Ambition Board which aims to work on a regional level to unlock the area’s potential and to collaborate on themes such as transport infrastructure, skills, strategic sites and premises, business growth and innovation. It focuses on three main strategic sectors: advanced manufacturing, energy and digital. It specifically aims to:

Deliver 120,000 jobs and grow the regional economy from £12.5billion to £20billion by 2035

Work together on the transformational projects emerging across North Wales such as Wylfa Newydd, Menai Science Park (M-SParc), Orthios Eco Park, HMP Berwyn, Wrexham Energy Centre, Parc Adfer and the Colwyn Bay Tidal Lagoon

Develop stronger partnerships with the Mersey Dee Alliance, and with the developing Northern Powerhouse

Lobby for further strategic capital investment through a growth deal for the region

Lobby for £1billion rail infrastructure investment in North Wales and Cheshire through the Growth Track 360 campaign

There are specific Conwy opportunities which appear in the Growth Vision including the tidal lagoon and the strategic development sites at Conwy Morfa and Abergele South East. We will also directly benefit from the proposed investments to the road and rail infrastructure.

Perhaps the biggest opportunity overall for Conwy within the Growth Vision, however, is the county’s central location providing access to the multi-million pound investments to both east and west. The £12billion development at Wylfa Newydd will create at least 1,500 jobs within North West Wales, and there will be 10,000 workers on site during the peak construction period. Conwy must be ready to take advantage of Wylfa Newydd and the other strategic developments within the region and particularly larger manufacturing plants in Deeside and Wrexham. Support needs to be given to local businesses to enable them to understand and take advantage of the supply chain opportunities. Awareness of apprenticeships, training and skills development will be needed for Conwy’s current and future workforce right down to primary school level. It is those who are proactively preparing themselves who will benefit most from these strategic projects, and Conwy is ideally placed to do this.

3.2 Conwy County's economy

The economy of Conwy County is dominated by the service sector which includes tourism, accommodation, care, public sector and retail. These account for 89.7% of jobs in the county. Across the county 41% of jobs are part-time due to the dominance of the tourism and retail sectors as well as lifestyle choice. Our care sector is under severe strain, and support is required to help stabilise and grow this sector.

Conwy boasts a thriving entrepreneurial culture with levels of self-employment and business start-ups increasing year on year, and the county is performing above national averages for numbers of self-employed workers. Importantly, we attract new start-up companies and have the highest business survival rates in North Wales, exceeding Wales and GB averages; clear evidence that Conwy is a great place to establish a business.

Conwy's business base is dominated by SMEs particularly at the micro end, with 73.7% of enterprises having 0-4 employees. We only have five businesses that exceed the 250 SME threshold. We also have some large landowners within the county who make a significant contribution to the economy. For example Mostyn Estate has invested approximately £120million in recent years and plays a vitally important inward-investment role, attracting new businesses into the region.

The sector with the largest volume of businesses is the agricultural sector at over 16% which reflects the rural nature of much of the county. The accommodation and food services sector also account for a high proportion of businesses (13%) as a result of the dominance of the tourism industry within the area. The interdependence of these three sectors being important not only to the foundation of the County's economy but also its sense of identity. The high skill sectors (professional; scientific and technical; information and communication) are underrepresented in Conwy when compared to Great Britain as a whole.

Conwy County businesses may be small, but they trade globally, and we can take pride that their services and products are recognised worldwide in areas as diverse as food, the nuclear sector, heritage construction, geosciences and research. Our tourism sector and the businesses that operate within it also have global recognition. Conwy's strength is in the diversity of the small businesses that operate within the county and the expertise and quality products/services they deliver.

Many of Conwy County's businesses use and champion the Welsh language. The language gives these businesses distinctiveness, particularly in tourism where people are actively seeking to experience different cultures and where hearing the language adds to the visitor experience. In considering how to grow the county's economy, it is important to consider how this growth can strengthen the language and culture of the area.

As well as a strong entrepreneurial spirit the county also has a strong community spirit, which has helped develop a strong third sector. There are 142 Social Enterprises registered within the county, which has helped Conwy achieve 'Social Enterprise Place' status, making it one of only two areas in Wales to achieve this designation. The nature of the services provided by these enterprises is varied, but they all have core values of supporting their communities and reinvesting in them, be it in relation to the environment or the residents themselves. These businesses have key roles to play in supporting the sustainability of community services, developing those services to have a broader appeal to reinvest the profits locally, and in providing work and training opportunities for people who, for one reason or another, find themselves on the edge of the labour market.

Commuting is a key characteristic of the Conwy County economy. There are 66,900 people of working age in the county (2014 ONS mid-year estimate), and there are only 41,500 PAYE jobs (ONS business register and employment survey). But with low levels of unemployment, we have high levels of commuting: 29% commute out of county for work. This bodes well for the opportunities that will emerge east and west of the county in future years.

Conwy's education authority and its schools support young people to achieve good qualifications and inform them about future employment opportunities in the region. There is a growing number of learners who receive their education in both Welsh and English which is crucial for the culture, community and businesses in Conwy and North Wales. Levels of apprenticeships are high and are performing above the Wales average. In higher level skills Conwy performs well with higher NQF4+ levels than the Wales average.

A SWOT analysis of Conwy County's economy is included at Annex 1.

3.3 Challenges within Conwy County

The following are all economic challenges within Conwy that this Strategy aims to consider, address and, wherever possible, mitigate.

3.3.1 Outward migration

A fundamental challenge for Conwy is to address the migration of young talent away from the county. Many of our young people settle away from the county on leaving university as they look for graduate level employment. This in turn threatens the future of the Welsh language and culture as those who've grown up speaking the language raise their own families elsewhere. The answer to this challenge is multi-faceted and is reflected in both the challenges and ambitions which follow. Young people need high quality education from primary through to higher education; an education which equips them for the many job opportunities that can be found in North Wales. They also need to know what these job opportunities are. In some cases, such as with tourism, they need to know that the opportunities go further than they may realise, and so there needs to be a concerted effort across the county to demonstrate that tourism and leisure can provide wide-ranging, financially rewarding careers.

3.3.2 Affordable housing

The lack of affordable housing is one of the biggest challenges Conwy faces. Market analysis indicates that 51.2% of first time buyers and newly forming households are priced out of the market to either rent or buy a flat or terraced property; with 27.5% of these needing social housing and 23.7% needing low cost home ownership (intermediate). Conwy has the second lowest rate of social housing stock in the whole of Wales with just 12 social houses per 100 households, compared to a rate of 17 for Wales as a whole. This lack of social stock has resulted in many households who are eligible for social housing relying on the private rented sector for accommodation, which accounts for our relatively high proportion of privately rented properties.

However, the private rented sector is not always affordable for households on lower incomes. Analysis shows that private rents for households with a lower quartile annual household income (£13,494) are unaffordable. The median annual household income in Conwy is £23,730. This puts larger properties with three or four bedrooms out of reach for many households as they would need to pay more than 30% of their household income on their housing costs. According to research by Shelter and the Joseph Rowntree Foundation, housing costs above 30% of the household's income are unaffordable. An affordable housing action plan is being developed to address these challenges.

3.3.3 Regeneration

Whilst Conwy County's tourism sector is strong and growing, its historic legacy of large guest houses serving a strong domestic tourism market up until the 1960s and 70s has driven a private sector housing market in the coastal communities that became dominated by houses in multiple occupation. Coupled with lower wage levels within the service sector, it has resulted in concentrated pockets of deprivation close to town centres with a decline in the economic fortunes of the latter following.

This is most prevalent in Colwyn Bay, which has benefitted from a focussed and integrated regeneration programme, 'Bay Life', since 2009. This programme has reinvested in the town's tourism and leisure infrastructure, its housing stock, its town centre and its people through the integration of regeneration and Communities First programmes. The Council's new investment in office accommodation within the town centre signals a step change in the commercial potential of the town and reinforces the town's role as a commercial and service centre at the heart of North Wales.

Similar regeneration interventions are being aligned with place planning initiatives in towns such as Abergele and Llanrwst. Although both towns have very different opportunities, both need to manage their regeneration potential in light of significant housing allocations set to expand their population. It is important that we ensure that these town centres become vibrant once again, providing a balance of retail, leisure and service delivery, and a quality place in which to live, work and visit.

3.3.4 Pressure on the care system

Current population trends indicate that the need for health, mental health and social care services over the next 15-20 years will increase in Conwy. In 2015, there were approximately 30,800 people aged 65 and over within the county. This is expected to grow to 40,200 by 2035, accounting for over a third of the total county population (34.8%).

In 2015, 4.12% of Conwy County's population were aged 85 and over (approximately 4,700 people) which is double the percentage for Wales as a whole (2.5%). The number of people aged 85 and over in Conwy County's population is expected to increase to 9,200 by 2035 which will account for 8% of the total population.

This presents opportunities for development and market growth in the health and care sector. However, this sector is facing significant challenges. Unless these are addressed they will hamper the sector's ability to capitalise on future opportunities.

The key challenges faced by the sector include:



3.3.5 Rural sustainability

The biggest challenge to Conwy's farmers is economic viability: safeguarding the family farm and succession planning for our future farms. The key issue impacting on this is the uncertain future of farm support payments currently operating from Europe, which is likely to impact in a reduction of investment for the long term. The lack of available grants is also a challenge: current schemes are only attractive to the large farm who can provide substantial investment. The development of smaller grant schemes is required, which would help with investment in new machinery etc. and diversification.

Economic viability is being tested in the sharp rise in costs to farmers: fuel, farm feeds/fertilizers are generally imported goods and subject to fluctuations in the exchange rate. Over recent years the market price of stock has reduced with pressure from supermarkets for cheaper food and competition from

exports. This may change as exchange rate pressure makes UK food more competitive, but fluctuating stock/produce prices make it difficult for longer term investment.

3.3.6 Funding

The recent economic downturn and the comprehensive funding review in November 2010 brought significant public sector cuts throughout the UK and Wales. Conwy was no exception, and the Council has had to find savings of £34.5million in the past five years, with partner agencies also having made similar scale cuts. Welsh Government funding has also been reduced, and we have seen a loss in grants and initiatives that supported local businesses in areas such as skills and business support. The Rural Development Programme has been significantly cut for Conwy, and European funding for local programmes and initiatives has been reduced.

Nevertheless, we have still seen significant investment within the county, with Welsh Government investing in high-profile tourism developments such as Surf Snowdonia and Zip World; Vibrant and Viable Places funding for the regeneration of Colwyn Bay, and Conwy County investing in high economic impact events, as well as the construction of new office premises which it has funded through the rationalisation of its estate and borrowing on favourable terms. Each of these investments is driving economic growth and benefitting businesses within the county.

Following the EU referendum in June 2016, there is no clear understanding of the long-term economic and funding implications of Britain leaving the EU. What we do know is that, until we exit the EU, Conwy is still able to apply for European funding and that new projects can still be developed. There are also existing projects which have now been approved which will support economic initiatives within the county such as the Colwyn Bay Waterfront project and the reconfiguration of Venue Cymru, both of which will attract additional visitors to the county. Various skills and employment projects such as TRAC, ADTRAC and OPUS will address the challenge of young people disengaging from education and training, and assist the long-term unemployed and those furthest from the labour market back into work. The combined result of these training schemes will reduce worklessness in the county. The rural area will see projects delivered under the LEADER programme funded through the Rural Development Plan and Rhannu'r Hen Fynydd Landscape Partnership. Meanwhile the highly innovative Dolwyddelan Community Renewable Energy project will address rural fuel poverty whilst making the most of our natural resources.

It will be important for Conwy County to be involved in future discussions and negotiations with the Welsh and UK Governments in terms of influencing and determining future regional policy and associated funding streams post Brexit. Further avenues of external funding will continue to be sourced when European funding is no longer available in order to deliver the economic vision in this document.

On a larger scale the North Wales Economic Ambition Board is progressing a growth bid with HM Treasury, as confirmed in the Chancellor's 2016 Autumn Statement. If successful, this could see an investment of £1billion into the North Wales economy, supporting infrastructure projects within and beyond the county such as improvements to the A55 and the rail network. These strategic investments would provide a strong foundation for Conwy County's economic growth.

4. Cross-cutting themes

With its central location within an increasingly economically-confident North Wales, Conwy County is well placed for economic growth. Our natural environment, rich heritage, transport infrastructure and skilled workforce provide the ideal ingredients for economic success. In considering the opportunities for the county's economy, there are a number of cross-cutting themes that will create and support growth:



Retail - Parc Llandudno

1. Employment, skills and apprenticeships:

Growing the economy means growing the size and capability of the workforce. We need to get more people working and encourage all forms of economic activity in our most deprived parts of the county. This means ensuring that communities have the skills required to work, and that there are easy linkages between people and local job opportunities. We need to link into the Regional Skills and Employability Plan and invest in the skills of the existing workforce so they can meet the changing demands of businesses and benefit from new opportunities. We need to take advantage of the Welsh Government's commitment to create 100,000 apprenticeships and encourage businesses to engage with this apprenticeship programme. We also need to continue with the 'Team Conwy' approach to engaging and delivering apprenticeships across Conwy, by working with private, public and third sectors in aligning work streams and pooling resources to deliver effectively and efficiently. Whilst ensuring delivery of regional and national training programmes in the county, we need to ensure that we can respond to specific local business skills, needs and opportunities and that our regeneration programmes are integrated with employability initiatives, providing experience and sustainable opportunities.

2. Infrastructure that enables growth:

To create the conditions for sustainable growth we need to invest in the county's business infrastructure. Conwy already has a thriving SME and social enterprise sector. Through investing in top quality premises, strengthening our infrastructure, lobbying for better digital connectivity, ensuring continuation of our strong business support service and developing vibrant networks, Conwy could build on the existing thriving SME community making the county a magnet for people who want to set up dynamic, forward-looking businesses, and be part of the 'North Wales Innovation Corridor'. These businesses should be able to rely on quality business support mechanisms. The business hubs of Conwy Business Centre, Venue Cymru, Glasdir and Parc Eirias could be developed further, delivering new services and approaches, including the potential of satellite offices to the east, west and south. This will be particularly important for vulnerable sectors such as the care sector and potentially isolated micro businesses away from the centres of activity. Partnership working will be critical, with public sector aligning with further and higher education to ensure the continuation and development of a 'Team Conwy' approach so that the county's businesses have a key point of contact and the confidence that they can access the support they need to benefit from the opportunities across North Wales and beyond. All businesses rely on excellent connectivity and, working with regional partners, we will seek improvements in road and rail infrastructure, capacity and resilience to support business productivity - particularly if that investment improves the quality of links to Manchester and Liverpool airports. Also important are improvements in digital connectivity and the ability of businesses to adopt and utilise the potential of that technology.

3. Transformational tourism:

North Wales has been recognised as the fourth best tourism destination in the world by Lonely Planet, and Conwy County is at the heart of that tourism offer. The town of Conwy has an international reputation because of its world class heritage and Llandudno is named as the best seaside town in the UK and the 4th best destination in the UK by TripAdvisor. The county is becoming world renowned as a centre of excellence for adrenaline adventure with Surf Snowdonia, Go Below, and Zip Fforest all leading the way. Major events have attracted new audiences to the county and made significant economic contributions. The key now is to build on that success and to improve the quality of jobs that are linked to this tourism industry. 1 in 4 jobs in Conwy are directly linked to tourism. If we improve the quality of tourism jobs, we improve the economy of the county as a whole. We should aim to build on these strong foundations and USPs of adventure and heritage and aim to grow the economic value of tourism in Conwy from £820million to £1billion per annum. To achieve this, Conwy will need to operate as a truly international destination across all aspects of the visitor experience throughout the County. Sustainable destination management and engagement of the community is needed alongside targeted investment to continue to improve our food and retail offer and develop our night-time

economy particularly within town centres. The latter will underpin further growth in the business tourism market, which whilst having its core in Venue Cymru, brings business to all of our towns. We need to continue building and strengthening our arts offer to complement other initiatives, reinforce a 'sense of place' and contribute to higher visitor spend. If we are to transform a significant proportion of the jobs within the tourism sector, increasing average salaries and spending power, we will need to create a vibrant, compelling winter visitor experience to make Conwy a year-round destination. This will require investment in all-weather attractions, a calendar of events across the county and the 'tuning' of accommodation and food offer for winter months.

4. Making the Conwy County pound work harder:

The more that money generated in Conwy is kept in Conwy, the greater the economic benefit for the county. The Council has a key role to play in this, ensuring its procurement processes support Conwy businesses wherever possible and deliver social value. The private sector will play its part through supply chains and job creation. Sectors that employ local people are particularly important in this context as they employ people who spend locally. Conwy could also undertake strategic developments which would generate additional spend within the county. One of the most significant things we could do to grow the economy in Conwy would be to attract a higher education campus. Studies have shown that universities play an important role within the local economy, boosting employment and spending. If Conwy were to attract a higher education campus, this would make a major contribution to the county's economic growth. Universities create local jobs, inspire an enterprising culture and bring new life to local areas. New university towns experience a change in local economies with new bars, cafes and restaurants opening up. In Conwy's case, this would contribute to a flourishing night-time economy that would also support the year-round tourism offer.

5. Dynamic leadership:

Delivering the ambitions of this strategy and capitalising on the wider economic opportunities of the region will require dynamic leadership across all sectors. The private sector will lead on adopting new technology, expanding their businesses and creating new offers within the market. The public sector will be progressive and dynamic in creating the conditions for businesses to thrive as well as continuing to provide support for new and growing businesses. And the third sector will develop new ways of delivering economic outputs while addressing the challenges within our communities. To underpin this leadership and collaboration a new Economic Growth Board will be established for Conwy County. Mirroring the North Wales Economic Ambition Board, the Conwy Board, whose members have been instrumental in establishing this strategy, will guide and support as specific stakeholders, the delivery of a programme of projects and activity based upon the six themes and realising the five ambitions. Key to that in the short term will be ensuring that the needs of the Conwy economy are recognised and catered for in future regional economic/regeneration policy, together with the North Wales Economic Ambition Board's programmes and funding proposals.

6. A confident, outward looking approach:

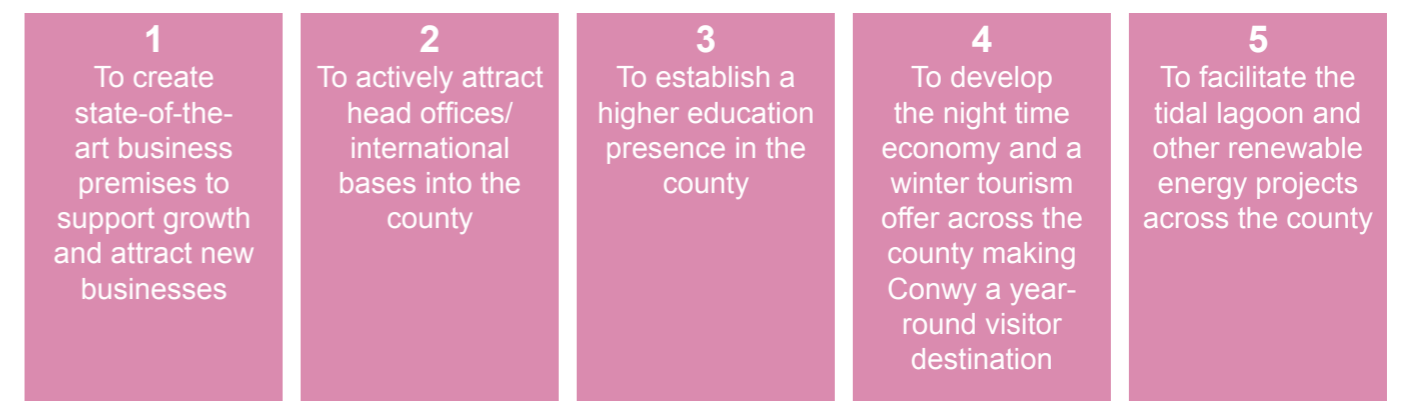
From an enviable central location, all those involved in the economic development of Conwy County need to look outward to capitalise on the opportunities that lie to both east and west. Partnerships with the Mersey Dee Alliance and the Cheshire and Warrington Local Enterprise Partnership will both be important for the county's growth. Conwy County's excellent transport links are a real asset. It is important that we promote the good rail and road links, the proximity of airports and the easy commuter distance to Ireland, North Wales and North West England. These combine with a natural environment which provides an outstanding quality of life for employees, a skilled workforce and good educational institutions for all ages. 'Millennials' are increasingly looking for a good work/life balance. Conwy can attract business leaders from this demographic to relocate or expand their businesses into the county.

5. Economic ambitions

Economic growth will come from doing the big things that will make the big difference. Recent experience shows that focussed, strategic investments create catalysts for economic growth. Welsh Government backed developments such as Zip World, the Bodnant Food Centre and Surf Snowdonia are transforming the economy of the Conwy Valley. The 2016 economic impact study of Zip World demonstrated that this company alone has generated £120million for the local economy and created over 200 new jobs.

The aim of this growth strategy, therefore, is to build on the cross-cutting themes described above and to identify the strategic initiatives that could make the greatest contribution to Conwy's economy. These will require close collaboration between the private, public and third sectors with new ways of working. They will require both public and private investment and, most importantly, they will require vision, imagination and ambition.

The five ambitions to grow Conwy County's economy are:



5.1 State-of-the-art business premises

Banks in North Wales have commented on an increasing trend of people moving to Conwy County to start businesses. Creating high-quality office premises in town centres would support and accelerate this trend, support the growth of the digital and creative sectors, and aid regeneration programmes in areas such as Colwyn Bay, acting as a catalyst for further private sector investment and infrastructure developments. For example, an enterprise and innovation hub for new and fledgling businesses could be created in the Douglas Road area of Colwyn Bay. This could be repeated, expanding, adapting and enhancing existing premises to create a network across the county providing area hubs the town with accommodation, access to technology and support networks for SMEs, social enterprises and business start-ups.

Meanwhile established businesses need new premises to grow. The Council will work with the private sector to bring forward allocated employment land across the county and also ensure the renovation/modernisation of existing employment premises so that they are suitable for modern day requirements. This will include identifying innovative solutions to find sustainable uses for vacant town centre premises and also create rural workshop space.

The Council sites at Conwy Morfa and Abergele South East have been recognised as priority strategic sites for development within the North Wales Economic Ambition Board's infrastructure strategy. These sites, in such close proximity to the A55, could be developed to provide new facilities for the county's thriving food manufacturing and geoscience sectors. We should also explore the potential of this corridor for the location of a distribution hub, particularly with a view to the Irish market post Brexit.



Food Production - Edwards of Conwy

5.2 Attracting head offices

Conwy County offers a skilled workforce, professional supply chain and excellent quality of life. Combined with strong road, rail and ICT links, these are the core ingredients to attract head office functions into the county which would benefit Conwy in many ways: GVA figures would rise, higher skilled and waged staff would boost local spend, and businesses would benefit from supply chain opportunities. Quality head office businesses can also help develop close linkages with higher education and graduate opportunities, retaining young talent in the county. Conwy suffers from an outward migration of younger talent seeking graduate entry jobs. The establishment of head offices in the county would provide these opportunities and help reduce this exodus of talent from the county.

“Because of the nature of the headquarters function, headquarters typically employ highly-skilled and well-compensated professionals. Headquarters also purchase high-end professional services, notably auditing, management consulting and financial services, as they pursue their corporate mandate. Individuals in these high-end professional services roles are highly coveted by governments as high-end tax payers and consumers within the localities where they work. Their positive economic impact is compounded by the fact that a variety of services jobs are seen to grow up around them thereby generating significant indirect economic benefits to the localities in which they work. As an added benefit, high-end professionals are also seen as being individuals who are likely to invest substantial time and resources in community development, philanthropy and good works.”

Valuing Headquarters (HQs), Analysis of the Role, Value and Benefit, Global Value Chains, Dr. Michael Bloom, Michael Grant

5.3 Higher education presence

Regionally, we have two universities that serve North Wales: Bangor to the west and Glyndŵr to the east. Chester University is within an hour’s drive of Conwy County and offers a link with the Mersey Dee Alliance and the Northern Powerhouse. Coleg Llandrillo has close links with Bangor University. Its predominantly further education campus in Rhos-on-Sea delivers a range of degree courses for local students. However Conwy does not benefit from a bespoke university faculty/campus which might attract external and overseas students to live in the area and create demand for an evening economy. The county also misses out on the linkages between higher education and the business community that occurs in university towns and counties. There is clear and well-documented evidence that a closer relationship between higher education and business benefits a local economy, its growth and innovation. A presence in Conwy would provide new opportunities and economic growth.

There are a range of subjects this campus could offer which would link with the region’s economy and meet local need. A focus on medicine could address one of the biggest challenges the region faces: the lack of trained staff at all levels to meet the region’s health needs. Higher education level courses in tourism would contribute to the county’s aspiration to be a consistently world-class visitor destination. Across the UK, there is insufficient higher education provision for the geosciences, meaning that Conwy-based companies such as CGG Robertson’s have to recruit in Europe for their skilled staff. Offering degree courses in these specialist subject areas would open up these job opportunities for people in North Wales, while also consolidating the region’s position as one of the three UK centres for geoscience.

5.4 Creating a night-time economy and a winter visitor offer

The night-time economy and a compelling winter visitor offer are fundamental to establishing Conwy County as a year-round destination. Venue Cymru attracts a wide variety of conferences and business bookings throughout the year. To grow this market, and ensure as many of these bookings as possible



Renewable Energy - Newbridge Engineering

are overnight stays, Llandudno needs to offer more things for visitors to do in the evening, including offering more places that are open to eat. Meanwhile the STEAM¹ data shows that visitor numbers across the county dip significantly from November through to February. This doesn't mean that people don't holiday during the winter months, they're just choosing to go elsewhere. Whilst Llandudno is the key destination within the county, investment must be across the county to ensure a consistent visitor experience. Core to attracting more visitors through these months will be programmes to invest in attractor events at this time of year and developing/investing in attractions which can be enjoyed through the winter. This would encourage more accommodation to be available at this time, contributing to the overall ambition of generating £1billion per annum from tourism and creating the environment for full-time, quality jobs.

5.5 Tidal lagoon and renewable energy

Energy is a major growth sector for the region. Whilst the North Wales Economic Ambition Board are currently focussed on Wylfa Newydd and Orthios, the proposed tidal lagoon at Colwyn Bay would be a major regional construction project. If scheduled to follow-on from the construction of Wylfa Newydd, it could help to secure existing and new construction jobs for twenty years or more. Once completed, it would contribute to the sea defences, reducing the risk to the economy of flooding. It could also provide a new amenity for both residents and visitors, including a sheltered water based leisure area, a new cycle track out into the bay as well as a visitor centre.

In the short to medium term, there is much that the Council and its partners can do to ensure that the county's business community do not miss opportunities arising from developments such as Wylfa Newydd and Clocaenog. There are also potentially many opportunities for small scale renewable energy schemes within the county, e.g. Dolwyddelan Hydro, or the encouragement of solar farms to assist diversification. These provide both economic and community benefits and should be encouraged. Similarly, initiatives such as developing a network of electric hook-up points across the county to assist in reducing carbon footprints need to be supported. Together, these will help build the level of expertise within the county and contribute to a major growth sector for the region.

6. Implementing the strategy

The strategy will be delivered over a ten-year timescale with review periods during that period. Importantly, this will coincide with the review of the Local Development Plan in 2017 and will allow the two documents to be aligned. An action plan will be developed, guided by the Conwy Economic Growth Board, to move the strategy into implementation with project delivery and coordination facilitated by Conwy County Borough Council. A proposal for the make-up of this Board is included at *Annex 2*.

The strategy will be reviewed in light of the milestones within the action plan. It will also be necessary to ensure clear alignment of this strategy and action plan with other Conwy County based policies such as the Local Development Plan, Destination Conwy Action Plan, Corporate Events Strategy, Corporate Arts Strategy and Housing Strategy Plan. It is also that the projects and activities within the action plan support the broader objectives of the Conwy Corporate Plan and County Wellbeing statement. Integral to this is to ensure that we follow the five ways of working of the Wellbeing of Future Generations (Wales) Act 2015:

¹ - STEAM (Scarborough Tourism Economic Activity Monitor) is a tourism economic impact modelling process which approaches the measurement of tourism from the bottom up, through its use of local supply side data and tourism performance and visitor survey data collection.

- Long-term thinking
- Integrated approach
- Engagement
- Collaboration
- Preventative action

The success of the strategy and its action plan will be reliant upon the public, private and third sector working together to achieve the goals we have set ourselves. It will require a clear understanding of roles as well as commitment in terms of resource and partnership working.

The role of Conwy County Borough Council:

- To act as the catalyst and drive forward the actions required, aligning its business and regeneration teams to the delivery of the economic ambitions of this strategy
- To adopt a partnership approach in working with stakeholders to add value and deliver innovation
- To actively identify new partners/businesses who can contribute to the delivery of the strategy
- To review its processes around procurement and planning policy to support the strategy with an ambitious approach to the use and development of land and assets
- To provide business support to the full range of SMEs and Social Enterprises within the county to enable all businesses to take advantage of the economic growth
- Proactive and imaginative use of the Council’s property portfolio to create opportunities
- To inform learners in Conwy of the future employment opportunities both locally and regionally and enable them to take advantage of these, so that outward migration is reduced

The role of the Welsh Government:

- To work in partnership with Conwy recognising the strengths of the county’s economy and provide support and resources to assist delivery against the themes and ambitions of this strategy
- To work collaboratively across all strands of the strategy but particularly to assist in realising the ambitions for infrastructure
- To assist in identifying new partners and investors who can contribute to Conwy’s economic growth ambitions
- To lobby and influence for resource and support to ensure that the ambitions of Conwy’s economy are recognised in future regional development policy

The role of the wider public sector:

- To support and provide resource, commitment, ideas and expertise
- To collaborate in aligning policies and plans
- To collaborate in aligning procurement and land and premises planning
- To lobby and influence for resource and political support

The role of the private sector:

- To identify and develop business propositions that will deliver against the themes and ambitions of this strategy
- To provide financial investment and resource to match that of the public and third sector
- To work collaboratively across all strands of the strategy but particularly with the ambitions for land and property development
- To assist in identifying new partners and stakeholders who can contribute to Conwy’s economic growth ambitions

The role of the third sector:

- To provide alternative mechanisms to deliver actions and outcomes
- To challenge the norm
- To access finance and provide both resource and expertise
- To work collaboratively with partners in achieving these economic goals

7. Indicators

The success of this strategy will be measured by simple targets for Conwy’s economic growth:

£1billion economic value of tourism to the county

3,500 additional PAYE jobs within the county

Increase in the proportion of full-time jobs from 59% to 70%

Increase average salary to 95% of the UK average

In addition to these key economic targets, there will be a suite of indicators that will be used to measure the health of our local economy, and inform future service providers:

- Total floor space developed
- Business demography
- Total employment
- Employment by occupation
- Claimant levels
- 16-19 year olds who are NEET (Not in Employment, Education or Training)
- Business confidence
- Apprenticeships
- Jobs growth by sector
- Population count
- Employment rate
- Unemployment rate
- Economically active
- Economically inactive
- Self-employment rate
- New head/international offices within the county
- New business start-ups surviving into third year
- Investment leveraged
- STEAM tourism figures

Supporting these indicators and the Action Plan will be a Logic Table, which will make the link between inputs, resource activity, outputs and impact. This will help monitor the success of the strategy as well as the general health of the economy.



Sites and Premises - CoOrdinated Surveys

8. Conclusion

Conwy has had many notable economic successes over recent years from the growth of its tourism sector to the regeneration of Colwyn Bay; from its development as a geoscience hub to the resurgence of its retail offer.

With the unique strengths that the county possesses, and the vision contained in this strategy, Conwy's economy can continue to grow, delivering our ambition of £1billion from tourism, 3,500 additional jobs within the county and an increase in the proportion of full-time jobs to 70%. The key is in using our assets and strengths to address the threats and challenges we face.

Addressing the gap around higher education, and attracting a university campus to the county would have a significant impact across the whole of the local economy. Capitalising on Conwy's strengths to attract head offices to the county would bring high-skilled jobs and increased local spending. Building upon our fantastic tourism offer, and using this success to create an all year round offer would also have a dramatic impact on the local economy, improving the quality and security of jobs.

The new Council office building in Colwyn Bay can catalyse further office developments, making Conwy a thriving centre for SMEs and social enterprises; while the development of strategic sites would provide the premises needed by existing businesses looking to expand.

Agriculture is fundamental to Conwy's economy, and it's important that this sector is both supported and championed. The wider strategic projects within North Wales such as Wylfa Newydd offer important opportunities for this sector and a partnership approach is needed to ensure Conwy's rural businesses benefit from these developments through the supply chain.

The key to all of these developments is partnership working and confidence. Conwy has all the assets to grow its economy to new heights. With dynamic, cross-sector leadership and an outward-looking approach, we can deliver an economy that delivers quality jobs now and far into the future.

Annex 1: SWOT Analysis of Conwy County's economy

We have reflected on Conwy's economic data and the general trends across North Wales, in looking at future growth. We have consulted with the County's Economic Partnership, which represents business interest, and from this research we can identify a series of strengths, weaknesses, opportunities and threats.

Strengths

Location and connectivity: The county is at the heart of North Wales, well-served by road and rail, and within 1 hour of four international, regional and local airports, as well as a major ferry port. The county has good mobile and broadband connectivity

Natural environment: Conwy has one of the most beautiful natural environments with nearly two-fifths of the county within the Snowdonia National Park. The county has outstanding coast and rural backdrops

Tourism offer: The county has an international reputation for tourism. Its strengths lie in areas of heritage, with Conwy Castle as a World Heritage Site and outdoor adventure - North Wales was recently named as the 4th best region in the world for outdoor activities. Our natural offer along with the attraction keep Conwy at the forefront of adventure. Key towns such as Llandudno, named No 1 seaside town in UK and 4th best destination, have international recognition

Events and attractions venue: Conwy County has an unrivalled reputation across Wales and wider afield as a centre of excellence for national and international sporting, business and cultural events

Broad sectoral base: Conwy has around 6,000 businesses; the majority micro businesses; and although the service sector dominates in terms of PAYE jobs and number of businesses, operating within the county is a broad range of sectors from oil and gas, nuclear, manufacturing and engineering through to health care, retail, beauty and tourism

Strong further education sector: The county has Coleg Llandrillo located at its Rhos-on-Sea campus. This offers a broad range of activities and achieves excellent results. There is also a university facility linked to Bangor University on this campus

Good agricultural base: The county has a large agricultural base, and in fact agriculture has the largest number of businesses out of all the sectors in Conwy

Geoscience hub: Conwy is home to CGG Robertson, an international leader in the oil and gas exploration field as well as number of cluster businesses, making Conwy the 3rd most significant area for oil and gas in the UK

Strong heritage and culture: Conwy has a thriving Welsh heritage and culture, coupled with our museums, theatres and art galleries, making Conwy a leading voice in North Wales

Lifestyle county: Conwy has the reputation as a lifestyle county, and this reputation is linked to the number of older people who migrate into the county to live

Food and drink offer: producers, retail and hospitality: Conwy has great strength in the range and quality of its food and drink offer, from field to table the offer is strong

Weaknesses

Available land/business parks: There is not a substantial bank of available employment land or premises within the county, either in public or private ownership

Lack of large businesses and manufacturing in general: The county lacks large businesses excluding the public sector. We have 5 with a workforce larger than 250. Manufacturing companies looking for a base are more likely to choose the north east of Wales for transport access and to be near a large supply chain and cluster

Rural connectivity mobile/broadband/public transport: Transport and connectivity all become more problematic in our rural heartlands. Investment in both lags behind urban areas

Dependency upon public sector: Conwy has a large public sector base that creates risk at times of austerity

Enterprise zones: lack of and competition: With enterprise zones in both the east and west of North Wales, Conwy faces real competition to attract inward investment into our county

Skills miss match: Conwy has a skilled community with higher than Wales' average at higher level skills. However, with an ageing population and migration of youngsters, the skill base of the county is not matching the requirements of businesses

Agricultural needs: This sector is an important and large sector for Conwy, but it faces real pressures in terms of sustainability of farms, rising costs, grant reductions and fluctuating stock prices

Weak image of Conwy County: The reality is that Conwy punches above its weight economically, but this message is not always communicated with external businesses

Higher education support for business and higher education community: Conwy has no higher education presence in the county that is business facing. The support that universities can offer business is substantial, and this gap is a real weakness in the county

Night-time economy: With 22,000 bed spaces in Llandudno alone we have a market for an evening offer that would complement the theatre and food offering

Health and social care sector: This sector, like in other counties, is suffering on a number of fronts. Residential care homes are closing due to sustainability issues, recruitment and retention is a major concern. GPs in Conwy are older than the average and there is a real concern about recruitment into these posts in the future

Opportunities

A55: The A55 runs parallel with our coastline and offers huge opportunities for the county in terms of easy travel to work, visitors and routes to market

Higher education presence: Evidence would show that areas with stronger higher education linkages can demonstrate greater economic growth than areas without access to HE. So this gap in the market is a great opportunity to develop linkages and structures in the county

Superfast broadband: The roll out of broadband offers businesses, and especially rural businesses, the opportunity to expand markets and to reduce costs

Transformational tourism (seasonal jobs/full-time jobs): With our fantastic tourism offer, we have large numbers of seasonal jobs. Developing this offer gives us an opportunity to change jobs to from part-time/seasonal to permanent ones

Exploitation of natural environment: Our wonderful natural environment offers huge opportunities to attract visitors and economic wealth to the county without creating a negative impact

Linking into opportunities east and west: Large transformational capital projects emerging to the east and west of Conwy will provide great opportunities for our businesses and residents, as we are in easy commuting distance

Diversification in agriculture: Opportunities exist to look to best practise in agriculture around the globe and to implement in Conwy. New business models and products and services

Renewable and tidal energy: Utilising our natural assets, Conwy is well placed to develop this sector to create further opportunities for economic growth

Build upon Events Strategy: Our expertise in event management and assets such as Parc Eirias and Venue Cymru put Conwy in a good position to create further opportunities

Procurement processes: The power of the public and private sector to develop procurement processes that, wherever possible, support the local economy

Proximity of North West England: Linkages to large urban conurbations such as Manchester, Liverpool and Stoke-on-Trent

Food and drink offer: Conwy has great strength in the range and quality of its food and drink offer, from field to table the offer is strong

North Wales Economic Ambition Board Growth Bid: The proposal to submit a bid to HM Treasury to assist in the funding of strategic infrastructure across North Wales will, if successful, support the growth of Conwy's economy

Threats

Enterprise zones east and west: They offer real competition to our abilities to attract inward investment into the county

Energy island west/manufacturing east: The large transformational projects both to the east and west of Conwy could drain the county of skilled and experienced labour, and might not deliver any benefits to the county

Ageing population: Conwy has a higher than average ageing population. This can impact on a number of levels: it can drain resources particularly around health care; it can add to the skills miss match; and it can be a disincentive for younger talent to stay in the county

Outward migration of young people: The outward migration of our young talent is a concern, as they seek employment and training in the larger conurbations in the UK

Cuts in public spending impacts locally: Continued cuts to public sector spend has an impact of less investment and services in the county

Impact of transformational projects across Conwy/Displacement of jobs to big projects: There is likely to be a shortage of skilled and experienced labour when the large transformational projects start. This will put pressure on the wider workforce and will create displacement between businesses and sectors

Brexit uncertainty, inflation and exchange rates: Risks and uncertainty exist in many areas connected with Brexit. Much of our accommodation sector is reliant on overseas labour. Businesses that import goods and services will be impacted by fluctuating exchange rates such as farms and manufacturing. Generally, costs will rise and inflation will grow

Annex 2: Conwy County Economic Growth Board

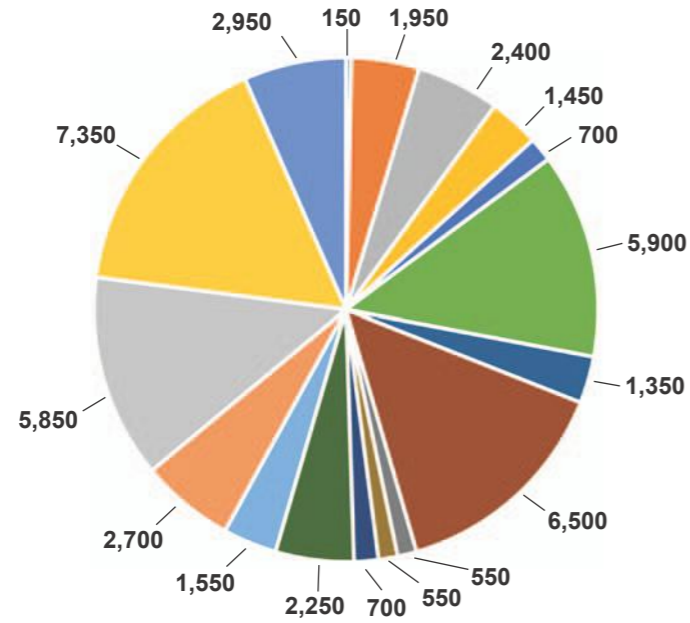
In order to drive and co-ordinate the delivery of the Strategy, a new Economic Growth Board will be established for the county. This board will link into the North Wales Economic Ambition Board. The membership of the Board will reflect the cross-cutting themes of the strategy:

- Employment and skills
- Infrastructure that enables growth
- Transformational tourism
- Making the Conwy pound work harder
- Dynamic leadership
- An outward looking approach

In order to reflect these themes, it is proposed that the following organisations/sectors are represented:

- Grŵp Llandrillo Menai
- Conwy Council Skills Group
- Social Enterprise Business Solutions
- Commercial Property Sector
- Major estates / landowners
- Destination Conwy
- Venue Cymru
- Federation of Small Businesses
- Conwy County Borough Council, Business and Tourism
- Colwyn Bay Business Improvement District
- Rural Local Action Group
- Betsi Cadwaladr University Health Board
- Care Home Sector
- Welsh Government - Regeneration
- Institute of Directors
- HE Representative
- Conwy County Borough Council, Education
- Work-based Learning Representative

Annex 3: Number of PAYE jobs (employees plus working proprietors) in 2015

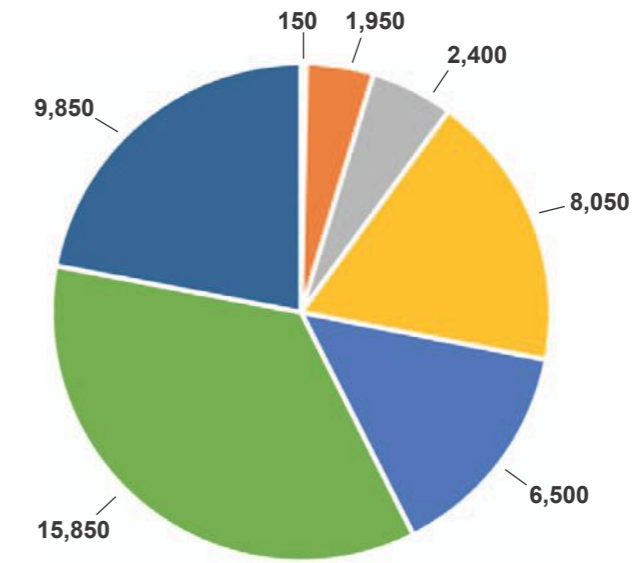


Source: Business Register and Employment Survey, ONS

Broad Industry - Conwy County Borough

Industry	Jobs
Agriculture, forestry & fishing *	150
Production	1,950
Construction	2,400
Motor trades	1,450
Wholesale	700
Retail	5,900
Transport and storage (including postal)	1,350
Accommodation and food services	6,500
Information and communication	550
Finance and insurance	550
Property	700
Professional, scientific and technical	2,250
Business administration and support services	1,550
Public administration and defence	2,700
Education	5,850
Health	7,350
Arts, entertainment, recreation and other services	2,950
Total	44,800

* - These figures exclude farm agriculture (SIC subclass 01000).

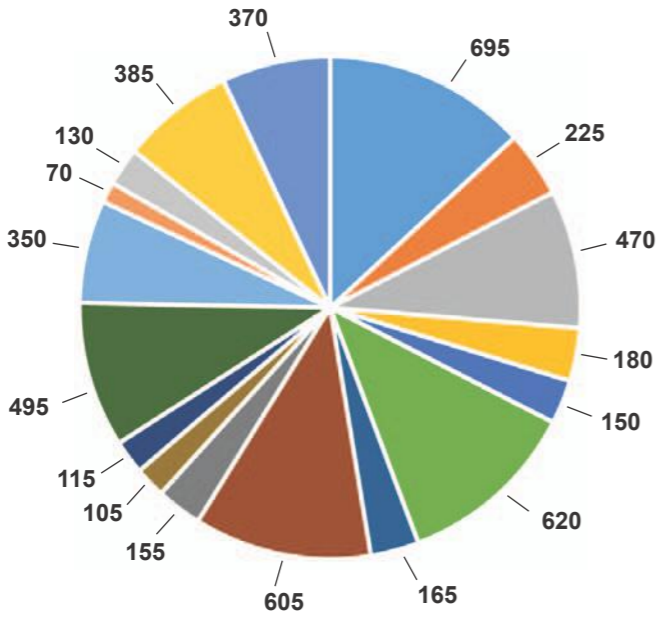


Merged Categories - Conwy County Borough

Category	Jobs
Agriculture *	150
Production	1,950
Construction	2,400
Wholesale and retail	8,050
Accommodation and food services	6,500
Public administration, education and health	15,850
Other services	9,850
Total	44,800

* - These figures exclude farm agriculture (SIC subclass 01000).

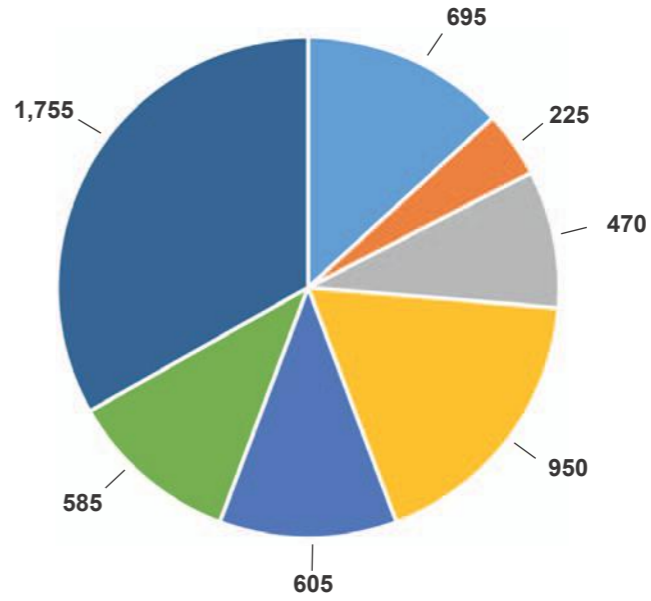
Annex 4: Number of VAT and/or PAYE based enterprises in 2016



Source: ONS interdepartmental business register

Broad Industry - Conwy County Borough

Industry Category	Number of Enterprises
Agriculture, forestry and fishing	695
Production	225
Construction	470
Motor trades	180
Wholesale	150
Retail	620
Transport and storage (including postal)	165
Accommodation and food services	605
Information and communication	155
Finance and insurance	105
Property	115
Professional, scientific and technical	495
Business administration and support services	350
Public administration and defence	70
Education	130
Health	385
Arts, entertainment, recreation and other services	370
Total Enterprises	5,285



Merged Categories - Conwy County Borough

Category	Number of Enterprises
Agriculture	695
Production	225
Construction	470
Wholesale and retail	950
Accommodation and food services	605
Public administration, education and health	585
Other services	1,755
Total Enterprises	5,285