

Strategic Framework Consultation Team,
Economic Policy Division,
Welsh Assembly Government,
Cathays Park,
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HF/SJ/DL/WAG

24th February, 2006

Dear Sir / Madam

Wales: A Vibrant Economy – Consultation Document

I welcome the Welsh Assembly Government's new Strategic Framework for Economic Development 'Wales: A Vibrant Economy', and am in general agreement with the proposals included within it.

The Holyhead Forward Board is responsible for overseeing the delivery of the Holyhead Forward regeneration strategy, launched in 2003. Substantial progress has already been made, but much remains to be done, and we are now facing new challenges. Much of this further work will need support from the Welsh Assembly.

The references to "investing to regenerate communities" , "improving the physical infrastructure and attractiveness of cities and towns" , and "addressing local priorities" are therefore welcomed. There is some tendency to generalise, and there is a need to remember that most of the population of "Rural Wales" actually live in urban settlements and rely mainly on town-based industry and services for employment, with agriculture actually providing relatively few jobs.

The strategy refers to the need to focus on high-skill jobs and the challenge of economic growth overseas. Holyhead recently saw the loss of some 65 manufacturing jobs at the closure of the Hedstrom factory. Recent local economic successes include the setting up of the Stena call-centre at Holyhead (c 60 jobs), and the expansion of marine engineering activities at Holyhead Boatyard (c 30 jobs). About 400 jobs have been created in edge-of-town retail developments, but about 80% of these jobs are part-time.

Anglesey Aluminium is Holyhead's largest industrial employer, providing some 600 skilled/ relatively well-paid jobs, and generating over £20M in wages to the local economy every year. The future of this facility after 2009 is clearly in doubt, threatening a local economic catastrophe for the area. I believe that the issue of Wylfa/ Anglesey Aluminium is of sufficient importance to justify specific reference in the document.

Holyhead's social and economic problems have been contributed to by many factors. There has been a long-term fall in the number of industrial jobs in the area over the last thirty years. The attraction of compensatory new jobs to the area has been severely constrained by infrastructure deficiencies. These include poor road access (until the A55 was extended in 2001), inadequate sewerage infrastructure (new works now being completed), and a lack of employment development land over several decades. The planned new strategic site at Penrhos/ Ty Mawr on A55 Junction 2 should resolve the latter, finally releasing Holyhead's potential as an employment growth area.

There is no reference in the document to transport / economic links with Ireland, which are economically essential for Holyhead and some other port towns, and which specifically feature in the Wales Spatial Plan. The port handles about 2.3 million passenger movements each year, and has seen a significant growth in ro-ro freight traffic. Direct port-related employment in Holyhead is now near 900, with many further indirect jobs. The competitiveness and further expansion of the port is subject to the resolution of current transport and infrastructure constraints, which will require Welsh Assembly Government support.

The Holyhead Forward Board has identified the town's extensive harbour and waterfront as a major opportunity area for regeneration and economic growth, with a particular focus on marine leisure and industry. Given that these are growth areas that are being looked at in various parts of Wales, I believe that specific reference should be made to waterfront regeneration and the marine sector in the document, a key opportunity to regenerate deprived coastal towns.

Tourism is a major industry in Wales, but has only limited reference. There is a need to remain competitive and develop new markets. Holyhead serves as a gateway location for thousands of cruise ship passengers to visit North Wales each year. The international cruise ship visitor business has the potential to grow significantly, but realising this will require the construction of a new cruise terminal facility. A hotel, visitor railway and other tourist facilities are also being proposed. These should help create additional visitor spend and jobs in the region.

Holyhead hopes to generate more economic benefits from ferry traffic in the future thanks to initiatives such as the Celtic Gateway bridge link between the ferry terminal and the town centre. Creating a vibrant and desirable town centre will require support for small businesses to establish, expand, improve, and diversify. Town centres across Wales are a very important source of employment and local business ownership, but many town centre businesses are now struggling for their survival in the face of competition from non-Welsh owned multiples located in out-of-town locations. I would like to see specific reference in the document to supporting small town centre businesses.

Construction is a very significant economic sector, and much employment can be provided through urban regeneration activities. Major investment in housing across Wales is envisaged over the next few years to address housing needs and meet the Welsh Housing Quality Standard. There is clearly a problem of skill shortages in this sector which must be resolved, as is also the case in some other sectors.

The document correctly identifies unemployment, inactivity, and employability as problems which often have complex causes resulting from a compounding of social, economic, and environmental problems which are prevalent in areas such as Holyhead and the South Wales Valleys. It is important that initiatives to tackle such problems are supported.

I look forward to seeing the final document.

Yours sincerely,

Steve Jones
Independent Chair
Holyhead Forward Board