



ECONOMIC

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WHAT IS ECONOMIC WELL-BEING?



The Prosperous Wales Well-being Goal contained within the Well-being of Future Generations (Wales) Act 2015 strives for Wales to attain:

“ A skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work ”

Neath Port Talbot (NPT) residents interpret economic wellbeing as income and its relationship to their standard of living.



Economic well-being can be broken down into 5 sub-themes:

- Income
- Employment
- Education and skills
- Infrastructure & Technology
- Tourism





INCOME



In NPT historically the economy has been heavily influenced by steel production and other industrial activities. A decrease in traditional manufacturing jobs is projected, however at a lower rate than previous trends.

The economic impact of large employers such as Tata Steel cannot be underestimated in maintaining the income levels and therefore economic well-being of a significant percentage of the population of NPT.

The economic downturn has meant that people have less disposable income to spend in the businesses and trades in NPT.

Gross value added (GVA) measures the contribution to an economy of an individual producer, industry, sector or region. NPT's GVA is below that of the Welsh regional average, which indicates that economic investment is not as strong in NPT as Wales as a whole. It is pleasing to note however that NPT's GVA is projected to increase consistently until 2030.

Many people in NPT work within the public sector and with cuts to public sector spending jobs are being lost.

In 2016, the average gross weekly pay for full-time workers for residents of NPT was £480.80, which is influenced by the income generation from Tata Steel and associated industries, does not compare favourably with the Wales average of £498.30. In NPT, there is a marked difference between the earnings of male workers compared to female workers. Although this seems to be the case across Wales the difference between the average male and female full-time weekly pay is greater in NPT than across Wales as a whole.

▼ Earnings by place of residence (2016)

Earnings by place of residence (2016)	Neath Port Talbot (Pounds)	Wales (Pounds)	Great Britain (Pounds)
Gross Weekly Pay			
Full-Time Workers	480.8	498.3	541.0
Male Full-Time Workers	546.4	536.6	581.2
Female Full-Time Workers	426.4	450.4	481.1
Hourly Pay - Excluding Overtime			
Full-Time Workers	11.98	12.66	13.66
Male Full-Time Workers	12.73	13.04	14.25
Female Full-Time Workers	10.99	12.01	12.84



However, when considering earning by place of residence, it is clear that a large number of high earners are working within NPT but residing outside of the county boundary. This has a detrimental effect on income generation for businesses within the county borough.



▼ Earnings by place of work (2016)

Earnings by place of work(2016)	Neath Port Talbot (Pounds)	Wales (Pounds)	Great Britain (Pounds)
Gross Weekly Pay			
Full-Time Workers	529.1	492.4	540.2
Male Full-Time Workers	605.5	525.0	580.6
Female Full-Time Workers	413.3	448.5	480.8
Hourly Pay - Excluding Overtime			
Full-Time Workers	12.76	12.50	13.64
Male Full-Time Workers	14.52	12.86	14.74
Female Full-Time Workers	11.03	11.90	12.83

WELSH INDEX OF MULTIPLE DEPRIVATION



There are 91 Lower Level Super Output Areas (LLSOA's) in NPT and 1,896 across Wales. The tables below show the number in NPT in the most and least deprived 10% in Wales in 2005, 2008, 2011 and 2014, and the average rank across Wales of all NPT LLSOA's under each measure for each year.

Year	LSOA's in most deprived 10% in Wales	
	(Number)	(%)
2005	18	19.8
2008	17	18.7
2011	14	15.4
2014	12	13.2

Year	LSOA's in least deprived 10% in wales	
	(Number)	(%)
2005	3	3.3
2008	4	4.4
2011	5	5.5
2014	3	3.3



NPT's deprivation index is improving, which suggests that the County is getting less deprived in relation to Wales. The number of LLSOA's in the most deprived 10% is decreasing.

In the 2014 Welsh Index of Multiple Deprivation, NPT had the highest proportion of Lower Super Output Areas in the most deprived 50% in Wales (71.4%). As identified under the Social pillar, there is a very strong link between deprivation and life expectancy.

FUEL POVERTY



In 2015, between 24.5%-25.5% of households in NPT were in fuel poverty.

<http://gov.wales/docs/caecd/research/2016/160711-production-estimated-levels-fuel-poverty-wales-2012-2016-en.pdf>





EMPLOYMENT



The contraction of heavy industry in the area has impacted on the economic growth of NPT and the economic downturn has frustrated regeneration programmes. However, there are major investment schemes underway in the town centres e.g. over £30m in the Vibrant and Viable Places Programme.

In the County Borough 5.5% of households with dependent children have no adults in employment. This is higher than the Welsh average of 4.6% of households (Census, 2011).

These extremely difficult economic times have further compounded the challenges in job creation. The decrease in traditional manufacturing jobs is however, projected at a lower rate than previous trends.

▼ Employment and unemployment (Oct 2015 Sep 2016)

Employment and unemployment (Oct 2015 Sep 2016)	Neath Port Talbot (Numbers)	Neath Port Talbot (%)	Wales (%)	Great Britain (%)
All People				
Economically Active	64,700	72.0	74.8	77.8
In Employment	61,100	68.0	71.1	73.9
Employees	53,700	59.9	61.2	63.1
Self Employed	6,100	6.8	9.3	10.4
Unemployed (Model-Based)	3,300	5.2	4.7	4.9
Males				
Economically Active	35,600	79.4	78.7	83.1
In Employment	33,500	74.8	74.6	78.8
Employees	28,400	63.7	61.2	64.4
Self Employed	4,600	10.0	12.8	14.0
Unemployed (Model-Based)	2,100	5.9	5.0	5.1
Females				
Economically Active	29,100	64.7	70.9	72.6
In Employment	27,600	61.3	67.7	69.0
Employees	25,300	56.2	61.2	61.7
Self Employed	1,600	3.6	5.9	6.9
Unemployed (Model-Based)	1,500	5.2	4.4	4.8



The challenges of the geography have created problems with access between rural and urban areas which affects the ability of some people from some communities to access employment opportunities. People from these parts of the County Borough, generally the valley regions, are much more likely to be unemployed or working in low paid or part time jobs than in other areas.

The range of occupations within NPT displays that those employed as managers and directors, professional, associate professional and technical occupations falls below the Welsh and United Kingdom average whilst the process plant and machine operatives sector is representative of the manufacturing base within the County Borough and higher than the Wales average.

▼ Employment by occupation (Oct 2015 - Sep 2016)

Employment and unemployment (Oct 2015 Sep 2016)	Neath Port Talbot (Numbers)	Neath Port Talbot (%)	Wales (%)	Great Britain (%)
Soc 2010 Major Group 1 - 3	23,200	38.4	39.9	45.1
1 Manager, Director and Senior Official	5,200	8.6	9.4	10.5
2 Professional Occupations	10,000	16.4	17.8	20.2
3 Associate Professional & Technical	7,900	13.0	12.3	14.3
Soc 2010 Major Group 4 - 5	15,000	24.8	23.0	20.9
4 Administrative & Secretarial	6,800	11.2	10.4	10.4
5 Skilled Trades Occupations	8,100	13.3	12.4	10.4
Soc 2010 Major Group 6 - 7	11,000	18.2	18.9	77.16.88
6 Caring, Leisure and Other Service Occupations	7,300	12.0	10.5	9.1
7 Sales and Customer Service Occupations	3,700	6.0	8.3	7.6
Soc 2010 Major Group 8 - 9	11,200	18.5	18.2	17.2
8 Process Plant & Machine Operatives	5,400	8.9	6.9	6.4
9 Elementary Occupations	5,800	9.4	11.1	10.7

▼ Workless Households (Jan - Dec 2015)

Workless Households (Jan - Dec 2015)N	Neath Port Talbot	Wales	Great Britain
Number Of Workless Households	12,100	176,500	3,081,900
Percentage Of Households That Are Workless	25.9	18.3	15.3
Number Of Children In Workless Households	5,900	71,800	1,405,200
Percentage Of Children Who Are In Households That Are Workless	22.5	13.6	11.9

The percentage of workless households in NPT (25.9%) is considerably above that of the national average for Wales (18.3%) however the percentage of working age people who are claiming Job Seeker's Allowance is the same as the Welsh percentage.

The percentage of children that live in a workless household is substantially above that of Wales and GB as a whole, which may have a long term impact on the economic well-being of the present and future generations of NPT residents.

People who have been out of work for a long time may not feel very confident or they may feel there is nothing they can or want to do, so it is easier to stay claiming benefits. For people with children, the cost of childcare can prevent them from taking up work.

NPT suffers from more Year 13 school leavers not in full time employment, full time education or work based training than is representative of Wales as a whole. This trend is replicated at the other end of the employment spectrum.

In order to stimulate growth in the economy a wider mix of uses will be permitted in the future on allocated sites and within the existing employment areas. The Port Talbot Waterfront Enterprise Zone has been established and offers a range of economic, labour force and locality benefits to businesses.

A high incidence of Small and Medium enterprises exists in the County Borough and as such the provision of business and management skills training to support entrepreneurship is being encouraged and provided locally.



The local business units provided by NPT are all occupied and can be recognised as a successful method of encouraging and supporting new industry within the County Borough.

Retail across the County has an established hierarchy of town centres, district centres and local centres:



Tier of Hierarch	Centre
Town Centre	Neath, Port Talbot, Pontardawe
District Centre	Skewen, Briton Ferry, Taibach, Glynneath
Local Centre	Gwaun Cae Gurwen, Ystalyfera, Crynant, Resolven, Croeserw, Heol Jiwibili, Cwmavon, Fairwood Drive / Lodge Drive, Baglan, Pentwyn Road, Baglan, Fairway, Sandfields, Margam

The existing retail centres are supported by NPT and aim to meet the day to day needs of local residents and act as a focal point of the community. Neath and Port Talbot Town Centres, Harbour side and Glynneath have been allocated for retail development and in order to reinvigorate the valley areas a more flexible approach to applications for shops will be adopted. It is noteworthy, however that NPT residents expressed their desire for quirky and unique shops as shopping centres tend to be the same everywhere.



EDUCATION AND SKILLS



The population of NPT (aged 16-64) is expected to decrease by 5.7% by 2030 resulting in an even greater skills gap within the County Borough and the population aged over 65 is expected to increase by 24.8% by 2030. This will result in greater economic dependency of this population group, greater demand on health and care requirements and a strain on specific employment areas such as the Health Sector.

There is a link between qualifications, employment opportunities, income generation and ultimately economic and social well-being.

ATTENDANCE



- The attendance of primary age pupils decreased from 94.8% in 2014-2015 to 94.5% in 2015-2016.
- Secondary age attendance in 2015-2016 was 93.6%, the same as the previous year. Despite this, the ranking across Wales fell from 15th to 18th as the Wales average increased by 0.3% to 94.2%.

EXCLUSIONS



- The number of permanent exclusions across NPT increased to 20 from 10 in 2014-2015, 19 of which were in secondary schools. NPT continued to have one of the highest rates of permanent exclusion in Wales.
- The number of fixed exclusions increased from 703 to 846 (20%) in 2015-2016 with days lost rising by 14% to 1,823.

ATTAINMENT



- NPT's Level 1 (5 GCSE A*-G) performance in 2016 fell slightly from 96% to 95%.
- A*-C results for all A level entries in 2016 improved from 73.5% to 74.9% with A*A grades rising by 4.1% to 19.9% although this is below the national average of 22.7%.
- When BTEC's and other vocational qualifications are included for Year 13 pupils NPT's A*A grades increased to 29.4% (excluding those Educated Other than at School) which is over 6% higher than in 2014-2015, and this rises again to 36% when Welsh Baccalaureate grades are included.

NPT falls below the Wales and UK percentages for the full range of National Vocational qualifications and 15.5% of the population have no qualifications.

▼ Qualifications (Jan 2015 - Dec 2015)

Qualifications (Jan 2015 - Dec 2015)	Neath Port Talbot (Level)	Neath Port Talbot (%)	Wales (%)	Great Britain (%)
Individual Levels				
NVQ4 And Above	24,000	27.7	33.7	37.1
NVQ3 And Above	39,300	45.3	53.1	55.8
NVQ2 And Above	58,400	67.4	72.2	73.6
NVQ1 And Above	68,900	79.5	83.6	84.9
Other Qualifications	4,300	5.0	6.0	6.5
No Qualifications	13,500	15.5	10.5	8.6

The percentage of Year 11 school leavers known not to be in education, employment or training (NEET) fell significantly in NPT between 2007 and 2012. Although it did rise again in 2013, it has gradually fallen each year, but is still above the all Wales figure of 2.8%.

The growth of Apprenticeship schemes, including the Higher Apprenticeship, may go some way towards improving access to training and adult education as well as closing the qualifications and skills gap between NPT and the rest of Wales.

When compared nationally NPT had the 21st highest free school meal (FSM) entitlement out of 22 Welsh authorities during 2016. This entitlement is often taken as a measure of the socio-economic conditions of a school's population. It should be noted however that whilst there is a link between FSM entitlement and performance, many other factors affect pupil performance (source: Neath Port Talbot CBC Annual Report on Pupil Performance, 2015/16).

Whilst the performance of non FSM pupils in 2016 was similar to 2015, FSM pupils improved by 4.9% in English, 7.1% in Maths, 3.4% in Science, 14.8% in Welsh 1st language and 5% in the Core Subject Indicator (CSI*). This has resulted in the FSM/Non FSM performance gaps closing in all subjects.

*The CSI is achieved if a pupil is assessed as a Level 5 or above in each of the 3 core subjects.





INFRASTRUCTURE AND TECHNOLOGY



The UK government is funding the upgrade of the Swansea-London mainline, which should assist in greater and quicker movement of individuals into, out from and within the County Borough, resulting in opening up new employment opportunities for residents.

It has been identified that better transport links need to be provided to the valley areas for employment opportunities and to encourage people to visit these facilities and services, public transport is very limited during the evening and early mornings, which limits people accessing employment, education, health and leisure facilities.

Investment has been provided in recent years to improve and increase the provision of dedicated walking and cycling routes including two sections of the Wales Coastal Path, totalling over 50km in length and the establishment of the Cognition Mountain Bike trails and Great Dragon Ride Route. The development of commuter cycle networks will also improve access across Neath Port Talbot.

Technology and innovation could provide long-term catalysts for economic growth and it is estimated that by 2020 all NPT citizens will have access to superfast broadband and 50% of citizens and businesses having access to ultrafast broadband.

COUNCIL PREMISES



Neath Port Talbot County Borough Council manages approximately 220 units in eleven different locations. Ranging from 150 sq. ft. to 5,000 sq. ft., units are suitable for both new and existing businesses, as well as some specifically designed for young people in business.

PRIVATE PREMISES



There are also a wide range of privately owned industrial premises and land throughout NPT, ranging from 300 sq.ft. to over 50,000 sq.ft. For example:

Baglan Energy Park forms the first stage of Baglan Bay, the largest single development site in the UK totalling 500 hectares. The vision for the area is the phased development of business and manufacturing parks on a low-density quality landscaped.



Economic Development	2013 - 2014	2014 - 2015	2015 - 2016
Number of jobs created as a result of financial support by the Local Authority.	255	187	184
Number of new business start-ups enquiries assisted through Business Services.	429	361	271
Number of business enquiries resulting in advice, information or financial support being given to existing companies through Business Services team.	682	686	584

LAND/DEVELOPMENT OPPORTUNITIES



There is a good selection of new development sites and land opportunities offering excellent facilities and access available within NPT. Key sites include:

- **Baglan Energy Park**

This award winning business park, already home to GE Energy, Intertissue Paper Mill and Baglan Bay Innovation Centre provides a quality environment.

- **Harbour Way**

The £110 million road is a strategic highway improvement that will assist the regeneration of Port Talbot Industrial estate and the docks area and improve access to the seafront and Baglan Energy Park. The Port Talbot's Harbour side project involves regenerating more than 100 acres of the town's former docks quarter. It will transform the area into a new knowledge focused business hub, creating hundreds of skilled jobs.

- **Aberavon Seafront**

A three mile stretch of sandy beach with potential for leisure, commercial and mixed development opportunities. Alongside this, the River Afan Southern Corridor regeneration scheme covers an area of approximately 300 acres.

- **Port Talbot Deepwater Harbour**

One of the deepest berthing facilities in the world. Potential for development on 30 hectares of land alongside the harbour, an area with rail connections and close to M4 motorway.



- Coed Darcy

Coed Darcy urban village is a £1.2 billion, 400 hectare development located at the site of the old BP Llandarcy oil refinery. The development includes four schools, health and sports facilities, a community centre and shops as well as some 4,000 homes. The site will be served by a new link road and green transport will be a central theme. This sustainable development is supported by a partnership including the Princes Foundation for the Built environment.

- Glynneath A465

Approximately 34 acres of land available for commercial, industrial and mixed use development. Located on the Heads of the Valley road, the area provides excellent links to the Midlands.

- Fabian Way Gateway

Situated on the main route into Swansea Bay from the M4 motorway. This 4 hectares site provides both commercial and mixed development usage opportunities. The first company to locate on the site is global retailer Amazon, in an 800,000 sq.ft purpose designed distribution centre on 33 acres.





TOURISM



Tourism in NPT is a growing industry, which provides a vital and valid contribution to the local economy with annual increases in tourists. In 2015 alone there were 1.53 million visitors to the area contributing £110.13 million to the local economy. The tourism industry also provides more than 1,583 jobs within the locality. Significant investment has taken place in recent years strengthening the infrastructure and improving facilities.

Tourism within NPT is heavily linked to the natural environment and the cultural strengths of the County and therefore, protecting and developing environmental well-being, is key to improving the economic well-being of the region.

Specific investment has been made in mountain biking trails and facilities in Afan Forest Park and this is now one of the best established areas for mountain biking within the UK. In particular, investment through the Cognation Mountain Bike Trails South Wales project has further strengthened the mountain biking product across the region, creating one of the most exciting mountain biking destinations in the world.

NPT also benefits from tourists accessing the Brecon Beacons, Swansea and the Gower Peninsular.

It has however been noted that NPT lacks any unique selling point, limited disabled access to some attractions and no clear sense of arriving with no welcoming gateways to the region.





WHAT YOU TOLD US ABOUT ECONOMIC WELL-BEING IN NPT...

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THE MEANING OF ECONOMIC WELL-BEING SURVEY RESPONDENTS IN NPT

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FACTORS THAT CONTRIBUTE TO ECONOMIC WELL-BEING SURVEY RESPONDENTS IN NPT

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Of concern to individual's mental health, one in ten survey respondents mentioned 'stress' or 'worry' when talking about economic well-being, suggesting that the two may be linked. Indeed, individuals at the workshop discussed about debt / money worries as being an aspect of economic / financial well-being.

The two most important factors that contributed toward achieving economic well-being were having a job and a good standard of living. Slightly more than half of the sample (51 per cent) mentioned 'job' – which rose to two thirds of the sample (66 per cent) when related words were included¹. And a quarter (26 per cent) mentioned 'standard of living'.

When asked for two things that would improve their economic well-being, a third of survey respondents (36 per cent) said a pay increase. Other comments referred to reductions in living costs for example:

"Affordable living. Less bills to pay" (survey respondent)

For those without a job, economic well-being was seen as hard to achieve, because of a disability, or through having to care for children. Childcare costs were seen to neutralise any increases in income that might be achieved through choosing employment over claiming benefits.

Others mentioned the trade-off between the number of hours they could work and the negative impact it had on the benefits they could claim. There were also fears about the prevalence of zero hour contracts which provided limited job security.





HOW WILL ECONOMIC WELL-BEING BE AFFECTED BY FUTURE TRENDS?



The aging population will bring employment opportunities, particularly in the health and social care sector however there will be a significant economic cost and effect on health and social service provision. Unemployment should continue to fall, however it is unlikely that this rate will fall in line with the Welsh average. The decrease in manufacturing employment and industries is expected to continue whilst new developments such as the Swansea University Science and Innovation Campus and redevelopment of Baglan Bay could help to stimulate spin off activity in the area.

The Swansea Bay Tidal Lagoon is a renewable energy project will generate significant investment in leisure and tourism industries in addition to opportunities in the construction sector.





NEATH PORT TALBOT PUBLIC SERVICES BOARD
WELL-BEING ASSESSMENT

