



Welsh Affairs Committee

Oral evidence: Impact of Population Change in Wales, HC 103

Wednesday 6 December 2023

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Members present: Stephen Crabb (Chair); Virginia Crosbie; Ruth Jones; Robin Millar; Mr Rob Roberts.

Questions 1 – 60

Witnesses

I: Emma Rourke, Deputy National Statistician and Director General for Health, Population and Methods, Office for National Statistics; Jen Woolford, Director of Population Statistics, Office for National Statistics; Professor Michael Woods, FAcSS, FLSW, Professor of Human Geography and Co-Director, Centre for Welsh Politics and Society, Aberystwyth University; Meirion Thomas, Director—Wales, Industrial Communities Alliance.

Written evidence from witnesses:

- [Professor Michael Woods](#)
- [Office for National Statistics](#)



Examination of witnesses

Emma Rourke, Jen Woolford, Professor Michael Woods and Meirion Thomas.

Q1 **Chair:** Good morning. Welcome to this session of the Welsh Affairs Committee. Today, we are beginning a new inquiry into population change in Wales. We are interested in looking at what is happening to demographics in Wales, why that matters and what the impact is of those changes on the economy and society of Wales.

I am delighted that we are joined this morning by four experts in this field. We are joined by Emma Rourke, who is the deputy national statistician and director general for health, population and methods at the Office of National Statistics. We are joined by Jen Woolford, director of population statistics at the ONS. We are joined as well by Professor Michael Woods, professor of human geography at Aberystwyth University and co-director of the Centre for Welsh Politics and Society. We are also joined by Meirion Thomas, director for Wales of the Industrial Communities Alliance. Welcome, all.

Perhaps I can start the discussion by asking representatives from the ONS whether you could just give us a very quick snapshot of what the data is telling you about what is happening with the Welsh population, how it is changing, what the trends are and why that should matter to us.

Jen Woolford: The story of population change in Wales is similar to the story globally and in the rest of the UK, in that it is a story of population growth and population ageing. If we look into a bit more detail of what is happening in Wales and how it differs in particular from England, the population growth over the 10 years between the 2011 census and the 2021 census was much lower in Wales than it was in England. Over that 10-year period, it was about 1.4% in Wales, compared with 6.5% in England.

What has happened in the 12 months between mid-2011 and mid-2022 is that that population growth has really increased. Over that year, the population growth was about 0.9% compared with 1% in England, so running at a much more similar rate, largely driven by the country opening up again post Covid, and by students in particular.

If we look in a little more detail at what is driving that population change in Wales, it is made up of three things. It is made up of natural change, which is the difference between births and deaths, international migration, which is people coming from outside the UK to settle in Wales and live there for more than 12 months, and internal migration, which is people coming from the rest of the UK and moving into Wales.

What is interesting in Wales is that there have been more deaths than births over the last decade, so natural change in Wales is negative, which means that, if there was no population movement at all, the population of Wales would have been decreasing over the last decade. That is



HOUSE OF COMMONS

compared with just under 3% population growth from natural change in England, so there is a different story happening there.

All of the population growth in Wales has been driven by a combination of international and internal migration contributing roughly the same amount over the last decade. That is driven largely by students and people of student age—those in their late teens or early 20s—moving to Wales to study. As you might expect, there is then some out movement of people for work purposes once they have graduated. An interesting thing that bucks that trend a little bit is that there are more families moving to than leaving Wales. We have seen a little bit of an increase in young families.

If I talk very briefly about population ageing, we are seeing in Wales an ageing population. There is an increase between the 2011 census and the 2021 census in the percentage of the population aged 65-plus. It is slightly higher in Wales, at 21.5%, than in England, at 18.6%, so a slightly older population. In 2021, the median age in Wales was 43, whereas, in England, it was 40, so a slightly older population. Those were the main points around population change that I wanted to draw out.

Q2 Chair: Thank you. That is very helpful. Is the Wales data being skewed at all by the Cardiff metropolitan effect? I represent a seat in far west Wales. It is rural, peripheral and coastal. The general sense that I have had is that it is getting older and that we are swapping educated young people for older people moving in for retirement purposes. Is that too crude? Would the data back up or contradict my hunch?

Jen Woolford: The data would support that. The areas with the largest growth following the census were Newport and Cardiff, and the more rural areas and north Wales were those that saw population decline in those 10 years between 2011 and 2021 in the census. Again, unsurprisingly, a lot of that is driven by students moving into the areas with universities.

Q3 Chair: How granular is your data for population changes in Wales?

Jen Woolford: From the census, we can get right down to small areas and, for some things, output areas, which is about 150 households. If you want to look particularly at census data, you can get down to very small areas.

Q4 Chair: Are there any localities or areas in which you have seen dramatic shifts in the time period that we are talking about?

Jen Woolford: Going down to that small area, I would not be able to tell you off the top of my head, but, as I say, Cardiff and Newport were showing a significant growth.

Professor Woods: Could I add to that? In terms of rural Wales, the broad trends that Jen has described hold, but the main trends in rural Wales have been decelerating growth since the start of the century and



HOUSE OF COMMONS

increasingly negative natural population change, offset by increasing inward migration from other parts of Wales and other parts of the UK.

Within that, what you also see, as you have mentioned, is out-migration of younger people and greater in-migration of older people, which has contributed to a drift in terms of the demographic age. You also see local fluctuations within this. That is both at local authority level and beneath that. At local authority level, they are, to some degree, distorted by student recruitment. In Ceredigion and Gwynedd, the overall patterns of migration in and out, and population change of those counties, is, in many ways, closely related to changes in cycles of student recruitment. In contrast to perhaps what is seen in Cardiff and Swansea, that in-migration by students is also offset, to a large extent, by the out-migration of graduating students. The figures really suggest that those universities are not retaining graduates in those local areas.

If we then come down to the granular level of individual communities, there is a broad pattern that holds across much of rural Wales, which is about the growth in the more accessible areas closer to the major urban settlements. There is a significant decrease in two types of areas—more remote, smaller communities in rural Wales, particularly in areas around the Cambrian mountains, the Brecon Beacons and Eryri, as well as along the coast, as you have mentioned. Some of the largest drops in population have been in many of those more coastal communities. You have seen very significant falls in population in places such as Aberdyfi, Abersoch, Tenby, New Quay and Aberaeron.

There is a combination there, where, internally in the rural communities, that out-migration of younger people is not necessarily being replaced by significant inward migration in the coastal communities, with the added factor of conversion of housing to second homes and holiday lets.

Q5 Chair: Thank you. That is really helpful. By way of follow-up, Professor Woods, would any of that data give you cause for concern? Would you be saying to us, as parliamentarians representing seats in Wales, “These are the trends in this mix that you need to be really quite concerned about”?

Professor Woods: There is cause for concern about communities that have persistent negative population change, and there is concern about the impact of that on the viability of local services. There is a potential for a vicious circle there, whereby, once you start losing services because of the population falls, it becomes less attractive to others to move in. The long-term trend is a loss of population in more rural and coastal communities, and more population concentrating in towns, which might be an issue of concern when it comes to service provision and the viability of smaller communities.

There is a particular issue around majority Welsh-speaking communities. I do not have the details to hand in terms of what might be the composition of in-migrants and out-migrants from those, but we are certainly seeing a number of those communities, particularly in



HOUSE OF COMMONS

Carmarthenshire and in north-west Wales, crossing from being majority Welsh-speaking communities to dipping beneath that.

Q6 Chair: Meirion Thomas, what are your takeaways from this discussion that we have begun about what the data is telling us, and what key points should policymakers be alive to?

Meirion Thomas: The alliance represents eight local authority members, stretching from Torfaen and Blaenau Gwent to Carmarthenshire—the industrial south Wales valleys. What we see there is that the valleys have been amazingly resilient, given the collapse of local economies and industries over the last 40 or 50 years. They have tended to adapt, but, as I am sure you will be aware, the valleys are all different from each other.

For instance, Merthyr Tydfil, which is the smallest authority, does not seem to lose a lot of its population. People move out to work and move in to work, so there is a flow both ways and they are well connected in that respect. If you look at Rhondda Cynon Taf, the situation is much more fluid. There is no easy way out of the north end of the valleys, and there is not much space for industrial development left, particularly in the Rhondda valley, and so people are forced to commute out to work.

If you look at the movement flows, the Cardiff-Newport effect is much more pronounced in Rhondda than it is in Merthyr, but it is also more pronounced in Caerphilly, so these economies and communities are really closely connected.

You asked the question of my colleague Michael as to whether we should be concerned about this. It has always happened. People moved into the valleys to work in industries that were geographically located, certainly from the middle part of the 19th century onwards, and most of them, remarkably, have stayed there, but they will move in and out.

The question for Government and for politicians is what you put in place, first of all, to mitigate the ageing of the population and the tendency for younger people to be more mobile, which is natural. I was brought up in the valleys but I have not lived in the south Wales valleys for 40 years. I have lived elsewhere in Wales. Mobility is key, is it not? We all do that. I am sure that many of the members of this Committee moved out, and some have gone back and some have not, but you have that choice. We need to find ways of mitigating that by providing not just job opportunities but good-quality job opportunities.

Q7 Chair: Can I just jump in there and slightly push back on your comment there about the resilience of the valleys, which is positive, and that sense of, “It has been ever thus”? As far as I understand—and perhaps the ONS representatives can question me on this if this is not the case—Blaenau Gwent has seen one of the sharpest rates of population decline over the period that we are looking at. Does that not cause you to feel some concern about the vitality of that valley and community there?



Meirion Thomas: As I say, the valleys are all different but are all connected. The situation in Blaenau Gwent is compounded, because the steel industry declined and moved from there quite late on in that process. That was not the expectation, whereas, in some of the other valleys, the decline in the coal industry and other industries happened earlier. There is a time lag, I would suggest. I could be proved wrong on that, but that would be my interpretation of that move. Also, of course, Blaenau Gwent is adjacent to more affluent rural areas, where there are more opportunities and more housing opportunities, et cetera, so that will have taken population away from Blaenau Gwent.

Q8 **Chair:** Ms Woolford, how much detail can you get in terms of data around inward migration particularly to Wales? We often see reported immigration statistics for England and Wales. Are you able to get a relatively clear picture of inward migration into Wales, particularly from overseas?

Jen Woolford: Yes, we can, and we can break that down to local authority level as well, because that feeds into our population estimates. We will get those figures by age and sex at local authority level every year as we produce our population estimates. From the census, you can really drill down into more detail. We have address one year ago, nationality, country of birth and things in the census, so you can really get a feel for how local communities are made up, particularly with international migrants as well.

Q9 **Ruth Jones:** Thank you for giving your time this morning. It is really helpful to have you in the room. Can I go to Ms Rourke and Ms Woolford first of all? As the Member of Parliament for Newport West, we have seen population expansion of nearly 10%, as you have very clearly highlighted. Is this migration from other parts of Wales or coming into Wales? Can you drill down that far? Is it about attracting the talent in, or is it something as crude as housing costs being cheaper in Newport than, say, Bristol?

Jen Woolford: I apologise for not having at my fingertips the precise breakdown between internal and international migration to Newport. Given the numbers of both international and domestic students moving into the area, I would expect that to be driving a lot of the population change in Newport. It is a balance between international and internal migration.

Q10 **Ruth Jones:** I am just interested because the student population within Newport seems to be decreasing, because we are having students from Bristol housed in Newport and travelling to Bristol universities, so I am a little bit confused. The information that I got on the ground is not quite the same as that.

Jen Woolford: Over the last couple of years, because we had lockdown during Covid, a lot of international students did not travel to the UK, and students did not move to their place of study. A lot of the population



change that we have been seeing over the last couple of years is driven by that move out of lockdown.

- Q11 **Ruth Jones:** Professor Woods, looking at the positive experiences in Newport, for example, of people coming in, can we take any lessons here to other areas of Wales that might be experiencing a decline? Can we take lessons across? Is that possible?

Professor Woods: I am sure that there are lessons to be learned. A challenge in making that particular connection is that many places in Wales that are experiencing population loss are very different in character, accessibility and so on than Newport. With my focus being more on rural areas, the declining rural areas are smaller, remote communities. The kinds of factors that drive population growth—part of which, as you mentioned, may be people commuting to places like Bristol or Cardiff—do not apply there.

There may be lessons, perhaps more relevantly to communities within the valleys, which are perhaps more similar. We mentioned places like Merthyr Tydfil and Blaenau Gwent, with Blaenau Gwent particularly being relatively close to Newport. I am sure that there are lessons that we might be able to draw on there about how you begin to replicate some of that population growth in somewhere like Newport. To some extent, it may be a matter of time in terms of a drift of the frontiers, if you like, of people being pushed out of cities such as Cardiff and Bristol, and maybe those are reaching Newport now. Over time, they may start pushing further up the Gwent valleys.

- Q12 **Ruth Jones:** Anecdotally, young people are already buying houses in the valleys and still working. Mr Thomas, do you have anything else that you would like to add to that?

Meirion Thomas: Good evidence is starting to emerge, although a lot of it is still anecdotal evidence, that places like Pontypridd, which has been a pivotal town in the valleys for 200 years and gone through a period of decline, is starting to reverse that decline in terms of its facilities, its transport connections and its attractiveness as a commuter town largely into Cardiff, bolstered by the university on the outskirts. You can see those infrastructure developments and investments and that change of focus for some of the towns beginning to have very positive effects. They are probably not showing up in the statistics yet, but they are likely to appear, certainly in the next 10 years.

Ruth Jones: I am sure that we will come back to transport.

- Q13 **Mr Roberts:** Good morning, everybody. We appreciate your time. Professor Woods, I want to come to your first. We saw yesterday, sadly, some further confirmation that, under the Welsh Government, educational standards have hit some record lows and continue to fall further behind the rest of the UK. On a recent outreach session with pre-university students, they reported to Committee members that none was planning to go to university in Wales, preferring to move away. What are



the economic impacts of young people leaving Wales?

Professor Woods: I will answer that question in two parts, because I want to comment first upon the drivers and then the impacts. We undertook a survey of young people in rural Wales—this is specifically rural evidence that we have—where 40% said that they expected to leave Wales in the next five years. The critical moment for many of us is deciding to go to university. Of the young people in that survey who were at university, just over half were at university in Wales and just under half outside Wales, so we might drill down into intention against reality in some of those figures.

In terms of reasons for leaving Wales to go to university, some of it is, quite naturally, students wishing to get a different experience and, particularly from rural Wales, an experience of living in a larger city. If you are in north Wales, in your constituency, for example, it is more natural to go to Liverpool or Manchester than it is to go to Cardiff. There are lots of quite understandable, natural dynamics there that we need not be too concerned about.

There are other factors beneath that, which perhaps do need drilling a bit more into. Certainly, some of them reported that they felt that they needed to leave Wales to go to university because their subjects were not being offered. I was a member of the Diamond commission on student finance and higher education funding in Wales. One of the things that we looked at was this issue of students leaving Wales. We found that there were very few subject areas that you cannot study in Wales, so when they say, "We need to leave for our subject area", it means, "The choice available in my subject area in Wales is not as wide as I would like it to be", or, "The only university that offers it to me is one that I do not want to go to for other reasons".

Finally, there is a perception among a minority of students that universities outside Wales are of a better quality than those inside Wales. I have a vested interest in rebutting that and saying that Welsh universities, my own included, are very high quality and offer the equivalent level of education to those outside, but there is some degree of perception around that, which does need be challenged and looked at in terms of where that is coming from, and funding differences between universities in England and Wales potentially contributing to that perception. That is in regard to the first part of your question, and there are some issues to think about there.

The impact of this comes from students leaving to go into education or training outside of Wales and not returning. Over half of students who planned to leave Wales did intend to return to the local area at some time later in life, but many of them also reported that, "I expect to go to university and stay there at least for a while". Many of those who were at university outside of Wales reported that they did not intend to return either to their local area or to Wales.



HOUSE OF COMMONS

Part of that was about settling in a new city and liking that, and part was about friendship groups and meeting their partners from outside of Wales, but there was also a significant factor of people saying, "We do not think that there are the opportunities or the jobs in Wales in the areas in which I am now training and becoming qualified". Certainly, some graduates who had returned Wales reported, "We cannot find appropriate jobs in the subject area that I am qualified in. I will need to move away from that".

The economic implication of that is that we are losing students in key areas that we wish to grow in terms of our economy. There are wider issues that we might go into later in terms of mismatches between economic growth and availability of labour, and students' perceptions and career aspirations.

There are potentially challenges in terms of recruitment in areas such as healthcare and service industries, which are important, as well as, potentially, fiscal implications. If it is graduates who are leaving Wales, going into higher-earning professions and staying outside, there is potentially a fiscal implication from that in terms of tax revenue from workers, so you are particularly losing potential high-earning and, therefore, higher-tax-paying members of the population from Wales through that.

Q14 **Mr Roberts:** That is a very thorough answer. What do we know, therefore, about these people? What do we know about the demographics of the young people who are leaving? What is the general trend of their social background or their academic performance? Is there a trend that we can speak to?

Professor Woods: There is a trend. Going into higher education is a critical moment, so that has an implication. Half of the young population are accounted for in that, and half are not. Those who are going straight into employment are more likely to stay within Wales and within their local area. I do not have the demographic details in terms of background of those students, but there is a choice there and we might be able to infer some aspects from that.

Q15 **Mr Roberts:** Is that because the jobs that are available for them to go into are more manual?

Professor Woods: It is. For example, the cohort who are most likely to stay within a rural area are those who are going into what we might call the trades. They become electricians or plumbers, and they see opportunities locally. It is still worth noting that a quarter of responses to the survey who were in employment still thought that they might need to move outside Wales in the next five years, so it is not exclusively students, but it is more biased towards them.

There does appear to be a gender difference. It appears that women are more likely to leave than men. There are also geographical differences.



The areas where young people are most likely to say that they intend to move outside of Wales are Powys, Monmouthshire, Ceredigion and, to some extent, Carmarthenshire. In north Wales, there are slightly more who say that they are likely to remain in their local area, which depresses that figure of those moving outside of Wales. If they leave the local area, they are virtually all going outside of Wales, and less than 10% stay within Wales. If you look at places like Pembrokeshire, there are still more who are planning to move outside of than stay in Wales, but they are more likely to move to cities in south Wales.

Mr Roberts: Mr Thomas has been champing at the bit to come in.

Meirion Thomas: I just wanted to try to put a UK national perspective on this, because we should not beat ourselves up about Wales being worse off than anywhere else. The Institute for Fiscal Studies has just published a really useful report called "The changing geography of jobs". You may have received evidence from them. There is a really powerful piece of evidence in that, where they have looked at good graduate-level jobs, as you would describe them, across the whole of the UK. We are concerned about this, because we represent the old industrial communities in the midlands, in the north of England and in Scotland, as well as in Wales, so we are looking at it from a UK perspective.

If you take the west Wales and the valleys region, which is where they had the data for, less than 50% of graduates living in the west Wales and the valleys region were in what they describe as good quality graduate-level jobs. Even in east Wales, which includes Cardiff and Newport, less than 60% of graduates were in that quality of jobs. In London and the south-east, it is over 75%.

Q16 **Mr Roberts:** Why is that?

Meirion Thomas: It is do with the nature of jobs. You asked the question about manual and trade-type jobs in some parts of Wales. That has continued to be the position in the older industrial towns across the country, even in Manchester, Birmingham, et cetera, and the satellite towns to those places. It has not changed. Good-quality jobs in financial services, banking and a whole range of professional services are concentrated in London and the south-east, in research occupations, et cetera.

That is the case. It is the hard truth. That is where our economy has been driven. It is why levelling up is so important to the country. It is not just to do with levelling up in terms of regions, but in terms of opportunities for people to use the best of their talents and skills, where they are or where they may want to be sometime in the future, rather than being dictated by coming to London.

Q17 **Mr Roberts:** For whichever of our ONS panellists would like to answer, what are the main economic and non-economic factors behind the emigration of young people?



Jen Woolford: What we are seeing with young people is exactly as my fellow panellists have described. People are moving for study purposes and for employment. You are seeing an influx as well into south Wales—into Cardiff, Newport and Swansea—so there is population growth happening there with young people, but it is largely driven by education moves for students and for employment.

Q18 **Mr Roberts:** If I made a blanket statement, I am generally getting the gist that we have a lot of young people who move away to work and then come back in later life. We have school-age people and pension-age people, and not necessarily so many what we will call economically active people in the middle. Is that generally the trend?

Emma Rourke: We do see a trend of families coming back, so that blanket statement could be caveated with the fact that we are seeing some movement later on in the age band of 16 to 64. We are also seeing lower rates of self-employment, for example, in Wales compared with England, so it is not just about direct employment where we are seeing a differentiation.

Q19 **Mr Roberts:** Has that self-employment number changed before and after Covid?

Emma Rourke: This is according to the census estimate that we saw during the pandemic.

Jen Woolford: Overall, in percentage terms, we are seeing the population under 16 and the population between 16 and 64 declining over that 10-year period, and the proportion of the population aged over 65 has increased. The population under 16 is around 17.5% of the population in Wales, the working-age population is just over 60%, and the older population is around 21.5%.

Q20 **Virginia Crosbie:** Could I ask a supplementary to Professor Woods? You mentioned gender and that women were more likely to leave compared with men. This does ring some alarm bells, and I was wondering whether you could give us a little more detail.

Professor Woods: It is interesting. This is not just a Wales-specific fact, but one that we see certainly in Europe and beyond in terms of out-migration from rural areas, where young women are more likely to move away and young men are more likely to stay. It is a combination of factors, and it is difficult to pin that down to one. It is partly around economics and employment opportunities.

There is perhaps a perception about some of the employment opportunities that are available to and seen as valuable careers by young men, which is more apparent in rural areas, such as continuing in farming, or jobs as an electrician or a plumber. Those are seen as reasonable, credible careers for young men in particular, and perhaps there are more opportunities in some of those areas to stay in the rural area than what might be seen as traditional career opportunities for



HOUSE OF COMMONS

young women. I do not want to follow gender stereotypes here, but there is a perception around what opportunities there are, which partly shapes that in terms of opportunities to move away.

Some of the research flags up other factors that may be around lifestyle choices, or that it is probably still more likely that, in terms of couples coming together and partnering, women are more likely to move than the men in some communities.

There are a range of factors there that are quite difficult to get into without reinforcing gender stereotypes around that, but there is some evidence there of some of those factors playing upon this. It does have implications in terms of the balance of population in areas. While I have not necessarily seen detailed evidence of this in Wales, wider international research on this issue links this to a sense of frustration of young men who feel trapped or feel less valuable. There are issues around mental health and a suicide risk among young men in rural areas.

In some countries, we are seeing political elements of that in terms of young men drifting towards more extreme political positions. There are links to that sense of being left behind and not moving, which is a factor in rural young men. Fortunately, we are not seeing and do not have significant evidence of that in Wales at the moment, but there is a slight warning there of a context towards that, which we may wish to be mindful of.

Q21 Ruth Jones: I would like to probe a bit more deeply into the emigration of young people. You have said very clearly that this issue of migration of young people has gone on for decades or centuries, but there is anxiety and concern on the part of policymakers and stakeholders within Wales that it appears to be a constant drain now. What tools do the UK Government, the Welsh Government and local authorities have at their disposal to ensure that, if not preventing them going, we attract them back again after they have been out for education or whatever?

Meirion Thomas: The fundamental question of economic development is, "What sort of jobs can you provide, and in what places?" I worked for a while for the Welsh Development Agency, and that was constantly the question in terms of how to get that balance right without directing industry into certain places.

There are two key issues here. One is that providing the jobs or encouraging and incentivising companies to invest in certain places is only one part of the issue, because you also have to then ensure that you are able to provide the housing and services that people who want to take up those jobs are able to access. The link between housing development and population change, at a granular level, is really quite stark.

For instance, when I told Merthyr Tydfil that I was coming here, I asked them to provide me with some information. One of the key things that



HOUSE OF COMMONS

they were able to point out is that, in the recent past, in only two periods has there been an increase in population in the Merthyr Tydfil county borough, and they can track both of those increases in population to very specific housing developments. In other words, if they did not have the housing development, they would not have had the population growth, because the housing was just not there. You need these things going in concert and alongside each other.

The other thing that I would say is that consistency of investment incentives and support is absolutely key. We have seen in Wales, as across the rest of the UK, a dismantling and an attempt at patching together new arrangements for industrial incentives, which have not worked, and we are now left in a position where nobody knows where you get the support that you need, from who or from what level of Government, et cetera, so we are left in that really difficult position. Those incentives tend to be very short-term. They tend to be, "This scheme is available for three years. It is available in this area or that area", et cetera.

We do not have what we used to have, going back to the 1930s, which was assisted area status. Those sorts of things have gone. It is arguable whether they should come back, and in what form. Certainly, the alliance argues for a continuation of the shared prosperity fund to replace EU funding for places like Wales. Wales would lose out very badly if we simply moved to a Barnett formula-related incentive scheme. Wales has particular issues and we need to continue arguing for things like the shared prosperity fund, modified to recognise need, and those needs are certainly there.

The other thing is that we have not learned the lessons of the past. Politicians and Governments of all colours and stripes, for all sorts of reasons, tend to think that the next big thing is the next idea, that they are going to support this, and that they will have a sector or a strategy, et cetera, to move forward. These sorts of investments that we see in other countries, in whichever sectors those countries support, tend to do it on a much longer-term basis. We do not do and have never done that in the UK.

A case in point, and one that is really important to the Industrial Communities Alliance at the moment, is the situation of the steel industry in Port Talbot, with Tata, as well as in Scunthorpe. For instance, we need to invest in the long-term future of a steel industry, not the steel industry that we have now. We do not need blast furnaces going into the future. There is a gap and a transition period between what we have now—blast furnaces—and what we need in the future, which are hydrogen-powered furnaces to produce the electricity to use electric arc in the direct reduction steel industry. If we do not know what that gap is going to be, by the time we get to having the technology and the capability of doing that, the communities and the site will have gone, and we will never replace our basic steelmaking industry in the UK.



We should be supporting, for instance, floating offshore wind in the Celtic Sea, because that will provide the opportunity for the electricity that we need in order to power production of hydrogen to produce that. That will not be around for another 10 or 15 years. We have to take that long-term view, but we need to continue to invest in what we do and what we are good at. That will be one of the key things that will allow young people to stay in their communities, because there will be a commitment to do something over the long term.

We cannot divorce those political decisions about investment and long-term strategy from the choice that individual young people will make about whether they go to university and where, or whether they come back to Port Talbot, to Neath or to Bridgend or wherever else it is. Those things are intimately linked, and politicians need to think about those big decisions in terms of what it means to individual people on the ground for the next 15 or 20 years.

Q22 Ruth Jones: I am sure that we will come back to the short-termism in future interesting sessions. Professor Woods, do you have anything to add to that?

Professor Woods: Yes, I do. In the survey that we did of young people in rural Wales, we were able to segment that cohort into three categories. About half of that group are what we call intending leavers. They do not really have any intention of staying in their local area. The majority of them have a preference for living in a larger town or city and are going to leave. About 10% said that they are likely stayers. They have a preference for living in the local area and do not see a push factor in terms of employment, education or housing for them to leave.

The 40% in the middle are who we call the potential stayers. These are the young people who expressed a preference for continuing to live in their local area, but felt that they would need to leave, either for education, training or employment, or for housing. It is that 40% that, in terms of the 16 to 25-year-old cohort in rural Wales, equates to roughly 40,000 individuals, who are the key group to focus on in terms of making a difference.

We also asked what interventions might make them more likely to stay in their local area. The top ones, particularly for those potential stayers and particularly for those who are planning to move outside of Wales, were, firstly, more jobs appropriate to their intended career. 73% of those who expected to move outside of Wales said that that would make a difference to staying. Some 60% of those who were intending to leave Wales said that better-paid jobs would make a difference. Two thirds said that better transport connection to larger towns and cities would make a difference. Fourth was greater access to affordable housing, which was slightly less significant for potential stayers than overall, interestingly.

Economics and employment opportunities are at the heart of this. The problem with saying that most suitable jobs are intended careers is that



what those intended careers and suitable jobs are range vastly across that cohort. No one type or area of investment is a silver bullet to change this. We need a range of different types of economic opportunities created in order to appeal to that cohort of young people, who may stay if the employment opportunities were correct.

There is already a lot of good investment going in, from both the UK Government and the Welsh Government, through the growth deals and through the shared prosperity fund. Good strategies are being developed. Many in mid-Wales and north Wales are looking into areas such as green technology, biotechnology and high-value manufacturing, and there is a lot of sense in trying to develop those areas. If we then ask the young people whether they are interested in each of those sectors, 10% or fewer of those young people say that they would be interested in going into green technology or biotechnology.

Q23 Ruth Jones: Thinking about development, what about connectivity and transport? Mr Thomas, you already mentioned housing, but what about connectivity and transport? How could that better contribute to migration within or outside of Wales?

Meirion Thomas: We are all affected by connectivity, good or bad, but the improvements that have been made in road transport within the south Wales valleys have already had a positive impact in terms of the ability to travel to work. That implies that people move out on a daily basis and may gradually move out on a more permanent basis. Those sorts of investments need to be seen through. The South Wales Metro investment, when fully operational, will make a significant difference to the ability of the whole region. The Cardiff city region links those together.

Our local authority members in Caerphilly, Torfaen, Rhondda Cynon Taf and Bridgend are very positive about being part of that partnership, about the city region, and about being able to see investments that are being made for the benefit of the whole region coming to fruition and what that will mean for their populations.

It may mean that you end up with a series of satellite towns and communities around Cardiff and the M4 corridor, but that may be just where we are in terms of a state of economy. That is not necessarily a bad thing. In fact, it is a very positive thing.

Q24 Ruth Jones: If my colleague, Ben Lake, who, unfortunately, cannot be here today, were here from Ceredigion, he would be pressing to ask about transport and connectivity from rural Wales. What about that area?

Professor Woods: That is important. There is large-scale infrastructure. We go back to why young people are leaving rather than staying within rural Wales. That sense of the connections within Wales and there being better transport connections across the border into neighbouring parts of England is one of the factors there.



HOUSE OF COMMONS

One of the key aspects in terms of transport, particularly when we are looking at rural areas, is the declining provision in public transport, which is having an impact on where people are able to live and on economic recruitment. I interviewed a manufacturing company in mid-Wales earlier this year. One of the things that they mentioned is that they have been employing young people as apprentices straight from school at 16, who are then doing the training and day release. The particular areas that they were training in were not available at local FE colleges, because there was not enough critical mass to do that, so they needed to travel to south Wales.

They are 16 and 17, so they cannot drive. Previously, public transport allowed them to do that. Recent changes in public transport provision meant that that was no longer possible. We are now faced with a position where those young people are probably having to move out of their local area to get trained in order to enter those careers. The businesses also faced a problem of recruiting workforce into those jobs, because they cannot just recruit directly from school and train alongside that. Changes in public transport, particularly from rural Wales and connecting rural Wales with larger urban centres, are a real challenge in this dimension.

Q25 Ruth Jones: You have hit on it. What could the UK Government and Welsh Government be doing better to ensure that public transport enables people to move effectively within Wales? I am thinking of the Amazon site just outside Bristol, which has regular shuttle buses from the train station, so that people can travel in. What other things could they be doing within Wales?

Professor Woods: There is a big challenge in public transport. There is a sense of co-ordinating that and, to be fair, there are good efforts in trying to integrate aspects of bus and rail travel that are available. There is a better sense of understanding the implications of changes in transport timetables and routes for these issues of access to education and so on. My feeling is that there is probably not enough attention paid to that in terms of looking at what is supported. There certainly is a major issue for smaller public transport bus providers in more rural areas, many of which are in a very precarious position.

There is clearly a need for subsidy in that area. The cost effectiveness of that subsidy needs to be viewed through this lens of what the implications are in terms of the economy, opportunities for employment, and population movement. That needs to be figured in more in order to justify the levels of subsidy, which are going to be a cost to the public purse, but we need to recognise the necessity of that.

Meirion Thomas: Over the last few months, we have engaged with Transport for Wales. They have been very open and very anxious to talk to our member authorities as a group and to explain where they are with the development of the South Wales Metro and the rail lines into the Rhondda and into Merthyr, et cetera, which have all been completely



HOUSE OF COMMONS

disrupted. They are changing infrastructure there that has been there for 100 years, so it is a big job.

We particularly challenged them with regard to bus services, which, quite frankly, suddenly became their responsibility, which they were not set up to do. They were honest and said, "It is going to take us a while to work out what the situation is". As I was saying earlier, it is about making those decisions and understanding what impact they are going to have on individuals in communities—not just the logistics of it, but what impact it has on people—and then making a commitment and delivering on those plans. That is the main challenge.

I am with Michael in terms of it being exactly the same in rural areas. I know that rural counties are struggling to understand what they should be doing at this particular point in time, but I am sure that that will be sorted out in due course. I hope that is the case.

Ruth Jones: I am sure that we will return to that in the future.

Q26 **Chair:** You are being very polite about this issue. The fact is that transport services, particularly in rural Wales, are dire. We had the chief exec of Transport for Wales in here just a few months ago, putting his hand up and accepting that they are completely unacceptable and have been getting worse. You talk rather euphemistically about changes to bus services. What you are talking about is cuts to rural bus services. That is what is happening on the ground. You were slightly dancing around the issue.

These are, to use your language, Meirion Thomas, political choices. We should not be shy about talking about this, but it does mean that, as you say, 16 and 17-year-olds or young adults who cannot drive or do not have access to a car cannot take up apprenticeship or job offers, which is a real burden in rural communities.

Q27 **Virginia Crosbie:** We have had some major changes in transport in Wales so far this year with the introduction of the 20 miles per hour default speed limit. The Welsh Government have said that is going to hit the economy by more than £4 billion. Are we already seeing businesses not investing in Wales? Are we seeing people making career and lifestyle choices? Not only that, but this lack of investment in roads is having an impact on Arriva and the bus timetables, as well as things like cancelling the third crossing across to my constituency of Anglesey.

These are all choices, but the fact is that you cannot get a direct train from Holyhead, the second busiest port in the UK, to London. I am sure that all of you probably had to leave yesterday evening in order to get here on time, for which we are very grateful. There have been some major changes in transport infrastructure and, as you say, these are choices. How are these choices going to affect our young people in Wales?

Professor Woods: Improving transport connections is towards the top of the list in terms of what would help young people to stay in their local



HOUSE OF COMMONS

area. You are right that it is partly about access to employment, as the Chair mentioned, and shaping those opportunities. It is also a sense of balancing the positives and negatives of rural life. The majority of young people enjoyed living in their rural area and appreciated many of the aspects of that, but they also wanted access to the cultural side and so on. If the transport is not available to do that, they will be looking to move.

It has a very granular impact down to individual communities—and this is not just young people—in terms of the ability to stay in and move into some of these smaller communities. I have figures here from 2019, so it is probably worse now, but, for example, for residents in villages, hamlets, isolated dwellings in the most smallest and most remote communities, the average travel time to a food shop by car is nine minutes and, by public transport, one hour and 29 minutes. The average travel time to a primary school by car is eight minutes and, by public transport, one hour and 21 minutes.

When you look at those factors, that is a big disincentive, not only for young people but for families moving into and staying in those communities. If you are interested in the granular level of population change, access to transport is a major factor.

Q28 Chair: Can I just move the discussion on slightly, if I may, to older people and economic inactivity? First of all, could I ask ONS representatives what the data says about levels of economic inactivity of the working-age population in Wales? Is it significantly higher than elsewhere in the UK or is it about average? Maybe it is not fair to immediately throw that at you, so I will give you a moment to look through your papers.

Could I ask Mr Thomas and Professor Woods about this notion of Wales being older and sicker? we have heard the First Minister and others talk about that as a reason why Wales needs significant additional funding for public services. Would you agree with me that we should not necessarily frame the ageing of Wales's population through a negative lens and that there is a positive contribution? Whether it is people retiring and moving into the area, or whether it is just the indigenous population of Wales getting older, with fewer births, there are positives to that.

Professor Woods: Yes, there are. Some of my colleagues at Aberystwyth University, for example, have done work on the contribution of older people, particularly those recently retired, and the important role that they play in volunteering in community life. There are many community-based activities that are reliant on that age group. They play an important role in that economy, and we need to recognise that. There are benefits there.

We also want to pay attention to the fact that younger people quite naturally want to move and get different experiences, but the important thing might be that, given the opportunities for them to move back later



HOUSE OF COMMONS

in life, it is then difficult to complain when people do move back later in life, which naturally means that that contributes to ageing.

You are right, but there may be areas of concern in some localities where we are seeing quite significant shifts in terms of that population change. There are 117 rural wards in Wales where over a third of the population is aged 65 or over. There are a few where it is over 40%. You might ask what the appropriate balance is, and there might be some concern in individual communities that have a very older profile. On the whole, you are right that there are some negative aspects of that that we need to be aware of, but there are also positives that we should not dismiss.

Meirion Thomas: Looking at the older industrial communities of Wales compared to other parts of the UK, the old industrial coalfields across the UK generally have the same issues as we have Wales in terms of an ageing population within those communities as well as some of the industrial towns. There is also the issue of health inequalities and the proportion of the population who are claimants on incapacity benefits of one sort or another. The latest figure that I have here is that, across Great Britain as a whole, it is just over 5%. In the south Wales coalfield communities, it is more than 10%, so there is a significant and real disadvantage there.

One of our local authority members put it very starkly, saying that the older your population and the more people moving into retirement age and living on state pensions, et cetera, the fewer people you have contributing council tax. If you are then also losing young people, the burden on public services becomes really quite sharp. That is more of a granular-level issue around certain towns and communities, rather than collectively across the whole of Wales. I am sure that it is the same in rural parts of Wales as well, again at a granular level.

Q29 **Chair:** Can I come back to our ONS reps? Is a younger population always positively correlated with economic growth?

Emma Rourke: Intuitively, yes, but we can confirm that. It is important to see it over time.

Q30 **Chair:** Is it too crude and simplistic to see areas with younger populations bringing growth and prosperity?

Emma Rourke: Birth rate does not always correlate with economic growth, which is why it is interesting to see it over time. I would not necessarily take that as a statement of fact.

Q31 **Chair:** Coming back to this idea of Wales being older and sicker, I do not know whether you have had a chance to pull up any data on rates of economic inactivity in Wales. Is there anything significant for Wales on that?



HOUSE OF COMMONS

Emma Rourke: Looking at the latest figures, economic inactivity related to long-term sickness or disability in the 16 to 64 age range is 5.9%, compared with 4.1% in England.

Q32 **Chair:** It might be a small percentage difference, but small percentages of large numbers still give you large numbers.

Emma Rourke: Yes, but that is only a proportion of economic inactivity. We still have students and retired communities making up the entire economic inactivity population.

Q33 **Chair:** Something that we have seen a lot of in Pembrokeshire in recent years is older people selling properties elsewhere—it could be in Cardiff, London or Bristol—and bringing with them, perhaps having downsized, significant financial resources. When you talk to local housebuilders, for example, in Pembrokeshire, the most interesting and most valuable projects are those being funded by people moving into the area, bringing with them the equity that they have made on selling their properties, and renovating things. Would it ever be possible to try to quantify the economic boost to Wales from that trend, or is it too difficult and should we just rely on anecdotal data? Professor Woods, do you have a handle on that?

Professor Woods: It is an interesting question. We probably do not have the data on that immediately to hand, but it might be an interesting research study and it may be possible to try to look into that a little bit more. Some of my colleagues in Aberystwyth looked at this partly and did pick up this trend of selling a property and moving into areas in Wales where they could buy cheaper property and, therefore, improve their relative status. Interestingly, they were looking at this particularly around Swansea, so it is not necessarily a classic coastal Pembrokeshire village where this is happening. It is also happening in some of the more urban areas.

Q34 **Chair:** Swansea has a beautiful coastline too.

Professor Woods: It has, exactly, in terms of the Gower, but this was the suburban parts of Swansea, so it is not necessarily just the classic retirement villages where that is happening.

They also picked up that there are negative impacts from that, as you will be well aware from your constituency. If that is helping to contribute to higher house prices and excluding local residents, there may be a factor there, but you are right in saying that there is a danger of seeing that entirely in a negative sense without recognising that there is an insertion of capital into those communities from that.

One of the key factors about rural Wales in particular when it comes to wider economic development is that there are challenges of a lack of endogenous capital in many rural areas. That then raises the question of how you bring capital into these communities if there is limited endogenous capital.



Q35 Mr Roberts: I have a few questions about economy and employment generally, so it is going to be largely focused on the gentlemen there. Just before I do, I want to ask Ms Rourke about the economy. You have particular responsibility for health at the ONS, as I understand it. From the last set of data on working-age people in Wales, 33.8% were economically inactive because of long-term sickness. It will not come as a surprise to anyone in Wales—and certainly in the north—that, under the Welsh Government, we have, unfortunately, the worst-performing health service in the UK. How does that figure of 33.8% compare to other parts of the UK in terms of the reason for economic inactivity in working-age people?

Emma Rourke: I will have to get back to the Committee on the detail of that. I am afraid that I do not have that in front of me today. In terms of the point about the comparison of performance, we are doing some work specifically on coherent statistics to enable comparison, but, importantly, recognising the differences in data, policy and legislation associated with health as a devolved policy, in order to be able to give clarity to that comparison.

Q36 Mr Roberts: Professor Woods, in 1997, Wales and Scotland had broadly the same average annual salaries. Here we are 25 years later, and Wales now has about a 20% lower annual salary than Scotland. The economy in Wales continues to underperform compared to other parts of the UK. Is the changing population in Wales important in driving economic performance, or is the economy driving the population change?

Professor Woods: It is interesting. You are touching on something there that is a major challenge. It is this paradox or this vicious circle. I mentioned in my previous answer that, when we look at rural Wales in particular, there is a challenge of limited endogenous capital for the growth deals in rural parts of Wales. That is a big challenge that we are beginning to wrestle with.

If you want to drive growth, you have to have inward investment. Those looking for inward investment are looking for a number of things. I have done work, for example, on international investment into rural Ireland. Parts of it about setting, but transport connections, which we have touched on already, are important, as well as other incentives and appropriately skilled labour. This is where we get to the fact that there is a paradox here.

We have already mentioned young people and graduates in particular looking to leave Wales, because there are not the appropriate jobs in their area, but companies and enterprises being brought in to create those jobs are looking for guarantees of there being skilled labour available. How do you resolve that situation, where you need one for the other? That is one of the challenges that we have, certainly in rural parts of Wales.



There are perhaps ways of looking at that. There are ways of having a better understanding of areas in which young people are interested in going into by promoting careers in those areas that are linked to areas of economic priority and growth deals. We need better information on what degree schemes young people are going into and, therefore, what the availability of labour in those areas might be, which might be built into economic development strategies.

There are opportunities, perhaps, to think about how we link those economic development opportunities with areas of strength in terms of research and teaching in Welsh universities—there is obvious growth there—and to do better at retaining graduates from Welsh universities in Wales. That is something else that Wales is underperforming on at present. There is a real paradox there, and part of it is about a more integrated approach between these areas of planning.

Q37 Mr Roberts: You have given some evidence previously and quoted some young people in their own words. I have one of them here. A 21-year-old from Powys said, “I have a Biology degree and want to put it to use, and really struggle to find technician jobs in my area”. How widespread is that general message?

Professor Woods: That is coming across. I quoted some figures there. In terms of how widespread that is, 28% of young people who were in employment in rural Wales still thought they might need to leave Wales to further their careers. That view and that of others who gave similar statements—some of which I have quoted and some I have not—indicate that there is a wider perception of that.

Of course, biotechnology is an area that is a priority for most, if not all, the growth deals in Wales. There are efforts to try to develop these areas, but how do we link that, the growth of that sector and where that investment goes with individuals like the one who gave that response—who was in Pembrokeshire, if I remember correctly—and is saying, “In my local area, I do not see these opportunities”?

Q38 Mr Roberts: Mr Thomas, you represent the Industrial Communities Alliance. What can UK or Welsh Government do to make it attractive and to generate these jobs and retain working-age people?

Meirion Thomas: Let us go back a couple of steps. Again, we have to look at industrial communities—particularly those in south Wales, as well as, to a certain extent, those in north-east Wales—in the national context. You have not just population changes and an ageing population, but, in terms of the availability of jobs, the density of jobs per resident in the south Wales valleys, in particular, is much smaller than it is in other old coalfields in the UK. Sheffield Hallam University looked at this just before Covid. There were 42 jobs for every 100 residents in the south Wales valleys area. In the north and midlands, it was over 50, and the UK average was 73, so there is quite a significant difference there. There are a number of structural differences within the overall population.



HOUSE OF COMMONS

You also have to remember the geography. I was taking a *Guardian* journalist around the south Wales valleys, and one of the questions that he had was, "Why did the south Wales coalfield not have as many distribution jobs and large-scale warehousing jobs as the Yorkshire or north-east coalfields?" I had to take him halfway up the Rhigos mountain to prove to him that there is no space. There is no road access to the Heads of the Valleys that you could take a panttechnicon up safely. Physical geography still matters for many aspects there.

In terms of what can be done, although you cannot change the physical geography or engineer the basis of the population, we can focus quite a lot on graduates. We have achieved targets set back in the early 2000s of over 50% of young people going on to study at university, but, as I pointed out earlier, some of the really good-quality graduate jobs exist in London, not in other parts of the UK, and not even in Manchester or Edinburgh, although Edinburgh and Leeds are outliers because of their financial services industries in that respect.

As an alliance, we have been concerned about this, and particularly about the dilution of apprenticeships. Most jobs in our older industrial communities, including in south Wales, are still to do with manufacturing. They are still manual jobs of one form or another, even though, in Cardiff and other places, we have seen much more in terms of financial and professional services.

The way in which the apprenticeship system has been changed over recent years has meant that we do not have the same status given for industrial apprenticeships as we used to have. It has been watered down into a whole series of NVQs, et cetera. One of the things that the alliance is arguing for on behalf of its members is to reinstate the status of apprenticeships. You cannot return them to how they were in the 1960s and early 1970s, because you do not have the large industries that we used to have, but you can still validate apprenticeships that take a number of years to obtain. There are ways of doing that, and I can send the Select Committee a report on what we argue in that case. It really matters to our industrial populations.

Q39 **Mr Roberts:** That would be very helpful. I am a big fan of personal responsibilities and not relying on the Government to do everything. I agree 100% with changing apprenticeships, but what is the role of business? Should business be playing a role in meeting the challenges of population change by attracting more young people into Wales and also, often more importantly, retraining older people? Rather than saying, "Government, do something to help us", what should business be doing?

Meirion Thomas: That is a philosophical question as well as a practical one. I do not think that the alliance has a view on this. We represent our local authority members. We do not represent business in that respect, but we listen to what business has to say. Businesses do not like to be shoehorned into doing something that is not going to impact positively on their bottom line, so they have to be convinced that it is good for them to



HOUSE OF COMMONS

come back to apprenticeships. One of the selling points is that apprenticeships are good for businesses and what they can do.

It is important to involve business in the discussion, in partnership, about some of the things that we have been talking about, such as transport infrastructure, in order to understand how businesses are affected, for example, by the lack of bus services in the area in which they operate. Businesses need to engage in that and they need to be convinced. They need to be reassured that, if they do engage in that conversation and talk to local politicians, and to politicians in the Senedd and here in Parliament, they will be listened to and taken seriously, and that it will not be just lip service. As much as we talk about cynicism about politics generally in the UK, the business community are the most cynical about politics in the UK, because we get back to short-termism. They see things happening and then the rules changing, and they are completely cut out of the discussion.

Q40 Mr Roberts: Professor Woods, what is the role for business rather than just relying on Government? More importantly, does the business community have the tools that it needs to be able to meet these challenges, which may touch on the announcement that we heard yesterday with regard to immigration and the changes there? Can business do what it needs to do, or does the immigration system hamper them in some way?

Professor Woods: The challenge, particularly in rural Wales, is that we have a predominance of small businesses. We have relatively few large businesses and a missing middle of medium-sized businesses. Therefore, in putting the responsibility on business, particularly in things like training, size is a factor. We produced *A Rural Vision for Wales* with the Welsh Local Government Association, and one of the recommendations that we made in that was to look at ways of reframing apprenticeships and to allow them to be shared across smaller businesses and micro enterprises, and maybe to provide more back office support to smaller businesses to enable them to be involved in training and so on.

Immigration is part of the answer. Again, we did a survey 10 years ago, when 40% of businesses in rural Wales said that they had difficulty finding appropriate employees. Many of those gaps were being filled through the recruitment of overseas workers—at that time, predominantly from Europe. We do not have up-to-date figures to understand how that has changed subsequent to Brexit and other immigration changes.

The straight answer to your question is “not entirely”, but we also need to recognise that the capacity is partly down to the profile of businesses that we have.

Q41 Mr Roberts: Mr Thomas, without knowing the specific numbers, but going from “not significant” to “very significant”, how much of an impact will the change in salary being required for immigration, from £26,000 to



HOUSE OF COMMONS

£38,000, have in Wales?

Meirion Thomas: Across Wales as a whole, you would have to look at it from the point of view of what the average salary is within Wales. You might make an estimate as to how interesting or attractive that is.

Q42 **Mr Roberts:** For the people who normally go through an immigration route and take those jobs.

Meirion Thomas: I am sorry, but I do not have that sort of information or knowledge.

Q43 **Mr Roberts:** Anecdotally, do you think it will be a big change or not so significant?

Meirion Thomas: I am sorry, but I really cannot attempt an answer on that.

Q44 **Chair:** On immigration, we had a net figure of 700,000 people coming into the UK over the last 12 months. It is reasonable to presume that a proportion of them would come to Wales. Professor Woods, in the work that you have been doing looking at population changes in Wales, is it important that Wales continues to attract working-age migrants to support the population and fill skills gaps?

Professor Woods: Yes. They do come in. The figures that I have are specifically for rural Wales. In 2019-20, there were just over 2,500 net international migrants into rural Wales. It is less significant than internal migration, but it is significant, and it is important to think about where they are going. Our health service in rural Wales is, in large part, dependent on international migrants. As I said, many parts of the manufacturing sector had used significant numbers of international migrants to fill local shortages. We are seeing that in the care sector and in large parts of hospitality, which has an impact on tourism. There are labour shortages in hospitality that are affecting opening hours and the capacity for businesses to open. That has an impact on tourism. I do not see those labour needs being changed significantly through local recruitment any time soon, and so we continue to need international migration.

Q45 **Chair:** Should Wales have its own shortage occupation list within the framework of UK immigration law?

Professor Woods: That would be helpful.

Q46 **Chair:** Should Wales have its own salary thresholds for what constitutes the minimum threshold for a skilled worker to come into Wales?

Professor Woods: That would also be worth looking at, given that, as we have mentioned, the overall average salary in Wales is lower than the UK as a whole.

Q47 **Robin Millar:** Apologies for my late arrival at the Committee. I was tied up with another Committee meeting. On that last point, Professor Woods,



you say that it might be helpful to have an occupation shortage list. The simple fact is that there is no distinct Welsh economy. There is a UK economy. There are no border restrictions between Wales and the rest of the UK. People move freely on a daily basis for the purpose of work. That idea is a bit of a nonsense, is it not?

Professor Woods: There are challenges. I was keeping my answer short, as instructed, but that was the caveat that I would have given, had I given a larger answer. We are a single labour market. It is worth looking at particular shortages and how that relates to immigration or links to other incentives.

Q48 **Robin Millar:** Thank you for that clarification. On that point, would it not make more sense, for example, to differentiate between rural and urban areas, given the distinctive characteristics that they have?

Professor Woods: The answer that I can give you is that these are questions that should be considered. What you are raising here is a more detailed question that we need to consider about whether Wales is the appropriate unit to look at, whether it is rural versus urban, or whether there are other distinctions. Some degree of thinking about whether it is worth differentiating shortage occupations and salary levels to reflect different parts of the economy is an important suggestion and one worth doing. More analysis would need to be done to understand what the best way of providing that is.

Q49 **Robin Millar:** I want to come to that. I am in north Wales. As a resident of north Wales, born and raised in Bangor, I could talk to you at length about the differences between north Wales and south Wales, between north-east Wales and north-west Wales, and between Ynys Môn, Gwynedd and Conwy; they are significant. In Gwynedd, for example, 64% of the population are employed in public sector jobs, which gives a very specific cant to the understanding of labour market economics in that particular part of Wales, so that question of the unit that we review is important.

If I may turn, though, to Ms Rourke, in response to my colleague, the hon. Member for Delyn, you mentioned some work that was ongoing for comparison purposes across the UK. Could you just elaborate on that? In particular, I am interested in the difficulties that you might find, because there are different centres of excellence in different parts of the UK that look in detail at statistics.

Emma Rourke: We have a concordat for statistics across the United Kingdom. We are the UK's national statistical institute, but we partner with chief statisticians in the devolved Administrations and have been looking at health over the last year. We have identified six indicators, largely relating to NHS and healthcare service performance, ambulance waiting times and referral to treatment times, where there may be different data designs and local policies that have previously made it challenging to make comparisons.



We recognise that, for the benefit of the citizen as well as policymakers, we should do more to increase the understanding and coherence of statistics relating to these areas. This is just the very beginning of a much broader and, hopefully, richer and longer-term piece of work, but we have issued blogs and ways to support users to navigate what may be enduring differences.

Q50 Robin Millar: Some of this is familiar to me already, but the key point that I am interested in is the difficulties that it may present and the difficulties that you have found through working on that concordat.

Emma Rourke: The data point is, hopefully, answering that question. With their devolved nature, individual nations have created their own data systems. The definition of the target or, indeed, of the unit of measurement means that, when you bring together to attempt coherence, it becomes challenging.

Q51 Robin Millar: Indeed it does, and the UK national statistician, in evidence to the Public Administration and Constitutional Affairs Committee in September, said exactly the same thing. He said, "We have found it very difficult recently to collect comparable data for different administrations across the UK on the health service, for example", and then a bit later, in further evidence, he said, "Basically, we cannot do it". I attempted to introduce a new clause in the data Bill that sought to seek that comparability. The key question that I have for you is whether this is this having an impact on census-related data and population-level data, or is it confined to issues such as health?

Emma Rourke: It is not confined to issues such as health. We do see variance across other policy areas as well. As we use admin data to support the census, in particular as we have seen in Scotland, we are understanding some of the artefacts in the data and how that relates to population.

Q52 Robin Millar: Ms Woolford, I noticed that there was some controversy in the press recently about the ONS's shift from a decennial census to administrative data. Could you briefly explain the reasoning behind that move, or is it still a proposal at this point? Is there a particular relevance to Wales as a devolved area in that move, or what are the implications for Wales in that move?

Jen Woolford: Our existing system of population statistics is based on the decennial census, the latest of which was in 2021. There are lots of fantastic things, and I could talk forever about what is great about the census, but it has drawbacks as well. It is quite expensive. It is quite difficult to manage and is something that has this big peak and trough to it. It also gets out of date quite quickly.

A good example is from when we were providing evidence for Covid during the pandemic. We wanted to look at very small areas and say what might be driving local outbreaks, but the latest data that we had was from 2011. Where there had been some local area change, we could



be really out of date in terms of the ethnic makeup of the area or of occupations.

We really want to move to a model that provides granular statistics and reflects population change much more quickly than a census would do. We have done a lot of work to look at how we can improve our population estimates using linked administrative sources and how we can improve our understanding of the characteristics of an area using administrative data. We have also done lots of work on how we understand international migration flows better, for example by linking visa data.

Over the last couple of years, we have published quite a lot of research looking particularly at what we get from administrative data and how well it compares to the 2021 census in order to give us an idea of quality. We have just run a big consultation on how well what we can do with admin data matches user needs. That consultation closed at the end of October and we had over 700 responses to that, which exceeded our targets, and lots of them were very detailed—pages and pages long. We are still working through all of those consultation responses.

Lots of people decided to publish their responses, so you will have seen some of the reactions. There are a lot of people who are very wedded to a census, but, as I said, a census has a lot of drawbacks. We are in a position where we should be publishing a summary of those consultation findings early next year, building to a recommendation from the national statistician on the future of population statistics.

Q53 Robin Millar: Will that include a consideration of the merits of a devolved area versus not, or the impact of a granular administrative level data versus a decennial set of data?

Jen Woolford: Yes. The work that we are doing with admin data is for England and Wales, the same as conducting the census there. We have the concordat with the devolved Administrations in Scotland and Northern Ireland as well. What we aim for there is harmonised and comparable outputs. It does not mean that we have to do it in the same way. The recommendation that the national statistician will make is for the future of the population statistics system in England and Wales.

Q54 Robin Millar: I must challenge you on this, because the evidence of having different approaches in Scotland, England and Wales was that there was conflict produced because of a difference in the phrasing of questions. How are you going to have confidence that going to an administrative level of data is not going to produce further conflict and confusion?

Jen Woolford: As Emma has already said, differences in definitions and different methods of collecting the data does mean that there will be some differences between the different data sources. We have always had that, so we have asked different questions on the census. We try to align things as much as we can, so that, at least at a high level, you can



look at comparable ethnic group statistics, for example. We have different questions but we try to keep it comparable at a high level.

It will give us challenges, but a big part of what we do is trying to explain our confidence in the variability in the data, and to explain what can and cannot be compared for those reasons. We are never going to get something that is absolutely the same right across the different countries of the UK, but what we want to get to is a system that can be understood, where differences can be explained, and where you have to be careful in making comparisons. That is very clear and very transparent in our statistics as well.

Q55 Virginia Crosbie: My question relates to the Welsh language. There is a Welsh Government target of a million speakers by 2050. Disappointingly, the number of Welsh speakers has been declining. What impact is the Welsh language having in terms of people staying but also people moving to Wales?

Meirion Thomas: I do not have any hard and fast evidence to provide you with on that. For our membership in industrial south Wales, it tends not to be too much of an issue. Anecdotally—and I should have declared an interest—I can tell you that I am one of those people who sold a house in south Wales and moved to west Wales, so I was one of the incomers.

Welsh is my first language. I learned it at home in the south Wales valleys, quite unusually for my generation, and it is only latterly, living in Ceredigion, that I have been able to use my Welsh almost on a daily basis, which is fantastic. I worked around Europe and the UK, so I did not use it a great deal prior to that.

What I am finding is that, in the community of which I am now part, around Aberteifi in the Teifi valley, you have a really good mix of people. People have moved there from England and from south Wales, and a lot of people have stayed or have come back. More and more people are recognising the value of speaking Welsh and of being able to speak Welsh within the community in which they have now settled. We do not have an Abersoch in Ceredigion. We do not have that concentration that you have there, and so people tend to fit much more naturally into the population, otherwise they would probably feel slightly isolated, and they recognise the value of it.

Personally—it is anecdotal; I am sorry—it is a positive thing. As I say, in the industrial south Wales valleys, it is not such a big issue, but I do recognise that the largest number of Welsh speakers in Wales is in Cardiff. My granddaughters live in Cardiff and they speak Welsh.

Professor Woods: It is one of the distinctive aspects that we are talking about with these trends in Wales and elsewhere, many of which can be recognised in other parts of the country. Again, in a survey of young people in rural areas, one striking statistic is that just under a third of



first-language Welsh speakers expected to leave Wales in the next five years, so there is a language dimension to this. If they leave Wales and do not come back, and if they are not using Welsh in their everyday life, the intergenerational transmission is affected. That is one of the big issues that we need to be concerned about and thinking about.

In many cases, it is employment. Over half of first-language Welsh speakers thought that they would need to leave their local area in order to find a job. First-language Welsh speakers were also much more concerned about housing and housing affordability as a factor for moving than all other categories. It is interesting that the distinction is greater between first-language Welsh speakers and fluent second-language speakers than it is between fluent speakers and others, so there is a big cultural dimension here. That housing concern may be due to a greater interest in wanting to stay very local or due to the fact that issues around housing are more prominent in Welsh-language media than in English-language media. There are key issues there that need to be determined.

The other side of this is the extent to which the Welsh language can be used in terms of economic development and so on. There are efforts around that. The Arfor project is looking at this. The Llwyddo'n Lleol project, run by Menter Môn, is very good in terms of trying to develop entrepreneurship, which is a key factor in keeping young people there.

One of the other things that came out of the survey is that the sectors of greatest interest to young people in rural areas in terms of employment are the creative industries. It is easy to dismiss that as being a fantasy of young people. We need to take that seriously and figure out how we grow the cultural and creative industries in rural parts of Wales to keep younger people here, and what the potential link is between that, the Welsh language and Welsh-language culture as offering something distinctive in those sectors.

Q56 **Virginia Crosbie:** Thank you for that excellent answer. You mentioned housing and affordability, so that brings me to second homes. In the 2021 census, there were 10,070 second homes in Wales. Clearly, that changes across Wales. On Anglesey, there are 63 holiday homes per thousand. What does this mean and what are the immediate measures that we can take to alleviate the housing shortages that communities are experiencing now?

Professor Woods: There are lots of concerns. There are efforts being made here, as you will be aware, in terms of premium council tax and so on. There is a limit to what you can do without simply distorting the housing market. There are very specific concerns in certain communities where we are getting high levels, which is beginning to affect the capacity of that community to function in terms of supporting local services and so on.

It is a very difficult area, though, and we need to disaggregate the holiday housing lets from second homes. If second homes have at least a



seasonal occupation, part of the challenge is how you engage people who are there more fully in the community. If you look at places like Scandinavia, where there is more of a model of this, there are things like multilocality and getting people involved in multiple communities at once.

We also need to be slightly aware of this in terms of different routes. Some of those second homes in rural Wales belong to people who have left and plan to come back. They are inherited property and, again, if what we are concerned about is attracting those people who have left these communities back into them, we need to recognise that second home ownership can be part of a pathway to that. We need a better understanding of the precise dynamics of these processes and who is moving. There is a danger that we rush into some immediate, perhaps knee-jerk reactions to a challenge without fully understanding some of the implications of that. It is a major problem for certain communities, but we need a more robust way of dealing with it.

Meirion Thomas: I do not really have much to say about second homes in that respect, other than to reflect on the fact that, where I live, second homes are an important part of the local economy. Much more important is where second homes turn into first homes for people who decide to relocate, because those people bring a slightly different perspective. They get involved in more community-based activities. Certainly where I am, in the large seaside village of Aberporth, it is an important mix in community life.

Q57 **Chair:** There are seaside villages in my constituency in Pembrokeshire, as well as in Ceredigion and all the way up to Virginia's constituency in Anglesey, where, in the dead of winter, there is hardly a soul around. You can knock on a whole street of doors and you will not get anybody answering, because there is nobody there. That is too much, is it not? That has gone too far.

Professor Woods: It has, absolutely. On a local scale, there are a number of communities, particularly coastal ones, where this is a major problem, because it does affect the capacity to function as a proper community. We need to recognise that perhaps we need more targeted action. At present, the tools that we have—for example, varying council tax and so on—are being done at a local authority level. There are also issues about where that premium council tax goes. Does it go to those communities that are worst affected in order to try to resolve the problem, or does it go elsewhere?

There may be a case for looking at whether we can target some of these measures. It may be that tighter controls are appropriate in some of those communities that are most affected, but expanding them across a wider geographical territory might be counterproductive.

Q58 **Chair:** We have so much beauty and wonderful natural heritage around the Welsh coast, and very strong national parks that have done a very good job at preserving that, but it is almost impossible now to build new



housing in some of these national park areas. Do we need to be relaxing some of those planning rules, so that national park areas can once again be an area of population growth?

Professor Woods: We need to look at the role of the planning system in this. It is not just the national park areas. We did a study in Montgomeryshire a few years ago, looking at smaller communities there that are losing population. A key factor was the limited ability for growth and the impact of that. It was not just impacts of younger people wanting to stay but there being no suitable housing available, but also blockages within the system.

A critical factor was older people in large family houses wanting to remain in the community, but there was no appropriate housing in those communities for downsizing, which becomes a block on those properties being released for other families. It is, in large part, down to the small availability of housing rather than affordability, and planning restrictions that really prohibit any significant or even small-scale development there. We do need to rethink some of the way in which we are applying policy around that.

Q59 **Chair:** That is really helpful. Last year, a couple of times on commercial radio, I heard adverts being broadcast here, sponsored by the Government of Western Australia, seeking to attract Welsh and British working-age people to move to Western Australia to work there and enjoy quality of life. Does Wales need an activist population policy, where we need to be advertising in other parts of the UK or maybe elsewhere in the world to get people to come to Wales in order to boost our working-age population?

Professor Woods: We do it in key sectors. We do it in the health sector. We are advertising in New Zealand to recruit healthcare workers into rural Wales in particular. Some of that is already happening. The major advantage that Wales has—and particularly rural Wales but also many parts of urban Wales—in terms of potential population stability is its natural environment and its lifestyle opportunities, and those are what will bring people in again. As I said, I did work in Ireland looking at overseas investment there. It was partly about fiscal opportunities and partly about transport. It was also selling a lifestyle, and Wales can do more of that.

Q60 **Robin Millar:** My north Wales story is one of growing up with an expectation that you are going to end up leaving to build a career, et cetera. Those questions of getting the skills that you need and the job that you want, and being able to build a home or settle and have a family, are absolutely profound in parts of my community. I just wanted to ask for your insights for a moment on this question of second home ownership, because a lot of the second homeowners who I speak to are local people. They are not necessarily what you might term incomers, wherever that may be from.



HOUSE OF COMMONS

One example is a person who was living and working in the midlands, because that is where they could find the work to do, but their own property was back in a very rural community and had been inherited from their parents. That was their house, effectively. They had to rent to work in the west midlands. This can become a very confused picture. Is there any insight that you can give to that?

Professor Woods: You are absolutely right. I mentioned this before. We need a better understanding of this block that we call second homes. Who owns them? How did they come into them? What are their intentions? The danger is that we roll them up together. There are lots of similar examples to the one that you gave. We do not yet have a good enough understanding of or data on that. There are similar issues around holiday lets, although the challenge is different. Again, many of the owners of those holiday lets are local people versus businesses. What happens if you control that? This is a very complex area and we do not know all the answers yet.

Chair: Of course, there has been quite a lot of gaming going on by owners of second homes, where they have set themselves up as businesses and claim that they are holiday lets in order to avoid the council tax premium, so we should be alive to that.

It has been a fascinating discussion. There are lots of areas that we have touched on. We probably have not done justice to a number of these really important questions, but we are really grateful for the time that you have given us this morning and for a really good scene-setting first session for this inquiry into population change in Wales. Thanks to you all and to my colleagues.