

Anglesey County Council	
Report to:	EXECUTIVE COMMITTEE
Date:	25 October 2022
Subject / Text:	ARFOR 2 Programme
Portfolio Holder(s):	Councillor Carwyn Jones
Head of Service / Director:	Christian Branch
Report Author: Tel: Email:	Dewi G Lloyd, Regeneration Manager 01248 752483 dewilloyd@ynysmon.gov.wales
Local Members:	Applies to all Elected Members

A – Recommendation / Recommendations and reason / reasons

A1 Agree that Anglesey County Council will act in conjunction with other county authorities as a partner in the ARFOR 2 Programme;

A2 Authorise the Head of Service – Regulation and Economic Development to do the following, with the agreement of the Head of Finance in respect of financial decisions, and the Council Solicitor in respect of legal agreements :-

- a) Accept the terms of regional agreement(s) relating to the ARFOR 2 programme;
- b) Receive ARFOR 2 funding and manage this in accordance with the grant conditions;
- c) Administer ARFOR 2 grants and projects which are our responsibility;
- d) Represent the Council in Arfor 2 regional activities, including agreement of details of the programme relevant to Anglesey.

REASONS

1. ARFOR 2 FUNDING

The sum of £11 million in revenue funding has been committed by Welsh Government to a second phase of the Arfor Programme ending in March 2025. The four county councils of Gwynedd, Ynys Môn, Ceredigion and Carmarthenshire have been negotiating the use of the budget and the management of the programme, and the Welsh Government formally announced the new Programme on the 10th October 2022.

2. ARFOR 1 PROGRAMME (2019-21)

2.1 £2M in revenue funding was provided by the Welsh Government's Economy Department in 2019/20 and 2020/21 to Gwynedd, Anglesey, Ceredigion and Carmarthenshire County Councils “***to pilot different approaches and projects which promote entrepreneurship, business growth and community resilience with a focus on promoting the use of the***

Welsh language” and “to facilitate new and innovative methods of supporting economic development in the region.”.

2.2 Four specific targets were set by the Welsh Government – two relating to the economy and two relating to the Welsh language.

Targets set by the Welsh Government in the Offer Letter	
1	Promote enterprise and support business growth in areas where there is a high percentage of Welsh speakers
2	Secure better and better paid jobs to retain local people in these areas and encourage those who have left to return
3	Promote the value of speaking Welsh and bilingualism in businesses
4	Encourage businesses and people who move to rural areas to appreciate and use the Welsh language

2.3 The proposal was reported to the Executive Committee on the 15.07.2022 where it was agreed to support and deliver the Arfor Programme on Anglesey, and to authorise the Head of Regulation and Economic Development to :-

- a) accept the Arfor funding from the Welsh Government via Cyngor Gwynedd and use it for eligible purposes;
- b) work in partnership with Cyngor Gwynedd or other Arfpr area councils to deliver the programme;
- c) work in partnership with Menter Mon to deliver the programme;
- d) operate a grants programme from Arfor funds for eligible projects.

This report requests similar authority to deliver the new programme.

2.4 On Anglesey, the following were realised with £468k of Arfor revenue funding:-

- **Business Grants**– advice and grants were given to 22 businesses who wanted to invest and establish or grow a business;
- **Language in Business Grants** – advice and small grants were given to 48 businesses to make more use of the Welsh language;
- **‘Lwyddo’n Lleol’ 2050** – 14 local young people were supported to test businesses within their communities with promotion for others to follow suit (jointly with Gwynedd);
- Created a Welsh language promotion booklet and one specific to businesses, and encouraged the creation of a new Welsh language section on the Council’s website.

2.5 Gwynedd Council led the programme and regional co-ordination process, including arranging meetings of the Arfor Board and Arfor Officers Group, and claiming Welsh Government funding. Gwynedd commissioned an external review and strategy, and a ‘Bwrlwm Arfor’ marketing scheme to promote examples of local success. Cyngor Gwynedd also led on ac ‘Arfor Capital’ bid on behalf of the two counties, and Anglesey received £160k at the end of 2020/21 to provide further Arfor grants to support five significant capital investments by businesses and organisations on the Island.

2.6 Elements of the work on Anglesey were administered by Menter Mon. There was a grants panel including officers from the County Council, Business Wales, Hwb Menter, and Menter

Iaith. Progress was also reported via the service project monitoring structures, and to the Anglesey Welsh Language Forum.

2.7 For Anglesey, a total of 75 grants were awarded to support: 42 existing businesses, 18 new businesses, 60.5 new jobs, 108.5 existing jobs, 36 new products or services, and £750k+ of private investment. These were the detailed outputs for Anglesey :-

Measure	No.	Measure	No.
Arfor Business Grant	22	Work Placements	8
Arfor Language Grant	48	Increased Turnover	42
Other Arfor Grant	12	New Product	36
Arfor Grants Sum	£551,463	Premises Upgraded	36
Total Projects Cost	£1,392,833	Signage improved	34
Private Investment Total	£763,219	Language use increased	48
Business Expansion	42	Language qualification	5
New Businesses	18	Other qualification	3
Jobs Created	60.5	Jobs Safeguarded	108.5
Other Outputs	Extend community radio coverage, Create TV studio on Anglesey, Extend scope of Wifi/ Lorawan scheme		

2.8 The implementation phase of the Programme was significantly disrupted by the Covid pandemic. Despite this and the modest budget, the programme evaluation reported that it had made a difference, supporting a significant number of new businesses and jobs, and establishing useful collaboration between the four counties.

3.0 ARFOR 2 PROGRAMME PROPOSAL (2022-25)

3.1 The Welsh Government has now announced a further £11 million to deliver a second phase of the Arfor Programme until March 2025. The identified annual profile is this : 2022/23: £3M, 2023/24: £4M, 2024/25: £4M.

3.2 In April 2022, the ARFOR Board (the Leaders of the four counties) submitted an 'Outline Proposal' for the second phase of the Programme to the Welsh Government setting out the rationale, purpose, strategic objectives and principles for ARFOR 2. The Outline Proposal is shown in Appendix 1. A desire to continue working together on the basis of the county pedair, was confirmed for the following purpose: "**To support the communities that are Welsh speaking heartlands to thrive through economic interventions that will also contribute to increasing opportunities to see and use the Welsh language on a daily basis.**"

3.3 In consultation with Welsh Government officials (Department for Economy and Welsh Language Unit) officials from the four counties have developed proposals for translating the strategic objectives into deliverable projects. The practicalities of spending £3M during 2022/23 are being discussed with the Welsh Government.

4.0 PROPOSED ARFOR 2 COMPONENTS

4.1 ‘Llwyddo’n Lleol’ 2050

An evolution of the previous project to support young people to venture within their communities in Gwynedd and Anglesey during the first phase of the ARFOR Programme. The scheme will continue to support young people to venture in business through a combination of advice and financial support but also extend this to supporting young families to stay or return to the area, along with seeking to change the perceptions of target groups about their ability to achieve their aspirations locally. The scheme will be operational across the four counties and will be realised regionally through a commission managed by the lead authority.

4.2 Enterprising Communities

Build on the successful business support funds available from the four counties during the first phase the Arfor Programme by providing financial and practical support to commercial, social and community ventures to establish and develop. The activity will focus on initiatives that take advantage of the unique qualities of their communities (including the Welsh language) and/or circulate funds within their area to increase the amount of wealth kept locally. The scheme will be operational across the four counties but realised locally by the individual counties (albeit with an emphasis on co-ordination and harmonisation of provision) with a draft budget of £1.25M per county over the period.

4.3 Arfor Challenge Fund

Establish a strategic fund to allow organisations (including the Councils) to secure resources to develop and pilot activities within the ARFOR area that will contribute to the strategic objectives of the Programme. The Fund will respond to the recommendations of the evaluation of the first phase of the Arfor Programme that a wider range of organisations interested in the field need to be offered the opportunity to contribute, and allow new activity to be commissioned. The scheme will operate across the four counties and be managed regionally by the lead authority with the input of all counties.

4.4 Strengthening the identity of Arfor communities

The scheme will build on previous work to promote good practice and the use of the Welsh language. The work will promote the identity of communities with a high density of Welsh speakers and drive the loyalty of local residents by spreading positive messages about their area and Western Wales as a whole. The scheme will be operational across the four counties and will be realised regionally through a commission managed by the lead authority.

4.5 Learning from the Arfor Programme

A key aim of the Arfor Programme is to drive collaboration and cascade learning. The plan will ensure that monitoring and evaluation of the Arfor results and impact is central to the Programme along with ensuring that structures to share the lessons from the Programme and its activity are put in place from the outset. The scheme will be operational across the four counties and will be realised regionally through a commission managed by the lead authority.

5.0 MANAGING ARFOR 2

5.1 The intention is that the second phase of the ARFOR Programme will continue to be led by a Board comprising the Leaders of the four counties, supported by an Officers' Group comprising senior officers representing the four counties, along with representatives from the Welsh Government and the Welsh Local Government Association. The counties of Ynys Môn,

Ceredigion and Carmarthenshire have stated a wish for Gwynedd Council to continue to co-ordinate / lead the programme on behalf of the four counties.

5.2 A legal agreement between the counties has already been created for the first phase of the ARFOR Programme, where most of the budget was spent by individual counties. Key differences with the second phase include the significantly increased budget and the intention to jointly commission many regional activities and much of the budget via the lead authority. There are potential risks when entering into such regional financial arrangements, but the probability of liabilities arising from such commissions is considered to be low. The new agreement and any joint commissions will need to be carefully reviewed to ensure that the risks to the Isle of Anglesey County Council are acceptable.

5.3 Gwynedd Council will appoint a Regional Manager for the overall programme. The proposal is for each county to be provided with a staffing budget allowing a 0.5 FTE officer for the period. Circa 5% of the county spend total budget was explained as being in line with the staffing cost allowed for other WG programmes, and whilst limited it exceeds the allowed Council staffing costs under Arfor 1.

6. REASONS FOR RECOMMENDATIONS

6.1. Ynys Mon is likely to benefit substantially by being part of the new programme and receiving the relevant funding / benefits, with the expected level of county funding being £1.125M;

6.2 The proposed activity is an evolution of the previous work of the programme reflecting lessons learned, but there are some new aspects, and it is necessary to ensure that the interests of the Island and Council are protected in any new joint arrangements with the other counties and the Welsh Government.

7. NEXT STEPS AND TIMETABLE

7.1 The Welsh Government has announced the programme publicly on the 10th October 2022, and Cyngor Gwynedd intend to advertise the regional schemes on the sell2wales.gov.wales website , and to advertise the regional programme manager post.

7.2. The Welsh Government will send a funding offer letter to Cyngor Gwynedd, and they will send an agreement with the offer letter included for the other counties to agree.

7.3 Work will take place to establish Anglesey's Enterprising Communities Grant and arrangements and capacity to administer it, with a view to launching the scheme within the current financial year.

7.4 There will also be opportunities for Anglesey to benefit from the regional funds, and there will be a role for the Council to ensure that.

B – What other options did you consider and what were the reasons for rejecting them and/or choosing this option?

The other option would be to opt out of joining the new programme – we have not identified a reason or risk that would justify recommending that.

C – Why is this a decision for the Executive Committee?

To grant formal authority to join in a significant new programme and to receive and administer significant new funding

Ch – Is this decision consistent with the policy approved by the full Council?

Yes – there is support for relevant objectives in the Council's plan

D – Is this decision within the budget approved by Council?

The decision is about securing and using external funding. As with other similar grant programmes, establishing/ managing/ closing the programme will place some demands on Council staffing resources that are within existing budgets.

Dd – Assess the potential impacts (if applicable):

1	How does this decision affect our long-term needs as an Island?	The implementation of the new ARFOR programme is a specific sub-objective in the Council's new plan
2	Is this a decision that anticipates preventing future costs / reliance on the Authority? If so, how?	No, but the programme will fund additional activities that contribute to the Authority's objectives
3	Have we been collaborating with other organisations to reach this decision? If so, report with who.	Yes – Gwynedd/ Ceredigion/ Sir Gar and Welsh Government County Councils
4	Have the citizens of Anglesey played a part in drafting this way forward, including those who would be directly affected by the decision? Explain how.	Feedback from business grant recipients and business advisers have been taken into account when creating the new programme
5	Please identify any potential impacts this decision would have on the groups protected under the Equality Act 2010.	Negative impact not anticipated
6	If this is a strategic decision, note any potential effects that the decision would have on those experiencing socio-economic disadvantage.	No negative impact is anticipated, and there could be positive side effects e.g. new job creation

7	Please note any potential effects this decision would have on opportunities for people to use the Welsh language and not treat Welsh less favourably than English.	The objectives of the programme include creating benefits in terms of Welsh language use
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E – Who did you consult? What were their comments?		
1	Chief Executive / Senior No Leadership (USA) (mandatory)	Requested report also to Scrutiny Committee, and include more information on Arfor 1 in the report
2	Finance / Officer 151 (mandatory)	Any proposal for joint liability for regional projects led by another LA will need very careful consideration. Grants will need to comply with the new UK subsidy control regime. Given the timing in the financial year, spend of the indicated Yr1 regional budget in time may not be possible
3	Legal / Monitoring Officer (mandatory)	Comments regarding 'joint liability' issue and use of text from Gwynedd's report - reflected in final report wording
4	Human Resources (HR)	
5	Property	
6	Information Technology (IT)	
7	Procurement	
8	Scrutiny	Partnership and Regeneration Scrutiny Committee to consider Arfor Programme
9	Local Members	

F - Appendices:

ARFOR Phase II (2022/23 – 2024/25)

OUTLINE PROPOSAL

Rationale

Carmarthenshire, Gwynedd, Ceredigion and Anglesey have the vast majority of communities with a high density of Welsh speakers. These communities are key to maintaining the vitality of the Welsh language and its survival as an everyday language.

The four counties' economic challenges – such as low wages, underemployment and a shrinking workforce – are common to many rural and marginalised areas in Wales and beyond; but the impact of these challenges on the Welsh language is unique and far-reaching.

The prosperity of Welsh speaking heartlands relies on more than work and pay, but it can be reasoned that the economy's inability to support residents to achieve their aspirations - and maintain prosperous places - is detrimental.

Purpose

Supporting the communities that are Welsh speaking heartlands to thrive through economic interventions that will also contribute to increasing opportunities to see and use the Welsh language on a daily basis.

Strategic objectives

1. **Create opportunities for young people and families (aged ≤ 35) to stay or return to their indigenous communities** – supporting them to succeed locally by venturing in business or developing a career and securing a livelihood that fulfils their aspirations.
2. **Creating enterprising communities within the ‘Fro Gymraeg’** - by supporting commercial and community enterprises that aim to preserve and increase local wealth while tapping into the unique identity and qualities of their areas.
3. **Maximizing the benefit of activity** through collaboration - by establishing a learning mindset by doing and continuous improvement, learning from activity within individual areas and then extending it, but with tailoring to local circumstances.

- 4. Strengthening the identity of communities with a high density of Welsh speakers** – by supporting the use and visibility of the Welsh language, encouraging local loyalty and sense of place, as well as increasing awareness of what is common across the region.

Operating principles

- Collaborate, co-plan and share lessons.
- Increase understanding of the problem and continuously improve, building on what was achieved during the first phase of ARFOR.
- Ensure that evaluation is an integrated part of the programme.
- Add value and complement mainstream activities (linguistic development and economic development) and address gaps in delivery.
- Focus effort on a small number of core themes so that impact can be measured but continue to break new ground and pilot ideas.
- Operate on a four-county basis with a view to lessons for other areas and the scope to extend geographical boundaries in the future.
- Contribute positively to horizontal themes; reducing carbon footprint, skills, innovation and the use of technology.

Ff – Background Papers (contact the author of the Report for further information):

Regional programme website - www.rhaglenarfor.cymru

Arfor page on the County Council website
www.anglesey.gov.wales/Business/Regeneration/Arfor-at-work

Welsh Government announcement on 10th October 2022
<https://gov.wales/11-million-arfor-2-programme-boost-economic-prosperity-welsh-speaking-communities>

Arfor 1 Programme Evaluation by Wavehill - on www.rhaglenarfor.cymru

Anglesey Arfor 1 Programme evaluation by IoACC