

ISLE OF ANGLESEY COUNTY COUNCIL

Scrutiny Report Template

Committee:	Partnership and Regeneration Scrutiny Committee
Date:	18 October 2022
Subject:	Arfor Programme
Purpose of Report:	Review the delivery of the first Arfor phase on Anglesey and the proposal to deliver a second phase
Scrutiny Chair:	Cllr Dylan Rees
Portfolio Holder(s):	Cllr Carwyn Jones
Head of Service:	Christian Branch, Head of Regulation and Economic Development
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Local Members:	Relevant to all members

1 - Recommendation/s

The Committee is requested to:

R1 Review the delivery of the first phase of the Arfor Programme on Anglesey in 2019/20 and 2020/21

R2 Review the proposal to deliver a second phase up to March 2025

2 – Link to Council Plan / Other Corporate Priorities

Delivery of the ARFOR programme is a specific sub-objective in the new Council Plan. It also contributes to other Council strategies and policies relating to supporting the economy, businesses and Welsh language.

3 – Guiding Principles for Scrutiny Members

To assist Members when scrutinising the topic:-

3.1 Impact the matter has on individuals and communities [focus on customer/citizen]

3.2 A look at the efficiency & effectiveness of any proposed change – both financially and in terms of quality [focus on value]

3.3 A look at any risks [focus on risk]

3.4 Scrutiny taking a performance monitoring or quality assurance role [focus on performance & quality]

3.5 Looking at plans and proposals from a perspective of:

- Long term
- Prevention
- Integration
- Collaboration
- Involvement

[focus on wellbeing]

3.6 The potential impacts the decision would have on:

- protected groups under the Equality Act 2010
- those experiencing socio-economic disadvantage in their lives (when making strategic decisions)
- opportunities for people to use the Welsh language and treating the Welsh language no less favourably than the English language

[focus on equality and the Welsh language]

4 - Key Scrutiny Questions

- 1) To what extent was the first phase of the Arfor Programme successfully planned and delivered on Anglesey?
- 2) In what ways are the proposals to deliver a second phase of the Programme suitable and appropriate?

5 – Background / Context

ARFOR 1 PROGRAMME (2019-21)

£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... to facilitate new and innovative method to supporting economic development in the region.*”. Four targets were set by the Welsh Government – two relating to business / jobs 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

The new programme 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 Arfor 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.

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;
- ‘Llwyddo’n Lleol’ 2050 – 14 local young people were supported to test new business ideas with promotion for others to follow suit (jointly with Gwynedd);
- Funded a Welsh language promotion booklet and one specific to businesses, and prompted the creation of a new Welsh language section on the Council's website.

Anglesey also received a further £160k from the Welsh Government at the end of 2020/21 to provide a number of Arfor capital grants.

Gwynedd Council led the wider programme and there were some multi-county projects including some promotion under ‘Bwrlwm Arfor’. Programme governance was through an Arfor Board involving leaders and officers from the four counties, plus an Arfor Officer Group. Business grants were the main expenditure across Wales and on Anglesey, with a secondary focus on helping young people in business. Anglesey was the only county with a specific language use support grant for businesses.

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 Language Forum.

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		

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.

ARFOR 2 PROGRAMME PROPOSAL

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.

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 four counties 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.***"

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.

Proposed Main Components of Arfor 2

i) '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.

ii) 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.

iii) 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 be 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.

iv) 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.

v) Learning from the Arfor Programme

A key aim of the Arfor Programme is to drive collaboration and cascade learning. The monitoring and evaluation of the Arfor results and impact are seen as 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. This will apply across the four counties and will be realised regionally through a commission managed by the lead authority.

Managing the Arfor 2 Programme

The second phase of the ARFOR Programme will continue to be led by a Board comprising the Leaders of the four counties. This will continue be 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 agreed that Gwynedd Council should continue to co-ordinate / lead the programme on behalf of the four counties.

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 increased budget and the intention to jointly commission significant 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 these commissions is considered to be low. The new agreement and any joint commissions will need to be carefully reviewed to ensure that the risks are acceptable.

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 in other WG programmes, and whilst limited, it exceeds the Council staffing costs allowed under Arfor 1.

Next Steps

The Welsh Government announced the programme publicly on the 10th October 2022, and Cyngor Gwynedd intend to advertise the regional programme manager post; The Welsh Government will send a funding offer letter to Cyngor Gwynedd, and the latter will send an agreement with the offer letter included for the other counties to agree.

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.

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 e.g. promoting, identifying opportunities and providing guidance. Ynys Mon is likely to benefit substantially by being part of the new programme and receiving the relevant funding / benefits.

6 – Equality Impact Assessment [including impacts on the Welsh Language]

6.1 Potential impacts on protected groups under the Equality Act 2010

Negative impacts not predicted

6.2 Potential impacts on those experiencing socio-economic disadvantage in their lives (strategic decisions)

Negative impacts not predicted, and there may be positive impacts eg new jobs

6.3 Potential impacts on opportunities for people to use the Welsh language and treating the Welsh language no less favourably than the English language

The Programme aims include the creation of positive impacts on the Welsh language

7 – Financial Implications

The Programme is funded by the Welsh Government. As with other grant funded schemes, the work of setting-up, managing, and closing down places some calls on Council staffing resources from within existing budgets.

8 – 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.

9 - Background papers (please contact the author of the Report for any further information):

Regional website www.rhaglenarfor.cymru

Arfor page on 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