

**Senedd Cymru**

**Pwyllgor yr Economi, Masnach a Materion Gwledig**

**Ymchwiliad:** Yr Economi Sylfaenol

**Cyf:** FE15

**Ymateb gan:** PLANED

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**Welsh Parliament**

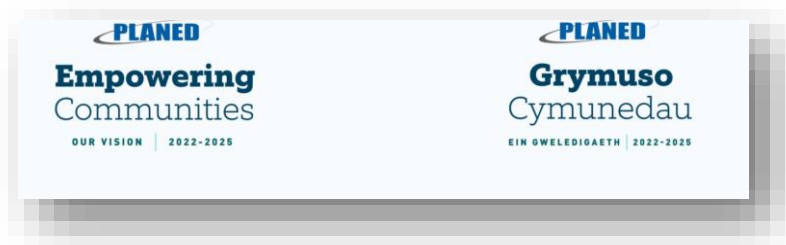
**Economy, Trade, and Rural Affairs Committee**

**Inquiry:** The Foundational Economy

**Ref:** FE15

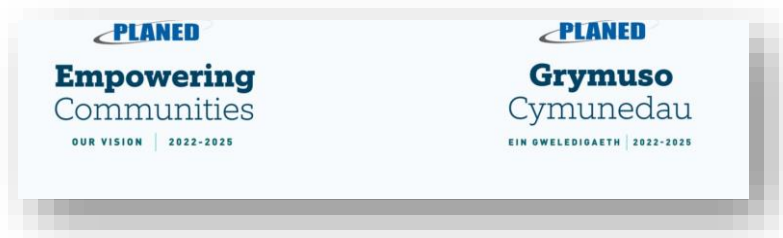
**Evidence from:** PLANED





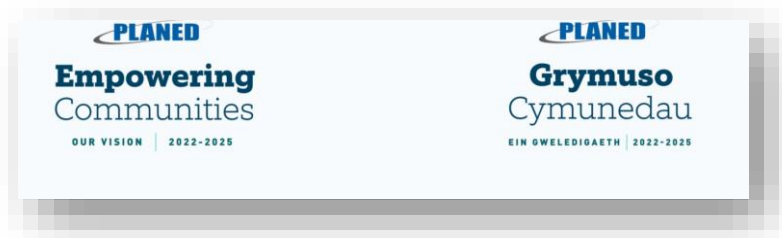
## **PLANED response to Consultation on “The Foundational Economy”**

1. We as PLANED, being a long established, community development charity, based in Pembrokeshire, but working increasingly across the wider region in both Carmarthenshire and Ceredigion too, welcome this inquiry and consultation on the above.
2. We find it interesting that Welsh Government still highlights and promotes the phrase “Foundational Economy” as if it is something significantly different for varying geographies across Wales.
3. Whilst headline grabbing single investments on a significant scale are welcome, and engage often with wider supply chain and skills benefits within a geography, these are few sadly, and the foundation economy is a constant, yet does not achieve the same recognition by government in the eyes of communities.
4. To communities from small villages, to market towns, and county towns across Wales, the “Foundational Economy”, is simply, “The Economy”, in which those populations and communities are based and reliant upon.
5. The question within the consultation brief asks “Which of the WG foundational economy policy initiatives have been the most successful and why?” Yet to many in communities, on which their economy is simply that – their economy – many would ask firstly why are they classed as “Foundational Economy” and secondly there is not really a recognition or awareness of any specific policy initiatives which are clearly available for reference?
6. The economic baseline of much of rural, coastal, and small urban Wales particularly is based on what WG would class as “Foundational Economy”, but as mentioned above, to those living and working here, would simply be, “The Economy”.
7. PLANED does however recognise that this tag of Foundational Economy does in some respects allow a specific focus to be placed on certain areas, sectors, and issues, to acknowledge the considerable contribution that these elements of the wider Welsh economy contributes.
8. Within West Wales specifically, we as PLANED continue to support and promote measures and projects which enable the sustainability of the local economy, with innovative solutions that are co-produced and led by, the people who live and work in those communities.
9. The success of any “Foundational Economy” has to be built on the foundation of people and their ideas that reflect and support their local community initially, but have elements which are both transferable, and scalable, to support and enable others.
10. In recent years, PLANED has been fortunate to support and deliver a number of projects in partnership with communities across West Wales, to deliver sustainable economic benefit, such as the purchase of identified and agreed, community assets, via the generation of funding through community share offers.
11. In the last five years, PLANED has enabled communities to raise almost £1million pounds through local share offers, to purchase a number of community pubs, chapel buildings, and small retail spaces.



These community assets are the foundation of community wellbeing, socially and economically at the very least.

12. Much of the work within the “Foundational Economy” is supported by the distribution and award of grants, rather than direct government funding. This sadly enables an increasing competitive element for less potential available funding.
13. When funding is administered by larger organisations such as the Lottery, or through national & regional foundations, and central government (UK & Wales), there is a greater degree of fairness and transparency in the award of funding based on the criteria shared and promoted.
14. Increasingly, we are told by many across communities and the wider Third Sector, that within Local Authorities, they have found bias, favouritism, and lack of transparency in the award of funding – particularly within the recently available, “Shared Prosperity Fund”, to which applicants had 6 weeks to submit applications, and then had to wait over 6 months for decisions.
15. Whilst there are positive and productive relationships with local authorities in supporting local enterprises with advice, the ask from the majority of community and local projects and enterprises within Wales whom PLANED is linked with via networks and associations, is that should any further funding be made available specifically to support the wider “Foundational Economy” within Wales, then this should either be administered directly by WG (based on their previous experience within WEFO), or by independent community based regional organisations, such as PLANED, Menter Mon, and Cadwyn Clwyd, who successfully administered and promoted the LEADER EU fund in Wales until 2022.
16. However, organisations such as PLANED and others, are often victims of their own success, by delivering projects and outcomes through short term funding, that does not permit or support the retention often, for those skills to continue to work with those communities.
17. What WG currently labels the “Foundational Economy” has many facets and levels, which does not instil or require a single ‘blanket’ approach, and this is demonstrated by the cross cutting nature of local rural/small urban economies, which similarly mirror facets of many government portfolios and departments.
18. PLANED has in the last 4 years, supported the creation and sustainability of over 140 new micro enterprises within the care and health sector across communities of the three counties of West Wales. This not only collectively provides solutions for people who wish to remain in their own homes and not hospitals, via an average of 5,000 hours of care per week delivered by these micros, but also saves our statutory partners in theory, hundreds of thousands of pounds per annum by this locally grown, suite of enterprises that offer ‘choice & control’ with consistency of approach, and local knowledge embedded within those communities.
19. PLANED have also grown the opportunities around the wellbeing and economic agendas with the development and growth of Community Vending Machines. Available 24/7, these outlets stock produce and items, grown and supplied from within the local area ranging from meats to dairy, from vegetables, to cupboard staples – but all with local provenance, and generating a further income for local producers, who we are seeing now able to expand and take on further support in some cases – further enabling local skills and retention of talent.



20. Indeed, the innovative models of delivery within smaller communities, has seen a re-set in how elements of that local economy can, and should work. Local producers we work with in West Wales, now celebrate how with the Community Vending Machines, they can now promote and sell their stock and produce, 24/7, as opposed to "...standing in a town square, in the rain, for 5 hours on a Friday morning, to make £35...".
21. PLANED have also in 2023, supported the community share offers of two community local pubs/hubs, raising in excess of £400k to secure these purchases for those communities.
22. Similarly in 2024, we have recently secured for the community, working with them to raise £150k to secure at open auction, Bethlehem Chapel in Newport, Pembrokeshire, to retain for the community as a local heritage and cultural centre, as opposed to the considerable risk of it being purchased with buyers from outside of the area, looking at an investment opportunity such as an Airbnb.
23. The economy in the majority of Wales, is based on community, people, and the innovation which coalesces across the two – facilitated and supported by organisations such as PLANED. To those within these areas across Wales, this is simply "The Economy", but appreciate that for further definition and identification in line with WG, it is to them, "The Foundational Economy".
24. If WG is to support "The Foundational Economy", then it needs to provide more direct long term funding to those areas of Wales in which this is simply "The Economy".
25. Local Authorities are under increasing financial and resource pressures, and do not have the capacity currently to support fully, the financial and social well-being of those services and areas outside of their statutory remits.
26. Long established and proven community development charities across Wales, who have demonstrable ability to work with, and support community projects that drive and deliver economic resilience locally, should be empowered by Welsh Government to deliver what they do best.
27. West Wales and North Wales particularly are best places to provide further examples of how the Foundational Economy continually delivers for their communities, and the effective implementation and sustainability of socio economic wellbeing through innovation, in people led, co-production models.