

Senedd Cymru

Pwyllgor yr Economi, Masnach a Materion Gwledig

Ymchwiliad: Yr Economi Sylfaenol

Cyf: FE19

Ymateb gan: Cyngor Gwynedd

-

Welsh Parliament

Economy, Trade, and Rural Affairs Committee

Inquiry: The Foundational Economy

Ref: FE19

Evidence from: Gwynedd Council



Aelod Cabinet Datblygu'r Economi a Chymuned
Cabinet Member Economic Development & Community
Cynghorydd / Councillor Nia Wyn Jeffreys

Gofynnwch am/Ask for:

☎ (01286) 679947

✉ Cynghorydd.NiaJeffreys@gwynedd.llyw.cymru

Ein Cyf / Our Ref: NSB/NWJ/gh

Eich Cyf / Your Ref:

30 September 2024

SeneddEconomy@Senedd.Wales

Thank you for the opportunity to comment on the Economy, Trade and Rural Affairs Committee consultation on the Foundational Economy. This letter sets out our viewpoint and our experiences with regard to developing the Foundational Economy, noting where possible our experience of Welsh Government interventions as well as some methods that we as Gwynedd Council use to good effect.

We agree with the Welsh Government's position that the Foundational Economy is the basis for a successful and prosperous economy and community, and we welcome the increase in emphasis on this sector over recent years. As Gwynedd Council, we also place greater emphasis on ensuring a solid supply of core services and goods for our residents, while supporting businesses and community and voluntary organisations to be conscientious providers. Naturally, we continue to seek a balance between activities that develop the Foundational Economy and activities that develop the higher value economy. Support for these two aspects of the economy can be found in the Cyngor Gwynedd Plan, which will be a solid foundation for our Economy Plan, which is currently in development.

We agree with your approach to developing and supporting provision that befits the community in terms of its economic and social characteristics. This includes empowering individuals and groups within our communities to take the initiative to provide core services and goods, and to add value to what is provided and created by others.

Welsh Government support:

In terms of the Welsh Government's contribution to this important area, we welcome the investment in the Foundational Economy Challenge Fund. In Gwynedd, Cartrefi Cymru has benefited from the fund, as has Cwmni Cymunedol Bro Ffestiniog. One of the fund's strengths was the breadth of the type of eligible activities. When formulating interventions to support the Foundational Economy, it is vitally important to enable different areas to state the most suitable activities for them, as the needs of each area, and indeed each community, vary significantly.

We note your commitment to supporting the "missing middle" in terms of medium-sized businesses to help them grow through exporting, for example. This is an area of interest to

us, as Gwynedd and Anglesey have the smallest percentage of medium-sized businesses (1% compared to 1.6% across the UK). Nevertheless, we are not aware of any specific Welsh Government interventions to address this.

The e-Learning module on Building Community Wealth and the Foundational Economy is to be welcomed, and we have promoted it to businesses in the county through our Business Bulletin.

We also recognise the Welsh Government's support for the ARFOR programme, which recognises, and works to foster, the relationship between the use of the Welsh Language and economic success. This concept is core to the development of the Foundational Economy in more rural areas and we are keen to see continued development in this area in future.

A good "grassroots" example of Welsh Government support for the Foundational Economy is the support for circular economy-related projects in Gwynedd. Again, the projects reflect the range of needs, strengths, and abilities in different communities, but are similar in that they work to develop a local solution to a local need, through entrepreneurship in the community.

Procurement is another example of how public funding is used to demand positive behaviours from suppliers. Social value clauses need to be included in Welsh Government-funded contracts as a powerful tool to ensure direct benefit to our communities, through job opportunities, training, and local supply chain opportunities, and we would look to you to develop more requirements of a similar nature going forward. To this end, Gwynedd Council has introduced the need for grant applicants to consider local suppliers when undertaking their projects. They do not have to use them, but the requirement to research local suppliers has led to connections between local providers and those who are engaged in projects and developments.

One aspect that tends to cause problems when undertaking projects related to the Foundational Economy is the lack of revenue resources. Capital resources are often available, but a project cannot be sustained without revenue support. We would call on the Welsh Government to ensure that any sources of capital funding also include an element of revenue support.

Examples of Good Practice:

Gwynedd Council is increasingly looking to introduce practical measures to ensure economic growth that benefits the workforce as well as the enterprise, for example by compelling enterprises that receive support from us to pay their employees the Real Living Wage, and to introduce measures to improve their use of the Welsh language.

We have also been active in running innovative schemes to give residents opportunities to contribute to the Foundational Economy, either as individuals or as groups. One example (though small-scale) is the Community Catalysts scheme which has been run in Pen Llŷn recently - a scheme to train and mentor local people to start trading as home carers. The

programme is a great example of meeting local demand while also empowering the workforce.

Gwynedd Council has run several projects relating to the Foundational Economy over the last 18 months as a result of Shared Prosperity Fund sponsorship. We have:

- supported a number of community initiatives
- supported businesses through several projects to review and improve their carbon output
- connected the business world with world-class academics located on their doorstep, and a number of other schemes that develop economic opportunities presented by different areas' unique characteristics.

As a county, Gwynedd is dependent on the tourism sector, so we have also collaborated with local partners to develop the Gwynedd and Eryri Sustainable Visitor Economy Plan. This document aims to ensure that the sector grows in a sustainable way that benefits our communities and our local businesses. In terms of procurement, Gwynedd Council runs a Buy Local programme to connect local providers and customers, and to ensure that money circulates locally.

We trust that the above remarks convey our feedback and ideas on this important area, and the interventions in which we have been involved. We look forward to working with Government to build on the work, in the hope of seeing it embedded in general policy for the future.

Yours sincerely,

Cllr. Nia Jeffreys
Deputy Leader and
Cabinet Member for Economy and Community