

DYDD GWENER 4, MEHEFIN 2021

**AT: HOLL AELODAU'R CYFARFOD AR Y CYD Y
PWYLLGORAU CRAFFU POLISI AC ADNODDAU &
CYMUNEDAU AC ADFWYIO**

YR WYF DRWY HYN YN EICH GALW I FYNYCHU RHITH
**CYFARFOD AR Y CYD O'R PWYLLGORAU CRAFFU POLISI
AC ADNODDAU & CYMUNEDAU AC ADFWYIO** SYDD I'W
GYNNAL AM **2.30 YP** AR **DYDD IAU, 10FED MEHEFIN, 2021** ER
MWYN CYFLAWNI'R MATERION A AMLINELLIR AR YR
AGENDA ATODEDIG.

Wendy Walters

PRIF WEITHREDWR



AILGYLCHWCH OS GWELWCH YN DDA

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Wendy Walters Prif Weithredwr, *Chief Executive*,
Neuadd y Sir, Caerfyrddin. SA31 1JP
County Hall, Carmarthen. SA31 1JP

PWYLLGOR CRAFFU POLISI AC ADNODDAU

13 AELOD

GRŴP PLAID CYMRU (6)

- | | | |
|----|------------|----------------|
| 1. | Cynghorydd | Kim Broom |
| 2. | Cynghorydd | Handel Davies |
| 3. | Cynghorydd | Ken Howell |
| 4. | Cynghorydd | Gareth John |
| 5. | Cynghorydd | Carys Jones |
| 6. | Cynghorydd | Elwyn Williams |

GRŴP LLAFUR (3)

- | | | |
|----|------------|--------------|
| 1. | Cynghorydd | Deryk Cundy |
| 2. | Cynghorydd | Kevin Madge |
| 3. | Cynghorydd | John Prosser |

GRŴP ANNIBYNNOL (3)

- | | | |
|----|------------|----------------|
| 1. | Cynghorydd | Sue Allen |
| 2. | Cynghorydd | Anthony Davies |
| 3. | Cynghorydd | Giles Morgan |

GRŴP ANNIBYNNOL NEWYDD (1)

- | | | |
|----|------------|--------------|
| 1. | Cynghorydd | Jeff Edmunds |
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PWYLLGOR CRAFFU CYMUNEDAU AC ADFWYIO

13 AELOD

GRŴP PLAID CYMRU (7)

- | | | |
|----|------------|-------------------|
| 1. | Cynghorydd | Handel Davies |
| 2. | Cynghorydd | Colin Evans |
| 3. | Cynghorydd | Jeanette Gilasbey |
| 4. | Cynghorydd | Ken Howell |
| 5. | Cynghorydd | Betsan Jones |
| 6. | Cynghorydd | Dai Thomas |
| 7. | Cynghorydd | Gareth Thomas |

GRŴP LLAFUR (3)

- | | | |
|----|------------|------------------|
| 1. | Cynghorydd | Fozia Akhtar |
| 2. | Cynghorydd | Rob Evans |
| 3. | Cynghorydd | Shirley Matthews |

GRŴP ANNIBYNNOL (3)

- | | | |
|----|------------|-----------------|
| 1. | Cynghorydd | Anthony Davies |
| 2. | Cynghorydd | Irfon Jones |
| 3. | Cynghorydd | Hugh Shepardson |

AGENDA

1. PENODI CADEIRYDD AR GYFER Y CYFARFOD.
2. YMDDIHEURIADAU AM ABSENOLDEB.
3. DATGANIADAU O FUDDIANNAU PERSONOL GAN GYNNWYS UNRHYW CHWIPIAU PLEIDIAU A RODDIR MEWN YMATEB I UNRHYW EITEM AR YR AGENDA.
4. CYNLLUN ADFER A CHYFLAWNI ECONOMAIDD SIR GAERFYRDDIN. 5 - 52
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Cyfarfod Craffu ar y Cyd
Polisi ac Adnoddau a Chymunedau ac Adfywio
10.06.21

Cynllun Adfer a Chyflawni Economaidd Sir Gaerfyrddin

Yr aelodau'n cael y wybodaeth ddiweddaraf ynghylch Cynllun Adfer a Chyflawni Economaidd Sir Gaerfyrddin.

Ystyried y materion canlynol a chyflwyno sylwadau arnynt:

1. Ystyried Cynllun Adfer a Chyflawni Economaidd Sir Gaerfyrddin.

Y rhesymau:

Mae'r wybodaeth a gasglwyd yn dangos yn glir bod yr awdurdod a'r economi leol yn wynebu cyfnod eithriadol o anodd yn ystod y 24 mis nesaf gan fod effeithiau argyfwng Covid-19 yn rhoi pwysau ar swyddi a galw. Mae'n hanfodol felly bod ymateb y Cyngor yn cyd-fynd ag anghenion busnesau a chymunedau ledled Sir Gaerfyrddin, gan fanteisio ar gyfleoedd i gyflymu newid er mwyn galluogi llwyddiant yn economi'r dyfodol. Mae cynllun adfer economaidd Sir Gaerfyrddin yn nodi rhyw 30 o gamau gweithredu i gefnogi adferiad economi Sir Gaerfyrddin yn sgil effeithiau cymdeithasol ac economaidd y pandemig COVID-19 a Brexit. Mae'n nodi ein blaenoriaethau ar gyfer cefnogi Busnes, Pobl a Lleoedd. Gyda'r cymorth hwn gall economi Sir Gaerfyrddin ymadfer cyn gynted â phosibl i ddod yn un sy'n fwy cynhyrchiol nag yr oedd o'r blaen, yn fwy cyfartal, yn fwy gwyrdd, yn iachach, a chyda chymunedau mwy cynaliadwy.

Angen cyfeirio'r mater at y Bwrdd Gweithredol / Cyngor er mwyn gwneud penderfyniad: OES

YR AELOD O'R BWRDD GWEITHREDOL SY'N GYFRIFOL AM Y PORTFFOLIO:- Y
 Cynghorydd Emlyn Dole, Yr Arweinydd

Y Gyfarwyddiaeth

Enw Pennaeth y Gwasanaeth:

Jason Jones

Awdur yr Adroddiad:

Jason Jones

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EXECUTIVE SUMMARY
POLICY & RESOURCES AND COMMUNITY & REGENERATION
JOINT SCRUTINY MEETING
10.06.21

Carmarthenshire Economic Recovery and Delivery Plan

1. SUMMARY OF PURPOSE OF REPORT.

At its meeting on 29th June 2020, the Executive Board considered a report which provided an assessment of the impact that Covid-19 was having on Carmarthenshire businesses and identified what was important to them in the short, medium and long-term, so that going forward the Authority could provide them with the assistance they most needed. In response to the issues identified a draft recovery strategy was proposed focusing on 11 key themes. A business, economy and community recovery group has been established to coordinate development and delivery of actions aligned to these 11 themes and an overarching advisory group, comprising key private sector industry leaders, has been established. This group has assisted with us with the development and refinement of our draft plan into a finalised economic recovery and delivery plan, copy attached.

An independent review of our draft economic recovery plan and initial 11 themes concluded that we are on the right track and need to focus on our priorities, challenge current ways of working to maximise opportunities for businesses and make it as simple as possible to support recovery and growth in the economy. Whilst our 11 initial themes have been tackling the right areas, the finalised report identifies the synergies that exist in support of Business, People and Place to assist with communicating our plan to businesses, stakeholders and partners, to deliver more and add value to the recovery of the Carmarthenshire economy. We have also identified four key cross-cutting priorities including a major focus on ensuring the county has ultra-reliable digital connectivity, digital culture and skills.

The Plan sets out the short-term priorities and immediate actions over the next two years that will protect jobs and safeguard businesses in Carmarthenshire. The Plan also puts us in a stronger position with our regional economic partners as we prepare the vision and objectives for the Regional Economic Framework and Regional Economic Delivery Plan over the next few months.

Our Plan is ambitious about the long-term future of the Carmarthenshire economy with a belief that the county has the right mix of business, people and places to recover and grow much stronger than before. Our underlying strength is the large number of self-employed and micro businesses and the equally important number employed in the foundational economy. We will focus on supporting our SME's to upscale, and our local knowledge and connections with small businesses in Carmarthenshire means that we are well placed to bolster support within our local economies, increase local spend and maximise the potential for a more localised growth in community wealth and wellbeing.

At the current time our business support activity will be focused on the food sector and supply chains that are suffering significantly alongside hospitality sector closures. This sector is a pivotal element of our foundational economy.

Our plan has clear recovery outcomes that will result from the proposed activity and actions,

including the replacement of more than 3,000 jobs that have already been lost; safeguarding and replacing up to 10,000 jobs that may have been, or are at high risk of being lost, once furlough comes to an end; and supporting over 1,400 businesses that are at risk of insolvency. In addition to these measurable impacts on the Carmarthenshire economy, there has been an opportunity cost from the impact of Covid-19 and Brexit on our economy. A stretching target is to challenge ourselves to put in place the levels of support required to create around 1,700 additional jobs that would have been generated if our economy had stayed on its pre-crisis growth trajectory.

2. OTHER OPTIONS AVAILABLE AND THEIR PROS AND CONS

The economic analysis that has been undertaken to assess the impacts of COVID-19 and Brexit on the Carmarthenshire economy during the next three years suggests that without our intervention:

- It is unlikely that GVA will recover to its pre-pandemic level for at least 3 years.
- There is a strong possibility that employment does not recover to pre-pandemic levels within the next 3 years.

The intelligence gathered to support the development of our recovery plans also clearly demonstrates that businesses are expecting the council to support economic activity, prepare the ground for recovery and lead Carmarthenshire out of this crisis. There is no other option for the Council other than to take immediate action in collaborating with its businesses and the wider community.

DETAILED REPORT ATTACHED?	Yes – Carmarthenshire Economic Recovery and Delivery Plan – Final Report – March 2021
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IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: Jason Jones

Head of Regeneration

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
YES	NONE	YES	NONE	NONE	NONE	NONE

1. Policy, Crime & Disorder and Equalities

In developing the plan we have fully taken account of the Well-being of Future Generations (Wales) Act by ensuring that the actions we have identified fully consider and embed sustainable development with a view to improving economic, social, environmental and cultural well-being in all that we do. We have also considered how we can apply the five ways of working (long-term; prevention; integration; collaboration; involvement) as we make progress on the identified actions. This will be further developed as detailed plans for delivering the actions are taken forward, but there is a summary of our overarching considerations on page 9 of the plan.

3. Finance

The Council has allocated capital and revenue funding to support the recovery actions. This will be used as match funding wherever possible to draw down additional funding to maximise opportunities.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: Jason Jones Head of Regeneration

1. Scrutiny Committee N/A

2. Local Member(s) N/A

3. Community / Town Council N/A

4. Relevant Partners

996 businesses have been consulted in addition to the members of the Carmarthenshire Business Advisory Group. We will also engage with Carmarthenshire PSB members as the plan moves into implementation.

5. Staff Side Representatives and other Organisations N/A

**EXECUTIVE BOARD PORTFOLIO
HOLDER(S) AWARE/CONSULTED**

Cllr Emlyn Dole (Leader) has been consulted as EBM and is supportive of the report proposals.

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:**

Title of Document	File Ref No.	Locations that the papers are available for public inspection
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Carmarthenshire Economic Recovery & Delivery Plan

Final report

Prepared for Carmarthenshire County Council

April 2021



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SUMMARY

This is our Economic Recovery Plan which identifies some 30 actions to support the recovery of the Carmarthenshire economy from the social and economic impacts of the COVID-19 pandemic and Brexit. It sets out our priorities for supporting Business, People and Place. With this support Carmarthenshire's economy can recover as quickly as possible to become one which is more productive than before, more equal, greener, healthier, and with more sustainable communities.

The purpose of our Plan is to set out the short-term priorities and immediate actions over the next two years that protect jobs and safeguard businesses in Carmarthenshire. The Plan also puts us in a stronger position with our regional economic partners as we prepare the vision and objectives for the Regional Economic Framework and Regional Economic Delivery Plan over the next few months.

Our Plan is also ambitious about the long-term future of the Carmarthenshire economy with a belief that the county has the right mix of business, people and places to recover and grow much stronger than before.

Our underlying strengths lie within our economy which is characterised by a large number of self-employed and micro sized enterprises coupled with significant employment within the foundational economy. . We will focus on supporting our small and medium enterprises (SME's) to upscale, and our local knowledge and connections with small businesses in Carmarthenshire means that we are well placed to bolster support within our local economies, increase local spend and open up the potential for more localised growth in community wealth and wellbeing.

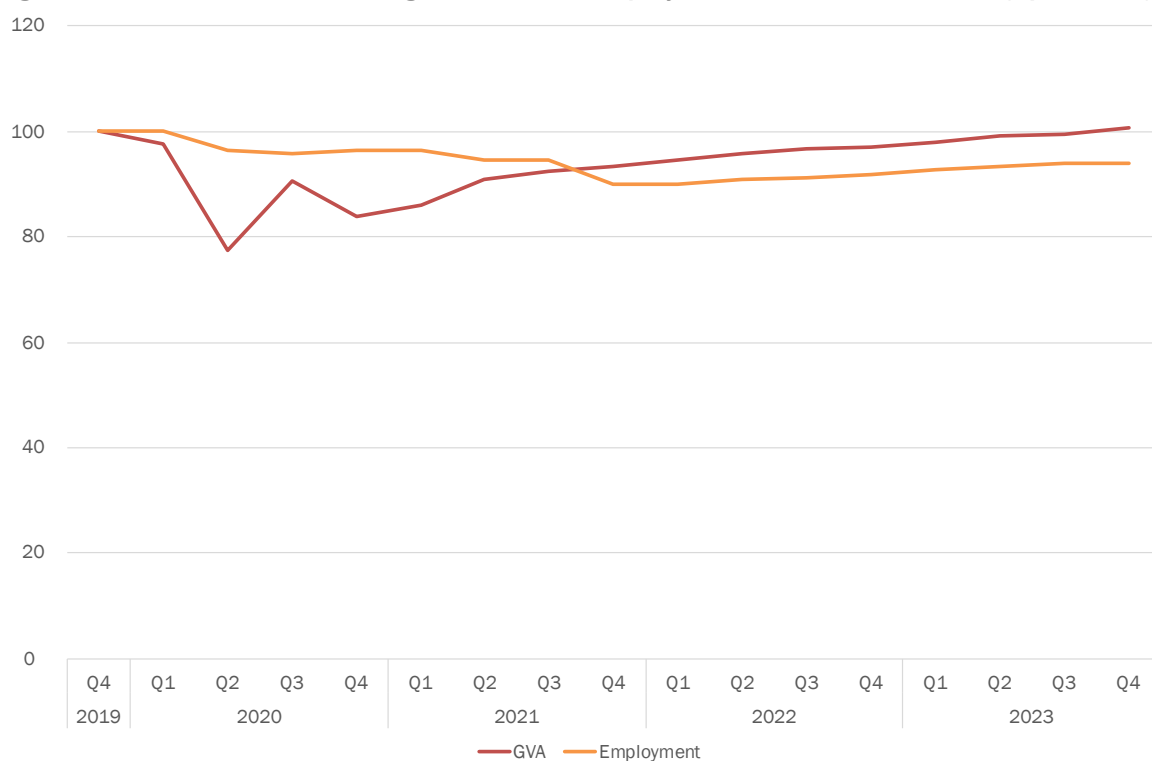
An independent review of our Draft Economic Recovery Plan and initial 11 themes (Figure i) drawn up during the height of the first pandemic wave concluded that we are on the right track and need to focus on our priorities, challenge current ways of working to maximise opportunities for businesses and make it as simple as possible to support recovery and growth in the economy. Whilst our 11 initial themes have been tackling the right areas, identifying the synergies that exist in support of **Business, People and Place** will assist in communicating our Plan with businesses, stakeholders and partners, to deliver more and add value to the recovery of the Carmarthenshire economy. We have also identified four key cross-cutting priorities including a major focus on ensuring the county has: **ultra-reliable digital connectivity, digital culture and skills.**

Figure i - Recovery strategic themes & horizontal synergies

11 KEY RECOVERY THEMES	BUSINESS & SECTORS	PEOPLE	PLACE
Digital	✓	✓	✓
Land & assets	✓	✓	✓
Skills	✓	✓	
Communities		✓	✓
Rural	✓		✓
Capital infrastructure	✓		✓
Town centre	✓		✓
Planning	✓		✓
Tourism & Events	✓		✓
Procurement	✓		
Business support	✓		

- 1.0.1 At the beginning of 2021, the economy of Carmarthenshire continues to be heavily influenced by Government controls and fiscal measures. The immediate socio-economic impacts of COVID-19 and Brexit on the Carmarthenshire economy are partly obscured by massive Government intervention, in particular the Coronavirus Job Retention Scheme (furlough) and the Self Employment Income Support Scheme. In particular, furlough is likely to be concealing future unemployment across all business sectors, and great uncertainty exists as restrictions fluctuate. At the time of this report there are also concerns for the food sector and its supply chain that are suffering significantly alongside hospitality sector closures, which are pivotal for our foundational economy.
- 1.0.2 Our economic modelling shows how COVID-19 has and is likely to continue to impact on the Carmarthenshire economy. There remains a high level of uncertainty around the pattern of the recovery, as well as the impact of Brexit, so **our Plan is short-term and flexible, focusing on the critical period of recovery over the next 24 months**, and is in alignment with Welsh Government's reconstruction priorities.

Figure ii - Indexed Forecast Change in GVA and Employment in Carmarthenshire (April 2021)



We have modelled a range of possible scenarios for the impacts of COVID-19 and Brexit on the Carmarthenshire economy during the next three years (see the figure above and Section 2).

- The overall impact (using (Gross Value Added) GVA as a measure of this) has been significant, with changes across a broad range of sectors. **It is unlikely that GVA will recover to its pre-pandemic level for at least 3 years.**
- The immediate impact on employment, whilst significant, has been shielded by UK Government intervention. **The largest fall in employment is therefore expected to be delayed until Q4 2021**, and as with GVA, there is a strong possibility that employment does not recover to pre-pandemic levels within the next 3 years.
- **The largest declines in employment are experienced in Accommodation & Food Services, Wholesale, Retail & Motor Trades and Manufacturing.** However, there are a few sectors that see growth in employment compared to 2019.

Recovery will be slow, and it may take many years for the economy of Carmarthenshire to recover to its previous level, let alone make up the lost ground of the COVID-19 crisis and its aftermath. Therefore, our **immediate priority is to protect jobs and safeguard businesses.** We also need to continue to address the **longer-term challenges** that constrain growth in Carmarthenshire including **low productivity and wages, skills deficits, too few businesses ‘scaling-up’, and the need for investment in modern business infrastructure and premises.**

Target outcomes from our recovery plan are the replacement of more than 3,000 jobs that have already been lost; safeguarding and replacing up to 10,000 jobs that may have been or are at high risk of being lost once furlough comes to an end; and supporting over 1,400 businesses that are at risk of insolvency. In addition to these measurable impacts on the Carmarthenshire economy, there has been an opportunity cost from the impact of Covid-19 and Brexit on our economy. A stretching target to challenge ourselves is to put in place the levels of support required to create around 1,700 additional jobs that would have been generated if our economy had stayed on its pre-crisis growth trajectory.

Figure iii – Recovery targets

3,000 JOBS	- Replacing those that have already been lost
10,000 JOBS	- Safeguarding and replacing those that may have been or at risk of being lost
1,400 BUSINESSES	- Supporting businesses at risk of insolvency
1,700 JOBS	- Creating additional employment above our pre-pandemic levels

Our path to recovery has two pillars:

- **Localism** - building strong, sustainable and durable communities reliant on local businesses, local resourcefulness and local support. At this level, the greatest impact of COVID-19 has been on sectors with relatively low levels of productivity which are nonetheless of key importance for our recovery, and include businesses in **retail, food and drink, tourism/accommodation and culture**.
- **Competitiveness** - increasing the level of productivity and competitiveness across all of the economy, but critically in our most competitive business sectors. Our key sectors with greater potential for higher productivity, higher wages and higher levels of growth are likely to have felt less impact but are critical for growing the size of our economy and employing more people – **advanced manufacturing, creative industries, green economy, health, care and life science and agriculture and food production**.

We can achieve this by focusing on the aforementioned three overarching themes - **Business, People and Place** (discussed in Section 3) **with four cross-cutting priority ambitions:**

- **Ultra-reliable digital connectivity, digital culture and skills** – improving connectivity, tackling the associated challenges to deployment and intervening to make improvements in digital connectivity both now and for the future.
- **Skills** - supporting people and businesses to retrain, re-skill, and up-skill through blended traditional, online and work-based learning.
- **Green economy** – adding economic value through keeping resources in use and where waste is avoided, invest in low carbon and climate-resilient infrastructure, renewable energy and sustainable homes.
- **Fair and equal economy** and support for the **Welsh language and culture** – supporting peoples culture and well-being with local, fair, decent and secure employment.

Digital connectivity is front, and centre of our recovery plans and we also specifically identify the need to strengthen measures that get people back to work through employability measures and ensuring that people have the right skills to do the jobs created.

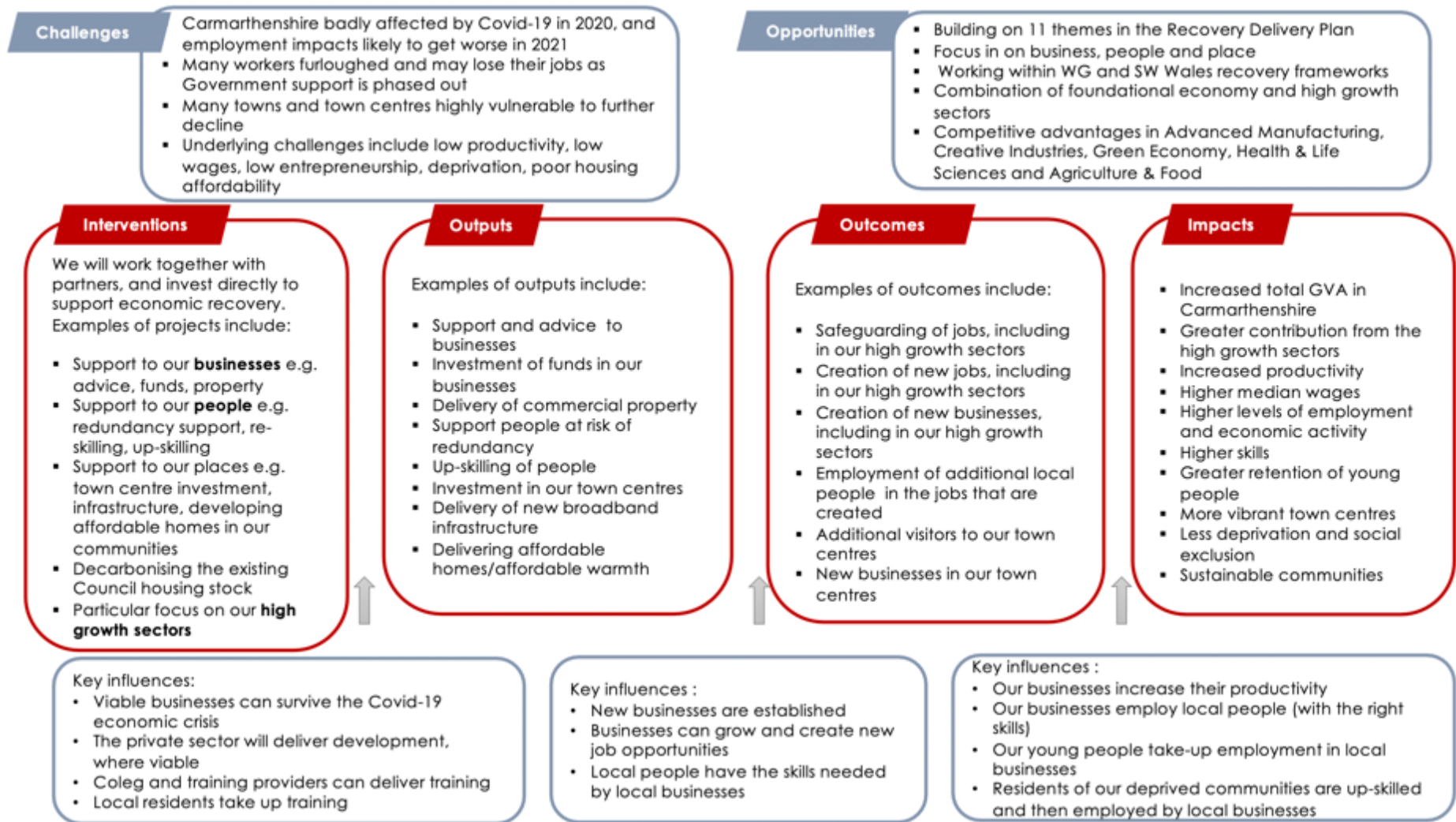
Figure iv and v, below, presents an overview of our key actions and our proposed approach, summarised in a 'Theory of Change' diagram which shows what we are doing, why we are doing it, and the results of doing this. At the top of the figure, we summarise the challenges and opportunities that we are facing in Carmarthenshire in both the short and longer-terms. Below this we show the interventions that are set out in this plan to tackle these. These interventions deliver outputs (e.g. support, investment, training etc.); the outputs lead to outcomes (e.g. jobs, businesses, visitors etc.); and the outcomes support the impacts and changes on our economy (e.g. higher wages, productivity, GVA etc.). At the bottom of the figure, we show the external factors that will influence the delivery and impact of our plan.

The Carmarthenshire approach means we have a strong focus on our local community, but we are also working regionally and nationally to maximise all opportunities for recovery and growth. However, the Local Authority are not able to deliver everything, and we will need to work with external organisations to ensure these influences support our plan for recovery and growth.

Figure iv – Summary of recovery actions

BUSINESS	PEOPLE	PLACE
Provide urgent support for those employers who are at risk of making redundancies and for business to recruit those who have lost their job	Target business support for the self-employed and micro-business	Low carbon housing & retro fit energy reduction measures to grow the green economy
Determine business workforce skills needs and maximise local employment opportunities, support local people into work	Digital skills awareness, skills and literacy support	Improving digital connectivity – delivering a programme for a gigabit-capable future-proofed connectivity
A new Business Recovery and Support Fund to safeguard and create jobs and support diversification	Skilling and re-skilling and ensuring residents have the right skills to support growth sectors	<ul style="list-style-type: none"> Review, update masterplans for Carmarthen, Llanelli and Ammanford Recovery and growth plans for our 10 rural towns
Allocate additional funds for our: <ul style="list-style-type: none"> Rural Enterprise Fund Business Growth Fund Business Start-up Fund 	Identify individuals and micro-businesses known as the "Excluded" and assess the level of support that is required through our business support package	Maintain a targeted pipeline of potential town centre property acquisitions/leases to deliver regeneration objectives
New employment property funds to support the viability of private and public sector investment: <ul style="list-style-type: none"> Commercial Property Development Fund Speculative Employment Space Programme 		Agile working hubs for CCC and our public/third sector partners
Support for businesses through our managed industrial and commercial property		Local Development Order for all primary towns and potentially key employment areas
Re-use and redevelopment of public assets to create work hub spaces		Public realm improvements to make towns safe, pleasant and to support businesses
Forward plan 3-5 year public sector tender 'pipeline' opportunities and provide support to local businesses to target these opportunities		Deliver a new brand and communication strategy for Carmarthenshire in support of retail, leisure and tourism
Ensure local firms are encouraged to target lower value local authority contracts		100% Sir Gar initiative to encourage and support digital adoption and business marketing
Review our targeted engagement with local businesses to ensure the current list covers firms in our growth sectors, including SME's with high growth potential		Delivery of affordable housing as a major economic driver for our green energy, construction and supply chain development
		Delivery of growth zone and growth of strategic site at Pentre Awel, Cross Hands, Pendine and Yr Egin
		Invest in physical connectivity and sustainable travel –e.g. St Clears station (UK Government) and sections of the Towy Valley Cycle Path

Figure v : Theory of Change for the Recovery Plan for Carmarthenshire



2 Purpose & ambition

- 2.0.1 **The purpose of our Economic Recovery Plan is to set out the short-term priorities and immediate actions over the next two years that protect jobs and safeguard businesses in Carmarthenshire in response to COVID-19 and the immediate impacts of Brexit.**
- 2.0.2 The Plan is based on comprehensive economic modelling of the impacts of the pandemic and leaving the EU on the county. Many of the c.30 actions identified in the Plan are already underway in some shape or form reflecting the immediate action taken in response to the pandemic. Our actions are already having an impact through the work of the Council and our partners, and where initiatives require additional funding and resources, we are taking action to ensure these are put in place.
- 2.0.3 Beyond the recovery period and over the next few years, we are already participating in the preparation of a broader Regional Economic Framework for South West Wales with Welsh Government and the preparation of a new Regional Economic Delivery Plan with our Swansea Bay City Region partners. This Plan puts us in a stronger position to achieve the level of support and resources necessary to revive and renew the economy for the longer term.
- 2.0.4 **We are also ambitious about the long-term future of the Carmarthenshire economy and believe the county has the right mix of elements that with continued investment have the potential to deliver a more productive, equal, greener and healthier economy.**
- 2.0.5 Diversity is our strength: we continue to invest in our towns as attractive places to live; our bilingualism defines us and needs protecting; and our business community operates across many key emerging growth sectors. Our tourism and leisure offering is growing and offers so much to residents and visitors alike. We continue to invest in our strategic employment sites for business and employees to thrive.
- 2.0.6 Ultra-fast, **ultra-reliable digital connectivity, digital culture and skills** is front and centre of our priorities for recovery and growth and—although high levels of digital connectivity are already in place for us to benefit from in both our home and work lives; more investment is underway and planned for our county to become extremely well connected. We are leading the £55m regional Digital Infrastructure Project and working with the telecommunications market and intervene to improve digital connectivity. We can be confident there are few reasons why our residents and businesses cannot in the future operate and compete in the global economy whilst retaining their base in Carmarthenshire with an acceptable level of digital connectivity, and we are working towards the target of Gigabit-capable future-proofed connectivity for the medium to long term.

- 2.0.7 We will also focus on maximising the underlying strength of our self-employed and micro businesses (employing less than 10 people). Many have suffered but also displayed remarkable resilience during the pandemic and are helping to protect the economy from much greater shocks of Covid-19 and Brexit. A large number are employed in the foundational economy, the everyday parts of our economy including healthcare, housing, education, food supply and production, construction and retail. Our local knowledge and connections with small businesses in Carmarthenshire means that we are well placed to bolster support within our local economies, increase local spend and open up the potential for more localised growth in community wealth and wellbeing.
- 2.0.8 In developing the plan we have fully taken account of the Well-being of Future Generations (Wales) Act by ensuring that the actions we have identified fully consider and embed sustainable development with a view to improving economic, social, environmental and cultural well-being in all that we do.
- 2.0.9 We have also considered how we can apply the five ways of working as we make progress on the identified actions. This will be further developed as detailed plans for delivering the actions are taken forward, but the following provides a summary of our overarching considerations.

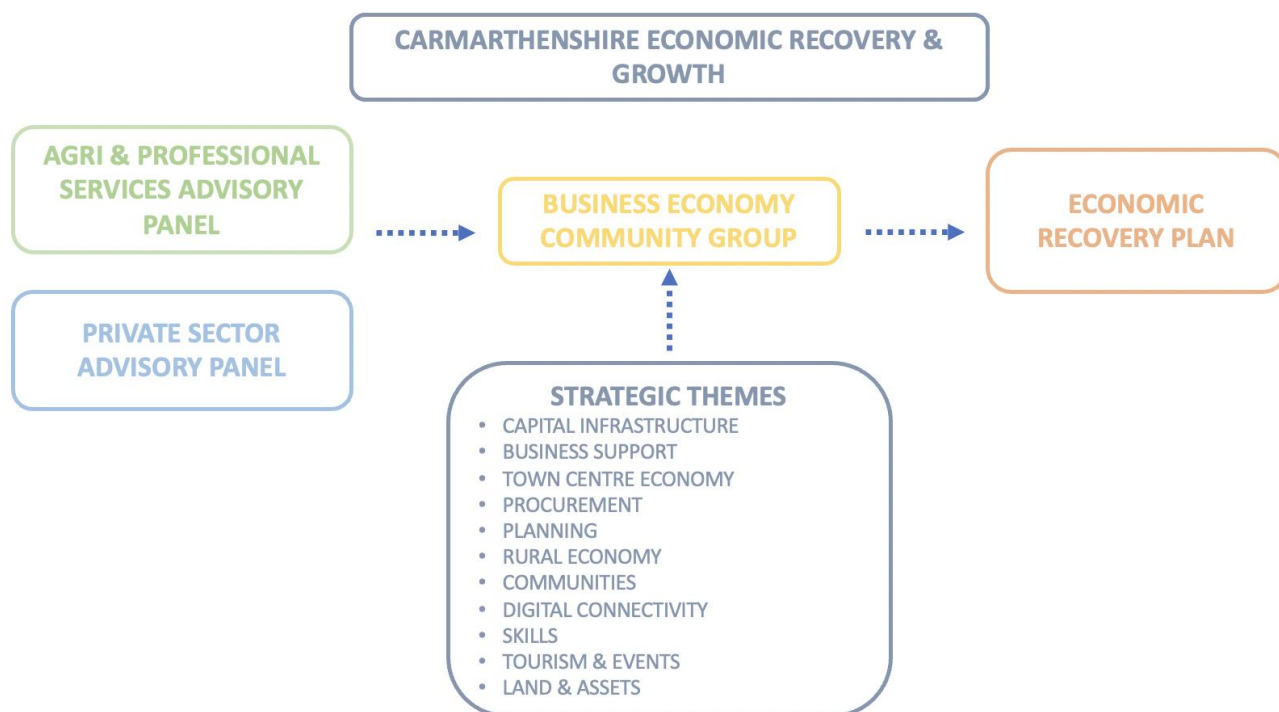
Figure 1 – Well-being and Future Generations Act

Way of Working	Outline	Carmarthenshire economic recovery plan consideration
Long term	The importance of balancing short-term needs with the need to safeguard the ability to also meet long-term needs	Although this plan focuses on our short-term priorities for the next 2 years these actions have been developed with a longer-term impact in mind. Having considered longer-term modelling and potential impacts the plan has identified the short-term interventions required by the Council and partners to stabilise, re-build and enable future longer-term economic development.
Prevention	How acting to prevent problems occurring or getting worse may help public bodies meet their objectives	This whole plan is focused on aiding economic recovery following the COVID-19 pandemic. The purpose is to take short-term action to enable the local economy to recover at as fast a pace as possible. Without such intervention in the short term economic recovery could well take longer and have a greater impact on our local economy and communities.
Integration	Considering how the public body's well-being objectives may impact upon each of the well-being goals, on their other objectives, or on the objectives of other public bodies	The Council has identified economic recovery and regeneration as a corporate priority given its wider social and community impact. As a result, the plan will impact on all of the Council's well-being objectives in some way and there is shared ownership across the Council and in partnership with other organisations to deliver and make progress against the actions.
Collaboration	Acting in collaboration with any other person (or different parts of the body itself) that could help the body to meet its well-being objectives	The plan will work across key areas of Council services predominantly housing, planning, procurement, finance, education and leisure.
Involvement	The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area in which the body serves	Involvement of local businesses, public and third sector partners and the wider public will be key to ensuring the plan is delivered. The Council hosts a Business Advisory Group that has been instrumental in developing and testing this plan. The Council will also engage with other public bodies through the Carmarthenshire Public Services Board (PSB) to add value to all that it does.

2.1 Context

- 2.1.1 We have reviewed our strategic actions and priorities and prepared this **Economic Recovery Plan (the Plan)** to address the social and economic impacts of COVID-19 on the economy. This will enable the authority and our key partners to coordinate and target available resources to contain the scale of the likely economic downturn and to stimulate demand and confidence during the recovery. Our aim is to ensure that Carmarthenshire's economy can recover as quickly as possible to become one which is more productive than before, more equal, greener, and with healthier and more sustainable communities.
- 2.1.2 During the preparation of the Plan our existing economic recovery and response measures have been independently reviewed to ensure that we are focusing our efforts and resources where they will have greatest impact, and the roles and responsibilities required for their delivery. The review identified that our initial restart and recovery measures have been tackling the right areas to support recovery and growth across all sectors of the economy. However, in a fast moving situation with new issues and opportunities arising almost by the day, we need to focus on our most pressing priorities where we will have the greatest and long lasting impact. Our updated Plan will also assist with engaging businesses, stakeholders and partners, and identify how we can work together, deliver more, and add value to the recovery of the Carmarthenshire economy.

Figure 2 – Carmarthenshire Recovery Plan Linkages



- 2.1.3 The development and delivery of the Plan will continue to be supported by our Business Economy and Community recovery group (BEC) which focusses on priority workstreams identified under 11 strategic themes. And our overarching

Business Advisory Forum comprising private sector industry leaders will continue to provide business views throughout the economic recovery. Additionally, our Agri and Professional Services group provides a rural focus and industry perspective from the farming unions and local agricultural sectors.

2.1.1 In June 2020 we published the Draft Economic Recovery Plan focusing on these 11 key strategic themes with several draft potential action strands and proposals for further consideration. These were drawn up at the height of the Spring lockdown and recognised the importance of challenging current ways of working to maximise opportunities for businesses and to make it as simple as possible to recover and grow the economy. The Business Advisory Forum identified the importance of identifying the synergies across each of the priority areas in order to manage resources and to make effective progress. The Forum also identified the importance of building a more common understanding of economic development that is clear to buy into, understand and make happen.

Figure 3 – Recovery strategic themes & horizontal synergies

11 KEY RECOVERY THEMES	BUSINESS & SECTORS	PEOPLE	PLACE
Digital	✓	✓	✓
Land & assets	✓	✓	✓
Skills	✓	✓	
Communities		✓	✓
Rural	✓		✓
Capital infrastructure	✓		✓
Town centre	✓		✓
Planning	✓		✓
Tourism & Events	✓		✓
Procurement	✓		
Business support	✓		

2.1.2 We have listened to our partners and the objective of this Plan is to build on the existing work of BEC whilst focusing on the projects and actions that will have greatest impact on **protecting jobs and safeguarding businesses**. We also need to continue to **address the longer-term challenges** that constrain growth in Carmarthenshire including low productivity and wages, skills deficits, too few businesses ‘scaling-up’, and the need for investment in modern business infrastructure and premises. We can achieve this through focusing on three key themes - **Business, People and Place**, discussed in more detail in Section 3. These are connected by four cross-cutting priority ambitions: **digital connectivity, skills,**

green economy and a fair and equal economy supporting the **Welsh language and culture**. We specifically identify the need to strengthen measures that get people back to work through employability measures and ensuring that people have the right skills to do the jobs created.

2.2 Strategy

- 2.2.1 Much of the detailed and technical rationale behind our plan is found in the work of BEC, the sub-group, as well as our existing economic regeneration strategies and operational plans for Carmarthenshire.
- 2.2.2 Furthermore, the strategic economic context for Carmarthenshire's recovery is also changing, with the Welsh Government preparing **Regional Economic Frameworks** that will set out a vision and high-level priorities for the region. As a result, the four local authorities in South West Wales, are producing a new **Regional Economic Delivery Plan**. This will replace the Swansea Bay City Region Economic Regeneration Strategy. It will provide a more detailed strategic framework and an action plan that sets out short, medium and long-term actions to address the changing economic circumstances and the key economic challenges and opportunities for Carmarthenshire in the region.
- 2.2.3 In November 2020 Welsh Government also published **A Framework for Regional Investment in Wales**¹, a new regionally focused economic development framework and plan for the UK Shared Prosperity Fund that is to replace EU funding². The Framework is informed by the Welsh Government's recently published COVID-19 reconstruction priorities³ and sets out a values-led reconstruction and economic recovery principles and strategic priorities. These are timely and important guides for the Carmarthenshire Recovery Plan. The Brexit transition period ends on the 1st January 2021 and is equally fundamental and frames the immediate context as well as the medium and longer-term recovery.

2.3 The COVID-19 challenges

- 2.3.1 At the time of preparing the Plan, the economy continues to be heavily influenced by the 'led by Government recovery' controls and fiscal measures. The immediate impacts of COVID-19 on the Carmarthenshire economy are partly hidden by massive Government intervention, in particular the Coronavirus Job Retention Scheme (furlough) and the Self Employment Income Support Scheme.
- 2.3.2 The extension of furlough to the end of September 2021 is likely to be concealing future unemployment across all business sectors. The financial assistance of Self-Employed Income Support will also come to an end, and so will the Welsh

¹ A Framework for Regional Investment in Wales, Welsh Government (2020)

² EU funding in this context relates to the European Regional Development Fund, the European Social Fund, and the European Agricultural Fund for Rural Development

³ COVID-19 Reconstruction: Challenges and Priorities, Welsh Government, (October 2020)

Government's own Economic Resilience funds. It is possible, even likely, that Government interventions will fluctuate further over the next 6 to 12 months reflecting the success with managing the pandemic and the need for any further 'fire breaks' and local lockdown measures.

Reduced economic activity

2.3.3 The COVID-19 pandemic will lead to a reduction in economic activity across Carmarthenshire, Wales and the UK because:

- Lockdowns including the autumn firebreak, followed by ongoing social distancing, mean that sectors such as Retail, Personal Services, Food & Drink, and Accommodation have suffered a marked decline in activity;
- The unwillingness/reluctance of consumers, both residents and visitors, to visit town centres has led to a reduction in spending on goods and services in the local area. Some of this has been substituted by online shopping, but this may not benefit the local economy;
- Reduced use of public transport means that people are less likely to travel for work and leisure;
- Other sectors are impacted by disruption and changes in local, national and global supply/demand e.g. manufacturing;
- School closures/disruption impact on parents' ability to work, thus reducing economic activity, and
- Significant changes to working patterns and workplaces have led to some reduction in locations of economic activity.

2.3.4 All of these effects can be seen in an actual reduction in GVA in Carmarthenshire. The ONS does not produce monthly GVA data at the Carmarthenshire level, but we have modelled the possible impact on Carmarthenshire, using UK data as a starting point. GVA for Carmarthenshire before the COVID-19 crisis⁴ was £3.1 billion per annum. This has fallen by £270 million in the first three quarters of 2020.

2.3.5 The impact on economic activity and employment in Carmarthenshire is likely to get worse as the impacts of the COVID-19 pandemic continue. Possible future impacts are discussed in more detail below.

People

2.3.6 There has been an impact on employment and economic activity in Carmarthenshire as a result of the COVID-19 crisis. Key impacts have been:

- In Carmarthenshire, 30% of eligible jobs (totalling 22,500) were furloughed (i.e. CJRS) at the end of June 2020. This then fell to 10% by the end of August (total

⁴ Latest ONS data is for 2018

of 7,300 jobs). The latest period for which data is available is February 2021 and shows 10,000 jobs were furloughed making a cumulative total of individual jobs furloughed since the scheme started in March 2020 of 26,300.

- Up to 75% of the self-employed (7,700 people) in Carmarthenshire have claimed from the Self Employment Income Support Scheme (SEISS) in the first round of support (although they have been able to continue to work). In the second round of support, 6,200 people had submitted by the end of September 2020.
- The claimant count in Carmarthenshire has increased from 3,025 in January 2020 to 5,905 in October 2020, an increase of 2,880 or an additional 95% over the pre-crisis level.
- Unemployment has increased from 3.1% during the 12 months to June 2019, to 4.1% during the 12 months to June 2020.
- The largest declines in employment are seen in Wholesale & Retail Trade and Accommodation & Food Services.

Business and sectors

- 2.3.7 As discussed above, particular sectors have been badly hit by the COVID-19 crisis, including Wholesale & Retail Trade and Accommodation & Food Services.
- 2.3.8 Whilst there has been a direct and obvious impact on some sectors, there has been a more indirect impact on others such as Manufacturing and Construction, where changes in global supply and demand, and other market pressures have impacted on the sector in Carmarthenshire.
- 2.3.9 Despite the obvious increase in activity in the Health sector related to COVID-19, overall activity has declined as GP visits have been discouraged and routine surgery postponed in response to COVID-19.

Places

- 2.3.10 The impacts of COVID-19 will have affected some places more than others. Analysis by CLES⁵ found 30% of 'shutdown firms' during the lockdowns were located in areas of Carmarthenshire ranked amongst the most deprived wards. A study by the Centre for Towns analysed the economic exposure of towns in England and Wales to lockdown measures⁶ with Llanelli listed in the top 20 of vulnerable UK towns.
- 2.3.11 Notwithstanding this, there is evidence that multifunctional and localised towns have been relatively insulated, with some sectors benefitting from a growth in local spend and activity. By contrast, some studies⁷ have also demonstrated that

⁵ Community Wealth Building in Carmarthenshire – advancing progressive procurement, CLES (2020)

⁶ The effect of the COVID-19 pandemic on our towns and cities, Centre for Towns (2020)

⁷ The economic impact of COVID-19 on Carmarthenshire's Ten Towns, Owen Davies Consulting (2020)

places that are particularly dependent on tourism and hospitality such as Laugharne have felt the impact at much greater levels.

- 2.3.12 There is much discussion about the economic impacts on town centres being the result of mostly accelerated structural trends. Certainly, the pandemic has witnessed major challenges and difficulties for national retailers, many of which have closed stores coupled with a continued shift to online shopping although some growth has occurred in services that you cannot buy online e.g. beauty.
- 2.3.13 There are also signs of house price inflation that reflects increased demand to move to smaller, more rural areas, with lockdowns and working from home fuelling an 'exodus' from smaller homes in busier urban areas. This will have both positive and negative impacts, not least in areas where affordability is already a concern.
- 2.3.14 However, the impact of COVID-19 and Brexit will fall most heavily on those places that are already exposed to economic shocks and suffering high levels of deprivation. The rural and coastal nature of the county means it may fare worse in these areas.

2.4 The underlying challenges

- 2.4.1 Carmarthenshire's strategic regeneration is guided by our Transformations Plan⁸ and the Swansea Bay City Region Strategy⁹. In 2019 the Council's Rural Affairs Task Group reported and recommended on a range of priorities for regenerating the rural communities¹⁰. As well as the immediate challenges posed by COVID-19, these strategies continue to provide the longer-term vision and strategic direction for economic regeneration for the County and to identify the underlying challenges and opportunities faced by Carmarthenshire, which will affect economic recovery and growth, which include amongst others:
- Low productivity and wages;
 - Labour market pressures, skills deficits - 'brain drain' and an ageing population;
 - Too few new businesses and growth of grounded firms;
 - Low business start-up rates;
 - Infrastructure and connectivity - broadband, road, rail, public transport;
 - Lack of modern business infrastructure, speculative development, viability gaps;
 - Affordability and availability of homes;

⁸ A strategic regeneration plan for Carmarthenshire 2015-2030 – Transformations, CCC, (2015)

⁹ Swansea Bay City Region Economic Regeneration Strategy 2013-2030

¹⁰ Moving Rural Carmarthenshire Forward, CCC, (June 2019)

- Deprived communities lack the opportunities and benefits of economic growth;
- Declining/repositioning town centre economies.

2.4.2 Many of these core issues have been exacerbated by COVID-19 which has also impacted on the aspirations for social inclusion i.e. with fewer jobs around, those who are already excluded/low skilled will find it harder to get a job.

3 Measuring the Possible Impacts of COVID-19

3.0.1 We have modelled the potential impact of the COVID-19 crisis on Carmarthenshire and its three main towns. The potential impacts are summarised below and are set out in more detail in the Modelling the **Impact of Covid-19 report**¹¹.

3.1 Background

3.1.1 The impact of the crisis has been modelled in terms of Gross Value Added (GVA), which is a measure of the overall value-added in the economy, and employment. GVA per worker also provides a measure of the productivity of the economy, which helps to determine local wages. Although GVA and productivity do not directly measure the inclusiveness of an economy, they are helpful in indicating whether wages and quality of life are getting better or worse.

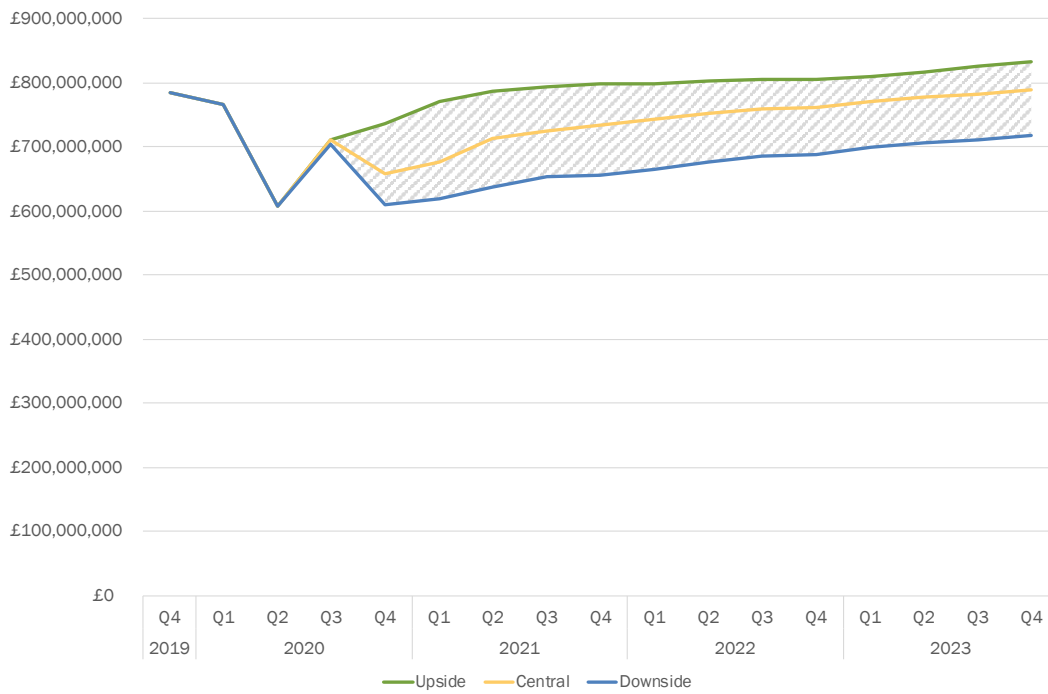
3.1.2 Prior to the COVID-19 crisis, the rate of growth in GVA was at or above the rate of change in the UK, and above that of Wales. However, GVA per head (of resident population) remained below the UK and Wales levels. Employment in Carmarthenshire had been increasing at a greater rate than in the UK and Wales until 2017 but has since fallen below these benchmarks.

3.2 Modelled impact

3.2.1 Our modelling shows a range of possible scenarios for the impact of COVID-19 on the Carmarthenshire economy, based on UK-level forecasts. Figure 4 below shows that GVA fell in the first half of 2020, recovered partly, and is likely to fall again in late 2020 before gradually recovering. Only under the most positive scenario will GVA recover to its pre-pandemic level during the next three years.

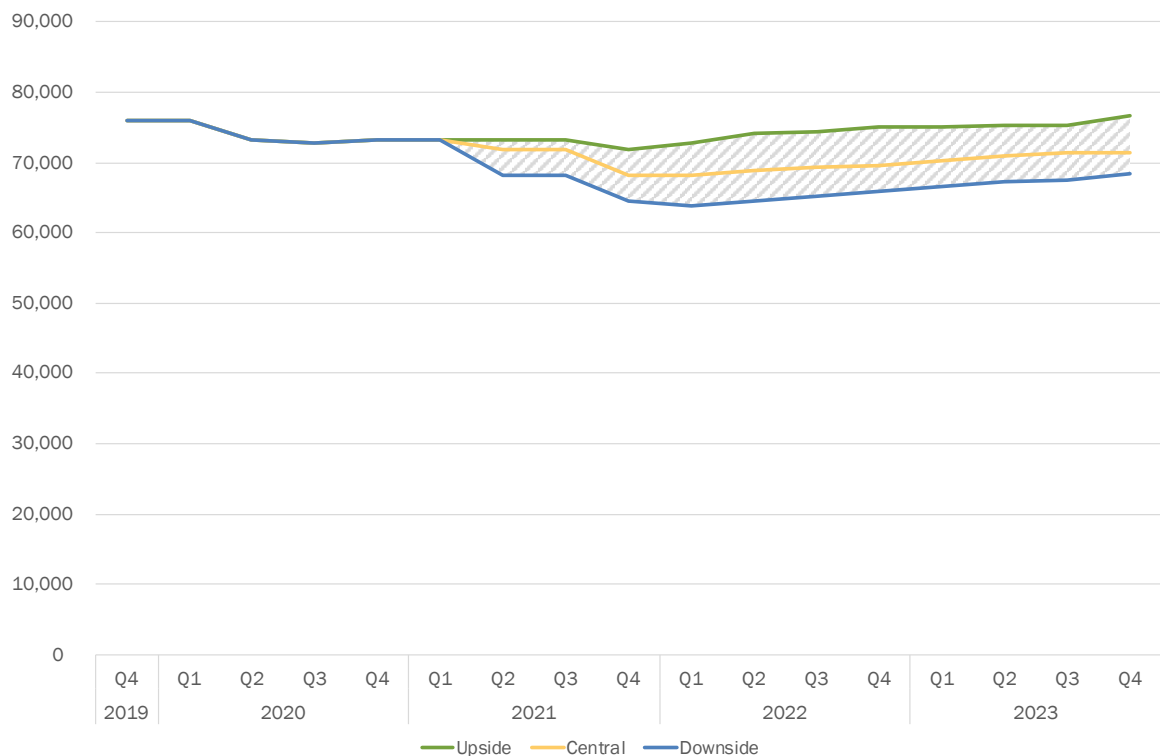
¹¹ Impact of Covid-19 Modelling, Hardisty Jones, November 2020

Figure 4 - Total GVA Projections



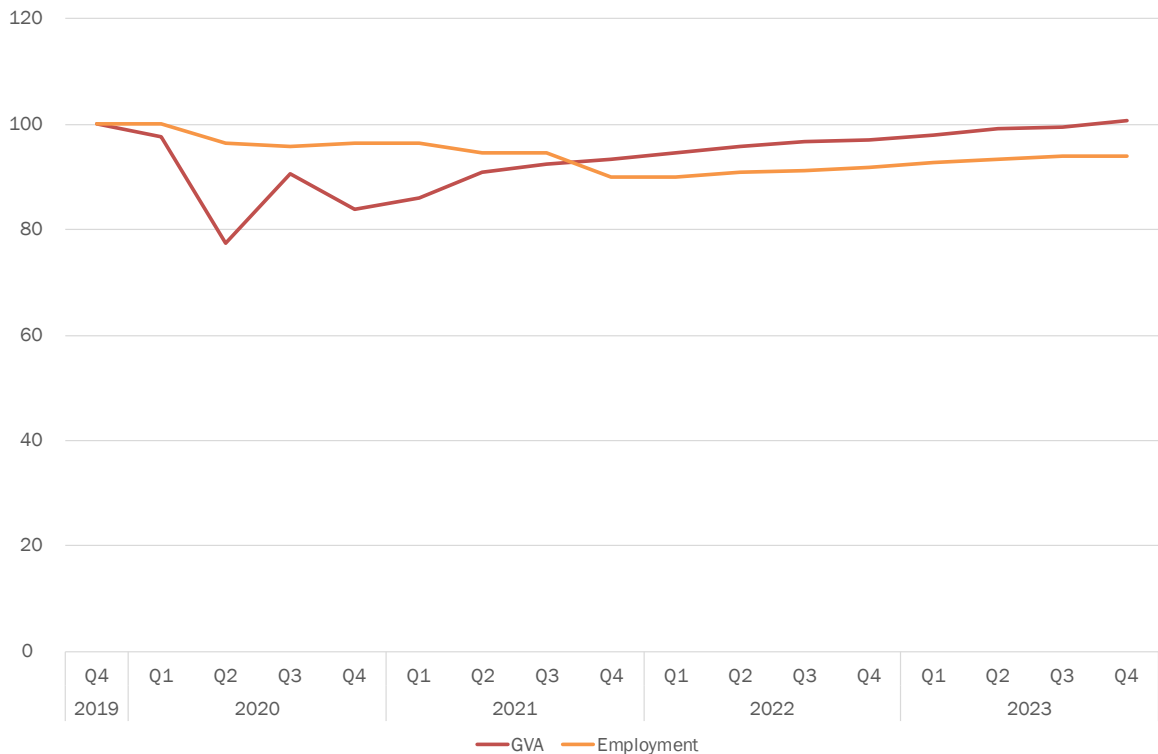
3.2.2 Employment figures do not fall as significantly as GVA in the short-term as Government support schemes help employers to keep people in employment. The largest fall in employment is therefore delayed until Q4 2021 (see Figure 5) when the Government schemes are currently planned to end. As with GVA, there is a possibility that employment does not recover to pre-pandemic levels within the time horizon considered.

Figure 5 - Total Employment Projections



3.2.3 Figure 6 shows the relationship between GVA and employment under the central modelled scenario¹². GVA fluctuates much more than employment in 2020 and 2021 as it is much more reactive to current economic conditions, especially given Government intervention in the labour market. As a result of Government support, productivity falls in 2020 and 2021. Following this period, productivity is projected to slowly increase, which is in-line with typical macroeconomic forecasts.

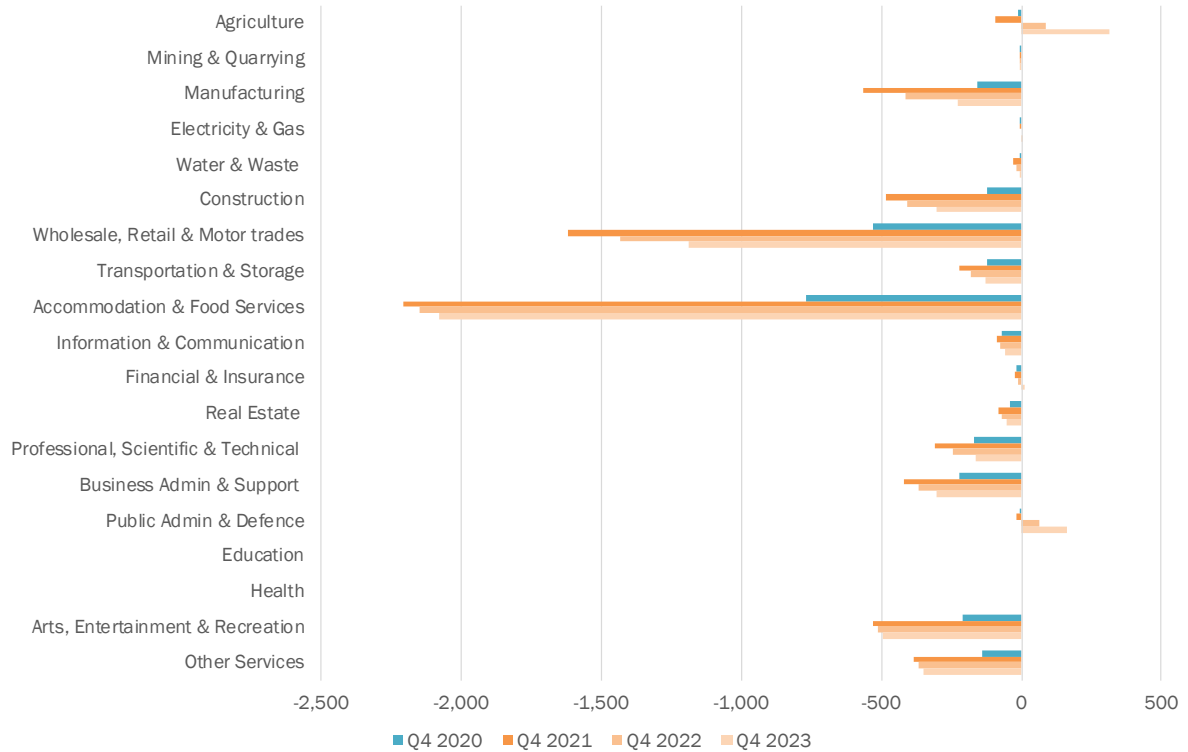
Figure 6 - Indexed Change in GVA and Employment in Carmarthenshire under Central Scenario



3.2.4 The change in employment under the central modelling scenario can be seen in Figure 7. This shows that the largest declines in employment are experienced in Accommodation & Food Services, Wholesale, Retail & Motor Trades and Manufacturing. There are few sectors that see growth in employment compared to 2019.

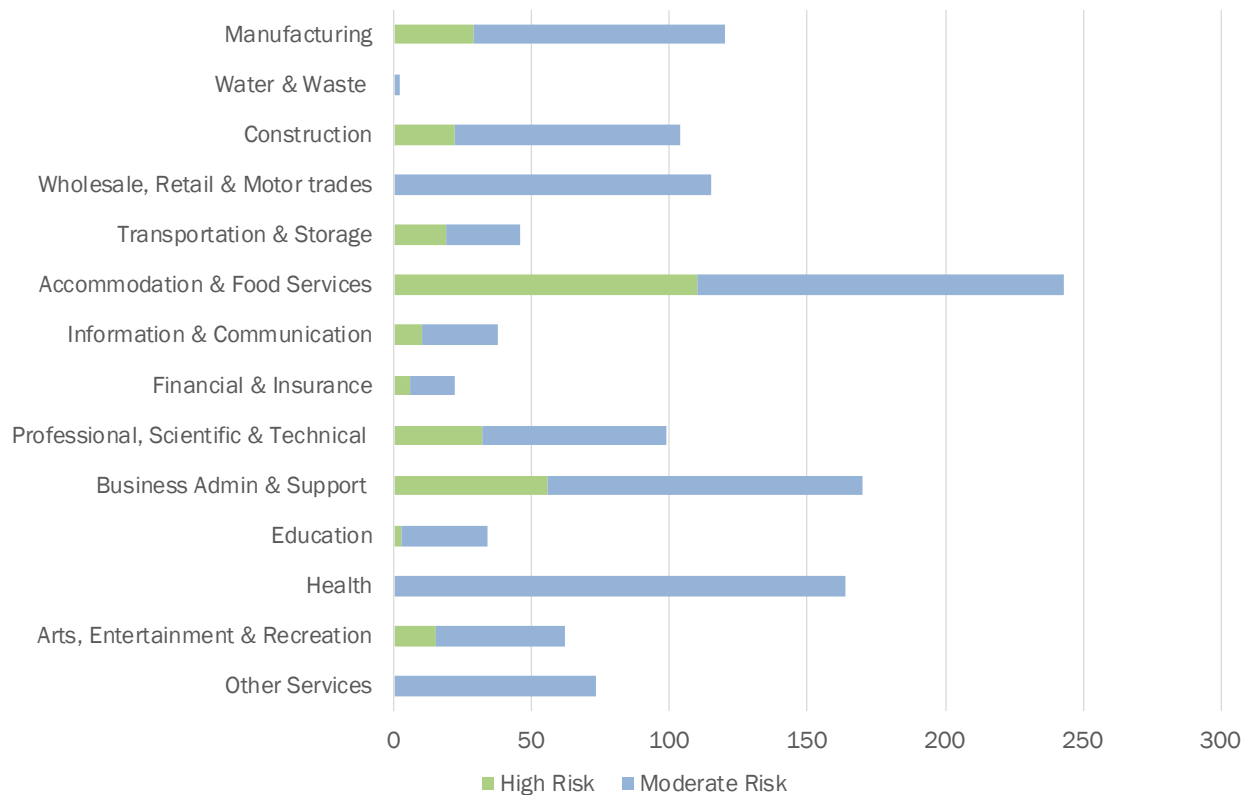
¹² The trend is the same under each of the modelling scenarios

Figure 7 - Difference in Employment from Q4 2019 under Central Scenario



3.2.5 An estimate of the number of businesses at risk of closure has been calculated using the ONS Business Impact of Coronavirus Survey (BICS) Wave 15, where businesses were asked to rate their risk of insolvency. These results are weighted to be representative of all businesses in the UK and shown in Figure 8.

Figure 8 - Businesses at Risk of Insolvency



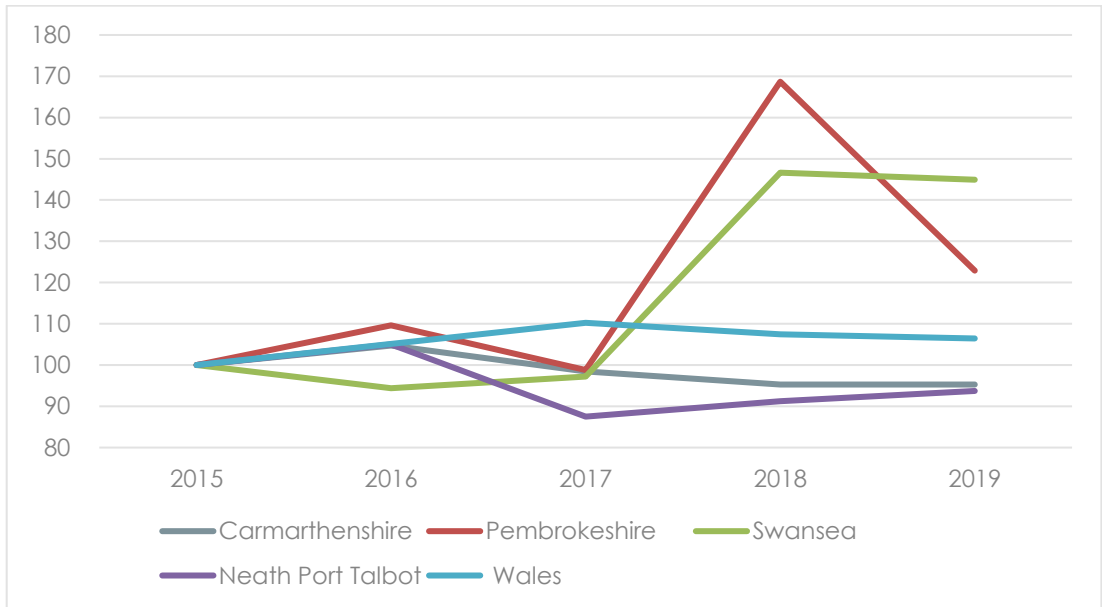
3.3 Key Messages from the Modelling

- 3.3.1 The impact on the overall economy of Carmarthenshire (using GVA as a measure of this) has been significant, with impacts across a broad range of sectors. The impact on employment, whilst significant, has been shielded by UK Government intervention, but is likely to get worse in late 2021 as Government subsidy for employment is reduced.
- 3.3.2 Productivity (measured as GVA per worker) appears to have fallen, as employment has been supported by Government intervention whilst GVA has fallen. As employment and GVA move back into alignment, then this headline measure of productivity will recover slowly over time. However, it may be the case that underlying productivity has temporarily increased, as the greatest impact of COVID-19 has been on sectors with a relatively low level of productivity (e.g. Retail, Food & Drink and Accommodation) whereas higher productivity sectors (e.g. Professional Services) have continued to operate with less impact through several lockdowns. Again, this is not a sustainable trend in the longer-term and productivity should trend back towards the pre-COVID-19 level, notwithstanding any structural impacts (or economic scarring).
- 3.3.3 Recovery will be slow, and it may take many years for the economy of Carmarthenshire to recover to its previous level, let alone make up the lost ground of the COVID-19 crisis and its aftermath.

New Business Start-ups

- 3.3.4 In addition to the modelling, we have examined business start-up rates before the pandemic. In comparison to the region and the rest of Wales the growth of new businesses in Carmarthenshire has seen a small decline in recent years.
- 3.3.5 With a relatively high baseline of small businesses to begin with, and the dominance of the public sector and number of large employers in the County, new start-up rates would be expected to be at a different level than elsewhere in the region although there is potential for growth.
- 3.3.6 Since the pandemic, at a UK level there has been a double digit growth in the number of business registrations since June 2020. This is thought to have been triggered by entrepreneurs responding to the rapidly changing needs of individuals and companies, and also as a result of people who have been made unemployed launching their own ventures. In Carmarthenshire the recession would be expected to trigger a growth in new start-up rates, but as the economy picks-up again the rate of growth would also be expected to lessen.

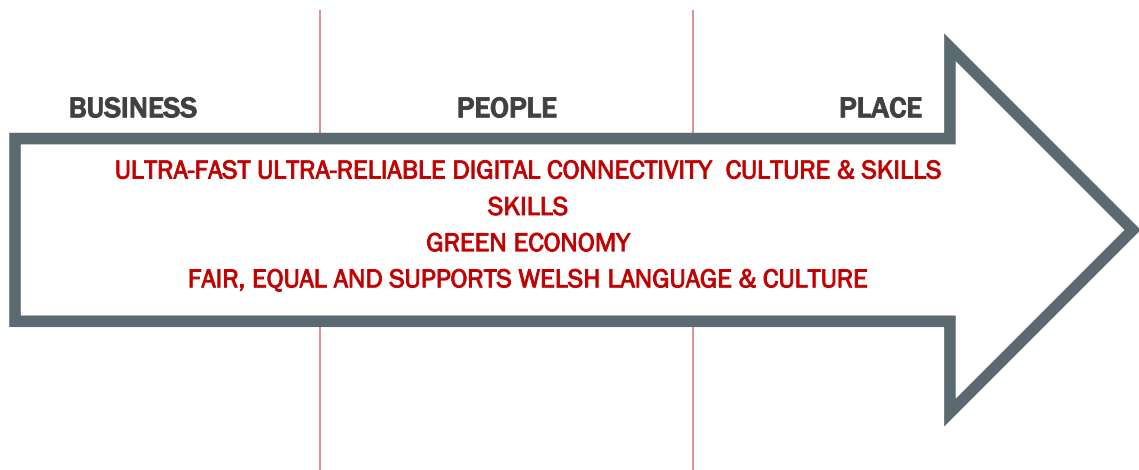
Figure 9 – New Business Start-up Rates (index 2015)



4 Our Recovery Plan

- 4.0.1 With the knowledge of how COVID-19 has and is likely to continue to impact on the Carmarthenshire economy, our Plan focuses on the critical period of recovery over the next 24 months. There remains a high level of uncertainty around the pattern of the recovery, as well as the final outcome of the Brexit negotiations, so our Plan is short-term, flexible and in alignment with Welsh Government's reconstruction priorities. Our Plan and priorities will also inform the longer-term growth of Carmarthenshire and shape the current work to produce the new South West Wales Regional Economic Framework and Regional Economic Delivery Plan during the first quarter of 2021.
- 4.0.2 This Plan will guide the economic recovery of Carmarthenshire from COVID-19, and the transition towards longer-term economic growth. This means tackling the immediate impacts of COVID-19, and Brexit, but also the underlying challenges that have constrained growth in the County's economy.
- 4.0.3 We are focused on three overarching themes reflecting the synergy within our initial recovery plan and will focus on four cross-cutting priority ambitions that are pivotal for our actions.

Figure 10 – Overarching Themes & Cross-cutting Priority Ambitions



Themes

- **Businesses** - safeguarding our existing businesses, supporting new start-ups and growing businesses in our foundational and growth sectors to become more productive and competitive.
- **People** - protecting jobs, responding to significant expected unemployment, helping people gain the skills needed for the jobs that will exist, and creating new and better-skilled employment.
- **Place** – ensuring a fair distribution of opportunities through investing in the infrastructure and adaptation of our strategic growth areas, town centres, the rural economy and regenerating our most deprived communities.

Cross-cutting Priorities

- **Ultra-fast, ultra-reliable digital connectivity, culture and skills** - we are leading within our region the £55m Digital Infrastructure Project improving and identifying traditional and alternative solutions to the problem. And whilst we have made significant progress in identifying coverage problems across Carmarthenshire, we continue to evaluate and understand the telecommunications market and intervene to improve digital connectivity across our County both now and for the future. We can be confident there are few reasons why our residents and businesses cannot in the future operate and compete in the global economy whilst retaining their base in Carmarthenshire with an acceptable level of digital connectivity, and we are working towards the target of Gigabit-capable future-proofed connectivity for the medium to long term.
- **Skills** - We will help match people to the job opportunities which are available, and this will involve an element of re-skilling or upskilling, offering employment support, creating a workforce pipeline for the future and supporting individuals to retrain for relevant roles. We will help residents to gain the skills they need for jobs in growing businesses and sectors. We will also work with employers in the growth sectors to identify their future employment and skills needs.
- **Green economy** - we will continue investing in the widespread deployment of energy efficiency measures that is key to meeting our commitment to reducing greenhouse gas emissions. Our prioritisation of retrofit energy saving measures will support the development of the construction industry skills and renewable technology. Our aspirations also include the growth of waste to energy opportunities and a greater number of community energy schemes.
- **Growth that is fair, equal and supports Welsh language and culture** - we are committed to local, fair, decent and secure employment and promoting entrepreneurship, business growth, affordable homes and community resilience in our Welsh speaking communities. Furthermore, in recognition of the changing dynamics concerning where people choose to live and work, we will encourage businesses and people moving to rural areas to value and use the Welsh language.

4.0.4 A fundamental aspect of economic recovery and the transition towards a higher-value and more inclusive economy will be raising productivity (measured as GVA, or value-added, per worker). Businesses with higher productivity will be able to pay higher wages, producing higher levels of prosperity for the whole of Carmarthenshire. The two fundamental approaches to driving up GVA and productivity, which can be carried out simultaneously, are:

- **Increasing productivity across all sectors of the economy** including support for 'localism' and the foundational economy e.g. through increased skills, capital investment, more and better use of technology and better infrastructure; and

- **Increasing the size of the high-productivity/high wage/high growth sectors** or sub-sectors of the economy, so that they carry out more activity and employ more local people. These should be sectors in which the Carmarthenshire economy has a competitive advantage (i.e. Carmarthenshire is a better place than elsewhere in which to do business in these sectors).
- 4.0.5 Our approach to localism is based on building strong, sustainable and resilient communities and strengthening the foundational economy through local businesses, local resourcefulness and local support. At this level the greatest impact of COVID-19 has been on sectors with a relatively low level of productivity which are nonetheless of key importance for our recovery, and include businesses in **retail, food and drink, tourism/accommodation and culture**.
- 4.0.6 At the time of this report there are growing concerns for the food sector and supply chain that are suffering significantly alongside hospitality sector closures. Safeguarding the industry and our larger companies that are pivotal in the produce supply chain and the hospitality trade, is a priority for our foundational economy sector.
- 4.0.7 Our key sectors with greater potential for higher productivity, higher wages and higher levels of growth are likely to have felt less impact but are critical for growing the size of our economy and employing more people – **advanced manufacturing, creative industries, green economy, health, care and life science and agriculture and food production**. These last two sectors (sub-sectors of each) sit in both foundational and high growth economies.

Figure 11 – Features of Local and High Growth

Localism/foundational economy	High growth competitive sectors
<ul style="list-style-type: none"> • Micro and small business growth and upscaling • Building strong sustainable & resilient communities • Closer to home solutions • Better-paid local employment • Strengthen local procurement & supply chains • Innovation through local university/institutions • Transform hard hit sectors - retail, hospitality, tourism, culture - to adapt and find new markets • Green tech & energy efficient homes 	<ul style="list-style-type: none"> • Focused activity that supports these sectors • Scale-up mid-sized, grounded firms • Advanced materials & manufacturing. • Creative industries - Welsh language media • Green economy inc. low carbon energy & reduction. • Health, care & life sciences. • Agriculture, food production & processing.

- 4.0.8 Most of the actions set out in this Plan will help with the recovery and growth of GVA and productivity across all sectors of the economy, in both the foundational and high-growth parts of the economy. However, within each area of activity there is scope to include some new and focused activity that supports our target foundational and high growth competitive sectors. With limited resources, it is right that our Plan determines where to focus our efforts and resources and explains why.
- 4.0.9 The following table identifies how our actions to support the recovery and growth will also differ as we restart, revive and renew the Carmarthenshire economy in the coming years.

Figure 12 – Recovery objectives

LOCKDOWNS	RESTART	REVIVE	RENEW
Minimise negative impacts <ul style="list-style-type: none"> • Minimise loss of businesses, jobs and productivity 	Support businesses and the workforce <ul style="list-style-type: none"> • Re-open businesses • Get newly unemployed back to work • Retrain unemployed for opportunities that are available • Tackle inequality and exclusion • Ensure businesses and places adapt to social distancing • Promote digital • Public sector procurement 	Accelerate recovery through local interventions <ul style="list-style-type: none"> • Start to build a stronger, greener, and just economy • Digital access and infrastructure • Support for foundational and growth sectors • Public sector procurement & supply chain development across sectors • Promote economic growth (GVA) • Create new jobs • Train people to access jobs • Promoting enterprise and supporting growth in areas with a high proportion of Welsh speakers 	Moving to a new (better) economy <ul style="list-style-type: none"> • Higher GVA and productivity • Better quality jobs • Innovation and R&D • Low carbon economy • Digital access and infrastructure • Public sector procurement & supply chain development across sectors • Reduction in carbon emissions • Reshaping of town centres and regenerating left behind communities • Delivery of major capital projects and infrastructure and more affordable housing • Tackle inequality and exclusion

4.1 Understand the needs of our target sectors

- 4.1.1 We have identified a number of sectors, above, which are important to our local economy and where Carmarthenshire has a competitive advantage, which will help to drive the future recovery and growth in the local economy.
- 4.1.2 At least two of these sectors straddle both the foundational economy and the high-growth economy (Agriculture and Health), whilst two are more focused in the high-growth economy (Creative and Green Economy).
- 4.1.3 An important first step of our Plan will be to understand the needs of these target and high growth sectors. This means establishing regular communications with representative groups of these sectors through existing partnerships and forums, and if not then helping to establish a representative for each sector within these existing structures. These include:
- Welsh Government
 - Business Wales
 - Regional Learning and Skills Partnership (RLSP)
 - High growth business engagement targets (an updated target list)
 - Business Advisory Forum (expand & include SME/target sector representation)
 - Agri-sector Group
 - CCC Community Area Teams
 - Enterprise agencies e.g. Antur Cymru, Menter a Busnes, SBF
- 4.1.4 We will review the composition of our Business Advisory and Agri Sector forums and consider if a single strategic business group for Carmarthenshire would improve regular dialogue with each sector and scale to understand their needs, opportunities, barriers to growth, skills requirements, property requirements and so forth.
- 4.1.5 Our target growth sectors are cross-cutting with our three headline themes of businesses, people and place; so, we include a specific focus within this Plan on these sectors.

4.2 Outcomes from our recovery plan

- 4.2.1 We need to recover the economic activity that has already been lost during the crisis and minimise and reverse further losses. A more stretching ambition is to generate some or all of the growth that we would have expected if the Covid-19 crisis had not happened, and a hard Brexit averted. Our modelling, summarised in Section 2, shows that we need to replace more than 3,000 jobs in Carmarthenshire that were lost in the first half of 2020 and nearly £200 million of lost GVA. There have been job losses since then, and many jobs currently

furloughed may be lost once Government support is withdrawn. In our central scenario more than 7,000 more jobs need to be safeguarded or replaced if they are lost, which rises to more than 10,000 jobs in our downside scenario. We risk losing at least £650 million of GVA, and more than £1.5 billion in a downside scenario. Safeguarding and creating jobs will help to minimise this loss.

- 4.2.2 Our modelling suggests that over 1,400 businesses in Carmarthenshire are at risk of insolvency, so we need to support them. Supporting these businesses to survive and then grow helps to safeguard and create the employment discussed above.

Figure 13 – Recovery targets

3,000 JOBS	- Replacing those that have already been lost
10,000 JOBS	- Safeguarding and replacing those that may have been or at risk of being lost
1,400 BUSINESSES	- Supporting business at risk of insolvency
1,700 JOBS	- Creating additional employment above our pre-pandemic levels

- 4.2.3 Over 90% of our nearly 8,000 businesses in Carmarthenshire are micro-businesses (i.e. with fewer than 10 employees), so we need to support these businesses to maintain, upscale and grow our economy. We also have more than 10,000 self-employed people who need support to survive and thrive in business.
- 4.2.4 In addition, had the pre-crisis growth trajectory continued over the period to the end of 2023, we would have seen an additional 1,750 jobs created in Carmarthenshire and £500 million of additional GVA. A stretching target would be to create some or all of these jobs and GVA.
- 4.2.5 The actions needed to achieve these targets are set out in the following sections together with predicted thematic outcomes.

4.3 Businesses -safeguarding and supporting sustainable growth

4.3.1 Our business support activities must provide services that meet the needs of businesses in our target growth sectors. For example:

Immediate actions

- Our Business support helpline will provide a multi-agency, seamless support service with specialist advice that meet the needs of our target sectors.
- We will review our targeted engagement with local businesses to ensure the current list covers firms in our growth sectors, including SME's with high growth potential.
- Our Business Recovery and Support Funds will prioritise target sectors and businesses that wish to grow through future public procurement opportunities.
- We will identify individuals and micro businesses that have fallen through the cracks of Government financial support and are known as the 'Excluded' and assess the level of support that is required through our business support package.
- We will reduce barriers to entrepreneurship, provide incentives for start-ups, and boost the potential of new start-ups.

Address longer term

- Our Business Start-Up Fund will prioritise target sectors.
 - Our Rural Enterprise Fund will target Food Production and Processing.
 - We will identify a pipeline of public sector procurement opportunities and ensure local businesses are alert and supported to target greater level of local contracts.
 - Our Business Growth Fund will support target sectors and prioritise businesses with the potential to target these public procurement pipeline opportunities.
- 4.3.2 The longer-term sustainability of our target sectors will be supported by several strategic projects that help to stimulate the Carmarthenshire economy, grow key sectors, develop skilled employees and retain talented young people in our region.
- Through the Swansea Bay City Deal we are progressing detailed design work for phases of Pentre Awel - combining **academic, business, leisure and health and care** in partnership with Hywel Dda Health Board including facilities for healthcare training, medical research and clinical trials.
 - Further commitments will help to continue delivery and expand our **creative industry** activity with a focus on Yr Egin – the creative exchange media and culture hub. Our support will help with the growth of new businesses and supply chain development.

- Completion of the Pendine Attractor Project will provide a major boost for the tourism industry and will be key for the growth of **coastal tourism and the rural economy**.
- We will also continue to support innovation through our Beacon Centre for Enterprise in Llanelli with specialist 'next generation' business support to enable **innovation and R&D**, office space and development land for spin-out.
- We will support **clean growth** and businesses diversification into areas such as renewable energy and supply chain development for low carbon affordable homes and decarbonisation retro-fit measures to the Councils existing stock. This will help with the long-term sustainability of these high- value sectors in Carmarthenshire.
- Investment in the Cross Hands Food Zone & East Strategic Site is supporting the growth of **life sciences, advanced manufacturing, environmental, creative and agri-food technologies**
- The City Deal **digital infrastructure** programme will benefit residents and businesses in all parts of Carmarthenshire and will help to ensure the region's cities, towns and business parks have competitive access to full-fibre connectivity.
- The economic growth and regeneration plans for our primary town centres, rural 'Ten Towns' and investment in the brand and marketing of Discover Carmarthenshire will support **retail, hospitality & visitor** economy sectors.

4.4 People – supporting the unemployed and getting back in to work

- 4.4.1 Our support for people in Carmarthenshire will ensure that they are well placed to support the recovery and growth of our target growth sectors. These actions will specifically support the expected and significant increase in unemployment and the challenge of placing people into work.

Immediate actions

- 4.4.2 Building on our experience of delivering local employability programmes and our knowledge of local businesses we will seek to coordinate a comprehensive package of support across partners including Working Wales (Careers Wales) and Job Centre Plus (JCP). We know there are a number of employability initiatives with different eligibility criteria and entry points and through Carmarthenshire's triage services we have a track record of working to coordinate referrals across multiple agencies. Before the pandemic, Llanelli's Hwb was a model proving the benefits of co-locating and partnership working between employment agencies able to meet in one building. We will investigate how to continue with these work patterns and collaborations including strengthening outreach support within Carmarthen and Ammanford Hwb's.

- 4.4.3 Through the RLSP we will identify target sectors workforce skills and training deficits and ensure that Welsh Government aligns funds to develop these specific needs in Carmarthenshire.
- 4.4.4 We will guide businesses through the Kickstart process, and with the RLSP and training providers ensure apprenticeship/traineeship support is made available. And where jobs are at risk, we will prioritise additional support for those with skills and experience in need by our target sectors.

Address longer term

- 4.4.5 We will work closely with the RLSP to ensure that the skills needs of our target growth sectors are recognised, and actions within the Regional Employment and Skills Plan meet their needs. There is also significant overlap between our target sectors and the skills and talent initiative of the Swansea Bay City Deal including:
- ensuring bespoke education and training solutions align with target sectors/City Deal themes,
 - targeting the up-skilling for those in work in target sectors, e.g. improved digital skills,
 - ensure self-employed, traders and micro firms become more resilient with business skills and confidence to grow e.g. business planning, digital skills, marketing.

4.5 Place – levelling up and inclusive growth

- 4.5.1 Where possible, we will ensure that our place-based actions support the needs of the target growth sectors. Under the Business heading above we discussed the need to ensure that our business property interventions and City Deal investments meet the needs of our target sectors, and these will be closely aligned with our other place-based interventions. Other examples of how we will support the target sectors include:

Immediate actions

- We will support start-up and sector growth in rural areas through a speculative build employment space programme.
- Our regeneration/growth plans for our town centres and rural towns will develop proposals that support our target sectors.
- Property acquisition and reuse initiatives will support our target sectors as well as produce affordable homes.
- Local Development Orders for employment zones and town centres will provide greater flexibility and speed up investment in support of sectors and new homes.

- Public realm improvements will support a safer and more attractive businesses environment and help our retail, hospitality, visitor and cultural sectors to adapt and grow.
- Destination marketing will support higher value growth of our visitor economy, town centres and emphasises attractiveness for investment and place to work.
- Our delivery of low carbon housing and decarbonisation retro fit measures will promote affordable warmth (reduce household bills/increase household disposable income) and maximise opportunities for local business growth in our Green Economy. We will also tackle barriers to growth including grid connection upgrade and funding for energy efficiency measures.
- We will ensure investments in physical and digital infrastructure help to overcome the barriers and supports growth in target sectors e.g. including strategic road, rail and cycling pipeline projects.

Address longer term

- 4.5.2 Our strategic projects discussed above will not only help to stimulate recovery in the Carmarthenshire economy at a sectors level but are key to achieving inclusive growth for people and employees, particularly young people in our county.
- Full-fibre digital connectivity, clean growth low carbon homes and investment in retro fit energy saving measures will support the **Carmarthenshire wide economy and promote stronger sustainable communities**. Likewise, Discover Carmarthenshire will support the marketing & branding of the county from Carmarthen Bay in the South to the Western Brecon Beacons and Cambrian Mountains in the North.
 - The recovery and growth plans for **primary town centres and ten rural towns**, will support retail, hospitality & visitor economy.
 - In **Llanelli** our investment in Pentre Awel academic, business, leisure and health and care and the Beacon Centre for Enterprise will enable innovation and R&D.
 - In **Carmarthen** the creative industry activity is focused on Yr Egin.
 - Investment in **Pendine** supports coastal tourism and rural economy in western Carmarthenshire.
 - The **Cross Hands** Food Zone and East Strategic Site supports life sciences, advanced manufacturing, environmental, creative & agri-food technologies.
 - Hywel Dda Health Board has consulted upon the new General Hospital in the area between Narberth and St Clears and it will be a significant driver for the economy as a whole and the health sector in **western Carmarthenshire**.

4.6 Maximising opportunities for external funding

- 4.6.1 The financial landscape is changing rapidly with the end of regional economic development funding from the EU, and replacement Shared Prosperity funds channelled from the UK Government. The Framework for Regional Investment and Regional Economic Framework in Wales referred to in Section 1 will establish revised priorities and decision making around how Welsh Governments funds are distributed at a regional and local authority level. Furthermore, most national funding organisations have reviewed their priorities and programmes in light of the pandemic.
- 4.6.2 We will regroup the external funding experience that already exists within our regeneration teams to step up the coordination and identification of external funding opportunities across the Council to ensure that we are successful with attracting additional funds into Carmarthenshire. We will also work closely with our PSB partners and businesses to ensure we support each other in securing funding in support of the priorities for recovery and growth.

4.7 Summary of actions and outcomes.

- 4.7.1 The Plan includes some 30 actions in support of business, people and place. The majority of these actions are already taking place with a significant financial and resource commitment from the Council. The Plan provides the focus for their delivery and we have identified where actions require further development, either with our partners or with new resources.

Business

Business Recovery Support

RESPONSE	OFFER
Business Recovery and Support Funds	We will establish a £0.5m Recovery Fund to safeguard/create sustainable jobs. We will prioritise our target growth sectors
	We will establish a £0.2m revenue Support Fund to invest in skills, marketing and diversification to safeguard and grow jobs. We will prioritise our high growth sectors We will use this fund to support businesses to target future Public Procurement Opportunities (see below)

Business Growth

RESPONSE	OFFER
Rural Enterprise Fund	We will allocate additional funds to our Rural Enterprise Fund so we can support businesses that create quality jobs supporting priority agri-food production and processing
Business Growth Funds	We will allocate additional funds to our Business Growth Fund that targets capital/revenue support for our target growth sectors. We will use this fund to support businesses to target future Public Procurement Opportunities
Business Start-up Fund	With increasing levels of interest in self-employment and new business start-ups our fund will specifically target growth in our priority sectors
Commercial Property Development Fund	We will establish a £1m package of assistance to support developers and owner occupiers to invest in construction, expansion and refurbishments of property. We will prioritise the delivery of premises in our target growth sectors. We will use this fund to support businesses to develop premises to target future Public Procurement Opportunities.
Speculative Employment Space Programme	We will invest £1m to directly deliver start-up and grow on business property in rural areas with poor viability for the private sector. We will prioritise letting to tenants in our target growth sectors
CCC managed industrial and commercial property	Where there is a proven need, we will continue to support tenants' of our managed estate through flexible term and realistic rents.
Work hub space	We will re-use/redevelop existing local authority land and property assets to provide space and support to occupants and businesses in the wider local community. We will ensure our hubs meet the need of our target growth sectors and reinvest income generated into additional businesses support.

Forward plan 'pipeline' opportunities	We will establish a 3-5 year forward plan of public sector opportunities and to provide specialist support to local businesses through our Economic Development team to prepare and target these opportunities. We will use our Pareto business targets and our business support and property related funds to provide an integrated package of support.
Lower Value Contracts	We will review the opportunity to ensure local firms have an opportunity to tender for lower value (under £25K) local authorities' contracts. We will encourage our foundational and high growth businesses to target these opportunities.

Actions in development

RESPONSE	OFFER	ASK
Provide urgent support for those who are at risk of redundancy or who have lost their job	Building on our experience of delivering local employability programmes and our knowledge of local businesses we are committing to coordinate a comprehensive package of support across partners including Working Wales and Job Centre Plus (JCP). Carmarthenshire's Hwb's will create a more joined up and co-working opportunities between agencies to provide employability support.	We will lobby Welsh Government/Working Wales and Departments for Work and Pensions (DWP)/JCP to proactively share intelligence on redundancies and deliver employability support. Identify methods to strengthen existing arrangements for regular update, information sharing and referrals between agencies.
Maximise local employment opportunities, support local people into work	Through the Regional Learning and Skills Partnership (RLSP) determine business workforce skills needs and support recruitment where appropriate. We are committing to better understand the needs of our growth sector employers including our high growth targeted businesses.	We will lobby Welsh Government to help us to identify and ensure funds align and fill the training gaps identified. We need to ensure there are enough resources to support training providers to deliver the training programmes identified by businesses, including our high growth sectors.
Outputs and impacts	<ul style="list-style-type: none"> • Increased number of jobs safeguarded • Increased number of people re-employed • Increase in apprenticeship and traineeship opportunities in local businesses • Increased pool of workers with the work-related skills that businesses need • Increased employment of local residents in local businesses 	

4.7.2 Predicted Outcomes

- 6,500 Business enquiries supported over 2 years directly with businesses.
- 2,000 Jobs safeguarded over 2 years directly through our programmes and activities.
- 2,000 Jobs created over 2 years directly through our programmes and activities.
- 1,000 jobs created over 2 years indirectly working with partners.
- 1,000 jobs safeguarded over 2 years indirectly working with partners.

People

Skilling and re-skilling and for residents to gain skills they need for jobs in growth businesses

RESPONSE	OFFER
Growth Sectors	Through the RLSP we are committed to understand the people and skills needs of businesses in our high growth sectors and ensure that local residents have the right skills to meet these needs. Where up-skilling is needed for those already working in the high growth sectors, e.g. improved digital skills, we will prioritise available training to these workers. We will work with training providers to provide apprenticeship support that our high growth sectors need. Our support to re-skill and up-skill people will focus on providing the skills that are needed in our high growth sectors.

Actions in development

RESPONSE	OFFER	ASK
Targeting the self-employed and micro business	<p>Tailored package of support and guidance targeted at our self-employed, local traders and micro businesses to enable them to move forward and grow their resilience in the post pandemic economy. Meet the variable needs of these businesses through a general health check or analysis of a key business area to identify skill gaps or areas for businesses development and to consider the actions and approach required.</p> <p>We will also identify individuals and micro businesses that have fallen through the cracks of Government financial support and are known as the 'Excluded' and assess the level of support that is required through our business support package.</p>	We will lobby Welsh Government/ Business Wales and local business support agencies to identify and ensure funds align to fill the business training gaps identified. We need to ensure there are enough resources to support training providers to deliver the training programmes identified by businesses,
Digital skills	Create and deliver a program to enhance the digital awareness, skills and literacy of businesses and workers across Carmarthenshire. This will be critical to the successful deployment of digital infrastructure. We will prioritise up-skilling within our high growth sectors.	We will challenge our training providers and engage other organisations such as Digital Communities Wales (Wales Co-op), Superfast Business Wales, BT, Google, Microsoft, and others to stimulate our digital economy. There is also the potential to partner with local businesses to deliver content on the specific subject matter which may be of interest and benefit to their peers i.e. Cyber Security
Outputs and impacts	<p>Increased skills and qualifications among self-employed and micro businesses</p> <p>Increased number of qualifications achieved in high growth sectors/employment pathways</p> <p>Increased number of employees earning real Living Wage</p> <p>Increased digital competency levels</p>	

4.7.3 Predicted Outcomes

- Increased skills and qualifications among self-employed and micro businesses – 250 over 2 years; 1000 over 5 years.
- Increased number of qualifications achieved in high growth sectors/employment pathways – 300 over 2 years.
- Increased number of employees earning real Living Wage – 200 over 2 years.
- Increased digital competency levels – 200 over 2 years.

Place

Sustaining vibrant towns

RESPONSE	OFFER
Regeneration Masterplans	We will review and update our integrated regeneration masterplans for Carmarthen, Llanelli and Ammanford. We will invest £1.2m match funding in capital projects and interventions in our town centres to meet the needs for our foundational and high growth businesses.
Ten Town Recovery & Growth Plans	We will produce recovery and growth plans for our 10 rural towns and appoint market town officers to help each town take their ideas forward. Our £100k seed funding and £1m capital funding will support immediate and longer-term needs.
Property acquisitions, occupation and reuse	We will identify and maintain our ongoing pipeline of potential town centre property acquisitions or lease. We will investigate opportunities to relocate/establish leisure, education facilities e.g. 24hr gym, in vacant town centre buildings. We will invest in new affordable homes in the redevelopment of town centre property. We will regularly discuss property issues with our major land and property owners to identify opportunities and support required.
Agile/shared working hubs	We will investigate and establish shared workspace hubs with our public sector partners and provide opportunities for local to home working for the business community.
Local Development Orders	We will establish Local Development Orders in Carmarthen and Ammanford and potentially strategic employment areas to provide greater flexibility and to lower the planning barriers for investment in a range of new uses.
Public realm improvements	We will implement the findings of our review into the success of the town centre COVID-19 measures. We will make improvements that make our town centres safer and more pleasant and support our retail, food and hospitality businesses

Brand and marketing

RESPONSE	OFFER
Discover Carmarthenshire Branding	We will produce our new brand and communication strategy in support of our visitor economy and town centres. We aim to increase the value of holiday stays, repeat visits and spend. We also want to use our branding to promote Carmarthenshire as an attractive place to live, work and invest in our target growth sectors.
100% Sir Gar	We will use our initiative to identify and support businesses in gaining confidence and skills in the use of online and add value through wider market reach and sales.

Sustainable places to live

RESPONSE	OFFER
New affordable housing	Our plans to invest over £107m into housing over the next 3 years will continue to be a major driver for economic recovery and growth. This will include the development of new affordable homes across that county, including town centres, rural towns and villages. Our plans also include the upgrading of the existing housing stock inclusive of a housing retrofit programme which will reduce carbon emissions and promote affordable warmth. Our investment will help stimulate the local economy, creating jobs, supporting local businesses including the local construction industry and the development of the local supply chain. This will have a key role in our immediate recovery from the COVID-19 including the regeneration and development of strong sustainable communities including Tyisha, Pentre Awel, town centres, rural towns and villages

Infrastructure to enable growth

RESPONSE	OFFER
Growth Zones and strategic sites	We will progress the delivery of Pentre Awel with Hywel Dda University Health Board, Universities and Colleges for several years, to provide world-class leisure, business, assisted living and health facilities on one site. We are working with the Welsh Government at Cross Hands Growth Zone to bring forward further employment sites and infrastructure, and the completion of Pendine Tourism Attractor which will feature a new state-of-the-art museum dedicated to Pendine's historic association with land speed, as well as a 42-bed eco activity holiday resort. We will continue to support the growth of Yr Egin as Carmarthenshire's creative and digital centre. New and secured funds for these sites will stimulate private sector investment for new and high-value businesses, creating hundreds of new jobs and productivity in high technology sectors.
Physical connectivity and sustainable travel	We are working towards improving rail connectivity in parts of Carmarthenshire to increase connectivity and inclusion, and reduce road traffic, congestion and carbon emissions. Feasibility work is being

undertaken on the new station at St Clears with significant UK Government funding (£4.7m). We are committed to delivering key projects including the remaining section of the **Towy Valley Cycle Path** from Carmarthen to Llandeilo. We will continue to lobby the Welsh Government to increase funding to enable the development of active travel and safer routes. With the growth and importance of transport logistics and supply chain, and our position on the trading route with Ireland will consider the options of developing an overnight lorry park/s within the county.

Actions in development

RESPONSE	OFFER	ASK
Low carbon housing & retro fit energy reduction	<p>We will support the delivery of low carbon housing and retrofit energy efficiency measures to our own and private household.</p> <p>We will ensure that we maximise opportunities for our local businesses and green economy sector working with the RLSP.</p>	<p>We will investigate and secure funds through e.g. Energy Company obligations (ECO) funding.</p> <p>We will challenge Welsh Government and training providers to ensure we prepare all element of the supply chain for delivering net zero homes.</p>
Outputs and impacts	<ul style="list-style-type: none"> • Growth in local construction/maintenance jobs in energy skills/technology • Create demand in supply chain development • Reduced levels of household energy cost and increased disposable income 	
Improving digital connectivity	<p>Through our comprehensive digital programme we will ensure our residents and businesses operate and compete in the global economy whilst retaining their base in Carmarthenshire.</p> <p>We can achieve an acceptable level of digital connectivity for most business in the short term. We are working towards the target of Gigabit-capable future-proofed connectivity for the medium to long term</p>	<p>We are committed to deliver the digital infrastructure project for the region and ensure necessary funds are secured to roll out amongst the telecoms industry that Carmarthen</p>
Outputs and impacts	<ul style="list-style-type: none"> • Full-fibre digital connectivity to acceptable levels across Carmarthenshire • Increased use of digital technologies & levels of innovation • Increased incidents of collaboration & technology transfer 	

4.7.4 Predicted Outcomes

- Increased pool of workers with the work-related skills that businesses need - 300 over 2 years.
- F-G Rated properties 12,000 households living in warm energy efficient housing – equivalent to £3.5 million annual savings (£296 per household).
- Safeguarding 7,000 construction/maintenance jobs through skills and technology development to deliver energy efficiency measures through retrofit, maintenance and new build.

5 How we will deliver

- 5.0.1 How we help deliver the recovery and growth of the economy is as important as what we deliver – and consideration of the Wellbeing of Future Generations Act has reinforced the need to work differently to recover and improve the sustainable economic well-being of Carmarthenshire. The Act puts in place the five ways of working to ensure that public bodies take account of the long-term, work to prevent problems occurring or getting worse, take an integrated and collaborative approach, and consider and involve people.
- 5.0.2 The Carmarthenshire approach means we have a strong focus on our local community but also working regionally and nationally to maximise all opportunities for recovery and growth. The vital role the Local Authority has played in leading the emergency response to COVID-19 has been strengthened by our ability to contribute various elements on a broader community and economic level. This has included housing, transportation, regeneration and planning etc and has been reflected in the extent of our Business Economy and Community recovery group and 11 themes.
- 5.0.3 However, whilst working at the forefront of economic development and recovery, these are not statutory functions of Carmarthenshire County Council, and at the same time inclusive recovery and growth are beyond the scope of any single Council department. Neither can we achieve recovery by acting alone, it requires concerted action to strengthen our existing mechanisms, including the way we work with our businesses and PSB partners and others working for the long term.
- 5.0.4 We will continue to engage with our strategic economic partners in Welsh Government, and the Regional Learning and Skills Partnership (RLSP) and through the PSB with the public sector and particularly DWP. Where needed, we will pilot initiatives, demonstrate delivery and share the experience with our partners to help scale-up these initiatives across the county e.g. our work towards advancing progressive procurement.
- 5.0.5 However, we recognise a key lesson of the pandemic has been the need to create a mechanism to bring together representatives of our business community to develop and share intelligence, agree to priorities and build long term public/private sector relationships. We will investigate with our business stakeholders how to evolve the Business Advisory Forum and Agri and Professional Services group into a strategic business forum for Carmarthenshire that represent our target sectors, high growth business engagement target, self-employed, small businesses, and local enterprise agencies e.g. Antur Cymru, Menter a Busnes, and membership groups e.g. NFU/FUW, SBF.
- 5.0.6 A sub-group of our strategic forum could provide a focus on business support and include key partners and stakeholders involved with delivering

entrepreneurship, business support and include further and higher education through Coleg Sir Gar and UWTSD.

- 5.0.7 We will need to closely monitor and evaluate our actions to ensure that they are replacing lost economic activity, safeguarding activity at risk, and promoting growth to make up lost ground. We will establish a monitoring and evaluation framework to cover actions delivered by all stakeholders; appraise the planned outputs and outcomes from these actions; monitor whether they are being delivered; evaluate why they are or are not successful; and continually refocus our actions to deliver better.

Mae'r dudalen hon yn wag yn fwriadol

Cyfarfod Craffu ar y Cyd
Polisi ac Adnoddau a Chymunedau ac Adfywio
10.06.21

Hyrwyddo Caffael Blaengar

Yr aelodau'n cael adroddiad ar ymrwymiad y cyngor i hyrwyddo caffael blaengar.

Ystyried y materion canlynol a chyflwyno sylwadau arnynt:

1. Ystyried yr adroddiad ynghylch Hyrwyddo Caffael Blaengar.

Y rhesymau:

Cynlluniwyd yr adolygiad hwn o gyfleoedd caffael blaengar o dan brosiect caffael bwyd sector cyhoeddus Sir Gaerfyrddin yn wreiddiol, a ariannwyd drwy gronfa Her yr Economi Sylfaenol Llywodraeth Cymru. Er ei fod yn dal i gael ei gefnogi drwy'r gwaith hwn, mae sefyllfa COVID-19 wedi rhoi mwy o ffocws ac ysgogiad a chafwyd cyfle i ehangu cwmpas gwreiddiol y prosiect o fwyd yn unig i gwmpasu holl wariant caffael y Cyngor. Mae gan y gwaith hwn gysylltiad agos iawn â chynllun adfer economaidd y Cyngor ac mae caffael blaengar yn un o themâu allweddol y cynllun hwnnw.

Angen cyfeirio'r mater at y Bwrdd Gweithredol / Cyngor er mwyn gwneud penderfyniad: OES

YR AELOD O'R BWRDD GWEITHREDOL SY'N GYFRIFOL AM Y PORTFFOLIO:- Y Cynghorydd Emlyn Dole, Yr Arweinydd

<p>Y Gyfarwyddiaeth</p> <p>Enw Pennaeth y Gwasanaeth: Jason Jones Helen Pugh</p> <p>Awdur yr Adroddiad: Gwyneth Ayers & Clare Jones</p>	<p>Swyddi: Pennaeth Adfywio Pennaeth Refeniw a Chydymffurfiaeth Ariannol Rheolwr Polisi Corfforaethol a Phartneriaeth Prif Swyddog Caffael</p>	<p>Ffôn: 01267 224659</p> <p>Cyfeiriadau E-bost: jajones@sirgar.gov.uk hlpugh@sirgar.gov.uk gayers@sirgar.gov.uk clajones@sirgar.gov.uk</p>
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EXECUTIVE SUMMARY
POLICY & RESOURCES AND COMMUNITY & REGENERATION
JOINT SCRUTINY MEETING
10.06.21

Advancing Progressive Procurement

Officers from the Council's procurement, economic development and corporate policy team have been working with CLES (Centre for Local Economic Strategies) as part of the wider Carmarthenshire Public Services Board (PSB) public sector food procurement project funded through the Welsh Government Foundational Economy Challenge Fund. CLES are widely regarded as leaders in this field having worked with the likes of Preston City Council on their procurement and community wealth building approaches. Other PSB partners involved in the wider food specific project include Hywel Dda University Health Board, University of Wales Trinity Saint David and Coleg Sir Gâr and the findings of that work will be reported to the PSB at its 23 March 2021 meeting. However, this report and recommendations is specific to the Council and has taken account of all Council procured spend areas (not just food related spend as with the PSB partners). The work undertaken by CLES has focused on the following areas:

- Strategic review
- Evidence review including local economy analysis; spend analysis; and gap analysis
- Stakeholder engagement
- Review and development of existing toolkits
- Advancing progressive procurement action plan.

Key recommendations from the CLES report (copy attached)

The report makes 9 key recommendations for the Council to consider. Alongside these recommendations are a series of suggested steps to make progress against the recommendations. These are noted on pages 60-65 of the main report.

1. Make community wealth building a more explicit, central strategic narrative
2. Incorporate an emphasis on sectoral transition in the Councils economic recovery and reform programme.
3. Increase the strategic profile of procurement.
4. Systematically review opportunities to localise spend, prioritising interventions where there is a strong overlap between leakage and local economic vulnerability.
5. Deepen and extend the approach to spend analysis
6. Further develop market engagement approaches
7. Enhance and refine procurement processes
8. Scale up and codify the approach to social value and community benefits – which includes a recommendation to 'Produce a social value (community benefits) policy, with clear outcomes linked to wellbeing objectives'. This should be progressed as soon as possible as this will set the direction of travel.
9. Seek to collaborate with other anchors across the PSB.

Future Generations Commissioner for Wales '[Procurring Well-being in Wales](#)'

In February 2021 the Commissioner published a report and recommendations for Welsh

Government and public bodies to take account of as part of the development of their procurement arrangements. All of the key issues and recommendations are included in the attached report which also outlines current Carmarthenshire Council activity and progress on the matters raised. There are three specific issues noted for public bodies which complement the findings of the CLES report and recommendations. These key issues for public bodies are:

1. Opportunities to deliver on all four dimensions of well-being are not being maximised, often due to lack of leadership and strategic approach that recognises the ‘power of purchase’.
2. The “procurement system” is too often leading to a focus on process and short-term cost rather than delivering wider outcomes over the long-term, and there is no consistent way of measuring the outcomes that can be achieved in line with the Act. There needs to be a shift to considering long term costs holistically, in line with the Act.
3. There is no mechanism for promoting effective collaboration for public bodies, particularly cross-sector to improve sharing, learning, capacity and skills.

Moving forward with implementing the CLES recommendations (if approved), we will need to take account of these issues and recommendations in our next steps to ensure we align with national direction of travel.

Way forward

If the report and recommendations are approved for further development it is suggested that a working group with representation from the Council’s procurement, economic development and corporate policy teams, with input and support from relevant Members and other relevant Council services is established to further develop this work. This will complement and work alongside a new PSB procurement and economic development network which is being proposed as part of the public sector food procurement project.

Any changes to current Council policy and regulations as a result of this further work would be reported back to the Executive Board for final decision. This work will closely align to the Council’s economic recovery plan.

DETAILED REPORT ATTACHED?	YES <ol style="list-style-type: none"> 1. Community wealth building in Carmarthenshire – advancing progressive procurement (CLES) 2. Procuring Well-being in Wales: Key Issues & Recommendations
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IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: Jason Jones, Head of Regeneration & Helen Pugh, Head of Revenues & Financial Compliance

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
YES	YES	NONE	NONE	YES	YES	NONE

Policy, Crime & Disorder and Equalities

There are a number of policy directives shaping this work, the key one being the Well-being of Future Generations (Wales) Act. Procurement is identified as one of the seven corporate areas that need to take account of and embed the sustainable development principle and ways of working in its approaches. Any future Council policy and guidance updates will need to fully take the Act into consideration.

There is currently a significant national and local focus on procurement policies and future approaches driven by a combination of factors including the urgency of COVID-19 economic recovery plans and a focus on social value, Brexit and resulting policy changes, as well as the focus on delivering net zero carbon commitments and the role procurement can play. These will all need to be taken account of as we develop the Council's approach.

The Council has also made a commitment to become net zero carbon by 2030. Procurement can play a key role in that work going forward and will need to be embedded into future approaches.

Legal

Further consideration must be given to legal implications of any proposed development of future ways of working and these will be considered as part of the on-going development work. We must ensure that all Procurement complies with various legislation, namely the Public Contracts Regulations 2015 and the Council's internal Contract Procedure Rules. Any amendments to current Council Policies and Rules will be subject of a further formal decision by Executive Board.

Risk Management Issues

A progressive procurement 'localism' approach is a key focus of the Council's economic recovery plan. If the report recommendations are not progressed, it is extremely unlikely that the Council's recovery aspirations will be maximised, subject to various procurement legislation compliance.

Staffing Implications

There will be a need to ensure that the resourcing and capacity of the procurement and business support functions are commensurate with the Council's expectations

CONSULTATIONS

<p>I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below</p> <p>Signed: Jason Jones, Head of Regeneration & Helen Pugh, Head of Revenues & Financial Compliance</p>	
<p>1. Scrutiny Committee N/A</p> <p>2. Local Member(s) N/A</p> <p>3. Community / Town Council N/A</p> <p>4. Relevant Partners</p> <p>Hywel Dda University Health Board, Coleg Sir Gâr and University of Wales Trinity Saint David are directly involved in the project, and findings will be reported to Carmarthenshire PSB</p> <p>5. Staff Side Representatives and other Organisations N/A</p>	
<p>EXECUTIVE BOARD PORTFOLIO HOLDER(S) AWARE/CONSULTED</p> <p style="text-align: center;">YES</p>	<p>Cllr David Jenkins</p>

<p>Section 100D Local Government Act, 1972 – Access to Information</p> <p>List of Background Papers used in the preparation of this report:</p> <p>THESE ARE DETAILED BELOW</p>		
Title of Document	File Ref No.	Locations that the papers are available for public inspection
<p>Future Generations Commissioner for Wales Procuring for Well-being</p>		<p>Cymraeg: https://www.futuregenerations.wales/wp-content/uploads/2021/02/CYM-Section-20-Procurement-Review.pdf</p> <p>English: https://www.futuregenerations.wales/wp-content/uploads/2021/02/ENG-Section-20-Procurement-Review.pdf</p>

Mae'r dudalen hon yn wag yn fwriadol

Procuring Well-Being in Wales: Future Generations Commissioner for Wales (February 2021)

Procurement is one of the seven corporate areas for change in the Act’s statutory guidance (Shared Purpose: Shared Future, SPSF 1: Core Guidance) and it must be a key area of focus for public bodies in meeting their obligations under the Act, including setting, and taking all reasonable steps to meet, their organisational wellbeing objectives.

General Comments on body of text:-

Page	Report Text	Carmarthenshire County Council comment
5	<p>“a public body’s procurement strategy should be setting out clearly how they are procuring in a way which helps them to meet their organisational well-being objectives, and in turn contributing to the seven national well-being goals. They should also evidence clear alignment with the four dimensions of well-being (cultural, economic, social and environmental) and how they have applied the five ways of working in the Act which are planning for the long term, prevention, integration, collaboration and involvement.”</p>	<p>CCC has updated its Sustainable Risk Assessment (SRA) template to align with the 5 ways of working and 7 Well-Being Goals. The SRA is led by the Corporate Procurement Unit and completed with the lead Officers for all Procurement quotations and tenders over the value of £25,000 (as per the recommendations in the Wales Procurement Policy Statement). These early discussions enable Procurement to understand the procurement requirement and start address the national goals and local objectives through the procurement strategy.</p>
	<p>Summary of Key Findings and recommendations on Procurement” Future Generations Report 2020 –</p> <ul style="list-style-type: none"> • Develop leadership that supports a strategic approach to procurement, recognising the ‘power of purchase’ • Procuring well-being: a focus on outcomes and measuring what matters 	<p>All Procurement exercises valued over £25k are addressed with the Act in mind. The SRA is a useful tool to ensure these discussions are carried out earlier enough in the Procurement Process and addressed in the tender specification and procurement approach.</p> <p>CCC has embedded Community Benefits in its tender activity for over 10 years. Most recently a dedicated Community benefits officer has been appointed as part of the Procurement team to drive forward the wider social value ambitions of the Council.</p>

Page	Report Text	Carmarthenshire County Council comment
	<ul style="list-style-type: none"> • Focussing on longer-term financial planning • Promote effective collaboration, with each other and suppliers to improve sharing, learning, capacity and skills 	<p>A recent tender exercise for our Flying Start Childcare Service has been advertised at longer than the traditional 4 years (6.5years) to ensure continuity of service for our families and children accessing the service and for our Programme team to establish longer term links with our providers to deliver a meaningful service. This approach is being considered for other tenders which fall within the Light Touch regime of the Public Contracts Regulations (2015) where great flexibility can be embedded in the tender and awarded contract/framework.</p> <p>The Council leads on a number of significant regional frameworks. The South West Wales Regional Contractors Framework (worth an estimated £1 Billion), the South West Wales Regional Civil Engineering Contractors Framework (worth estimated £300 million) and most recently the South West & Mid Wales Regional Civil Engineering Services Framework 2021 (estimated £36 million). These collaborative frameworks standardise the way all partner public sector organisations engage with the suppliers at call-off ensuring a consistent approach. Procurement also chairs the Contractors Framework Community Benefits Working Group. Working with colleagues across the region to drive the Community Benefits delivered through the framework.</p> <p>As part of the Council's Foundational Economy Challenge Fund project looking into Community Wealth Building within the County. The Centre for Local Economic Strategy (CLES) were appointed to review the development of a new local/progressive procurement framework for implementation by public bodies across Carmarthenshire (as part of the Public Services Board (PSB)). Two reports were produced, one for CCC on the wider procurement spend and another looking into food production and the supply chain with the Council and Carmarthenshire anchor institutions (Hywel Dda & Coleg Sir Gar & University of Wales Trinity Saint David). Work has commenced between the PSB partners to work together to support this agenda moving forward.</p>

Page	Report Text	Carmarthenshire County Council comment
	<ul style="list-style-type: none"> <li data-bbox="309 300 931 331">• Build on established frameworks, including legal <li data-bbox="309 628 826 660">• Promote a can-do mindset and attitude 	<p data-bbox="1111 261 1984 539">We are continuously reviewing our tendering information and contracts to ensure we push the boundaries as much as possible within the legal regulatory framework. The Corporate Procurement Team have liaised with external procurement legal experts to embed as much as possible in the forthcoming Pentre Awel Zone 1 City Deal Procurement Tender Exercise. In our recent Regional tender for the South West & Mid Wales Regional Civil Engineering Services Framework 2021 we embedded our aims and ambitions for the Act in our tender documentation.</p> <p data-bbox="1111 587 1984 973">We have been keen to understand the impact of our Procurement Activities from the outset in order to maximise the contributions we make towards our Council's Well-Being Objectives. In 2018 we embedded the Act in our Procurement Strategy and in 2019 we worked with colleagues in our Policy team to understand and benchmark how the work we do contributes to the Well-Being objectives then and what actions we needed to do to take this forward in the future. Our Annual report for last year on Procurement was aligned to the Goals and 5 Ways of Working and clearly demonstrates the positive contributions we make as a team working with our departments to deliver the procurement activity.</p> <p data-bbox="1111 1021 1984 1332">Working with the Future Generations Commissioners team we developed Framework Aims and Objectives for the South West Wales Regional Contractors Framework, worth approximately £1 Billion over the 4-year duration. We were mindful as Framework lead we could set the direction for the approach across the region and set out the minimum expectations. We linked up with Constructing Excellence in Wales on their 'Constructing for Future Generations' approach and agreed with our partners to work together to consider the long term impact of our decisions, work better with people, communities and each other.</p>

Page	Report Text	Carmarthenshire County Council comment
		The Act in Carmarthenshire is seen as a wider opportunity than just a Procurement responsibility. This needs to be further developed to ensure the goals and objectives are addressed from the identification of a need way in advance of it being discussed with the Corporate Procurement Unit.
13-15	“In addition to considering how their own procurement decisions deliver on all elements of the Act, Welsh Government and the National Procurement Service (NPS) has a responsibility to monitor and assess how other public bodies are considering the Act in their procurement activities, particularly through national frameworks.”	In recent years there has been a lack of practical support to public bodies in the exercise of their procurement functions, specifically in relation to the Act from Welsh Government. We support the recommendation of a Centre of Excellence with a required “comprehensive review and reform of the existing procurement landscape (structures, networks, partnerships and initiatives) and be resourced to build capacity and support implementation”.
13	Case Study: Carmarthenshire County Council – Approach with the South West Wales Regional Contractors framework (SWWRCF) and Pentre Awel.	The Council is included as a Case Study of our approach with the SWWRCF Framework to embed the 7 Well-Being Goals and 5 WOW at Framework Level. This is further supported with the Pentre Awel call-off from the framework and the importance placed on the Act throughout the project and tender exercise.
16	“Public procurement operates under a regulatory regime, the Public Contracts regulations, but with growing attention to embedding social value and well-being into procurement, it is perceived by many that the policy landscape has become complex with an extensive set of tools, guidance and priorities coming from Welsh Government.”	The Procurement team agrees there are many initiatives coming out from Welsh Government, including the foundational economy, social partnerships, circular economy, social value, decarbonisation and community wealth building which seem to be produced in isolation of one another. Practical guidance is lacking to ensure consistency in approach for all Public Sector organisations. One over-arching guidance on all the different strands would be useful, along with practical tools to utilise these in practice would also be very helpful. The Welsh Government’s Route planner used to provide this to a point but this has been removed from their website and not replaced.
18	Case Study: Carmarthenshire Public Services Board Food Procurement	A further positive Case Study is included on our Foundational Economy Challenge Fund Project recognising how public sector organisations can make a greater contribution to the local supply chain by changing its approach to procurement and doing things differently.

Page	Report Text	Carmarthenshire County Council comment
20	“Welsh Government should review all guidance and toolkits that are currently in place to support sustainable procurement and measure/monitor community benefits and/or social value, and publish a clear plan outlining how these will be revised and consolidated to enable a consistent approach for public bodies to report on the wellbeing outcomes being achieved.”	This is definitely needed to ensure consistency in approach across the public sector which will make collaboration easier in the future.
20	“In order to meet carbon emission targets, every public body should set out how they have considered the carbon impact of their procurement decisions and in the case of construction or infrastructure contracts should require schemes to be net zero carbon over their lifetime.”	Further guidance on the practical implementation of the Decarbonisation Dashboard would be welcomed with examples of how it has been applied to Procurement Tender exercises and subsequent Contract Management.
21	“there is evidence of other public bodies being willing to prioritise spending in the local economy as it results in wider benefits. The focus on short-term cost and ‘value for money’ as opposed to wider benefits that could be achieved limits opportunities for public money to contribute towards Wales’ seven well-being goals illustrating that without support from senior leadership, procurement cannot be realised as a lever that delivers best outcomes for current and future generations.”	In Carmarthenshire we have always seen the merit in working with SME’s to promote opportunities to bid for our work, with a dedicated ‘First point of Contact’ our supplier engagement officer within our procurement Unit. Whilst the Public Contracts Regulations prohibits us from going direct to our ‘local’ supply base we have been mindful of how we Lot of Tenders and through the use of Community Benefits been mindful of the impact we can have on the local economy. This is only going to expand in light of the CLES work and with a closer alignment with our colleagues in our economic development team to understand sector voids in the County / Region and barriers that prevent some suppliers from bidding for work.
21	“....some organisations have progressed the 'Community benefits' agenda and we are beginning to see examples of contracts placing greater emphasis on social value through the application of the new Themes, Outcomes and Measures (TOMs) framework.”	As a Council we are experienced in embedding Community Benefits in our tenders and have been doing so with great success for many years, in our construction tenders predominantly. Early reviews of the TOMS framework as a region suggests it has merit in some sectors, but in established sectors such as construction where Community Benefits is long established and setting targets by the Public Sector organisation expected, we are reviewing how the TOMS framework will add additional social values - whilst allowing us to dictate the most meaningful targets for our County. Further Case Studies would be welcomed on the use of TOMS in Wales and again Welsh Government’s

Page	Report Text	Carmarthenshire County Council comment
		commitment to the financial side of its usage would also be welcomed as there is a cost to us as an organisation <u>and</u> a further cost to the appointed supplier (for the reporting portal) must be factored into its adoption and roll out.
29	<p>“...many public bodies revealed that commissioning and procurement teams are moving away from the community benefits approach.</p> <p>This builds on the work that has been led by the Welsh Local Government Association (WLGA) over the last 15 months, working with local authorities to develop a new social value measurement framework for Wales. The Welsh National Themes, Outcomes and Measures (TOMs), led by the WLGA was launched in November 2020 and provides organisations with a social value measurement and management framework which is aligned to the seven national wellbeing goals and allows them to consider how their procurement decisions also contribute to their own well-being objectives.</p> <p>We welcome the development of a framework that takes a more holistic approach to measuring social value and well-being, aligned to the Act. It is not however currently clear whether this approach should be, or will be, adopted consistently across Wales and there is currently a lack of national guidance on this. Any framework that is put in place will need to ensure sufficient resource and skills for managing contracts to ensure that efforts to embed the Act into procurement is followed through and measured; many public bodies expressed concern that this currently is not the case.”</p>	Any expansion of the Community Benefits approach needs to be developed nationally. We are already witnessing some organisation procuring the reporting tools separately with different options being adopted in parts of Wales. This is confusing to suppliers. We need a consistent approach which demonstrates how it supports organisations in delivering social value and the Act.
33	“Public Services Boards should prioritise how they can collaborate and use spend to maximise social value, contribute to their well-being objectives, and improve well-being on a local level.”	Through our work on the Foundational Economy Challenge Fund project and subsequently with CLES the Council is working with PSB partners to further advance opportunities for collaboration.

Summary of the recommendations for Welsh Government:-

These Recommendations are designed to promote and sustain positive change, but to have maximum effect they need to be considered expeditiously. The Recommendations were put together on the basis they can, and ought to be achieved, within the next 12 months, i.e before end March 2022.

Page	Issue highlighted	Recommendations	Further advice on how this could be achieved
38	Welsh Government has failed to show clear joined up leadership on the role of procurement in delivering Wales' national well-being goals (and public bodies well-being objectives).	<p>Welsh Government should establish a Procurement Centre of Excellence for improving coordination, collaboration and providing practical support to public bodies in the exercise of their procurement functions, specifically in relation to the Act. Development of this Centre of Excellence would require a comprehensive review and reform of the existing procurement landscape (structures, networks, partnerships and initiatives) and be resourced to build capacity and support implementation.</p> <p>The new Programme for Government should clearly set out how Welsh Government will provide strategic leadership and commitment to supporting and achieving wider outcomes from procurement, using language that is consistent with the Act</p> <p>Welsh Government's new Procurement Policy Statement should clearly demonstrate how it will support public bodies to deliver the aspirations of the Act in public sector procurement in Wales. This Statement, along with progress to deliver the commitments, should be reviewed and reported annually.</p> <p>Welsh Government should ensure all future national procurement frameworks align with, and contribute to, the seven national well-being goals and apply the five ways of working set out in the Act</p>	<p>We would strongly advise that this Centre of Excellence is not developed by civil servants alone, but should be done in collaboration with the wider procurement community and external experts, with Ministerial oversight. Welsh Government should involve a holistic range of organisations who bring knowledge and expertise of each of the national well-being goals as well as relevant professions. This structure could have oversight from the Office of the Future Generations Commissioner but as a minimum should have a clear link.</p> <p>The Centre of Excellence will:</p> <ul style="list-style-type: none"> • Act as a central portal to coordinate and support cross-sector collaboration and implementation. • Report outcomes delivered through procurement on a regular basis. • Provide feedback to public bodies on good and bad practice. • Support and enable shared learning amongst public bodies that drives improvement in line with the Act. • Provide on the ground practical support for the procurement profession.

Page	Issue highlighted	Recommendations	Further advice on how this could be achieved
			<ul style="list-style-type: none"> • Raise the profile of procurement, giving agency and authority to procurement • professionals supported by senior-level commitment. <p>Welsh Government should establish the Centre and set clear outcomes (in agreement with others), reporting annually on how these are being delivered.</p> <p>Welsh Government’s Centre of Digital Service is an example of a ‘mechanism’ designed to provide guidance, training, standards, collaborative networking and hands-on practical help to the Welsh public services. A similar approach could be taken for procurement. The Foundational Economy Challenge Fund, Centre for Local Economic Strategies (CLES) work and the development of Welsh National TOMs highlighted in this report are a good starting point. However, there needs to be better integration and more join up between these projects, as well as the provision of additional coordinated practical support for public bodies.</p> <p>Welsh Government should provide practical guidance, supporting public bodies using national and/or regional frameworks to contribute to the seven national well-being goals and apply the five ways of working set out in the Act</p>
	There is poor communication and integration between different Welsh	Welsh Government should review all guidance and toolkits that are currently in place to support sustainable procurement and measure/monitor community benefits and/or social value, and publish a clear plan outlining how these will be revised and	The forthcoming Social Partnerships Bill will need to ensure that the new procurement duty placed on public bodies supports them to deliver outcomes that will help them to

Page	Issue highlighted	Recommendations	Further advice on how this could be achieved
	Government priorities, alongside lack of support available for public bodies to ensure these are implemented effectively on the ground	<p>consolidated to enable a consistent approach for public bodies to report on the well-being outcomes being achieved.</p> <p>In order to meet carbon emission targets every public body should set out clearly how they have considered the carbon impact of their procurement decisions and in the case of construction or infrastructure contracts should clearly require schemes to be net zero carbon over their lifetime</p>	<p>achieve their well-being objectives and, in turn, the national well-being goals.</p> <p>A recent Wales Co-operative Centre report provides a useful summary of how existing legislation, policy and guidance supports delivery of social value within the social care sector.</p>
	Opportunities for making spend work harder are being missed due to lack of support for the procurement profession and lack of accountability at a leadership level.	<p>The Procurement Centre of Excellence should review and reform structures for national accountability and establish an appropriate mechanism to scrutinise progress on implementation. Welsh Government should report annually on how overall national public spend is contributing to the national well-being goals.</p> <p>In addition, their annual report (on progress with the Act) should clearly set out how all of their own procurement spend, and grant spend, is contributing to meeting their well-being objectives, and in turn the seven national well-being goals</p>	<p>This Centre of Excellence will be connected to key decision-makers including Ministers and public sector leaders, and supported by external advisers with knowledge and expertise of each of the national well-being goals as well as relevant professions. The Centre will have a specific remit to highlight where overall spend across Wales is not aligning or making slow progress to meeting the well-being goals and directing national action to address this</p>
	There is no ongoing monitoring of procurement approaches or outcomes either for the purposes of spotting where things are going wrong, and opportunities are being missed, or for identifying and sharing best practice	<p>The Procurement Centre of Excellence should develop a mechanism or tool to assist public bodies to monitor and report consistently on the Act (possibly building on the work being done on social value and the new TOMS framework) demonstrating how their procurement spend is meeting the well-being goals and objectives.</p> <p>Welsh Government should monitor progress by public bodies in Wales. This must be reported within the annual reports on delivery of their well-being objectives for both Welsh Government in respect of the overall outcomes being delivered across Wales and by individual public bodies</p>	<p>Welsh Government should commit to providing support to public bodies (specifically the procurement function) on achieving this. This could include establishing a Community of Practice for sharing and learning what works.</p>

Summary of the recommendations for Public Bodies:-

Again, these Recommendations are designed with a 12-month (before end March 2022) timeframe in mind, unless stated otherwise.

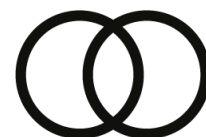
Page	Issue Highlighted	Recommendations	Further advice on how this could be achieved
43	Opportunities to deliver on all four dimensions of well-being are not being maximised, often due to lack of leadership and strategic approach that recognises the ‘power of purchase’.	Senior leadership should review their procurement approach and activities to identify opportunities to maximise the social, economic, environmental and cultural impact of spending decisions, setting clear steps that show how procurement is supporting the delivery of their organisational well-being objectives.	Procurement needs to be ‘at the top table’. Public bodies should involve departments and organisations who are involved in, and impacted by, the procurement process when setting well-being objectives (e.g. commissioning, contract management, suppliers and waste management). This could lead to public bodies understanding the broader benefits and steps they can take to improve all aspects of well-being through procurement.
	The “procurement system” is too often leading to a focus on process and short-term cost rather than delivering wider outcomes over the long-term, and there is no consistent way of measuring the outcomes that can be achieved in line with the Act. There needs to be a shift to considering long term costs holistically, in line with the Act.	Once a mechanism or tool is developed and adopted by Welsh Government (as recommended above), each public body should be using it to clearly monitor and report on its activities, both in individual procurement exercises and overall, how their procurement spend is meeting the well-being goals and objectives. <ul style="list-style-type: none"> • This should be reported within the annual reports on delivery of their well-being objectives. • In order to avoid confusion of language, and link clearly to the statutory requirements of the Act, the terminology should be revised to mirror the language of the Act. 	As a minimum, all contracts above £1 million (same as Community Benefits Toolkit) should include an assessment of the outcomes being delivered against the four dimensions of well-being (cultural, economic, social and environmental) or the seven wellbeing goals and their own well-being objectives. Public bodies should proactively participate in the Community of Practice for sharing and learning what works. Public bodies should use the resources published by the Future Generations Commissioner and other organisations.
	There is no mechanism for promoting effective collaboration for public bodies, particularly cross-	The Procurement Centre of Excellence established by Welsh Government will act as a central portal to support cross-sector collaboration and	Review the impact of existing initiatives and mechanisms (e.g. Knowledge Hub, Foundational Economy Community of Practice, national and

Page	Issue Highlighted	Recommendations	Further advice on how this could be achieved
	sector to improve sharing, learning, capacity and skills.	implementation. In collaboration with others Welsh Government should review existing groups and networks to better coordinate activity across local government, health, PSBs and regions, along with the third sector and private sector. Public Services Boards should prioritise how they can collaborate and use spend to maximise social value, contribute to their well-being objectives, and improve well-being on a local level.	regional networks). Greater peer-to-peer support to harness good practice and drive change across sectors. The Centre for Local Economic Strategy (CLES) is currently working with five clusters of Public Services Boards in Wales to explore opportunities around procurement, local spend and community wealth building. There should be support to scale this work up across Wales.

Mae'r dudalen hon yn wag yn fwiadol

Community wealth building in Carmarthenshire – advancing progressive procurement

December 2020



CLES
the national organisation
for local economies

Centre for Local Economic Strategies (CLES)

Established in 1986, CLES is the national organisation for local economies - developing progressive economics for people, planet and place. We work by thinking and doing, to achieve social justice and effective public services.

www.cles.org.uk



CLES is a values-based organisation. These values are embedded in all our work.

Fair	Treating people with fairness and equality
Bold	Devising progressive solutions through pioneering work
Collaborative	Working with others to achieve the best result
Independent	Always acting with integrity
Acting in solidarity	Supporting, nurturing and empowering ourselves and others



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1. Introduction

This report for Carmarthenshire Council marks the beginning of a journey to develop a more inclusive economy through a new approach to economic development - community wealth building. In so doing, Carmarthenshire joins a progressive movement of UK agencies and areas using this approach.

The mobilisation of a community wealth building approach requires political and corporate buy-in and leadership at the highest level, within and across key local institutions. In phase one of this work, we have focused on the development of a framework for progressive procurement in Carmarthenshire, aligned to the Council's economic recovery and reform plans in the context of the COVID-19 pandemic, with actionable recommendations for implementation, supported by practical toolkits and guides, training and implementation support.

A separate report, with a specific focus on food-related procurement, across the County Council, Hywel Dda University Health Board and the University of Wales Trinity Saint David, accompanies and complements this report.

The report is split into the following sections:

- Section one places the report within the local strategic and wider UK contexts and gives an overview of the methodology employed.
- Section two provides a strategic review – with CLES analysing existing strategy at the high level and specifically around procurement.
- Sections three contains the evidence review and analysis that CLES has undertaken.
- Section four presents the findings from CLES' stakeholder engagement during this process – to shape our recommendations
- Section five provides a synthesis of these findings and recommendations relevant to progressive procurement.
- Section six is an Action Plan for how to advance and apply the recommendations.
- This is followed by Appendices, noting documentation reviewed and stakeholders consulted by CLES in the formulation of this report, specific contract opportunities for review and the commissioners' and suppliers' toolkits.

Why this work is important

Economic and community regeneration will be at the core of COVID-19 recovery in Carmarthenshire. It is recognised that the business sector is set to face a challenging and uncertain future and public bodies in Carmarthenshire are keen to do all they can to support the regeneration and growth of their local communities and economy. This will require a shift in focus and approach across a number of areas. The community wealth building model with its focus on enabling wealth to stay within a local community and be recirculated as much as possible will provide a firm foundation for regeneration.

What is an inclusive economy?

An inclusive economy is an economy which is focussed on social goals, social justice, environmental sustainability, and prosperity for all. From an inclusive growth perspective, inclusion is about what happens after the fact of growth. Whilst helpful, this aim is limited (and limiting), given the scale of the social issues and economic challenges facing our society.

An inclusive economy is a deeper concept, considering how social benefits flow from, or feed into, economic activity. An inclusive economy is an economy which is intrinsically married to social goals, social justice, environmental sustainability, and prosperity for all. This is not inclusion after the fact of growth. Instead, an inclusive economy seeks to develop inclusion with or without growth, whilst seeking to address the fundamental social flaws of market liberalism more generally. An inclusive economy is not merely about the poor social effects of economic growth outcomes, it is about addressing the causes of this socially damaging approach to growth. This agenda is aligned to a belief in heterodox economics and new forms of economic democracy and urban development such as new municipalism¹.

What is community wealth building?

As a fundamental driver of an inclusive economy, community wealth building aims to reorganise and control the local economy so that wealth is not extracted but broadly held and generative, with local roots, so that income is recirculated, communities are put first, and people are provided with opportunity, dignity and well-being. Through community wealth building we are seeing a democratic, social, and economic movement, which seeks to provide resilience where there is risk and local economic security where there is precarity.

Community wealth building has a particular focus on the activities of anchor institutions. Anchor institutions are large established organisations, rooted in local communities, which can improve local economic and social wellbeing through their spend, employment practices, and use of land and assets.

¹ <https://cles.org.uk/blog/local-government-the-commons-the-time-has-come/>

At the heart of the community wealth building approach are five strategies for harnessing existing resources to enable local economies to grow and develop from within.

- 1) **Progressive procurement of goods and services** - progressive procurement is a means through which greater economic, social, and environmental benefits can be achieved for local places and people. CLES have pioneered and been at the forefront of work around progressive procurement in the UK, helping to develop a dense local supply chain of local enterprises, SMEs, employee owned businesses, social enterprises, cooperatives and other forms of community ownership. Increased local spend creates jobs, contributing to a multiplier effect which in turn creates additional jobs via increased demand for local goods and services.
- 2) **Fair employment and just labour markets** – often the biggest employers in a place, the approach anchors take to employment can have a defining effect on the employment prospects, incomes of local people and local communities. Commitment by anchors to pay the living wage, have inclusive employment practices, recruit from lower income areas, build progression routes for workers and comprehensive union recognition are some of the examples where actions by anchors can stimulate the local economy and bring social improvements to local communities.
- 3) **Making financial power work for local places**- community wealth building seeks to increase flows of investment within local economies by harnessing the wealth that exists locally, rather than by seeking to merely attract national or international capital. For example, local authority pension funds can be encouraged to redirect investment from global markets to local schemes. Mutually owned banks are supported to grow, and regional banks charged with enabling local economic development are established. All of these are ideally placed to channel investment to local communities while still delivering a steady financial return for investors.
- 4) **Socially productive use of land and assets** – anchors are often major land, property, and asset holders. These represent an asset base from which local wealth can be accrued. In community wealth building the function and ownership of these assets is deepened to ensure any financial gain from these assets is harnessed by citizens. Furthermore, there is a desire to develop local economic uses, and extend local social/community use of those assets. Indeed, much public sector land and facilities are the commons, and should be used to develop greater citizen ownership of the built, open space and natural environment.
- 5) **Plural ownership of the economy** - community wealth building seeks to develop a more diverse blend of ownership models: returning more economic power to local people and institutions. In this, community wealth building asserts that small enterprises, community organisations, cooperatives and forms of municipal ownership are more economically

generative within the local economy, than large companies or public limited companies.

Community wealth building Five principles



Fair employment and just labour markets

Anchor institutions have a defining impact on the prospects of local people. Recruitment from lower incomes areas, paying the living wage and building progression routes all improve local economies.

Progressive procurement of goods and services

Developing dense local supply chains of businesses likely to support local employment and retain wealth locally: SMEs; employee-owned businesses; social enterprises; cooperatives and community business.

Plural ownership of the economy

Developing and growing small enterprises, community organisations, cooperatives and municipal ownership is important because they are more financially generative for the local economy – locking wealth in place.

Socially just use of land and property

Deepening the function and ownership of local assets held by anchor institutions, so that financial and social gain is harnessed by citizens. Develop and extend community use – public sector land and facilities as part of “the commons”.

Making financial power work for local places

Increase flows of investment within local economies by harnessing and recirculating the wealth that exists, as opposed to attracting capital. This includes redirecting local authority pension funds, supporting mutually owned banks.



CLEES has worked with dozens of local authorities across the UK to develop the community wealth building movement, with each locality taking on a different blend of activities based on the five elements outlined above. 14 million people now live in community wealth building neighbourhoods, which is 21% of the UK's population.

Figure 1: Map of community wealth building localities in the UK



Methodology

The methodology encompassed the following core activities, described in further detail below:

- Strategy review
- Evidence review
- Stakeholder engagement
- Reporting and tools
- Training and implementation support

Strategy review

Overarching strategy

CLES conducted a **document review** of the emerging COVID-19 Economic Impact and Recovery documentation, as discussed at the Council Executive Board on the 29th June 2020. This outlines the current position and the draft economic recovery outline plan for Carmarthenshire.² This enabled us to understand how progressive procurement is being pitched and to map this against our own Rescue, Recovery and Reform framework to make connections to where a deep emending of progressive procurement can support recovery and reform when related to the wider pillars of community wealth building. We conducted a strategic policy review

² <http://democracy.carmarthenshire.gov.wales/documents/s42159/Report.pdf>

to explore where we think the existing strategy frame that sits below the overarching recovery plan needs to bend, flex and scale to support an embedding of progressive procurement.

Procurement strategy

CLES investigated the Council's approach to procurement and community benefits (social value) over the past few years, developing an understanding of any strategy that has guided developments, the original and renewed drivers for this work, the team and assets in place to deliver on this strategy and the successes and challenges faced in advancing the agendas locally, considering both the pre and post COVID environment.

This gave us a baseline position from which to build an effective approach to progressive procurement. We draw out examples of particular success (e.g. work with construction sector), pulling out the learning which may be applicable to be built upon going forward. This involved a **document review** with follow up **telephone interviews** with members of the procurement team.

Evidence review

Local economy analysis

Drawing on existing data dashboards produced by the County Council and our own bespoke data sets to understand the impact of COVID-19 on the Carmarthenshire local economy, we mapped the county's business base, reviewing the findings of business surveys (undertaken in April-May 2020) and tracking the impact of easing of social distancing measures on various sectors of the economy over the duration of the commission.

This **market analysis** also explores where the business base/skills base may demonstrate potential for diversification/transferability to new and emerging sectors, particularly the low carbon sectors that will likely drive economic growth in the coming years; developing a deeper understanding of the impact on those sectors which are central to the economic recovery plan for Carmarthenshire, so that progressive procurement can play a key role in supporting the delivery of that wider strategy.

Spend analysis review

Working with the procurement team we developed a detailed understanding of the procurement spend data of the County Council and the supply chain of those suppliers. The toolkits and implementation support will enable the County Council to repeat the analyses we have done on a periodic basis, and conduct its own **LM3 analysis**, via a **survey** of the Carmarthenshire supply base, to determine the extent of supplier re-spend within the local economy.

Gap analysis

We have mapped Carmarthenshire's procurement spend against our market analysis and priority sectors/geographies to develop a better understanding of sector gaps/opportunities for development in terms for local service/product

availability. This **gap analysis** has a sectoral and spatial dimension, Carmarthenshire is a very diverse county, with the shape of the business/employment/skills base of urban communities very different from those of market towns and again from more rural, isolated communities.

Stakeholder engagement

Having completed the strategy review and evidence review, we conducted a series of stakeholder engagement exercises to explore the findings of these reviews, test out our thinking and further develop recommendations for action, informing the shape of tools/toolkits and guides that can support these stakeholders move towards implementation.

We conducted online **1-2-1 interviews** with a range of procurement and economic development officers from across the County Council and with elected members.

We conducted 3 **online focus groups** with businesses from across the county, with the council supporting us with the recruitment of business representatives. The sample of businesses invited to these focus groups was informed by our market and gap analysis so that we could engage with specific sectoral issues within the discussion. These engagements focused on developing an understanding of the relationships businesses hold with the Council (and wider public sector anchors) and how they would like to see things develop.

Reporting & tools

As we concluded the stakeholder engagement, we developed this interim report with recommendations for the scope and scale of a series of practical tools and guides. This also sets out the anticipated training and implementation support that may be required moving forwards to support development of new methodology and framework. We will convene a workshop with officers to help shape thinking and inform the development of a series of initial, early stage tools and guides that can support the implementation of progressive procurement in Carmarthenshire.

LM3 supplier survey and data analysis framework

We will produce a guide and provide copies of CLES tools for conducting an LM3 analysis of the supply chain. We will provide high level advice and guidance on how to implement such an approach.

Commissioners Toolkit

Based on our understanding of the local context, the recovery and reform plans of the county and our gap analysis, we will develop a Commissioners Toolkit for the implementation of more progressive procurement policy.

Suppliers Toolkit

Having developed an understanding of the existing and prospective supply chain of the Council (and anchors) we will develop a supplier's toolkit which can support local businesses to engage with the councils emerging procurement policy.

These toolkits will be further refined and developed in future phases of work, but we feel it is important to get changes to practice underway as soon as possible to support the recovery plan of Carmarthenshire.

Training & implementation support

We have allocated time for 2 briefing sessions, potentially to the PSB board and the Council Senior Management/Executive Board to support the process of implementation. We have also allocated time for 2 half day workshop/support sessions to engage with Policy Leads, Category Managers/Commissioners to support the implementation of toolkits.

2. Strategic review

A precursor to making viable recommendations which will build community wealth through progressive procurement in Carmarthenshire is understanding existing practice and strategic priorities.

CLES has undertaken this work at two broad levels – looking at overarching strategic documentation, with a particular focus on responding to the impact of COVID-19, as well as undertaking a deep-dive into policy and practice in the focus area of procurement.

In this section, we present and synthesise our findings from this activity, which involved both desk review analysis of Carmarthenshire Council documentation, followed up where appropriate with telephone interviews.

This work is integral in understanding the baseline starting point for the local authority – and in turn tailoring recommendations that build upon existing good practice and ensure social, environmental, and economic value is maximised from every pound of procurement spend by Carmarthenshire council.

Overarching strategic review

We have reviewed the following:

- [Carmarthenshire Wellbeing Plan: the Carmarthenshire we want - 2018 - 2023](#)
- [Corporate Strategy 2018 - 2023 Refreshed June 2019](#)
- [Moving Forward in Carmarthenshire: the next 5-years](#)
- [ANNUAL REPORT 2018/2019](#)
- [Moving Rural Carmarthenshire Forward – Sept 2019](#)
- [Transformations: Strategic Regeneration Plan for Carmarthenshire – 2015-2030](#)
- [Executive Board – 29/06/20 DETAILED REPORT COVID-19 ECONOMIC IMPACT AND RECOVERY Restart, Revive, Renew](#)
- [Appendix: An Analysis of the Impact of COVID-19 on Carmarthenshire](#)

Carmarthenshire Wellbeing Plan: the Carmarthenshire we want - 2018 – 2023

It is understood that all Public Service Boards (PSBs) have been asked to review their Wellbeing Plans in the light of Covid-19. The existing Wellbeing Plan provides a basis for deepening collaborative working across local anchors. The ‘Prosperous people and Places theme’ includes a short-term goal to:

"... restructure public sector procurement protocols and requirements to support and enhance potential local enterprise".

".. we will understand the current systems and current and future challenge and opportunities for procurement, then we will remove the barriers to community and individual enterprise and initiative and establish new approaches to work together to provide support to enable enhancement e.g. in renewable energy and promote opportunities for rural enterprise"

Corporate Strategy 2018 - 2023 Refreshed June 2019 / Annual Report 2018 - 2019

Well-being Objective 6. "Live Well - Create more jobs and growth throughout the county" includes a commitment to support local economic growth. Whilst the County Council's Procurement Strategy is clearly aligned to the Corporate Strategy there is, however, no reciprocal reference in the latter to highlight the importance of the procurement function as a powerful strategic lever.

Moving Forward in Carmarthenshire: the next 5-years

The *"Regeneration and Development"* theme includes the commitment to *"Develop a programme to support small business across the County"*.

On procurement:

"Establish feasibility of developing a joint procurement service with Pembrokeshire County Council".

CLES understand that a shared service approach with Pembrokeshire was piloted between June 2017 and June 2019. The main driver for this project was to develop a joint approach to category management. During this period there were also some shared resources (e.g. Carmarthenshire had access to Pembrokeshire's Community Benefits officer and vice versa for Carmarthenshire's SME supplier engagement resource). These arrangements did not continue beyond the pilot.

During this time there have also been significant changes to the National Procurement Service led activity and realignment with WLGA and the South West Wales region, with local government taking back some frameworks that NPS now no longer coordinate.

Moving Rural Carmarthenshire Forward – Sept 2019

Moving Rural Carmarthenshire Forward contains strong commitments to local procurement, particularly in relation to the foundational economy; and a recognition of the strategic impact that that increasing levels of direct spend locally can have on the strength and resilience of the local economy.

The combined impact of public, private and personal spend is referenced, but the power of anchor procurement to provide stable levels of baseline demand for local businesses operating in the wider commercial economy and for this spend to act as a catalyst to market development in the local, generative business sector, particularly where designed to explicitly counter more extractive business models, could be further explored.

The value of SMEs to the local economy generally, and the rural local economy more specifically, is clearly implicit. Whilst SMEs do tend to recirculate more wealth in a local economy, compared to some larger businesses, there may be merit in more explicitly differentiating the value of generative business forms such as community owned businesses, mutuals and cooperatives; and considering the specific support needs of these businesses.

"We will also work with key anchor institutions to encourage more local procurement of goods and services so that we can build a robust foundational economy and strengthen the Carmarthenshire pound. We also recognise that we have a diverse agriculture and food production sector that we need to support and grow by looking at ways of clustering businesses with high quality products and develop a Carmarthenshire brand for marketing purposes".

"The Carmarthenshire Pound: the importance of supporting direct spend in the local economy, be that public, private or personal spend. The impact that even small levels of spending can have on the local economy can be significant and there needs to be a concerted effort to re-visit the way the public sector procures and spends its finances in order to better support investment in local businesses and organisations. This also applies from a personal spend perspective and there needs to be a drive to promote the impact of how keeping spend in the local economy in the short term will have longer term positive consequences in terms of the social and economic resilience of our rural communities".

"The Council is working with other public sector partners through the Carmarthenshire Public Services Board (PSB), to review its current food procurement arrangements with a longer-term view to, where possible, procure more goods produced locally. This is part of a wider programme the PSB is looking to address through further developing opportunities for the sectors providing those basic goods and services we all use every day such care and health services, food, housing, energy, construction, tourism and retailers on the high street – all of which are considered examples of the foundational economy. This will be a key development for the rural economy in particular as we look to bolster and further develop the local industries that we rely on day in day out".

Transformations: Strategic Regeneration Plan for Carmarthenshire – 2015-2030

The Strategic Regeneration Plan sets out ambitious regeneration initiatives for Carmarthenshire in the context of the wider Swansea Bay City Region.

There is clearly significant potential for regeneration spending to support local, generative business and supply chain activities and to embed wider community benefit outcomes.

The degree to which infrastructure investment translates into genuine local economic benefit, as opposed to inflated property values and contracts for large companies which, while they might nudge up GVA, often do very little to develop thriving local economies is a key challenge in this regard.

Community wealth building, at its core is a drive to replace extractive models of wealth ownership – those companies whose business model relies on maximising profits to distant shareholders – with locally productive forms of business. These “generative” businesses are firms in which the wealth created is shared broadly between owners, workers and consumers, ultimately increasing local multipliers as wealth flows through to local people and places

Areas for further exploration include:

- Enforcing strong, stretching social value targets, so infrastructure spending maximises local jobs and contributes to carbon reduction - adopting a community benefits approach where appropriate, with contract clauses linked to Carmarthenshire’s wellbeing objectives and goals, using social value measures to capture impact.
- Considering the barriers or hurdles (real or perceived) in engaging the local SME supply chain.
- Consideration of alternative delivery mechanisms to limit wealth extraction, such as municipally led umbrella organisations to provide the scale needed for small generative organisations to compete in public sector and commercial markets.

Executive Board – 29/06/20 DETAILED REPORT COVID-19 ECONOMIC IMPACT AND RECOVERY Restart, Revive, Renew, plus Appendix: An Analysis of the Impact of COVID-19 on Carmarthenshire

Carmarthenshire’s Economic Impact and Recovery documentation, considered by the Executive Board, on 29th June 2020 makes clear the strategic importance of the Councils spending power and procurement approaches as part of the recovery and reform programme, to support local businesses and protect local employment. The Council are well positioned to take this agenda forward, given:

- The recognition of the strategic importance of procurement to social, environmental and economic wellbeing; and
- The need to ensure alignment to the council’s corporate priorities and wellbeing objectives were already evident in the Council’s Procurement Strategy pre-Covid.

“Many businesses feel that there is a role for the Council to take the lead on developing and supporting campaigns which promote a ‘buy local’ message and encourage the development and protection of local supply chains. This is a key area of consideration for the county and if successful could alleviate some pressures and would serve to promote local, sustainable growth, supporting not only the businesses based in the county but also their employees and their customers”.

The report highlights some initial areas where procurement policy and practice could be amended to support further increases in the proportion of goods and service procured from local suppliers:

- Explore if we can increase the value and volume of procurement from locally based SME's, compliantly within the Procurement Regulations.
- Investigate possibility of sub £25k (3 quotes) through an update of our Council's Contract Procedure Rules to stipulate of the 3 quotes sought one should be from a supplier within the County.
- Opportunity to strengthen our Community Benefits approach

Localising spend is one element of a progressive procurement approach, from a community wealth building perspective. Also important is increasing the proportion of spend on suppliers of a more locally generative nature, including cooperatives, mutuals and community businesses. Consideration also needs to be given to the proportion of supplier re-spend in the local economy and how procurement activity can serve to promote denser local supply chains and ecosystems of local businesses.

The market, spend and gap analyses described later in this report will provide intelligence on areas and sectors where there is more potential to buy locally, or where additional social value could be delivered, and where there is scope for more specific and interventionist market shaping activity including, for example:

- programmes of co-design with local, social and ethical suppliers to share strategic priorities.
- developing a shared vision for how generative organisations can play a part in economic recovery.
- programmes to ensure commissioning processes are accessible to generative suppliers.

Whilst this phase of the project focuses specifically on the 'progressive procurement' community wealth building pillar it is helpful at this point to signal where this activity could potentially read across to other community wealth building pillars. The commentary below maps the draft key actions in Carmarthenshire's Economic Recovery Plan most relevant to community wealth building against the CLES' Rescue, Recover and Reform Framework, [Own the Future](#) – in order to relate the progressive procurement activity to the wider pillars of community wealth building.

Actions	Commentary
<p>Capital Infrastructure</p> <ul style="list-style-type: none"> Continue with significant regeneration capital infrastructure investments to boost demand in the construction sector and stimulate confidence. 	<p>See comments on the Strategic Regeneration Plan for Carmarthenshire (above).</p>
<p>Business Support</p> <ul style="list-style-type: none"> Review of current priorities is required with greater emphasis on engagement. Focus on sector specific as necessary. Greater staff resource required through re-modelling of service. Financial support to assist with recovery. Re-prioritise the Business engagement strategy. Set up a business support hotline to support and provide guidance to Carmarthenshire businesses on funding, recovery and general advice. Investigate possibility of negotiating bulk purchase / subsidised deals for businesses. 	<p>Many of these actions map well against those proposed in Own the Future, including the need to scale-up and repurpose employment support and the need to remodel and increase business support capacity. Options for employment support include:</p> <ul style="list-style-type: none"> Targeted local recruitment programmes for existing vacancies. Supported job transition for people who have lost work through the pandemic. For example, in Birmingham the Anchor Institution Network is developing a hospitality to health programme for people who have lost work in the hospitality and leisure industries to enable them to access NHS jobs and careers. Expansion of local authority and anchor institution workforces to stimulate recovery and reform of the local economy. This could include investment in retrofit of local authority homes (already planned in Carmarthenshire), extended public works programmes and insourcing of activity currently undertaken by contractors who do not appropriately serve the local economy.

<ul style="list-style-type: none"> • Refocus Communities for Work to provide training and work experience to people who have become unemployed as a result of Covid 19. • Workways + provide assistance for the unemployed as a consequence of Covid 19 - ref Short Term Unemployed. • Investigate possibility of reinvention of Future Jobs Fund to provide guaranteed, paid employment for young people. 	<p>An eco-system of financial, technical and social support will be critical to the growth of generative organisations. This support can be delivered through community wealth hubs, which would repurpose existing business support services to provide wrap-around support to generative organisations. They might undertake a number of the activities listed below:</p> <ul style="list-style-type: none"> • Developing a baseline understanding of existing and potential supply and demand for generative organisations and employee ownership. • Deploying funding streams to support the development of new generative organisations to supply target sectors. • Repurposing existing business support to facilitate the conversion of some existing businesses to more generative models, including employee ownership. • Developing “platform co-operatives” – or other types of umbrella organisations in target sectors to provide the scale needed for small generative organisations to compete in public sector and commercial markets. • Developing bespoke business support programmes for the co-operative sector and to address business ownership gaps in disadvantaged communities. • Providing technical and financial assistance to support the conversion of businesses which are at the point of transition (owners retiring or selling) to worker-ownership. • Creatively using and repurposing public sector land and assets (see below).
<p>Town Centre Economy</p> <ul style="list-style-type: none"> • Reviewing and refocusing primary town centre regeneration master and recovery plans. • Develop safe town centre environment plans. • Supporting BIDs in Carmarthen & Llanelli 	<p>See previous commentary on capital infrastructure.</p> <p>Strategic acquisition and repurposing of empty retail premises could be an opportunity to provide social businesses with the infrastructure and opportunity to develop into commercial markets.</p>

<ul style="list-style-type: none"> • Review current parking initiatives/provisions throughout the County. • Acquisition of empty retail premises to revive economic buoyancy/footfall through innovation. • Consider county-wide development order for town centres. • Put in place arrangements for resumption of trading at our indoor and outdoor Markets – ensuring compliance with regulations and staff and shopper safety 	
<p>Planning</p> <ul style="list-style-type: none"> • Consider relaxation of the emerging LDP for the creation of additional employment areas particularly for B2 uses and small business startups. Consider also any interim options. • Consider the emerging LDP in terms of home working and the concept of live / work. Consider also any interim options. • Consider feasibility of reallocating S.106 monies where possible to economic development activity. • Consider whether there should, or could be, a prioritisation approach for applications that will generate job opportunities/economic benefits. 	<p>These actions map well against CLES' framework</p>

<ul style="list-style-type: none"> Review and simplify planning support for key economic development applications (small and large) 	
<p>Rural Economy</p> <ul style="list-style-type: none"> Review and prioritise Council’s Moving Rural Carmarthenshire Forward recommendations and projects. Foundational Economy Fund - develop a local food strategy. Review 10 town growth plans. Investigate feasibility of developing co-operation led milk processing facilities within Carmarthenshire. Review Arfor rural business support. 	<p>See separate commentary on Moving Rural Carmarthenshire Forward.</p> <p>The development of a local food strategy could be underpinned by considering the potential of the aggregated demand across local anchors in order to provide a stable, baseline level of demand for local, generative suppliers operating in the wider commercial economy locally.</p>
<p>Communities</p> <ul style="list-style-type: none"> Support local communities to become more self-resilient with sustainable local supply chains. Realignment of Bureau function. Review the Authorities poverty support measures and priorities. Third sector support. Deliver community led projects – Leader. Reprioritise and grow grant funding to Covid-19 community resilience projects. 	<p>The potential to explicitly use procurement as a strategic lever to support baseline demand that enables more community-owned business to operate in the local, commercial economy.</p> <p>Realignment of the Bureau function could be undertaken as part of a more significant realignment of business support - community wealth hubs, which would repurpose existing business support services to provide wrap-around support to generative organisations, as described above.</p>

<p>Skills</p> <ul style="list-style-type: none"> • Skills and Talent Swansea Bay City Deal project - identify new ways of working and the new skills and technology required in order to deliver this across the region. • Develop local skills action plan. 	<p>The local skills action plan could incorporate requirements for both contractors and their supply chains, such as developing and implementing skills and training opportunities.</p> <p>A granular analysis of skills shortages in the locality and mapping of future skills needs should inform the commissioning of skills programmes. In suspending and terminating some economic activity, Covid-19 has given us an imperative to pivot local economies towards the sustainable growth sectors of the future. Employment support should ensure local people have the skills to make the most of these opportunities.</p> <p>Business analysis and intelligence will provide practitioners with an idea of the key and core sectors in the locality. Employment support should be linked to these areas, so that the labour supply is able to support the recovery effort at the local level.</p>
<p>Land and assets</p> <ul style="list-style-type: none"> • Review accommodation programme considering changing working practice and agile working. • Reprofile capital receipts and potentially target certain sectors. • Energy efficiency and local energy generation - focus in the short term on invest to save Re:fit scheme. • Review land availability and reprofile as necessary to ensure that best use of council 	<p>How land and property assets are owned and managed is key to local economic outcomes. Concentrated land ownership, property speculation and landlord absenteeism all drive inequality, as communities suffer the consequences of unaffordable housing, lack of access to land for businesses and a lack of investment in the local economy. Wealth gained from land and property leaks out of local economies, contributing to a lack of resilience, as well as being incompatible with social and environmental progress.</p> <p>There is scope to consider how land and property assets can be creatively repurposed to support local, generative business activity and stem the outflow of wealth.</p>

<p>owned land is being made to support the local economy.</p> <ul style="list-style-type: none"> • Development of incubator/commercial accommodation and medium sized food based and production units. 	<p>In 'Own the Future' CLES recommend consideration of:</p> <ul style="list-style-type: none"> • Strategic acquisition and repurposing of land and property – e.g. <ol style="list-style-type: none"> 1. in sectors where assets are vulnerable to asset stripping by investors seeking to maximise profit – using ownership to protect at-risk sectors and provide infrastructure for new, locally generative businesses. 2. office and retail space which can be repurposed to provide social businesses with the infrastructure and opportunity to develop into commercial markets. 3. land assembly for subsequent development and management via municipal development vehicles and community land trusts; and, 4. existing housing, as part of a strategic intervention in the private rented sector. • Local economic stimulus through investment in renovation and retrofit.
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Procurement Strategy Review

Carmarthenshire County Council's Procurement Review

Strategy

The aim of Carmarthenshire County Council's Procurement Strategy is to create a framework so that procurement and commissioning decisions play a key role in supporting the delivery of the aims of the Council's key strategies³. The overarching themes and core values of these include *"commitment to ensuring that the economic, social and environmental well-being of Carmarthenshire is at the heart of our activities."* Indeed, the procurement's strategy's definition of procurement includes not just value for money but also benefits *"not only to the organisation, but also to society and the economy"*⁴

As a strategic function Procurement directly contributes to the following Wellbeing Objectives, themselves drawn from the seven Wellbeing Goals identified in the Welsh Government's Wellbeing of Future Generations Act:

- Reduce the number of young adults that are Not in Education, Employment or Training (NEET)
- Create more jobs and growth throughout the county
- Look after the environment now and for the future
- Promote Welsh Language and culture
- Governance and use of resources

In line with its support for the delivery of the aims of the Council's Corporate Strategy (2015-2020) and the Integrated Community Strategy the Corporate Procurement Unit have identified the following key priorities:

- Delivering spend effectively
- Supporting Collaboration
- Delivering compliant processes and procedures
- Maintaining and developing the local economy

The procurement strategy states there is a strong political will in the Council to support the local economy. It does this by viewing 'Value for Money' as the optimum combination of whole-of-life costs in terms of not only generating efficiency savings and good quality outcomes for the Council, but also *"benefit to society and the economy, whilst minimising damage to the environment."*

Procurement / Commissioning

The Category Management approach adopted by Carmarthenshire's Corporate Procurement Unit (CPU) ensures tendering activity is strategically planned and addressed in the wider Council context of our corporate objectives. This includes

³ Such as Corporate Strategy, Carmarthenshire's Well-Being Plan and 'Moving Forward – The Next 5 Years' Plan

⁴ Procuring the Future 2006 – Sustainable Procurement Task Force definition and Wales Public Procurement Policy Statement 2015

incorporating their wider Well-Being objectives into tendering and monitoring and reporting of any efficiencies generated.

The CPU's Tender Record Form (TRF) asks several questions for each procurement exercise including Efficiencies, Community Benefits and how the Well Being of Future Generations Act can be embedded into the specification and subsequent contract.

The department have an officer who is a dedicated first point of contact for any suppliers looking to understand how they bid for opportunities to work with the Council. They run a range of different supplier engagement initiatives and events including 1-2-1 meetings and larger tender specific supplier or early market engagement events to consult with the marketplace and explain their rationale for the procurement strategy approach taken. These have been critical in shaping their tendering activity into an approach which can be met by the marketplace.⁵

The standard threshold for Community Benefits to be included in Tenders is £1 million, in terms of reporting and the requirement to apply the Welsh Government's measurement tool. To date, efforts have been concentrated in the higher value, longer duration, projects to ensure the clauses drafted are meaningful with confidence that they can be delivered in reality.

Delivery / Contract Monitoring

Whilst being delayed by the onset of the pandemic, templates and guidance are currently being developed for contract monitoring, together with subsequent training for officers.

Community Benefits targets are tracked and reported using tools just as the Welsh Government's Community Benefits Measurement Tools for Schools Projects, either annually or on the end of contract.

The procurement department has struggled with resourcing the measurement of Community Benefits across all sectors as they do not have a dedicated resource to manage this. However, they are due to advertise a post who will drive this agenda for the department.

Analysis / Reporting

Carmarthenshire track their spend and, as of 2016/17, spend higher % of spend with SMEs, Carmarthenshire suppliers and Welsh suppliers (73%, 43% and 74% respectively) than the Welsh local authority average (65%, 29% and 59% respectively).

⁵ Procurement Annual Report 2019/20

The spend analysis review and market analysis outlined later in this report will help to provide fine-grain intelligence to help inform efforts by procurement officers when examining the extent to which there is scope to further increase the rate of local spend.

Carmarthenshire as a Community Wealth Building Council

Whilst this phase of CLES' work with Carmarthenshire focuses specifically on progressive procurement, it is useful to reflect that, as a community wealth building approach, changes to procurement policy and practice will have most impact when progressed as one component of an intentional community wealth building strategy, alongside actions in the other pillars of community wealth building described on Page 6 of this report.

It is evident from the strategy review that there are examples of good practice already being done by Carmarthenshire across each of the five pillars of community wealth building. For the full impact of community wealth building to be achieved, it needs to represent a fundamental shift in practice and policy - putting community wealth building at the heart of how the council operates and in its partnership approaches, including through the PSB, to put your supply chains, your workforce and your assets at the forefront of creating a truly inclusive economy.

Carmarthenshire County Council is starting from a strong baseline which represents a real opportunity to focus on more fundamental questions around reorganising the local economy to be more equitable for residents; with community wealth building as the guiding approach to local economic recovery and reform post Covid-19.

Recommendation – make community wealth building a more explicit, central strategic narrative.

3. Evidence review

Local economy mapping and sectoral analysis

In order to carry out an economic review which captures the specificities of Carmarthenshire's local economy, whilst also reflecting broader national changes being instigated by the covid-19 crisis, we have utilised a series of datasets.

At the **firm** level, CLES has analysed June 2020 snapshot data from Companies House. This data lists every business operating with Carmarthenshire, as well as providing supplementary information such as the sector they are working in and where they are based.

To understand the **employment** and **labour market** picture, CLES have utilised the most recent Business Register and Employment Survey dataset, which details the number and proportion of employees within a local area working within specific high-level, and specific, sectors of the economy.

We have also undertaken broader **sectoral analysis** – in the first instance led by the findings of Carmarthenshire Council's May COVID-19 analysis report, and then buttressed by data on GVA, as well as accessing HMRC's Coronavirus Job Retention Scheme data.

Finally, we have also undertaken **geospatial analysis**, coupling Multiple Deprivation data with Companies House and sectoral data to understand where firms working in shutdown sectors are located within Carmarthenshire, and how this maps onto existing areas of deprivation.

Outline analysis

As a starting point for our analysis of the local economy in Carmarthenshire, we utilised the council-produced document 'Analysis of the Impact of COVID-19 on Carmarthenshire'. This identified a number of sectors which could be classed as 'shutdown' sectors. This list is reproduced below:

- Education and Childcare
- Food and Beverage
- Personal Services
- Food and Drink Production
- Sports and leisure
- Visitor economy
- Retail
- Passenger Transport

In order to get a sense of the size of these shutdown sectors, the geographical spread of firms working within them, and how their presence maps onto existing areas of deprivation and the wider geography of Carmarthenshire, we undertook **three** layers of subsequent analysis.

Firstly, we matched 5-digit SIC code categories to the high-level categories listed above. Our full methodology is provided in the appendix – by way of example, this exercise entailed matching the high-level **Education and Childcare** category with the corresponding subcategories of:

- 85100 Pre-primary education
- 85200 Primary education
- 85310 General secondary education
- 85320 Technical and vocational secondary education
- 85410 Post-secondary non-tertiary education
- 85421 First-degree level higher education
- 85422 Post-graduate level higher education
- 85510 Sports and recreation education
- 85520 Cultural education
- 88910 Child day-care activities

Undertaking this activity allowed us, in turn, to get a granular and detailed sense of the firms operating within the sectors listed above which could reasonably be regarded as being in particular distress due to the outbreak of coronavirus.

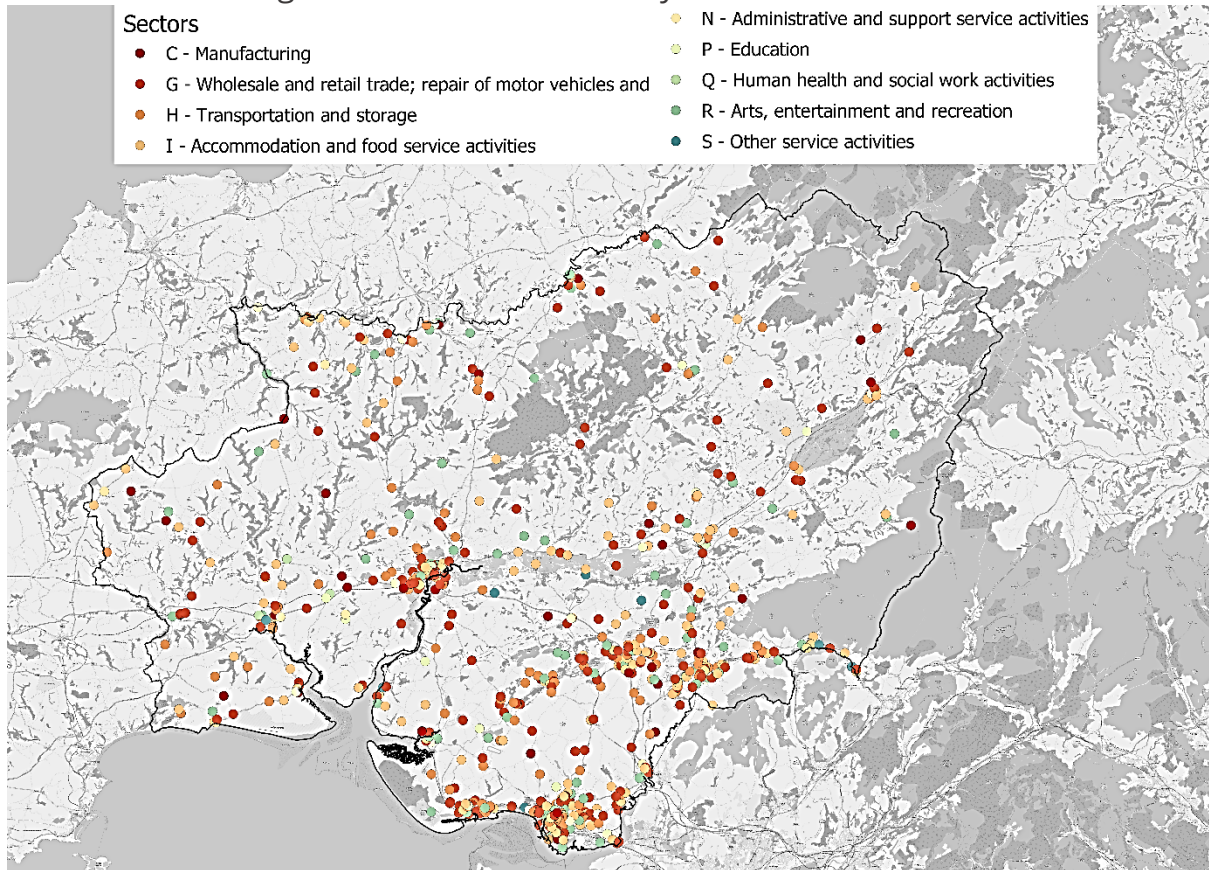
To do this, we analysed Companies House data from June 2020, showing all trading organisations active in Carmarthenshire, and then filtering on the basis of all firms whose SIC code showed them as working within the affected sectors.

This returned **1284 firms** – it is worth noting that this is *only* on the basis of the highlighted firms from Carmarthenshire council's report and is not an exhaustive summary of shutdown firms. In all, this entails:

- 72 organisations in the **Education and Childcare** sector
- 272 organisations in the **Food and beverage** sector
- 11 firms in the **Personal Services** sector
- 41 firms in the **Food and drink Production** sector
- 121 organisations in the **Sports and leisure** sector
- 125 firms in the **Visitor economy** sector
- 417 firms in the **Retail** sector, and;
- 210 firms in the **Passenger Transport** sector.

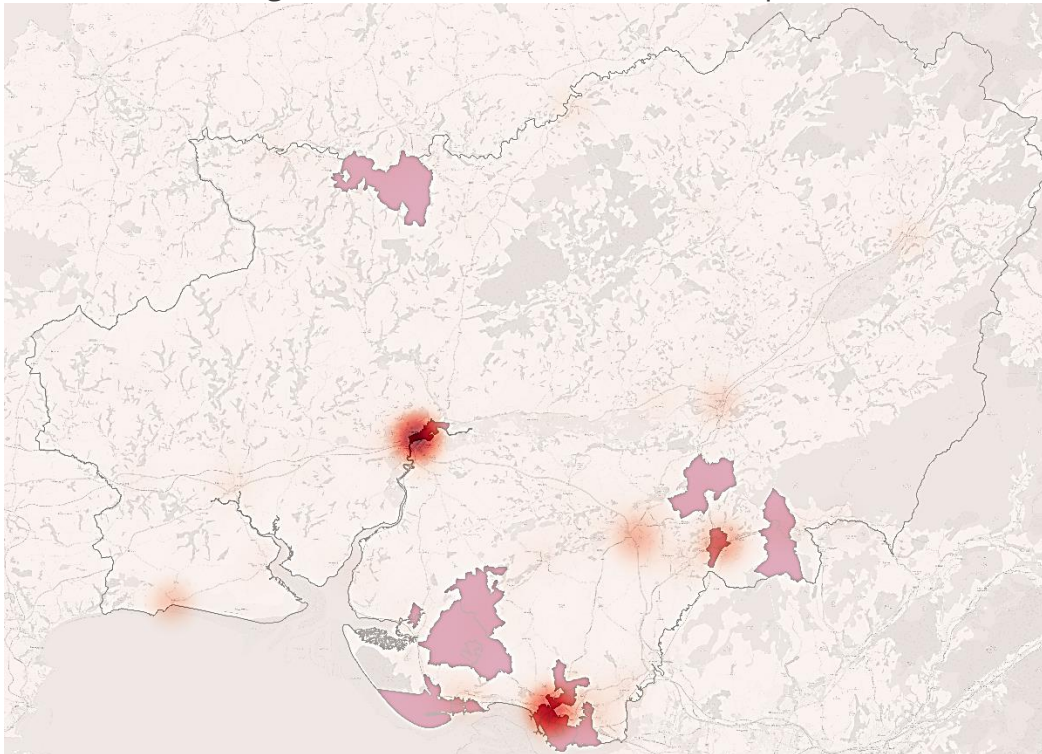
Having assembled this data, we then plotted these firms across the geography of Carmarthenshire, on the basis of their high-level SIC code.

Figure 2: Shutdown Firms by Sector



As this shows, there is a relatively wide geographic distribution of affected firms working in 'shutdown sectors'. Notable, too, is that there is a clear concentration in built-up areas, as subsequent heat map analysis demonstrates – in the map below, the areas coloured in purple have a deprivation decile between 1 and 3 – in other words, they are amongst the 30% most deprived LSOAs in Wales.

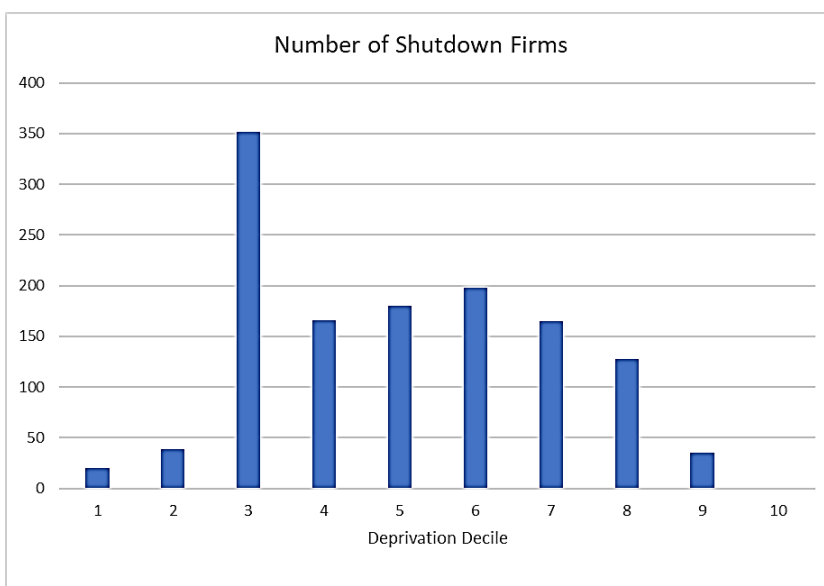
Figure 3: 'Shutdown sector' heatmap



What is important to recognise here is that, despite Carmarthenshire having a relatively low number of areas scoring highly in the Multiple Deprivation rankings, there is a high density of affected firms operating in – and potentially employing their staff from – the most deprived areas in Carmarthenshire.

Indeed, analysis shows that close to 30% of the shutdown firms are found in areas with a deprivation rank amongst the bottom 3.

Figure 4 – Number of shutdown firms by deprivation decile



Coronavirus Job Retention Scheme analysis

The fast-moving nature of this crisis means new datasets are constantly being made available. Whilst the initial analysis from Carmarthenshire, produced in May, is of great use in undertaking the analysis shown previously, there is a need to update some of this working, particularly as we begin to slowly and cautiously reopen.

Some sectors may not have been directly shutdown but may have seen significant falls in demand. Others may, due to continued social distancing, be operating but below capacity due to public health reasons.

A key metric to utilise in flagging up sectors in danger going forward is the recently released HMRC Coronavirus Job Retention Scheme data.⁶

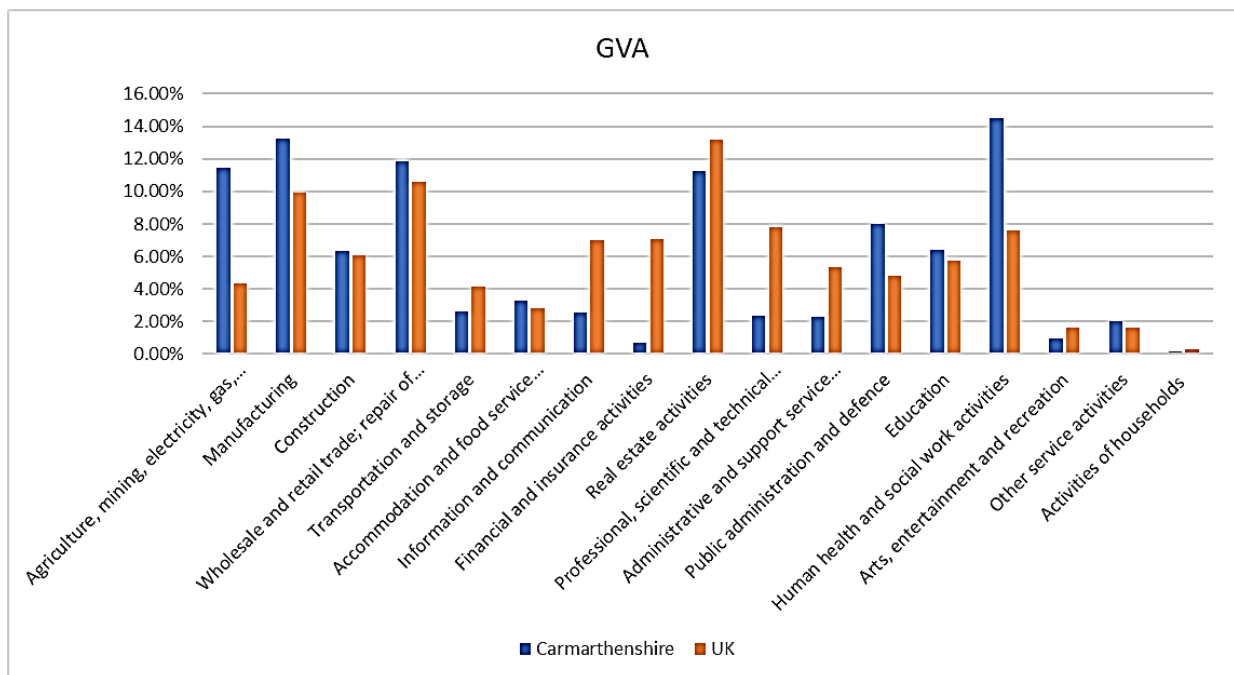
This dataset can be usefully applied alongside the previous analysis to help build up a strong picture of sectors in Carmarthenshire that require support and, in some cases, guidance in developing in new directions.

At the local authority level, the data only provides a raw number of employees placed on furlough – in Carmarthenshire’s case, this is **21,200 employees** – equating to 28% of the local labour force. This is slightly below the average of both Wales (29%) and the United Kingdom (31%).

Whilst sectoral data for local authority areas is not provided, it is possible to create a proxy for Carmarthenshire by using UK-wide sectoral data. This is not a perfect comparison – the local economies which collectively make up the UK economy have different strengths and weaknesses, opportunities, and challenges. As noted throughout this report, there is a need for a particular focus on the sectors of significance in Carmarthenshire, **agriculture** as well as **health and social work**, which are of particular importance locally. As the data overleaf shows, these two sectors have a local GVA double that proportionally of the wider UK economy.

⁶ <https://www.gov.uk/government/publications/coronavirus-job-retention-scheme-statistics-july-2020/coronavirus-job-retention-scheme-statistics-july-2020>

Figure 5 – GVA by sector



The sectoral Coronavirus Job Retention Scheme data shows both the **number of employers furloughing staff** (i.e. how many businesses in a sector have accessed the scheme), and the **number of employees furloughed** (i.e. how many individuals working in a sector had been placed on furlough).

In other words, this can show us both the firm-level and individual-level impacts of the coronavirus on sectors of the economy, via uptake of the government’s furlough scheme.

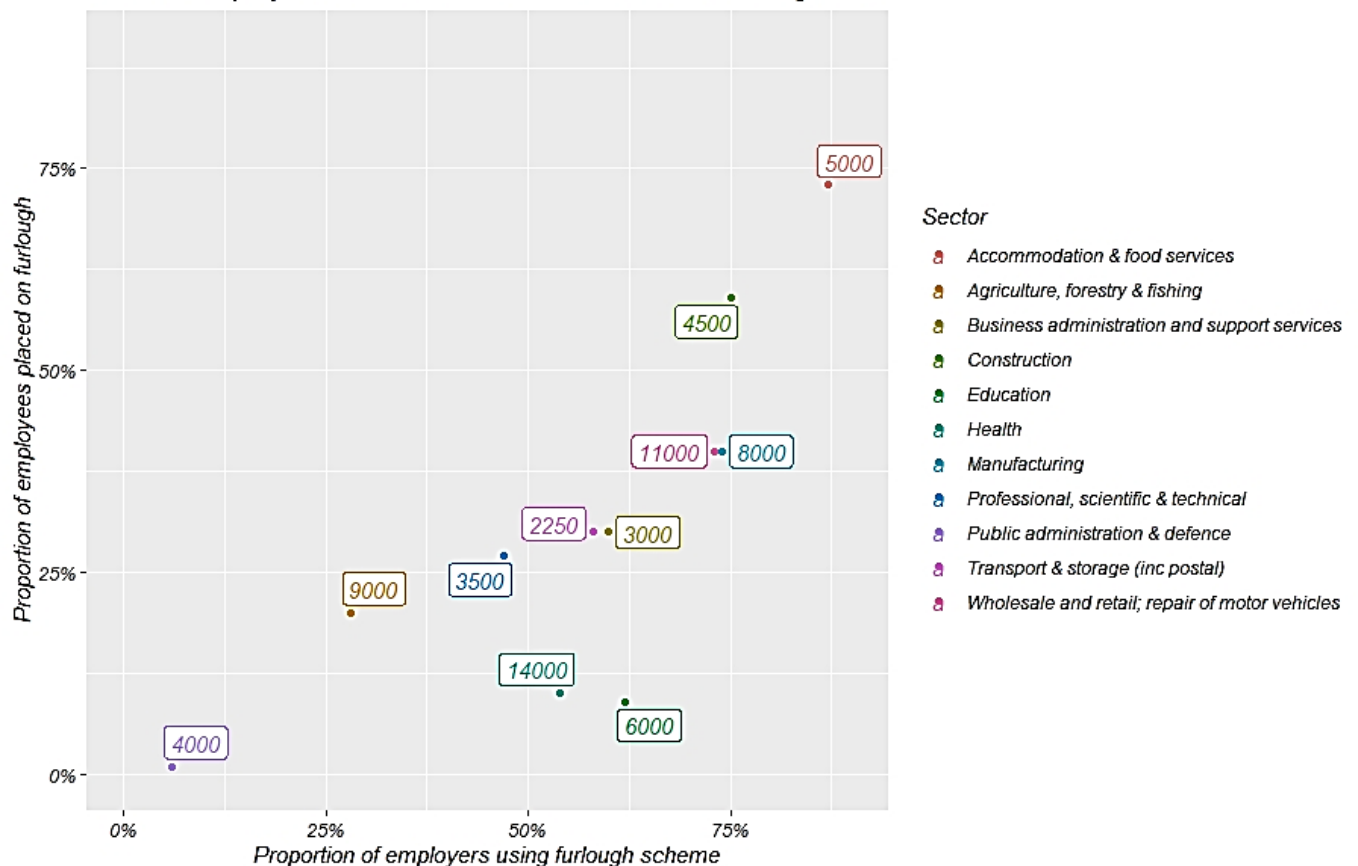
To give this analysis greater resonance for Carmarthenshire, CLES accessed the most recent Business Register and Employment Survey data for the area, to ascertain the precise employment patterns of different sectors in the area.⁷

We then filtered the data to remove sectors with fewer than 1,500 employees in Carmarthenshire, before plotting this data against the proportion of employers utilising and employees placed on the furlough scheme, as of the 30th June.

⁷ BRES counts both *employees* and *employment* – the latter including worker-owners and self-employment. CLES is utilising *employment* statistics throughout.

Figure 5

Sectoral employment in Carmarthenshire vs Wales Furlough Data



The sectors with the greatest employment contribution in Carmarthenshire are Health (14,000 employees), Wholesale and Retail (11,000), Agriculture, Forestry and Fishing (9,000), and Manufacturing (8,000).

The accommodation and food services sector – with 5,000 employees – appears immediately as a sector of significant concern – close to 90% of employers nationwide have accessed the furlough scheme and close to 75% of employees have been placed on it.

With the collapse in demand witnessed across swathes of the economy – with short-term potentially turning into long-term shifts in consumer habits – there is a need for the council, alongside key anchors, to intervene and support endangered sectors locally.

As CLES have noted in *Own the Future*, our position paper for local economic reform after coronavirus, we note that:

local commissioning and procurement spend may even become the primary source of liquidity and stable demand... it is important that local authorities and anchor institutions recognise the potential of their spend to catalyse business growth, economic development and the delivery of local social and economic value. What anchor

*institutions buy, which supplier wins a contract and the conditions attached to it will have a direct bearing on the livelihoods of individuals and communities.*⁸

Applying these approaches in a bespoke manner that protects the vital sectors in the Carmarthenshire economy is a key task for the local authority and other anchors going forward.

Sectoral transition and survival strategies

Coronavirus represents an existential threat to multiple firms in the economy – not all sectors have been, or are being, hit equally. For local authorities, this means there is a need to develop bespoke and targeted approaches, offering support to affected sectors.

But they also need to help spur on a transition to a different kind of economy – one which is greener, more equitable, and more socially just. Whilst there is uncertainty around the future course of coronavirus – the impacts of a second wave; the efficacy of palliative treatment; the emergence of functional vaccines – what is certain is the threat and reality of climate change.

In order to recover from this crisis and avert the climate crisis, local authorities need to use this moment to advance a two-pronged strategy:

- Supporting the survival of valuable and viable sectors
- Helping sectors with transferable skills to transition to green growth industries

A relevant example in Carmarthenshire would be the manufacturing sector. Providing 8,000 jobs, and over a tenth of local GVA, it represents a vitally important sector locally. The UK-wide sectoral figures show close to 75% of firms in the sector have used the furlough scheme, with nearly 1 in 2 employees placed on furlough.

Local difficulties have been flagged up already in qualitative analysis undertaken by Carmarthenshire Council, with respondents speaking of difficulties brought about by cancelled orders, supply chain problems, and associated falls in income.

Even prior to the onset of coronavirus, emerging debates have touched upon the need for economic transition, with increasing discussion of policy interventions based around the idea of a Green New Deal, and a renewed focus in recent years on industrial strategy.

As part of this work, CLES has been developing emerging toolkits around the kind of transition that will be necessary to both build community wealth within local economies, and ensure the *kind* of economic activity being undertaken is both

⁸ <https://cles.org.uk/wp-content/uploads/2020/07/Own-the-future-revised-mutuals-copy.pdf>

commensurate to the challenge of climate crisis and – critically – is part of the solution to this threat.

In this, we have linked *existing* SIC subcategories to emerging sectors of the new green transition economy, utilising a methodology and sectoral subcategories as defined by Plymouth Business School research⁹:

Environmental – such as air pollution, environmental consultancy, recovery and recycling, and water and waste-water treatment.

Renewable – including renewable consulting, as well as wave and tidal, geothermal, biomass, and wind energy production

Emerging - including development of new types of vehicles and vehicle fuels, carbon finance and carbon capture and storage, and new, green building technologies.

What this work does is give a baseline impression of how the skills and capital equipment of existing sectors can transition into futureproof green growth sectors in a place. To take an explanatory example, there is scope for work to be undertaken addressing **air pollution** by firms which currently work within the existing four-digit industrial sectors:

- 8411 General (overall) public service activities
- 8121 General cleaning of buildings
- 4322 Plumbing
- 7120 Technical testing and analysis
- 7111 Architectural and engineering activities and related technical consultancy
- 2751 Manufacture of electric domestic appliances
- 8412 Regulation of the activities of agencies that provide social services
- 2825 Manufacture of non-domestic cooling and ventilation equipment

Through the council's procurement activities and relations with other anchors in places, this work can be spurred on both directly and indirectly, as this report will show.

In all, through cross-referencing Plymouth Business School's methodology against BRES data for Carmarthenshire, CLES found **23,495** existing employment opportunities that map onto green growth sectors of the future.

In particular, there are strong opportunities to transition:

- the 8000 jobs in Agriculture, 700 jobs in freight transport, 600 jobs in maintenance and repair of motor vehicles, and 900 jobs in processing of meat into **sustainable production of vehicle and other fuels**

⁹ <https://www.plymouth.gov.uk/sites/default/files/Uoplowcarboneyconomyfullreport.pdf>

- the 2,250 jobs in general public administration to support environmental work in the areas of **environmental consultancy** and **monitoring**, as well as **marine pollution** and **noise and vibration control**,
- And the 700 jobs in plastic manufacturing towards **emerging building technologies**

This – it is worth stressing – represents a starting point not a destination. This initial analysis shows potential in the green fuels sector should be further investigated. Procurement activity and anchor collaboration can further this potential, with an approach which is both reactive – looking at issues facing key sectors and firms in the Carmarthenshire economy – coupled to a forward-looking programme which is proactive in anticipating growth sectors which can be meaningfully progressed in the local economy. In particular, strategic sectors locally should be supported by collaboration with key educational institutions such as Coleg Sir Gâr and the University of Wales Trinity Saint David, to ensure a skills infrastructure is in place locally to give graduates and school and college-leavers the skills to stay and support their local economy working in well-paid, stable, and sustainable green sectors.

Spend analysis review and Gap Analysis

Carmarthenshire already have a dedicated spend analysis officer, who is responsible for pulling data from Carmarthenshire's finance systems, analysing this data and providing reports to the relevant category managers and their teams.

This enables the team to access and split spend data by the total spend value, as well as splitting spend by Local Suppliers (where local is defined as Carmarthenshire), SME suppliers, Local SME's and Welsh Suppliers.

The next step is to provide category managers with an increased level of local business intelligence to assist their current 'market analysis' process, whereas they undertake engagement with local suppliers.

The fact Carmarthenshire has invested in a dedicated resource to processing the spend analysis is worth praise, as this ensures there is capacity to continue undertaking the processing of business databases.

CLES undertook a gap analysis by accessing Carmarthenshire's spend data for the financial year 2019/20 (as provided by the Welsh Government via Atamis) and mapping it against the relevant Standard Industrial Classification (SIC) codes. The 'leakage' of spend from contracts with suppliers who are based outside of Wales was examined and split by SIC categories (i.e. Manufacturing) and low level SIC code (i.e. Manufacturing of computing).

Following this the Companies House data, records showing information on the number and location of businesses across both Carmarthenshire and Wales more generally were extracted and cleansed.

It was then possible to examine this spend by low level SIC code (i.e. Manufacturing of computing), and compare this with the potential supply of firms available locally – split by those within the PSB area; Wales; and companies in Wales who were an existing supplier for other anchor institutions in Wales (as per the data suppliers from the Atamis database).

CLES will provide these processed datasets to Carmarthenshire County Council and talk them through to either the Spend Analysis officer and Category Managers, which should provide further market intelligence for when undertaking market engagement for forthcoming procurement exercises. High level observations are contained later in this report.

Areas of high leakage, where local supply is currently underdeveloped, should be examined as potential areas of focus for market development activity, particularly to support the development of new, local, generative businesses in this sector, or to support businesses in failing or at-risk sectors to diversify or transition.

The following chart and table show the County Council's spend against the relevant Standard Industrial Classification (SIC) codes, the amount of that spend which is within Carmarthenshire, outside Carmarthenshire, but within Wales, and the amount of spend outside of Wales. These figures relate to Tier 1 spend. The patterns of supplier re-spend within the local economy will be analysed later by the County Council using the toolkits provided by CLES.

Figure 6 – Carmarthenshire County Council's spend (and leakage) by Standard Industrial Classification (SIC) code

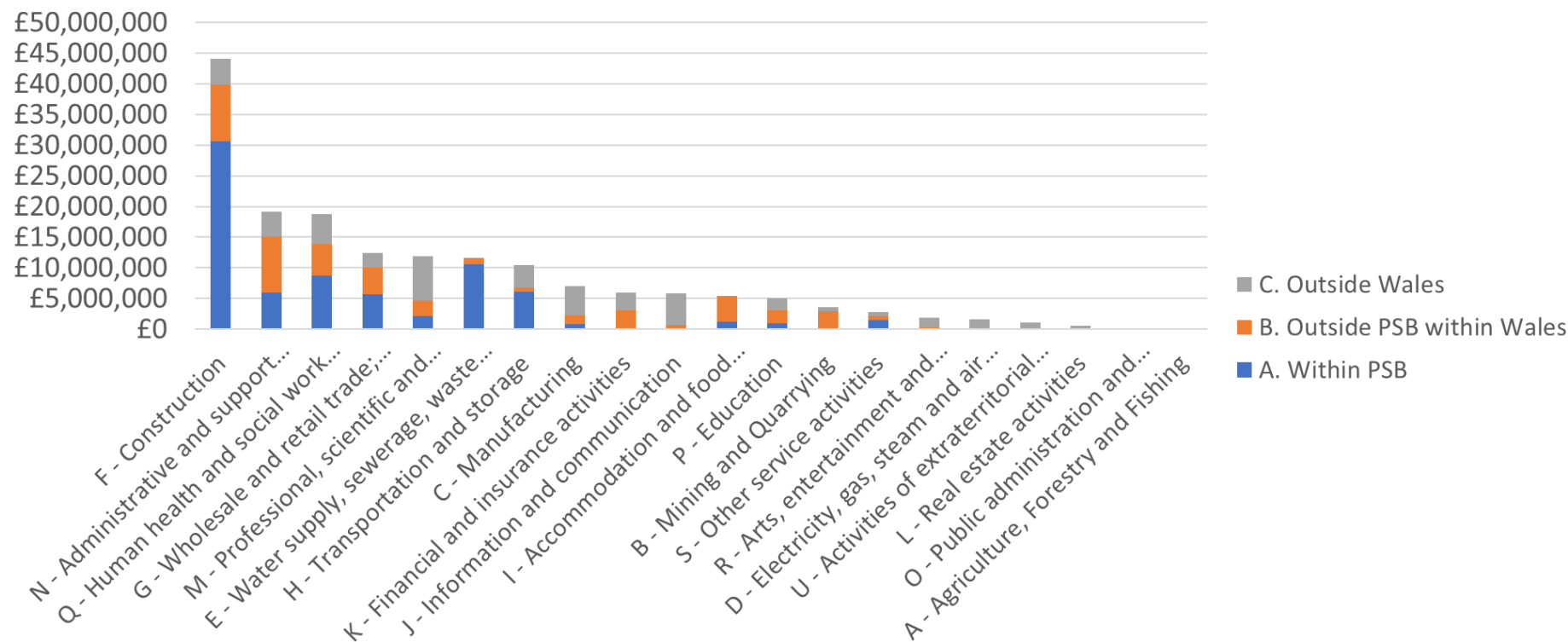


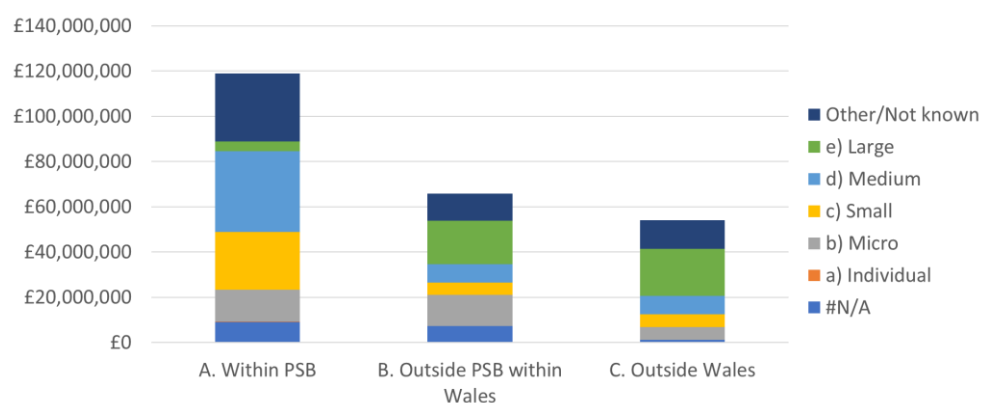
Table 1 – Carmarthenshire County Council's spend (and leakage) by Standard Industrial Classification (SIC) code

High Level Industrial Sector	A. Within PSB	B. Outside PSB within Wales	C. Outside Wales	Grand Total
F - Construction	£30,551,785	£9,307,570	£4,197,811	£44,057,166
N - Administrative and support service activities	£5,963,859	£9,146,043	£4,079,523	£19,189,425
Q - Human health and social work activities	£8,710,469	£5,164,190	£4,833,593	£18,708,252
G - Wholesale and retail trade; repair of motor vehicles and	£5,648,938	£4,363,399	£2,444,931	£12,457,268
M - Professional, scientific and technical activities	£2,109,635	£2,467,467	£7,296,419	£11,873,522
E - Water supply, sewerage, waste management and	£10,624,178	£877,355	£29,941	£11,531,474
H - Transportation and storage	£6,108,659	£618,805	£3,762,874	£10,490,338
C - Manufacturing	£827,299	£1,441,339	£4,728,811	£6,997,448
K - Financial and insurance activities	£2,475	£3,043,751	£2,899,801	£5,946,027
J - Information and communication	£41,016	£703,163	£5,085,635	£5,829,814
I - Accommodation and food service activities	£1,176,850	£4,080,341	£70,303	£5,327,495
	£74,456,190	£47,341,804	£47,215,644	£169,013,639

It is important to note that Carmarthenshire County Council are already significantly outperforming the Welsh local authority average in terms of the proportion of spend with SMEs, Carmarthenshire suppliers and Welsh suppliers. This is indicative of a mature corporate approach to procurement, which recognises the strategic importance of procurement to delivering social, environmental, and economic outcomes for Carmarthenshire’s residents. This is supported by the development of the category management approach, the investment in a dedicated spend analysis officer, investment in local SME supplier engagement and commitment to further invest in staff resources to enhance the community benefits approach.

The following analysis seeks to identify where there are opportunities to build on and enhance existing good practice.

Figure 7 - Profile of businesses being procured from – size of businesses (share of £, all sectors)



Local suppliers are more likely to be SMEs. Where spend is outside of Carmarthenshire, and particularly so when outside of Wales, the suppliers are significantly more likely to be large businesses.

The Procurement Team, working with category managers, should explore each contract which constitutes leakage, in order of contract value, to determine its potential for re-localisation. For example:

- When are the contracts up for renewal?
- Are the contracts for specialist provision where there is no viable, local supply?
- If local supply potential does exist, what further opportunities are there to engage with that market? What are the reasons or barriers to local firms not accessing these opportunities?
- Is there potential to develop new or expand existing local supply capacity through support and interventions from the economic development function?
- Is there scope for disaggregating contracts or further refining the lotting approach to widen access to more local supply?

Table 2 - The top high-level sectors with the most (by value) leakage outside of Wales

	Value (2019-20)	Value (as a % of total spend in sector)	Number of suppliers
M - Professional, scientific and technical activities	£7,296,419	61%	106
J - Information and communication	£5,085,635	87%	191
Q - Human health and social work activities	£4,833,593	26%	46
C - Manufacturing	£4,728,811	68%	160
F - Construction	£4,197,811	10%	33
N - Administrative and support service activities	£4,079,523	21%	101
H - Transportation and storage	£3,762,874	36%	8
K - Financial and insurance activities	£2,899,801	49%	30
G - Wholesale and retail trade; repair of motor vehicles and	£2,444,931	20%	168
P - Education	£1,969,146	39%	72
D - Electricity, gas, steam and air conditioning supply	£1,572,937	97%	3
R - Arts, entertainment and recreation	£1,486,573	82%	34
Grand Total	£47,215,644	20%	1030

Table 2, above, shows the sectors with the highest value of leakage outside of Wales. We have expressed this, in Figure 8 below, also as a percentage of the total spent in those sectors by the Council. This is important and illuminating. What particularly stands out is the exceptionally good performance in relation to construction spend, where overall spend is substantial, but there is only 10% leakage outside of Wales. We explored, through the 1-2-1 interviews with officers and members, the specific practice lessons from the construction category and what potential exists to build on this good practice and extend it across other spend categories. Whilst there was some caution that the proportion of local spend in construction may decrease with the use of new regional frameworks, the approaches taken in the construction category to date (use of appropriate lotting strategies, developed with engagement from the sector, and proactive market engagement) have been impactful.

Figure 8 - Leakage by sector (by value and as a percentage of spend)

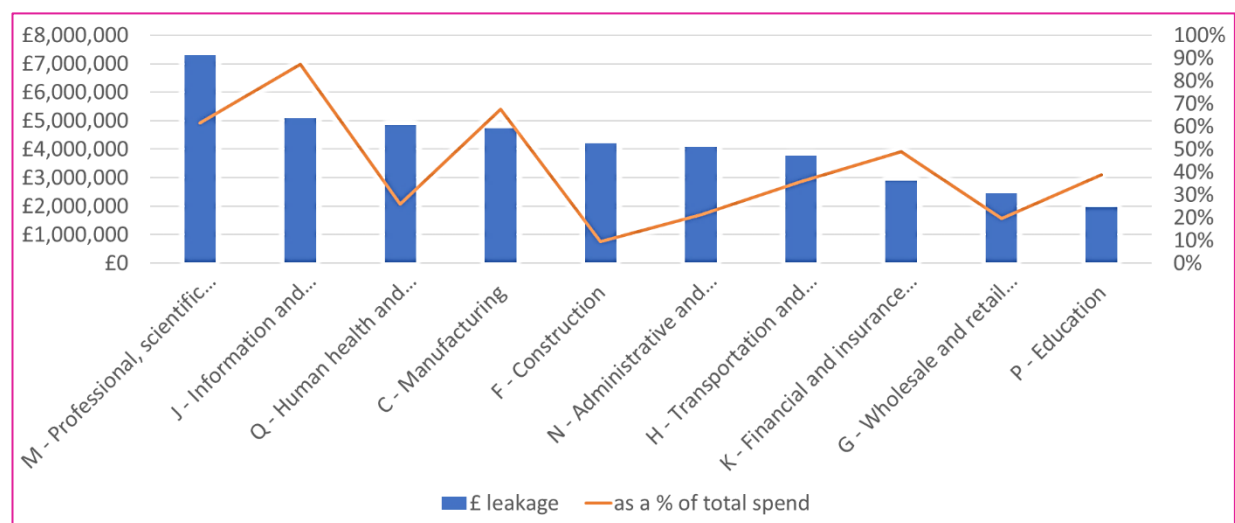


Table 2, above, shows leakage by sector, by value and as a percentage of spend. This helps prioritise potential areas of focus, highlighting those sectors where the value of leakage is relatively high and

where this represents a significant proportion of overall spend in that sector. The following sectors have leakage values exceeding £4m and percentages exceeding 50%.

- Professional, scientific and technical activities
- Information and communication
- Manufacturing

The **potential local social and economic benefit of re-localising spend** is significant. Using assumptions based on CLES' work with local authorities elsewhere in the UK, we estimate that every £10m 'leakage' that is localised could achieve:

- **220 jobs**
- **£3.2 million** re-spend (via suppliers' own employment and supply chain)
- **£2.9 million** 'value of social value' (i.e. mapping TOMS to £)

A deep-dive, looking beyond high level spend analysis to draw out the intricacies across specific subsectors, is a useful analytical tool to establish where there is leakage - and thus growth potential locally.

Figures 9 and 10, below, plot leakage (total and as a proportion of all spend) against sector vulnerability (using the proportion of employees furloughed as a proxy for vulnerability). This provides a valuable insight to the degree to which re-localising spend could be an effective lever for supporting vulnerable or at-risk businesses in Carmarthenshire. Some sectors, such as the 'food and accommodation' sector, have been particularly hard hit by the consequences of the pandemic, but leakage levels are relatively low, so there is relatively less scope to support these businesses simply by localising more spend. Instead, the focus should be on how this sector can be supported through the supply chain. However, for other sectors, such as 'manufacturing', there is potentially much more scope, as there is relatively high leakage and relatively high vulnerability.

Figure 9 – Leakage and sector vulnerability (total leakage £)

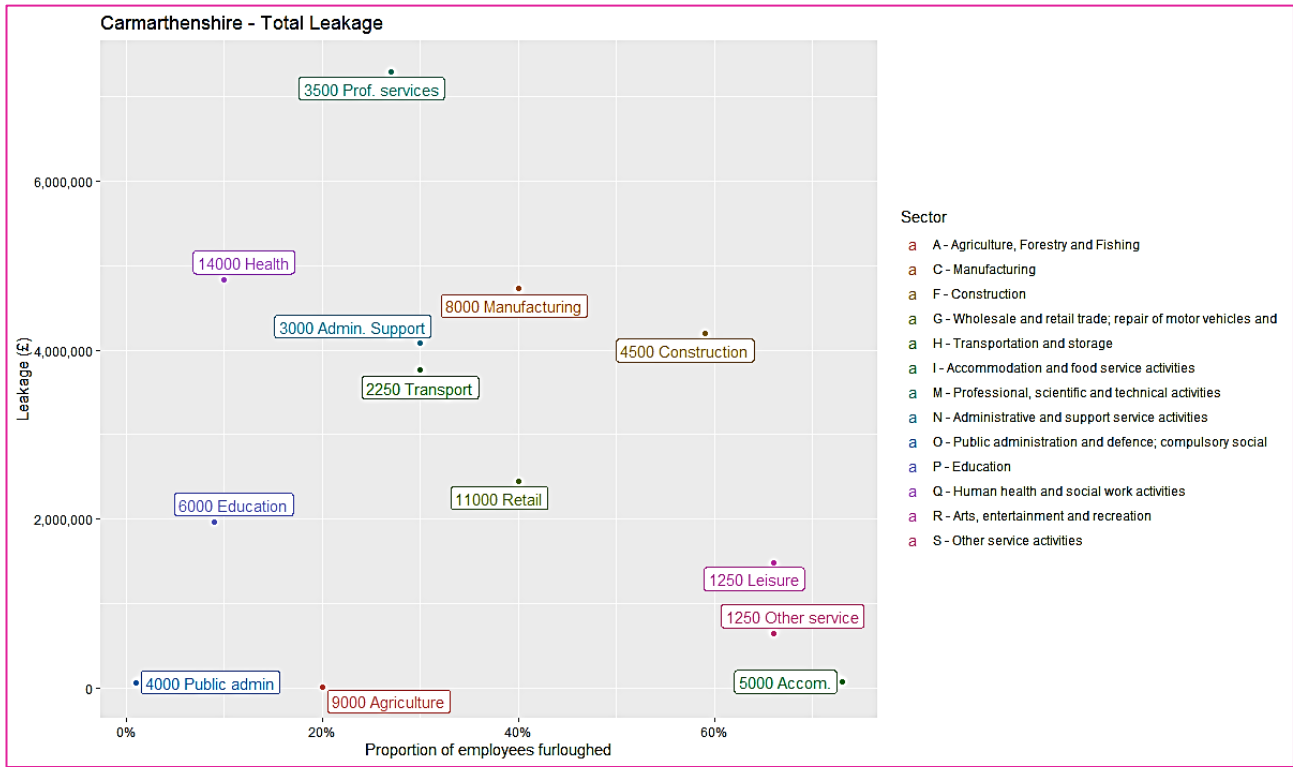
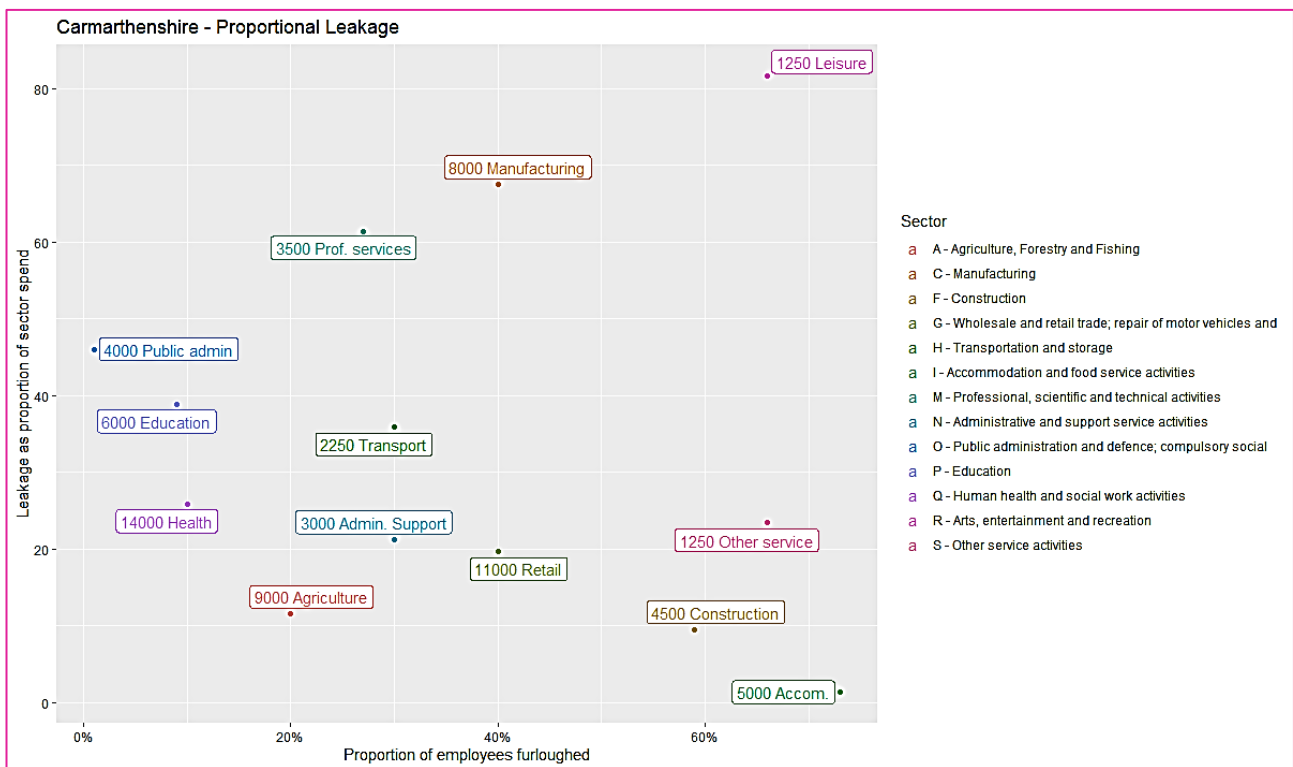


Figure 10 – Leakage and sector vulnerability (leakage as a proportion of total spend £)



CLES analysed Carmarthenshire’s spending, and we have homed in here on manufacturing, by 5-digit SIC codes. There are several subsectors where low employment within the council area equates to very high levels of leakage. **With an already existing strong manufacturing base, scoping should be undertaken to consider whether some of this leakage could be re-localised. Where local supply is underdeveloped to meet demand in areas of high leakage, consideration should be given to focused and tailored business support and more interventionist market shaping.**

Table 3 - Manufacturing leakage by subsector against employment in Carmarthenshire

Sub-sector	Leakage as proportion of total spend	Leakage	Sub-sector employment locally
33190 - Repair of other equipment	99.9%	£1,789,345	0
26200 - Manufacture of computers and peripheral equipment	100.0%	£887,982	10
26301 - Manufacture of telegraph and telephone apparatus and equipment	100.0%	£263,036	0
28230 - Manufacture of office machinery and equipment (except computers and peripheral equipment)	100.0%	£195,011	0
18130 - Pre-press and pre-media services	100.0%	£190,652	0
28220 - Manufacture of lifting and handling equipment	100.0%	£143,186	0
32500 - Manufacture of medical and dental instruments and supplies	100.0%	£129,048	5
27900 - Manufacture of other electrical equipment	92.4%	£120,884	0
26110 - Manufacture of electronic components	94.3%	£117,886	0
26309 - Manufacture of communication equipment (other than telegraph and telephone apparatus and equipment)	100.0%	£86,596	0
29201 - Manufacture of bodies (coachwork) for motor vehicles (except caravans)	98.1%	£77,166	10
31090 - Manufacture of other furniture	100.0%	£67,919	5
17230 - Manufacture of paper stationery	100.0%	£67,195	0
16290 - Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials	96.5%	£50,623	30
28250 - Manufacture of non-domestic cooling and ventilation equipment	100.0%	£45,635	35
22290 - Manufacture of other plastic products	90.5%	£42,050	20
13990 - Manufacture of other textiles n.e.c.	100.0%	£36,604	0
20200 - Manufacture of pesticides and other agrochemical products	100.0%	£23,920	0
22210 - Manufacture of plastic plates, sheets, tubes and profiles	100.0%	£18,706	0
13960 - Manufacture of other technical and industrial textiles	100.0%	£16,772	0
28131 - Manufacture of pumps	100.0%	£14,353	0
28490 - Manufacture of other machine tools	100.0%	£13,500	0

32300 - Manufacture of sports goods	100.0%	£12,907	0
27400 - Manufacture of electric lighting equipment	100.0%	£12,756	0
28290 - Manufacture of other general-purpose machinery n.e.c.	100.0%	£10,094	75
11070 - Manufacture of soft drinks; production of mineral waters and other bottled waters	100.0%	£8,794	40
17220 - Manufacture of household and sanitary goods and of toilet requisites	100.0%	£7,230	0
20411 - Manufacture of soap and detergents	100.0%	£6,041	0
22190 - Manufacture of other rubber products	100.0%	£5,685	0
27320 - Manufacture of other electronic and electric wires and cables	100.0%	£4,675	20
26511 - Manufacture of electronic instruments and appliances for measuring, testing, and navigation, except industrial process control equipment	100.0%	£3,934	0
33170 - Repair and maintenance of other transport equipment	100.0%	£3,873	5
17290 - Manufacture of other articles of paper and paperboard	100.0%	£2,919	10
20590 - Manufacture of other chemical products n.e.c.	100.0%	£2,916	50
20590 - Manufacture of other chemical products not elsewhere classified	100.0%	£2,340	50
28923 - Manufacture of equipment for concrete crushing and screening roadworks	100.0%	£1,737	0
22220 - Manufacture of plastic packing goods	100.0%	£1,147	0
28940 - Manufacture of machinery for textile, apparel and leather production	100.0%	£1,124	0
20301 - Manufacture of paints, varnishes and similar coatings, mastics and sealants	100.0%	£1,077	0

4. Stakeholder findings

Officer and elected member interviews

One-to-one interviews were conducted with the following officers and elected members:

- Wendy Walters, Chief Executive
- Chris Moore, Director of Corporate services
- Linda Rees-Jones, Head of Administration & Law
- Julian Lewis, Principal Procurement Officer
- Hywel Harries, Property Design Manager
- Stuart Walters, Economic Development Manager
- Simon Davies, Head of Access to Education
- Jonathan Morgan, Head of Homes and Safer Communities
- Clare Jones, Principal Procurement Officer

- Cllr Emlyn Dole, Leader and EBM economic development
- Cllr Mair Stephens, Deputy Leader
- Cllr David Jenkins, EBM procurement
- Cllr Cefin Campbell, EBM rural

Key lines of enquiry included exploring the economic, social and environmental challenges facing Carmarthenshire and the degree to which procurement is strategically aligned to those challenges, current strengths of the Council's approach to procurement, the challenges and barriers to further developing the Council's progressive approach to procurement, and the relationship between procurement and economic development.

Key issues raised in the interviews are presented below.

Key challenges facing Carmarthenshire

There was a shared understanding, across members and officers, of the existing economic, social, and environmental challenges facing Carmarthenshire and of the magnitude of both the immediate and longer-term impacts arising from the Covid-19 pandemic. Particularly issues raised included:

- The local economic development challenges in the context of the rural economy and the needs of market towns.
- The prevalence and importance of micro-enterprises and SMEs to Carmarthenshire's local economy and the extent to which these businesses now need additional focus and support.
- The specific impact of reduced footfall in town centres
- The vulnerabilities of particular sectors, including food and hospitality, that have been severely impacted by Covid-19.

- The existing challenges relating to jobs / unemployment – and the need to create jobs and business opportunities to retain young people in Carmarthenshire, and the extent to which local employment opportunities will be further impacted by Covid.
- The challenge of connecting larger capital projects to local supply chain and employment opportunities in the context of a relative lack of larger contractors in South West Wales.

Procurement as a key strategic lever

There was a consistent understanding, both at a political and senior leadership level, of the strategic importance of procurement to economic and community wellbeing, and a strong commitment to the community wealth building agenda.

The importance of procurement to economic reform and recovery in Carmarthenshire is recognised, and the crucial role that procurement has played in many aspects of the Covid response has reinforced that.

There was a real determination that now is the time to be bold, to strengthen the strategic role of procurement, and have a single-minded focus on localising spend and supporting local, generative businesses.

The procurement process in Carmarthenshire

A consistent response from many of the interviewees was a recognition of the professionalism of the procurement team in Carmarthenshire, the value of their relationships with service areas and the quality of advice and support provided. However, concerns were raised about whether the current capacity of the procurement function is sufficient and that lack of capacity results in a need for ‘firefighting’ and reduces the potential for even more proactive working.

Interviewees characterised the relationship between procurement and economic development as being positive, but that there was potential to cement the strengthened links between these functions that have come to the fore in the response to the Covid crisis.

There remains a perception both internally and among suppliers (see business focus group summary, below) that there is scope to further streamline and improve processes and procedures to make the experience of supplying goods or services to the Council as straightforward as possible and reduce any unnecessary barriers for small and medium sized enterprises, community businesses and the third sector.

There was a frustration expressed by the majority of interviewees around the perceived limitations of procurement legislation and guidance; and a view that there is a ‘risk-averse’ culture in Carmarthenshire that impacts on the ability to support local businesses and local supply chains.

The importance of the community benefits approach as a key enabler for procurement to support the delivery of Carmarthenshire’s well-being objectives is understood. The Council is self-aware in terms of existing good practice (e.g. in the construction category) and where there is scope to do more and has

already highlighted the need for dedicated resource/capacity to enhance the community benefits approach.

Business focus groups

CLES conducted three online focus groups with Carmarthenshire businesses:

- a) Existing suppliers
- b) Potential suppliers
- c) 'Generative' businesses

The discussions were based around the following themes:

- **Theme 1 – Procurement Opportunities:** finding out about procurement opportunities, clarity about the nature of the opportunities advertised, awareness of forthcoming opportunities and ability to gear up for those, and strengths and barriers in terms of accessing opportunities.
- **Theme 2 – Bidding for work:** the experience of bidding for work, including the PQQ process, of being on framework agreements, and of going through the tender process.
- **Theme 3 – delivery:** the experience of delivering contracts for the County Council, engagement and feedback, the community benefits approach, and suppliers' attitudes towards the importance of localising their own supply chains.
- **Theme 4 – Support:** suppliers' views on the types of support that is available to businesses in Carmarthenshire to help them access public sector procurement opportunities, including help available specifically to smaller businesses.

Key issues raised in the focus groups are summarised below:

Existing suppliers

Theme 1 – Procurement Opportunities

- Suppliers felt that relationships with the Council and with procurement were good.
- Suppliers were aware of where to look for tender opportunities, including Sell2Wales notifications. They valued their existing relationships with the Council and early engagement to be given advance notice of opportunities.
- Awareness of opportunities tends to be at the tender stage, and this can sometimes be short notice. There is limited awareness of what the medium or longer term pipeline of opportunities might be, although this varied by sector, as some needs are more stable over time (for example food procurement), whereas others (e.g. construction) are more project-based.

Theme 2 – Bidding for work

- In terms of process, there was a view that suppliers are required to regurgitate the same quality information, equality criteria etc, leading to lots of duplication and time spent submitting information, a cost which needs recovering.
- There was a perception that there can be disparities in how tenders are evaluated and that the quality aspect of tendering can very subjective – a view that too much is based on what you say you are going to do, not what you actually deliver¹⁰. Consequently, the process does not reward those who have made the most effort to make the local pound go further. There is a need to better understand the real benefits that suppliers are bringing to the local community and the local economy as opposed to perceived outputs.
- The community benefits approach was supported, in that suppliers are genuinely invested in the wellbeing of their local communities - they are based in Carmarthenshire and want to employ local labour and improve local communities. However, there was a view that this is inherent in what they do anyway, so why is there a need for such a depth of reporting?
- Many aspects of what suppliers do to support the local community do not get scored, so these efforts are not recognised. There was a feeling that procurement can be too process-driven and sometimes the process gives the wrong answer.
- Community benefits will focus on aspects including apprentices, NEET etc, but there never seems to be a focus on how you are keeping your existing staff employed, or the efforts you make to support develop and train your existing staff¹¹.
- Some suppliers said their experience of recent framework agreements had been frustrating – having been unsuccessful in relation to specific opportunities.
- Suppliers who supply to multiple anchors in Carmarthenshire and/or multiple local authorities across Wales noted a lack of uniformity in terms of process. Procurement expertise across local authorities was felt to be variable, with some procurement functions lacking specific expertise of certain sectors, although it was noted that this was not the case in Carmarthenshire.

Theme 3 – delivery

- Suppliers noted that there were generally good relationships during the delivery phase of contracts and effective ongoing communication.
- There was a view that KPIs for community benefits were sometimes only monitored at the end of a contract, rather than on an ongoing basis which led to a feeling of not feeling rewarded for the good that suppliers do.

Theme 4 – Support

- Suppliers welcomed and genuinely valued the loyalty and support that Carmarthenshire County Council has and continues to provide during the Covid pandemic.

¹⁰ It is worth noting that the regulations do not allow for historical experience to be evaluated. The evaluation must be forward looking in terms of what a potential supplier will deliver against the specification.

¹¹ The retention of existing staff has been added in an update to the Welsh Government's measurement tool.

- Examples of specific initiatives were raised, for example the provision of food parcels to vulnerable residents who were sheltering and how this demonstrated public procurement as a force for good.
- The suppliers all talked about their commitment to the local area and pride in contributing to the local economy, supporting local employment and communities.
- The issue of contract length was discussed, in terms of how shorter contracts result in difficulties in getting a return on investment and give less scope to be confident to make long term investment decisions in people and capital equipment. Construction was given as an example, with 3-4-year contracts, compared to a housing association framework, which has a 10-year timespan¹².
- The support needs of smaller firms were acknowledged, but so too were the practical difficulties, for example in some sectors it was felt that working together as consortia would be problematic. It was also noted that some of the barriers to smaller providers are legitimate – for example, if they have insufficient resources to invest in critical areas, such as food safety.

Potential suppliers

Theme 1 – Procurement Opportunities

- A view was expressed that Carmarthenshire County Council is reluctant to engage local consultants, favouring in-house approaches, or contracting out-of-area, even when the capacity exists locally.
- Some of the attendees had experience of working on Council contracts, but indirectly as third-party contractors.
- There was a feeling that in some sectors ‘incumbent’ providers are selected based on price not quality, which reduced opportunities for local contractors and didn’t necessarily reflect overall value for money.
- The attendees had a good awareness of Sell2Wales and some had signed up to notifications. However, there was a lack of awareness of whether all opportunities are advertised versus going directly to ‘incumbent’ suppliers. Particularly with respect to contracts under £25k, the suppliers were not aware of how to get on the radar of the officers in the Council who would be seeking quotations for these awards.
- Some attendees had attended ‘meet the buyer’ events. A view was expressed that feedback at ‘meet the buyer’ events was sometimes not acted on – for example, suggestions to divide contracts into more specific lots. The suppliers would welcome earlier engagement so that their views could shape how the opportunities are brought to market.
- Some suppliers were unable to access procurement opportunities due to different elements of provision being bundled together and not divided into separate lots; and felt that a more disaggregated approach would open up more opportunities for local suppliers.
- None of the attendees had a sense of the longer-term pipeline of potential opportunities, but all felt this would be helpful.

¹² The duration of frameworks is dictated by the Public Contracts Regulations which procurement tenders must comply with. Carmarthenshire County Council have put in place an increasing number of Dynamic Purchasing Systems which enable greater duration and more flexibility for suppliers to join during its lifetime.

Theme 2 – Bidding for work

- Some of the attendees had gone through the PQQ stage but found it impossible to service that agreement later in the process, because of the nature of the specification (services/goods not being split into separate lots).
- There was a general view that the procurement process favours larger firms with in-house expertise on how to bid, and that the time and effort required, particularly for lower value opportunities, discouraged smaller contractors. There needs to be a simplification of processes to make it more proportionate.

Theme 4 – Support

- Some of the attendees noted that their businesses currently spend a lot of money out-of-area, and would value support from the County Council on opportunities to support local businesses through their supply chain, but didn't know where to find this information.
- Suppliers noted that they would like a more direct approach, as businesses based in Carmarthenshire and under Welsh ownership, more direct conversations about how the right price/business relationship could be developed.
- Contract sizes were mentioned as a barrier and a view that splitting contracts into smaller lots would open up opportunities.
- Attendees felt that the Council should consider dealing with local smaller suppliers even if it is slightly more expensive.

Generative businesses

Theme 1 – Procurement Opportunities

- The organisations present had experience of receiving grants to provide services and support and of more competitive tendering for contract opportunities.
- A feeling was expressed that there is sometimes very short notice to bid for opportunities, or for requests to pull a project proposal together. Existing Service Level Agreements (SLAs) sometimes run over without renewal, so provision is provided based on trust. When SLAs come up for renewal, it was felt that decisions are often made late, or at short notice, which creates operational difficulties for providers, in terms of their forward budgetary planning and being able to retain staff.
- All participants noted that relationships were generally positive with the Council and they valued the professionalism and accessibility of Council staff.
- Attendees were generally aware of where to look for tendering opportunities that are advertised, but some felt that very few opportunities arise.
- For work under £25k there was a lack of understanding of how to get "on the list" to be asked for quotes.
- Capacity and resources in the sector are limited in terms of the time and expertise required to put proposals together. The third sector wants to be responsive, but it was felt they are sometimes put under pressure to deliver at short notice.

- Under the Carmarthenshire Compact arrangement there were previous efforts to develop a forward planning calendar approach, to enable third sector organisations to know what contract opportunities were coming up on the horizon, but despite a lot of work being put into this, it never came to fruition.
- Some attendees felt that there was a 'we know best' attitude in certain parts of the Council, that engagement with the third sector could be improved, and that the sector could support delivery in some areas but the Council prefer to progress initiatives in-house which could be better delivered by the third sector.

Theme 2 – Bidding for work

- One example from a community enterprise delivering a large capital project from a combination of European funding, Welsh Government funding, and a small element of funding from Carmarthenshire County Council – was a frustrating experience. It was felt that the County Council process was lengthy and overcomplicated, and that the procurement departments expectations resulted in increased professional costs and project delays (it was stressed, however, that this was a one-off experience and not generally indicative of the relationship with the Council).
- In terms of the requirements to conform with procurement procedures – there was a view that the Council need to be a bit more understanding of voluntary and community groups.

Theme 3 – delivery

- Generally good engagement and positive relationships, particularly with more senior staff.
- Attendees noted that there was very good dialogue around the delivery of existing SLAs, with sufficient opportunities to keep in touch, and a degree of flexibility in terms of how organisations' deliver their targets, which as welcomed.
- Some expressed a degree of frustration around financial monitoring that the monitoring requirements were cumbersome (e.g. paper copies required even during lockdown) and that there is a lack of flexibility.

Theme 4 – Support

- Attendees felt there was good support and signposting to support in relation to specific tender opportunities.
- Information is provided to the sector about how the Council is thinking about making changes (for example to longer running SLAs), and what the changing expectations are for third sector providers.
- On business support, it was felt that there could be more tailored business support to the third sector and that the social enterprise sector could be involved in many areas of the local, commercial economy, but that the sector is under-developed in Carmarthenshire, with a lack of ambition for the sector and insufficient support.
- Participants felts that there was scope for social enterprises to be doing more of what the Council currently does – for example, training, IT support, tourism.

- A view was expressed that the Council sometimes act more as 'competitors' to the sector, rather than 'allies'. Some specific examples were cited where Council projects were launched which were in direct competition to, or duplicating, existing third sector/social enterprise provision.
- On the potential for the third sector to act collaboratively, forming consortia in order to access larger procurement opportunities, efforts had been made in the past but a number of practical difficulties have inhibited this coming to fruition in some cases (the time required, organisational differences etc.)

5. Advancing progressive procurement

Procurement as a key strategic lever

Carmarthenshire's approach to procurement is thoughtful and mature, the Council is self-aware of the potential impact of its spend, and strongly committed to making additional improvements, with the economic impacts of Covid prompting further urgency to this agenda. Whilst the political and officer appetite to increase the proportion of local spend was clear, there is scope to explicitly codify and refine this – for example:

- Highlighting the importance of procurement as a strategic lever in the Corporate Strategy, as part of a more explicit Community Wealth Building narrative, aligned to wellbeing objectives and goals.
- Adopting a corporate KPI and clear targets for the percentage of spend with local suppliers and supplier local re-spend.
- Ensuring that spend analysis is used strategically and routinely considered at senior leadership and Cabinet level.
- Marshalling internal leadership, management, and communications to ensure a shared culture and mindset with all departments focused on the importance of the 'Carmarthenshire pound'.

The importance of procurement to economic reform and recovery in Carmarthenshire is recognised, and the crucial role that procurement has played in many aspects of the Covid response has reinforced that.

The emergency response phase of the pandemic foreshadows much of what is possible. Local authorities have deepened and broadened their relationships with businesses and workers. These relationships and insight provide a key foundation for the work that must now be done. The key leadership role provided by Carmarthenshire County Council in the emergency response to Covid, for example the decision to directly lead on the provision of food parcels for vulnerable residents (working with a locally based wholesaler and ensuring the food parcels contained locally sourced produce) vividly demonstrate the marrying of deep public service values and community focus, the Council's commitment to localism and the social and economic power of procurement. It will be important to continue to underline the importance of procurement and economic development to the wellbeing of local communities going

forward and to celebrate the role of the professionals in these services and the value of their collective efforts, as the economic impacts associated with the pandemic begin to bite. It will also be important going forward, that procurement professionals continue to have a voice and input to senior decision making.

The procurement process in Carmarthenshire

Current capacity in the procurement function does not match the benchmark of one procurement professional per £10m expenditure quoted in the Wales Procurement Policy Statement¹³. Acknowledging the resource constraints on local authorities across the UK and the additional demands arising from the shifting procurement landscape and decreased reliance on National Procurement Service frameworks in Wales, it will be important to consider what resources are needed for the procurement function to maximise the economic and social impact of the County Councils spend. The Council deserve praise for investing in dedicated capacity for spend analysis and the planned new community benefits officer post.

There is scope to strengthen the relationship between procurement and economic development. As already mentioned in the 'evidence review' section of this report, consideration should be given to facilitating local supply to fill existing supply voids, with the manufacturing sector being a particular area of focus. This will require a capacity building approach and additional collaborative working between procurement and economic development. There needs to be a continued focus on developing a strong relational approach to local business, with procurement and economic development working together to encourage supplier readiness and collaboration.

There are clear strengths in terms of how the procurement function engages with the market. The department have an officer who is a dedicated first point of contact for any suppliers looking to understand how they bid for opportunities to work with the Council. They run a range of different supplier engagement initiatives and events including one-to-one meetings and larger tender specific supplier or early market engagement events to consult with the marketplace and explain their rationale for the procurement strategy approach taken. These have been critical in shaping their tendering activity into an approach which can be met by the marketplace. This approach has been particularly successful in the construction category and consideration should be given to broadening the approach across other areas of category management; and could be enhanced by:

- Publishing a longer-term (3-5 year) forward plan and using this as the basis for more regular market engagement across all categories, not just reactive to tenders – to support local supply chain readiness. This could be compiled from 3-5-year Procurement Plans for each Category Manager.
- Developing a suppliers' guide that is bespoke for Carmarthenshire and tailored to the needs of local SMEs and the third sector.
- Continuing to review contract timescales to ensure the right balance between competitiveness/efficiency and the need for stability of contracts to give local suppliers the

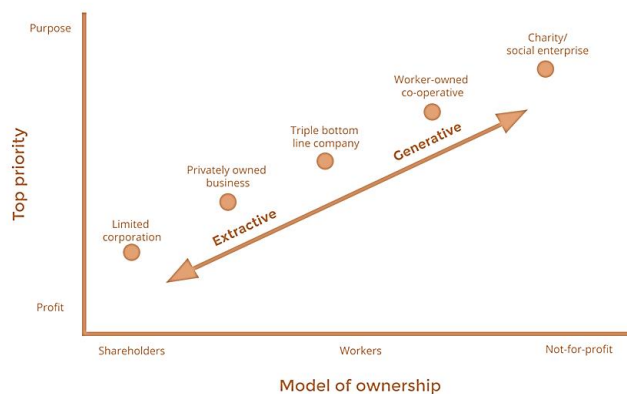
¹³ <https://gov.wales/sites/default/files/publications/2019-09/wales-procurement-policy-statement.pdf>

confidence to invest in their capacity – informed by deep engagement with potential local suppliers.

- Building on current relationships with suppliers to support the localisation of their supply chains (informed by the supplier re-spend analysis – see toolkits below)

There would be merit in more explicitly differentiating between different business forms in the local economy. At the core of Community Wealth Building, is a focus on locally productive forms of business. These “generative” businesses, such as employee owned firms, community business and social enterprise are firms in which wealth is both created and shared broadly between owners, workers and consumers, ultimately increasing local multipliers as wealth flows through to people and places.

Figure 11 – Extractive vs generative



Consideration should be given to differentiating the business types/forms of suppliers and potential suppliers, in terms of spend analysis, market engagement and business support (including market making/shaping activity) to enable bespoke approaches to increase the proportion of generative businesses.

Any business database used by the Council should seek to include whether the organisational form of the current/potential supply is classed as ‘generative’ or ‘extractive’. Insofar as it is feasible within the local sector, commissioners and policymakers should be utilising locally generative alternatives to maximise social value. Ideally, there should be a mix of suppliers involving the local state in conjunction with alternative models of ownership such as local charities, co-ops, CICs and community businesses etc. If designed in the right way, specifications can enable these more generative providers to enter the market and maximise social value. Once complete, this dataset can be a useful resource for commissioners to identify potential suppliers that can bid for procurement opportunities and consequently potentially increase the share of council spending that is delivered by local socially, economically and environmentally generative organisations.

Work has already been undertaken to streamline procedures and supplier documentation, particularly with respect to lower value (sub £75k) contracts. However, there is still a perception both internally and among suppliers that there is scope to further streamline and improve processes and procedures to make the experience of supplying goods or services to the Council as straightforward as possible and reduce any unnecessary barriers for small and medium sized enterprises, community businesses and the third sector. There are discussions in the wider public sector procurement community in Wales about the potential development of a ‘Passport to Trade’ solution to minimise the need for suppliers to submit

information in successive tender bids. The anchor organisations across the Public Service Board footprint should monitor any developments in this space and ascertain to what extent any such development would add value to existing processes and could stimulate more collaborative working across the public sector procurement landscape in Carmarthenshire. Establishing a procurement forum which brings together Public Services Board partners would provide a mechanism to share resources and learning and develop collaborative approaches across Carmarthenshire.

There is a recurring theme of the perceived limitations of procurement legislation and guidance and a view that there is a 'risk-averse' culture in Carmarthenshire that impacts on the ability to support local businesses and local supply chains. We are aware from our discussions with officers and members in Carmarthenshire that these issues have been much debated, and of the criticality of taking a measured and balanced approach, staying within the regulations and not exposing the Council to unwarranted risk. Officers (rightly) look to act in the best interests of the Council and protect it from challenge and potential reputational damage. However, if there is a disconnect between aspirations and capacity to deliver, it is important to focus on what more could potentially be done, within the regulations.

The recent report¹⁴ of the National Assembly for Wales Committee inquiry on 'Procurement in the Foundational Economy' noted that:

Several witnesses told the Committee that EU rules themselves are not a barrier to local firms engaging in the procurement process. Liz Lucas of Caerphilly County Borough Council (CBC) said the rules were "very, very flexible as they stand" and "the rules do not stop you looking after your local contractors". Steve Cranston also said current rules do not prevent innovation, but that there are other cultural and capacity barriers. Wales Co-operative Centre said that "the existing legal framework provides scope to support social enterprises and the foundational economy."

In this respect, consideration could be given to:

- Increased emphasis on market engagement (combined with publishing a longer-term forward plan of what is likely to need to be procured and a contract-by-contract review for each major area of 'leakage' – see Appendix 5 below).
- Consideration of contract lengths and how this impacts the stability of potential supply for local contractors.
- Tailored and focused business support for local SMEs and, particularly, for more 'generative' business models such as community business, cooperatives, mutuals and social enterprises.
- Encouraging local supplier collaboration and ensuring that procurement professionals are well connected to their economic development colleagues.
- Adopting the use of small lot exemptions to support SMEs.
- Extending the use of reserved contracts for businesses whose main aim is the integration of disadvantaged people – particularly where there is scope to work with third sector organisations to design new approaches linked, for example, to tackling long-term unemployment or disadvantage.

¹⁴ <https://senedd.wales/laid%20documents/cr-ld12308/cr-ld12308%20-e.pdf>

For lower value works (£5k- £25k), officers are currently required to obtain three quotes from competitive sources and be able to demonstrate this process by keeping appropriate records. Discussions have taken place as to whether a number of these quotes could be required to be from local suppliers. Whilst CLES are categorically **not** able to offer legal advice, we do note that other local authorities in Wales have adopted procedures to allow for a minimum number of quotations to be requested from local businesses alongside others. A possible alternative would be to consider encouraging local sourcing *where practicable* whilst emphasising the overriding need for competitiveness and value for money – i.e. not a *requirement* to select a locally-based supplier if that supplier would not be best value (e.g. they are more expensive or their bid does not comply with the specification), and measures to consistently communicate these opportunities to a local business audience.

We consider this to be an important area of focus. For smaller businesses which have not historically engaged with public sector procurement, the opportunities arising out of £5-£25k contracts could have significant potential to support their viability. It would also provide smaller, local suppliers who may have no or little experience of working for the Council an entry route for engagement and provide them with the confidence to move on to bidding for higher value works in the future. Consideration should be given to developing a mechanism to regularly communicate these opportunities to the SME and third sectors in Carmarthenshire – e.g. via online channels, social media, email alerts, or via local business networks.

Social value and community benefits

The community benefits approach is currently considered for all contracts but monitoring against outcomes is prioritised for larger contracts (over £1m). Community benefits in Carmarthenshire cover a range of areas, as described on the procurement pages of the Council's website:

- Employment and Training Opportunities
 - Recruit and train long term economically inactive persons and or 16-24 year olds not in education employment or training (NEETs) as part of the workforce delivering this contract.
 - You might be required to agree to a set number of person weeks of employment/experience per annum (To be agreed upon contract award). A person-week is the equivalent of one person working for 5 days either on site, or through a mix of on-site work and off-site training (paid or unpaid).
 - Consider employing an apprentice during the contract period.
 - Offer work placements to school, colleges and university students as part of their course or for any individual interested in gaining experience in your sector.
- Supply Chain Opportunities
 - Create opportunities for SME's to bid for work through the supply chain.
 - Sign up to various mentoring schemes to provide advice and support to new companies or SME's.
- Additional Benefits
 - Community Initiatives: Volunteering days, contribute to community regeneration schemes, Sponsor mini sporting tournaments e.g. rugby or football etc.
 - Educational Contributions: Engage positively with school-age children; Work placements for secondary-school children and college students, visits to primary schools to engage

with younger children, Provide educational opportunities to local schools e.g. site visits etc., Development of bespoke qualifications with local colleges.

The community benefits approach is a key enabler for procurement to support the delivery of Carmarthenshire's well-being objectives, by embedding the Well-being of Future Generations Act into procurement contracts and frameworks.

Carmarthenshire County Council can be proud of existing recognised good practice in this regard –for example, in its delivery of the Welsh Government funded 21st Century school programme, the County Council used the South West Wales Regional Contracts Framework to embed the delivery of community benefits and sustainable ways of working. The project will achieve Passivhaus certification and BREEAM 'excellent' certification, with project bank accounts (a ring-fenced bank account from which payments are made directly). The project has been recognised by the Future Generations Commissioner for Wales as one which demonstrates clear links to the five ways of working within the Act as well as the local authority's well-being objectives.

The Council acknowledge that monitoring of community benefit KPIs is currently less robust in categories other than construction.

We recommend considering:

- Scaling up the community benefits approach codifying this into a social value (community benefits) policy, with clear outcomes linked to wellbeing objectives and continuing to increase the number of contracts below £1m in which community benefits are routinely included, supported by a recording and monitoring approach to ensure community benefits are being delivered. This would establish a robust policy framing which could be used flexibly to support innovation in terms of how suppliers respond to the needs and priorities expressed in the policy.
- Reviewing the 'menu' of community benefit clauses to ensure the scope of benefits matches the scale of current economic and social challenges – for example, including a focus on retention and training of the existing workforce, which can help maintain or improve the local skill pool and from a supplier development viewpoint can benefit the contractor's competitiveness in the future. While inclusion of mandatory clauses which specifically require companies to employ local labour would be in breach of the European Community Treaty Principles of equal treatment, inclusion of monitoring requirements which measure the impact of procurement activity on local labour rates and the requirement to advertise opportunities locally and work with local employability providers is permissible.
- Building in annual reviews to ensure that Carmarthenshire's community benefits remain fit for purpose and in line with Wellbeing and Future Generations Act (Wales) 2015 and any refresh of the local Well-being Pan.
- Seek to collaborate with other PSB partners to increase the social value of procurement through maximising local spend.
- Investigating the use of a tool which enable the 'value of community benefits' to be measured, so that concerns over the financial implications of pursuing community benefits more widely can be

assuaged¹⁵ - and weighing up the potential benefits and limitations of such tools, the costs of administering this process and its potential suitability for different market categories.

The recent S20 report of the Commissioner stated that:

In testing and demonstrating how they are applying the Act, all public bodies and boards covered by the Well-being of Future Generations Act (including Welsh Government) should:

Approach all procurement decisions through the lens of the Act – by applying the Five Ways of Working, considering their well-being objectives and/or steps and how to maximise contribution to the seven well-being goals at the very beginning of the process even at pre-procurement stage. Provide clear evidence for how their procurement activities are supporting the delivery of their well-being objectives. Include specific contract clauses linked to well-being objectives/goals in every public sector contract and framework, using social value measures to capture impact.

The concept of Social Value needs not just to be viewed as being in the domain of the procurement function. Instead, it needed to sit across the corporate heart of the Council and be the responsibility of all departments. It needs the active involvement of policy leads, those with knowledge of key local and global policy challenges, such as climate change, health and well-being, economic reform and ensuring sustainable employment. The approach should address each of the stages of the Cycle of Procurement:

- The first stage of the Cycle is around **Governance and Strategy**. If local authorities want to change the way in which they undertake procurement, then they must have the strategic and governance conditions in place to enable it to happen. They need to undertake Spend Analysis to set a baseline position of where their spend goes. They need to have a Social Value Procurement Strategy and Framework in place that outlines the types of wider (Social Value) outcomes they want to achieve through procurement. And they must have Officers that are socially, as well as cost conscious.
- The second stage of the Cycle is around **Commissioning**. This is where, during the design of goods and services, local authorities can start to think about the types of outcomes that are appropriate in relation to that good or service from a Social Value perspective. Here, Commissioners can consult with end users, other departments, and the market to shape the design of the good or service. It is at this point that they need to also consider breaking contracts into lots and set the weighting against which Social Value will be evaluated.
- The third stage of the Cycle is **Pre-Procurement**. Here, local authorities need to make the market aware of what they are looking to purchase and what added benefits they are seeking in Social Value terms and beyond the provision of the good or service. They need to provide information, often through a portal and through Meet the Market events.
- The fourth stage of the Cycle is **Procurement and Decision-Making**. If local authorities want to use procurement as a way of achieving wider outcomes, they need to ask potential suppliers about the types of Social Value they are going to deliver through the contract. They also need to evaluate against this in a qualitative and quantitative manner.
- The fifth stage of the Cycle is **Monitoring**. If local authorities are going to the trouble of developing Social Value Procurement Strategies and asking questions around it, then they need to monitor the extent to which suppliers are delivering upon Social Value outcomes during delivery, and support suppliers through effective brokerage. A tool which assesses social value contributions to the Wellbeing Act in terms of non-financial benefits (e.g., jobs for long term unemployed) and the

¹⁵ The National Social Value Measurement Framework for Wales is an existing tool that could be used for this purpose

additional financial value created (e.g. additional fiscal and economic benefits) such as the National Social Value Measurement Framework for Wales (also known as the National TOMs Wales¹⁶) may be useful in this regard.

¹⁶ <https://www.nationalsocialvaluetaskforce.org/national-toms-wales>

6. Action Plan

Advancing progressive procurement in Carmarthenshire

Recommendation	Time Horizon	Next Steps
Make community wealth building a more explicit, central strategic narrative	Medium term	<ul style="list-style-type: none"> ○ Create a cross-cutting Community Wealth Building narrative across corporate strategy, policy, and associated action plans. ○ Develop a wider Community Wealth Building approach, encompassing the full range of anchor institution economic assets (including workforce, land, property and wider financial assets), to enable even greater impact to be secured.
Incorporate an emphasis on sectoral transition in the Councils economic recovery and reform programme.	Medium term	<ul style="list-style-type: none"> ○ Consider the development of bespoke and targeted approaches to support sectoral transition towards environmental, renewable, and emerging technologies sectors.
Increase the strategic profile of procurement.	Short term	<ul style="list-style-type: none"> ○ Ensure that the resourcing and capacity of the procurement and business support functions are commensurate with the Council's expectations. ○ Ensure that procurement professionals continue to have a voice and input into senior decision making.

Recommendation	Time Horizon	Next Steps
		<ul style="list-style-type: none"> ○ Marshal internal leadership, management, and communications to ensure a shared culture and mindset with all departments focused on the Carmarthenshire pound. ○ Continue to strengthen the relationship between procurement and economic development.
Systematically review opportunities to localise spend, prioritising interventions where there is a strong overlap between leakage and local economic vulnerability.	Short to medium term	<ul style="list-style-type: none"> ○ The Procurement Team should explore each contract which constitutes leakage, to determine its potential for localisation, with the following sectors being of priority: <ul style="list-style-type: none"> ● Professional, scientific, and technical activities ● Information and communication ● Manufacturing ○ Instigate a programme of market engagement with the potential local supply base in relation to these contract opportunities. ○ Consider the need to focus and tailor business support and for more interventionist market shaping, for example in the manufacturing sector – to enable the sector to meet demand.
Deepen and extend the approach to spend analysis	Short term	<ul style="list-style-type: none"> ○ Undertake a supplier re-spend analysis and use this as the basis for future interventions and support. ○ Adopt corporate KPIs and clear targets for the percentage of spend with local suppliers and supplier re-spend.

Recommendation	Time Horizon	Next Steps
		<ul style="list-style-type: none"> ○ Any business database used by the Council should seek to include whether the organisational form of the current/potential supply is classed as 'generative' or 'extractive'. ○ Ensure that spend analysis is used strategically and routinely considered at senior leadership and Cabinet level.
Further develop market engagement approaches	Short to medium term	<ul style="list-style-type: none"> ○ Develop and publish a longer-term (3-5-year) forward plan and use this as the basis for more regular market engagement across all categories, not just reactive to tenders. ○ Roll out the suppliers' guide (to be finalised following the workshops) ○ Provide advice on how suppliers and other local businesses can engage their supply chains to contribute. ○ Provide tailored business support to increase the capacity of local, generative businesses, to access procurement opportunities. ○ Share best practice to assist suppliers in the procurement process, for example anonymised examples of what scored well and what didn't. ○ In advance of contract, or framework, renewal- undertake supplier and market engagement to consider: <ul style="list-style-type: none"> ● Whether contract timescales ensure the right balance between competitiveness/efficiency and the need for stability of contracts to give local suppliers the confidence to invest in their capacity.

Recommendation	Time Horizon	Next Steps
		<ul style="list-style-type: none"> • Whether lotting strategies can be tailored to maximise the ability of local suppliers to engage.
Enhance and refine procurement processes	Short to medium term	<ul style="list-style-type: none"> ○ Engage with smaller suppliers and the third sector on opportunities to further streamline procurement processes. ○ Keep under review the national discussions about a 'Passport to trade' and the extent to which this potentially adds value to existing processes. ○ Adopt the use of small lot exemptions to support local SMEs ○ Consider the potential for 'reserved contracts', including any scope to work with third sector organisations to design new approaches linked, for example, to tackling long-term unemployment or disadvantage. ○ Ensure a strong corporate focus on the impact of lower value spend (£5-£25k) on the local economy to support micro-enterprises and SMEs. <ul style="list-style-type: none"> • Encourage local sourcing where practicable. • Develop mechanisms for potential suppliers to be visible to the Council. • Develop a mechanism to effectively communicate these contract opportunities to micro-enterprises and SMEs.
Scale up and codify the approach to social value and community benefits	Short to medium term	<ul style="list-style-type: none"> ○ Produce a social value (community benefits) policy, with clear outcomes linked to wellbeing objectives.

Recommendation	Time Horizon	Next Steps
		<ul style="list-style-type: none"> ○ Consider expanding the community benefits approach, increasing the number of contracts below £1m in which community benefits are routinely included. ○ Implement a more robust recording and monitoring approach to ensure community benefits are being delivered. ○ Review the 'menu' of community benefit clauses to ensure the scope of benefits matches the scale of current economic and social challenges. ○ Build in annual reviews to ensure that Carmarthenshire's community benefits remain fit for purpose and in line with Wellbeing and Future Generations Act (Wales) 2015 and any refresh of the local Well-being Plan. ○ Investigate the use of a tool such as the National TOMs Wales which can measure suppliers social value contribution to the Wellbeing Act in terms of non-financial benefits (e.g., jobs for long term unemployed) and the additional financial value created (e.g., additional fiscal and economic benefits).
Seek to collaborate with other anchors across the PSB	Medium term	<ul style="list-style-type: none"> ○ Establish, or utilise an existing, forum to bring together procurement and economic development leads from across all the PSB anchor institutions in Carmarthenshire. ○ Investigate the scope for joint procurement of certain goods or services. <ul style="list-style-type: none"> ● Identifying key sectors of relevance to multiple anchors where they could seek to grow dense local and socially

Recommendation	Time Horizon	Next Steps
		<p>virtuous supply chains which will achieve wider social and local economic value.</p> <ul style="list-style-type: none"> ○ Investigate the scope for to align procurement processes and objectives. <ul style="list-style-type: none"> ● Identifying key social value outcomes of relevance to the Carmarthenshire economy, prioritise them in social value approaches of multiple anchors and share learning on what works in delivering on these between anchors and across supply chains. ● Streamline processes, including investigating any national developments in terms of a 'Passport to trade' across sectors.

Appendix 1 – supplementary information

SIC code Matching

As noted previously in this report, CLES analysed high-level industry categories provided in a previous Carmarthenshire Council report by matching these categories to 5-digit SIC code industries. Our workings are shown below:

Education and Childcare

- 85100 Pre-primary education
- 85200 Primary education
- 85310 General secondary education
- 85320 Technical and vocational secondary education
- 85410 Post-secondary non-tertiary education
- 85421 First-degree level higher education
- 85422 Post-graduate level higher education
- 85510 Sports and recreation education
- 85520 Cultural education
- 88910 Child day-care activities

Food and Beverage

- 56101 - Licensed restaurants
- 56102 - Unlicensed restaurants and cafes
- 56103 - Take away food shops and mobile food stands
- 56210 - Event catering activities
- 56290 - Other food service activities
- 56290 - Other food services
- 56301 - Licensed clubs
- 56302 - Public houses and bars

Personal Services¹⁷

- 95110 - Repair of computers and peripheral equipment
- 95220 - Repair of household appliances and home and garden equipment
- 95240 - Repair of furniture and home furnishings
- 95250 - Repair of watches, clocks and jewellery

¹⁷ (exempting Building, Commercial, Business, or Professional services)

- 95290 - Repair of other personal and household goods
- 96010 - Washing and (dry-)cleaning of textile and fur products
- 96090 - Other personal service activities n.e.c.

Food & Drink Production

- 10120 - Processing and preserving of poultry meat
- 10130 - Production of meat and poultry meat products
- 10320 - Manufacture of fruit and vegetable juice
- 10511 - Liquid milk and cream production
- 10519 - Manufacture of milk products (other than liquid milk and cream, butter, cheese) n.e.c.
- 10520 - Manufacture of ice cream
- 10611 - Grain milling
- 10612 - Manufacture of breakfast cereals and cereals-based foods
- 10710 - Manufacture of bread; manufacture of fresh pastry goods and cakes
- 10720 - Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes
- 10821 - Manufacture of cocoa, and chocolate confectionery
- 10822 - Manufacture of sugar confectionery
- 10831 - Tea processing
- 10832 - Production of coffee and coffee substitutes
- 10840 - Manufacture of condiments and seasonings
- 10850 - Manufacture of prepared meals and dishes
- 10890 - Manufacture of other food products n.e.c.
- 10910 - Manufacture of prepared feeds for farm animals
- 10920 - Manufacture of prepared pet foods
- 11010 - Distilling, rectifying and blending of spirits
- 11050 - Manufacture of beer
- 11070 - Manufacture of soft drinks; production of mineral waters and other bottled waters

Sports & Leisure

- 77210 - Renting and leasing of recreational and sports goods
- 93110 - Operation of sports facilities
- 93120 - Activities of sport clubs
- 93130 - Fitness facilities
- 93199 - Other sports activities (not including activities of racehorse owners) n.e.c.
- 93199 - Other sports activities

Visitor Economy

- 55100 - Hotels and similar accommodation
- 55201 - Holiday centres and villages
- 55202 - Youth hostels
- 55209 - Other holiday and other short-stay accommodation (not including holiday centres and villages or youth hostels) n.e.c.
- 55300 - Recreational vehicle parks, trailer parks and camping grounds
- 55300 - Camping grounds, recreational vehicle parks and trailer parks

55900 - Other accommodation
79110 - Travel agency activities
79120 - Tour operator activities
79901 - Activities of tourist guides
79909 - Other reservation service activities (not including activities of tourist guides)
91020 - Museum activities
91030 - Operation of historical sites and buildings and similar visitor attractions
91040 - Botanical and zoological gardens and nature reserve activities
91040 - Botanical and zoological gardens and nature reserves activities
93210 - Activities of amusement parks and theme parks
93290 - Other amusement and recreation activities
93290 - Other amusement and recreation activities n.e.c.

Retail

47110 - Retail sale in non-specialised stores with food, beverages or tobacco predominating
47190 - Other retail sale in non-specialised stores
47210 - Retail sale of fruit and vegetables in specialised stores
47220 - Retail sale of meat and meat products in specialised stores
47230 - Retail sale of fish, crustaceans and molluscs in specialised stores
47240 - Retail sale of bread, cakes, flour confectionery and sugar confectionery in specialised stores
47250 - Retail sale of beverages in specialised stores
47260 - Retail sale of tobacco products in specialised stores
47290 - Other retail sale of food in specialised stores
47300 - Retail sale of automotive fuel in specialised stores
47410 - Retail sale of computers, peripheral units and software in specialised stores
47421 - Retail sale of mobile telephones in specialised stores
47429 - Retail sale of telecommunications equipment (other than mobile telephones) n.e.c., in specialised stores
47430 - Retail sale of audio and video equipment in specialised stores
47510 - Retail sale of textiles in specialised stores
47520 - Retail sale of hardware, paints and glass in specialised stores
47530 - Retail sale of carpets, rugs, wall and floor coverings in specialised stores
47540 - Retail sale of electrical household appliances in specialised stores
47591 - Retail sale of musical instruments and scores in specialised stores
47591 - Retail sale of musical instruments and scores
47599 - Retail of furniture, lighting, and similar (not musical instruments or scores) in specialised store
47599 - Retail sale of furniture, lighting equipment and other household articles (other than musical instruments) n.e.c., in specialised stores
47610 - Retail sale of books in specialised stores
47620 - Retail sale of newspapers and stationery in specialised stores
47640 - Retail sale of sports goods, fishing gear, camping goods, boats and bicycles
47640 - Retail sale of sporting equipment in specialised stores
47650 - Retail sale of games and toys in specialised stores
47710 - Retail sale of clothing in specialised stores

47721 - Retail sale of footwear in specialised stores
47722 - Retail sale of leather goods in specialised stores
47730 - Dispensing chemist in specialised stores
47749 - Retail sale of medical and orthopaedic goods (other than hearing aids) n.e.c., in specialised stores
47749 - Retail sale of medical and orthopaedic goods in specialised stores (not incl. hearing aids) n.e.c.
47750 - Retail sale of cosmetic and toilet articles in specialised stores
47760 - Retail sale of flowers, plants, seeds, fertilisers, pet animals and pet food in specialised stores
47781 - Retail sale in commercial art galleries
47782 - Retail sale by opticians
47789 - Other retail sale of new goods in specialised stores (other than by opticians or commercial art galleries), n.e.c
47789 - Other retail sale of new goods in specialised stores (not commercial art galleries and opticians)
47799 - Retail sale of second-hand goods (other than antiques and antique books) in stores
47799 - Retail sale of other second-hand goods in stores (not incl. antiques)
47890 - Retail sale via stalls and markets of other goods
47910 - Retail sale via mail order houses or via Internet
47990 - Other retail sale not in stores, stalls or markets

Passenger Transport

49100 - Passenger rail transport, interurban
49200 - Freight rail transport
49319 - Urban, suburban or metropolitan area passenger land transport other than railway transportation by underground, metro and similar systems
49319 - Other urban, suburban or metropolitan passenger land transport (not underground, metro or similar)
49320 - Taxi operation
49390 - Other passenger land transport n.e.c.
49390 - Other passenger land transport
49410 - Freight transport by road
49420 - Removal services
50100 - Sea and coastal passenger water transport
50200 - Sea and coastal freight water transport
50300 - Inland passenger water transport
51101 - Scheduled passenger air transport
51102 - Non-scheduled passenger air transport
51210 - Freight air transport
52101 - Operation of warehousing and storage facilities for water transport activities of division 50
52102 - Operation of warehousing and storage facilities for air transport activities of division 51
52103 - Operation of warehousing and storage facilities for land transport activities of division 49

52103 - Operation of warehousing and storage facilities for land transport activities
52213 - Operation of bus and coach passenger facilities at bus and coach stations
52219 - Other service activities incidental to land transportation, n.e.c. (not including operation of rail freight terminals, passenger facilities at railway stations or passenger facilities at bus and coach stations)
52219 - Other service activities incidental to land transportation, n.e.c.
52220 - Service activities incidental to water transportation
52230 - Service activities incidental to air transportation
52241 - Cargo handling for water transport activities of division 50
52243 - Cargo handling for land transport activities of division 49
52290 - Other transportation support activities
53100 - Postal activities under universal service obligation
53201 - Licensed Carriers
53202 - Unlicensed carrier
53202 - Unlicensed Carriers

Appendix 2 -Stakeholders engaged

Officers

Name	Role
Wendy Walters	Chief Executive
Chris Moore	Director of Corporate services
Linda Rees-Jones	Head of Administration & Law
Clare Jones	Principal Procurement Officer
Julian Lewis	Principal Procurement Officer
Hywel Harries	Property Design Manager
Stuart Walters	Economic Development Manager
Simon Davies	Head of Access to Education
Jonathan Morgan	Head of Homes and Safer Communities

Elected members

Name	Role
Cllr Emlyn Dole,	Leader and EBM economic development
Cllr Mair Stephens	Deputy Leader
Cllr David Jenkins	EBM procurement
Cllr Cefin Campbell	EBM rural



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