

CEREDIGION COUNTY COUNCIL

Report to: Cabinet

Date of meeting: 14th February 2023

Title: Arfor Programme: Acceptance of Funding and Implementation arrangements in Ceredigion.

Purpose of the report: To receive delegated authority to accept the Arfor 2 funding for Ceredigion from Welsh Government
To provide an update on the implementation and delivery of the programme in Ceredigion.

For: Decision

Cabinet Portfolio and Cabinet Member: Councillor Clive Davies, Cabinet Member for Economy and Regeneration

1. Background

- Following on from the success of the Arfor programme 2018- 2020 that operated in Anglesey, Carmarthenshire, Ceredigion and Gwynedd, the Welsh Government have agreed to a new Arfor 2 programme designed to strengthen the economic resilience of Welsh language strongholds.
- £11 million to be made available for communities in the four counties with the highest levels of Welsh speakers.
- Funding will support a number of strategic interventions, including a focus on opportunities for young people and families, to enable them to stay in or return to their home communities.
- Programme will play a key role in the Welsh Government's Welsh language strategy (Cymraeg 2050), which aims to ensure there are 1 million Welsh speakers by 2050.
- Arfor 2 is a new programme to be delivered by local authority partners which will help strengthen the economic resilience of Welsh language strongholds.
- As part of the Co-operation Agreement with Plaid Cymru and building on the experience and evaluation of the earlier Arfor programme launched in 2019, the Welsh Government funding will be available to the four local authorities of Gwynedd, Ynys Môn, Ceredigion and Carmarthenshire.
- The main objective of Arfor 2 is to support the communities that are strongholds of the Welsh language to flourish through economic interventions which will also contribute to increasing opportunities to see and use the Welsh language on a daily basis.
- Gwynedd County Council will act as Lead Authority and an offer Agreement letter from Welsh Government has now been received and an Inter Authority Agreement is being drafted .
- In April 2022, the Arfor Board which consists of the Leaders of the four Counties, submitted an 'Outline Proposal' to Welsh Government for the second phase of the Programme setting out the strategic objectives and principles of Arfor 2. This was subsequently approved in principle. Over the last few months officers across the region have been working up more detailed proposals which were approved by Welsh Government prior to WG

public announcement of the programme on 6 October 2022. Confirmed via a funding letter received from Welsh Government dated 2.12.2022

At the time of writing this report, the offer letter from Welsh Government has not been signed due to ongoing discussions on how to manage the current financial year spend and discussions are ongoing, but an agreement is imminent.

ARFOR KEY STRATEGIC OBJECTIVES

- To create opportunities for young people and families (under 35 years old) to stay or return to their indigenous communities – supporting them to succeed locally by engaging in enterprise or developing a career
- To create enterprising communities within Welsh-speaking areas – by supporting commercial and community enterprises that aim to preserve and increase local wealth by taking advantage of the identity and unique qualities of their areas.
- To maximise the benefit of activity through collaboration– to ensure that good practice and lessons learnt are shared and that there is on-going monitoring to ensure continuous improvement.
- Strengthen the identity of communities with a high density of Welsh speakers – by supporting the use and visibility of the Welsh language, encouraging a sense of place and local loyalty.

2. Arfor 2 Work packages

Arfor 2 will consist of the following work packages which will meet the overall strategic objectives of the programme:

Work Package	Budget	Method of delivery
<p>Llwyddo'n Lleol Llwyddo'n Lleol is a targeted youth programme to support entrepreneurial skills. The project will support young people to start up a new business within their indigenous communities through a combination of support and financial assistance with the aim of encouraging young families to stay or return to the area. The project will be delivered across the four counties via a 3rd party contractor, managed by Gwynedd County Council.</p>	£ 3,000,000 Regional project	Procured delivery via the Regional lead (Gwynedd County Council)
<p>Cymunedau Mentrus/ Enterprising Communities The third-party grant will consist of the following:</p> <ul style="list-style-type: none"> • business start-up fund • business growth fund • Social enterprise fund 	£ 4,500,000 (£1,125,000 allocation per County)	Implementation in each individual county via a third-party grant

<p>The fund will build upon the work which was undertaken under Arfor 1 and will focus on sectors that provide growth opportunities.</p> <p>Whilst the fund will be delivered locally, eligible activity will be agreed at a regional level to ensure consistency of approach. Funding secured via the will enable the Authority to employ a dedicated officer to manage and implement the fund at a local level.</p>		
<p>Arfor Challenge Fund The Challenge fund will consist of 2 elements:</p> <p><i>Small Challenge Fund</i> -offering support and funding of up to £30,000 for local organisations to develop and pilot activities that will address the strategic objectives of the Programme. Delivery of the small challenge fund will be commissioned via Gwynedd County Council. The appointed contractor will work with each of the four areas to promote the opportunities available via the challenge fund and be responsibility for inviting and receiving applications for funding.</p> <p><i>Large Challenge Fund</i> - a flexible fund that will offer up to £100k funding to organisations individually or jointly to develop and implement plans responding to the strategic objectives of the ARFOR Programme. This element will be directly managed by Gwynedd County Council in liaison with the other three Local Authorities. The opportunity to bid for funding will be promoted to a cross section of organisations across the four Counties.</p> <p>All applications submitted for consideration as part of the Challenge Funds will be considered by an Officer working group comprising of the four authorities before being submitted to the Arfor Board.</p>	<p>£ 2,600,000 Regional project</p>	<p>Activity will be available at a local level but managed at a regional level by Gwynedd County Council</p>
<p>Strengthening the Identity of Arfor Communities Arfor 2 will build on previous work to promote good practice and to help businesses and community organisations to realise the economic benefits associated with the use of the Welsh language as part of their day-to-day business. This will be done by further developing Bwrlwm</p>	<p>£300,000.00</p>	<p>Administered regionally by Gwynedd County Council with input from each of the Counties</p>

Arfor (www.bwrlwmarfor.cymru) an online platform to share best practice. A strategic marketing and communication plan will also be a key feature of the programme.		
Monitoring and Evaluation and learning A key element of Arfor 2 will be monitor and evaluate the results and impact of the Programme from the outset. Gwynedd County Council will oversee the contract management however each Authority will have a valuable role to play in feeding into this process. This element of the programme will also seek to broaden our understanding of the links between the economy and the Welsh language.	£200,000.00	Administered regionally by Gwynedd County Council with input from each of the Counties

For reference, the funding allocations is as follows:

Expenditure Heading	Budget 2022-2025	Local Delivery 2022-2025	Budget 2022-2025
Regional		Ceredigion	
Llwyddo'n Lleol	£3,000,000.00	Administration	£142,145.91
Challenge Fund	£2,600,000.00	Cymunedau Mentrus	£1,040,625.00
Bwrlwm ARFOR	£300,000.00		
Monitoring, Evaluation, Learning	£200,000.00	Total Ceredigion:	£1,182,770.91
Admin Costs	£400,000.00		
Cymunedau Mentrus (Local)	£4,500,000.00		
TOTAL for Region:	£11,000,000.00		

3. Programme Governance

Gwynedd County Council will continue to act as the lead authority for the programme across the four local authority areas. A legal agreement (IAA) between the counties has already been established for the first phase of the Arfor Programme. This is currently being reviewed for the 2nd phase and will be shared with the Corporate legal team for their input at the appropriate time.

To provide strategic direction and oversee the delivery of Arfor II, a Board consisting of the Leaders of the four Counties has been established. To date, the Board has met on 2 occasions to consider and endorse the work which has been undertaken to date in the development of the programme.

The Board will be supported by a Group of Officers comprising senior officers representing the four counties, together with representatives from the Welsh Government and the Welsh Local Government Association.

The role of the officer group will be to ensure that there is continual input from a Ceredigion level at every part of delivery to ensure that the needs of our local businesses and communities are met.

4. Resource Implications

A new post will be created, funded through the programme to oversee the Arfor programme workstreams in Ceredigion, this will include the management of a third-party grant fund, ensuring that all financial regulatory requirements of both the County Council and that of the respective external funding bodies are met. This post will sit within the existing structure of Economic & Community Development Services.

Has an Integrated Impact Assessment been completed? If, not, please state why. No does not refer to a policy change.

Summary:

Long term: The Arfor programme is a 3-year fund from 21-22 to 24-5. It provides the opportunity for Services to progress existing priorities within corporate strategies and plans in the short-medium term that work towards our long-term priorities.

Collaboration: There is support and desire across the four local authorities to work in partnership, to establish a framework and interventions, where economic development and linguistic planning will be interlinked under the Arfor programme (2019-2021)

Wellbeing of Future Generations:

Involvement: Partnership working is a key element of the Arfor programme.

Prevention: The Arfor Scheme will contribute towards maintaining and preserving the workforce within our communities.

Integration: Arfor is a partnership approach across the four local authorities including Mentrau Iaith, Cymraeg Byd Busnes, Welsh Government, and WLGA. The programme offers a number of opportunities to integrate and align with existing corporate plans and strategies.

Recommendation(s):	<ol style="list-style-type: none"> 1. To approve the proposed implementation and delivery arrangements of the Fund as set out in the report. 2. To approve in principle that the Council sign up to an Inter Authority Agreement with Gwynedd County Council.
Reasons for decision:	To allow Ceredigion County Council to proceed with Gwynedd County Council to receive the Arfor Funding and for officers to be able to establish implementation arrangements as soon as possible
Overview and Scrutiny:	This has not been presented to Overview & Scrutiny as the scheme has only recently been launched, however it would be of value for the scheme to be considered at a future meeting.
Policy Framework:	N/A – Welsh Government Policy and Funding
Corporate Well-being Objectives:	Boosting the Economy (Primarily) – but with activity supporting all 4 Corporate Priorities.
Finance and Procurement implications:	The scheme will comply with the Councils’ procurement procedures as set out in the fund guidance and contract letters to grant recipients.
Legal Implications:	<p>Gwynedd County Council will act as the lead body for the Arfor 2 programme, as per the previous programme. A legal agreement between the counties was established for the first phase of the Programme. This is currently being reviewed for Arfor 2. The Authority’s legal team will be consulted as part of this process.</p> <p>The Authority will be responsible for the delivery and management of the ‘Cymunedau Mentrus/Enterprising Communities’ work package at a local level. This will include assessing and approving local project applications and entering into funding agreements with third parties. These will be developed in conjunction with the Authority’s legal team at the appropriate time.</p>
Staffing implications:	To ensure the effective delivery of the Programme at a local level, a dedicated officer will be recruited which will sit within Economic Development. Funding has been secured via the Arfor programme to fund this post.
Property / asset implications:	None directly, some projects put forward may have implications – but they will need to identify those as part of their own development/approvals via agreed governance internally, if relevant. This is primarily a revenue fund.

Risk(s):

At this stage, the main strategic risks are as follows:

- Further delay to approval and agreements from Welsh Government
- Reputational risk to the Councils – from external providers wanting to deliver, but the funding not yet received/confirmed.
- Delivery risks – due to slippages in timescales.
- Funding loss/re-profiling – dependent on terms and conditions from Welsh Government. If no flexibility to mitigate year 1 underspends, some funding may be lost.

A programme level risk management process will be developed by Gwynedd County Council as lead Authority to ensure that risk is assessed and managed at all levels. A specific risk register will be maintained for the Cymunedau Mentrus/ Enterprising Communities work package with appropriate mitigation measures identified.

Statutory Powers: None

Background Papers: None

Appendices: None

Corporate Lead Officer: Russell Hughes-Pickering, Corporate Lead Officer: Economy & Regeneration

Reporting Officer: Eirlys Lloyd, Community Partnerships Manager

Date: 26.01.23