



# ARSYLLFA OBSERVATORY

## Entrepreneurship in Carmarthenshire

Briefing paper prepared by  
OB3 Research for Four Cymru



## Introduction

This briefing paper has been prepared by OB3 Research for the 'Arsyllfa: Observatory' with the objective of setting out:

- data on entrepreneurship activity in Carmarthenshire
- the policy and strategic context
- current provision which supports entrepreneurship within the county
- some concluding thoughts on the key gaps and opportunities for the future.

It draws on desk-based research and interviews with key representatives from the Welsh Government<sup>1</sup>, Carmarthenshire County Council<sup>2</sup> and Antur Teifi<sup>3</sup> undertaken during June to July 2018.

## Entrepreneurship activity in Carmarthenshire

### Business Birth Rate

As shown in Table 1 the number of business births in Carmarthenshire has gradually increased over the last 10 years, from 610 in 2006 to 665 in 2016, although it dipped between 2010 and 2013 to a low of 420 per year<sup>4</sup>. The current business birth rate stands at 10.8%, which is lower than that of south west Wales (11.4%) and Wales (12.3%) but comparable with neighbouring rural counties (Pembrokeshire at 9.9% and Ceredigion at 8.2%).

The number of business deaths per year in Carmarthenshire stood at 615 during 2016, and at a rate of 10% was slightly lower than the rate for south west Wales (10.6%) and Wales (10.5%). The rate has traditionally been lower than for the region and Wales over the last ten years.

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<sup>1</sup> Erica Morgan and Carys Roberts, Welsh Government

<sup>2</sup> Barry Hale, Carmarthenshire County Council

<sup>3</sup> Dewi Williams, Antur Teifi

<sup>4</sup> ONS data – business births, deaths and active enterprises available at <https://statswales.gov.wales/Catalogue/Business-Economy-and-Labour-Market/Businesses/Business-Demography/businessbirths-by-area-year> accessed 7 June 2018

**Table 1: Annual business births and deaths in Carmarthenshire**

|                         | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 |
|-------------------------|------|------|------|------|------|------|------|------|------|------|------|
| No of business births   | 610  | 650  | 530  | 505  | 420  | 520  | 445  | 630  | 600  | 635  | 665  |
| Business birth rate (%) | 10.2 | 10.6 | 8.5  | 8.2  | 7.0  | 8.9  | 7.8  | 10.9 | 10.3 | 10.7 | 10.8 |
|                         |      |      |      |      |      |      |      |      |      |      |      |
| No of business deaths   | 495  | 560  | 565  | 645  | 625  | 525  | 555  | 505  | 480  | 555  | 615  |
| Business death rate     | 8.3  | 9.1  | 9.1  | 10.5 | 10.3 | 8.9  | 9.7  | 8.7  | 8.2  | 9.3  | 10.0 |

Source: ONS (November 2017)

### Self-Employment

18.7% of people in work aged 16 and over were self-employed in Carmarthenshire according to the 2011 Census data<sup>5</sup>. It is likely that this proportion has since increased, in line with the national increase in the number of self-employed people. The number of women in self-employment has been increasing at a faster rate than the number of men, although men still dominate self-employment.

### Business Stock

The current level of business stock within Carmarthenshire amounts to some 6,135 businesses, the highest it has been since the impact of the recession at the end of the last decade. When considering the number of active enterprises per 10,000 of the population aged 16 to 64, Carmarthenshire has 557 active enterprises which is higher than the regional average (490 for south west Wales) and Wales (512) but lower than neighbouring rural counties (Pembrokeshire at 639 and Ceredigion at 626).

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<sup>5</sup> ONS available at

<http://webarchive.nationalarchives.gov.uk/20150907150625/http://www.ons.gov.uk/ons/publications/reference-tables.html?edition=tcM%3A77-371749>

|                      | 2006  | 2007  | 2008  | 2009  | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  |
|----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Number of businesses | 5,970 | 6,130 | 6,240 | 6,170 | 6,040 | 5,870 | 5,735 | 5,775 | 5,845 | 5,960 | 6,135 |

Source: ONS (November 2017)

Carmarthenshire is dominated by micro businesses: 94% of all enterprises employ between 0 and 9 employees<sup>6</sup>.

The sector of wholesale, retail, transport, hotels, food and communication is the largest employer in the sector (at 22%) followed by financial and business services (at 19%).

## The Strategic and Policy Context

This section sets out the national, regional and local policy context for entrepreneurship support in Carmarthenshire.

### Welsh Policy

The Welsh Government set out its five year strategic plan Taking Wales Forward to cover the 2016-2021 term. These ambitions are further articulated in ‘Prosperity for All: the national strategy’ and the subsequent Economic Action Plan. Innovation and entrepreneurship is one of the Calls to Action within the economic action plan and there is an emphasis upon supporting businesses ‘to innovate, introduce new products and services’. Interestingly, there is no specific reference made to ‘entrepreneurship’ within the Actin Plan.

### Swansea Bay City Region Policy

The **Swansea Bay City Region Economic Regeneration Strategy 2013-2030**<sup>7</sup> sets out a strategic framework to support south west Wales and its future economic development. The analysis which has informed the strategy points to the region having too few businesses and the existing business base not growing quickly enough as well as a lack of suitable infrastructure to meet the needs of modern businesses and communities. The strategy identifies the major opportunities for the region as being the opportunities to grow the economy across a number of key sectors (namely energy, advanced engineering/high value manufacturing, tourism,

<sup>6</sup> Inter-Departmental Business Register (IDBR), Office for National Statistics, 2017 data

<sup>7</sup> <https://www.swansea.gov.uk/swanseabaycityregioneconomicregenerationstrategy>

ICT and financial and business services) and to build upon existing innovation and knowledge economy assets.

The Regeneration Strategy sets out five strategic aims, one of which is to achieve business growth, retention and specialism whilst another is to maximise job creation for all. Sitting underneath this first aim is an objective of developing a more entrepreneurial culture across the City Region. The strategy states: 'we will ensure this starts as early as possible by embedding entrepreneurship in the school, further education and university curriculum'. The strategy also states that 'a range of promotional tools will be employed in order to raise awareness of the benefits of entrepreneurship amongst all age groups within our communities'. Under the second aim, the strategy sets an objective of promoting and facilitating local enterprise development and states that the focus would be on 'raising interest in entrepreneurship and new business starts amongst community groups' as well as engaging those running businesses in the informal economy. One of the proposed ideas is to establish a 'physical hub or facility. Such as a social enterprise incubator' which would function as a 'catalyst for stimulating higher levels of social enterprise development'.

### Carmarthenshire Policy

The **Strategic Regeneration Plan for Carmarthenshire 2015-2030**<sup>8</sup> sets out six key transformational projects which will form Carmarthenshire County Council's regeneration priorities over the coming 15 years. The projects are intended to contribute towards the ambitions of the Swansea Bay City Region, as Carmarthenshire sits within this City Region.

The Strategic Regeneration Plan states that rural Carmarthenshire is dominated by small and medium sized businesses with 87% of businesses employing less than 9 employees. A higher proportion of the workforce are employed in low value added services such as agriculture. The Plan sets out a goal of attracting, developing and retaining a larger stock of sustainable businesses, higher value and more productive

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<sup>8</sup> <https://www.carmarthenshire.gov.wales/media/1212060/strategic-regeneration-plan-for-carmarthenshire-2015-2030-pdf.pdf>

## Current provision

This section sets out information about the current provision available to support entrepreneurship activity across Carmarthenshire.

### Business Wales

The Welsh Government funds a pan-Wales business support service, Business Wales, which provides information and business support across a range of areas including business start-up support. The provision includes workshops on a range of subject areas including:

- Taking the Plunge (Starting and running a business)
- Tax and book-keeping
- Winning and keeping customers
- Bid writing and tendering
- Branding and marketing
- Recruitment

In all, 28 Taking the Plunge workshops were held across Carmarthenshire over the course of one year between July 2017 and June 2018, averaging some two workshops per month. These are typically held at various venues in Llanelli, Carmarthen and Ammanford. In total, 192 individuals attended the Taking the Plunge workshops between July 2017 and June 2018.

### Youth Entrepreneurship Programme

The Youth Entrepreneurship Programme is delivered by the Welsh Government and aims to:

- raise aspirations and understanding of entrepreneurship
- develop entrepreneurial skills and attitudes through practical experiences
- identify and nurture our future entrepreneurs, developing their knowledge and building a network of young people interested in business start-up
- engage business, particularly Wales' entrepreneurs to share their expertise

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<sup>9</sup> Ibid. p.38

- empower the Further and Higher Education Sector in Wales to drive the entrepreneurship agenda and support student enterprise.

The programme funds **Entrepreneurship Champions** across Further and Higher Education institutes to drive entrepreneurship and broker activity. Data supplied by the Welsh Government for this research<sup>10</sup> shows that since 2016, across Coleg Sir Gar, University of Wales Trinity Saint David and Coleg Ceredigion, the programme has:

- engaged 8,963 young people in awareness raising activity
- enabled 1,251 students to explore entrepreneurial skills, knowledge and aspirations
- supported 197 students to nurture a business start-up idea.

In the case of Coleg Sir Gar, the college collaborates with libraries, Carmarthenshire County Council, the Llanelli Hub, Careers Wales, the Princes' Trust, Natwest, Google, Communities First as well as the Big Ideas Wales role models and alumni. The provision available includes:

- IP workshops for students
- Drop in clinics / pop up business surgeries at all three campuses (Graig, Pibwrlwyd and Jobs Wells)
- The Beacon Bursary (in partnership with UWTSD and Ceredigion College and Carmarthenshire County Council). Prizes include incubation space and funding to help start the business.

The Welsh Government's Youth Entrepreneurship services support the next generation of young entrepreneurs in Wales and encourages young people to be entrepreneurial and help those interested in starting a business take their idea forward. As part Business Wales, the service aims to encourage young people to raise their aspirations and realise their own potential for creating exciting opportunities for themselves and others.

Youth Entrepreneurship services provide dedicated programmes of activity such as:

- the Enterprise Troopers Primary School Competition

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<sup>10</sup> As at July 2018

- Big Ideas website<sup>11</sup>
- Role Models
- Bootcamp to Business Challenge<sup>12</sup>
- the new Entrepreneurship Exchange.

According to Welsh Government figures provided for this research the programme has a network of 359 **Big Ideas Wales Role Models** who deliver inspirational workshops and support young people. 23% of role models are Welsh speakers and 43% are female. 21 Role Models operate from Carmarthenshire.

Welsh Government data also shows that during the 2017/18 academic year the Big Ideas Wales Role Models engaged with 56,000 young people across Wales. At a national level they engage with 89% of schools and all further and higher education institutions. Within Carmarthenshire, they delivered 213 workshops to 4,302 young people during 2017/18 compared with 3,560 young people during 2016/17. Of these 2,293 young people were in schools (all Carmarthenshire schools are engaged), 1,510 were in Further Education, 60 in Higher Education and 439 young people outside education in youth and community groups.

The '**Enterprise Troopers**' primary school competition showcases the achievements of schools and younger learners in the development of entrepreneurial skills and running an enterprise that support curriculum outcomes. Across Wales, Welsh Government data shared for this research shows that 63 participated this year, but here was no representation from Carmarthenshire and further work is required to promote the opportunity within the county.

The Big Ideas Wales Campaign is a phased social change campaign to raise awareness of entrepreneurship and promote understanding of business start up. The campaign is delivered through online advertising, monthly PR case studies in the media, a newsletter for young entrepreneurs and social media. The campaign has secured 9132 followers on Twitter and 17,058 on Facebook.

To support potential young entrepreneurs, Big Ideas Wales offers a tailored programme of events, workshops and one-to-one advice to help young people build

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<sup>11</sup> <https://businesswales.gov.wales/bigideas/>

<sup>12</sup> <https://businesswales.gov.wales/bigideas/prepare-launch/bootcamp-business>

confidence in business, develop their ideas and support clients to start a business. During 2017/18, Welsh Government data shows that 751 potential young entrepreneurs received support to start their business from a business adviser across Wales with 56 from Carmarthenshire. Since 2016 Big Ideas Wales has supported a total of 114 young people to start their business.

The **Bootcamp to Business Challenge** provides intensive residential support to help young people launch a business. During 2016/17, Welsh Government data shows that a total of 85 young entrepreneurs completed the 3-day boot camps across Wales. Business advisers and entrepreneur mentors track their progress and provide ongoing support to these individuals.

A new **Entrepreneurship Exchange service** will work with partners and stakeholders to support the development of entrepreneurship practices in Wales, encouraging partnership engagement and collaboration.

In 2017, Big Ideas Wales partnered with the **Wales YFC** to launch and deliver the Rural Enterprise Programme. The programme offers support to YFC members and a memorandum of understanding is in place between the YFC, Big Ideas Wales and Farming Connect. There are many opportunities for exploring how this could be applied at a county level within Carmarthenshire.

### [The Prince's Trust](#)

The Prince's Trust runs an Enterprise Programme for 18 to 30 year olds which provides a four-day course on aspects of starting and running a business as well as a comparable on-line programme. Individuals can access support from a business mentor or an e-mentor and have access to an online community of other young entrepreneurs. They have an office in Llangennech, Carmarthenshire.

### [Be the Spark](#)

In 2015, Wales become involved in the Regional Entrepreneurship Acceleration Programme (REAP). Together with seven other global regions Wales participated in a two year programme delivered through Massachusetts Institute of Technology's Sloan Management School. As part of this programme, the Be the Spark movement was formed to simulate and drive innovation driven entrepreneurship across Wales. It is led by businesses and academic leaders.

### The Beacon Bursary

This provides bursary funding for students who intend to set up a business in the county. It is an annual competition, funded by Carmarthenshire County Council, offering three prizes as part of the competition for up to £5,000. The second prize is £2,000 and the third prize is £1,000. The value of the prizes were increased this year. The winner also has access to free office space at the Beacon for a year whilst the two runners up can access this for six months. Coleg Sir Car and UWSTD have a role to promote the opportunity amongst their students. The opportunity is promoted more effectively across Coleg Sir Gar, as measured by the number of applications received. The bursary is launched annually during February: individuals submit an expression of interest in the first case and a total of 35 expressions of interest were received during 2018. Individuals are then required to submit a business plan by the end of May and 19 were received this year.

### Start-up Grant Funding

Carmarthenshire County Council has recently launched a new grant scheme for business start-ups using its core funds. This is available to individuals who are either about to start up or have only recently started to trade and intend on creating employment. It provides £5,000 funding at a 50% intervention rate for the creation of a new job, including that of the business-owner. An application for up to £10,000 can be made in cases where two jobs will be created.

A similar scheme has been established for existing businesses who can apply for the same levels of grant funding to support the creation of a new job.

### Start-up Loan

Antur Teifi administer a start-up loan fund for new businesses as part of the British Business Bank's provision. Loan funding for up to £25k can be accessed through this scheme.

### Enterprise Networks

Feedback from interviewees suggests that there is no specific county-level business network in Carmarthenshire, unlike the case in neighbouring counties. In Powys a joint network facilitated by the Mid Wales Manufacturing Group, Mid Wales Chamber of Commerce and Business Wales is well attended by some 50 to 60 individuals. They are run bi-monthly and deemed successful due to the use of quality speakers,

networking opportunities and the support of intermediary organisations who promote events.

Desk based research suggests that the following networks do exist across the county:

- the Carmarthenshire WiRE group (Women in Rural Enterprise)<sup>13</sup> meet monthly to network and is open to women in the county who are interested in starting up their own business or already in business and wanting to network with other like-minded businesswomen. It's not restricted to self-employed women but any women in business
- the online Carmarthenshire Small Business Network, is an online Facebook business community established primarily to promote local businesses.

Other networks such as the South Wales Chamber of Commerce, the West Wales Exporters Association and the Federation of Small Business are larger membership based organisations covering a wider geographical area.

### Co-working spaces

Carmarthenshire is home to the **Beacon Centre**<sup>14</sup>, which is located in Llanelli to accommodate business tenants and offers incubation spaces for new starts. New business starts were able to access office accommodation spaces here for a six month period free of charge but since Carmarthenshire County Council started charging £40/month rent the demand has increased. Businesses are provided with a monthly contract – there are no spaces which can be accessed on a more flexible basis.

There are incubation spaces available at the **Pod in Llandovery**<sup>15</sup>, which is described as a 'co-working business community' providing 'flexible workplace suitable for freelancers, solopreneurs, start-ups and small businesses'. Users can rent work spaces or meeting rooms on a flexible basis, including daily basis.

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<sup>13</sup> <http://www.wireuk.org/carmarthenshire-network.html>

<sup>14</sup> <http://www.beacon-enterprise.co.uk/>

<sup>15</sup> <http://www.thepod.space/>

Other than these facilities, there appears to be relatively limited incubation or co-working spaces available in Carmarthenshire for new starts, although it is expected that similar services may become available at the Egin<sup>16</sup> in Carmarthen.

Indeed, it is noteworthy that the Welsh Government has recently tendered for the provision of four incubation spaces across Wales in light of the fact that it considered there to be a gap in the business support provision for individuals and early stage businesses in need of physical space. These opportunities were considered to build upon the recently funded business hub established in Wrexham. The specification sought to procure entrepreneurial support services at Enterprise Hubs via four lots (with one of these lots being based within either Carmarthenshire, Neath Port Talbot or Pembrokeshire). It is expected that each Enterprise Hub would offer early stage support such as mentoring, business angels, after-work classes, business surgeries, hackathons, networking and other provision. Each Enterprise Hub is expected to support a minimum of 225 aspiring entrepreneurs over a three year period.

A review of the Be the Spark website points to many examples of co-working spaces available in more urbanised areas across Wales such the TramshedTech (Cardiff), Welsh ICE (based in both Caerphilly and Wrexham), Space2B at the Maltings (Cardiff), Rabble Studio (Cardiff Bay), The Drum (Llandudno), the Sustainable Studio (Cardiff), TechHub (Swansea) and two university based spaces (Aberystwyth University and Bangor University). It appears that:

- some of these co-working spaces are targeted at specific sectors e.g. creative sector, art, technology, innovation; or specific individuals e.g. innovators, freelancers, artists etc
- some offer services offices whilst others offer hot desk facilities
- some offer workshop and laboratory spaces. Others offer meeting rooms, pods and flexible working areas
- most offer business support and a programme of events.
- there is an emphasis upon a sense of community and working with like-minded peers

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<sup>16</sup> S4C's Centre / Canolfan S4C yr Egin <http://canolfans4cyregin.cymru/en/about/>

## BUCANIER

BUCANIER (Building Clusters and Networks in Innovation Enterprise and Research) aims to support small businesses on the Irish Sea border<sup>17</sup>. The project focuses on key growth sectors of the Welsh and Irish economies, food and drink, life sciences and renewable energy. It seeks to increase innovation capacity within small businesses by collaborating with Higher Education institutions and other public bodies to boost productivity across Ireland and Wales. The project is delivered by Pembrokeshire County Council in conjunction with Carmarthenshire County Council and Swansea Institute of Life Sciences in Wales and Institute of Technology Carlow, Bord Iascaigh Mhara and Wexford County Council in Ireland.

BUCANIER delivers innovation master-classes, offers business mentoring, hosts new networks aimed at helping enterprises in the same sectors to share knowledge increase cross-border trade and create new jobs.

## The Brechfa Forest West Wind Farm Community Fund

Innogy, who operate the Brechfa Forest West Wind Farm, has launched a Community Fund worth £11 million over the duration of the wind farm, estimated to be up to 25 years. Antur Teifi has been contracted to administer the fund and the first funding round has been launched and will close on 3 August 2018. The fund is currently available to community groups, charities, schools and statutory bodies (provided they can demonstrate that they are working in partnership with the local community) based within 6 km of the development. At present no single individual or businesses can apply although the eligibility criteria is expected to be reviewed after the initial round of funding.

## Concluding thoughts

We offer the following concluding thoughts on the possible gaps and opportunities for supporting entrepreneurship across Carmarthenshire:

- Business start-up advisory and information provision seems to be adequately accommodated via the pan-Wales Business Wales service and elements of this provision (e.g. taster workshops) does extend into pre-start up provision. Young people aged 18 to 30 can also access similar provision via the Prince's

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<sup>17</sup> <https://www.bucanier.eu/home/>

Trust although this service is primarily targeted at those from disadvantaged backgrounds

- Promoting enterprise to young people in schools, FE and HE settings via the Youth Entrepreneurship Programme appears to be well catered for, and it is difficult to know what further 'added value' could be provided across this area of work. It does seem however that there are specific opportunities to further Carmarthenshire's engagement with some of this provision e.g. ensuring that primary schools engage with the Primary Troopers programme, implement the YFC's Rural Enterprise Programme and ensure that a greater degree of referrals take place from initiatives such as the Beacon Bursary into the Entrepreneurship Programme
- It was suggested by one contributor that there may be scope to develop an 'Entrepreneurship Academy' within the county, which would focus on providing a dedicated hub and intensive support for young entrepreneurs, particularly those who apply for the Beacons Bursary or attend Business Bootcamps
- There appears to be a lack of local authority entrepreneurship or business networks in place across the county. It was also suggested that there is a lack of formal network for business support intermediaries who operate across the county (this did previously exist)
- The review would also suggest a lack of incubation and co-working spaces across the county, although no research has been undertaken as part of this review to identify the level of demand for this.



# ARSYLLFA OBSERVATORY

Am ragor o wybodaeth e-bostiwch  
For more information contact

[arsyllfa@four.cymru](mailto:arsyllfa@four.cymru)

