

End of Arsyllfa Phase 1 update

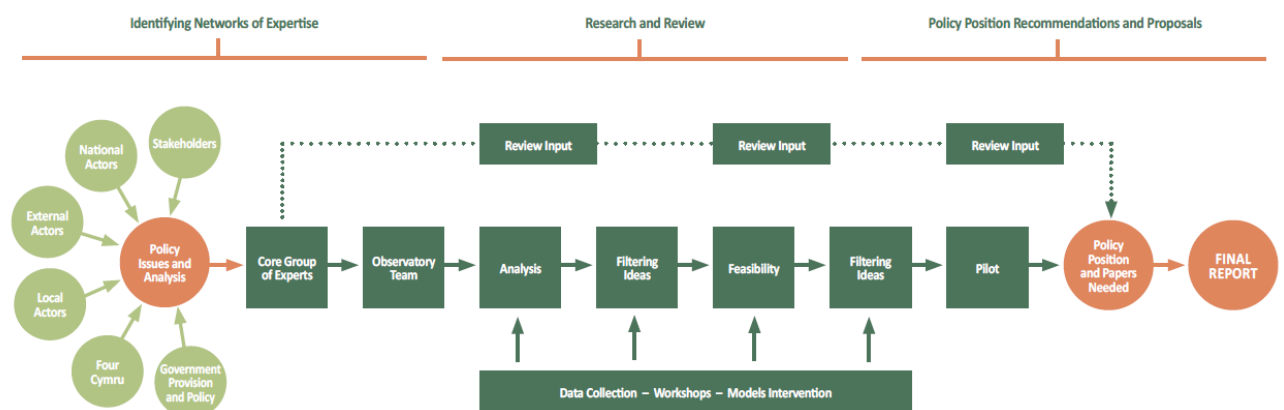
June 2020

Background

Phase 1 of the Arsyllfa project ran to the end of June 2020 and concentrated on the feasibility assessment and stakeholder engagement strand of the project.

This initial phase sought to analyse existing research and liaise with stakeholders in order to inform a second phase (July 2020+) that would have foundations for longer-term (post project) relevance in fostering an entrepreneurial culture within the county of Carmarthenshire.

As presented to the LAG on 15 May 2019 the following approach was implemented during Phase 1 with key feasibility assessments published on the project’s website:



N.B. The social distancing and movement restrictions of Covid-19 have impacted on the project, and have meant that we have had to adapt and change our approach significantly. Further uncertainty in the coming months means that we need to change our methodology, reconsider priorities and objectives, and be flexible and agile. Phase 2 has taken this into account.

Findings to inform Phase 2

The stakeholder engagement and feasibility assessment stage provided a strong knowledge base for both the upcoming Phase 2 (July 2020+) as well as possible continuity following project end date. Initial scoping in partnership with OB3 research company found that:

- Business start-up advisory and information provision seems to be adequately catered for via Business Wales and elements of this provision (e.g. taster workshops) extends into pre-start up provision.

- The same was true for targeted groups such as young entrepreneurs, e.g. via programmes such as Youth Entrepreneurship Programme, making it difficult to see what further ‘added value’ could be provided across this area of work.
- It was suggested however that there may be scope to develop an ‘Entrepreneurship Academy’ within the county, providing a dedicated hub and intensive support for young entrepreneurs, particularly those who apply for the Beacons Bursary or attend Business Bootcamps.

As part of this initial scoping stage it became clear that there was room to share key reports and findings with entrepreneurship and rural development stakeholders within the county. That information sharing and development through hub and spoke (think tank via networks) approach could be looked at further and developed potentially in Phase 2.

A number of key research reports, which assisted in the project team’s knowledge base for implementing two clear strands in Phase 2, were developed.

Feasibility assessments from a number of these have since been shared with stakeholders on the project website. In some of the most pertinent cases the report authors were contacted for wider discussion. The two strands looked at for Phase 2 leading from this work are:

- **Strand 1 - network of analysis and support** - this strand should develop a medium to long-term entity (similar in many ways to a rural think-tank) that has the capacity to take forward the mission statement of the project - i.e. fostering an entrepreneurial culture. Drawing from the firm foundations created in Phase 1 there is scope for this approach to exist post the project activity end date. It will be crucial to avoid duplicating existing provision in the county and collaborate with national, UK and international partners on ideas.
- **Strand 2 - innovation prize as test trading fund** - this strand provides a structure which tangibly, in both the short (within the project period) as well as medium to long-term, engages aspiring Carmarthenshire entrepreneurs and encourages them to think up new innovative ideas.

Strand 1 - network of analysis and support

A number of policy steers were taken on board to develop this strand during Phase 1. On the international level the [‘Rural 3.0 - a framework for rural development \(policy note\)’](#) highlighted common trends from OECD countries around rural issues. As outlined in the work, it found that the opportunities for rural areas arise from diversifying the economy beyond agriculture and other natural resource-based sectors, to embrace manufacturing, eco-system services, tourism, renewable energy generation, as well as arts and cultural industries. Fostering entrepreneurialism may be more difficult in rural regions, but a focus on rural characteristics of uniqueness and locally specific assets can provide opportunities for new business ideas.

The aim therefore needs to be on promoting competitiveness rather than equalisation. The report argued for a radical shift in emphasis away from predetermined strategic



sectors, to understanding the strengths and assets of an area so that local distinctiveness and innovation can shape development.

Liaising with colleagues at the University of Swansea, research work on the economy of identity was also factored into discussions. [‘Economies of Identity State of the Art’](#) demonstrated that harnessing identity economics could play well in a Carmarthenshire context. Buffeted, to some degree, from the extreme forces of globalisation, Carmarthenshire retains many of the characteristics that make up a strong economy of identity, such as a rich history, culture and language, unique experience offerings, and a growing identity for food, arts and crafts.

Wider research taken on board included work by FSB Wales on rural towns ([‘The Future of Towns in Wales’](#)) and the [‘Moving Rural Carmarthenshire Forward’](#) report by Carmarthenshire County Council’s Rural Affairs Task Group, which contains 55 recommendations across 10 key areas - explicitly mentioning entrepreneurial culture when noting young people.

Over the Phase 1 period the Arsyllfa team became increasingly aware that the issues faced in rural Carmarthenshire needed to be tackled in an all-rural Wales context. Drawing on best practice from other rural Welsh counties, the Arsyllfa team helped organise a [‘Rural Workshop’](#) that looked at a Wales wide approach to rural issues. It was agreed that the Arsyllfa project would continue to facilitate this discussion into the future as part of its efforts to nurture wider working network formation.

It has since been agreed that this will be formalised in Phase 2 as an e-hub in partnership with Rural Network Wales. The value of looking at the county and the project in the wider Welsh, UK and international context, rather than in isolation, became all the more stark as the impact of Covid-19 became apparent at the end of Phase 1.

Phase 2 next steps in Strand 1: In light of key feasibility assessment findings it was felt that Phase 2 of Arsyllfa would be more successful by aligning its work with the wider rural Wales economic agenda through partnering with the embryonic Rural Network Wales group. This would deliver a long-term platform for the project in delivering work in Carmarthenshire whilst also drawing on learning from across rural Wales and beyond.

Due to the confines placed on the project in Phase 2, because of Covid-19 restrictions on movement and mass gatherings, and the fact that the extension was only granted until February 2021, the project will roll-out this work initially from July 2020 onwards through an enhanced e-hub and online footprint.

Strand 2 - innovation prize as test trading fund

Complementing these plans there exists a second strand to roll out during Phase 2. The test trading element of the project looks at means of ‘fostering new entrepreneurial ideas’ and ‘making new things happen’.

A number of ‘blue sky thinking’ international reports were assessed in Phase 1 as well as reports closer to home such as [‘Rural Wales: Time to Meet the Challenge 2025’](#) which was led by Eluned Morgan in her role as a Mid and West Wales Regional Assembly Member. The panel acknowledged that much has moved on since the report’s publication in 2017, but felt that there was still merit in revisiting its recommendations, not least because of the number of eminent rural experts who contributed to it at the time.

Other examples included the collection of essays by expert researchers, policymakers and practitioners from around the UK brought together by NESTA - the innovation foundation - into a single report called [‘Rural Innovation’](#). This examination of ongoing changes in rural areas and the implications for innovation provided important lessons to consider.

The essays identify three types of rural innovation: firstly, there is rural innovation driven by ‘urban demand’ - such as an increased interest in healthier foods, better food production standards, and the production of renewable energy. Secondly, rural innovation can be driven by ‘rural demand’. This includes improvements in farm productivity, enabled by better equipment and processes, initiated by farmers themselves. The third rural innovation is driven by ‘universal basic needs’, where access to critical public services, be that education, health and social care, or banking and retail, has driven innovation to overcome sparsity.

Considering the best way to deliver this strand in Phase 2 the team turned to a range of wider reports, including [‘After Brexit: 10 key questions for rural policy in Wales’](#), compiled by academics from WISERD (led by Aberystwyth University), which raised specific questions on innovation.

It was felt the questions that projects such as the Arsyllfa, as well as wider policymakers, should be asking and answering in this area were:

- How can communities be involved in promoting more organic economic development in rural areas?
- Are there trusted individuals or groups who can take the lead?
- How can these kinds of initiatives be tailored to specific areas with varied histories and needs?
- How can policies capture the multifunctional value of rural areas?
- What emerging industries could be the potential winners for rural areas over the next 20 years?
- How can innovative start-ups be encouraged to base themselves in rural Wales?
- How can Wales ensure their rural workforce is upskilled for the needs of the future rather than the past?
- How can companies be incentivised to grow and then remain in rural areas of Wales?
- What lessons could be learnt from other rural areas in the UK and beyond?

Taking on board these questions the project team actively engaged with a number of stakeholders over the period on the best means to implement any ‘test trading fund’. Central to success is that the project has longevity and doesn’t become a short-term tick box exercise. Time was therefore taken to research and engage over Phase 1 to ensure this strand was fit for purpose in the short, medium and long-term (i.e. post project end).



One example of this on-the-ground engagement was focus group style [workshops](#) which discussed key issues with a target audience of young entrepreneurs currently studying at the University Wales Trinity St David.

Several interesting findings informed the project team from this field work. In this focus group example, noteworthy key comments which informed the team's Phase 2 thinking included the perception of unnecessary competition between support services aimed at helping entrepreneurs, making it confusing for individuals on who to go to for what. Governmental bureaucracy was also seen as a barrier which stopped entrepreneurs from moving forward. Wider comments were also taken on board, including the suggestion that project 'support' should be provided in a non-bureaucratic, direct manner which had an 'open call' for new innovative ideas and an easy mechanism to access support.

Phase 2 next steps in Strand 2: Taking on board findings from Phase 1 the Arsyllfa team is currently in the process of finalising an innovation prize aimed at fostering entrepreneurship from within the county. A draft working paper of our current thoughts is outlined in *Appendix A*.