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# Carmarthenshire Economic Recovery & Delivery Plan

## Final report

Prepared for Carmarthenshire County Council

April 2021

# Table of Contents

SUMMARY ..... 1

2 Purpose & ambition ..... 8

3 Measuring the Possible Impacts of COVID-19 ..... 17

4 Our Recovery Plan..... 23

5 How we will deliver..... 40

## 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.

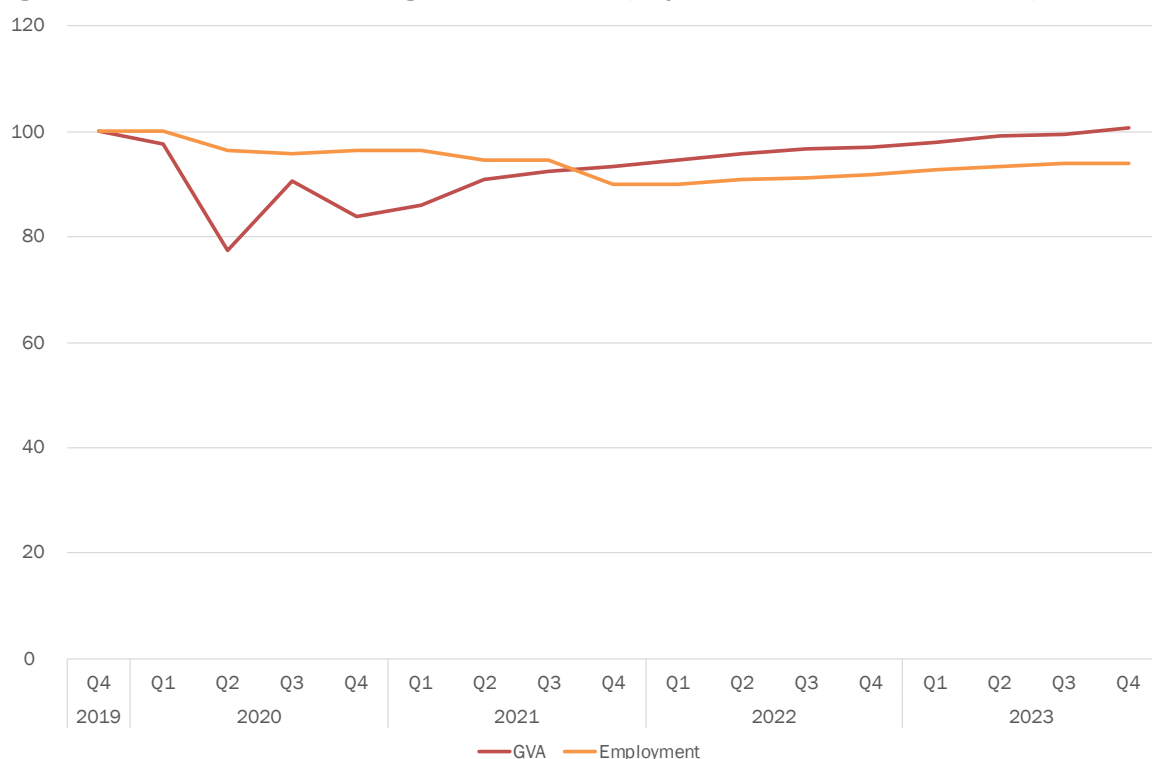
An independent review of our Draft Economic Recovery Plan and initial 11 themes (Figure i) drawn up during the height of the first pandemic wave concluded that we are on the right track and need to focus on our priorities, challenge current ways of working to maximise opportunities for businesses and 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**

<b>3,000 JOBS</b>	- Replacing those that have already been lost
<b>10,000 JOBS</b>	- Safeguarding and replacing those that may have been or at risk of being lost
<b>1,400 BUSINESSES</b>	- Supporting businesses at risk of insolvency
<b>1,700 JOBS</b>	- 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.

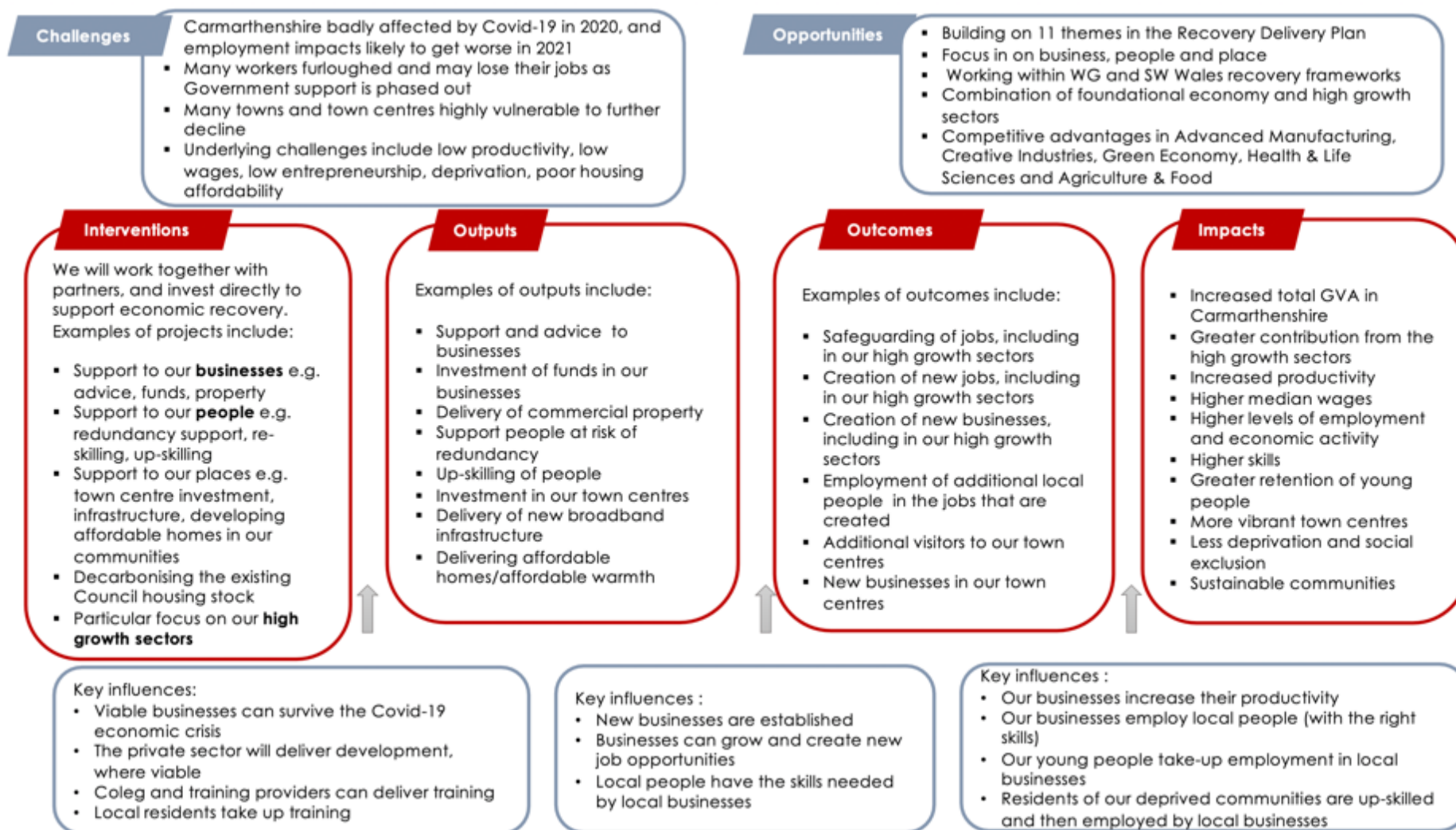
The Carmarthenshire approach means we have a strong focus on our local community, but we are also working regionally and nationally to maximise all opportunities for recovery and growth. However, the Local Authority are not able to deliver everything, and we will need to work with external organisations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



**Figure iv – Summary of recovery actions**

<b>BUSINESS</b>	<b>PEOPLE</b>	<b>PLACE</b>
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"> <li>Review, update masterplans for Carmarthen, Llanelli and Ammanford</li> <li>Recovery and growth plans for our 10 rural towns</li> </ul>
Allocate additional funds for our: <ul style="list-style-type: none"> <li>Rural Enterprise Fund</li> <li>Business Growth Fund</li> <li>Business Start-up Fund</li> </ul>	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"> <li>Commercial Property Development Fund</li> <li>Speculative Employment Space Programme</li> </ul>		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.

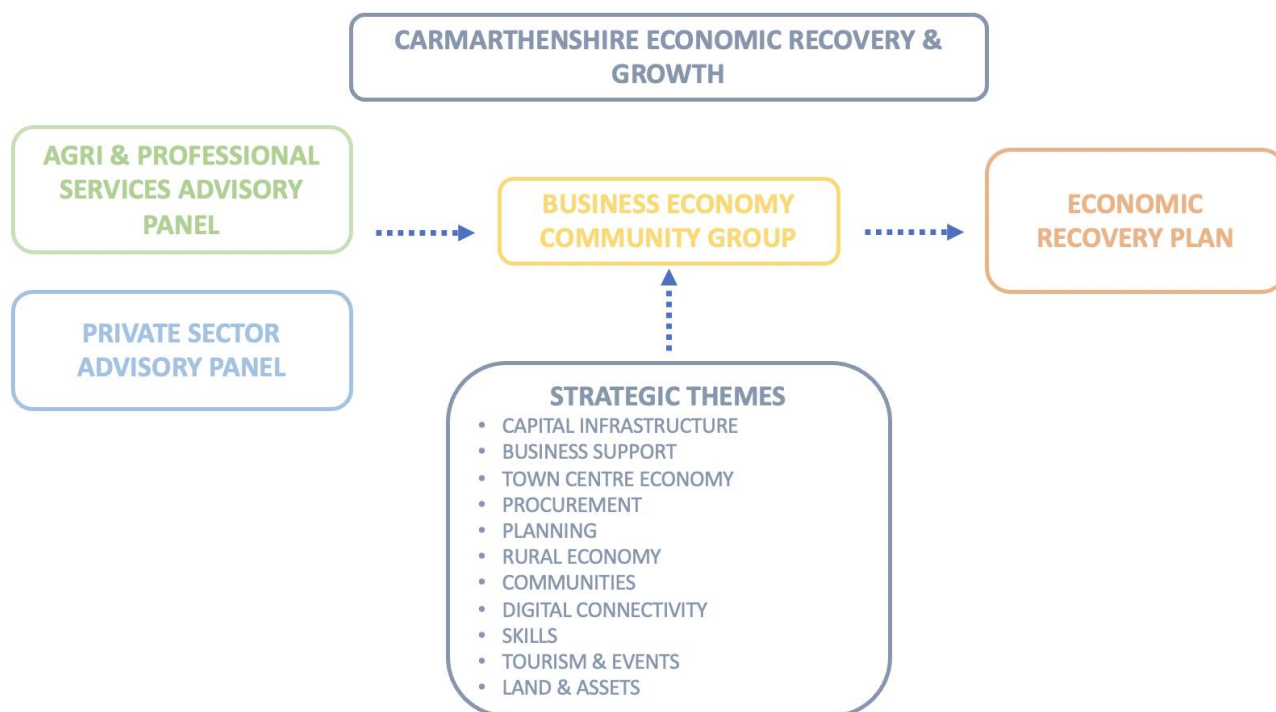
**Figure 1 – Well-being and Future Generations Act**

Way of Working	Outline	Carmarthenshire economic recovery plan consideration
<b>Long term</b>	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.
<b>Prevention</b>	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.
<b>Integration</b>	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.
<b>Collaboration</b>	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.
<b>Involvement</b>	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**<sup>1</sup>, a new regionally focused economic development framework and plan for the UK Shared Prosperity Fund that is to replace EU funding<sup>2</sup>. The Framework is informed by the Welsh Government's recently published COVID-19 reconstruction priorities<sup>3</sup> 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 1<sup>st</sup> 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

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<sup>1</sup> A Framework for Regional Investment in Wales, Welsh Government (2020)

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

<sup>3</sup> 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 crisis<sup>4</sup> 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

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<sup>4</sup> 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 CLES<sup>5</sup> 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 measures<sup>6</sup> 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 studies<sup>7</sup> have also demonstrated that

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<sup>5</sup> Community Wealth Building in Carmarthenshire – advancing progressive procurement, CLES (2020)

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

<sup>7</sup> 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 Plan<sup>8</sup> and the Swansea Bay City Region Strategy<sup>9</sup>. In 2019 the Council's Rural Affairs Task Group reported and recommended on a range of priorities for regenerating the rural communities<sup>10</sup>. 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;

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

<sup>9</sup> Swansea Bay City Region Economic Regeneration Strategy 2013-2030

<sup>10</sup> 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**<sup>11</sup>.

### 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.

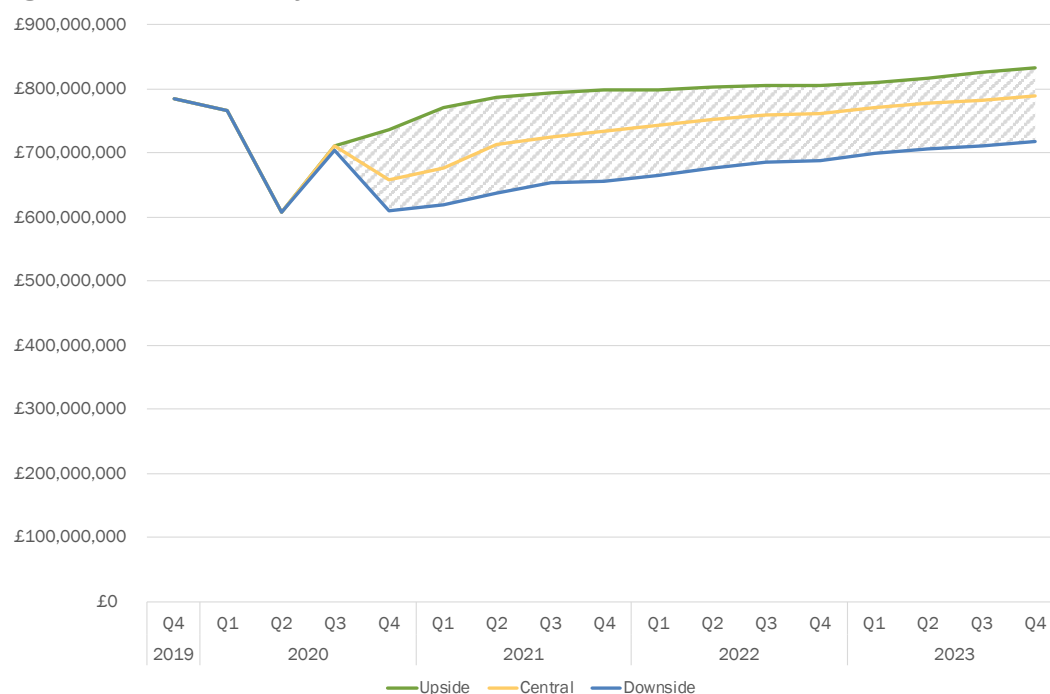
### 3.2 Modelled impact

- 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.

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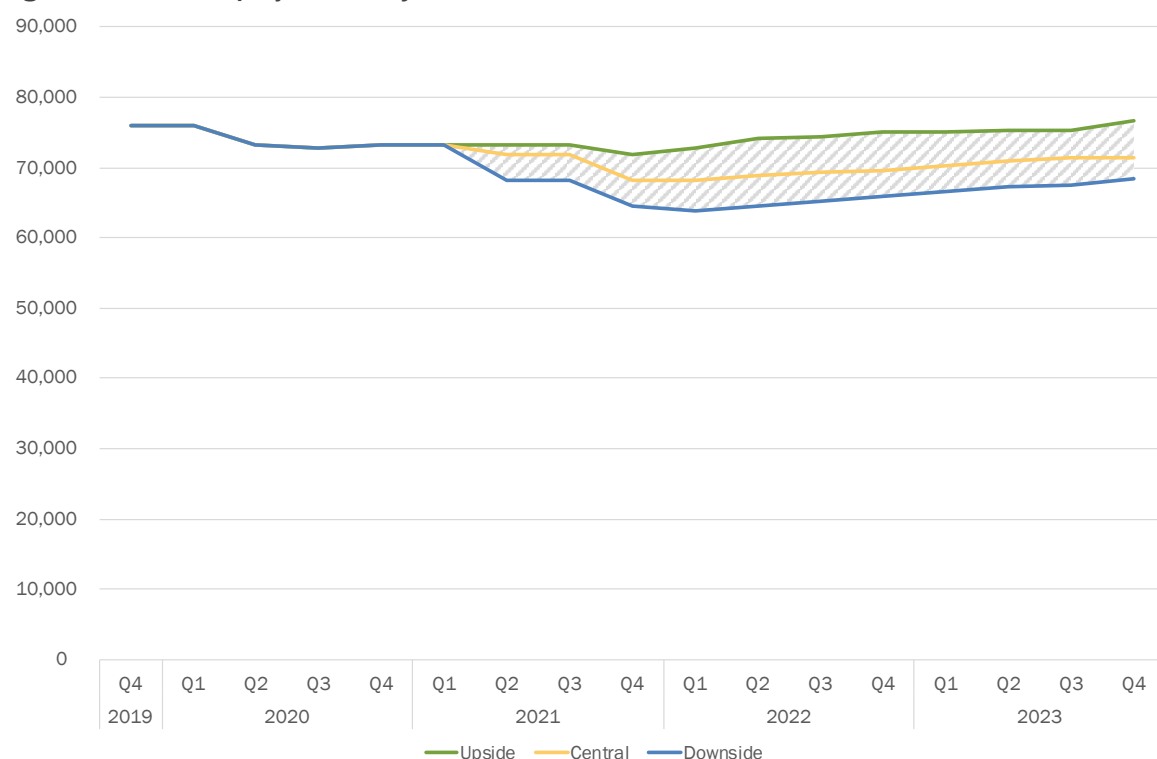
<sup>11</sup> Impact of Covid-19 Modelling, Hardisty Jones, November 2020

**Figure 4 - Total GVA Projections**



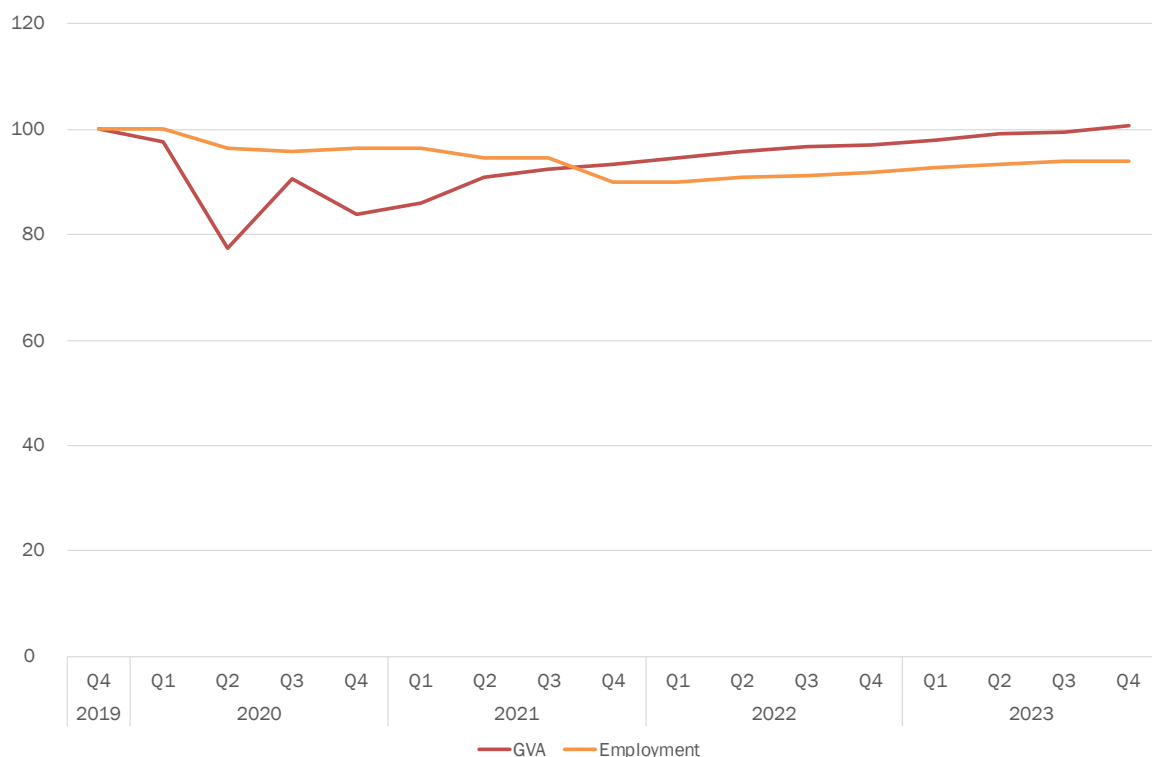
3.2.2 Employment figures do not fall as significantly as GVA in the short-term as Government support schemes help employers to keep people in employment. The largest fall in employment is therefore delayed until Q4 2021 (see Figure 5) when the Government schemes are currently planned to end. As with 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 scenario<sup>12</sup>. 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.

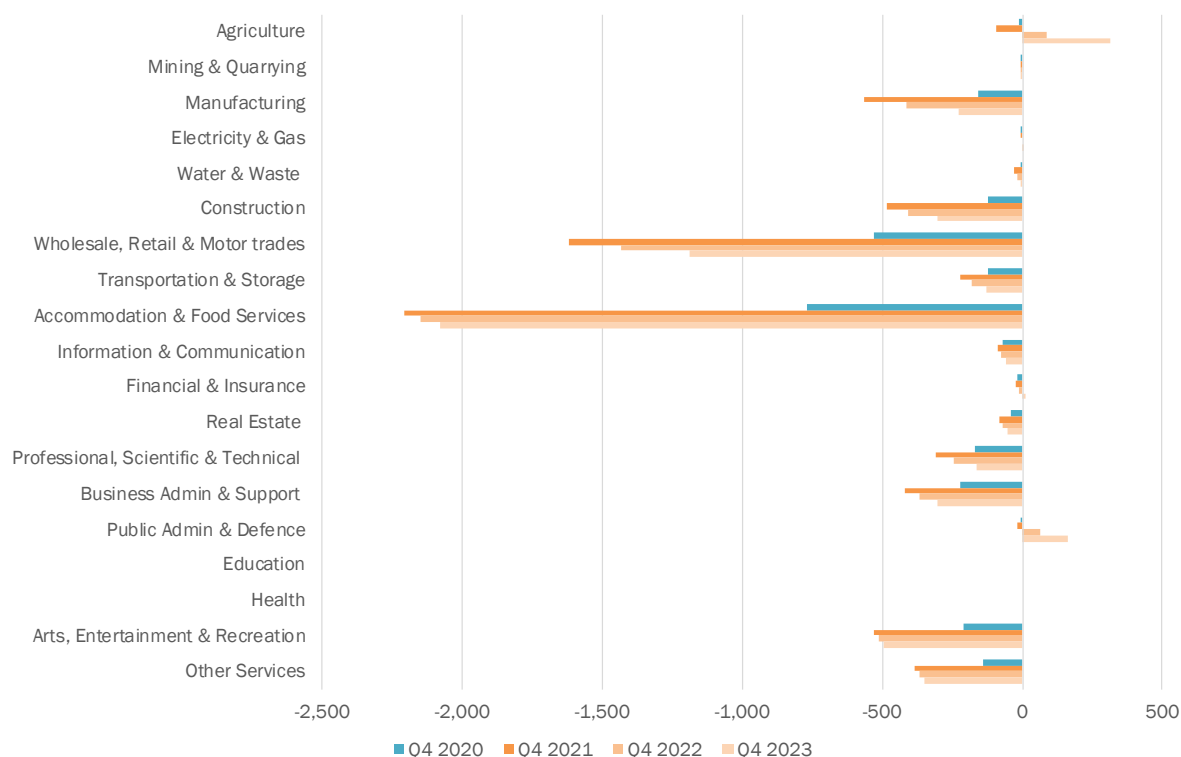
**Figure 6 - Indexed Change in GVA and Employment in Carmarthenshire under Central Scenario**



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.

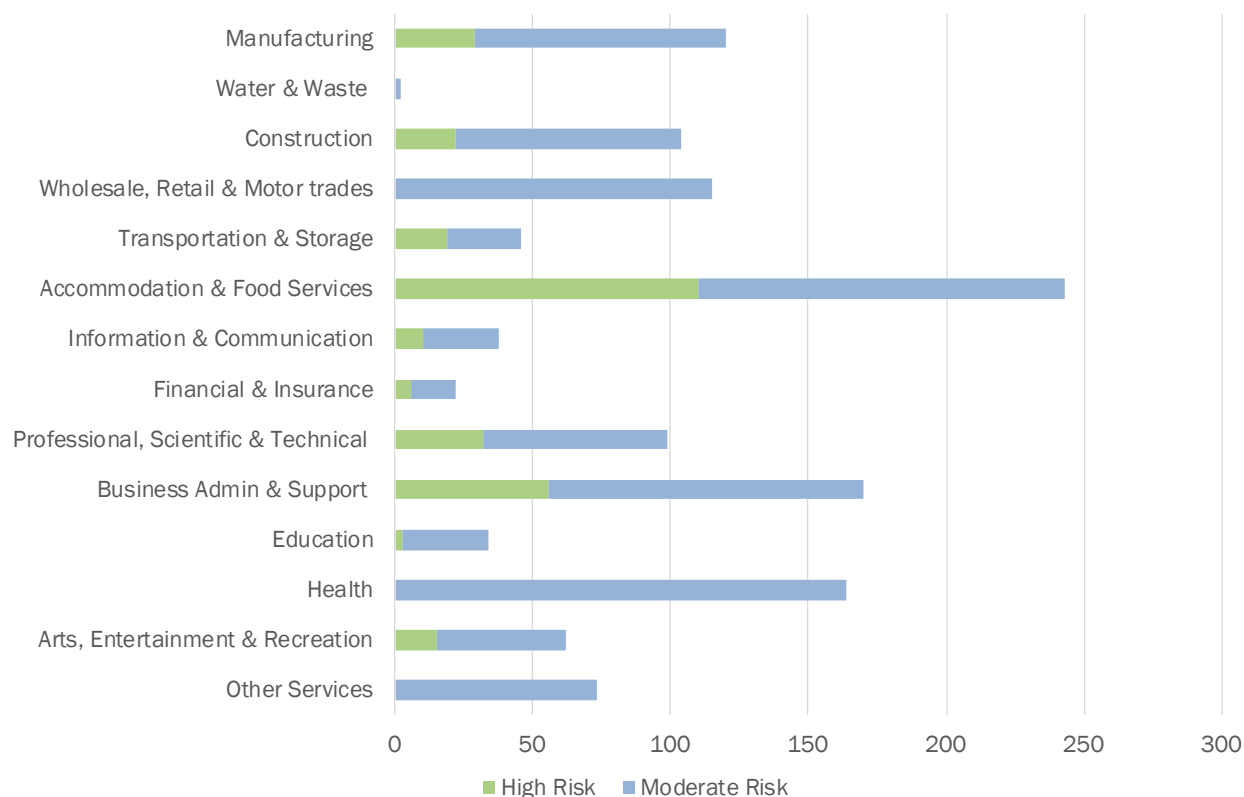
<sup>12</sup> The trend is the same under each of the modelling scenarios

**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

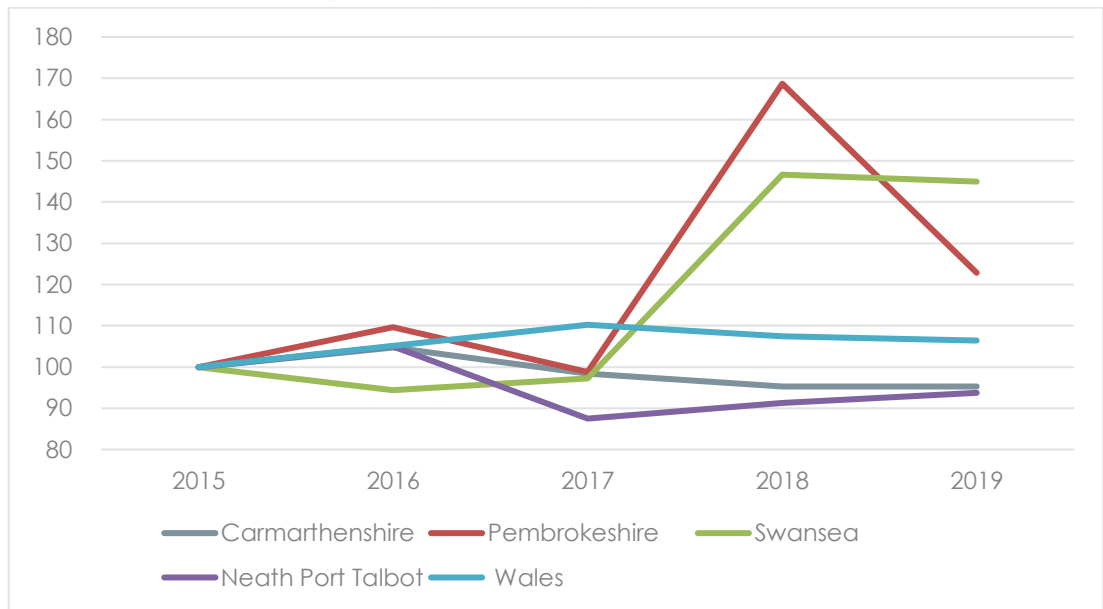
- 3.3.1 The impact on the overall economy of Carmarthenshire (using GVA as a measure of this) has been significant, with impacts across a broad range of sectors. The impact on employment, whilst significant, has been shielded by UK Government intervention, but is likely to get worse in late 2021 as Government 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.



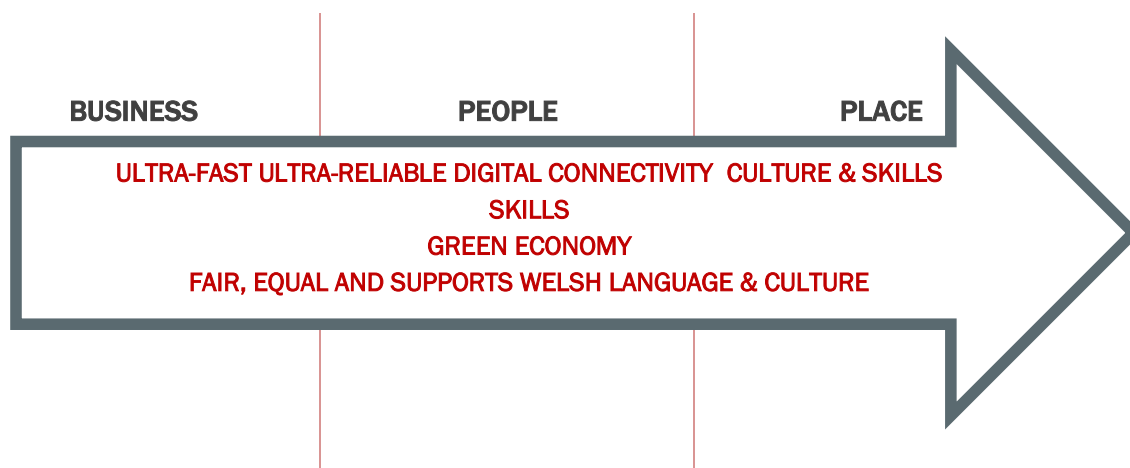
**Figure 9 – New Business Start-up Rates (index 2015)**



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

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

## 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**

<b>3,000 JOBS</b>	- Replacing those that have already been lost
<b>10,000 JOBS</b>	- Safeguarding and replacing those that may have been or at risk of being lost
<b>1,400 BUSINESSES</b>	- Supporting business at risk of insolvency
<b>1,700 JOBS</b>	- 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.

<b>Forward plan 'pipeline' opportunities</b>	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.
<b>Lower Value Contracts</b>	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***

<b>RESPONSE</b>	<b>OFFER</b>	<b>ASK</b>
<b>Provide urgent support for those who are at risk of redundancy or who have lost their job</b>	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 up-date, information sharing and referrals between agencies.
<b>Maximise local employment opportunities, support local people into work</b>	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.
<b>Outputs and impacts</b>	<ul style="list-style-type: none"> <li>• <b>Increased number of jobs safeguarded</b></li> <li>• <b>Increased number of people re-employed</b></li> <li>• <b>Increase in apprenticeship and traineeship opportunities in local businesses</b></li> <li>• <b>Increased pool of workers with the work-related skills that businesses need</b></li> <li>• <b>Increased employment of local residents in local businesses</b></li> </ul>	

#### **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
<b>Growth Sectors</b>	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
<b>Targeting the self-employed and micro business</b>	<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,
<b>Digital skills</b>	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
<b>Outputs and impacts</b>	<p><b>Increased skills and qualifications among self-employed and micro businesses</b></p> <p><b>Increased number of qualifications achieved in high growth sectors/employment pathways</b></p> <p><b>Increased number of employees earning real Living Wage</b></p> <p><b>Increased digital competency levels</b></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
<b>Regeneration Masterplans</b>	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.
<b>Ten Town Recovery &amp; Growth Plans</b>	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.
<b>Property acquisitions, occupation and reuse</b>	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.
<b>Agile/shared working hubs</b>	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.
<b>Local Development Orders</b>	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.
<b>Public realm improvements</b>	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
<b>Discover Carmarthenshire Branding</b>	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.
<b>100% Sir Gar</b>	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
<b>New affordable housing</b>	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
<b>Growth Zones and strategic sites</b>	We will progress the delivery of <b>Pentre Awel</b> 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 <b>Cross Hands Growth Zone</b> to bring forward further employment sites and infrastructure, and the completion of <b>Pendine Tourism Attractor</b> 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 <b>Yr Egin</b> 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.
<b>Physical connectivity and sustainable travel</b>	We are working towards <b>improving rail connectivity</b> 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
<b>Low carbon housing &amp; retro fit energy reduction</b>	We will support the delivery of low carbon housing and retrofit energy efficiency measures to our own and private household. We will ensure that we maximise opportunities for our local businesses and green economy sector working with the RLSP.	We will investigate and secure funds through e.g. Energy Company obligations (ECO) funding.  We will challenge Welsh Government and training providers to ensure we prepare all element of the supply chain for delivering net zero homes.
<b>Outputs and impacts</b>	<ul style="list-style-type: none"> <li>• <b>Growth in local construction/maintenance jobs in energy skills/technology</b></li> <li>• <b>Create demand in supply chain development</b></li> <li>• <b>Reduced levels of household energy cost and increased disposable income</b></li> </ul>	
<b>Improving digital connectivity</b>	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. 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	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
<b>Outputs and impacts</b>	<ul style="list-style-type: none"> <li>• <b>Full-fibre digital connectivity to acceptable levels across Carmarthenshire</b></li> <li>• <b>Increased use of digital technologies &amp; levels of innovation</b></li> <li>• <b>Increased incidents of collaboration &amp; technology transfer</b></li> </ul>	

#### **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.