

**Dyddiad:** Dydd Mercher 6 Mehefin 2001  
**Amser:** 2.00pm – 4.55pm  
**Lleoliad:** Ystafell Bwyllgora, Adeilad y Cynulliad Cenedlaethol

### **Adolygiad o Arallgyfeirio Economi Cefn Gwlad**

1. Gofynnir i'r Pwyllgor ystyried y set atodedig o argymhellion drafft ar gyfer marchnata, ychwanegu gwerth a datblygu cymunedau ar gyfer ei adroddiad ar arallgyfeirio economi cefn gwlad.
2. Os bydd y Pwyllgor yn cytuno â'r argymhellion bydd adroddiad terfynol yn cael ei baratoi er mwyn ei drafod mewn cyfarfod llawn yn hwyrach y mis hwn.

**Ysgrifenyddiaeth**

Mehefin 2001

---

### **Draft recommendations for Marketing and added value and Community Development**

#### **Marketing and adding value to rural produce**

There is considerable potential for rural Wales and its products and services to benefit from more effective marketing, branding and product development. But we start from a low base and a co-ordinated approach is necessary to develop complementary and mutually reinforcing images of Wales, its regions and products. Our approach must allow for the marketing potential of local areas and products to be exploited whilst linking to the higher level messages used to promote Wales as a place to invest, visit and live. Such an approach will and should dovetail with the work of the "Wales World Nation" programme and the associated activities of 'Wales Trade International' to boost the image of Wales overseas.

Given the rural nature of much of Wales and the interdependence of rural and urban areas, these principles can be seen to apply to rural Wales as much as to the whole of the country. And by promoting the quality of life advantages offered by rural Wales, so the whole benefits. Rural Wales therefore has a significant contribution to make to the development of an all-Wales image.

**The key to the successful marketing of rural Wales and its products is clarity and consistency from the Assembly, both in the direction it gives and the actions it takes, and from Assembly Sponsored Public Bodies (ASPBs), local government and others involved in developing an image of Wales or Welsh products.**

To this end the committee supports the efforts being made to promote an image of Wales, at home and overseas, as a first class place to live, study, visit and do business and, in particular:

- a distinctively clean, green environment in which to live, learn and work;
- a modern, growing, knowledge-based economy;
- a devolved, open democracy committed to the principles of sustainable development.

In line with the priorities set out in the Assembly's *betterwales* document, **the Committee recommends that these messages should underpin the work of the Assembly and other public bodies in marketing rural Wales and its products.**

At the all Wales level this should manifest itself in a coordinated approach by all the major agencies to propagate a brand and image of rural Wales not only as a green and sustainable place to visit, live and work, but as a modern location for 'new economy' industries and services. Clearly, different sectors will require distinct marketing strategies but this should be done in a way that complements, rather than contradicts, the overall image of Wales we wish to promote.

This should be a priority for the WDA as part of the more distinctive rural programme of activities recommended earlier in this report, but also for other agencies such as WTB and CCW. Crucial to this is the need to improve ICT infrastructure across Wales to empower rural areas and to help attract and retain businesses. Putting rural Wales on the information 'highway' is an essential pre-requisite in its national and international re-branding.

At a sectoral and product level, the image of Wales outlined above should be further developed through the work of national and local public bodies **in a coordinated approach to marketing particular sectors, products and areas.** The Committee welcomes and fully supports the progress made so far by the WTB and WDA in promoting rural Wales and its products, for example, through the work of the agri-food partnership. We would like to see this continue and expand to other sectors and services relevant in rural Wales whilst complementing the higher level branding and image outlined here. Again, the key to successful development should be the inter-linking of effort and message across sectors and areas to mutual benefit, for example, through the complementary promotion of local food and tourism products.

The committee supports the approach taken by the agri-food partnership and Coed Cymru to develop along the supply chain between partners. **We recommend that this approach to collective development of supply chains - to link producers more effectively to markets, to develop premium branded products with an environmentally positive image, and to ensure a greater share of value added for primary producers – should be extended to other sectors.** To this end we welcome the research already undertaken into the economic potential of other sectors linked to agriculture and the prospects for developing the timber sector through the Wales Woodlands Strategy. Identifying other sectors where this sort of industry-led approach would be of value, and could be something to be taken forward under the LEADER+ programme.

The experience of existing partnerships, such as the agri-food partnership and Coed Cymru, offers valuable lessons on the successful development of supply chains. In particular, the need for them to:

- be **broadly based** and not dominated by a single interest group or body;
- agree a **core set of objectives** that partners are prepared to stick to whilst markets are developed;
- invest in **product development and market information** in order to focus efforts on, and deliver products to markets with growth potential. The committee supports the development work already undertaken between industry and existing centres of excellence such as HOREB and IGER and would like to see more of this sort of collaboration. Recommendations elsewhere in the report cover the need to further develop links between business and the education sector;
- coordinate **collective marketing** to benefit small businesses unable to generate demand of sufficient critical mass to ensure success. The tourism sector, for example, with its large number of small suppliers, has much to gain from collective marketing and linking its customer base to more thematic attractions based upon the green, quality and creative image and branding of rural Wales. But there is a need for individual producers/suppliers to be prepared to be flexible in order to benefit from collective efforts. A related issue of note is the further development of **farmers' markets**. Farmers' markets provide an invaluable local sales outlet for producers, an opportunity for consumers to purchase good quality, local produce and contribute to the image of a vibrant, sustainable rural economy we wish to see. We would support the spread of good practice so that well-organised markets are developed throughout Wales in urban as well as rural locations. The availability of local slaughter and processing facilities for Welsh produced lamb and beef is also vital if the benefits of Welsh branding and local marketing are to be fully exploited.

The committee recognises a particular role for the National Park and local authorities in helping to brand, market and develop specific products and sectors in their areas, but to do so without duplicating or contradicting efforts of the other main agencies. Hence the need for a nationally agreed approach with bodies such as NPAs and LAs becoming local and distinctive implementers, where appropriate, in collaboration with the private and local community sectors.

In addition to developing traditional rural sectors, the committee wishes to see the creation of new **'knowledge-based' businesses and clusters**. These might include the high tech software and bio-science sectors and the growing media, publishing and creative arts industries beginning to be spawned in rural Wales. There is considerable potential for these to grow over the next decade through an exploitation of both the traditional and the innovative culture of rural Wales.

To complement an overall supply-side approach the committee recommends that consideration be given to how major public agencies in Wales can stimulate the demand for more rural based quality products and services. Clearly, this needs to be done without contravening EU policies on procurement, competition and state-aids. Nevertheless, **major public bodies should, if possible, encourage local, quality-based procurement policies paying due regard to the goals of the Assembly's Sustainable Development scheme as well as to financial considerations.**

Many existing and emerging funding mechanisms can assist in developing the recommendations made here. In particular, European structural funding, the Rural Development Plan, LEADER+, local authority and enterprise funding schemes, the budgets of major ASPBs such as the WDA and WTB and the Assembly's contribution through baseline and match funding. **It is essential that available funding is coordinated and integrated so as to have a cumulative effect on the marketing of rural Wales and its products**, as well as the encouragement of new business formation.

### **Community Economic Development: regenerating the rural social economy**

In addition to the actions that can be taken by the Assembly and other public bodies in Wales to help diversify the rural economy, the committee has heard considerable evidence of the potential of community-based economic development. The committee believes that significant economic benefits can be gained by empowering local communities to tap into the wealth of skills, knowledge and ideas they possess and that public bodies should facilitate and nurture such activity. As the Rural Partnership's document, *Rural Wales*, puts it, "the communities of rural Wales provide a solid foundation for social and cultural life and a springboard for economic regeneration".

As this statement recognises, economic development cannot be viewed in isolation from social, environmental and cultural considerations. In particular, confident, active rural communities can only be sustained if they have access to the services they need, from schools, shops, GP surgeries and post offices, to affordable housing and high quality public transport. This report focuses on measures to *help diversify the rural economy* and we have not examined in detail the provision of rural services.

**Nonetheless, we wish to stress that services, as well as being important local economic activities in their own right, also provide the basic infrastructure on which more widespread economic activity is based.** It is vital, therefore, that the Assembly and other public bodies are committed to reversing the decline in rural services and amenities and encourage innovative ways to overcome the problems of service delivery in rural areas. Solutions in some communities may be found in social and community enterprises enabling services and goods to be provided by voluntary and community organisations. Community led or owned enterprises offer specific opportunity to maintain local provision which can not be supported by 'for-profit' enterprises.

The committee supports the continued work of LEADER groups, local authorities, development agencies and the voluntary sector in promoting community economic development. As is so often the case, there is much good practice already in rural Wales. The challenge is to build on this and spread more widely, through better-coordinated activity, the lessons already learned.

The committee also welcomes the approach being taken under the Communities First programme to support community-led and long-term regeneration of the most deprived communities in Wales. Deprived urban and rural communities often face similar issues such as a lack of services or employment opportunity. But for rural communities, the problems associated with isolation and service

provision can be particularly acute without lending themselves to quantifiable measurement. Nonetheless, the committee feels **the approach being taken to assist the most deprived communities across Wales – in particular, a commitment to the long-term and to partnership - would also help to encourage community-led economic development in rural communities.**

To facilitate community-led economic development, the committee makes the following recommendations.

### **Capacity building**

Rural communities need to be better equipped with the skills and capacity to exploit their capacity for economic development.

The committee recommends the **spread of the flexible ‘tool-kit’ approach** to community regeneration policy used by Community Enterprise Wales and in the WDA Market Towns Initiative to provide local people with the necessary skills to put community demands into action. Evaluation of the Market Towns Initiative has confirmed the value of local partnership working, community-led activity, modest revenue funding and the employment of dedicated development officers and so we welcome the efforts of the WDA to extend the approach from mid Wales to other parts of Wales.

**Specific packages should be available to support the training of people in community development project management.** The Committee supports the Objective One funding of a consortium of training providers to develop a ‘national curriculum’ for community development training in Wales which will link HE, FE and voluntary sector agencies in the provision of community level training throughout the Objective One area.

Many communities contain individuals with particular energy and drive to develop economically beneficial projects or to help stimulate others into collective action.

**Development agencies should look to encourage individuals with ideas with economic potential just as they work with more ‘traditional’ models of entrepreneur.** At the same time, there are often less prominent individuals with much to give to community-based ventures. Such people should also be the target of capacity and confidence raising actions.

### **Multi-agency working**

For capacity building measures to be successful, the commitment and support of the Assembly and other public bodies is needed. For the Assembly, the committee would stress that grassroots regeneration can be seen as both a top down and bottom up process with the broad objectives of the *betterwales* plan being achieved through locally-led actions.

To assist in this process, **a coordinated approach from the Assembly is needed to the funding and**

**support given to independent development bodies** such as Community Enterprise Wales, the Wales Cooperative Centre and Community Development Cymru to encourage them to facilitate the local implementation of nationally agreed priorities.

Local authorities clearly have a key role to play given their responsibility for community leadership and promotion of the well-being of communities. Through the community planning process, we hope that **local authorities will help articulate the specific needs of individual communities.**

Local authorities, development agencies, voluntary organisations and LEADER groups have a key role to play in community economic development by building partnerships with community based groups. The National Assembly Review of Best Practice in Community Regeneration demonstrates that a multi-agency, partnership approach is absolutely key and requires flexibility and a commitment from all parties to agreed overall objectives. The public and voluntary sectors need to see their role as enabling the implementation of locally identified priorities, whilst community groups need to recognise the limits and constraints on public bodies and resources.

### **Community-led action**

Community capacity building and the creation of broad based partnerships are key to unlocking the economic development potential of rural communities. But these steps will only be successful if local opinions and views form the basis for identifying priorities.

Many communities have already conducted local appraisals to identify problems and needs. **The committee supports the continuing facilitation of such appraisals by public and independent organisations to inform development plans.** Enabling and delivery bodies such as the LEADER groups, local authorities and other public bodies, should also continue to offer professional advice and support to help transform ideas into practical action.

It has been estimated that community enterprises in Wales have an annual turnover of over £30 million and have created around 5,000 jobs, in addition to providing other social benefits. **The public sector needs to recognise the potential of community enterprises and to make advice and support as readily available to them as to more ‘traditional’ forms of entrepreneur.**

The **community ownership, development and operation of local services** is increasingly seen as a way of maintaining service provision in rural areas. The committee supports such moves and would urge the Assembly and other public bodies to take a sympathetic approach in terms of planning and support where possible. Linked to this, the committee also supports the use of public and community owned premises (e.g. schools, sports, arts, information and community centres) for multiple use to address a range of service and educational needs.

Community economic development is not a quick process. To be effective, **public support needs to be flexible enough to encourage the development of fledgling community-led projects and given on a**

**long-term basis.** This is recognised as one of the strengths of the Communities First programme to assist the most deprived communities in Wales and we hope that the Assembly and other public bodies adopt the same approach to rural regeneration more generally.