

1. Introduction and context

This response draws on the independent evaluation of the ARFOR 2 Cymunedau Mentrus scheme in Carmarthenshire, delivered between 2022 and 2025. The scheme formed part of the wider ARFOR 2 programme, an extended pilot funded by Welsh Government to address the linked challenges of economic opportunity and Welsh language decline in Welsh-language heartland areas

Carmarthenshire County Council received an allocation of £1.125 million through the Cymunedau Mentrus workstream to deliver a grants programme supporting businesses and third sector organisations, with the dual aim of strengthening economic activity and increasing the use of Welsh in the workplace and with customers.

2. Experience of delivering the scheme

From a delivery perspective, the evaluation indicates that local authority–led delivery was effective and well regarded.

Key features of the delivery experience included:

- A clear and proportionate application and grant management process, operating to common criteria across the ARFOR authorities.
- Strong working relationships between programme managers and grant recipients.
- Effective signposting to other business support and funding, helping some projects to lever additional investment.
- Positive feedback from beneficiaries regarding responsiveness, clarity and accessibility of the scheme

Delivery benefited from being locally managed, allowing the scheme to align with Carmarthenshire’s wider economic and Welsh language strategies while still operating within a national framework.

3. Evident successes and positive outcomes

Economic outputs

The evaluation confirms that Cymunedau Mentrus delivered clear and measurable outputs:

- £1.102 million total expenditure, including £931k awarded to 30 businesses and community organisations.
- £411k of match funding secured, equating to approximately 29% of total project costs.

- 71 jobs and freelance roles created or safeguarded, at a gross cost per job of around £13,100, which is broadly in line with comparable business support schemes

Grants were particularly impactful for micro and small enterprises, where the scale of funding was sufficient to influence business investment decisions rather than simply offset marginal costs.

Welsh language outcomes

All supported projects included commitments to increase Welsh-language use. The evaluation finds evidence of:

- Increased use of Welsh in internal workplace activity.
- Expansion of Welsh-language customer-facing services.
- More visible use of Welsh in branding and marketing.
- The development of Welsh-language working and collaboration spaces, particularly in creative and media environments

In several cases, engagement with ARFOR encouraged businesses to treat Welsh as a strategic asset, leading to new products, services and markets that would not otherwise have been pursued.

Sectoral strengths

The strongest impacts were observed in sectors where Welsh is intrinsic to the economic activity, most notably:

- Creative and media industries (including activity linked to the Yr Egin cluster).
- Elements of the food and agri-tech economy where language, place and provenance add commercial value.

In these contexts, ARFOR reinforced existing Welsh-language economic ecosystems rather than attempting to create demand where it did not already exist.

4. Additionality: did ARFOR achieve more than a standard business support grant?

A critical issue is whether ARFOR delivered additional impact beyond what could reasonably be expected from other business support grants operating in Carmarthenshire.

On conventional economic metrics, the evaluation suggests that ARFOR is not clearly distinguishable from other grant programmes. Outputs such as jobs created or safeguarded and businesses supported are standard measures used across a wide range of local and national schemes. In a county with a large and diverse business support landscape, it is difficult to demonstrate that ARFOR's economic

outputs alone represent outcomes that would not have occurred through other funding routes

The report explicitly recognises this challenge, noting that ARFOR 2 – and Cymunedau Mentrus in particular – was a relatively small intervention when set against the scale of wider economic development funding operating locally. As a result, it was never realistic to expect ARFOR to generate distinctive county-wide economic impacts when assessed solely through standard output measures such as jobs or employment stock

Where ARFOR *does* demonstrate clearer additionality is in its language-specific conditionality and behavioural effects. The evaluation highlights that the explicit integration of Welsh language objectives into business support is distinctive to ARFOR, compared with mainstream grant programmes

Evidence suggests that scheme requirements encouraged some beneficiaries to adopt a more proactive approach to Welsh language use than they would otherwise have done, in some cases resulting in new Welsh-language products, services and markets.

In summary, ARFOR's economic additionality is difficult to evidence using conventional metrics, but its language additionality is more credible, particularly where Welsh is central to the business model rather than peripheral.

5. Limitations and challenges

The evaluation is clear about the limits of what ARFOR achieved:

- Scale: The scheme was too small to influence wider economic performance or labour market structure.
- Migration outcomes: **There is no demonstrable impact on out-migration**, population retention or return migration, reflecting the complexity of factors influencing these decisions and the limited scale of intervention .
- Outcome definition: Concepts such as “good jobs” lacked precision, making it difficult to assess impacts on job quality, pay or career progression.
- Breadth of focus: Broad eligibility criteria led to a diverse portfolio of projects, diluting strategic focus and limiting depth of impact.

6. Areas for future development

The Carmarthenshire experience suggests several lessons for future policy design:

1. Sharper focus on language-driven economic activity
Future programmes are likely to be most effective where Welsh is integral to the economic offer, rather than an added requirement.
2. Clearer articulation of realistic outcomes
Small-scale business support should not be over-burdened with expectations around migration or demographic change.
3. Depth over breadth
Concentrating resources on fewer sectors or clusters could deliver stronger and more visible impacts.
4. Retention of strong local delivery models
The Carmarthenshire model demonstrates the value of local authority delivery aligned with local economic and language strategies.

7. Concluding remarks

Overall, the evaluation suggests that ARFOR's principal contribution in Carmarthenshire lies less in its conventional economic outputs, which are comparable to other grant schemes, and more in its role as a pilot testing how economic development and Welsh language objectives can be aligned at business level.

If ARFOR is judged primarily on jobs and business counts, its impact is difficult to separate from the wider business support landscape. Its added value is strongest where it influenced business behaviour, language use and sectoral development in areas where Welsh is a genuine economic asset. This distinction between economic additionality and language additionality is central to understanding both the achievements and the limitations of the programme.

The Carmarthenshire evaluation demonstrates that while ARFOR delivered conventional economic outputs, these are not materially different from those produced by other business support schemes, and there is no demonstrable impact on migration or population retention

Future design must therefore focus on what ARFOR can credibly influence.

ARFOR should be designed explicitly as a targeted retention programme, not a general business support grant scheme

Should future commitment be realised, we would wish for the broad objectives of the previous Arfor programmes be refocussed, prioritised and simplified into one primary objective of retaining and attracting Welsh-speaking, economically active people in Carmarthenshire.

A programme that centred on the following would be welcomed as these interventions could provide more tangible benefits to the area as well as measurable outcomes

Key delivery actions

1. Welsh-medium retention jobs fund

Fund only roles that:

- are Welsh-essential or Welsh as the normal working language
- pay \geq Real Living Wage
- offer permanence or a defined progression pathway

Prioritise roles suitable for people early in their career or with families.

2. Career pathways, not isolated jobs

Support employers to create:

- graduate/returner roles
- structured apprenticeships or traineeships
- progression ladders within SMEs and community enterprises

3. Enterprise entry routes

Targeted support for:

- under-35 founders
- family businesses transferring to a new generation
- co-operative and community enterprise models in rural areas