



Cyngor Castell-nedd Port Talbot  
Neath Port Talbot Council

## **NEATH PORT TALBOT COUNTY BOROUGH COUNCIL**

### **Environment, Regeneration and Streetscene Services Cabinet Board**

**Friday 19<sup>th</sup> April 2024**

#### **Report of the Head of Property and Regeneration – Simon Brennan**

##### **Matter for Information**

##### **Wards Affected:**

All Wards

##### **Shared Prosperity Funded (SPF) Business Anchor Project - Enhanced Business Support for Growth & Innovation - Update**

##### **Purpose of the Report:**

The Report is to provide Members with an update on the activities and progress of the Shared Prosperity Funded Business Anchor project being delivered by the Economic Development Team and to highlight future pressures that are emerging.

##### **Executive Summary:**

The report provides a background to the activities that the Economic Development Team planned to deliver under its Business Anchor Project and an update on progress to date. The need to retain flexibility to respond to economic challenges or opportunities facing

businesses was a key consideration and the report highlights the importance of this in practice.

There has generally been strong demand for the support activities introduced to date and excellent feedback has been received. A series of drop-in advice and guidance sessions branded 'Let's Talk Business' have focussed on our valley communities and been delivered from community venues.

Re-connecting with businesses in these areas, where those operating in the Foundational Economy are prevalent and so important to their local communities, would not have been possible without this project. It is hoped that the wide range of activities available to these businesses and tailored to their needs will directly support their sustainability and growth, so positively impacting the wider community.

Collaboration with other business support providers was noted as being key to the successful delivery of the project. Further, this would be essential in achieving the aim of providing a better co-ordinated and more holistic support service to local businesses. Engagement with other providers has been strong, resulting in better awareness of available support, information sharing, supply chain opportunities and overall, a better experience for individuals looking to start a business, existing businesses owner/managers and potential inward investors.

Business Forum events are a further example of such collaboration and directed towards supporting our manufacturing and engineering businesses to identify and seize the opportunities afforded by emerging industries such as Floating Off-shore Wind (FLOW). A new sub-group will consider prospects around hydrogen.

Having the flexibility to offer tailored support to businesses enables the opportunities open to them to be realised e.g., through support for capital investment, consultancy services, introductions to facilities

and expertise available through academia, supply chain development, skills development, etc.

The project has been impacted by delays in recruitment and the development of a CMS system, foreshortening delivery timescales. However, it is clear that there is a strong demand for the types of support activities being delivered and the evaluation of the project will provide valuable information to inform future support provision.

Finally, looking to the future, the report highlights concerns around staffing, budgets and wider economic activity that will have a significant impact on our ability to maintain the level of service currently being delivered. This in turn will negatively affect the local economy where business opportunities cannot be realised.

**Background:**

The 'Enhanced Business Support for Growth & Innovation' project is being delivered under the 'Supporting Local Business' theme and has a budget of £4.8m.

The project was developed to build on and dovetail with existing business support programmes, through meeting identified gaps in provision. Further, it implemented lessons learned from the pilot activities undertaken by the Council's Economic Development Team in 2022 and funded by the UK Government's Community Renewal Fund (CRF).

The Team has a positive reputation for its 'Can Do' approach and excellent working relationships with local businesses, as well as a wide network of contacts and stakeholders, developed over many years. Thus, the project activities were developed based on the Team's regular and ongoing contact with businesses and their network of contacts which enables them to identify local trends, gaps in support provision and opportunities to create connections between businesses.

A key aim of the project is to develop a better co-ordinated gateway to business support, maximising the use of resources across the public and private sectors and making better use of local intelligence and business leadership. Thus, ongoing collaboration with partners in the public and private sector in delivery of the project will be key to its success.

The project encompasses support for businesses operating in the key sectors in Neath Port Talbot including:

- Business start-ups
- Existing indigenous businesses
- Inward investors, and
- Social Enterprises

The project identifies two key groups where additional activity is targeted.

#### Manufacturing & Engineering

Manufacturing and engineering businesses have historically formed a significant part of the local economy and are seen as the key drivers for growth and diversification, particularly in current and emerging fields such as ICT, Med-Tech and renewables for example.

In Neath Port Talbot, manufacturing and engineering account for 25% of total output compared with 10% in the UK and 17% across Wales. They are key sectors for driving the economy forward based on new and emerging technologies and supporting these presents opportunities to:

- Grow and diversify the local economy.
- Encourage innovation through both product and process development.
- Enhance the local skills set.
- Develop local supply chains
- Create highly skilled and well paid jobs.

## Foundational Economy

The Foundational Economy is a term used to refer to businesses operating in a range of sectors that supply the basic goods and services upon which we all rely. These include Health and Care services, food, housing, energy, construction, tourism and high street retailers. These sectors are the backbone of the local economy and provide essential employment and income for households within our most deprived communities.

It is estimated that the Foundational Economy accounts for four in ten jobs in Wales and £1 for every £3 spent and importantly, by their very nature, the wealth they generate stays in their local community.

Foundational economy businesses operate under a wide variety of trading structures. However, the opportunities afforded by adopting a social enterprise model of business operation is particularly strong amongst Foundational Economy businesses and will be encouraged and supported.

Targeting support here will:

- Support the sustainability and development of grass roots businesses providing local services for local people.
- Support sustainable local employment opportunities in valley communities by providing important entry points into the labour market for people in our more deprived communities.
- Provide opportunities for the encouragement and development of social enterprises.
- Build local wealth, skills and support well-being.
- Maximise the potential of our town centres and valley communities.
- Create new business start-ups.
- Develop local supply chains.

The Team's 'Can Do' approach has been critical over the years in enabling it to have the flexibility to respond to the economic challenges facing local businesses, for example the financial crash of 2008 and Tata's review of its supply chain in 2014. Such challenges can arise from local, national or global situations and in recent years, businesses have been impacted by the Covid pandemic and the war in Ukraine which resulted in the spiralling costs of fuel, energy and materials, the cost-of-living crisis, as well as supply chain and recruitment challenges.

Further, climate change has highlighted the need for all businesses to consider the impact that they have on the environment through their use of resources and to look for ways in which they can mitigate these. This is twofold, being both a means of reducing costs as well as evidencing their 'green credentials' to their customers, for whom this is becoming an increasingly important factor in their buying decisions.

Thus, the project has been developed to enable us to have the flexibility to respond to upcoming challenges and needs identified by businesses during the duration of the project. Changing current and adding new activity as needed.

Broad areas along which activities will be delivered have been identified, rather than their being defined in detail, and the budget has been set accordingly.

The project is being delivered under the following **one** intervention which supports the provision of a wide range of activities and hence the ability to be flexible:

**W23** – Strengthening local entrepreneurial ecosystems, and supporting businesses at all stages of their development to start, sustain, grow and innovate, including through local networks.

The target outcomes and outputs for the project are as follows:

<b>Outputs</b>	
Number of businesses receiving non-financial support	500
Number of businesses receiving grants	175
Number of potential entrepreneurs assisted to be business ready	370
<b>Outcomes</b>	
Jobs created	455
Jobs safeguarded	875
Number of new businesses created	50

The following section provides a summary of the planned activities under each theme and an update on delivery to date. Further details on the context for the project and the development of activities are included at Appendix A for information.

## **Project Activities and Updates**

### **Intro**

As noted above, in light of the economic climate and the ongoing uncertainty facing businesses project activities have been developed to allow for the flexibility to respond to the needs of businesses, as they respond to the economic challenges that they will face during the delivery of the project to end March 2025.

Delivery will be focused on five key areas:

1. Support indigenous growth in key sectors
2. The Foundational Economy and Business Events
3. Financial and specialist support
4. Feasibility studies
5. Developing and implementing Social Value policies to support the delivery of Community Benefits.

## **Supporting indigenous growth in key sectors**

### **Business Forum**

The forum was piloted as an initiative under the Community Renewal Fund and was initially targeted at the manufacturing and engineering sector and innovative businesses within emerging sectors such as ICT. The purpose of the Forum was to:

- Gather business intelligence to inform future support provision.
- Encourage collaboration between businesses.
- Provide opportunities for businesses to exchange ideas and link with trade /professional bodies and industry related organisations.

Building on the lessons learned and feedback from participants, the project introduces sub-group activities based on the following specific themes or areas:

- Supply chain activity in specific sectors such as:
  - the Ministry of Defence, including the Defence and Security Accelerator (DASA) programme which finds and funds innovation projects supporting the UK's defence
  - Renewable energy, specifically those afforded by Wales' unique landscape e.g. Floating Offshore Wind (FLOW)
  - ICT including using the forum to deliver boot camps, industry and skills led training, etc.
  - Research Development and Innovation focussing on support for innovation and funding, including bidding into UK Government Funding and encouraging greater collaboration between businesses.

### **Update**

Floating Off-Shore Wind (FLOW) will see the creation of a new industry with long-term potential and presents significant opportunities for local manufacturing businesses to become part of

the supply chain. Four events have been held with the following key stakeholders:

- RWE - a global electricity generation company with a focus on renewables
- Marine Power Systems (MPS) – the generation of renewable energy using the power of the sea
- Floventis Energy – green power generation from floating offshore wind.
- Meet the Buyer event with Lisarb a global renewable energy company specialising in solar, wind, marine and hydrogen.

These events were attended by 17 individual local businesses with 37 local business attendees across the four events.

The benefits gained by businesses included:

- Insight into the LISARB / BW Ideol Floating Offshore Wind supply chain opportunities.
- Wind Farm developer perspective on the Crown Estate Social Economic Value Model.
- Businesses also benefitted from discussions with other businesses, about collaborations and market issues.
- Link up to the Swansea University Electric Arc Furnace (EAF) training for upskilling and training.
- Wider networking opportunities and to help put forward collaboration discussions in the floating offshore wind supply chain.

The ICT sub-group has held its first meeting which was attended by four businesses. The group consists of businesses of all sizes and at different stages of the business cycle.

The group presents the following opportunities to businesses:

- Sharing of knowledge, learning and experience.
- Opportunities to collaborate, trade and problem solve.

- Developing a local industry led approach to skills and training.
- Awareness of business and funding support for the sector.
- Links made with relevant bodies such as the British Computer Society, local colleges and academia.

The ICT Sub-Group provides the Economic Development Team with local business intelligence to support:

- An understanding of the sector, its issues and needs.
- The development of appropriate business support packages.
- Opportunities to strengthen the sector locally and develop clusters.
- Inward investment and indigenous growth.
- Feedback from businesses on developments in the County Borough.

The business representatives for the Research Development and Innovation sub-group have recently been approached and agreed to participate. However, the sub-group has yet to meet.

### **Hydrogen mapping group:**

To support efforts towards net zero, a further sub-group – Hydrogen Mapping Group – will be introduced. A series of regular group meetings will be delivered once a month for those linked to hydrogen generation and demand, along with key academic partners.

This will be essential in gaining industry insight, building a strategic perspective of the development potential, and identifying industry issues and challenges. It will also provide an overview of the size and quantum of the potential development activity, investment and pipeline of opportunities around hydrogen.

Feedback supporting the need to take this forward has been very positive and it is seen an extension of the work by the South Wales Industrial Cluster (SWIC). The outputs from this work piece will benefit NPT by enabling a more holistic approach and looking at

immediate future opportunities to leverage low carbon net zero developments and investment into the area, with growth and job creation potential.

Thirteen further Business Forum and Sub-Group meetings are planned with a focus on further activity around FLOW including follow-up events e.g. with MPS, RWE and Floventis and introductions to new developers such as Bluegem Energy and Equinor. The ICT and RDI subgroups will be meeting as will the new Hydrogen Sub-group.

Supply chain opportunities with Lanzatech (carbon capture and recycling) will be presented and local company Wall Colmonoy will share lessons learned in developing a new innovative product for the defence industry.

#### Diagnostics – Manufacturing & Engineering

Many companies with the potential to innovate and realise their true growth potential fail to achieve this as they encounter barriers in the process that they do not know how to overcome. These barriers can include:

- A limited understanding of a new market opportunity including its regulatory requirements, the process for developing a new product, licensing etc.
- The development of a robust business case and intellectual property strategy
- Support in reviewing and developing internal systems and processes e.g. to release capacity
- Identifying, implementing and integrating appropriate technologies into the business
- Building the skills of the workforce to deliver the new innovation
- Access to finance

Working with BIC Innovation and University of Wales Trinity St David, the project will deliver a specialist diagnostics service tailored to the business' innovation and/or growth needs. This will support businesses in the above key and emerging sectors and including but not limited to: advanced manufacturing, digitalisation and software, process engineering, production, greentech, agritech, healthcare and life sciences, automotive, aerospace and defence.

The diagnostic will:

- Gain an understanding of the current position and future plans of the business.
- Establish what the true barriers to achieving these plans are.
- Provide recommendations of digital and other technologies appropriate for the business and a detailed roadmap, identifying which, where and when these technologies could be deployed to help address the challenges.

### **Update**

Documentation and procedures have been developed and there is a list of 14 businesses interested when the activity launches.

### **The Foundational Economy and Business Events**

The activities detailed in this, and the following Financial and Specialist Support sections are open to business operating in all sectors and including those in the Foundational Economy.

### **'Let's Talk Business' Events**

Bringing together a range of business support providers, our Let's Talk Business events provide potential business starters and existing businesses with the opportunity to receive a range of advice and support on a one-to-one basis.

The focus for these events has been on our valley communities, recognising the importance of Foundational Economy businesses to these. Further, fulfilling our commitment to reconnect with businesses in these communities, that were established during the Covid pandemic.

### Update

Eleven ‘Let’s Talk Business’ drop-in advice and guidance sessions have been held between May 2023 and March 2024 attracting 88 existing businesses and 51 individuals interested in starting a business. These were as follows:

<b>Location</b>	<b>Existing</b>	<b>Start-up</b>	<b>Total</b>
Croeserw	5	1	6
Crynant	11	0	11
Glynneath	14	3	17
Cwmavon	7	8	15
Ystalyfera	5	6	11
Banwen	6	4	10
Pontardawe	6	7	13
Port Talbot	11	6	17
Neath	6	7	13
Amman Valley	8	2	10
Skewen	9	7	16
<b>Total</b>	<b>88</b>	<b>51</b>	<b>139</b>

Feedback from both attendees and partner organisations has been very positive. For example MSG Labour and Plant (attended the Port Talbot Event) – “It’s been extremely helpful, I’m enormously grateful. I’m overwhelmed by the help that’s on offer. [Facebook](#) Further examples are included in the Marketing and Communications section.

A further five events have been booked to September. These will be held in some new locations and based on feedback and demand, we will be returning to other areas.

The format of each event has remained consistent, and we have evaluated the success of our marketing, choice of venue and the timing of events making some changes as a result.

### **‘Let’s Talk Starting Your Business’**

A thriving local economy needs a steady stream of new business start-ups at all levels i.e. individuals who will operate in, and provide goods and services to their local communities; individuals establishing new manufacturing operations to supply other businesses, locally, nationally and internationally; innovative entrepreneurs bringing forward new products and/or processes including university spin-outs, and those seeking to operate in and/or serve new emerging sectors such as renewable energy.

Support targeted at those in the early stages of considering starting a business and who are new to self-employment and business is provided through our former Enterprise Clubs, now rebranded ‘Let’s Talk Starting Your Business.’

These are held monthly and bring together a range of business support providers focused on start-ups including Business Wales, Prime Cymru and the Princes Trust as well as advisors in subjects such as banking, finance and accounting, marketing, etc. Individuals can meet with the advisors on a one-to-one basis for guidance tailored to their personal circumstances and business idea.

### **Update**

There continues to be strong and growing demand from individuals interested in starting their own business with 226 enquiries since

September. Around 58% of these have been invited to attend the Enterprise Club with 42% (72) of initial enquirers attending.

The drop-out rate is to be expected, as individuals often don't understand the commitment that being in business entails, or just need a bit more time to consider their options. The advice provided at these events is very much seen as a personal viability checker preventing individuals from making what could be a costly decision.

Partners including Business Wales, Natwest, Prince's Trust, continue to support these events and provide positive feedback.

Three key areas of support required have been highlighted by attendees – grants, marketing and HMRC/book-keeping – and developing workshops and resources around these are being considered.

Eight further 'Let's Talk Starting Your Business' have been scheduled for 2024.

### **Supplier Development Event – Passenger Transport**

A dedicated event to increase and develop existing NPT passenger transport suppliers was held at a local venue to advise providers on how to register for the provision of passenger transport services in Neath Port Talbot and to inform of upcoming opportunities. The event was attended by 31 businesses, 22 of them local and supported by our SPF partners Business Wales and Sell2Wales. Attendees were provided with basic information on how to tender, given guidance on how to register as a supplier and what you need to do to be successful and informed of upcoming opportunities with the Council.

Other activities include supporting local businesses with advice on how to register for our Select List for works contractors for our

construction, highways, property maintenance and housing renewal and adaptation operations and notifying local businesses of any opportunities to tender with the Council and regional frameworks such as the South West Wales Regional Contractors framework.

### **Social Business Development**

As noted earlier, the use of social business models is particularly high amongst businesses operating in the Foundational Economy.

### **Update**

Based on interest shown by a number of existing Social Enterprises, a 'Let's Talk Business' event focused on these businesses was held in March. Providers attending to offer support and advice included Cwmpas, NPT CVS, Social Firms Wales, etc. The event was attended by six existing businesses and 12 potential start-ups.

As part of our commitment to support social enterprises and co-operatives we have held initial meetings with NPT Social Services, the Parent Advisory Network and Bspoked Enterprises to help start them on their journey to develop social enterprises and cooperative organisations in NPT to provide care and support and preventative services. The aim is to target local communities and help to develop relevant business ideas and set-up locally owned social enterprises or co-operatives to deliver key local services. This will enable community and voluntary organisations to pursue a trading model. A Commissioning Officer for Social Services has been invited to sit on the Council wide Community Benefits group that will be established as part of the Social Value Policy.

### **Carbon Reduction Training**

Supporting smaller energy users to identify opportunities to reduce their costs and carbon footprint, led to the introduction of an on-line course held over two half days. The course covers three key areas and assists the owner/manager to review and determine their current

energy efficiency and carbon footprint across different functions of the business.

The attendees can then identify opportunities to reduce their costs, the potential technologies that invested in will further reduce costs as well as their carbon footprint. Referrals to other relevant sources of advice and support are provided.

### **Update**

The first of these was held in November 2023 and three further sessions to date this year. In total, six businesses have attended.

Take-up has been significantly lower than had been anticipated in the current economic climate despite marketing the events. Options to revise the delivery of the support and promote the sessions will be considered.

### **Other**

**The Partner Working Group** that was established during the development of the project, has now been incorporated into a new wider Business Support Group led by the Community Benefits Officer. The group meets monthly and brings together a wide range of organisations such as NPT College, Business Wales, Swansea University, Careers Wales, Business In Focus who can support the employment and recruitment needs of a business including potential new investors in the area and provide relevant information on the latest business support initiatives and developments.

An internal Employer Support Group has also been set up which consists of all organisations in the Council who deal directly with employers to ensure that there is no duplication of effort and best practice is shared.

**Event Attendance** has been used to promote the project activities. These have included the Green Energy Conference in Swansea the Business Hub event at Margam Park, several Floating Offshore Wind Farm events, Wildfox Adventure Resort, Global Centre for Rail Excellence and Duracell Meet The Buyer events.

### **Identifying support needs**

Data from attendees at the business events and through the recently introduced enquiry form are being analysed to identify key areas of support required. These will be reviewed and workshops/activities developed and targeted as appropriate to businesses in the Foundational Economy or more widely e.g. by sector, business location, etc. Overwhelmingly there has been a request for marketing support from businesses and the first online marketing workshop is due to be held next month.

### **Financial and Specialist Support**

#### **Grant Fund**

The project's £2.925m grant fund underpins many of the activities being delivered, enabling investment in new industry leading technologies, carbon reduction measures, increasing capacity and productivity, supporting new business start-ups, etc.

The fund provides support for both capital and revenue investment projects for new business start-ups, existing businesses, and inward investors.

We had an increase in enquiries from individual looking to start a business on a part-time basis e.g. those using their hobbies or skills to start a business to provide an additional income to their households, students who intend becoming self-employed on graduation, or those where the risk of giving up a full-time job to start a business is prohibitive, etc. With limited funding previously (£280,000 per annum), these were not ventures that we could

support. However, the SPF project has given us the opportunity to support such businesses, where they can demonstrate that they have a good prospect of becoming full-time in the future.

Further, the value of the grant fund has enabled us to promote the availability of support and thus reach and engage with far more businesses than we had been able to do previously. Creating these contacts will help ensure that we are a port of call for the needs of these businesses long after the SPF project has ended.

Grants of between £500 and £50,000 are available. The general intervention rate is 50% with the flexibility to offer up to 100% for new business start-ups. The amount of grant offered is subject to the number of jobs being created and/or safeguarded.

### **Update**

Since June 2023 the following has been achieved:

- 103 applications approved:
  - 84 existing businesses
  - 19 start-ups
- £1,286,836 value of grants approved.
- £2,549,307 value of investment supported.
- 241 potential full-time equivalent jobs created.
- 234 potential full-time equivalent jobs safeguarded.

In April we will invite applications from businesses with projects investing in new technologies that will improve the business' sustainability credentials and have a positive impact on both its costs and carbon footprint.

Grants of up to 50% of eligible costs or, a maximum of £25,000 will be available.

The fund will be open to applications for a limited period so that we can establish the demand and review the types of technologies being considered.

### **Specialist Support**

Business development and growth often requires owner/managers and company directors to call upon the support of specialists to provide the knowledge and expertise that they do not have in-house. The value of such expertise is dependent on having a clear understanding of what is needed.

The project will meet this gap in provision by providing fully funded specialist support as required by individual businesses. The focus will be on ensuring that the needs of the business are clearly identified and facilitating learning within the management team. Thus, the business will be better equipped going forwards.

Examples of areas in which support may be sought include:

- Use of social media for marketing
- Search engine optimisation
- Marketing strategies and the development of new markets
- Reviewing and presenting the business' green credentials to customers
- Reviewing business opportunities and future direction
- Improving profitability
- Production flow and factory layout
- Etc.

### **Update**

The processes, relevant application, reporting and offer documentation have been developed and tested through our Evolutive CMS system. This activity will be delivered by Town Square Spaces and will start in late March. There are currently 25 businesses in line for support.

In developing the project, the following specific programmes were included:

### **Low carbon energy and resource efficiency audits**

Aiming to assist business to reduce their costs and lower their carbon footprint. The audit will cover the fabric of a business' premises, its operations and consider staff behaviours to identify key areas positive changes can be made. The audit will produce a cost and energy saving analysis based upon available technology that could be adopted and indicate the potential investment options open to the business.

### **Update**

Four local suppliers have been identified and the relevant proposal and reporting documentation prepared. The detailed information and analysis required will take several weeks to collect and will be subject to the availability of the business representative. The timescales for delivering this activity may thus be prohibitive and hence it is under review.

### **Diagnostic Reviews**

In considering investment and other key decisions, businesses too often view these with a narrow focus, failing to consider the impact on different functions in the business or considering the potential for wider opportunities.

Diagnostics were trialled with the manufacturing and engineering sectors as part of a Community Renewal Fund (CRF) project. The support provided in this project, implements the lessons learned and opens the support to businesses in all key sectors.

The diagnostic will provide businesses with a clear analysis of their strengths, weaknesses, opportunities and threats in relation to their ability to achieve their growth and development plans. A further package of tailored consultancy support will then be provided to address these key challenge/s.

## **Update**

The processes, relevant application, reporting and offer documentation have been developed and tested through our Evolutive CMS system. This activity will be delivered by Town Square Spaces and is now available.

## **Digital Technologies**

SMEs rarely have the luxury of a dedicated IT department to provide advice on the purchase of new equipment or the adoption and integration of new technologies across business functions. As a result, IT systems tend to develop on a piecemeal basis and many businesses do not maximise the benefit of their investment to capitalise on growth opportunities and take advantage of an increasingly green, digital and flexible economy.

Trialled through the Community Renewal Fund project it was clear that there was a need for such support, by way of a more light touch and hands on approach. This will enable the participant to explore their digital engagement at their own pace, identify the opportunities to extend their use of IT in the business and prioritise the actions and investment needed.

Support will also be tailored to the needs of less IT/tech savvy businesses, new start-ups and fledgling businesses, particularly those operating in sectors within the Foundational Economy. This will be aimed at establishing basic IT and digital technologies in the business and developing the knowledge, skills and confidence of the owner/manager.

## **Update**

The processes, relevant application, reporting and offer documentation have been developed and tested through our Evolutive CMS system. A live enquiry has been trialled through the system and there are ten businesses ready to proceed. This activity

will be delivered by Aspire & Learn Ltd (Aspire2Be) who were engaged on our Community Renewal Fund project.

### **Social Business Development**

Social businesses i.e. business organisations that have a social purpose as their core objective, have an important role to play in supporting the wealth and well-being of the areas in which they operate.

Such business models are often associated with businesses operating in the Foundational Economy and are seen as a key model for the development of new service provision in the health and care sector.

Neath Port Talbot has a high prevalence of social businesses, with data from Social Business Wales's mapping research indicating that the county is home to 13% of social businesses in South West Wales and these represent 2.5% of all businesses within the Council area.

Support will be procured and tailored to the individual or business' needs.

### **Update**

As noted an event targeted at Social Enterprises was held last month and where relevant, attendees will be able to access further support through this activity.

### **Feasibility Studies**

The project has allowed for the procurement of consultancy services to undertake research and present reports and feasibility studies that support the wider development of the local economy. This will assist the Council to maximise the opportunities afforded by major new developments e.g. Freeports, the Global Centre for Rail Excellence (GCRE), etc., emerging industries such as floating offshore wind

(FLOW), carbon capture, etc. and provide strategic positioning documents to support applications to relevant funding streams.

## **Update**

The following pieces of work are being considered.

1. Manufacturing assessment for Floating offshore wind and diversification opportunities

This will provide an overview of up to 12 companies, conducting an assessment of manufacturing businesses capabilities, what they currently can do and alignment to the floating offshore wind, and what they could do for FLOW with further investment and development of capability / capacity. It will also review diversification opportunities for these businesses (especially useful for those businesses who are in the Tata Supply chain). This information would inform NPT CBC of potential opportunities, link up further areas of support and also enable businesses to take steps forward whether it is FLOW or other sectors.

2. Clean Growth Hub (CGH) mapping

The CGH mapping would cover existing commercial development opportunities and an incoming investment opportunity pipeline. It will provide a strategic landscape piece and provide assessment to the alignment to UK Gov funding for these developments. It has the potential to act as a catalyst for development and investment activity for the area developing a wider strategic view for the NPT area on the development activity and potential investments. The overall outputs resulting from this work piece would have substantial benefit to NPT and enable a more holistic approach and looking at immediate future opportunities to leverage low carbon net zero developments and investment into the area, growth and job creation potential.

### 3. Manufacturing supply chain opportunities

This piece of work will provide a high level review of the potential manufacturing opportunities for supply chains linked to some key projects within the local area, such as Electric Arc Furnace and Lanzatech Project Dragon. Having insight into the supply chain opportunities will enable us to target support and activity around developing the local supply chain. Maximising these commercial opportunities will support business growth, sustaining the local economy and creating and safeguarding jobs.

### **Developing and implementing Social Value policies to support the delivery of Community Benefits**

Pre-pandemic, it was recognised that by leveraging the spending power of the Council and other anchor institutions, more public money would be kept in the local area for longer, benefiting local businesses and communities more effectively. As a result, the Council introduced community benefit clauses into its tenders for major construction projects. The success of this led to the creation of a Community Benefits Officer within the Economic Development Team and it became apparent that such clauses could be implemented across all the Council's procurement activities, given capacity.

The impact of Covid-19 brought into sharp relief the importance of strong local supply chains. This has therefore gained greater urgency and the Council is keen to further the development of its activities in this area including Community Wealth Building Opportunities e.g. identifying leakages in Council spend and gaps that social businesses or local SMES could fill, reviewing current supplier lists, etc.

### **Update**

Social Value can be defined as the positive impact on local people & communities, the local economy, and the environment that we create by the way we spend public money to buy goods and services.

These can be through:

- Social benefits that deliver positive outcomes for individuals and/or communities
- Economic benefits that strengthen a workforce, industry, sector and/or the economy
- Environmental benefits that result in protection or enhancement of the environment, e.g. carbon reduction or nature protection.

The Council believes that through this approach, we can achieve both a return on investment on a whole life basis and generate benefits for the local economy and environment.

An NPT Social Value policy is being developed to achieve these aims with a first draft of the Community Benefits policy completed as part of the overall policy, agreement with Planning to insert a social value clause into planning pre applications for larger schemes and with the introduction of the Social Partnership and Public Procurement (Wales) Act 2023 a commitment to deliver sustainable outcomes through the use of community benefits in our procurement activities.

### **Marketing and Communications**

Marketing and communications activities are critical to ensuring that the wide range of support available to existing businesses, potential new start-ups and inward investors through the project become widely known.

To achieve this, the Team will need to raise awareness with target markets including:

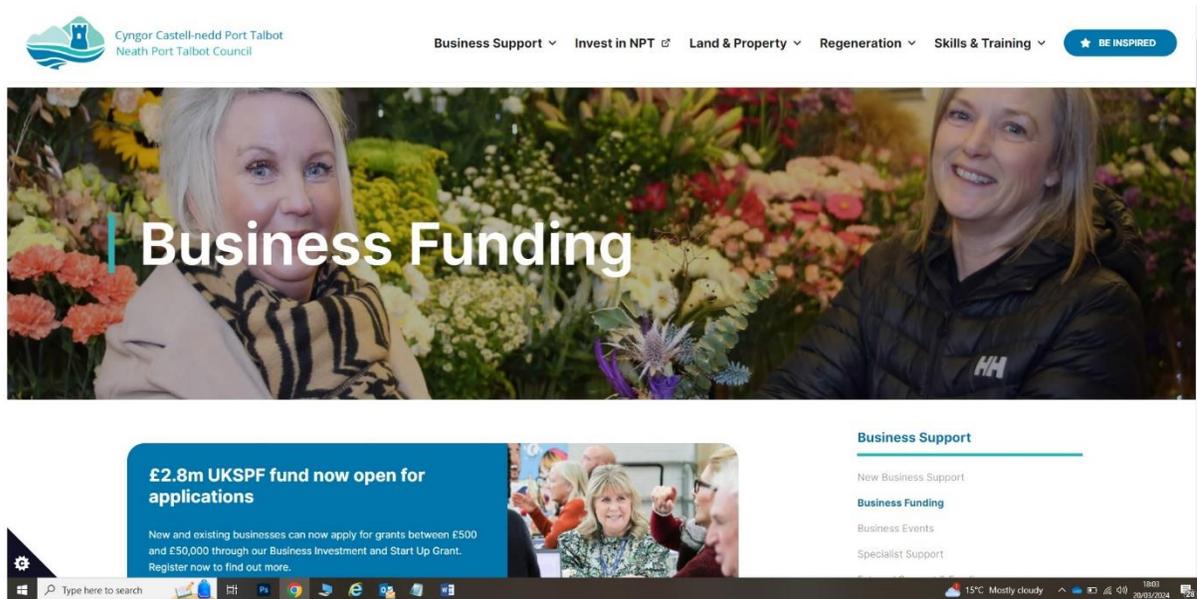
- New Business Start-ups
- Existing Businesses
- Councillors, AM's and MP's
- Press and Media

- Partner Organisations
- Bordering Local Authority areas
- Inward Investment businesses

Traditional and innovative marketing tools will be used and the following are examples of activity to date.

**Website** – [www.BusinessinNeathPortTalbot.com](http://www.BusinessinNeathPortTalbot.com)

We have developed a new overarching website which supports the activity of the Economic Development Team and the SPF Grants we administer. The website content will feature information on the grants and support we provide, including real life case studies, direct links to grant applications, event details and news items.



**Branding** – We are governed by specific branding guidelines from UK Government and the Local Authority and all marketing activity and collateral will include the correct branding and maintain consistency throughout the lifetime of the project. All logos and straplines are

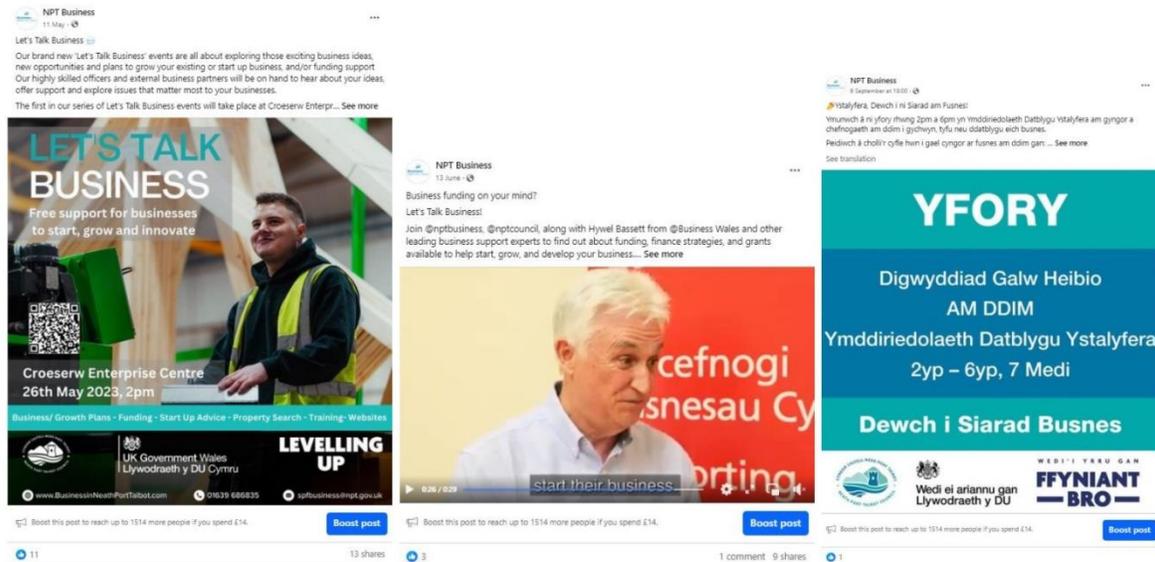
included on, but not limited to all official and public documents, promotional items, social media channels and posts and websites.

**Social Media** - Our team uses the three main social media platforms - X, Facebook and LinkedIn. These platforms have been identified as the most effective platforms for engaging with our targeted audience.

Twitter address: @BusinessinNPT  
Facebook address: @BusinessinNPT  
LinkedIn address: NPTBusiness

We develop monthly social media schedules to incorporate all messages to engage with our target audience, raising awareness of events and activity across the SPF project. We use a number of communication tools e.g. video case studies, surveys to encourage two way communication and photography to engage across all sectors and target markets.

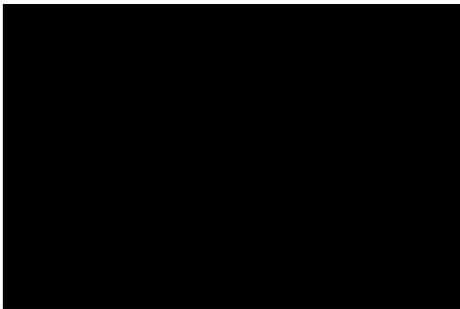
A selection of screenshots from social media posts, including Facebook, LinkedIn & X (Twitter)



**E-marketing** – Together the team gathers business related information which we put in one monthly newsletter, these are

designed and issued by the marketing team as well as ad-hoc business related updates which are sent to businesses, partners and targeted groups.

**Events** - As part of the SPF project the team hosts a number of business events, namely 'Let's Talk Business' and 'Let's Talk Starting YOUR Business', these events are heavily promoted via our social media channels, door to door flyers, community posters and word of mouth. These events have proved very successful and we capture voice notes and film of the attendees post event to use as content to promote future events.



Team members also attend business related events to promote the project activities and benefits, these events include but are not limited to:

- Specialised training courses
- Networking events
- Business related events
- Co-hosting events with partner organisations targeted at specific sectors
- Meet the Buyer event
- Supply chain events

**Press** - Press is a vital tool to promote the SPF Project, good news stories, events and other business relevant information. We liaise with the NPT Corporate Communication team and the SPF Project Team to ensure regular press releases and relevant information is

sent to a wide range of press, in particular business focused press and media.

Our Media contacts include: Print media, TV and radio, Podcasters, online media and social media influencers.

**Posters, Print and Distribution** – We design posters and flyers for all our own events, and use an external door to door distribution company to deliver them to targeted locations depending on where the event is being held. We target the print runs to the number of households in and around the surrounding areas to keep the print runs to a minimum, to cut on waste and reduce our carbon footprint.



**Monitoring and Evaluation** - All activity is closely monitored ensuring compliance with all guidance surrounding the project. The evaluation of activity will be a combination of quantitative and qualitative data, including:

- Google analytics
- Social Media engagement analysis
- Word of Mouth at the event and post event

- One to one engagement feedback
- Feedback forms

### **Evoluteive CMS System**

In developing the project, the need to manage and record client interactions, grant applications, project activity documentation and reporting requirements were considered. The Team previously used a CMS system developed by IT, but this was outdated and would not be fit for purpose. Further, experience of delivering high volumes of grant applications during COVID, required an online application process be used. In-house resources did not have the capacity to develop a system for us and hence, following approaches to other Economic Development Teams across Wales, Alcium Software Systems, Evoluteive system was chosen to support delivery of the project with authorisation to purchase approved in March 2023.

The priority was the development of the grant application documentation and processes, as much of the other activity would merge into the grant process at different points. The development of the online system took some months, with numerous changes and updates needed to the application documentation as well as building in the Funding Panel and approval processes. The development was supported by a limited number of applicants who trialled the system for us and gave their feedback.

The first Funding Panel meeting was held last June, from which point we were able to formally launch and promote the fund as well as working through the grant enquiries we had received.

The development of the system as below is ongoing, and it currently supports:

- Grant applications, funding panels and decisions, preparation and issue of offer documentation, submission of claims.
- Event registration e.g. Let's Talk and Business Forum events.

- Client support updates from both the Economic Development Team and support providers at Let's Talk Business events.
- Enquiries
- Specialist Support proposals, offer documentation and approval, submission of completed reports.
- Newsletter preparation and distribution
- Email shots
- Commercial property searches
- Progress reporting.

Evoluteive has readily enabled us to record client contacts and gain the necessary consents to ensure that ongoing interactions and relevant support can be provided. The level of detail is such that we have not had before and will be invaluable in reviewing current activity and in supporting our future planning.

### **Looking Ahead – Future Concerns**

The following are matters that the Team would highlight.

**Delivery timescales** – whilst the project received Cabinet approval in December 2022, there were significant delays in recruiting staff and the purchase and development of the Evoluteive system. Hence, the start of activities was delayed and currently the end date for these is 31<sup>st</sup> December 2024. There is thus a significantly reduced timeframe in which to complete the project.

**Staffing** - the project has resulted in an additional seven staff joining the Economic Development Team to deliver the project. The core team consists of 10 staff with the four senior team members having over 100 years' experience between them and all approaching the end of their careers.

Planning for this was a key consideration in the development of the team structure for delivery of the project, supporting staff development, mentoring of new staff and succession planning.

Individuals with a good experience of business support have been recruited, however, these will be lost when the project ends unless additional or alternative funding can be found to retain them. With the loss of the core team over the next few years, an inexperienced team will remain.

Further, the additional staff resources have enabled us to re-engage directly with businesses in our Valley communities, which was not feasible previously.

**Budgets** – as noted above additional financial resources are crucial to retain experience within the Team.

With major developments planned across the County Borough and with emerging industries around net zero, providing opportunities for new business start-ups and the growth and development of existing businesses, funding to support such investments will be needed. The impact of Tata's decision will only add to this. The Team's annual grant budget is £280,000 and the projects grant fund has identified a significantly greater need at £1.2m in the last 10 months, before the above are realised.

The project budget has enabled a far wider range of support to be offered to businesses, plugging gaps in existing provision. Further, Welsh Government's Business Wales service has been scaled back in the current contract over the next five years.

**Wider activities involving the Economic Development Team** – there are significant developments and projects in the pipeline and ongoing that are, and will, require an increasing input from the Team as they progress, in supporting them and the opportunities they afford to local businesses. These include Free Ports, ABP investment, Celtic Sea FLOW, Wildfox and GCRE. In addition, the recent announcement by Tata is already having an impact on the Team and whilst the picture is not yet clear, the transition of a major local industry will require long-term support for the local economy.

**Financial Impacts**

No implications.

**Integrated Impact Assessment:**

'There is no requirement to undertake an Integrated Impact Assessment as this report is for monitoring / information purposes'.

**Valleys Communities Impacts:**

With this project we aim to make a real difference to our Valley communities by helping to reverse economic decline and improve employment opportunities, one of the key themes of the Task and Finish group recommendations. We have held successful Let's Talk Business events in the Afan, Dulais, Swansea, Neath and Amman valleys supported by our partners including Business Wales, NPT Employability, Pen Y Cymoedd Community Fund, Development Bank of Wales etc. The nature of these events, together with grant support for investment projects by valley businesses will have a positive impact on the valley communities and are aligned to Neath Port Talbot's Corporate Plan and Economic Recovery Plan.

**Workforce Impacts:**

Please see section on Future Concerns above.

**Legal Impacts:**

No implications.

**Risk Management Impacts:**

N/A report for information only.

**Consultation:**

There is no requirement for external consultation on this item.

**Recommendations:**

N/A report for information only.

**Reasons for Proposed Decision:**

N/A report for information only.

**Implementation of Decision:**

N/A report for information only.

**Appendices:**

Appendix 1 – Project context, development and summary of activities.

**Officer Contact:**

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## **Project context, development and summary of activities.**

### **Project Background**

The project builds on and dovetails with existing business support programmes through meeting identified gaps in provision and implementing the lessons learned through activity trialled as part of UK Government's Community Renewal Fund (CRF) projects. It directly aligns with and supports:

- Neath Port Talbot Council's Corporate Plan
- Neath Port Talbot Council's Economic Recovery Plan
- South West Wales' Economic Development Strategy.

Working with other support organisations, local SMEs will benefit from a more holistic and integrated programme of support appropriate to the needs of the business. This will cultivate a more dynamic, innovative, greener and versatile economy, with a skilled and flexible workforce that is able to withstand the challenges that face the local and global economy over time.

To achieve the above, the project needs to encompass the following:

- Business Start-ups – a thriving local economy needs a steady stream of new business start-ups at all levels i.e. individuals who will operate in, and provide goods and services to their local communities; individuals establishing new manufacturing operations to supply other businesses, locally, nationally and internationally; innovative entrepreneurs bringing forward new products and/or processes and those seeking to operate in and/or serve new emerging sectors such as renewable energy.
- Existing Indigenous Businesses – supporting fledgling and existing SMEs to develop and grow, through encouraging innovation, adopting new technologies, maximising the benefits of digital media in the business, expanding their market, collaborating with other businesses, etc.

- Inward Investment – attracting expanding businesses from other parts of the UK seeking to develop secondary operations. Such businesses often introduce new sector activities to the area, providing a new focus for development and growth through supply chain activity for existing businesses and/or new business start opportunities. Inward investors like this add to the skills set available locally and create prospects for home grown talent to start and develop their careers in their own neighbourhoods.
- Social Enterprises – provide a model of operation suitable for adoption for the provision of many business activities. Having a social or environmental purpose as their mission, these businesses make a positive difference in their local communities, for their workforces and for the local economy. Indeed the social and environmental benefits promoted by these businesses are transferring into traditional business operations through the increasing importance placed on their environmental, social and governance (ESG) reporting.

The above are the organisations that will create sustainable employment, provide apprenticeships, training and work experience opportunities, foster and develop skills and support a range of jobs for all across our local communities.

The support will be available to all businesses in Neath Port Talbot but will target the following key sectors:

- |                |                    |                                  |
|----------------|--------------------|----------------------------------|
| ▪ Construction | ▪ Creative & Media | ▪ Energy/Environmental           |
| ▪ Engineering  | ▪ ICT              | ▪ Manufacturing                  |
| ▪ Retail       | ▪ Services         | ▪ Tourism, Hospitality & Leisure |

Within the above, the project will target additional activity at businesses in manufacturing, engineering and those operating in the foundational economy.

## **Manufacturing & Engineering**

Manufacturing and engineering businesses have historically formed a significant part of the local economy and are seen as the key drivers for growth and diversification, particularly in fields such as ICT, Med-Tech and renewables for example. The sector has expertise in advanced engineering, electrical systems design and structural materials manufacturing, etc.

In Neath Port Talbot, manufacturing and engineering account for 25% of total output compared with 10% in the UK and 17% across Wales. They are key sectors for driving the economy forward based on new and emerging technologies.

The benefits of targeting support in this way and strengthening these sectors specifically, presents opportunities to:

- Grow and diversify the local economy.
- Encourage innovation through both product and process development.
- Enhance the local skills set.
- Develop local supply chains
- Create highly skilled and well paid jobs.

## **Foundational Economy**

Businesses in the foundational economy are those that supply the basic goods and services upon which we all rely including those in Health and Care services, food, housing, energy, construction, tourism and high street retailers. These sectors are the backbone of the local economy and provide essential employment and income for households within our most deprived communities. It is estimated that the Foundational Economy accounts for four in ten jobs in Wales and £1 for every £3 spent and importantly, by their very nature, the wealth they generate stays in their local community.

Foundational economy businesses operate under a wide variety of trading structures. However the opportunities afforded by adopting a social enterprise model of business operation is particularly strong amongst Foundational Economy businesses and will be encouraged and supported.

The pressures currently faced by all businesses still struggling to recover from the pandemic are more keenly felt by those in the foundational economy e.g. recruitment issues, cost of living crisis, etc.

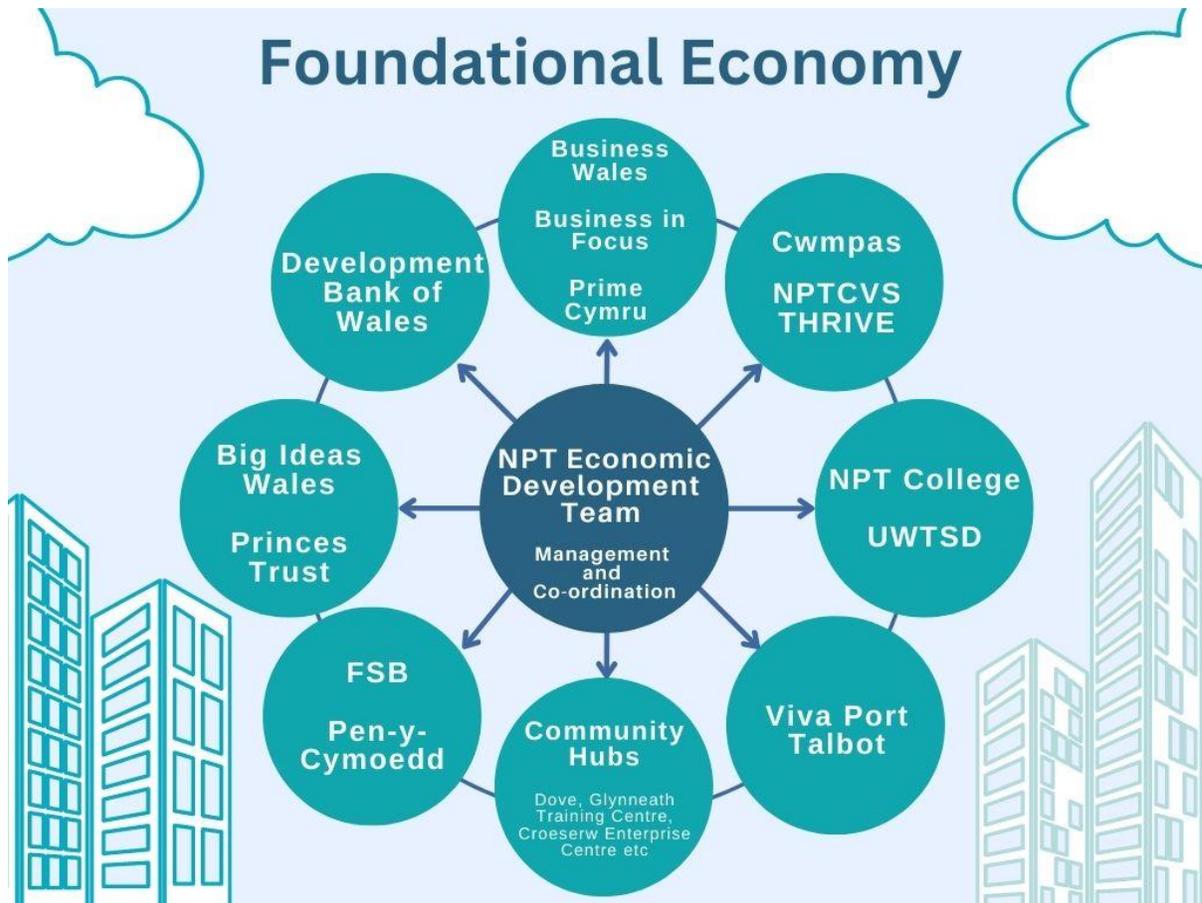
Targeting support here will:

- Support the sustainability and development of grass roots businesses providing local services for local people.
- Support sustainable local employment opportunities in valley communities by providing important entry points into the labour market for people in our more deprived communities.
- Provide opportunities for the encouragement and development of social enterprises.
- Build local wealth, skills and support well-being.
- Maximise the potential of our town centres and valley communities.
- Create new business start-ups.
- Develop local supply chains.

In developing its programme of support to be delivered by the Business Wales service from 2023-2028, the Welsh Government has confirmed that it will no longer be providing support for Enterprise Hubs, Community Entrepreneurship and those hardest to reach businesses. Foundational Economy businesses would fall into the latter category and as a result, this project meets a gap in provision.

Collaboration will be key to the success of the project and the following diagram shows those organisations that will be particularly relevant in supporting businesses in the Foundational Economy. **NB:**

this is not an exclusive list and additional providers will be added as appropriate to the particular requirements of the business.



The clear challenges presented by climate change and most recently, the impact on fuel prices from the war in Ukraine, has highlighted the need for all businesses to consider the impact that they have on the environment through their use of resources and to look for ways in which they can mitigate these. Therefore, a theme running through all contact with businesses during the delivery of this project will be to encourage them to take a circular economy approach to their activities and new investment.

Looking ahead, in all activity, as with the delivery of our CRF project, opportunities will be taken to develop and share resources relevant to business, these could include:

- Case studies
- Podcasts
- Videos of courses and events
- On-line resources on specific topics
- Dedicated web pages accessible to all stakeholders

These will be shared through the Economic Development Team, Corporate and Stakeholder websites, YouTube channels, social media accounts, Newsletters, etc.

### **Context for the Project**

Neath Port Talbot comprises two distinct areas of economic activity. Firstly, that along the M4 corridor taking in the two main urban conurbations and town centres of Port Talbot and Neath. This area encompasses a number of major employment sites such as Kenfig Industrial Estate, Neath Abbey Business Park, Coed D'Arcy, Baglan Industrial Estate and Baglan Energy Park. Tata Steel, the County's most significant employer is also located here.

This area has seen significant development in recent years with the construction and expansion of University of Wales Swansea Bay Campus on Fabian Way, the designation of the Waterfront Enterprise Zone, new developments at Mardon Park and more recently, the completion of the state of the art, energy positive, Bay Technology Centre, providing office and laboratory space for innovation businesses particularly in energy, digital and the life sciences sectors.

Future opportunities are afforded here through the availability of development land at Baglan Energy Park and most significantly through Associated British Ports' (ABP) vision for its Port Talbot dock. This has been enhanced by a collaborative bid with Pembrokeshire

currently being prepared for a Freeport centred on Port Talbot docks and its deep harbour.

The second area for economic activity is centred on the five valleys of the Afan, Dulais, Neath, Swansea and Amman. These include some of the most deprived and remote communities in the County Borough and each Valley has its own distinct characteristics and challenges. The Valley communities, established as they were around the mining industry were more severely hit by de-industrialisation and continue to be disadvantaged by lack of access to local employment, poor transport infrastructure and local services. Businesses operating in the Foundational Economy are thus crucial providers of wealth in these communities where job opportunities are limited and transportation is a significant issue.

### **Project Development**

The development of the project has been led by the Council's Economic Development Team, which has a strong reputation for its 'Can Do' approach and excellent working relationships with local businesses, developed over many years. The Team has a wealth of experience delivering business support services, grant funding and projects across a wide range of activities. These include business start-ups, inward investment, community benefits, supply chain development, innovation, etc.

Through the Team's approach, direct contact with businesses on an ongoing basis, and a wide network of contacts, it is able to identify local trends, gaps in support provision, opportunities to create connections between businesses and thus put forward solutions. This project is based on this, discussions with stakeholders and builds on the experience gained through delivering the recently completed Community Renewal Fund (CRF) Project.

### **Project Aims**

- Developing a better coordinated gateway to business support, maximising the use of resources across the public and private sectors and making best use of local intelligence and business leadership.
- Providing assistance to support new business start-ups, enable existing businesses to innovate and invest in their future growth and development, so building long-term resilience within the local economy.
- Supporting the sustainability of our valley communities through the start-up and development of businesses in the Foundational Economy and social businesses to create local employment.
- Developing and supporting a culture of innovation within local SMEs so maximising opportunities for diversification, growth, skills and job creation.
- Responding to the climate change emergency, providing support to mitigate impacts, and encouraging the re-using, repairing and remanufacturing of products and materials to maximise the economic and social opportunities of a more circular economy.
- Maximising the opportunity for local businesses and the County Borough through major developments such as the Global Rail Centre of Excellence; programmes around emerging technologies e.g. on-shore and off-shore renewables; current and planned Welsh and UK Government initiatives e.g. Free Ports, etc.
- Maximising the value of the Neath Port Talbot pound by increasing the ability of local SMEs to secure contracts with the public sector.
- Developing a strengthened partnership with business and between businesses to support networking, the sharing of best practice, linking to new markets, highlighting common concerns e.g. recruitment and skills, etc., collaborative working, supply chain development, etc.

## **Project Activities**

The economic climate in which the project has been developed is one of uncertainty for businesses. The ongoing issues around supply chains, material costs and recruitment, stemming from the Covid pandemic have been exacerbated in 2022 by rising fuel and energy costs, as a result of the war in Ukraine, and for which there is no end date towards which businesses can plan.

Therefore, the project activities have been developed to allow for the flexibility to respond to the needs of businesses, as they respond to the economic challenges that they will face during the delivery of the project to end March 2025.

Delivery will be focused on five key areas:

- Support indigenous growth in key sectors
- The Foundational Economy
- Financial and specialist support
- Feasibility studies
- Developing and implementing Social Value policies to support the delivery of Community Benefits.

To this end, the project will deliver the following activities:

### **1. Grant Fund**

A grant fund providing support for both capital and revenue investment projects for new business start-ups existing businesses and inward investors. The grant will also support new business start-ups that will operate on a part-time basis and existing part-time businesses where they can demonstrate that they have a good prospect of becoming full-time in the future.

Grants of between £500 and £50,000 will be available. The general intervention rate will be 50% with the flexibility to offer higher interventions rates of 75% and 100% e.g. for new business start-ups,

those operating in the Foundational Economy, for specialist support services, etc. (subject to criteria).

Expenditure on capital items including:

- Plant & machinery that increases capacity, capability, productivity, reduce energy consumption, etc.
- Measures directly supporting innovation such as test bed or demonstration innovations, laboratory and testing facilities, developing ideas for new or improved products, processes and services, accessing information and expertise on new materials.
- Measures to increase and manage stockholding.
- IT infrastructure and hardware, in particular, that supports the adoption of new technologies, changes in working patterns, etc.
- Works to premises to increase capacity, support diversification, or measures that reduce energy consumption.

Examples of eligible revenue costs include:

- Activities requiring specialist advice e.g. integration of IT systems to support changes in working practices; energy efficiency measures to help reduce energy consumption and carbon footprint; marketing strategies to align with changes in customer buying behaviour; feasibility studies to assess development opportunities, etc.
- Specialist software that enables the business to increase capacity, manage stock control, integrate business processes, manage new ways of working, etc.
- Software or system development costs (external only).
- Audit and registration fees for accreditations supporting diversification into new sectors, business growth and/or improved operational processes.
- Product certification and testing.
- Development of marketing and promotional materials, including websites where the aim is to support the business in attracting new customers, adopting new sales channels, introducing new communication methods, or promote products or services.
- Staff training that enhances skills, workforce flexibility, etc.

All grant recipients will be monitored three months after receiving the grant to determine the impact of the funding and to identify any issues and future plans that the business may have. The business will then be informed of and /or referred on to relevant support.

An evaluation of the grant process will also be undertaken during the monitoring visit.

## 2. Support for Innovation and Growth in Key Sectors

Many companies with the potential to innovate and realise their true growth potential fail to achieve this as they encounter barriers in the process that they do not know how to overcome. These barriers can include:

- A limited understanding of a new market opportunity including its regulatory requirements, the process for developing a new product, licensing etc.
- The development of a robust business case and intellectual property strategy
- Support in reviewing and developing internal systems and processes e.g. to release capacity
- Identifying, implementing and integrating appropriate technologies into the business
- Building the skills of the workforce to deliver the new innovation
- Access to finance

The project will therefore deliver a specialist diagnostics service tailored to the businesses innovation and/or growth needs. This will support businesses in sectors, including but not limited to: advanced manufacturing, digitalisation and software, process engineering, production, construction, civil engineering, greentech, agritech, healthcare and life sciences, automotive, aerospace, logistics, retail and defence.

The diagnostic will:

- Gain an understanding of the current position and future plans of the business.
- Establishing what the true barriers to achieving these plans are.
- Provide recommendations of digital and other technologies appropriate for the business and a detailed roadmap, identifying which, where and when these technologies could be deployed to help address the challenges.

The activity complements current provision and meets an identified gap for businesses needing specialist support for innovation and growth.

### 3. Supporting the next generation of Entrepreneurs

This part of the project will focus on providing support to the next generation of entrepreneurs, studying at both the local college, Swansea University and University of Wales Trinity St. David. The aim will be to:

- Highlight self-employment as an option now or in the future.
- Showcase Neath Port Talbot as a location to establish a business.
- Raise awareness of the support available to new business start-ups and on an ongoing basis as a business develops.

Working with staff delivering vocational courses, supporting graduate entrepreneurs or potential spin-out operations, a range of activities will be undertaken such as holding Enterprise Clubs and Boot Camps on campus, 'Meet the Entrepreneur' events, a start-up competition, etc.

#### 4. Local Supply Chain Assessment for Floating Offshore Wind (FLOW)

FLOW offers key strategic investment and regeneration opportunities in the County Borough, specifically around the docks at Port Talbot. The developing technology for offshore wind presents a transformational opportunity to create a new manufacturing industry around this, attracting investment and creating new and skilled jobs. FLOW will also support the decarbonisation of local industry.

This piece of work will assess and map the potential local supply chain for FLOW. The starting point will be to work with developers to understand their component requirements across a diverse range of floating platform designs. The local supply chain will then be assessed against these requirements to establish current provision, its capabilities, capacity, strengths and gaps. It will also highlight, which current floating platform designs the local supply chain is best placed to meet. Individual businesses will then be supported to undertake the upskilling, investment in equipment, etc. needed to become a viable supplier.

Current industry approaches to supply chain and project development use two key methods:

1. A “top down, developer led approach” whereby project developers set their designs and then find the right supplier to feed into that project irrespective of where those supplies may be located.
2. A “bottom up, supply chain led approach” whereby project developers actively engage with the local supply chain to understand their capabilities and then design their projects accordingly.

Through engaging with floating offshore wind platform developers, the project will raise the profile of Neath Port Talbot, the capability of its supply chain and the potential for engagement in future platform developments.

## 5. Clean Growth Hubs Phase 2

The South Wales Industrial Cluster (SWIC) has put forward plans for Clean Growth Hubs (CGH) to address the lack of offshore carbon storage and in turn the requirement for ultra-efficiency and exploitation of all energy, carbon, and material vectors to compete with companies benefiting from business models focussed on blue hydrogen and carbon capture. Ongoing work has defined the hub identification guidelines that can be applied to the Neath Port Talbot authority in its entirety, enabling locations, extent, scope, and approximate value to be defined. High industrial intensity could provide high value to the region and exciting opportunities in the form of inward investment, local GVA, and jobs.

The Phase 1 work explored the potential for Clean Growth Hubs in Neath Port Talbot and concluded that hubs at Margam and Harbourside are the best candidates for earliest deployment, maximising the benefits to the region. From their deployment, the development of other hubs within the County Borough can be accelerated. These hubs would use the many wide-ranging opportunities identified during the first phase and subsequent discussions.

The principles of CGHs have become a key focus within both Welsh and UK Governments, recognising how they can support the wider goal of regional economic progress. Looking ahead, based on current UK business models, areas without carbon storage facilities will be economically disadvantaged, in particular, compared to those in coastal areas with easy access to carbon storage.

Indeed, Clean Growth Hubs are forecasted, at this stage, to be able to be used to leverage funding as projects from central Government in the future within decarbonisation programmes and private green investment firms looking to develop a South Wales portfolio. This piece of work will investigate to what extent this is

possible and formulate a roadmap for each anchor site and Clean Growth Hub.

In assessing the commercial development opportunities, the work will be aligned to the focus of SWIC and involve industry and academia. The resulting report will provide the relevant background for use in future funding bids to facilitate progress to the next stage of commercial development from a CGH in Neath Port Talbot.

## 6. Neath Port Talbot Strategic Positioning

Neath Port Talbot has undergone significant change in the last 40 years from a past dominated by the coal, oil, steel and chemicals industries. Whilst steel remains a strategically important sector with Tata Steel being a major employer, the company actively engaged in innovative activity, both in terms of its end products and its production processes, e.g. with close links to Swansea University's Specific project.

The attraction of major investments such as the Global Rail Centre of Excellence; strengths in sectors including manufacturing, ICT, energy and bio sciences; and significant regeneration opportunities at Baglan Energy Park, Harbourside and the port of Port Talbot make Neath Port Talbot well-placed to attract new investors and funding.

This piece of work will produce and evidence Neath Port Talbot's strategic position and potential economic offering. It will include various elements of work and the links between them:

- high level positioning of the area
- profiling key sectors and businesses
- innovation modelling and future innovation drivers and opportunities
- identifying relevant links to regeneration opportunities across the County Borough

- the strengths of, and business links to, academia locally and across south Wales

The above key document, supporting documentation and information, will be presented in various formats, including high level visual content, which can readily be amended and updated to meet future needs. This will be used to showcase the area to investors, Welsh Government, UK Government, and external organisations seeking to invest in new developments. It will also provide key information to support future funding bids.

#### 7. NPT Profiling – Innovation and economic opportunities

This piece of work would be to research and prepare more detailed information to support the NPT offering, consisting of two elements:

1. Information on the offer in Neath Port Talbot
2. Base information to support a range of potential future funding bids.

The reports prepared will include:

- A profile of key sectors e.g. ICT, manufacturing, etc., and businesses.
- The scoping of current and future economic opportunities and drivers linked to:
  - Existing innovation assets and opportunities around low carbon, net zero and innovation.
  - Potential for land development
  - Key developments such as Freeports, off-shore wind (FLOW), etc.
  - Academia, i.e. Advanced Manufacturing Production Facility, the South Wales Transition from Carbon Hub (SWITCH) and spinout innovation companies.

This will assist in facilitating new investments in the County Borough, through inward investment and the expansion and development of local businesses.

## 8. Specialist Support

A tool box of specialist support available to meet specific business needs. These will include:

- **Low carbon energy and resource efficiency audits** – the critical impacts of climate change and the more recent fuel and energy cost crises mean more businesses are looking at ways in which they can reduce their consumption, thus lowering their carbon footprint and costs. Many businesses however, do not have the knowledge or expertise to make these assessments or identify the appropriate products or technologies.

An audit covering both the fabric of a business' premises and its operations as well as considering staff behaviours, will identify key areas in which it could reduce its consumption, costs and carbon footprint. The audit will produce a cost and energy saving analysis based upon available technology that could be adopted and indicate the potential investment options open to the business. This will enable the business to take an informed decision on investment and any behavioural changes needed to reduce their costs and carbon footprint.

The audit will therefore enable businesses to take immediate measures to reduce their impact on the environment, reduce their costs either in the short or longer-term as well as plan for future investment.

This will be available to businesses with 1-250 employees (including the owner/s) and in all the sectors noted earlier e.g. tourism and retail, and not confined to the manufacturing and engineering sectors.

- **Diagnostic Reviews** – In considering investment and other key decisions, businesses too often view these with a narrow focus, failing to consider the impact on different functions in the business or considering the potential for wider opportunities.

Trialled with the manufacturing and engineering sectors as part of a Community Renewal Fund (CRF) project, a two stage diagnostic review was undertaken based on current operations and planned activity. This provided businesses with a clear analysis of their strengths, weaknesses, opportunities and threats, using a visual traffic light system. From this, a further package of tailored consultancy support was developed to address their key challenge/s.

As a result of the above, in addition to the specific specialist support received, many of the participants were referred on for support in other areas e.g. exporting, funding, innovation, etc. Further, the potential for collaboration between businesses was highlighted.

The CRF diagnostic report was focussed on manufacturing and engineering businesses and each of the two stages involved the completion of a detailed report, which was very time-consuming for the business. Following a review, it is believed that the same results could have been achieved with a less onerous process.

For this project, it is therefore intended to simplify the first stage of the diagnostic, so that it can be opened up to businesses in our key sectors, regardless of their size, length of operation, etc. The diagnostic is seen as a key tool in assisting businesses to review their current operations and to identify the processes and areas for development and investment, which will enable them to move to the next level of growth.

- **Business Forum** – the forum was piloted as an initiative under the Community Renewal Fund and was initially targeted at the manufacturing and engineering sector and innovative businesses within emerging sectors such as ICT.

The purpose of the forum was to:

- Gather business intelligence to inform future support provision.
- Encourage collaboration between businesses.
- Provide opportunities for businesses to exchange ideas and link with trade /professional bodies and industry related organisations.

Fortnightly on-line meetings were held with each covering key topic areas including those arising from earlier events e.g. supply chain opportunities with the MoD, on and off-shore renewable energy sectors, etc., funding and support for innovation, adoption of new technologies, export, training and skills, etc. In addition a range of podcasts were produced with both attendee businesses and support organisations.

Feedback from participants of the forum has been positive and they are keen for it to be continued and developed. They have identified the need for sub group activity based on specific themes or areas:

- Supply chain activity in specific sectors such as the MOD/DASA (which has confirmed it would be interested in working with such a group to raise supply chain activity).
- Renewable energy, specifically those afforded by Wales' unique landscape
- ICT including using the forum to deliver boot camps, industry and skills led training, etc.
- Innovation and Funding, including bidding into UK Government Funding and encouraging greater collaboration between businesses.

This project will build on the lessons learned and see the introduction of a range of sub-groups as noted above, which will be led by businesses and co-ordinated and facilitated by a procured deliverer alongside the main open forum.

As with the CRF project, podcasts will be recorded with individual businesses sharing their experience of a particular topic e.g. applying for UK Government Innovation Funding, harnessing digital technologies for growth, export support, etc. as well as from presenters to the forum on their area of expertise e.g. South Wales Industrial Cluster, Free Ports, etc. The podcasts will be made available and shared through the Invest in Neath Port Talbot website (<https://www.investinneathporttalbot.com>).

- **Digital Technologies** – SMEs rarely have the luxury of a dedicated IT department to provide advice on the purchase of new equipment or the adoption and integration of new technologies across business functions. As a result, IT systems tend to develop on a piecemeal basis and many business do not maximise the benefit of their investment to capitalise on growth opportunities and take advantage of an increasingly green, digital and flexible economy.

Trialled through the CRF, businesses were able to undertake a digital diagnostic looking at different aspects to determine their digital maturity. Following from the diagnostic, specific support was provided to implement the findings, with referral in to the Superfast Business Wales programme of support as appropriate.

Experience gained from feedback to our CRF trial showed that whilst there is clearly a need for ongoing support, the method used was too time-consuming. A more light touch and preferably hands-on approach initially, will enable the participant to explore their digital engagement at their own

pace, identify the opportunities to extend their use of IT in the business and prioritise the actions and investment needed.

Going forwards, delivery on this project will continue to fill a gap in the current Superfast Business Wales provision, and will also provide hands-on tailored support provided to implement recommendations of diagnostic reviews. This could include 1 to 1 support e.g. advising on appropriate CRM or MRP systems, or 1 to many training in specific software, digital security, or producing a tender document for a business' IT needs.

Support will also be tailored to the needs of less IT/tech savvy businesses, new start-ups and fledgling businesses, particularly those operating in sectors within the Foundational Economy. This will be aimed at establishing basic IT and digital technologies in the business and developing the knowledge, skills and confidence of the owner/manager.

New 1 to many programmes will be developed that complement those delivered by Superfast Business Wales. These will focus on filling gaps in support identified in diagnostic reviews and changes resulting from the pandemic, e.g. a significant increase in video calling and messaging platforms, and an unprecedented shift to home working is stimulating changes in the way social media is used.

Focus will be on ensuring businesses have the skills and knowledge to exploit the potential of digital technology to innovate for growth and long-term sustainability. There is a tendency for IT systems to develop on a piecemeal basis and this will ensure that businesses are better able to assess future technologies and integrate these across relevant business functions.

Intelligence/evidence collated relating to digital infrastructure and/or connectivity will be used to support the Swansea Bay City Deal digital agenda.

- Social Business Development

Social businesses i.e. business organisations that have a social purpose as their core objective, have an important role to play in supporting the wealth and well-being of the areas in which they operate. Neath Port Talbot has a high prevalence of social businesses, with data from Social Business Wales's mapping research indicating that the county is home to 13% of social businesses in South West Wales and these represent 2.5% of all businesses within the Council area.

Support will be procured and tailored to the individual or business' needs and could include:

- Support Pre-Start & New Start Support to Co-ops and Social Enterprises
  - Enable community and voluntary organisations to pursue a trading model.
  - Target local communities and help to develop relevant business ideas and set-up locally owned social enterprises or co-operatives to deliver key local services.
- Anchor SMEs through Employee Ownership
  - Promote employee ownership as a means of succession planning, so anchoring these businesses to their communities and protecting jobs for the long term.

- Social Value Development

Pre-pandemic, it was recognised that by leveraging the spending power of the Council and other anchor institutions, more public money would be kept in the local area for longer, benefiting local businesses and communities more effectively. As a result, the Council introduced community benefit clauses into its tenders for major construction projects. The success of this led to the creation of a Community Benefits Officer within the

Economic Development Team and it became apparent that such clauses could be implemented across all the Council's procurement activities, given capacity.

Further, the impact of Covid-19 brought into sharp relief the importance of strong local supply chains. This has therefore gained greater urgency and the Council is keen to further the development of its activities in this area including Community Wealth Building Opportunities e.g. leakages in Council spend and identifying gaps that social businesses or local SMES could fill, reviewing current supplier lists.

- Workshops

A key aim of the project is to maintain flexibility in its delivery, in order to respond to the needs of businesses, as identified through our ongoing interactions with them. One-to-many workshops are seen as an important offering and will be delivered either in person, or virtually as appropriate. In Valley communities, local venues will be used for these sessions.

It is envisaged that these may be developed as a result of a need identified in a specific sector, pre-start, or new business start-ups; arise from the introduction of new regulations or legislation; or be on general business topics e.g. marketing including social media, sales, finance, tendering, digital security, etc.

Pitching the workshops at the appropriate level for the audience will be important and may result in referral to existing programmes or the development of new workshops with providers.

- Events

- Bootcamps

- Pre-COVID, the Economic Development Team had begun to deliver a series of Business Bootcamps in our Valley

communities. The two that were delivered brought together a range of business support services that included Business Wales, Big Ideas Wales, Prime Cymru, etc. employment support services such as Workways+, as well as other local providers such as Pen-y-Cymoedd Community Fund (in the Afan Valley).

Local businesses, residents looking for work, or to start a business, could drop in, to see the range of support available and receive relevant information and advice specific to their needs. Held as drop-in events over a late afternoon/early evening, these were well attended and the feedback from both 'exhibitors' and participants was very positive.

As we seek to enhance support in our Valley communities, the Bootcamps will be an effective introduction to the range of support available to support both new and potential businesses. The Bootcamps will be delivered from local community organisations/centres and bring together both local and wider business and employment support services.

There is the potential to provide sector specific Bootcamps e.g. for construction, tourism, retail, etc. based on evidence of demand identified through the open Bootcamps outlined above.

### Enterprise Clubs

These are aimed at individuals who are thinking about starting a business, but are not yet ready to enter the mainstream business start support programme. These may be individuals who just want to find out more about what being self-employed and running a business involves, who want to start a business but have yet to settle on an idea, or who have an idea for a business but don't know how to proceed.

Enterprise clubs have been held monthly at Sandfields Business Centre in Port Talbot and during COVID, were moved to a virtual platform. Advisers and Partner organisations are on hand to have informal one-to-one conversations with attendees to answer specific questions they might have and to offer general business advice and guidance. Specialist advisors are on hand to discuss a range of areas such as marketing, including social media and websites; Health and Safety; financial matters including funding, finance, accounts, taxation and banking, etc.

Working with Prime Cymru, Big Ideas Wales and the Prince's Trust, the Enterprise Clubs can also provide tailored support to specific age groups such as the 16-30 year olds and the over 50's

These will be made available in our Valley Communities and extended to support fledgling businesses who have been trading for up to 2 years. Referral to other support programmes will be made as required to meet the business' needs.

### Meet the Buyer

For many years, these events have been significant in developing the local supply chain through engagement in the development of major projects in the County Borough, at an early stage. The main contractors appointed have presented their procurement processes and had one-to-one meetings with prospective suppliers. Where a potential supplier has been found to fall short of meeting the procurement criteria, the Economic Development Team has been able to step in and help the business access the support they need to comply. Hence we have many example of local businesses who are now suppliers to major contractors, for whom tendering for work is an established business practice and who have grown and created new and skilled jobs as a result.

- Business Wales' 'How to Tender' workshops have been an integral part of the support available to businesses and the Team has worked closely with them.
- Developing Local Supply Chains  
The COVID pandemic and lockdowns, with the restrictions on movement and the uncertainty it created for the future, forced many businesses to innovate to survive, including looking to expand their customer base locally. The experience highlighted just how innovative and flexible local businesses can be e.g. a manufacturer of measuring equipment and a commercial laundry, both developing and manufacturing PPE, local restaurants, breweries, etc. moving into providing a delivery service, etc., and brought in to focus the wide range of goods and services produced and provided within the County Borough. Further, the actions taken and the benefits gained, underlined the positive impact that they can have from an environmental perspective. Buying Local can also contribute to the Council's commitment to net zero.

Enhancing the extent to which business is undertaken locally, increases the wealth and investment retained in the County Borough and its communities. Further, a strong local market can provide the test bed for new business start-ups to become established, for opportunities to innovate, and to diversify. Thus, a new business start-up that develops their experience and market locally, then has the confidence and a strong base from which to expand into new geographic areas or markets, potentially creating jobs locally. An established business that can innovate locally, whether that be through improving their processes or developing new products, will have the potential to create new and skilled jobs, train staff and enhance their skills, offer apprenticeship opportunities and enter new geographic markets or diversify into new sectors.

There are two key ways in which local supply chain development can be supported. These are through the actions of:

1. The Council
2. Local businesses

The following outlines how this project will influence these.

1. The Council

Procurement regulations, and often, the value of spend in specific areas, limits the opportunities particularly for smaller local businesses to supply goods and services to the Council. Contract managers have, over time, been encouraged to look to larger contracts and single source suppliers to minimise cost and administration for the Council.

This project will look at two areas in which the Council could make a positive difference.

Firstly, we will engage a consultant to work with decision makers with buying authority, such as Contract Managers, Accountable Managers, Procurement Team, etc., to emphasise the importance and benefits of considering the inclusion of social value clauses first when awarding contracts and when making general purchases. In particular, the effect that this has on businesses operating in the Foundational Economy and to the local economy in general. This will enable the Authority, through the consultancy, to develop a Social Value policy and have regard to economic, social and environmental well-being in connection with public service contracts

Secondly, we will engage a consultant to work with major current developments such as Wildfox Adventure Resort and the Global Rail Centre of Excellence (GRCE) to

establish their supply chain needs and procurement processes. To maximise local benefit and inclusion a stakeholder analysis will be carried out with both the local authorities' Economic Development team and the development projects. From this information, the consultant will be tasked with mapping the local suppliers who meet their criteria and to highlight the gaps in provision, or procurement requirements e.g. accreditations, skills, documentation, etc. that businesses need to close in order to be considered.

This will result in the development of a database of businesses, including their capabilities, accreditations, capacity, etc. for both of these projects.

Where gaps are identified, the Economic Development team will provide support to enable the businesses to overcome barriers to bidding processes thus enabling them to be added to the database. Where there are gaps in provision an assessment will be made to determine whether this could be met by a local business diversifying, attracting a relevant inward investor, or seeking a supplier across the wider region.

During the period of the SPF Programme, as other projects develop or circumstances change identifying the need for specific supplier engagement, then a similar process to the above will be undertaken.

## 2. Local businesses

The project will engage with businesses in different ways, all of which can lead to a discussion around their supply chain. Experience gained through the Innovation Exchange Forums delivered through CRF, highlighted that businesses are generally ill informed as to potential suppliers on their

own door step. Once aware of these, however, they are happy to explore the potential to work together.

Again, attendees at the Enterprise Clubs, although at the pre-start stage, often meet another potential start-up who they could work with or know of someone who could be a useful connection and contact details are exchanged.

Recognising the benefits gained by creating links between businesses, in discussions around their supply chains, clients will be encouraged to consider researching and using local suppliers.

The Economic Development Team will maintain an on-line Local Business Directory which will be accessible through the Council's website.

Supply chain discussions will also look to identify any procurement challenges faced by local businesses. This information will then be used to develop new and innovative ways in which procurement can be used to support business growth, create new jobs, safeguard existing employment and offer apprenticeship and training opportunities for local people.

The intelligence gained through the delivery of the project activities above will inform the content and method of delivery to ensure that the actual needs of businesses are met.

### **Delivery**

The project will be led and managed by Neath Port Talbot Council's Economic Development Team. The Team will be actively involved in the delivery of the project and will work alongside other support providers.