

£1.5m to grow the foundations of Wales' economy

The Foundational Economy, which accounts for around 40% of jobs in Wales, describes the organisations SMEs, microbusinesses and social enterprises that are rooted in local communities and deliver the goods and services people need.

From construction and childcare, through to social care and retail, the Foundational Economy describes the jobs that provide the goods and services that people across Wales rely on.

Deputy Economy Minister, Lee Waters, recognises the contribution that these type of companies make to the wellbeing and identity of communities right across Wales.

Building on the Economic Action Plan's commitment to building stronger and more resilient communities, he wants this funding to support projects that will help us to understand how best to nurture and grow the Foundational Economy in order to reverse the deterioration of employment conditions, stop the leakage of money from Wales' communities and reduce the environmental cost of extended supply chains.

The intention is that this will help to spread benefits into communities where it has historically proven difficult to attract large companies.

Lee Waters said:

“Care, food, housing, energy and construction are just some of the sectors that make up our Foundational Economy. They are the industries and firms that are in our communities because our people are there.

Accounting for around four in ten jobs, and around £1 in every three that we spend these firms already make up a significant part of our economy. By nurturing and growing them further, I believe we can go a long way towards increasing wellbeing and improving the quality of people's lives, and addressing some of the issues and concerns that were expressed by many communities in their response to the Brexit referendum.

Our new £1.5m fund will test innovative ways of supporting and growing our Foundational Economy so that we can spread good practice right across Wales. I want it to fund experimental projects that are collaborative and innovative and challenge the conventional ways of doing things.

By providing space and support for projects that challenge the status quo I want to empower local government, wider public and

third sector and business to work together in order to drive and retain local wealth.

This is about developing creative solutions to local challenges that really do deliver for our communities.”

The £1.5m was secured as part of a 2 year budget agreement with Plaid Cymru and will open for applications in the next financial year.

It is announced on the same day as an event, hosted by the Deputy Minister, that brings together partners and experts to consider how best to support Wales Foundational Economy.