



# TRANSFORMING WALES THROUGH SOCIAL ENTERPRISE



# SUMMARY

## OUR VISION FOR SOCIAL ENTERPRISE 2020-2030

As a sector, our vision is for a Wales where:

**The sector will** have the capacity and resources it needs to take on the challenges facing Wales. We will grow and develop the sector by 2030 through increasing the number of social enterprises, their combined turnover and social impact.

**We want** to build a broad movement, bound by common principles and values. We will develop ethical alliances within a wider movement of socially responsible businesses and movements aiming to build democratic, sustainable and inclusive economies and tackle our climate emergency.

**Social enterprise** is an integral, and visible, part of everyday life. We want to bring people together to make positive change happen and ensure that the social enterprises behind this change have the profile they deserve/need.

**SOCIAL ENTERPRISES AT  
THE HEART OF A FAIRER,  
MORE SUSTAINABLE AND  
MORE PROSPEROUS  
WALES**

**By 2030**, social enterprise will be the business model of choice for entrepreneurs delivering solutions to social, economic and environmental challenges. Wales will be the best place to start and grow a social enterprise.

**The social enterprise sector** is supported and developed as it emerges from the COVID-19 pandemic.

The Vision for social enterprise in Wales is supported by an action plan which is designed to rebuild, grow and strengthen the social enterprise sector and enable it to address the challenges facing Wales. The Action Plan is focused around nine outcomes.



# OUTCOMES



This document was born out of collective process involving social enterprises and sector support bodies and has the support of Welsh Government.

# CONTENTS

<b>FOREWORD</b> .....	<b>5</b>
<b>ABOUT THIS VISION AND ACTION PLAN</b> .....	<b>6</b>
<b>CHANGING TIMES</b> .....	<b>7</b>
<b>THE SOCIAL ENTERPRISE RESPONSE TO THE CHALLENGES OF OUR TIME</b> .....	<b>12</b>
<b>OUR VISION FOR SOCIAL ENTERPRISE</b> .....	<b>15</b>
<b>COLLECTIVE EFFORT</b> .....	<b>16</b>
<b>AN ACTION PLAN TO FULFIL THE VISION</b> .....	<b>17</b>
<b>OUTCOMES</b> .....	<b>18</b>
<b>OUTCOME 1:</b> More people will choose to engage with social enterprises – as customers, employees, volunteers or leaders.....	19
<b>OUTCOME 2:</b> More people will choose a social enterprise model to start a new business.....	20
<b>OUTCOME 3:</b> Policy makers will prioritise social enterprise solutions when considering how to address problems and will create conditions which help social enterprises to thrive.....	21
<b>OUTCOME 4:</b> Social enterprises will be better connected to each other and will speak with a more unified voice.....	22
<b>OUTCOME 5:</b> Social enterprises will play a greater role in tackling climate change and protecting the environment.....	23
<b>OUTCOME 6:</b> Social enterprises adopt Fair Work practices, pay the Living Wage and increase diversity amongst their employees and volunteers.....	24
<b>OUTCOME 7:</b> Social enterprises will be better able to exploit digital technology for social good.....	25
<b>OUTCOME 8:</b> The range and value of finance options tailored to the needs of social enterprises will multiply.....	26
<b>OUTCOME 9:</b> Good quality specialist business support tailored to the needs of the sector will be available to everyone who needs it.....	27
<b>ANNEX: WHAT IS A SOCIAL ENTERPRISE?</b> .....	<b>28</b>
<b>LIVING OUR VALUES – OUR WAYS OF WORKING</b> .....	<b>29</b>
<b>ACKNOWLEDGEMENTS</b> .....	<b>30</b>

# FOREWORD

---

When Robert Owen, a Welsh textile manufacturer, philanthropist and social reformer, founded the co-operative movement in the nineteenth century, he not only created an economic model which delivered better conditions for workers alongside commercial success, but also advocated wider societal changes which led to more cohesive communities, higher education standards and improved health and well-being.

The period in which Owen lived was one of enormous social upheaval, technological advancement and economic change. In 2020, the world faces challenges which more than match the turmoil of those times. Wales needs to evolve, just as other countries and small nations do.

150 years ago, Owen responded to change with entrepreneurial ideas which improved people's lives. The social enterprise movement he started is now a global phenomenon, poised to tackle modern challenges, seizing opportunities and being a unifying force for social good. Social enterprises in Wales are an active part of this international movement, ready to challenge the economic models of the past and rebuild a fairer, more inclusive and sustainable economy.

In 2020, the Welsh social enterprise sector has grown to more than 2,000 social enterprises employing 55,000 people and contributing over £3bn to the economy. Social enterprises<sup>1</sup> are an important and dynamic component of the economy. They provide services, jobs, training and volunteering opportunities in local communities throughout Wales. But to rise to the challenges and exploit the opportunities of the next decade, the sector needs to recover from the impact of the COVID-19 pandemic, rebuild and grow. It needs to increase its capacity to provide products and services in socially just ways, tackle the climate emergency and improve the lives and livelihoods of people in Wales.

We look forward to working with our sector colleagues and other stakeholders to achieve this aim.

---

<sup>1</sup>The term social enterprises includes co-operatives, mutual organisations, community interest companies, community-owned businesses, trading charities and individual social entrepreneurs. See annexe 1 for a more detailed definition.

# ABOUT THIS VISION AND ACTION PLAN

The vision and action plan has been co-produced by social enterprises and social enterprise support agencies in Wales and has the support of Welsh Government. It is the result of a comprehensive involvement exercise which included survey work, consultation sessions across Wales and workshops at the national Social Business Wales conference.

The aim is to provide a clear vision of the potential of social enterprises to contribute to the lives and livelihoods of people in Wales as they rebuild from the effects of the COVID-19 pandemic, as well as addressing the climate crisis. The vision is accompanied by a progressive action plan, which will, in the short term, support the sector to recover, but will also take the sector forward and ensure it achieves its full potential.

## **This document is intended to:**

- Place social enterprise within the specific context of environmental, social, technological, economic and political changes in Wales
- Give a brief overview of the current social enterprise sector in Wales
- Present a vision for the social enterprise sector and its place in the future of Wales
- Highlight actions which will enable the sector to rebuild, pivot and diversify its activities and in the longer term to achieve its full potential.

# CHANGING TIMES

Commentators frequently observe that the pace of change has accelerated since the start of the twenty-first century. The COVID-19 pandemic combined with processes of human-induced environmental damage, digitalisation, demographic change and globalisation all have significant implications for Wales.



## COVID-19

The effects of the COVID-19 pandemic on the social enterprise sector in Wales have, to date, varied significantly. Many social enterprises were forced to close temporarily, whilst others were in the front line of the response effort providing crucial community support to the most vulnerable. Others diversified their products and services which enabled them to remain operational during this difficult period. However, the main objective of many social enterprises has been survival.

Welsh Government, UK Government and local authorities have, understandably, spent significant amounts of money in dealing with the immediate impact of the crisis. Other funding organisations, including charities and foundations have also responded similarly. As a result, many social enterprises and support agencies are concerned about the financial support for the sector in future years, particularly in the medium to long term.

At present we do not know the full impact of the pandemic on the social enterprise sector, however COVID-19 has accelerated the need to change and the motivation of people and communities to rebuild things differently. This change of approach could result in opportunities for the sector in the future.



## GROWING POVERTY AND INEQUALITY

The most recent report from the Equality and Human Rights Commission found that poverty and deprivation in Wales are worse than the rest of the UK. Disabled people in particular are falling further behind and being denied their right to independent living. The situation has been magnified by the effects of the pandemic and research shows that COVID-19 has disproportionately affected our poorest communities (IWA, 2020; Bevan Foundation, 2020). We must also acknowledge the disproportionate risk rates between Caucasian and BAME in terms of COVID-19, which compound the additional socio-economic impact of the crisis being felt by many in the latter group due to pre-existing inequalities. Social enterprise models offer solutions to systemic problems in our socio-economic structures however, inequalities are present here too, for example, only nine per cent of social businesses in Wales have a leader from a Black Asian or Minority Ethnic (BAME) background. As sector support agencies we recognise that the sector has to make progress to truly reflect the face of Wales in terms of diversity and if we want to achieve this, we must be more open about the inequalities and prejudices within the social enterprise world.



## AN AGEING POPULATION

Welsh Government's Future Trends report predicts an increasing trend towards an ageing population. This has the potential to harm economic growth and brings with it the increased need for high quality social care and pressure on health services. In addition, older people are especially vulnerable to isolation and loneliness.



## CHANGING WORK PRACTICES



Zero-hour contract work over the past decade has increased ten-fold to over 800,000 in the UK. The trend is set to continue as economic uncertainty and pressures mount. There has been much controversy over this employment trend, with a handful of organisations facing legal action around wage levels, denying pensions and rejecting holiday rights. This trend has the potential to reduce worker rights and economic resilience in Wales. Those with zero-hour contracts have been one of the worst affected groups during the COVID-19 pandemic (Understanding Society, 2020).

## THE FOURTH INDUSTRIAL REVOLUTION



We face a transformative moment with new emerging digital technologies deployed at scale and speed. This brings with it huge promise but potential difficulties too. While it might bring improved productivity, flexibility and efficiency, it could also result in greater inequality with automation substituting labour.

## CLIMATE EMERGENCY



A climate emergency is affecting Wales and the rest of the world. A response to this crisis is needed immediately to shift away from fossil fuel and carbon intensive industries, reduce resource exploitation and adapt to the consequences which are affecting weather patterns and biodiversity. Failure to respond would be catastrophic, and whilst making a transition to a more sustainable economy could be a huge opportunity, there is a danger this may take too long and that some communities and workers in some traditional Welsh industries may be left behind. The COVID-19 pandemic has resulted in many reviewing the impact that they have on the environment, particularly in terms of the way they work and travel.

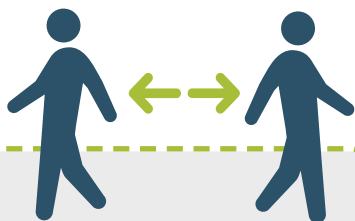


## THE POLITICAL LANDSCAPE

The changing policy agenda in Wales is placing new pressures on public bodies. The Well-being of Future Generations Act requires public bodies to consider how they improve the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle.

The Social Services and Well-being (Wales) Act requires Local Authorities to ensure public money is spent in a way that takes account of the local economy, social requirements and the impact on the environment. These requirements are being placed on public bodies at a time when austerity has dramatically reduced budgets and staffing levels.

Welsh Government's Programme for Government 2016-21 also has a focus on providing support for co-operatives and mutuals and supporting community-led projects. Welsh Government wishes to support the foundational economy and grounded firms.



## DISENFRANCHISED COMMUNITIES

Many people and communities feel they are ignored and excluded from decision making that affects their lives. Jobs are often provided by businesses owned by external shareholders with no loyalty to the community; there is a perception that decisions about infrastructure and services are made without consultation; local resources, including language and culture, are being under-valued. People want to 'take back control' from distant elites. This trend has also led to the demonization of outsiders and a deepening of social and political divisions within British society.



## A BROKEN ECONOMY

The past 40 years have seen the economy based on the rule that 'markets know best'. This has sucked wealth and power up to a small elite and led to inequalities of economic power and ownership. The economic elite makes money not by making things that are socially useful, but by owning and controlling common resources and extracting wealth from others. This has made the economy unequal, insecure and unsustainable.

## DECLINING HEALTH AND WELL-BEING



Wales is facing a number of health and well-being challenges, not least COVID-19, especially as lifestyles have become more sedentary, more families live fragmented lives and many individuals are pressurised by digital media. Obesity is a significant public health threat facing the country. In Wales, 27% of children are classified as being overweight or obese, putting them at risk of developing a number of health conditions. More people are also experiencing mental health problems and increasing numbers of children and adults are being referred to mental health services. These trends are adding further strain to the NHS and other public services.



## THE POWER OF THE MILLENNIAL GENERATION

Deloitte's survey of Millennials (2019), found that young people believe business priorities should include having a positive impact on the environment and society. Increasing numbers of young people want to work for an organisation that has a beneficial impact on the world with strong social messages and ethical business standards. They are also more likely to be ethical consumers, buying products which are ethically produced, and which are not harmful to the environment and society. Failing to meet these demands in Wales may lead to higher migration levels amongst young, economically active people.



Many of the challenges that we outline above have been exacerbated by the COVID-19 pandemic, however, we believe that social enterprises offer the most effective way to address these challenges and can bring about change that will lead to a more sustainable, prosperous, resilient and equal Wales. But to do this we need to support, rebuild and then grow the sector, increasing its resilience, its capacity to tackle problems and make a positive difference. We need to make sure that existing social enterprises are strong and sustainable, recognised and supported by their customers and communities. We also need to support new social enterprises, creating a broad movement, bound by common principles and values, which works in and for every community in Wales.



# THE SOCIAL ENTERPRISE RESPONSE TO THE CHALLENGES OF OUR TIME

---

These are uncertain and challenging times, but it is also a period of possibility. The setting up of mutual aid groups across the country to respond to the pandemic shows the appetite and potential of mutual approaches to respond to the challenges of our time.



**Our way of doing business can address the challenges outlined above.**



Social enterprises value the environment just as much as people and profit and can lead the way in tackling climate change. Many operate environmental enterprises in sectors such as renewable energy, zero waste, food, biodiversity and land management. Some have environmental objectives and improving the local area at the heart of their social aims. They are ideally placed to play a key role in helping with training and skills development in local communities as part of a just green transition.

By working with social enterprises, public bodies can meet their policy obligations and maximise their contribution to well-being in Wales. Social enterprises help public bodies deliver across the Well-being of Future Generations Act's well-being goals. The potential for social enterprise in delivering person-centred social care is recognised in the Social Services and Well-being (Wales) Act. Social enterprises can play a key role in supporting people to get good quality care and support.

Social enterprises make up an important part of the foundational economy and share many characteristics with foundational businesses. They are anchored in their communities; are frequently community-owned; employ locally and often have improving their local area at the heart of their social aims. They are a way of ensuring local supply of goods and services at a time of need. Social businesses also play a particular role in creating jobs for and developing the skills of people who are outside the labour market.

Social enterprises can help re-programme and radically transform the economy of Wales. They work in the interests of people and communities rather than corporate elites and are geared to meeting the needs of customers and service users – the needs of everyone are treated as equally important. Happiness and fulfilment are as important as profit, making it possible for people to lead a meaningful and satisfying life whilst sustaining ecological systems. Wealth creation is a collective-endeavour and people can exercise their creativity in collaboration.

Evidence suggests that social enterprises are more likely to be fair work employers where people achieve well-being and realise their potential. In Wales, 76% of social businesses pay the Living Wage. Staff are involved in decision making and pay ratios tend to be smaller. When employers commit to pay their staff a real Living Wage it also helps increase local productivity and drives inclusive growth. Fair work can help achieve a stronger, modernised, more inclusive economy. We are well-placed to help deliver the developing fair work agenda in Wales.

Social enterprises create jobs, tackle poverty and inequality in difficult economic conditions, particularly in rural, post-industrial, inner city and coastal communities. They operate and thrive in areas where other businesses cannot or do not want to. In this way, they help to ensure that economic growth is inclusive and reaches all people and places in Wales, reducing poverty and inequality.



Social enterprises can deliver high quality care services that are value based. They provide responsive services that are citizen directed, giving a stronger voice and greater control to service users and carers. Social enterprises are rooted in their communities and can re-create physical links in the community to reduce loneliness and isolation.

Social enterprise empowers communities to come together to address issues that matter to them. Community-based social enterprise can deliver people-centred local economic development that responds to community need and where participation and empowerment are integral. They can address feelings of being left behind by tackling specific failures and stepping into areas that neither the public nor the private sector can address.

They develop innovative and diverse ways of increasing community ownership and local control by creating locally owned enterprises, developing and making more productive use of community assets, buildings and land, community owned housing, renewable energy and finance, credit unions and community shares.

Social enterprise in Wales should be attractive employers to young people as organisations that exist to deliver social, economic and environmental purpose. They can provide ethical goods and services to a new generation of consumers, helping Wales attract and retain high numbers of young people.

Social enterprises could harness digital technology to maximise their social, economic and environmental impacts. Our sector could be at the heart of the Tech for Good movement, using digital technologies to address social and environmental challenges through user-led development. We can help to ensure that technology is used responsibly and is ethically made and sourced. One positive impact of the pandemic is the way in which many social enterprises have embraced digital technology, for example facilitating home working for staff, moving sales online and adapting services to maintain 'virtual' contact with vulnerable clients.



# OUR VISION FOR SOCIAL ENTERPRISE

---



**SOCIAL ENTERPRISES AT  
THE HEART OF A FAIRER,  
MORE SUSTAINABLE AND  
MORE PROSPEROUS  
WALES**

## SOCIAL ENTERPRISES AT THE HEART OF A FAIRER, MORE SUSTAINABLE AND MORE PROSPEROUS WALES

As a sector, our vision is for a Wales where:

- The sector will have the capacity and resources it needs to take on the challenges facing Wales. We will grow and develop the sector by 2030 through increasing the number of social enterprises, their combined turnover and social impact.
- Social enterprise is an integral, and visible, part of everyday life. We want to bring people together to make positive change happen and ensure that the social enterprises behind this change have the profile they deserve/need.
- By 2030, social enterprise will be the business model of choice for entrepreneurs delivering solutions to social, economic and environmental challenges. Wales will be the best place to start and grow a social enterprise.
- We want to build a broad movement, bound by common principles and values. We will develop ethical alliances within a wider movement of socially responsible businesses and movements aiming to build democratic, sustainable and inclusive economies and tackle our climate emergency.
- The social enterprise sector is supported and developed as it emerges from the COVID-19 pandemic.

## COLLECTIVE EFFORT

This document was born out of a collective process involving social enterprises and sector support bodies and has the support of Welsh Government. Over a period of several months, discussions took place during which several key themes emerged.

**Visibility and influence** – the sector needs to be more visible so that people are aware of its importance and impact. Only then will more people buy from social enterprises, volunteer for them, apply for jobs or even start new social enterprises.

**Leadership and representation** – to ensure the sector flourishes, there needs to be greater leadership. This leadership should be provided by a partnership of organisations representing social enterprises, support bodies and Welsh Government. Only with this leadership will the sector have a strong voice and the ambitions of this plan be achieved.

**Mentoring and networking** – social enterprises value practical support from their peers. Networking and peer-to-peer mentoring must increase to enable the sector to feel more connected, speak as one, and thrive.

**Specialist support** – whilst social enterprises face many of the same obstacles as mainstream businesses, they also have particular challenges. Their triple bottom line approach and social, economic and environmental values, coupled with different ownership structures and governance models, require different approaches. For this reason, they need specialist business advice and bespoke finance options.

From these themes, an action plan has been formulated which pulls together the outcomes we all want to see, with detail around the impact and value these outcomes will create.



These outcomes are ambitious, and the sector recognises that they will only be achieved through collective effort. No one organisation on its own can deliver the plan. It will require all sections of the social enterprise movement, including social enterprises, social entrepreneurs and support bodies, to pull together and actively participate in planning, delivery and evaluation.

Welsh Government will be an active partner in the delivery of this plan. Not only is it committed to the rebuilding and growth of the social enterprise sector, but will invest resources – human, financial, physical and information – to achieve the vision.

## AN ACTION PLAN TO FULFIL THE VISION

The plan set out here is designed to rebuild, grow and strengthen the social enterprise sector and enable it to address the challenges facing Wales. It is a dynamic action plan for 2020-2023 which we hope will grow and evolve based on the innovation and diversity of our sector. Given the challenging times ahead we also intend to regularly review the action plan to ensure its relevance and context, as Wales emerges from the COVID-19 pandemic.

## DEFINITIONS

The plan includes the following:

**Outcomes** – changes brought about by the programme of activity that can be measured objectively

**Impacts** – broader effects of the outcomes

**Benefits** – results which stakeholders (including social entrepreneurs, communities, customers, or elected politicians) would regard as having value

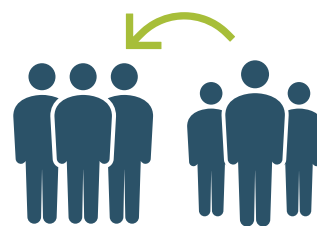
**Indicators** – measurable gauges or meters of change or impact

## SUMMARY OF OUTCOMES

1. More people will choose to engage with social enterprises – as customers, employees, volunteers or leaders
2. More people will choose a social enterprise model to start a new business
3. Policy makers will prioritise social enterprise solutions when considering how to address problems and create conditions which help social enterprises to rebuild and thrive
4. Social enterprises will be better connected to each other and will speak with a more unified voice
5. Social enterprises will play a greater role in tackling climate change and protecting the environment
6. Social enterprises will adopt Fair Work practices, pay the Living Wage and increase diversity amongst their employees and volunteers
7. Social enterprises will be better able to exploit digital technology for social good
8. The range and value of funding options tailored to the needs of social enterprises will multiply
9. Good quality specialist business support tailored to the needs of the sector will be available to everyone who needs it

# OUTCOMES



**OUTCOME 1:****MORE PEOPLE WILL CHOOSE TO ENGAGE WITH SOCIAL ENTERPRISES – AS CUSTOMERS, EMPLOYEES, VOLUNTEERS OR LEADERS****Impact**

- Retain and grow the number of social enterprises operating in Wales
- Social enterprises begin to rebuild their trading income
- Social enterprises increase their total turnover and the percentage of their income from trading
- Social enterprises are able to attract more job applicants and employ more people
- The sector continues to engage with volunteers that have worked in local communities during the pandemic
- They have more money to put towards their social objectives, increasing their social impact

**Benefits**

- Social enterprises are stronger, resilient and more sustainable – they are less likely to fail
- Unemployment is reduced, and more people are employed in quality jobs, paying a Living Wage, closer to home
- Poverty is reduced
- Continuation of some of the ‘good’ enterprises and community responses that have been initiated, as a result of COVID-19
- Increased number of volunteers
- More money is retained and re-invested within communities, stimulating other businesses in the foundational economy
- Growth of local supply chains
- The social and environmental impact of the sector escalates
- Social enterprise help to create resilience within communities
- Reduced reliance on financial support from public sector organisations

**Actions**

- Encourage local authorities and other public bodies to include social enterprises in their supply chains
- Lobby public bodies to ensure their procurement processes are appropriate to social enterprises
- Deliver coordinated sector-wide awareness campaigns targeting the general public
- Encourage more social enterprises to participate in awareness campaigns (e.g. provide case studies; undertake media interviews; participate in social media activity; display point of sale materials)
- Support social enterprises to undertake their own awareness raising work by developing and providing training and resources

**Key performance indicators**

- Turnover of the sector
- Percentage of income generated from trading activities
- Number of people employed in the sector
- Number of people volunteering in the sector
- Percentage of profit invested into a community or social/environmental objective

**OUTCOME 2:****MORE PEOPLE WILL CHOOSE A SOCIAL ENTERPRISE MODEL TO START A NEW BUSINESS****Impact**

- The number of social enterprises increases
- The sector's capacity to tackle social and environmental problems increases

**Benefits**

- The sector becomes a more significant part of the Welsh economy, more visible and more valued
- The social and environmental impact of the sector escalates
- Young people are more likely to stay in Wales as the best place to start and grow a social enterprise
- More people with their own lived experience of a social issue start a social enterprise

**Actions**

- Develop and provide resources for educational practitioners and learners about social enterprise in line with the new National Curriculum
- Encourage take-up of the Welsh Baccalaureate social enterprise challenge
- Promote the availability of social enterprise speakers and work experience placements through Careers Wales
- Embed and heighten awareness of social enterprise models through youth entrepreneurship programmes
- Develop training and curriculum materials for enterprise teams and academics to promote the awareness and opportunities of social enterprise solutions in all Welsh universities

- Develop and maintain a relevant training portfolio for existing social entrepreneurs, those working in the sector and those who wish to start a social enterprise
- Develop the potential of Leaders and Leadership skills within the sector, including those Leaders with lived experience
- Create opportunities for entrepreneurs to co-create and design solutions to social issues
- Increase awareness of social enterprise models amongst mainstream business support advisors
- Participate in marketing and outreach campaigns which encourage self-employment and entrepreneurship to promote social enterprise options
- Support and participate in social enterprise research to inform policy and practice

**Key performance indicators**

- Number of new social enterprises created



**OUTCOME 3:****POLICY MAKERS<sup>2</sup> WILL PRIORITISE SOCIAL ENTERPRISE SOLUTIONS WHEN CONSIDERING HOW TO ADDRESS PROBLEMS AND WILL CREATE CONDITIONS WHICH HELP SOCIAL ENTERPRISES TO REBUILD AND THRIVE****Impact**

- Social objectives rather than profit are the primary motivation when considering how to deliver products and services
- Customers, employees and users more likely to be involved in decision making, which is open and fair
- The requirements of existing legislation (Well-being of Future Generations Act and Social Services and Well-being Act) will be met
- Social enterprises won't have to overcome legislative barriers and bureaucracy to achieve their aims
- Raise awareness of the sector amongst other relevant Ministerial portfolios
- Lobby for political changes such as improvements to procurement practices, enhanced community rights, including a Community Right to Buy, and taking a long-term investment approach
- Raise the profile and awareness of the economic contribution of the sector amongst the leaders of the four City Deals and Development Partnerships within Wales
- Recruit social enterprises to participate in campaigns (e.g. case studies; speaking at events; responding to consultations; participating in demonstrations, petitions, social media and letter campaigns)
- Support social enterprises to undertake their own public affairs work by delivering training and resources
- Carry out research and produce policy reports to influence policy decisions and inform best practice

**Benefits**

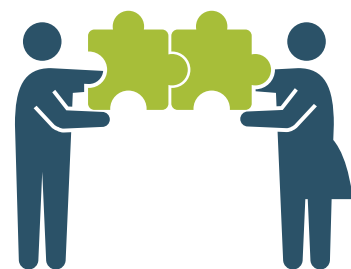
- Social enterprises have more market opportunities to develop, diversify and grow their businesses, both within Wales and beyond its borders
- Communities feel less disenfranchised; social and political divisions are healed
- The economic, social, environmental and cultural well-being of Wales improves
- Social enterprises have more time, money and resources to devote to achieving positive change
- The social and environmental impact of the sector escalates
- The foundational economy grows, improving the overall economy of Wales

**Actions**

- Establish a dedicated policy resource to manage public affairs work on behalf of the sector which seeks to influence policy makers at all levels
- Ensure that social enterprise is maintained and sustained in a Ministerial portfolio and that the Minister in question champions and advocates for the sector

**Key performance indicators**

- Awareness of social enterprise amongst policy makers
- Favourability towards social enterprises amongst policy makers
- Legislative changes as a result of our influence
- Number of social enterprises reporting regulatory/legal issues as the main barrier to growth or sustainability
- Number of social enterprises reporting accessibility of commissioning/procurement with public services as the main barrier to growth or sustainability
- Number of social enterprises trading outside of Wales

**OUTCOME 4:****SOCIAL ENTERPRISES WILL BE BETTER CONNECTED TO EACH OTHER AND WILL SPEAK WITH A MORE UNIFIED VOICE****Impact**

- Social enterprises support one another; they share knowledge and skills, innovate and solve complex problems together
- Social enterprises are better connected and more resilient
- Diverse and vibrant networks emerge which build a movement for change
- The sector has a stronger, clearer voice which is easier for decision makers and the public to hear
- Create a representative function which brings together social enterprise support agencies and practitioners into a formal alliance, governed by a memorandum of understanding or partnership agreement
- Include social enterprises in policy and communications campaigns to ensure activities are representative and consistent
- Explore a brand or mark for social enterprises

**Benefits**

- Social enterprises share resources and knowledge to find better solutions, increasing their efficiency and resilience
- They work jointly to deliver public or other contracts and joint ventures
- They learn from what works and what doesn't
- The visibility and influence of the sector increases

**Actions**

- Promote existing community/practitioner-led networks and support new thematic or geographic networks of social enterprises
- Identify regional and sector gaps and explore opportunities to establish physical or digital networks to bridge these gaps
- Support events which enable social enterprises to connect to each other, share information, have a stronger voice and innovate to solve problems
- Encourage collaboration and the development of collaborative spaces to create and test solutions which tackle social issues

**Key performance indicators**

- Number of national and regional community events taking place with social enterprises; including virtual events
- Number of social enterprises collaborating, for example by entering into joint bidding arrangements to tender for contracts
- Number of social enterprises involved in peer-to-peer support and learning
- Number of joint consultation responses submitted by the sector
- Active participation in representative function

**OUTCOME 5:****SOCIAL ENTERPRISES WILL PLAY A GREATER ROLE IN TACKLING THE CLIMATE EMERGENCY AND PROTECTING THE ENVIRONMENT****Impact**

- Social enterprises change their working practices to reduce their carbon footprint and environmental impact; they are able to use natural resources wisely to help tackle the climate emergency
- New social enterprises are established which operate in the environmental sector and have environmental objectives, such as tackling climate change
- Social enterprises provide training to people employed in a range of sectors, including fossil fuel and carbon intensive industries, enabling them to transition to jobs in green industries

**Benefits**

- The role of social enterprise in tackling climate change, increasing biodiversity and improving local environments is recognised
- They will inspire and lead a green transition within their communities
- Wales becomes a more sustainable country and reduces its carbon footprint and environmental impact in line with the Climate Emergency Declaration by Welsh Government and others

**Actions**

- Develop and promote training and resources to help social enterprises reduce their carbon footprint
- Support social enterprises to gain environmental accreditations
- Seek short and long-term finance to support environmental action amongst social enterprises and the circular economy

**Key performance indicators**

- Number of social enterprises operating in the environmental sector
- Number of social enterprises with environmental accreditation
- Environmental impact of social enterprises within the communities where they operate

**OUTCOME 6:****SOCIAL ENTERPRISES WILL ADOPT FAIR WORK<sup>3</sup> PRACTICES, PAY THE LIVING WAGE AND INCREASE DIVERSITY AMONGST THEIR EMPLOYEES AND VOLUNTEERS****Impact**

- Social enterprises become employers of choice and lead the way in Fair Work in Wales
- They are representative of Welsh society as a whole
- Ethical consumers are motivated to purchase from them

**Benefits**

- Social enterprises are able to recruit and retain talented employees
- They benefit from the strengths and talents that diversity brings to the workplace
- Higher satisfaction amongst employees leads to improved business performance, innovation and productivity
- Sales increase as ethical consumers make purchase decisions based on fair employment practices
- Employees at social enterprises earn a wage that is consistent with their training and abilities; their standard of living is good, and they are financially secure
- The community at large benefits, as local skills are utilised and more money circulates in the local economy
- Poverty and inequality are reduced
- The use and promotion of the Welsh language and culture increases

**Actions**

- Increase awareness in the sector of the value of Fair Work and diversity
- Provide support and resources to help social enterprises implement Fair Work and diversity improvements
- Support to social enterprises to gain Living Wage accreditation
- Develop and promote training and resources to help social enterprises recruit more diverse Board members and leadership teams
- Enhance the availability of training and resources through both the mediums of English and Welsh

**Key performance indicators**

- Percentage of social enterprises paying the real Living Wage
- Diversity of social enterprise leadership teams
- Diversity of people employed in the sector
- Percentage of social enterprises that put in place measures to make their goods and services accessible to everyone
- Percentage of social enterprises offering services in both English and Welsh



**OUTCOME 7:****SOCIAL ENTERPRISES WILL BE BETTER ABLE TO EXPLOIT DIGITAL TECHNOLOGY FOR SOCIAL GOOD****Impact**

- Use of digital technology makes social enterprises more efficient and effective
- They are more agile in responding to the needs of their customers and service users
- Social enterprises are better connected and more engaged with each other and their communities

**Benefits**

- Cost and time savings occur which mean that resources can be redeployed to increase social and environmental impact
- Digital solutions including initiatives such as home working arrangements and virtual board meetings, reduce carbon footprint,
- Customer satisfaction increases leading to higher customer retention and lower marketing costs
- More people are aware of social enterprise solutions and opportunities

**Actions**

- Support social enterprises to implement digital technology solutions by delivering training and resources
- Co-create solutions with tech-based social enterprises
- Share and promote good practice and digital innovation amongst the sector

**Key performance indicators**

- Number of social enterprises reporting digital skills as a skills gap in their organisation
- Number of social enterprises utilising digital marketing to attract new customers
- Number of social enterprises selling products online

**OUTCOME 8:****THE RANGE AND VALUE OF FINANCE<sup>4</sup> OPTIONS TAILORED TO THE NEEDS OF SOCIAL ENTERPRISES WILL MULTIPLY****Impact**

- Social enterprises can access appropriate funding, including capital funding, to support them at all stages of development, including the recovery and rebuilding phase following COVID-19
- More funding will be available to cope with the increased demand and diversity of a larger sector

**Benefits**

- Social enterprises are able to access financial packages to rebuild, diversify and/or pivot their activities following the COVID-19 pandemic
- Social enterprises have financial support to start-up and in the early stages of trading. They can expand more quickly with new investment. They have a safety-net in challenging economic times
- Social enterprises are able to access financial support to grow their organisations, including investment for capital projects

**Actions**

- Map current finance provision (regional and national), highlighting different specialisms and gaps
- Ensure this information is accessible through a single portal and signposted by all sector support bodies and networks
- Lobby for additional sector funding which helps social enterprises start, progress and thrive. This will include capital and revenue grant options and affordable loan finance
- Work with existing funders, investors and mainstream banks to ensure that their products and processes are appropriate to social enterprises
- As Wales moves towards a Regional Funding approach, raising awareness of the sector and its needs with regional funding organisations
- Collaborate with the Community Banks, Mutuels and Credit Unions to ensure that they offer financial products and services that are accessible and relevant to social enterprise

**Key performance indicators**

- Number of social enterprises attracting investment
- Number of social enterprises reporting access to finance as the main barrier to growth or sustainability
- Number of social enterprises reporting cash-flow or viability problems

**OUTCOME 9:****GOOD QUALITY SPECIALIST BUSINESS SUPPORT TAILORED TO THE NEEDS OF THE SECTOR WILL BE AVAILABLE TO EVERYONE WHO NEEDS IT****Impact**

- Social enterprises can access inclusive, appropriate and timely support whatever their background, size or needs
- The amount of support available digitally increases
- More support will be available to cope with the increased demand from a thriving and bigger sector

**Benefits**

- Social enterprises are able to adapt and diversify their business practices to comply with social distancing requirements
- Social enterprises are able to be signposted to relevant financial support to rebuild/pivot/diversify their organisations
- Social enterprises at any stage or in any sector are more likely to succeed
- Social enterprises increase their viability as well as their social and environmental impact

**Actions**

- Map current business support provision (regional and national), highlighting different specialisms and gaps
- Ensure this information is accessible through a single portal and is signposted by all sector support bodies and networks
- Investigate ways of using digital technology to ensure services are more efficient, effective and accessible
- Lobby Government to ensure funding for specialist business support continues
- Seek funding for support services in particular sectors and networks developing social enterprise models and solutions

**Key performance indicators**

- Number of social enterprises reporting access to business support has benefitted their survival, resilience, growth, sustainability or impact
- Number of social enterprises developing appropriate leadership skills/ expertise as the main barrier to increase their growth, sustainability or impact

# ANNEX:

---

## WHAT IS A SOCIAL ENTERPRISE?

A social enterprise is a business with primarily social objectives whose surpluses are principally reinvested in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners.

Their social, environmental, economic or cultural purpose is at the heart of what they do. This includes reducing social problems, tackling the climate emergency, improving the environment, building stronger communities and providing training and employment for those furthest from the labour market. They help build local economies, ensuring that wealth and resources are created and re-invested in local communities.

They aim to make a profit but unlike mainstream businesses the profit is reinvested towards business growth, and furthering their social, environmental, economic or cultural purpose. This purpose is set out in their governing documents.



## SUPPORTING SOCIAL ENTREPRENEURSHIP

Although not specified, this vision and action plan would also aim to grow social entrepreneurship in Wales. Social entrepreneurs seek to build a better society through enterprise and play an important role in creating a fairer, more sustainable and more prosperous Wales.

## LIVING OUR VALUES – OUR WAYS OF WORKING

Social enterprises are values-led organisations. These values mean they are uniquely placed to tackle the challenges facing Wales in ways which benefit everyone. These values include:

- Being transformative and creative – social enterprises take action to solve problems, and bring people together to make changes that affect them positively
- Being collaborative – social enterprises help and support one another; they share information and solve problems together
- Being accountable – they are democratic, involving customers and staff in open and fair decision making
- Being good employers – they pay at least a living wage and treat people fairly. They deliver equality of opportunity and are more diverse than businesses in the private sector
- Being responsible – they value the environment and use natural resources efficiently and carefully to minimise their impact
- Being inclusive – they work for and serve all sections of society regardless of gender, disability, age, sexual orientation, race, religion or belief

## THIS DOCUMENT HAS BEEN PRODUCED AND PUBLISHED BY A STEERING GROUP COMPRISING OF THE FOLLOWING ORGANISATIONS:



**Antur Waunfawr:** Provides care, active support, training and meaningful work opportunities to meet the needs of adults with learning disabilities and disadvantaged people locally.



**Coalfields Regeneration Trust:** Dedicated to supporting former mining towns and villages throughout Wales and the UK.



**Development Trusts Association Wales:** The national, practitioner led membership organisation, supporting and promoting the dynamic network of community owned development trusts and community enterprises in Wales.



**Social Firms Wales:** Committed to the creation of employment for disadvantaged people through the development and support of viable Social Firms (one type of social enterprise) across Wales.



**UnLtd:** Finds, funds and supports social entrepreneurs – enterprising people with solutions that change our society for the better.



**WCVA:** As the national membership body for voluntary organisations in Wales, WCVA exists to enable voluntary organisations to make a bigger difference together. WCVA is also a major funder of the sector, through its Social Investment Cymru grants and loans.



**Wales Co-operative Centre:** An independent co-operative that strengthens and empowers Welsh communities by supporting the growth of co-operatives and social enterprises and delivering projects that provide skills and tackle exclusion.

Research and survey work carried out by:

Mutuo  
Eva Trier Consulting Ltd

**Wales Co-operative Centre**  
Y Borth  
13 Beddau Way  
Caerphilly  
CF83 2AX

0300 111 5050

[info@wales.coop](mailto:info@wales.coop)

[wales.coop](http://wales.coop)

The Wales Co-operative Development and Training Centre Limited (trading as the Wales Co-operative Centre) is a registered society under the Co-operative and Community Benefit Societies Act 2014, number 24287 R.

This publication is available in Welsh. Other formats, such as large print or braille, are available on request.

We welcome correspondence in English or Welsh and aim to provide an equal standard of service in both languages.