

Mapping the Social Business Sector in Wales / Census 2022

Introduction

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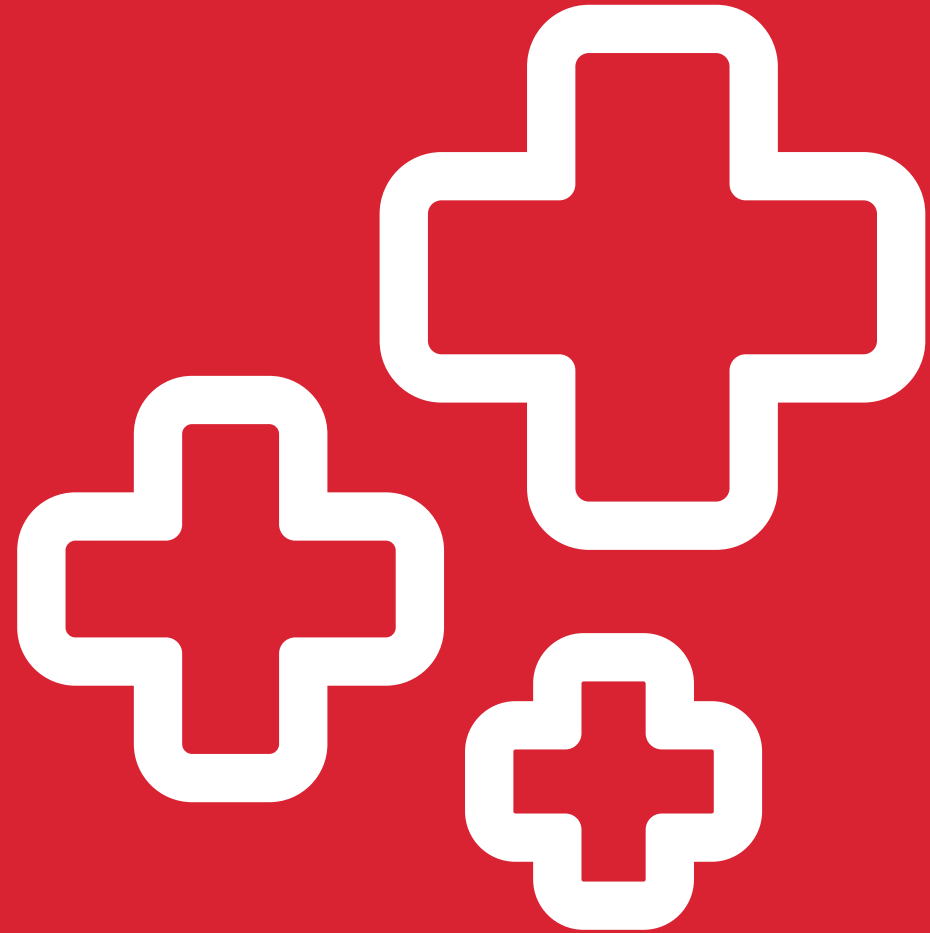
Introduction



Since 2014, Social Business Wales has commissioned a biennial mapping survey of the social business sector in Wales.

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Introduction



The purpose of the mapping exercise is twofold: to understand the size and scale of the social business sector, and to conduct a health check of the sector.

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In 2020, the survey found a sector in recovery from Covid-19, where the impact of the pandemic was stalling rather than decreasing growth.

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2022's study suggests that the sector is showing strong signs of expansion through entrepreneurial activity.

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There are however signs of vulnerability within the sector with evidence suggesting there may still be lingering effects from the pandemic, as well as pressures from a reduction in public funding, rising energy prices and high inflation.

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Composition of the sector

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Composition of the sector



There are now approximately 2,828 businesses in the sector - an increase of 22% from 2020 (2,309).

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Composition of the sector



Social businesses now account for 2.6% of the total business stock in Wales - up from 2.2% in 2020.

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Composition of the sector



The total value of the sector, based on the estimated turnover of known and identifiable social businesses in Wales, is estimated to be £4.8 billion.

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Composition of the sector



**Total employment is
calculated as 65,299
- up 16% from 2020.**

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Composition of the sector



The number of volunteers is calculated as 54,261 - an increase of 14% from 2020.

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Barriers to growth

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Indicators showed that overall, businesses are seeking to expand and diversify. The main barriers to growth were noted as:

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Barriers to growth



**Lack of staff
resource and/or
time (52%).**

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Barriers to growth



Obtaining grant funding (51%).

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Barriers to growth



**Economic
climate/high
inflation (48%).**

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Barriers to growth



Energy costs (31%).

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Support needed

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Businesses were able to offer free text responses around the support they needed to address their barriers to growth. These were the most common answers:

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Support needed



Marketing support (16%).

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Support needed



Accessing funding (15%).

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Support needed



Staff and volunteer recruitment (14%).

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Support needed



**Financial planning
and/or training
(14%).**

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Support needed



Cost of staff training (13%).

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Support needed



Mentoring (12%).

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Action on Net Zero

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Questions on the sector's commitments to and actions on Net Zero carbon emissions were included in the research for the first time in 2022:

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Action on Net Zero



15% of social businesses in Wales report as having fully committed to becoming carbon neutral or Net Zero.

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Action on Net Zero



The main reason for not considering Net Zero was the need to prioritise other aspects of the business (27%).

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Action on Net Zero



Net Zero being 'not applicable' to the nature of their work (19%) and 'not in their power/don't own premises' (18%), were the other highest reasons.

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Action on Net Zero



Businesses reported that grants/incentives might help (44%) and nearly a quarter would like advice or guidance.

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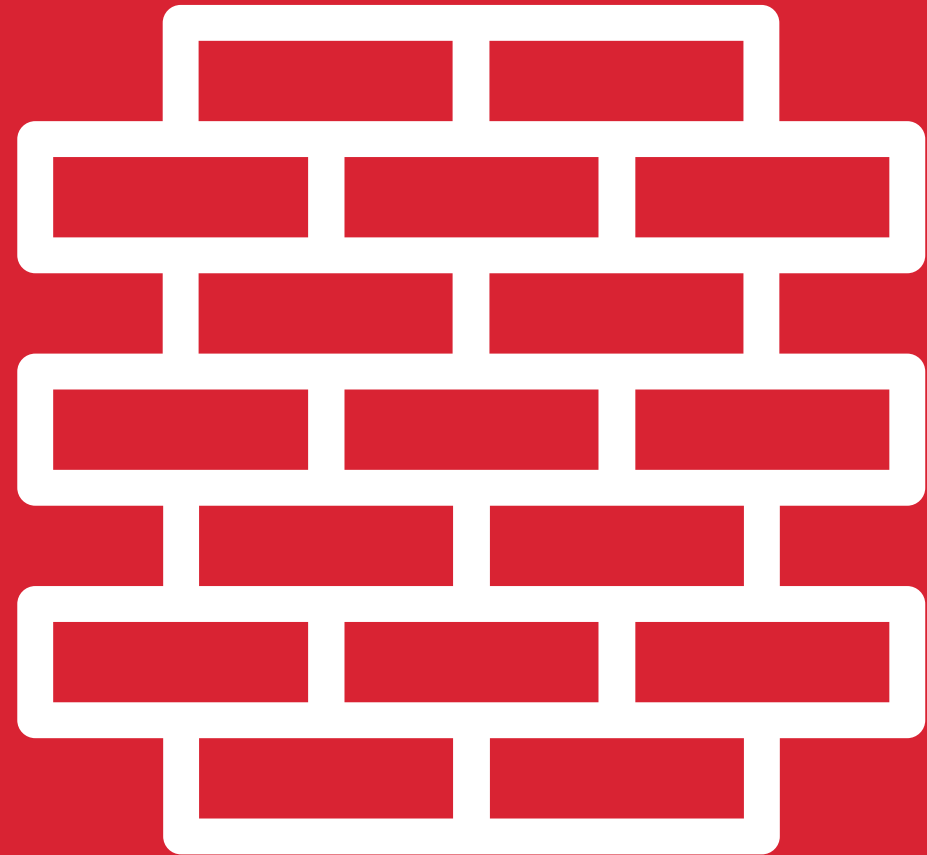
Summary



Prospects for business growth are optimistic over the long term, with many social businesses positive about their future turnover and profit.

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Summary



Social businesses reported key barriers to growth as lack of resource and time, obtaining grant funding, the current economic climate, and rising energy costs.

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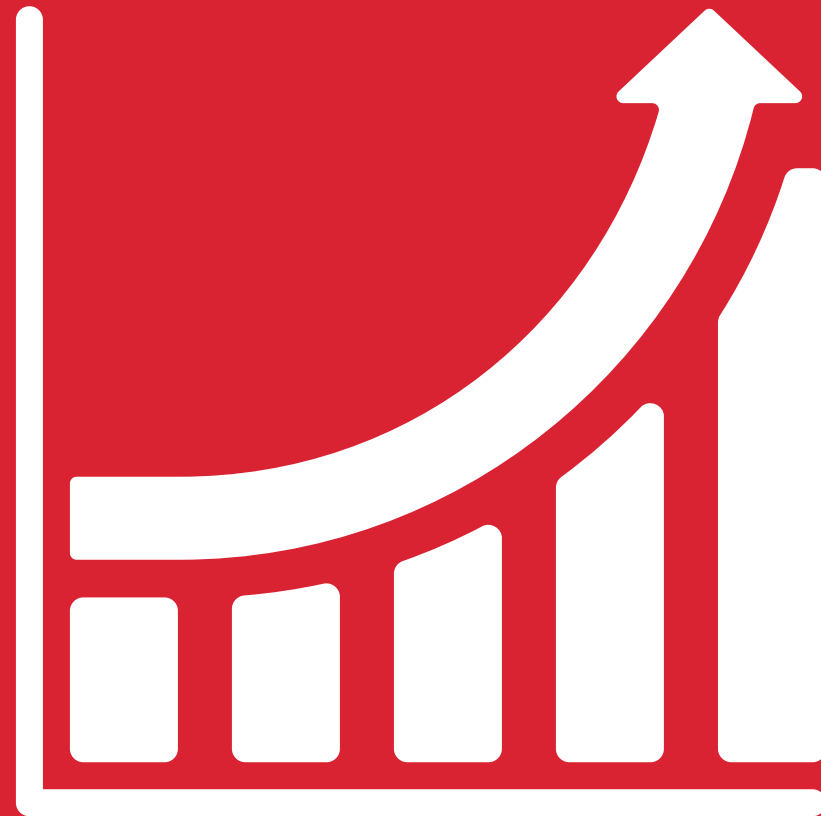
Summary



To see continued growth, businesses say they need support with marketing, accessing funding, recruitment, training, and mentoring.

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Summary



Many indicators have rebounded to be broadly in line with 2018 figures, following a fall in 2020. This suggests that during the pandemic, social businesses were in a phase of consolidation or survival but are now seeking to grow again.

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Thoughts from Glenn Bowen, interim CEO of Cwmpas

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Thoughts from Glenn Bowen, interim CEO of Cwmpas



**Glenn Bowen, interim CEO
of Cwmpas, which delivers
the Social Business Wales
programme said:**

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Thoughts from Glenn Bowen, interim CEO of Cwmpas



"This significant study highlights the increasingly important role that social businesses play in Welsh communities, particularly in the fight to tackle poverty."

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Thoughts from Glenn Bowen, interim CEO of Cwmpas



"They frequently offer services in disadvantaged areas that would otherwise not be available; they create new employment opportunities, contribute to economic development in deprived communities, and often directly target their work to help disadvantaged people."

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Thoughts from Glenn Bowen, interim CEO of Cwmpas



"This is more critical than ever in the face of financial pressures facing local authorities and the cost-of-living crisis facing our communities."

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Thoughts from Glenn Bowen, interim CEO of Cwmpas



“We hope that data from the mapping will help Welsh Government and local authorities to develop policies, plan and run public services, and allocate funding in order to continue supporting the sector.”

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