

# **Social Justice and Regeneration Committee**

## **SJR(2)-16-06(p.3)**

**Date: Thursday 19 October 2006**

**Venue: National Assembly for Wales, Cardiff Bay**

**Title: Update on the Social Enterprise Strategy for Wales**

**Purpose: To provide the Committee with an update on progress being made towards achieving the aims of the Social Enterprise Strategy for Wales.**

### **Summary/Recommendation**

That the Committee notes the progress being made by the many organisations and enterprises, in addition to the Welsh Assembly Government, who all wish to see the development and growth of the social enterprise sector in Wales.

### **Background**

The Committee received information on the social enterprise sector in Wales and a presentation from members of the Social Enterprise Network and practitioners from the Social Enterprise Joint Working Group at its meeting on Wednesday 15<sup>th</sup> March 2006. The presentation demonstrated the depth and breadth of the sector in Wales and was well received. This Committee Paper seeks to build on that presentation.

### **Consideration**

Considerable work is in hand to ensure that the four priority areas identified in the Social Enterprise Strategy for Wales are being progressed and that the sector has the support it needs to flourish within Wales.

### **The four priority areas are**

- Creating an Enabling Environment;
- Making Social Enterprises Better Businesses;
- Establishing the Value; and
- Developing New Opportunities.

A reporting table highlighting progress against the four priority areas, broken down into 32 individual action points is attached at Annex 1. The reporting table reflects many of the actions undertaken by members of the Social Enterprise Network and the Social Enterprise Joint Working Group.

Within the Welsh Assembly Government there is improved cross Departmental working to deliver support to this sector; demonstrated in particular by the joint work undertaken by the Department for Social Justice and Regeneration (SJ&R) and the Department of Enterprise Innovation and Networks (DEIN).

Officials from both departments recently gave a joint presentation on how the Assembly supports the sector at the "Reclaiming the Economy" conference hosted by the Wales Institute for Research into Co-operatives (WIRC) at University of Wales Institute, Cardiff (UWIC).

A paper on social enterprise was tabled at the recent Business Partnership Council meeting. Simon Harris, Chair of the Social Enterprise Network, presented the paper, supported by officials from my department.

Further examples of joint work between these two Departments are found in the areas of procurement, mentoring, and the promotion of the sector through participation in Enterprise Week:

### **Procurement**

Working with Value Wales, SJ&R and DEIN are arranging four procurement events across Wales during November 2006 for social enterprises who are ready to tender for the first time or who are seeking to improve their tendering skills.

These events are in addition to seminars organised jointly with the voluntary sector, which have been heavily oversubscribed, and respond specifically to needs identified by the social enterprise sector.

Demonstrating that success is possible, DEIN's Local Supplier Development project has been instrumental recently in assisting one Valleys social enterprise win a contract for ?1.3million.

### **Mentoring**

In order to provide a tailored resource that is needed by the sector, SJ&R and DEIN are currently organising a pilot project in North Wales which will identify the specific mentoring needs of the sector and the resources and skills necessary to meet those needs. The pilot will run for nine months from November 2006.

Social Enterprise Master-classes were held during February and March 2006, facilitated by Jerr Boschee, founder of the Institute of Social Enterprise, Minnesota. Over 75 leaders of social enterprises attended the Successful Social Enterprise Master-classes. A further ten social enterprises received individual one-to-one consultations with Mr Boschee.

### **Enterprise Week**

Enterprise Week took place between 13 -17 November 2006 and was designed to celebrate and showcase enterprise in all its forms. The Thursday of that week (16<sup>th</sup> November) was specifically

dedicated to Social Enterprise. Events were held by the sector to illustrate success and the vast array of possibilities that are open to social enterprises are being co-ordinated by DEIN with input from SJ&R.

A relatively new area of work between SJ&R and DEIN is in relation to the development of the Dynamo Curriculum material. Within this work, any reference to business will include a reference to social enterprise. The Dynamo material for 16 -19 yr olds is now in its final stages of development and has social enterprise as a key underlying principle. The focus will be for students to set up a social enterprise and gain an understanding that social enterprises have a distinct and valuable role to play in helping to create a strong, sustainable and inclusive economy.

At Assembly questions on July 5<sup>th</sup> I agreed to meet with Andrew Davies, Minister for the Department of Enterprise Innovation and Networks to "discuss how DEIN can best support the aims of community regeneration and social enterprise projects". This meeting took place on 8<sup>th</sup> November.

## **Funding for Social Enterprise**

My officials have undertaken a series of meetings with external partners as well as representatives of financial institutions in both the private and the third sectors. The aim of these meetings was to consider two issues, the future funding of the sector and the establishment of an all Wales Community Development Finance Institution (CDFI). The interim report of the Finance Group suggests that the new round of structural funds with its emphasis on job creation and economic growth holds the key to funding the sector over the next few years. This idea will be developed at the appropriate time. The report further suggests that demand for an all Wales CDFI is low. However, a funding gap has been identified in the area of microfinance for small, medium and social enterprises.

Discussions continue with WEFO and our partners both in the social enterprise sector and within the Welsh Assembly Government on the development of a strategic framework for community economic development. This framework will ensure social enterprises are able to access the Convergence funds and take forward the actions identified with the Social Enterprise Strategy for Wales.

- Financial Implications
- There are no financial implications associated with this paper.
- Cross Cutting Themes
- Promoting social justice is one of the Welsh Assembly Government's major cross-cutting themes and promotion of social enterprise is a supporting strand.
- Action for Subject Committee

The Committee is asked to note progress.

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