

Consultation Response - Culture, Communications, Welsh Language, Sport and International Relations: Priorities for the Sixth Senedd

Wales Co-operative Centre Response

About the Wales Co-operative Centre

The Wales Co-operative Centre is a not-for-profit co-operative organisation that supports people in Wales to improve their lives and livelihoods. We are working for a fairer economy. We help to create and retain wealth within our communities through the growth of co-operatives and social businesses and by providing people with the skills to take more control of their own lives and strengthen their communities.

Our projects are as follows:

- **Social Business Wales** provides intensive, one-to-one support to new start social businesses as well as those which have ambitions to grow and a viable business proposal.
- **Digital Communities Wales: Digital Confidence, Health and Well-being** works with organisations across Wales, in order to help people increase their confidence using digital technology so they can improve and manage their health and well-being.
- Our **Communities Creating Homes** project offers support and advice to new and existing organisations looking to develop co-operative community-led housing schemes in Wales. Our **Communities Shares Wales Resilience** project helps communities raise investment to protect and strengthen the things that matter to them.

We also deliver a range of paid consultancy services which are in line with our values and corporate aims.

Social Enterprises in the Culture Sector

Our 2020 report 'Mapping the Social Enterprise Sector' demonstrated that over a quarter of operational social businesses in Wales are in the Arts/Entertainment/Recreation sector (26%), making it the largest of any social enterprise sector in Wales. This compares to 22% in the previous mapping exercise in 2018 – highlighting the industry's continued growth. In the aftermath of the COVID-19 pandemic this sector will be at the heart of stimulating the economy and promoting well-being in communities across Wales. This is especially true in the areas of greater deprivation, with the South Wales Valleys in particular a hotbed of social business activity.

For these reasons, it is vital that they continue to make an important contribution to our society and economy, as Wales seeks to rebuild its from Covid-19. Our most recent 2020 report on the impact of the Covid-19 crisis on the social enterprise sector noted some of the concerns held by these businesses in this sector:

Concerns

- **COVID-19 and Trading**

COVID-19 has had a significant impact on the sector, with 63% forced to pause trading, 69% reporting a lower-than-expected turnover, and 38% citing a risk to their reserves.

- **Access to grant finance**

Besides Covid-related restrictions, funding remains the most cited concern in the sector, primarily because businesses did not know where to look for finance. This has become particularly important considering the impact of Brexit and the withdrawal of EU funding, which has been a crucial source of grant funding for the sector.

Examples and Case Studies

Changes in various restrictions have forced social enterprises in the creative and cultural sector to adapt their offerings, due to the depletion of their financial reserves and the uncertainty surrounding income. Take **Cymru Creations Ltd**, a Tredegar based social enterprise media company, which following the lockdown created and mobilised the Tredegar Community Taskforce. In just a few days they found the resources and organised support for elderly and vulnerable people in Tredegar Town and in particular the deprived estate of Cefn Golau, delivering much needed food parcels to homes, snack packs for school children, shopping services, delivery of prescriptions and generally helping those in need. This innovative response is testament to the challenges faced by creative enterprises in response to the closure of facilities. The future remains uncertain for these businesses, especially if venues continue to face COVID restrictions and financial constraints even as we emerge from the pandemic – flexible support is needed to provide a more stable long-term future.

Solutions

- Greater consideration to long-term access to bridge the gap of EU funding and the depleted reserve funds from the Covid-19 period.
- Continued specialist support for social enterprises as they emerge from this crisis.

Conclusion

The cultural and creative social enterprises have been some of the hardest hit industries in the pandemic, so as we recover from the crisis they have an important role to play in supporting communities, families and individuals that are socially or financially excluded. We think this committee should explore how this sector can be supported to ensure it emerges from the pandemic as strongly as possible, with the potential to have a greater influence than ever on the Welsh economy and communities, overcoming the funding concerns highlighted. The Wales Co-operative Centre through its delivery of *Social Business Wales* has been working with social enterprises across all sectors during this period, and believe we offer a unique insight into the role and potential of the sector.

The potential for community-led housing to support Welsh language communities

Data from the Welsh Revenue Authority shows that there is a second homes crisis in Welsh communities - 44% of all homes sold in the Gwynedd constituency of Dwyfor Meirionnydd during 2020-21 were second homes or buy-to-let properties. We believe that co-operative and community-led models of housing can play a crucial role in ensuring that places like these remain as living communities, where the Welsh language can continue to thrive. The trend of extortionate house prices and high levels of empty homes is impacting local Welsh communities considerably, and is placing the Welsh language at significant risk.

The Wales Co-operative Centre's *Communities Creating Homes* project, funded by the Welsh Government and the Nationwide Foundation, ensures access to the information, support, advice and technical expertise for groups and organisations across Wales. It works to create a thriving Community-led housing (CLH) movement, bringing people together to decide what kind of homes and communities they want to live in. Since its inception it has had a significant impact, working with over 50 groups and organisations, developing what is needed to progress community-led housing schemes in Wales.

Main Concerns

- Rise of second home ownership in rural Wales and difficulty for local people to get on the property ladder
- Implication for the survival of Welsh as a community language

Case Study

Community-led models support the housing needs of a local community, ensuring that there is sufficient affordable housing available, which in-turn protects the survival of the Welsh language. For instance, **Aberdyfi Community Trust** was established in November 2020 as a direct response to the increasing levels of second home ownership in the village and the surge in house prices following the end of the first lockdown. The group worked with Communities Creating Homes to create a new community-led housing project to house local families who were being priced out of the market. The acquisition of land has always been an obstacle, but in the meantime, they have identified an existing mixed-use site in the village which could be brought into community ownership. This site would provide their first property to offer at an affordable rent and give the group an active income and employment opportunities.

We would urge the committee to explore what can be done to further expand this model of housing in Wales. Through reports we have published and research we have conducted, we have a considerable evidence base for the advantages of this model. We would urge the committee to take an active role in exploring what the next steps are for this model as part of the effort to protect Welsh as a community language in Y Fro Gymraeg.

Solutions

- Specialist support for community-led housing groups at all stages of the development process
- Greater awareness of the benefits of community-led and co-operative models of housing, and consistent support from local authorities and RSLs
- The introduction of a community right to buy policy from the Welsh Government
- The establishment of a revolving loan fund using Financial Transactions Capital funding.

Conclusion

The challenges facing rural communities are multi-faceted, but the community-led model of housing can offer local people in rural and coastal Wales the opportunity to live in their hometowns. ensuring the Welsh language continues to thrive as a community language, and it directly addresses the issue of land access for local community groups. We want the committee to explore the support that new and existing organisations looking to develop co-operative and community-led housing schemes in Wales need. Whether that's looking to establish how we can encourage local authorities to move to a more community-focused land policy which would make big difference to the CLH sector, or how we can embed a culture of self-empowered community groups addressing their own housing issues to overcome the existing land and funding barriers. The Wales Co-operative Centre and its delivery of the *Communities Creating Homes* team mean we have unique experience of working with this sector, and we would like to offer our further support to this committee in exploring this vital issue.