

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.
- Community Shares Wales Resilience Project is funded by the National Lottery Community Fund and delivered by the Wales Co-operative Centre. We help communities raise investment to protect and strengthen the things that matter to them, such as pubs, libraries or other local services.

Introduction

The UN calls Climate Change the crisis of our time. Wales declared a climate emergency in 2019. There is a real opportunity at this time of profound health, social, economic and political turmoil, to develop new and radical solutions and profound changes that rebuilds our economy and society in a way that works for people and planet.

Social enterprises value the environment just as much as people and profit and can lead the way in tackling climate change. Our sector can show what can be achieved when we put people and planet ahead of profit. Social enterprise should be promoted as the business model of choice for organisations working and wanting to work in this area.

Many social enterprises operate 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. It is also worth noting that many social enterprises have embedded circular economy principles within these environmental objectives.

There is also an opportunity to build more resilient communities and local economies, through scaling up social enterprises and community and locally owned businesses with training and skills development in local communities as part of a just green transition. and assets, and creating sustainable quality jobs to be at the heart of the green recovery.

We support the priorities set out in the Minister's letter to the Committee, and would urge the Committee to consider how we can support the social enterprise to play a fundamental role in the delivery of these objectives, for the reasons set out in this response.

1. A new approach to economic development

Confronting climate change requires a radical shift in how we think about our economy and businesses. Our current economic models prioritise growth and GDP growth at any cost. This has damaging consequences for climate, biodiversity, and wellbeing. Social enterprise should be prioritised as a key part of the well-being economy as businesses that value the environment just as much as people and profit. Research from Social Enterprise UK found that 65% of social enterprises expected the focus on sustainable and environmentally friendly processes within their organisation to increase in the next two to three years - significantly higher than traditional SMEs more widely (49%). In comparison, only a fifth of social enterprises considered cost to be more important than environmental impact when procuring products, compared to 76% of SMEs.

Social enterprises hold a wealth of untapped information about how to achieve environmental impact through socially-minded business models.¹ Environmental mission social enterprises hold a wealth of information, best practice and engagement opportunities that need to be explored and amplified for the benefit of other social enterprises, and for climate engagement more widely. Social enterprise could influence more mainstream businesses, for example by demonstrating that it is viable to do business more sustainably.²

Social enterprises need specialist advice and guidance to enable them to maximise their contribution to this agenda.

2. Social enterprise can deliver wider social and cultural benefits while tackling climate change. Procurement processes should reflect this.

The Welsh Government has set out its legal commitment to achieve net zero emissions by 2050, with an ambition to get there even sooner. The Senedd reaffirmed its commitment to this in March 2021. The Welsh Government highlighted the importance of achieving this through inclusive and sustainable growth in its Programme for Government, in 'a spirit of cooperation, not competition.' It is vital to provide specific investments to decarbonise

¹ <https://www.socialenterprise.org.uk/wp-content/uploads/2020/08/climate-change-what-we-know-social-enterprise-uk-2020.pdf>

² <https://www.weforum.org/agenda/2021/01/social-enterprises-can-have-a-big-impact/>

existing infrastructure in Wales, in areas such as housing and transport. The Government has set out its commitment to exploring the role of its procurement in this agenda to maximise the economic, social and environmental benefits of this investment, and the social enterprise sector will have a crucial role in achieving this. Supporting social enterprise to access procurement opportunities can help Welsh Government and other public bodies deliver in the fight against climate change while also delivering wider social and economic benefits.

We believe that social value and social enterprise should be embedded within the procurement process. Our 2020/21 Social Enterprise Mapping report shows that social enterprises have considerable economic and social benefits for their local communities, and especially for those who are socially or financially excluded. 3/4s of social enterprises in Wales pay the Real Living Wage to all their staff compared to under half of SMEs, highlighting the added value that this sector can provide. In order for these benefits for individual and community wellbeing to be prioritised in the same way as traditional measures of economic growth, social value must be embedded within all procurement practises at different levels of government in Wales. This would be a crucial step to making the economy fairer and more resilient. We strongly agree with the views stated in Oxfam Cymru's report on the Welsh Doughnut 2020, and the importance of the interaction between policies seeking to ensure Wales lives within its environmental limitations while providing a social floor so that everyone can live free of poverty.

3. A bold and ambitious role for social enterprise in the green economy and just green transition

Whilst the Welsh Government has recognised the role social enterprise can play in delivering Llwybr Newydd – The Wales Transport Strategy (WTS) 2021, its long-term vision for an accessible, sustainable and efficient transport system, we want the Government to be more ambitious in their ambition for how social enterprises can play a key role in tackling the climate crisis. Social enterprises value the environment just as much as people and profit through committing to a triple bottom line, and as a result social enterprises in all sectors can play a crucial role in achieving the net zero target. In addition, many operate as enterprises in sectors such as renewable energy, zero waste, food, biodiversity and land management.

Our Social Enterprise 2020 Mapping Report showed that social enterprises reported having more social objectives this year, which demonstrates the sector's potential to broaden their support to address the increasing social needs created by the pandemic. Social enterprises are ideally placed to play a key role in helping with training and skills development in local communities and empower communities to have a greater stake in the climate agenda today.

Ahead of the Senedd election, the Wales Co-operative Centre outlined its wide-ranging priorities, which included a clear focus on decarbonisation. Within this, we asked for a commitment to investment in the decarbonisation of social housing in Wales, which would make a significant impact on reducing carbon emissions and energy bills. The Welsh Government has committed to building 20,000 low carbon social homes, and we are calling

for social enterprises to be included in the supply chains, and to ensure local businesses are supported in the inclusive delivery of such projects.

4. Social enterprise should be the model of choice

In addition to focusing on procurement practices specifically, we would like further exploration of the role of the Government in nurturing the market to take advantage of this significant investment. It is one thing to say we want more of this investment to go to social enterprises, but we also need to know what support is necessary for existing social enterprises to successfully bid for these projects, and what can be done to facilitate new enterprises, co-operatives, or community groups to fill any market voids.

Specialist business support for these enterprises has been identified by the businesses themselves as being crucial to their growth. For the last few years business support to social enterprises has been delivered for Welsh Government by the Wales Co-operative Centre under the name of Social Business Wales. Survey data shows that clients receiving support from this service rated it very highly. The support has helped grow these businesses, created hundreds of good quality jobs and safeguarded many others.

An independent evaluation of Social Business Wales highlighted an “ongoing need for specialised support for the social business sector, recognising the multi-stakeholder environments and specific legal, constitutional and financial arrangements that have wide-reaching implications for the successful operational of social businesses”.

The key requirement is that advisors have a specialist understanding of the characteristics of social enterprises – that they are multi-stakeholder, have a triple bottom line, differing legal structures and alternative funding options. This specialist support must be available to social businesses at all stages of the business cycle, from support to nascent entrepreneurs to established firms who are seeking to export or work across borders. As well as being responsive to the demands of social businesses, this service should be proactive, building new markets and developing social enterprises in response to market needs.

Ymateb Canolfan Cydweithredol Cymru

Gwybodaeth am Ganolfan Cydweithredol Cymru

Sefydliad cydweithredol dielw yw Canolfan Cydweithredol Cymru, sy'n cefnogi pobl yng Nghymru i wella eu bywydau a'u bywoliaeth. Rydym yn gweithio ar gyfer economi decach. Rydym yn helpu i greu cyfoeth a'u cadw yn ein cymunedau, trwy gefnogi cwmnïau cydweithredol a busnesau cymdeithasol, a thrwy roi'r sgiliau i bobl gymryd mwy o reolaeth ar eu bywydau eu hunain a chryfhau eu cymunedau.

Ein Prosiectau:

- Mae Busnes Cymdeithasol Cymru yn darparu cefnogaeth ddwys ac un-i-un i fusnesau cymdeithasol newydd ac yr rhai sydd ag uchelgeisiau i ddatblygu.
- Mae Cymunedau Digidol Cymru: Hyder Digidol, Iechyd a Lles yn gweithio gyda sefydliadau ledled Cymru, er mwyn helpu pobl i gynyddu eu hyder gan ddefnyddio technoleg ddigidol i wella a rheoli eu hiechyd a'u lles.
- Mae ein prosiect Cymunedau Creu Cartrefi yn cynnig cefnogaeth a chynghor i sefydliadau newydd a phresennol sydd am ddatblygu cynlluniau tai cydweithredol dan arweiniad y gymuned yng Nghymru.
- Mae Prosiect Cydnerthu Cymunedau Cymunedol, ariannir gan Gronfa Gymunedol y Loteri Genedlaethol a'i ddarparu gan Ganolfan Cydweithredol Cymru, yn helpu cymunedau i godi buddsoddiad i amddiffyn a chryfhau'r pethau sy'n bwysig iddyn nhw, fel tafarndai, llyfrgelloedd neu wasanaethau lleol eraill.

Cyflwyniad

Mae'r Cenhedloedd Unedig wedi dweud bod Newid Hinsawdd ydy'r prif argyfwng ein hamser. Cyhoeddodd Cymru argyfwng hinsawdd yn 2019. Mae cyfle gwirioneddol ar yr adeg hon o gythrwfl iechyd, cymdeithasol, economaidd a gwleidyddol dwys, i ddatblygu atebion and newidiadau newydd a radical sy'n ailadeiladu ein heconomi a'n cymdeithas mewn ffordd sy'n gweithio i bobl a blaned.

Mae mentrau cymdeithasol yn gwerthfawrogi'r amgylchedd ar yr un safon â phobl ac elw, a gallant arwain y ffordd wrth fynd i'r afael â newid yn yr hinsawdd. Gall ein sector ddangos yr hyn y gellir ei gyflawni pan fyddwn yn rhoi pobl a'r blaned o flaen elw. Dylen ni hyrwyddo menter gymdeithasol fel y model busnes o ddewis ar gyfer sefydliadau sy'n gweithio ac eisiau gweithio yn y maes hwn.

Mae llawer o fentrau cymdeithasol yn gweithredu mewn sectorau fel ynni adnewyddadwy, dyfodol diwastraff, bwyd, bioamrywiaeth a rheoli tir. Mae gan rai amcanion amgylcheddol a gwella'r ardal leol wrth wraidd eu nodau cymdeithasol. Mae'n werth nodi hefyd bod llawer o

fentrau cymdeithasol wedi ymgorffori egwyddorion economi gylchol yn yr amcanion amgylcheddol hyn.

Mae cyfle hefyd i adeiladu cymunedau mwy gwydn ac economïau lleol, trwy gynyddu mentrau cymdeithasol a busnesau cymunedol a gyda pherchnogaeth leol gyda hyfforddiant mewn cymunedau lleol fel rhan o drawsnewidiad gwyrdd a theg, a chreu swyddi o ansawdd cynaliadwy i fod wrth wraidd yr adferiad gwyrdd.

Rydym yn cefnogi'r blaenoriaethau a nodir yn y llythyr y Gweinidog, a byddem yn annog y Pwyllgor i ystyried sut gall y Llywodraeth cefnogi'r sector fenter gymdeithasol i chwarae rhan sylfaenol wrth gyflawni'r amcanion hyn, am y rhesymau a nodir yn yr ymateb hwn.

1. Dull newydd o ddatblygu economaidd

Mae mynd i'r afael â newid yn yr hinsawdd yn angen newid radical yn ein ffordd o feddwl am ein heconomi a'n busnesau. Mae ein modelau economaidd cyfredol yn blaenoriaethu twf economaeg a thwf GDP ar unrhyw gost. Mae gan hyn ganlyniadau niweidiol i'r hinsawdd, bioamrywiaeth a lles. Dylen ni blaenoriaethu menter gymdeithasol fel rhan allweddol o'r economi llesiant fel busnesau sy'n gwerthfawrogi'r amgylchedd ar yr un safon â phobl ac elw. Canfu ymchwil gan Social Enterprise UK fod 65% o fentrau cymdeithasol yn disgwyl i'r ffocws ar brosesau cynaliadwy ac ecogyfeillgar yn eu sefydliad gynyddu yn y ddwy i dair blynedd nesaf - yn sylweddol uwch na busnesau bach a chanolig traddodiadol (49%). Mewn cymhariaeth, dim ond un rhan o bump o fentrau cymdeithasol a oedd yn ystyried bod cost yn bwysicach nag effaith amgylcheddol wrth gaffael cynhyrchion, o'i gymharu â 76% o fusnesau bach a chanolig.

Mae gan fentrau cymdeithasol gyfoeth o wybodaeth am sut i gael effaith amgylcheddol trwy fodolau busnes cymdeithasol. Mae gan fentrau cymdeithasol gyda chenhadaeth amgylcheddol llawer o wybodaeth, arfer gorau a chyfleoedd ymgysylltu y mae angen eu harchwilio a'u mwyhau er budd mentrau cymdeithasol eraill, ac ar gyfer ymgysylltu â'r hinsawdd yn ehangach. Gallai menter gymdeithasol ddylanwadu ar fwy o fusnesau prif ffrwd, er enghraifft trwy ddangos ei bod yn hyfyw gwneud busnes yn fwy cynaliadwy.

Mae angen cyngor ac arweiniad arbenigol ar fentrau cymdeithasol i'w galluogi i gynyddu eu cyfraniad i'r agenda hon.

2. Gall menter gymdeithasol sicrhau buddion cymdeithasol a diwylliannol ehangach wrth fynd i'r afael â newid yn yr hinsawdd. Dylai'r prosesau caffael adlewyrchu hyn.

Mae Llywodraeth Cymru wedi nodi ei hymrwymiad cyfreithiol i gyflawni allyriadau Net-Zero erbyn 2050, gydag uchelgais i gyrraedd yno hyd yn oed yn gynt. Ailddatganodd y Senedd ei hymrwymiad i hyn ym mis Mawrth 2021. Amlygodd Llywodraeth Cymru bwysigrwydd cyflawni hyn trwy dwf cynhwysol a chynaliadwy yn ei Rhaglen Lywodraethu, mewn 'ysbryd cydweithredu, nid cystadleuaeth.' Mae'n hanfodol darparu buddsoddiadau penodol i datgarboneiddio'r seilwaith presennol yng Nghymru, mewn meysydd fel tai a thrafnidiaeth. Mae'r Llywodraeth wedi nodi ei hymrwymiad i archwilio rôl ei chaffael yn yr agenda hon i sicrhau'r buddion economaidd, cymdeithasol ac amgylcheddol mwyaf posibl o'r

buddsoddiad hwn, a bydd gan y sector menter gymdeithasol rôl hanfodol wrth gyflawni hyn. Gall cefnogi menter gymdeithasol i gael mynediad at gyfleoedd caffael helpu Llywodraeth Cymru a chyrff cyhoeddus eraill i gyflawni yn y frwydr yn erbyn newid yn yr hinsawdd tra hefyd yn sicrhau buddion cymdeithasol ac economaidd ehangach.

Credwn y dylid blaenoriaethu gwerth cymdeithasol a menter gymdeithasol yn y broses gaffael. Mae ein hadroddiad Mapio Menter Gymdeithasol 2020/21 yn dangos bod gan fentrau cymdeithasol fuddion economaidd a chymdeithasol sylweddol i'w cymunedau lleol, ac yn enwedig i'r pobl sydd wedi'u gwahardd yn gymdeithasol neu'n ariannol. Mae 3/4s o fentrau cymdeithasol yng Nghymru yn talu'r Cyflog Byw Gwirioneddol i'w holl staff o gymharu â llai na hanner y busnesau bach a chanolig, sy'n dynnu sylw at y gwerth ychwanegol y gall y sector hwn ei ddarparu. I sicrhau bod y buddion hyn ar gyfer lles unigolion a chymunedau yn cael eu blaenoriaethu yn yr un modd â mesurau traddodiadol o dwf economaidd, rhaid rhoi gwerth cymdeithasol ym mhob arfer caffael ar wahanol lefelau o lywodraeth yng Nghymru. Byddai hyn yn gam hanfodol i wneud yr economi yn decach ac yn fwy gwydn. Rydym yn cytuno'n gryf â'r safbwyntiau a nodwyd yn adroddiad Donut Cymru 2020 gan Oxfam Cymru am y phwysigrwydd y rhyngweithio polisiâu sy'n ceisio sicrhau bod Cymru'n byw o fewn ei chyfyngiadau amgylcheddol, wrth ddarparu llawr cymdeithasol fel y gall pawb fyw yn rhydd o dlodi.

3. Rôl feiddgar ac uchelgeisiol i fenter gymdeithasol yn yr economi werdd a'r cyfnod phontio gwyrdd a teg

Er bod Llywodraeth Cymru wedi cydnabod y rôl y gall menter gymdeithasol ei chwarae wrth gyflawni Llwybr Newydd - Strategaeth Drafnidiaeth Cymru 2021, ei gweledigaeth hirdymor ar gyfer system drafnidiaeth hygyrch, gynaliadwy ac effeithlon, rydym am i'r Llywodraeth fod yn fwy uchelgeisiol o ran eu gweledigaeth ar gyfer sut y gall mentrau cymdeithasol chwarae rhan allweddol wrth fynd i'r afael â'r argyfwng hinsawdd. Mae mentrau cymdeithasol yn gwerthfawrogi'r amgylchedd ar yr un safon â phobl ac elw trwy ymrwymo i linell waelod driphlyg, ac o ganlyniad gall mentrau cymdeithasol ym mhob sector chwarae rhan hanfodol wrth gyflawni'r targed net-zero. Yn ogystal, mae llawer yn gweithredu fel mentrau mewn sectorau fel ynni adnewyddadwy, dyfodol diwastraff, bwyd, bioamrywiaeth a rheoli tir.

Dangosodd ein Hadroddiad Mapio Menter Gymdeithasol 2020 fod mentrau cymdeithasol wedi nodi bod ganddynt fwy o amcanion cymdeithasol eleni, sy'n dangos potensial y sector i ehangu eu cefnogaeth i fynd i'r afael â'r anghenion cymdeithasol cynyddol a grëir gan y pandemig. Mae mentrau cymdeithasol mewn sefyllfa ddelfrydol i chwarae rhan allweddol wrth helpu gyda hyfforddiant a datblygu sgiliau mewn cymunedau lleol a grymuso cymunedau i gael mwy o ran yn yr agenda hinsawdd heddiw.

Cyn etholiad y Senedd, amlinellodd Canolfan Gydweithredol Cymru ei blaenoriaethau eang, a oedd yn cynnwys ffocws clir ar ddatgarboneiddio. O fewn hyn, gwnaethom ofyn am ymrwymiad i fuddsoddi mewn datgarboneiddio tai cymdeithasol yng Nghymru, gallai rhaglen debyg gael effaith sylweddol ar leihau allyriadau carbon a biliau ynni. Mae Llywodraeth Cymru wedi ymrwymo i adeiladu 20,000 o gartrefi cymdeithasol carbon isel, ac

rydym yn galw am gynnwys mentrau cymdeithasol yn y cadwyni cyflenwi, ac i sicrhau bod busnesau lleol yn cael eu cefnogi yn y prosiectau hyn.

4. Dylai menter gymdeithasol fod y model o ddewis

Yn ogystal â chanolbwyntio ar arferion caffael yn benodol, hoffem archwilio ymhellach rôl y Llywodraeth wrth feithrin y farchnad i fanteisio ar y buddsoddiad sylweddol hwn. Mae'n un peth i ddweud ein bod am i fwy o'r buddsoddiad hwn fynd i fentrau cymdeithasol, ond mae angen i ni wybod hefyd pa gefnogaeth sy'n angenrheidiol i fentrau cymdeithasol presennol gynnig yn llwyddiannus am y prosiectau hyn, a beth y gellir ei wneud i hwyluso mentrau newydd neu grwpiau cymunedol i lenwi unrhyw unedau gwag yn y farchnad.

Mae'r busnesau eu hunain wedi nodi bod cefnogaeth fusnes arbenigol i'r mentrau hyn yn hanfodol. Dros y blynyddoedd diwethaf, mae Canolfan Cydweithredol Cymru wedi darparu cefnogaeth fusnes i fentrau cymdeithasol ar ran Llywodraeth Cymru drwy Fusnes Cymdeithasol Cymru. Mae data arolwg yn dangos bod cleientiaid sy'n derbyn cefnogaeth gan y gwasanaeth hwn wedi ei raddio'n uchel iawn. Mae'r gefnogaeth wedi helpu i ddatblygu'r busnesau hyn, wedi creu cannoedd o swyddi o safon da, ac wedi diogelu llawer o swyddi eraill.

Nododd gwerthusiad annibynnol o Fusnes Cymdeithasol Cymru "angen parhaus am gefnogaeth arbenigol i'r sector busnes cymdeithasol, gan gydnabod yr amgylcheddau aml-randdeiliad a threfniadau cyfreithiol, cyfansoddiadol ac ariannol penodol sydd â goblygiadau eang i weithrediad llwyddiannus busnesau cymdeithasol".

Y gofyniad allweddol yw bod gan gynghorwyr ddealltwriaeth arbenigol o nodweddion mentrau cymdeithasol - eu bod yn aml-randdeiliad, bod ganddynt linell waelod driphlyg, strwythurau cyfreithiol gwahanol ac opsiynau cyllido gwahanol. Rhaid i'r gefnogaeth arbenigol hon fod ar gael i fusnesau cymdeithasol ar bob cam o'r cylch busnes, o gefnogaeth i entrepreneuriaid newydd i gwmnïau sefydledig sy'n ceisio allforio neu weithio ar draws ffiniau. Yn ogystal â bod yn ymatebol i ofynion busnesau cymdeithasol, dylai'r gwasanaeth hwn fod yn rhagweithiol, gan adeiladu marchnadoedd newydd a datblygu mentrau cymdeithasol mewn ymateb i anghenion y farchnad.