



1. What, in your opinion, has been the impact of the Welsh Government's 2022-23 Budget, including funding related to the recovery of the pandemic? Have Welsh Government business support policies been effective as the economic outlook for 2023-24 continues to worsen?

With EU and Welsh Government funding, the Social Business Wales programme supported 335 businesses during 2021-22, creating 190 jobs and incorporating 114 new social enterprises. Social businesses themselves have identified the importance of this support, and an independent evaluation of Social Business Wales has 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".

Social enterprises, as with all businesses in our economy, have faced challenging circumstances. The focus on survival and re-designing services during Covid has meant there has been a reduced capacity to think about long-term sustainability. At the same time, the sector has proven that it can step up to support communities during challenging periods, and we will see this again during the cost of living crisis. We must give them all the support they need to do this. We have welcomed the Welsh Government's [announcement](#) of continued funding for social enterprise support in Wales, and are working as members of the Social Enterprise Stakeholder Group on creating the best support possible for the sector following the end of EU-funding.

Cwmpas' Digital Communities Wales project, delivered on behalf of the Welsh Government, has supported 40,610 people to get online during 2021-22, and trained 2,152 staff and volunteers to develop their digital skills. We have seen a significant rise in the number of people using the internet and digital devices through the pandemic, and it is essential that as more of our daily lives in the public and private sectors are spent online, everyone is able to do so confidently and securely. We have also delivered the Newid project, which is working to increase the digital capabilities of the third sector in Wales. As deliverers of essential services to people in Welsh communities, particularly in deprived areas or for more vulnerable people, it is essential that they are able to maximise their use of digital technology. As we move towards a net-zero economy, this becomes even more crucial.

Finally, the Welsh Government and Nationwide Foundation-funded Communities Creating Homes project has supported 64 groups across Wales to developing community housing projects. Supporting this sector was a Programme for Government commitment, and has the potential to be a significant solution to the housing crisis in Wales.

2. How should/could the Welsh Government support the economy and business following the pandemic, Brexit and inflationary and other economic pressures? How financially prepared is your organisation for the 2023-24 financial year, how will inflation impact on your ability to deliver planned objectives, and how robust is your ability to plan for future years?

The [“Transforming Wales through social enterprise”](#) vision and action plan aims for social enterprise to become the “business model of choice” in Wales. This would have hugely positive consequences for Welsh communities through developing a fairer and more resilient economy.

We have identified tangible steps the Welsh Government can take in a challenging economic context to support the development of the sector. We would like to see the Welsh Government play a co-ordination role in relation to the Shared Prosperity Fund to ensure the best possible services are available across Wales. Social enterprise should be a pillar of the Welsh Government’s Innovation Strategy that has recently been consulted on and will be published soon. Finally, the Welsh Government should continue to and ramp up efforts to embed social value in procurement across the public sector.

Cwmpas is part of the Social Enterprise Stakeholder Group, which is working alongside the Welsh Government to implement the [Transforming Wales through Social Enterprise Vision and Action Plan](#).

3. With inflation and costs of living issues continuing to escalate, what action should the Welsh Government take to help households cope with this latest crisis? How should the Budget address the needs of people living in urban, post-industrial and rural communities and in supporting economies within those communities?

The social, environmental, economic, or cultural purpose of a social enterprise is at the heart of what they do. This can include tackling social problems, fighting against the climate emergency, and improving the environment, building stronger communities, and providing training and employment for those furthest from the labour market. Social enterprises can come in many forms, including co-operatives, mutual organisations, community interest companies, community-owned businesses, trading charities and more.

The unique triple bottom-line business model used by social enterprises, which means their social and environmental impact is prioritised to at least the same degree as profit, means social enterprises must be a crucial part of the mission to build community wealth. The benefits of the social enterprise business model go beyond solely the economic value and jobs they directly create. They are anchored in their communities, meaning they are resilient to economic conditions and consider the impact they have on people and place at every stage of their development.

Covid-19 and the challenges that came from it are evidence of how the sector steps up to protect and provide for communities during challenging periods. The sector will do that again, but needs support to maximise its impact. These enterprises are already operating in

very challenging circumstances and many are in survival mode. We can't take them for granted, but must support them to deliver their essential services and create jobs in their communities.

4. Are Welsh Government plans to build a greener economy clear and sufficiently ambitious? Do you think there is enough investment being targeted at tackling the climate change and nature emergency? Are there any potential skill gaps that need to be addressed to achieve these plans?

The decarbonisation agenda, while being an essential part of working to solve the climate crisis, also has huge potential for social enterprise, as the triple bottom model can provide multi-faceted benefits to Wales from the investment needed to reach net zero. One example of this in Wales is Creating Enterprise, a social enterprise in Conwy. A subsidiary of Cartrefi Conwy, it started trading in 2015 and has quickly grown into the social contractor of choice for North Wales. It builds environmentally friendly homes using sustainable materials and is innovative in finding new ways to lower its carbon footprint, such as by sourcing eighty percent of its timber from Wales and constructing its frames onsite. As well as having an environmental mission, it has a social mission to create well-paid, full-time employment opportunities for the local community it serves. Its Creating Futures Academy helps local people find and access training, volunteering, and employment opportunities. In November 2020, it was named as the Fastest Growing Company in Wales. This team is the perfect example of how social enterprise can deliver on its three ambitions: business success, environmental sustainability, and helping people.

This is just one example of the work social enterprises are already doing in Wales, and with the right support social enterprise can be a part of the answer to this crisis. This is the biggest issue of our generation and must be prioritised accordingly. Investing in social enterprise as a means of changing our economy to tackle climate change means it is more likely to be achieved in a sustainable and just manner. Social enterprise and community groups also play a key role in engaging communities in the changes we need to make to our economy, public services and societies.

6. Is the Welsh Government using the financial mechanisms available to it around borrowing and taxation?

The IWA recently published a [paper](#) on expanding government borrowing powers to facilitate necessary investment for transformational policy in Wales, which we believes make a significant contribution to the conversation around borrowing and taxation.

7. The Committee would like to focus on a number of other specific areas in the scrutiny of the Budget. Do you have any specific comments on any of the areas identified below?

Welsh Government policies to reduce poverty and gender inequality. Is enough support being given to those people living in relative income poverty?

Poverty is unacceptable in modern Wales and it should be an immediate priority to create an economy and society where everyone is lifted out of it. Doing this will require fundamental restructuring of our economy to embed social value and empower communities.

As the cost of living crisis continues to have a more and more damaging impact on our communities, it is more important than ever that we develop our understanding of data poverty and its impacts. This is an area that requires further research. Alongside Liverpool and Loughborough Universities, we are conducting research on the development of a [Minimum Digital Living Standard for Wales](#). The findings of this research will make a significant contribution to understanding what is necessary for living in today's Wales, and it is essential that they are acted on when the final report is published. We look forward to working with the Welsh Government as part of the Digital Inclusion Alliance for Wales to achieve this.

How resources should be prioritised to tackle NHS waiting lists for planned and non-urgent NHS treatments. Do you think the Welsh Government has a robust plan to address this issue?

The Social Prescribing Framework offers an opportunity to provide solutions to this issue, but requires a sustainable supply of groups that can offer community-based services. Social enterprises are embedded in their communities and can offer this, but need support to be able to do this. This must form a vital component of a robust plan to take pressure off the NHS and move towards preventative spending to improve public health in Wales.

The move towards a digital-first health and social care service in Wales has the potential to create a better service, but this must be done in an inclusive way, as set out in the Digital Inclusion Alliance for Wales' [Agenda](#). This says that savings from delivering services digitally should be used to improve digital inclusion and provide digital support. It is essential that accessible information practices are embedded across the NHS to ensure that everyone can confidently access health and care services on digital platforms.

What are the key opportunities for Government investment to support 'building back better' (i.e. supporting an economy and public services that better deliver against the wellbeing goals in the Well-being of Future Generations Act)?

There are several ways for the Government to embed economic development policies that promote building community wealth in Wales. This year, we published our [Guide to Building Stronger Local Economies](#). It states that "there is no single way to build community wealth - there are many approaches which are being pioneered across Wales which are proving successful in building stronger local economies and communities". The six key areas it sets out are:

- Employee ownership
- Foundational economy
- Social enterprise

- Social value
- Community shares and community-led schemes
- Circular/sharing economy

These areas offer key opportunities for Wales to build a stronger, more sustainable and more resilient economy. With regards to social enterprise, the Social Enterprise Stakeholder Group published its Vision and Action Plan which sets out nine outcomes it seeks to achieve to promote the sector. We are working alongside the Welsh Government to achieve these outcomes, and welcome that last year saw [additional funding](#) to promote this ambition.

Finally, we welcome the additional funding for the Newid project which seeks to increase the digital capabilities for the third sector in Wales. The digital transformation of public services in Wales through the Centre for Digital Public Services offers a key opportunity for services to access the benefit of digital, and it is vital that this is also seen in the third sector and among social enterprise. We will continue to work to ensure that this is achieved in a transformation and inclusive way, and would welcome the opportunity to further discuss how this can be achieved.