

## **Prosperity for all: the national strategy**

### **Third sector discussion paper for the meeting with Cabinet Secretary for Economy and Infrastructure, 2<sup>nd</sup> October 2017**

#### **Summary**

The third sector welcomes the publication of “Prosperity for all: the national strategy”. All of the key themes and priority areas are relevant to the third sector. However this paper makes specific points and asks questions on the sections that relate to the areas of responsibility of the Cabinet Secretary for Economy and Infrastructure.

The new national strategy signals a step in the right direction towards building a more inclusive economy by putting more focus on spreading opportunity, addressing regional equalities and promoting fair work.

In many ways, social businesses are already delivering against this agenda by creating more balanced, inclusive economies. Social businesses offer a way of doing business that delivers sustainable economic growth while fostering positive social change and innovation. Social businesses are anchored in their communities. Investment in them stays in the community and is recycled for wider economic and social benefits. Social businesses across Wales also operate across each of the priority areas highlighted by Welsh Government, providing people-focused, high quality services.

As a result of this alignment it will be important for Welsh Government to work closely with the third sector to deliver the national strategy.

#### **Points for discussion**

- The third sector welcomes the national strategy's objective around delivering the right support for people and businesses. However we are disappointed that the strategy makes no specific mention of social businesses, especially given the alignment between social businesses and the intention of the document as outlined above. The social business sector is worth £2.37 billion to the Welsh economy, supports approximately 40,800 jobs, and offers opportunities to volunteer to approximately 48,000 – 58,000 people. Will there be an opportunity to address this in Welsh Government's forthcoming economic strategy?

- Welsh Government announced in 2016 that it wanted to develop a 'social business framework.' The third sector welcomed this announcement and asks how we can take this work forward in light of the national strategy and economic strategy. There is much more that could be done to help this flourishing sector to reach its full potential.
- Welsh Government has proposed a new 'Economic Contract' between business and government. The Third Sector asks for more information about the purpose of this contract and how it might work.
- The national strategy makes no mention of the commitment in the Programme for Government to 'provide tailored support for co-operatives and mutuals' (which has been taken to include social businesses more broadly). Welsh Government has always recognised that social businesses have particular needs and objectives that are distinct from mainstream businesses. Social businesses require specific finance and business advice services intended to meet their unique requirements. They have different organisational and legal structures with specific requirements associated with set up, governance and running. Furthermore social business leaders are often motivated in different ways to a private entrepreneur. These businesses need to be supported in ways which are sympathetic to the means of delivery and the social impact. The third sector asks Welsh Government to clarify the status of this Programme for Government commitment.
- The national strategy outlines plans for the new Development Bank of Wales, improving access to finance for businesses, alongside high quality support services and management advice. The third sector would welcome further discussion with the Development Bank to positively explore how we can work together to offer the range of financial instruments that social businesses need in Wales and that the unique governance arrangements of social businesses are understood as part of the due diligence process.
- The third sector supports plans to maximize the value of Welsh public service procurement to Wales, while ensuring that employees get a fair deal for the work they undertake funded by public money. The third sector would welcome further discussions about how social businesses can be supported further to access public procurement opportunities and that the added community benefit they bring is properly reflected in procurement processes.

- The third sector welcomes the commitment to develop a new employability plan for Wales, focusing on the diverse needs of individuals, and responsive to the particular skills needs of each part of the country. We believe this should reflect the positive role social businesses play working in deprived areas. Social businesses also play a particular role in creating jobs for, and developing the skills of, people who outside the labour market. For many this is their social purpose. The third sector would like to ask how social businesses will be engaged with this work.

## **Conclusion**

Given that the national strategy was only published on 19<sup>th</sup> September, third sector organisations have not had an opportunity to come together to put together a comprehensive list of discussion points. This paper highlights some of the most immediate points for the sector and looks forward to discussing them with the Cabinet Secretary on 2<sup>nd</sup> October.

25<sup>th</sup> September 2017