

Third Sector Group Ministerial Meeting: Economy and Transport

Note of meeting held on 6 March 2019 at Welsh Government Conference Room in Ty Hywel

List of Attendees

Welsh Government

Deputy Minister for Economy and Transport
Huw Bryer, Head of Business Wales & SME Delivery
Stephen Layne, Senior Policy Analyst, Economic Policy
Carys Roberts, Social Enterprise Officer

Third Sector Representatives

Matt Brown	Welsh Council for Voluntary Action
Jess McQuade	Wales Environment Link
Derek Walker	Wales Co-operative Centre
Gethin Rhys	Interfaith Council for Wales
David Williams	Social Firms Wales
Peter Williams	Development Trusts Association Wales

Apologies

Peter Jones	Guide Dogs Cymru
Lynne Hill	Children in Wales
Matt Appleby	Business in the Community
San Leonard	Social Firms Wales

Agenda Item 1 – Introductions, minutes and actions arising from last meeting

1. The Deputy Minister welcomed members and invited brief introductions. The Group noted without comment the notes of the previous meeting and actions arising.

Agenda Item 2 - Social Enterprise Strategy

2. The Deputy Minister invited Derek Walker to introduce the agenda item. Derek explained how a Social Enterprise Task and Finish Group had come together to develop a vision and action plan for the social enterprise sector in Wales. The approach would see the development of a plan by the sector, for the sector.
3. Derek outlined the ambition for social enterprise to be the 'model of choice'. The Deputy Minister challenged whether this was a realistic vision and whether the social enterprise sector could ever be the model of choice in reality. However, the Deputy Minister did welcome the overall approach of the sector coming together to develop a plan for itself.

4. Derek set out the intention to publish the latest mapping data for the sector in the next couple of months. Derek undertook to share this with the Group when available.

ACTION: Derek Walker to circulate the social enterprise mapping data when available.

5. Derek emphasised that the new strategy would build upon that which is useful in the current strategy.
6. The Group discussed opportunities to make much better and more effective linkages with schools. Huw Bryer referred to the enterprise role model programme run by Welsh Government and the opportunities to raise the profile of social enterprise within that.
7. The Deputy Minister asked for further information about the role of the proposed 'Social Entrepreneur in Residence' at Welsh Government. Derek Walker explained that this proposal emerged out of work led by Michael Sheen and that it reflected the Scottish model of a social entrepreneur in residence acting as a link point between Government and the social enterprise sector. Derek explained that the proposal is very much work in progress and subject to further consideration and discussion.
8. The Group discussed the importance of identifying and addressing barriers to growing the social enterprise sector in Wales and recognising its value to the Welsh economy. Changing mindsets and ways of working was identified as a key issue in supporting the sector to grow at scale.
9. The Deputy Minister outlined his approach to the Foundational Economy, setting this within the context of:
 - a. A new fund to support experimental projects across the Foundational Economy (£1.5m currently, but with aspirations to scale it up to a value of £10m).
 - b. Addressing the 'missing middle' and growing indigenous, grounded firms in Wales.
 - c. Maximising the social value of procurement, including learning from the well documented practices in Preston.
10. Derek Walker identified that a patient approach is essential in supporting grounded firms over the long-term. Derek pointed out that the succession fund of the Development Bank of Wales, though welcome, operates on a five year time frame and that this is insufficient for employee buyouts which require a longer-term approach.

ACTION: Group to provide further thinking on how grounded firms could be supported in the Foundational Economy approach.

11. Jess McQuade commented on the need and opportunity to embed environmental growth/well-being into the Foundational Economy approach. Jess referred to work WWF were doing to link the environmental agenda to the Foundational Economy. Jess mentioned this may be completed by the summer. The Deputy Minister commented that it would be helpful if this information could be provided sooner. Jess also offered to host a roundtable to explore opportunities further. The Deputy Minister said officials would be pleased to take Jess up on that offer.

ACTION: Jess McQuade to provide the WWF work on Foundational Economy and the environment as soon as it is available.

Action: Officials and Jess McQuade to discuss arrangements for a roundtable on Foundational Economy and the environment.

12. The Deputy Minister outlined the aspiration and opportunity to co-ordinate activity around Better Jobs Closer to Home and the Valleys Taskforce in a strategic way, linking it into the wider Foundational Economy approach. The Deputy Minister reflected upon the 21st century schools model of match funding and that he was meeting with Local Authority leaders soon to explore similar opportunities in the Foundational Economy.

13. The Deputy Minister commented upon successes that RCT Council have had in bringing empty homes back into use by removing the Council Tax discount on empty homes. The Deputy Minister referenced the statistics for empty homes across the valleys and suggested bringing empty homes back into use would provide opportunities for eco-fit and support the skills agenda.

14. The Deputy Minister highlighted his aspiration to build alumni networks for schools and said he would be meeting the Education Minister on this subject soon. The Deputy Minister highlighted the mentoring, role model and other benefits of such alumni networks which are common in the private sector but less so in the state sector. Huw Bryer commented upon work in this arena undertaken by Business in the Community, Careers Wales and Business Wales and referred to on-going work to look at how these different initiatives can be joined it up to maximise their effectiveness.

15. Jess McQuade referred to work around a 'new green deal' and offered to provide further information on that. Jess also queried the role of food production within the Foundational Economy. The Deputy Minister confirmed that the working definition of foundational economy includes food production.

16. Derek Walker provided an update on the work that Wales coop have been undertaking with RCT on childcare. Huw Bryer referred to work ongoing in this area and the importance of ensuring alignment.

ACTION: Officials to circulate to Derek Walker the contact details of the WG policy lead on childcare so that appropriate linkages can be made.

17. Huw Bryer gave an update on Business Wales and the potential impact of the loss of EU funding. Huw explained that officials working up a full options

appraisal for entrepreneurship and SME business support beyond 2021 based around three scenarios (i) reduced budget; (ii) a budget broadly equivalent to current levels; and (iii) availability of an increased budget. This will feed into an options paper that is due for completion in the Spring.

Agenda Item 3 - Economic Contract (follow up from last meeting)

18. Jess McQuade introduced the paper and highlighted two major points:

- Palm Oil and its definition and use within the economic contract.
- Broadening the scope of the economic contract to capture a wider understanding of the environment.

19. Stephen Layne gave an update on Palm Oil, including the definition adopted as that set out by the Roundtable on Sustainable Palm Oil. Stephen explained the current approach of using the Economic Contract conversation as a means of broaching the issue with companies is an interim one and that there is more work to do on understanding the scale of the issue in Wales and the Welsh Government's scope to drive change.

20. Jess McQuade commented that she is keen to meet officials as part of the policy development and to use her networks to provide officials with wider expertise. Officials agreed to take up that offer as part of the wider engagement that will need to be done in developing the policy. Jess also raised the impact of Soya on rainforest ecosystems and how the Welsh Government could show leadership in this area.

Action: Officials to arrange a meeting with Palm Oil experts, through WWF and others, to further explore and understand this subject.

21. Jess McQuade asked about how impact is being measured and how monitoring of the economic contract is being undertaken. Stephen Layne explained the importance of taking a balanced approach to reporting and monitoring arrangements, so as not to disadvantage small businesses in particular, which perhaps may not have the spare staff resources to devote to servicing Government requests for data.

22. Stephen commented that in developing the Economic Contract, considerable engagement was undertaken with a huge range of organisations about the level of monitoring and prescription that is appropriate. Stephen explained the strong view was that the Welsh Government should avoid being too prescriptive and adopt an approach where businesses 'tell us their story' and submit their evidence on how they believe they meet the Economic Contract.

23. Stephen explained that such an approach recognises the innovation and creativity in many examples of best practice that would not necessarily have been captured by a narrow and prescriptive approach. Reporting is taking the form of case studies and qualitative feedback rather than prescriptive quantitative methods.

24. Jess McQuade asked how this approach can be used to understand if Wales is doing enough to address the critical challenges. Stephen Layne said that the Welsh Government had begun some work with OECD that was looking at appropriate measurements for inclusive growth, building on best practice in other nations and regions.

25. Derek Walker raised the tools that already exist in the area of measuring impact and that Welsh Government could look at exploring what already exists rather than creating something new.

Action: Re-share (DW and JM) and work with BITC on the exploration of further models for reporting and demonstrating impact.

Agenda Item 4 - Brexit preparedness

26. The Deputy Minister gave a short update on current work to prepare for the worst possible Brexit outcome, whilst striving for a solution that is in the best interests of Wales and the UK.

27. The Deputy Minister reflected on the fact that many businesses and organisations are not prepared for a 'no deal' outcome. The Deputy Minister commented on the Brexit Portal and its diagnostic tool and the need to support wider take-up by a greater proportion of businesses in Wales. Take up from the Social Economy sector has been limited and the Welsh Government would welcome the Group cascading information about the portal to members.

Agenda Item 5 - M4 Relief Road

28. The Deputy Minister confirmed the report is with the First Minister and he is considering it. The Deputy Minister confirmed that the Welsh Government is also looking at shorter-term solutions for tackling congestion.

Any Other Business

29. The Group considered that support for grounded firms and Valleys Task Force are potential agenda items for the next meeting.

ACTION: Officials to liaise with WCVA about arrangements for the next meeting.

End.