

**October 2011**

## **Briefing for the Welsh social enterprises on Senedd discussions**

**Inside the Senedd/ National Assembly for Wales (below)**



First Minister's Questions, 20 September 2010

**Janet Finch-Saunders (AM for Aberconwy):**

**Opportunities for social enterprise, local training, volunteering and apprenticeships will truly improve the flexibility and ability of the entire Welsh workforce**—much more than a union-focused, single-minded and selective approach.

Does the First Minister accept that the concept of big society is a key contributor to bringing Wales out of recession, and will he commit to improving access to skills training for everyone who needs it, not just for trade union members?

**Carwyn Jones, The First Minister:**

I would love to know what 'engaging with big society' means and I am sure that most of the public would love to know as well. **Of course we want to promote social enterprise**; of course we want to help third sector organisations; of course we want to ensure that people are empowered in their communities. However, there are differences within the UK: in England, that happens without funding, but in Wales funding is provided. It is simple, that is the main difference. Big society in England means taking over services previously provided by the public sector without any extra funding.

Questions to the Minister for Finance, Wednesday 21 September

**Vaughan Gething (AM for Cardiff South and Penarth):**

I am aware of some of the work done previously on improving procurement outcomes with businesses and trade unions. Can you confirm that the Welsh Government remains committed to increasing the amount of public procurement spent in Wales above the current level of 50 per cent?

**Can you also confirm that the Welsh Government remains committed to using social clauses in procurement more regularly and consistently, especially as a means of tackling unemployment, as happens regularly and lawfully in other parts of Europe?**

**Minister for Finance, Jane Hutt (pic):**



Helping to support smaller indigenous companies to develop is particularly important in the current tough economic climate. It is good to report that 50 per cent of the £4.3 billion annual public procurement spend in Wales now goes to Wales-based suppliers, most of which are small and medium-sized enterprises. That has increased from 35 per cent in 2003.

**The focus on social clauses is key in terms of the community benefits that can be derived from them.** The i2i toolkit that we have been using, which is managed by the Chartered Institute of Housing Cymru, is particularly relevant to skills development, apprenticeships and equality of opportunity in that regard.

**Darren Millar, Welsh Cons Party:**

One problem that has been identified by organisations such as the Federation of Small Businesses is the procurement process in Wales when it comes to approaching the public sector. **Many smaller organisations simply do not have the expertise or the capacity to employ people full-time to work through what can be complicated tendering processes.**

What are you doing to increase the capacity and the ability of small businesses in Wales to meet the challenges presented by the procurement processes that they encounter?

**Minister for Finance, Jane Hutt:**

The value of contracts advertised through the **Welsh Government's Sell2Wales website has now exceeded £15 billion and over 30,000 Welsh suppliers are registered and receive these opportunities.** Darren Millar also pointed to the importance of smaller-value contracts, and, last year, there was a 24 per cent growth in advertisements of such contracts

and 21 of the last 40 construction contracts awarded, worth some £600 million, went to Welsh businesses. **However, more can be done to simplify the process.**

Debate on Funding, Wednesday 27 September

**Llyr Huws Gruffydd, Plaid Cymru AM for N Wales (pic):**



We must ensure that public money works harder for the benefit of Wales, and not only in the economic context. However, in order to realise that, **we need a cultural change within a number of procurement departments that still do not consider social enterprises as a credible option and do not always present tenders in an accessible way.**

Indeed, contracts tend to be too large, not only for small businesses but for social enterprises in particular, and to be bundled unsuitably, and, as we know, the present cuts are likely to make that situation worse. Therefore, we need to protect against that.

However, at the same time, we need to **ensure that social enterprises are able to take full advantage of any opportunities.** The One Wales Government invested in the sector to promote its growth by supporting the establishment of the [Welsh Social Enterprise Coalition](#), and by supporting the work of the Wales Co-operative Centre in promoting and facilitating the sector.

We have heard this week's announcement on **enterprise zones, but what about zones for social enterprises?** They could be located in deep rural areas, where the public and private sectors are shrinking. What social enterprises need is to develop a stronger relationship with contract commissioners, so that it is easier for them to submit tenders. Appropriate and adequate business support should also be available to social enterprises.

Much has been done, but there is much more to achieve. Until recently, two thirds of Welsh public sector contracts were awarded to companies from outside Wales. The annual value of those contracts was higher than the total value of the Objective One programme over seven years. The situation has improved, and half of all contracts now stay in Wales. However, there is a long way to go.

Debate on Public Services Reform, Tuesday 27 September

**Mark Isherwood, Welsh Cons AM Social Justice & Housing:**

We need social action with Government fostering and supporting a new culture of voluntarism. **We need to open up public services to new providers, including charities and social enterprises,** giving professionals much more freedom and delivering

responsiveness to public need. We need real community empowerment, putting neighbourhoods in charge of their own destinies.

Debate on businesses, Wednesday 28 September

**Nick Ramsay, Welsh Cons Shadow Business Minister:**

We should aim to encourage enterprise from an early time and we pledged to require all **secondary schools to set up social enterprises to be managed and run by pupils**. This should work to develop a new generation of entrepreneurs across the country.

**Alun Ffred Jones, Arfon AM Plaid Cymru:**

I also want to refer to **Antur Waunfawr, which is one of a number of local social enterprises that have grown and established themselves**. The enterprise offers employment to people with learning disabilities; it is a significant employer in itself that has now moved away from being dependent on grants. Therefore, I am not saying that the picture is entirely rosy and that the economy is prospering in my area, but I am saying that we should recognise those successes that are already in place.

**David Rees, Plaid Cymru:**

The programme for government announced yesterday highlights one important aspect that can help that sector, and that is procurement. I have asked the Minister to look carefully at the procurement rules that apply to Government contracts, and perhaps all public sector contracts, so that we can support local businesses and, at the same time, make the process straightforward.

The streamlining of regulation has already been mentioned. We should make it as non-bureaucratic as possible. I also ask you **to ensure that the winner of any contract has a requirement to ensure that their obligations to any social contract clause or responsibility are passed down the line to any sub-contractors**.

**Edwina Hart, Minister for Business, Enterprise, Technology & Science (pic):**



The growth of small business is critical to the growth of the Welsh economy. Growth in sustainable jobs is at the heart of the programme of government, which sets out our commitment to reviewing the support that is needed by start-up and other small firms. It is important that I review what is required by businesses in these difficult economic times, and we need to use the resources that we have to our best advantage. I have met business leaders, entrepreneurs and industry professionals throughout Wales to discuss the barriers

to business and how we can improve the economy.

I am looking at ways to encourage more entrepreneurship, because I think that this is essential. I welcome very much the contributions that have been made on this. We will be reviewing what entrepreneurial support is needed by start-ups and small firms with real potential to grow and looking at how we can embed an entrepreneurial culture in Wales. I have now recruited a network of business entrepreneurship champions, who will proactively promote entrepreneurship and provide guidance on entrepreneurship policy.

There are wider issues in relation to the matters that have been raised with me relating to procurement. We must recognise that procurement is a land designed for lawyers because of some of the issues surrounding it. It is a land to which an element of common sense needs to be introduced if we are to make procurement policies in Wales work for the benefit of companies in Wales.”

*This is an edited version of The National Assembly for Wales Record of Proceedings.  
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