CF 13

Ymchwiliad i dlodi yng Nghymru: Cymunedau yn Gyntaf – yr hyn a ddysgwyd

Inquiry into poverty in Wales: Communities First – lessons learnt

Ymateb gan: Canolfan Cydweithredol Cymru

Response from: Wales Co-operative Centre

IntroductionThe 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 include:

- Social Business Wales provides intensive, one-to-one support to social businesses which have ambitions to grow and a viable business proposal.

- Your Money Your Home tackles the financial exclusion of Private Rented Sector (PRS) tenants in Wales, and to prepare people for the introduction of Universal Credit.

- Digital Communities Wales tackles digital exclusion by providing training, support and encouragement to organisations to help them support digitally excluded people.

- Our Co-operative Housing project offers business support and advice to new and existing organisations looking to develop housing co-operative schemes.

- Our Community Shares Wales project helps community groups raise funds from within their local communities to fund the running of community projects and assets.

Summary of key points

- Communities First did not realise the potential for local economic development in tackling poverty. Going forward, we would like to see a greater emphasis on building local economies to address this gap.
- Our experience of working with Communities First to deliver digital inclusion initiatives found inconsistency among Communities First clusters. While some were very well organised, we also found a need to increase the sharing of best practice between Communities First clusters which was sometimes hindered by a culture of competition. This made it difficult for outside partners to work with the Communities First programme.
- We are concerned that some activities that tackle poverty in some of our most deprived communities might cease when the Communities First programme comes to an end. For instance we are concerned about the loss of some digital inclusion initiatives.
- Communities First provided some small-scale support to pre-start social businesses. There is currently a gap in pre-start support for social businesses. We believe there is

a need for a programme that supports pre-start social businesses as part of a wider strategy to build inclusive local economies.

What worked and what didn't work about the Communities First programme

1. Communities First did not realise the potential for local economic development in tackling poverty

Communities First provided support to move individuals into work and small scale support to local third sector organisations and social enterprises. While these small scale initiatives had some successes they overlooked the need for a holistic approach to economic development that built local economies and created local jobs. It did not realise the potential for local economic development.

We believe that economic strategy should create the conditions where strong, local, community-centric economies can flourish. We believe that by growing the social enterprise and co-operative sector and focusing on building local economies, we can ensure a more balanced, fairer economy and tackle poverty on a wider scale than the small scale, individual support offered by Communities First.

Our response to the Welsh Government's *Building Resilient Communities* consultation set out our ideas for developing inclusive local economies in more detail. We would be pleased to provide the Committee with copies of this if necessary.

2. Inconsistency between Communities First Clusters

Our Digital Communities Wales project assisted 34 of the current Communities First clusters, training 51 front line staff and 31 volunteers. Our experience of working with Communities First through this project found inconsistency between clusters and in some cases a culture of competition. This hindered the sharing of best practice between clusters and sometimes made it difficult for partners to work with the programme.

Our team found that they were able to work very well with the programme where it was centrally managed, for example in Rhondda Cynon Taf and Caerphilly. However, in other instances clusters worked in isolation making it difficult to progress cross-cluster projects and consistent support.

Some clusters also appeared to have a target driven culture. This further hindered cross-cluster and partnership working by increasing competition. It also led to activity being targeted at the wrong areas. For example, our team had experience of working with a cluster that had contracted out services so that digital inclusion activities were delivered on their behalf, rather than directly. As a consequence activities were target driven without any needs assessment which resulted in activities being targeted at the wrong areas. At the same time, however, our team found that in some areas activity that was not branded as Communities First, but supported by them, was better received by communities. This points to some negative connotations with the Communities First brand.

Restrictions within the programme design were also barriers to effectively tackling poverty in local areas. For example, restrictions on working with schools presented barriers to working

with parents and restricted partnership activities. Our team found inconsistency between clusters who would bend the programme to provide joined up support.

Nevertheless, as outlined below, there were many areas where Digital Communities Wales worked successfully with Communities First clusters and we are concerned that this good work may be lost with the ending of the programme.

Poverty reduction programmes after Communities First

1. Digital inclusion initiatives

Digital inclusion is an important tool in tackling poverty. Digital skills are essential for accessing benefits and benefit advice, when seeking work and also in reducing social isolation. Digitally excluded individuals often find themselves as financially excluded as a result.

We are concerned that some digital inclusion work might disappear when Communities First ends. Several clusters support marginalised people back into work, providing frontline digital inclusion training as part of their support. There are some areas such as Rhondda Cynon Taf where we believe that frontline delivery of this digital training would not operate to the same level if Communities First projects were not replaced. It is estimated that the Cluster groups we assist go on to help around 900 digitally excluded people per quarter: it is therefore vitally important that this frontline provision is not lost in any future arrangement. Partnerships with organisations embedded within local communities, who work with and support our most marginalised citizens, is key to the digital inclusion work that Digital Communities Wales undertakes.

2. Pre start support for social businesses

Social businesses play an important role in tackling poverty. They are more active in deprived areas than SME businesses and tend to employ locally, suggesting that they make an important economic contribution in some of the poorest parts of the country. Social enterprise is a way of doing business that delivers sustainable economic growth while fostering positive social change and innovation.

Communities First provided limited small-scale support to pre-start social businesses. There is currently a gap in pre-start support for social businesses, which will grow when Communities First ends. We believe there is a need for an intervention to support pre-start social businesses as part of a wider strategy to build inclusive local economies. Whilst the Social Business Wales service, delivered by the Wales Co-operative Centre, can support existing 'growth' social businesses we are concerned that the pipeline of new social businesses will reduce if there is not business support at an early stage of the social business lifecycle.