



Ein cyf/Our ref: SF/FM/3509/12

David Melding AM  
Chair, Committee for the Scrutiny of the First Minister  
The National Assembly for Wales  
Cardiff Bay

28<sup>th</sup> January 2013

Dear David

I am writing in response to your letter of 3 December regarding the Committee meeting on 14 November.

I have noted your summary of the issues discussed and you will have already received my response to your further queries about the Legislative programme. Attached at annex 1 is the additional information you have requested in relation to entrepreneurship, social enterprise and business support.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Carwyn Jones', written in a cursive style.

**CARWYN JONES**

## **Entrepreneurship in Wales**

Delivery of the Youth Entrepreneurship Strategy (YES) is in line with the Programme for Government commitments to promote economic growth and provide jobs for young people. YES seeks to:

- embed a culture of entrepreneurship in Wales;
- increase the number of small firms being created in Wales to help build a more enterprising private sector;
- encourage more young people to gain the skills required to develop Wales' potential for economic growth.

Promoting entrepreneurship among young people is a key part of our approach which includes the Dynamo Role Model project. 365 entrepreneurs, including social entrepreneurs, are involved in the Dynamo Role Model project to motivate and inspire young people. Activity has been extended to support the Prince's Trust activity and links with a range of organisations including youth offending teams, community groups and youth partnerships established.

This year will see the launch of a National Primary Flagship Competition across Wales which will encourage schools to provide practical experiences of entrepreneurship whilst raising the profile of Welsh Government's support to young people.

## **Social Enterprise**

The Minister for Business, Enterprise, Technology and Science has set up a Welsh Co-operative and Mutuals Commission (the Commission), under the Chairmanship of Professor Andrew Davies, Swansea University's Strategic Adviser. The remit of the Commission will be to make recommendations on growing and developing the co-operative and mutual economy in Wales in order to create jobs and wealth in support of the Welsh Government's aims and ambitions. I will ask the Minister to consider asking the Commission to be tasked with taking forward the concept of the social enterprise zones.

As ethical providers of basic financial services, the Welsh Government considers Credit Unions to be key contributors to fulfilment of the Government's objectives to tackle poverty and financial exclusion where it persists in our communities.

Since the start of the 'Access to Financial Services through Credit Unions' project in 2010, on average, Credit Unions in Wales have grown their Adult membership by 26%, and their Junior Saver rate by a similar amount.

The Credit Union Action Plan published in December 2010, commits Welsh Government to support continued growth of Credit Unions to reach 6% of the population of Wales by 2020 and we are well on target to achieve that.

As social enterprises and financial co-operatives, savings invested in Credit Unions are retained in the community for the benefit of the community and this enables Credit Unions to make loans, not only to individuals, but also to small businesses on a co-operative not-for-profit basis. We expect publication of the interim evaluation of the project within the next two months, and would be more than happy to provide additional information should you require.

## **Business support and creation**

Our Business Innovation and SMART R&D programmes already provide comprehensive support for businesses wishing to link with academia, and are not restricted to the “hard” STEM areas of R&D. We need to recognise and support innovative ideas in the social sciences, the creative and service sectors, and culture and tourism. For example, Wales’ first Small Business Research Initiative, co-funded by the Technology Strategy Board, was a tourism-based competition, designed to support innovative promotions of the Welsh Coastal Path.

The Minister for Business, Enterprise, Technology and Science will be making an announcement on Wales’ new Innovation Strategy in due course. It will urge a very broad definition of innovation, and the adoption of more competitions and open innovation models of delivery. The response to the Call for Evidence for the Strategy was recently published and identified five key areas for action:

- Improving collaboration;
- Creating a culture of innovation;
- Providing flexible & responsive finance for innovation;
- Prioritising & creating critical mass; and
- Innovation in the public sector and government.