



Sefydliad Materion Cymreig  
Institute of Welsh Affairs

# **Punching above its weight**

## **Review of the Coalfields Regeneration Trust in Wales**

**October 2011**

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## **1. Background**

As it looks ahead The Coalfields Regeneration Trust in Wales (CRT) faces new and challenging conditions. In the first place its budget is in doubt beyond March 2012. Over the last ten years or so the Trust has received in the region of £1.5 million a year from the Welsh Government to fund its activities. In the current year the £1.42 million it had been expecting was cut by 35 per cent – that is by £490,000 – leaving it with a funding package of just £930,000. At the same time, as this report demonstrates, the CRT has been remarkably effective in supporting small-scale community projects within the coalfield areas, leading to job creation, especially within new social enterprises, improvement of community facilities, and many training and education initiatives.

The Welsh Government is currently considering the future funding and operation of the CRT in the context of its wider community regeneration programme and the review of its Communities First strategy. In England major changes to the way the Trust will work in future have already been announced and are discussed more fully below. In March 2011 the Department of Communities and Local Government guaranteed funding for the Trust in England to March 2015 to the value of £53 million. However, the objective is that, following that date, the Trust in England will be required to become independent and self-financing.

The Coalfields Regeneration Trust has distinctive operations in Wales, England and Scotland, with each having their own business plans and to a great extent following their own paths and priorities. However, the Trust as a whole remains a single entity with an overarching business plan for the organisation as a whole. At the UK level the Trust is run by a Board of eight Trustees, with two coming from Wales, two from Scotland, and four from England. Consequently the decisions of this Board, with its inevitable emphasis on the concerns of England, are of major influence and importance for both Wales and Scotland. For example, in England the Trust has indicated that beyond March 2015 it is considering relaunching itself as a social enterprise.

In recent years a complex range of organisations, some old and some new, have emerged that give support of one kind or another to the kind of organisations that the Coalfields Regeneration Trust has typically been involved with, especially social enterprises. These include local authorities, the Big Lottery Fund in Wales, the Charity Bank, the new mutual housing associations that have been developing a community regeneration role in the wake of stock transfer, the Wales Co-operative Centre, the Welsh Council of Voluntary Action, the Development Trusts Association Wales, Cylch, and most recently the Welsh Social Enterprise Coalition. It is noteworthy that the Welsh Government was instrumental in bringing this last organisation into being and is funding it with £700,000 over four years to March 2013.

However, so far as social enterprise is concerned, the most important of these organisations are the community housing associations. For example, in 2008 RCT Homes established a subsidiary charity Meadow Prospect. Since then it has created a £500,000 fund to establish social enterprises - about seven or eight have been created, some focused on undertaking community-based renewable energy schemes.

Across Wales local authorities have also come together in consortia with the objective of collectively drawing down funding from European Convergence Funds to promote social enterprises. In south west Wales four authorities – Carmarthenshire, Pembrokeshire, Swansea and Neath Port Talbot – have combined to create a project known as Collaborative Communities to support the creation of social enterprises. More recently the six counties of Blaenau Gwent, Bridgend, Caerphilly, Merthyr Tydfil, Rhondda Cynon Taf and Torfaen have created the new South East Wales Community Economic Development Programme with the same objective. Both programmes have the capacity to draw down around £5 million for this purpose over a four to five year period. These resources are aimed at similar organisations to those being targeted by the Coalfields Regeneration Trust within those regions.

While these other organisations and projects are promoting initiatives that typically have characterised the work of the CRT, potentially this presents more of an opportunity for the organisation than a threat. In an era of severe public spending constraints, the Welsh Government is constantly emphasising the need for organisations to collaborate and operate across boundaries in order to create new synergies and save money. So the CRT has an opportunity to take a lead in this respect in the coming years in relation to community regeneration.

The current consultation on the future operation of Communities First proposes a shift in emphasis to the creation of what the Welsh Government terms ‘Prosperous Communities’. It is noteworthy that use of the phrase borrows a strap line from the CRT. In measuring success the Welsh Government says the lead headline indicator should be the “development of local organisations into social enterprises”.

It is noteworthy, too, that although the CRT rests within Huw Lewis’s Housing Regeneration and Heritage portfolio within the Welsh Government, responsibility for social enterprise rests with Edwina Hart and her economic development portfolio. The latter was shifted from Carl Sargeant’s Local Government and Communities portfolio following a recommendation from the National Assembly’s Enterprise and Learning Committee.<sup>1</sup> The Committee also recommended that the Welsh Government should:

“...work with a range of partners including the Welsh Social Enterprise Coalition to improve the accessibility, quality and coverage of business support and advice for the social enterprise sector, and to ensure that financial and high level business advice can be provided in one place as a

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<sup>1</sup> The recommendation was contained in the Committee’s report *The Role of Social Enterprises in the Welsh Economy* published in November 2010.

coherent and comprehensive package for enterprises across the whole of Wales to expedite their growth.”<sup>2</sup>

If the present Welsh Government were to implement this recommendation, and its nurturing of the Welsh Social Enterprise Coalition suggests that it might, then this would have profound implications for the emphasis the CRT has been placing in recent years on promoting social enterprise.

It is against this background that in July 2011 the Trust commissioned the Institute of Welsh Affairs to review its role, operation and future. In undertaking this we have pursued three main avenues:

1. We conducted an online survey of 131 of the 200 or so organisations that have been supported by the Coalfields Regeneration Trust over the past three years. In total 61 returned the questionnaire, a 47 per cent response rate, which is excellent for surveys of this kind. In our view it reflects the high regard which grant recipients have for the Coalfields Regeneration Trust.
2. We interviewed in depth six organisations that have been in receipt of support from the Coalfields Regeneration Trust - Cleanstream Carpets in Porth; the 3G's Development Trust in Merthyr; the Green Earth environmental services social enterprise in Blaenau Gwent; the Pant and Dowlais Boys and Girls Club in Merthyr; Tabs Training in Porth; and Refurbs in Flintshire.
3. We also interviewed eight professionals working in the regeneration field in Wales to gain their impressions of the work of the CRT and how it should be meeting current challenges. These were practitioners working in poverty-related or regeneration organisations and programmes, and academics with expertise in the field.

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<sup>2</sup> *Ibid.*, page 33.

## **2. The Coalfields Regeneration Trust in Wales**

The Coalfields Regeneration Trust, an independent charity and company limited by guarantee, was established in 1999 to improve the quality of life in Britain's coalfield communities. The Welsh arm of the Trust covers the former coalfield communities of north and south Wales where some 750,000 people live, about a quarter of the Welsh population. Since 1999 the Trust, which has a staff of four, has awarded grants totalling £14.7 million from its Welsh base in Pontypridd to more than 667 projects, which have levered an additional £10 million from other funders.<sup>3</sup> This has translated into:

- 32 new community facilities and 327 improved facilities.
- 919 people helped to find work.
- 632 jobs created and safe guarded.
- 7,799 people supported into training and education.
- 3,161 people gained qualifications.
- 1,121 new volunteers supported.
- 3,689 current volunteers supported.
- 145 childcare places created.
- 56 social enterprises created.
- 390 social enterprises supported.
- 2,248 community groups supported.
- 22 community transport networks supported.
- 7 financial inclusion schemes created.
- 1000's of young people involved in creative and sporting activity.

The CRT's activities can be considered under four strategic headings:

### **(i) Social enterprise in the Welsh coalfield communities**

In the 12 years of its existence the CRT has been more involved with social enterprise development in the Welsh coalfields than any other funder. Through its core funding and with support previously from Objective 1 and currently through a project supported by the European Regional Development Fund's West Wales and the Valleys Convergence programme, CRT has been instrumental in the creation of 56 social enterprises and has assisted the development and growth of 390 others.

In 2005 CRT took the lead in developing the first Objective 1 social enterprise scheme, worth £1.4 million. This developed into a further needs analysis and collaboration with partners to look at the demand in the sector. The aim was

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<sup>3</sup> Statistics on the operation of the Trust in this section are taken from the CRT's *Business Plan for Wales 2011-14*, and from a presentation to a CRT Wales Strategy Day on 25 August 2011 by Development Officer Alun Taylor.

to secure a successor programme specifically targeting social enterprise development as a tool for economic development in the Coalfields. In October 2009 CRT was successful in securing a further £987,488 tranche of European Convergence funding from the Welsh European Funding Office (WEFO) to deliver this intervention. It became the first of the projects under Priority 5 – Building Sustainable Communities, Theme 2 – Community Economic Development to begin providing direct financial support to the sector.

The Coalfields Social Enterprise Grant Scheme was launched in December 2009 with a £1.9 million programme. CRT was able to act quickly and responsively to the needs of social enterprises. Within two months of securing the WEFO approval it was making grants which provided a crucial injection of funds into a sector struggling to respond to the recession and lack of investment opportunities.

The Convergence project was looking to deliver growth in the social economy through funding and offering business development to new and emerging social enterprises. Using funding from the Objective 1 programme CRT had demonstrated that supporting social enterprises can lead to job creation and wealth retention at a community level. The project was therefore tasked with creating 20 jobs between December 2009 and March 2012. As at June 2011 - this target had been exceeded, with 32.9 jobs created, a remarkable record given the economic downturn that has occurred in the past few years.

To date the project has assisted 56 organisations to grow – both through direct financial support and t access to consultant support. In addition three new social enterprises have been created.

In Appendix 2 we profile six social enterprises, three of which benefited from CRT financial support through the project. They are Cleanstream Carpets in the Rhondda, TABs training, also in the Rhondda, and the Pant and Dowlais Boys and Girls Club in Merthyr.

Cleanstream, which recycles carpet tiles, provides a classic instance of how a relatively small financial intervention, aimed at a specific need and delivered with appropriate timing can prove crucial in boosting a small organisation. In this case it was to assist the social enterprise in renting a warehouse it needed to store the used carpet tiles it was accumulating. A £9,440 grant covered the rent on the premises for the first year. As Ellen Petts, Director of Cleansteam Carpets, explained:

“The CRT intervention was exactly what we needed and at exactly the right time. At a stroke we had our own warehouse with much needed extra space and our offices in one building. After a year we were well able to cover the rental costs ourselves from our increased turnover.”

As well as work in directly supporting new social enterprises, CRT has been proactive in working collaboratively with other organisations working in this field and operating within the coalfield area – in particular the other projects funded through the Convergence programme. CRT drew together the sponsors of each convergence project to form an advisory committee to deliver



the grant scheme and to consider the development of the sector strategically. This has resulted in a positive partnership approach. For example, CRT collaboration with the Wales Cooperative Centre led to its initial contact with Cleanstream Carpets.

## **(ii) Supporting the Welsh Government's Communities First programme**

The Coalfields Regeneration Trust plays a co-ordinating role in bringing Communities First initiatives together. In all it has supported 125 projects in Communities First areas, itself delivering £3.4 million in funding and contributing to a total project value of £6.2 million.

The Trust has given special attention to the Perthcelyn ward in Penrhiwceiber in the Cynon Valley, identifying it as one of the most hard-to-reach communities in Wales. Rhondda Cynon Taf is the third most disadvantaged authority in Wales, and Perthcelyn is judged to be to the most disadvantaged ward within Rhondda Cynon Taf. Yet over ten years the Communities First programme has only managed to direct £10,000 funding into the ward. The Coalfields Regeneration Trust has attempted to address this imbalance by engaging in a sustained programme of capacity building initiatives, entailing more than 300 visits to Perthcelyn over ten years by its Programme Manager Alun Taylor. Outputs have included:

- Funding development of Perthcelyn's youth club and securing funding for a part-time youth worker by the Community Foundation in Wales.
- Brokering improved liaison between Communities First, the local authority and the police in the area.
- Supporting a social enterprise for Perthcelyn.

## **(iii) Helping people into work, training and education**

The CRT has as a major objective promoting a variety of initiatives that tackle barriers stopping people accessing work or training – be they lack of affordable childcare, poor transport, or low skills levels. Particular focus is given to what are regarded as most at risk young people – those not in employment, education or training (NEET) – and those aged over 50 who are out of work. There are three main strands:

1. Pre-employment programmes to engage with those further from the labour market.
2. Trainee and subsidised employment schemes for those furthest from labour market.

3. Programmes to address personal barriers to work, for example mental health problems, drug and alcohol, confidence and self esteem.

The statistics for people supported by the Coalfields Regeneration Trust over its first decade are impressive:

- 7,799 people have been supported in education and training initiatives.
- 3,161 people have gained qualifications as a result.
- 919 people have been directly helped in finding work.
- 632 jobs have been created or saved.

#### **(iv) Engaging with young people**

Young people are increasingly marginalised from the job market as they have no work experience and lack the confidence and skills to access quality work. Moreover, employers are also increasingly reluctant to invest in apprenticeships or entry level employment opportunities in quality careers. CRT intervenes in three main areas to tackle these issues:

1. Raising the aspirations of children and young people through sports and cultural development.
2. Addressing financial and fuel poverty and supporting enterprise development.
3. Supporting the development of green skills.

A major initiative, launched in 2007, has been Game ON, aimed at re-establishing football in the lives of hard to reach youngsters in the coalfield region. Game ON is not a project to promote football or skilled sport but rather offers all young people within the community a diversionary activity at times of peak anti-social behaviour. It uses this engagement to work with young people to raise aspirations, to encourage community participation through volunteering, to encourage access to qualifications, and leadership skills. Importantly it offers safe, fun activities in the most disadvantaged communities.

Over the past three years some 600 14 to 19-year-olds have been involved in training and participating in a league structure of 12 teams. A successful bid to Comic Relief is allowing the development of this scheme with partner organisations including Communities First. Over the next two years the objective is to attract a further 400 participants and also establish a girls tournament.

### **3. The Coalfields Regeneration Trust in England**

In September 2010 the Department for Communities and Local Government published the independent *Review of Coalfields Regeneration* in England, chaired by the former Labour MP for Barnsley West and Penistone (1992-2010), Michael Clapham. This was a wide-ranging document, mostly concerned with the future direction of three strands of funding administered by the department – the Homes and Community Agency’s National Coalfields programme, the Coalfields Enterprise Fund and the Coalfields Regeneration Trust.

The Clapham report’s first major conclusion was that, despite decades of special help the coalfield areas remain a special case for intervention, given their particular combination of problems. Given that the coalfield areas were mainly reliant on one type of industry, where everything was provided by the employer – including jobs, healthcare, housing and social facilities – when the industry declined, so did everything else. When a colliery closed the impact was felt throughout the whole community, with the closure of local businesses and shops, producing an array of social problems. These were compounded by the facts that coalfield communities:

- tend to be more isolated than non coalfield areas;
- have a higher mortality rate than the average;
- have greater levels of overall deprivation;
- have fewer businesses and jobs per head;
- have more young people not in education, training or employment;
- suffer a double jeopardy whereby the health of older generations is affected by their former work and that of younger people is equally as affected by poor employment opportunities and low expectations.

The report’s findings on the impact of the Coalfields Regeneration Trust on these problems was highly positive. As it stated:

“The Coalfields Regeneration Trust has a commendable record of making grants over the four rounds since 1999. The National Audit Office (NAO) found that the CRT had exceeded all but one of its aggregated targets in the first three rounds between 1999 and 2008. While the NAO found it difficult to assess the cost of each output delivered, it noted that CRT uses agreed bench marks and all projects examined were affordable within them. In addition, a very recent independent review of CRT’s worklessness programme established that the cost of £2.7 million was offset by a general net saving to the Exchequer of £3 million and that 1,286 people had been supported directly into work, at a cost per job of £2,077.”<sup>4</sup>

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<sup>4</sup> Department for Communities and Local Government, *A Review of Coalfields Regeneration*, para. 3.27, September 2010.

The report recommended that the Coalfields Regeneration Trust should continue to have a valuable role to play. However, it criticised the Department's three-year cycle of funding which, it said, had resulted in a 'stop/start' approach to supporting schemes. In future government funding for the Trust should be more stable and sustainable.

In March 2011 the Department responded to these recommendations, with a guarantee of funding for the Trust for potentially a further five years, but with a proviso that after that it should become self-supporting. As the response put it:

“While it is clear that intervention is still needed, the form of this intervention needs to evolve to reflect the changed economic circumstances and the Government's new approach with the emphasis in the next phase of regeneration towards a community focused, self-sustaining and locally led approach.

“The Government believes that locally led and managed growth provides the best opportunity to tackle the challenges of regeneration and the need is to move away from top down programmes to putting residents, local businesses, voluntary organisations and civic leaders into the driving seat and providing them with the tools and local incentives to create the right approach for their area. This is valid for coalfield as well as other communities and coalfield communities stand to benefit from the range of initiatives we are taking to remove barriers, decentralise services and provide incentives for growth.”<sup>5</sup>

The response committed to funding the Coalfields Regeneration Trust in England with £30 million over the two years 2011-12 to 2012-13, “with the potential for two further years funding to enable the Trust to become self financing and to achieve an independent status by March 2015”.<sup>6</sup> Speaking at the Coalfields Regeneration Trust Wales Strategy Day seminar on 25 August 2011 the Trust's UK Chief Executive Gary Ellis noted that this funding commitment came with two conditions:

1. The Trust must secure a 30 per cent saving on its operating costs.
2. A requirement that the Trust shifts its focus from providing grants to making small business loans in the coalfield areas.

How practical these requirements will turn out to be must be questionable. However, these funding conditions provide a broad context which the Coalfields Regeneration Trust in Wales will need to take into account in considering its options for the future. They are also likely to be influential with the Welsh Government in its consideration of its future funding of the Trust in Wales beyond March 2012.

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<sup>5</sup> Department of Communities and Local Government, *A Review of Coalfields Regeneration – Government response to recommendations*, paras 1.6 and 1.7, March 2011.

<sup>6</sup> *Ibid.* para 1.10.

## **4. Survey of Coalfields Regeneration Trust Wales' grant recipients**

### **Survey method**

To provide a robust context for analysis of the six case study organisations' responses, the IWA undertook an online survey of all organisations in receipt of CRT funding during the period 2008-2011. The questionnaire (Appendix 1) was developed in collaboration with Coalfields Regeneration Trust Wales. It was designed to elicit funding recipients' perceptions of the Trust's strengths and weaknesses, together with their views on its role within the wider environment of regeneration funding in Wales.

Contact details for 176 organisations were forwarded by the Trust, of which 131 contained valid email addresses. Sixty one completed questionnaires were received, representing a 47% response rate. The responses were overwhelmingly positive. A breakdown of the key findings is provided below.

### **Nature of successful funding applications**

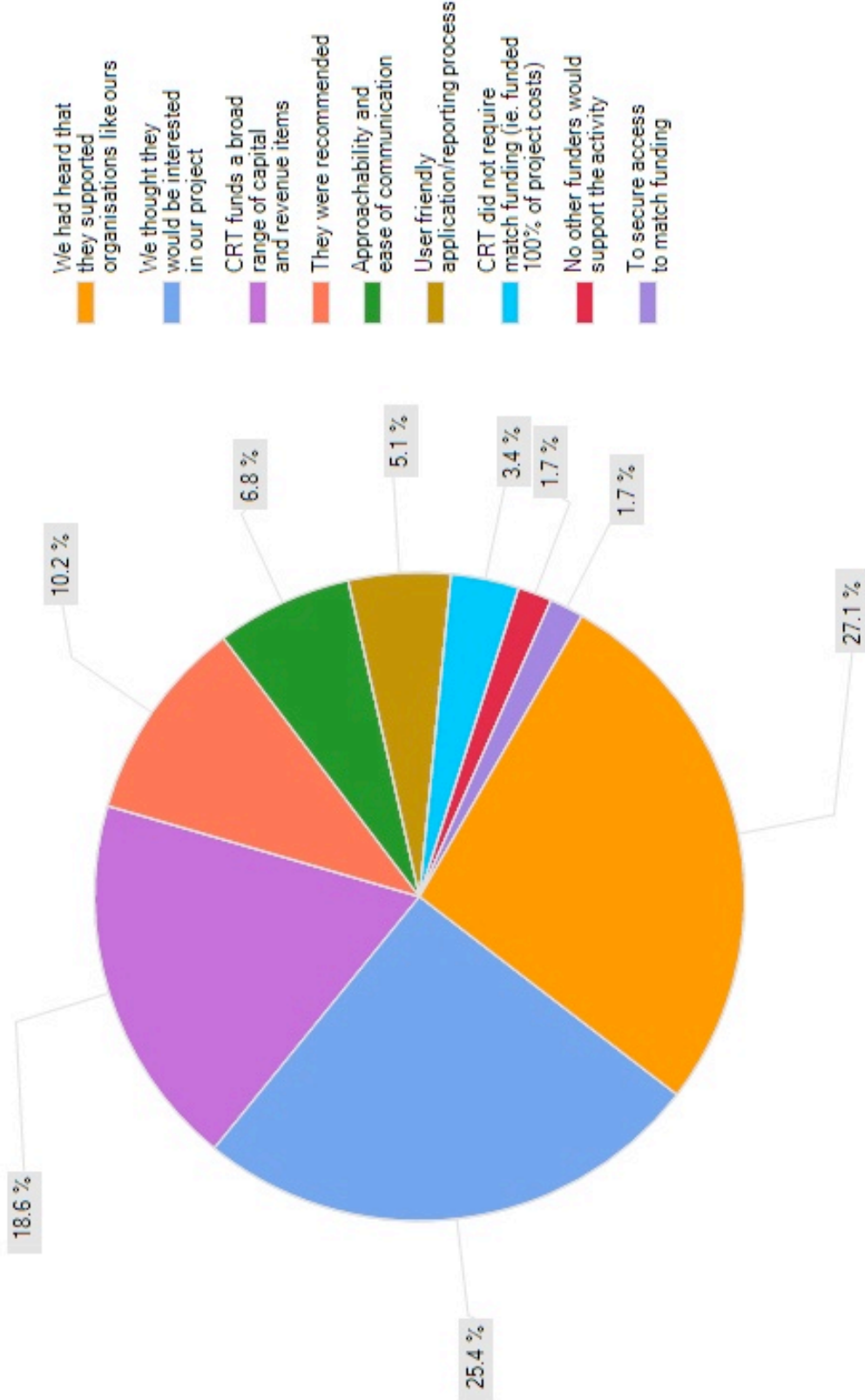
According to the responses received, the organisations funded by the Coalfields Regeneration Trust are most likely to have between 1 and 5 employees (73.3% of respondent organisations) and no more than twenty volunteers (70.5%).

Two thirds of respondents described their organisation's activity as either "social enterprise" (36.7%) or "developing community services or facilities" (31.7%). At 8.3% (5 responses) each, "helping young people" and provision of education or training were the next most common activities.

Nearly two thirds of the organisations surveyed received support from the Coalfields Regeneration Trust during a period of expansion, and just under a quarter during their start-up phase. 21% were supported through a challenging situation.

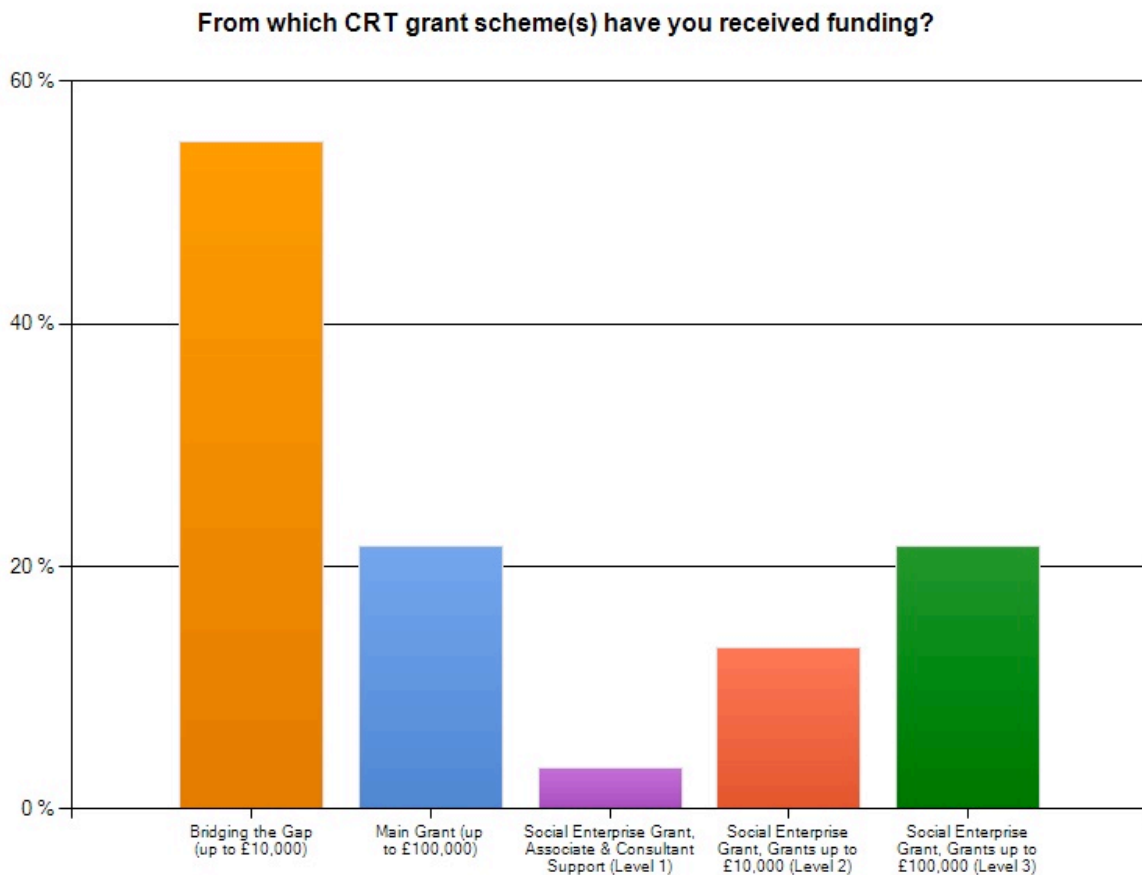
The respondent organisations had approached the Coalfields Regeneration Trust for funding predominantly because of a belief that the Trust would be particularly likely to support either their type of organisation or the specific project proposed. However, nearly one in five of the organisations was attracted by the Trust's support for a wide range of capital and revenue items.

**What was the main reason for your approach to CRT for support/funding?**

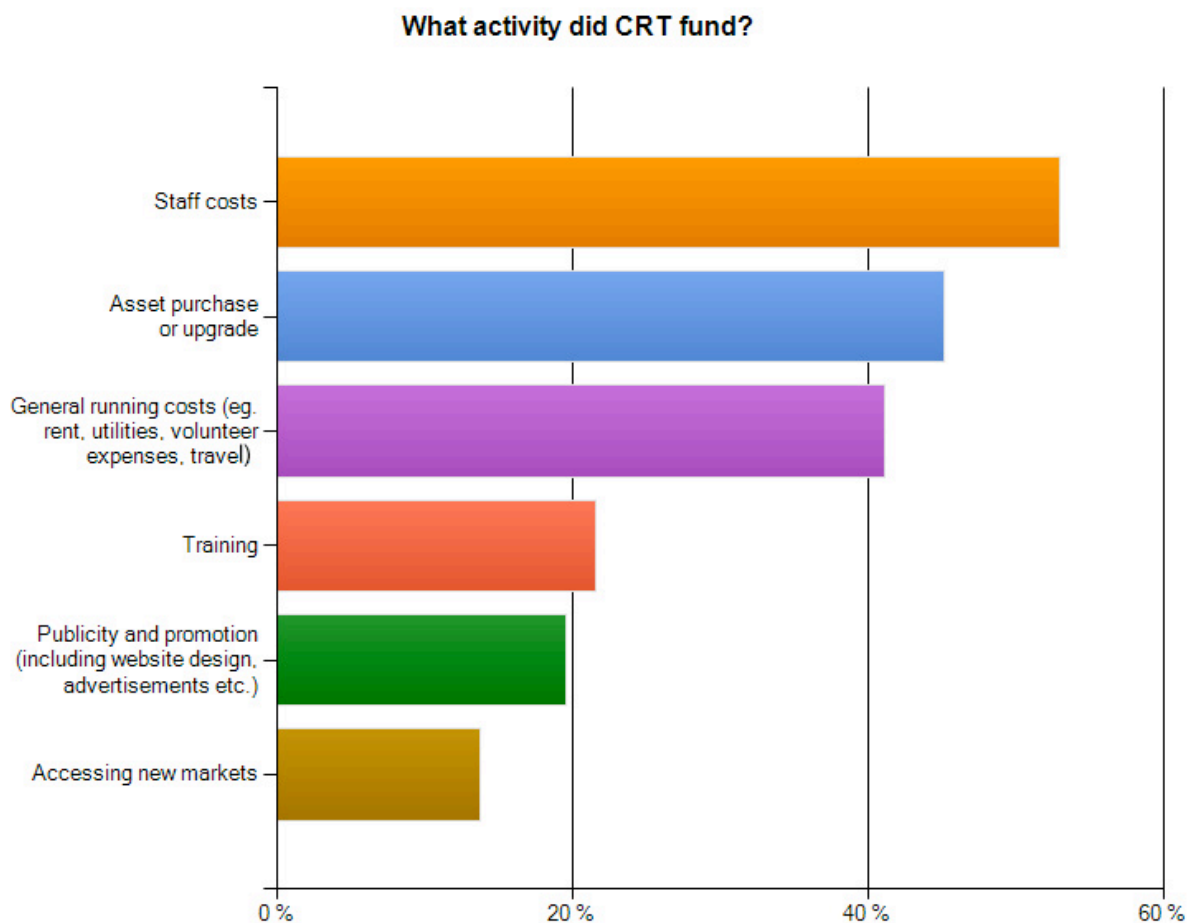


One in ten respondents approached the Trust following a recommendation. One in six of the organisations surveyed had received support through more than one of the CRT's funding streams.

71.6% had received grants of up to £10,000 through the Bridging the Gap or Social Enterprise (Levels 1 and 2) Grants. 43.4% of the organisations had received a Main Grant or Social Enterprise (Level 3) Grant of up to £100,000.



The Trust has funded a range of activities in the respondent organisations, as shown in the following table. Two thirds of organisations used the funding received from the Coalfields Regeneration Trust to finance a single activity, with one third financing two or more activities with their grant.



### **Impact of the Coalfields Regeneration Trust**

The role of the Coalfields Regeneration Trust in supporting the respondent organisations was described by 93.5% of those organisations as either “crucial” or “very important”. Only 3.2% (two organisations) did not think that the CRT’s support had been important.

**“CRT have been the single biggest influence on [our] growth and development since our formation.”**  
**– Promoter of sport and physical activity**

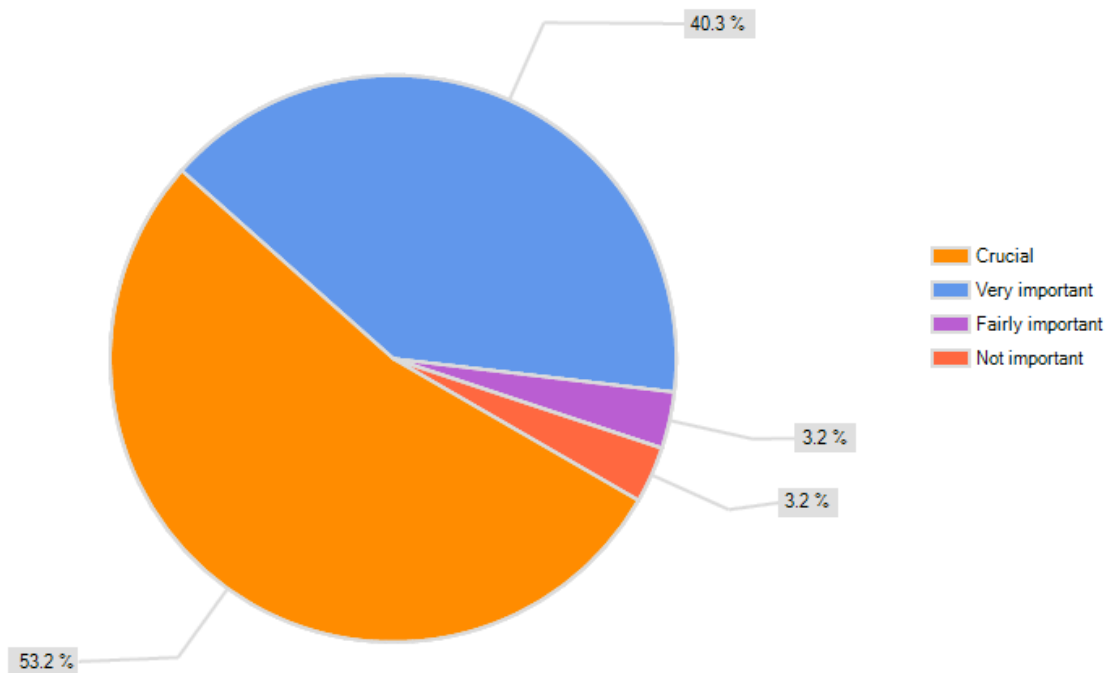
Over eighty percent of respondents highlighted positive developments in their organisation when asked to describe any changes resulting from CRT’s support. Only three organisations (4.9%) stated that no change had occurred. (14.8% gave no response to the question.) The changes cited can be broadly categorised as follows:



- Expansion/growth (12 organisations)
- Facilities development/upgrade (9)
- Staff development/employment of new staff (9)
- Improved business plan/business structure (7)
- Ability to provide an important community service (4)
- Foundation of a new service/social enterprise (4)

In addition, four respondents stated that CRT funding had secured the future of their organisation.

**How important has the Coalfields Regeneration Trust been in helping your organisation?**



**“The support received has allowed our Trust to provide training that will lead to many jobs being created and we are very thankful for the support of the CRT.”**

**– Development Trust**

As well as receiving financial support from the Trust, 91.5% of the respondent organisations had received support with applying for a grant. Contact with the Trust had allowed 12.8% to gain access to other grant awarding bodies. Nearly one third had been given advice on developing their organisation by the Coalfields Regeneration Trust.

When questioned on what support, apart from provision of funding, they valued most from the Coalfields Regeneration Trust, 23% valued financial advice and 21.3% appreciated assistance with accessing support from other organisations. Eighteen per cent of respondents valued insights provided by the Trust into how best their organisation should develop, while advice on governance issues was most valued by 9.8%.

### **Perceptions of the Coalfield Regeneration Trust’s success as a funding body**

To determine the perceived user-friendliness of the Coalfields Regeneration Trust as a funder, grant recipients were asked to rate the Trust on a range of measures, using a 6-point Likert scale:

- Ease with which the recipient made contact with CRT
- CRT’s responsiveness to requests for guidance and advice
- CRT’s involvement in terms of offering support
- CRT’s openness to negotiation on the design of the project
- Level of bureaucracy encountered
- User-friendliness of CRT in relation to other grant awarding bodies

(1=most positive; 6= least positive)	Modal value	Mean value	Response count
Ease of contact	1	1.61	61
Responsiveness to requests	1	1.72	61
Support offered	1	1.85	61
Openness to negotiation	1	2.00	60
Bureaucracy encountered	1	2.32	59
User-friendliness compared to other funders	1	1.97	59

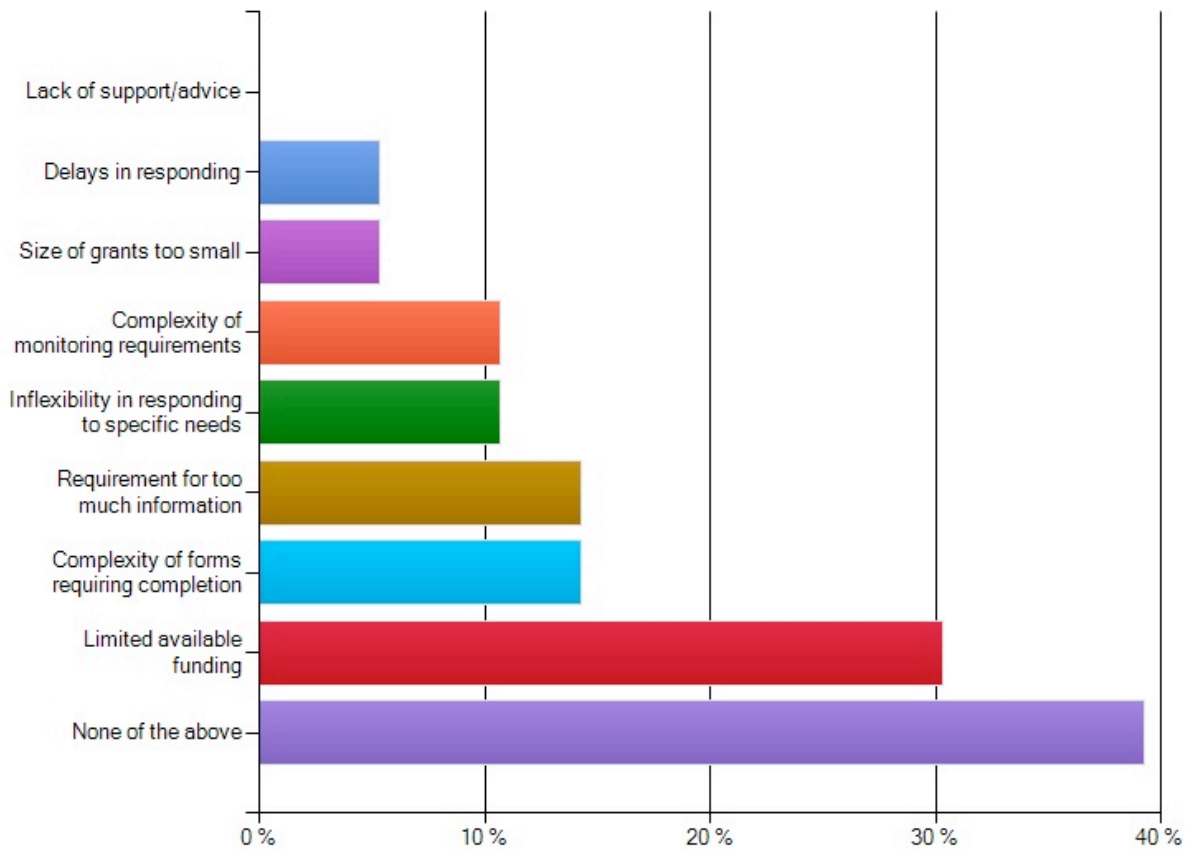
As the above table shows, the most commonly given response to each of the statements was a value of 1, corresponding to the most positive assessment. This was given by a majority of respondents for the first four statements, and by a plurality for the remaining two.

The mean values show that, for all statements, responses were concentrated towards the top end of the positive response range. Even for the least positive response – to the level of bureaucracy encountered during dealings with CRT – the mean value is still positive, at 2.32.

These findings demonstrate that the Coalfields Regeneration Trust is not only regarded as a responsive and supportive organisation, one that compares favourably with other funders, but that it is also willing to engage in a partnership approach with those that it funds through a process of negotiation.

Respondents were also asked to comment on specific strengths and weaknesses of the Trust, as set out in the charts below.

**What would you say are the weaknesses of the Coalfields Regeneration Trust's support?**



A plurality of respondents stated that the Coalfields Regeneration Trust suffered from none of the suggested potential weaknesses. Of these, only one cited an “other” weakness, adding that “having to refer information to HQ in England resulted in some confusion”, but nevertheless concluding that the Coalfields Regeneration Trust offers “very good service” when compared with other funding providers.

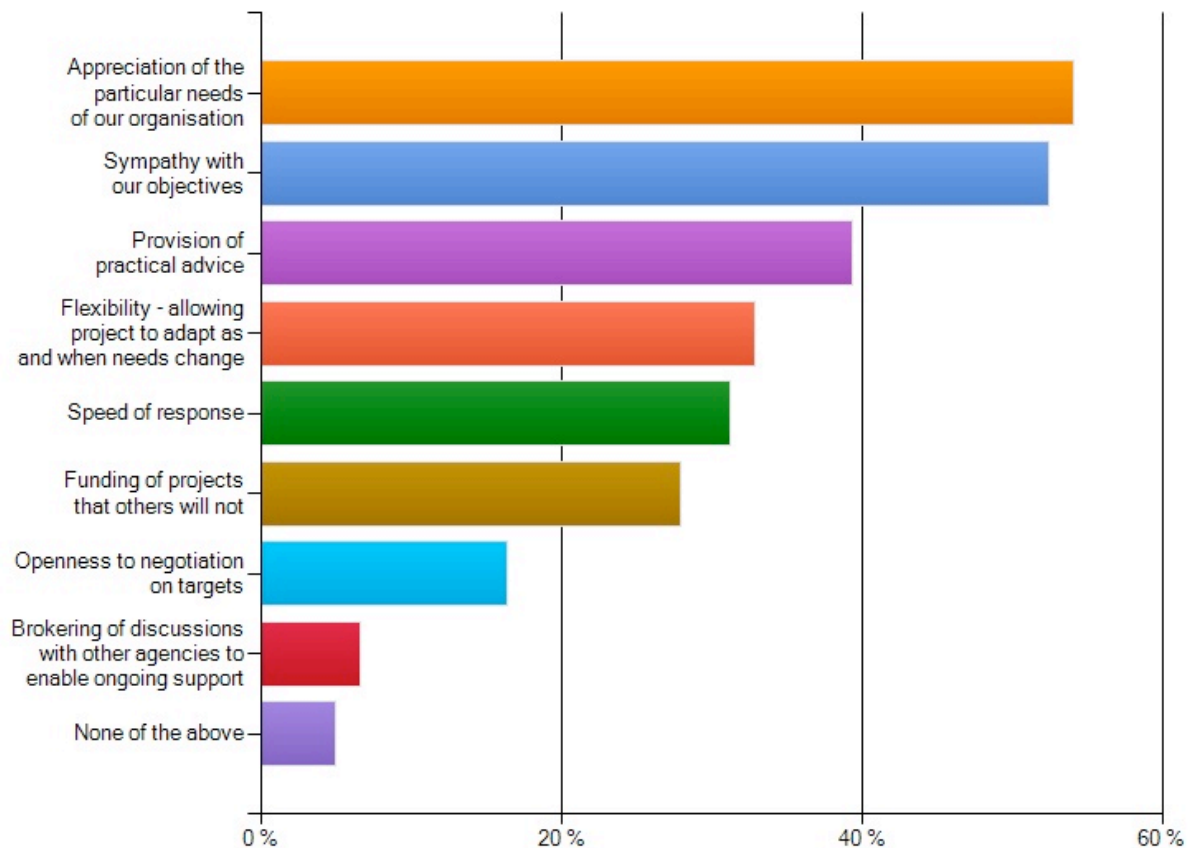
Of the weaknesses highlighted, by far the greatest concern was that limited funding was available for distribution by the Trust. More than twice as many respondents cited this as any other concern.

Of the four other weaknesses noted by more than 10% of respondents, three related to issues of bureaucracy – complexity of forms (14.3%), a requirement for too much information (14.3%) and the complexity of monitoring requirements (10.7%). In addition, 10.7% of respondents stated that the Coalfields Regeneration Trust was inflexible in responding to the specific needs of their organisation.

Additional negative comments (given in response to Question 19: “If you have any other comments that you wish to share...please do so here”) focused on two issues of concern; in each case two respondents (3%) raised the issue.

Firstly, they stated that communication needs to be streamlined and speeded up, to prevent duplication and confusion between the Pontypridd and Rotherham Coalfields Regeneration Trust offices, and to ensure that applicant organisations do not lose out on match funding opportunities. Secondly, they argued that the application process needs to be absolutely transparent to ensure that it cannot be regarded as discriminatory.

**What would you say are the strengths of the Coalfields Regeneration Trust's support?**



By contrast with the perceived weaknesses of the Coalfields Regeneration Trust, each of which was highlighted by only a small minority of respondents, the suggested strengths of the Trust were subscribed to by a larger proportion. When the limited funding available for distribution by the Coalfields Regeneration Trust (a weakness not of the Trust's own making) is excluded, all strengths except for "brokering of discussions with other agencies to enable ongoing support" received a higher tally than any of the weaknesses. Particular strengths are the Trust's appreciation of organisations' needs (according to 54.1% of respondents) and sympathy with their objectives (52.5%).

Meanwhile, nearly two-fifths of respondents appreciate the Trust's provision of practical advice, and between one quarter and one third value its flexibility, speed of response and funding of projects that others will not support. Asked

to share any other comments on the Coalfields Regeneration Trust (Question 19), 23 respondents gave a response, of which 82.6% were positive. the Coalfields Regeneration Trust was held by multiple organisations to be:

- both “helpful” and “supportive”
- “approachable” and “accessible”
- “positive”
- and in possession of a “good understanding” of the sector.

**“After 16 years of working in the sector I am clear that the CRT are the most effective and efficient grant distributing organisation. They need to be recognised as such and the role, influence and investment power must be increased if the sector is to grow. Other organisations such as the CVCs and WCVA and Lottery are nowhere near as effective even taking into account their financial resources. You need an organisation that understands the sector and CRT do.”**

**– Training provider**

### **Recommendations for future Coalfields Regeneration Trust activity**

Asked to comment on the support that they would like to see the Coalfields Regeneration Trust provide in future, 47 respondents provided an answer. Five foci for future activity were repeatedly mentioned:

- Fifteen organisations (24.6% of all survey respondents) specifically called for the Coalfields Regeneration Trust to continue operating as it does at present. This includes provision of financial support and advice. As one respondent put it, the Trust should be able “to continue as they are with all their funding available without cuts”.
- In addition to this, 14.8% of organisations want the Coalfield Regeneration Trust to focus on provision of advice, particularly in the areas of grant applications, governance, business development and project management. Follow-on support at the end of grant periods was also mentioned as potentially beneficial.
- 9.8% listed ongoing financial support from the Coalfields Regeneration Trust – both ongoing for their own activities and for other similar community projects – as being necessary. One organisation specifically mentioned the importance of this being “separate from the Welsh Government”. A further 4.9% of respondents stated that longer funding periods would benefit their organisation.

- Finally, 11.5% of respondents mentioned the importance of developing social enterprises in coalfields areas, over half of whom specifically referred to the role of the Coalfields Regeneration Trust in this process.

**“We want to see the same type of support continuing as it is flexible and meets individual organisations’ needs.”**

**– Children’s play centre**

## **5. Social enterprise profiles**

A central part of this review was to profile six social enterprises that have received funding from the Coalfields Regeneration Trust over the past three years. The objective was to gain an insight into the kind of projects that have achieved successful outcomes as a result of the Trust’s financial input, together with its role in identifying projects and offering wider support. The profiles, detailed in Appendix 2, are of the following undertakings:

1. Cleanstream Carpets in Porth which recycles carpet tiles.
2. The 3G’s Development Trust which attempts to improve the life chances of people living on the Gurnos, Galon Uchaf and Penydarren estates in Merthyr.
3. The Green Earth environmental services social enterprise in Blaenau Gwent.
4. The Pant and Dowlais Boys and Girls Club in Merthyr.
5. The Tabs Telecentre and Business School Training Centre in Porth which acts as an incubation centre for social enterprises.
6. Refurbs Flintshire which recycles used furniture and provides work placement opportunities in the Intermediate Labour Market.

It is noteworthy that, although these case studies illustrate the very wide range of activities the Coalfield Regeneration trust supports, they all have some significant characteristics in common:

- All of them began as small operations.
- With the exception of Refurbs Flintshire, which from the start had the substantial backing of Flintshire County Council, all started with very limited resources.
- Again with the exception of Refurbs Flintshire, all could be described as relatively high risk ventures.
- All have at their core a social entrepreneur, an often charismatic leadership figure who has provided the vision and drive to underpin the survival and eventual success of the project.
- In most cases the support provided by the Coalfields Regeneration Trust was relatively small – in some cases less than £10,000 – but was granted at a critical moment for a highly specific purpose which proved essential in ensuring first the survival and later the success and sustainability of the project.

- With one exception – again Refurbs Flintshire – all the interviewees praised the involvement and expertise of the Coalfields Regeneration Trust in first identifying their need, then in supporting their applications, and finally its flexibility in responding to circumstances as they arose.

Cleanstream Carpets provides the classic instance of how a relatively small financial intervention, aimed at a specific need and delivered with appropriate timing can prove crucial in boosting a small organisation. In this case it was to assist the social enterprise in renting a warehouse it needed to store the used carpet tiles it was accumulating. This followed a radical change to the social enterprise's business plan, from attempting to supply the low volume top end of the market – which had proved an expensive failure – and instead go for higher volume lower cost sales, which eventually proved successful. The critical need was support to rent the new premises, which the Coalfields Regeneration Trust supplied in the form of a £9,440 grant. As Ellen Petts, founder and Director of Cleansteam Carpets, explained:

“The Coalfields Regeneration Trust intervention was exactly what we needed and at exactly the right time. At a stroke we had our own warehouse with much needed extra space and our offices in one building. Within a month we saw our sales beginning to lift. We haven't looked back since then, really. After a year we were well able to cover the rental costs ourselves from our increased turnover.”

In the case of the 3G's Development Trust in Merthyr support from the Coalfields Regeneration Trust enabled a project whose effectiveness had been demonstrated through a pilot phase to be continued. This was Life Support, a programme for providing young people, typically single mothers who had left school with no qualifications, the incentive and support to re-enter the world of education. The project began as a two-year action research pilot project funded by a £250,000 grant from the European Social Fund's *Equal* programme between 2005-07.

As the European funding came to an end, towards mid 2008, there was great uncertainty about where money could be found to allow the project to continue. This was when 3G's approached the Coalfields Regeneration Trust for funding for two years to put the pilot project on a more sustainable footing. The Trust awarded them a £100,000 grant for two years from January 2009. As the Project Coordinator Deanne Rebane said:

“We were able to demonstrate to the Trust that our project was unique and achieving results. But without their support at that time the project would have folded. There is no doubt that the Trust's support was both timely and critical. It gave us a period of stability during which we could transform what had essentially been a piece of action research into an ongoing established programme.”

The Green Earth environmental services social enterprise in Blaenau Gwent provides a classic example of a social enterprise starting out with nothing except the enthusiasm of its volunteers. In the first few years its turn-over was



no more than a few thousand pounds, with small contracts for projects from Keep Wales Tidy and various community groups. However, without an administrative infrastructure, with its own dedicated office the nascent social enterprise was struggling to establish itself on a firm footing with the prospect of developing a sustainable business plan.

The breakthrough came in December 2008 when Green Earth applied to the Coalfields Regeneration Trust for a £10,000 Bridging the Gap grant to establish an office and employ a full-time administrator. As Green Earth's founder Gwynfor Evans explained:

“This was a huge leg-up. We could operate on a more professional basis and it put us in a much better position to make contacts and apply for contracts, especially with local authorities. I think the Coalfields Regeneration Trust was sufficiently impressed with what we had already achieved on a voluntary basis. They could see that we had potential for developing the business and took a calculated risk.”

The Coalfields Regeneration Trust sometimes proves to be a catalyst which involves other funders and allows a project to get off the ground. This was the case with the Pant and Dowlais Boys and Girls Club in Merthyr where the Trust has acted as a catalyst in getting what, at the start, must have looked a very high risk project, off the ground. It proved an example where the Trust was able to look beyond the rivalries that often bedevil co-operation between voluntary bodies, local authorities and powerful personalities in the Valleys. Most importantly, it was the first funder to venture into the project, setting an example which made it easier for others such as the local authority and the Big Lottery to follow. Since 2000, Coalfields Regeneration Trust backing has consisted mainly in paying the salary of the initiative's main organiser Paul Marshallsea. As he put it:

“The Coalfields Regeneration Trust took this project to heart and gave us a chance. The first and most important domino was down and the rest of the funders just followed suit and the funding came rolling in. Imagine the scene – a cold, damp, old dilapidated building with no windows where pigeons fly in and out, where the rain just sweeps in every day. I was standing there in this massive space with water up to our ankles and telling this guy Alun Taylor from the Coalfields Regeneration Trust – ‘this building is going to change the lives of countless amounts of young people, it will be the best youth project in the whole of the UK’”.

The Porth Telecentre and Business School in the Rhondda provides a very different case study. Here circumstances beyond its control nearly drove a successful social enterprise out of business. Intervention from the Coalfields Regeneration Trust has supported the Centre's organiser Paul Nagle, to give him time and a chance to take the business in a different direction to become an incubation centre for other social enterprises.

In other instances support from the Coalfields Regeneration Trust has acted to bridge a gap between other sources of funds – for example, money from different European sources – to allow an initiative to continue. This was the

case with Refurbs recycling social enterprise in Flintshire. A major part of Refurbs' activities is to provide work placement opportunities in the Intermediate Labour Market, for young people not in employment, education or training (NEET), and unemployed or economically inactive people aged over 50. Initially, in a pilot project funded by the European Social Fund, Refurbs recruited three groups of jobless people for 16 weeks' paid work experience and training. This proved a great success, with 76 per cent of those completing the course finding full-time employment afterwards - the highest success rate in north Wales.

However, support for the project came to an end with the end of the first round of the European Commission's Objective 3 funding in 2008-09. New EU funding programmes were due to come on stream in 2010-11, leaving a gap in 2009-10. To fill this gap Refurbs applied successfully to the Coalfields Regeneration Trust for a £91,145 grant that filled the hiatus, allowing the programme to continue.

These varying examples illustrate not just the wide range of projects funded by the Coalfields Regeneration Trust in Wales, but the difficulties and complexities that are typically involved in supporting them. Funding projects in disadvantaged communities is a challenging task. Applicants invariably need a good deal of support and encouragement in putting their bids together. Great experience is needed in sensing what projects, and crucially which kinds of people, are calculated to achieve value for money in terms of successful outcomes. Often relatively small sums are at stake, but often, too, the risk of failure is high. Funders need an in-depth knowledge of the communities and people they are trying to support and an instinct for what is likely to succeed. Our case studies demonstrate that these qualities have been utilised to a far reaching extent by the Coalfields Regeneration Trust in Wales.

Commenting on her experience in making an application to the Trust, Green Earth's Administrator Johanna Reames said:

“It was quite a difficult, complex process but it was made clear I could always pick up the phone to sort out issues, and they were very helpful in the Pontypridd office in allowing us to extend deadlines and so on. They also made several visits to us so they fully understood what we were trying to achieve.”

Ellen Petts, of Cleanstream Carpets, said:

“We had a lot of interaction with the Trust's staff in Pontypridd in making our application. They also put us in touch with the Fairwood Trust's mentoring scheme which has been useful. At the time the Coalfields Regeneration Trust offered us the grant I think we must have looked quite a shaky prospect. At that point, in late 2009, we had very little in the way of a track record of implementing a credible business plan. But we were able to persuade them that the business had enormous potential for growth.”

Reflecting on the way the Coalfields Regeneration Trust has sustained the Pant and Dowlais Boys and Girls club through difficult times, Paul Marshallsea said:

“They are not like other funders. They have people who understand what is happening on the ground. Before the money is committed they have to be convinced it is worthwhile.”

## **6. Perceptions of the Coalfields Regeneration Trust in Wales**

The third part of this review was to elicit responses from professionals and academics working in the field to the role, profile and performance of the Coalfields Regeneration Trust in Wales. The views reported on here, and in detail in Appendix 3, should be encouraging for the Trust. For example, there was widespread support for the emphasis the Trust has been giving to helping social enterprises. Professor Kevin Morgan, of Cardiff University, gave two reasons:

- (i) It should help overcome the problem of ensuring the sustainability and therefore longevity of the kind of projects that the CRT supports. The resources and process we have in Wales don't allow funding for very many projects. We need to nurture a support system that has built in the prospect of projects outlasting the period when they are directly funded.
- (ii) It should help to address the enterprise deficit in Wales. We certainly have enterprising people but in Wales their energies and creativity tend to be directed towards cultural and educational activities – in short, diverted into every human activity apart from commerce, trading and business. Focusing on building up our social enterprises should go at least some way to addressing this enterprise deficit, which is especially prevalent in the coalfield regions.

These views should come with a health warning, about the difficulties in forming but, even more problematically, in sustaining social enterprises in deprived areas. The point was made forcibly by Gerald Powell, Manager of the 3G's Social Enterprise in Merthyr:

“There is an inherent contradiction in one aspect of the aspiration to create social enterprises. This is the underlying pressure for them to become self-sustaining, even to the extent of making a profit that can be re-invested, to create job opportunities for example. But social enterprises invariably tend to be set up in poorer communities whose defining characteristic is to have very little disposable income, if any. This raises the question how sustainable social enterprises can be in such environments. So social enterprises are a very important tool for economic regeneration, but it is very difficult to make them sustainable in deprived areas without continued grant funding. You need a very large turnover for a project to have any hope of releasing a surplus big enough to re-invest with any impact. For instance, in Merthyr we're developing a recycling operation, which will create four jobs and perhaps have a turnover of £150,000 to £200,000. This is a considerable amount of money for a social enterprise. But we'll be lucky if this achieves a surplus of more than £10,000 to £15,000 a year after running costs are taken into account. That's a useful amount of money but not a great deal in

terms of re-investing into other projects.”

Others we interviewed stressed that the Coalfields Regeneration Trust should be taking a more strategic approach in its support of social enterprises. For example, Barbara Castle, Director of Community Investment and Involvement with the Bronafon Community Housing Association, said:

“I think the Trust might benefit from looking back at how their support for social enterprises has worked out in recent years and whether they have had a consistent theme in the kind of projects they have supported. My view would be that they should aim to provide communities with fixed assets, such as refurbished community halls and so on, that can provide an anchor for future. I think they should be aiming to link social enterprises with these assets to give them an income stream. I would like to see the Coalfields Regeneration Trust’s unique selling point to be building community hubs in this way. For instance, the way Communities First is going I don’t see it fulfilling this role. Nevertheless, it is critically important. But it’s not clear to me that this is a central focus for the Coalfields Regeneration Trust. In the coalfields there has always been a lack of advice and support on ways community ownership can be linked to social enterprise.”

There was support for agencies like the Coalfields Regeneration Trust to be involved in administering grant funding rather than the Welsh Government directly. This is how Nick Bennett, Director of Community Housing Cymru, put it:

“The Welsh Government, and before that the Welsh Development Agency, are not best placed to deliver small-scale programmes to deprived communities across Wales. This is much better done by third-sector initiatives supported by organisations like the Coalfields Regeneration Trust.”

John Bennett, Chief Executive of the Welsh Social Enterprise Coalition, was more direct:

“Civil servants, with their risk averse instinct, are the enemies of enterprise. We have to create an enabling environment for social enterprises, to provide people with opportunities to test out ideas and to regard things that don’t work as learning experiences rather than failures. This is not an attitude typically found within government.”

There was support, too, for the Trust’s ability to take a view of the needs of the coalfield area as a whole, against what was considered to be a more localised view of local authorities. Derek Walker, Director of the Wales Co-operative Centre said:

“Compared with local authorities the Trust can take a holistic, cross-boundary view of the needs of the old coalfield area. There should be administrative advantages, too in covering the whole of the coalfield in this way, compared with siphoning funding through the smaller local

authority areas. The Trust's independence from both the Welsh Government and local authorities is also an important asset in taking the politics out of funding decisions. The fact that the Trust's funding can be additional to mainstream government funding is also important as well since such sources are in short supply. In fact, there are fewer independent funders for the third sector in Wales than in any other part of the UK."

There was an appreciation of the Coalfields Regeneration Trust's knowledge of its area and the community organisations it engages with. Professor Dave Adamson, Director of the Centre for Regeneration Excellence Wales said:

"I think you'll find the CRT is more popular than other funders. This is a sharp contrast with most other usually larger funders operating in this territory, whether it be the Welsh Government, the Big Lottery or the Wales European Funding Office. You constantly hear grumbles about these funders - because they are too bureaucratic, too slow, or just generally difficult to penetrate and deal with. On the other hand, I've never heard a bad word said about the CRT from organisations that have been in contact with it."

Gerald Powell, Manager of the 3G's social enterprise in Merthyr, said:

"The Coalfields Regeneration Trust is not as competitive and does not operate at the same levels of complexity in terms of gaining funds as other sources, such as the Big Lottery. Many organisations use the Coalfields Regeneration Trust to fund feasibility studies in order to make the case for larger-scale funding from other sources. I get the impression that the Trust liaises quite well with other funders when it is undertaking projects such as this. Often feasibility studies will cost under £10,000, which is well within the range of grants it distributes, but often too small for other funders to consider.

Professor Adamson said the relatively small scale of many of the Trust's grants encourages a flexible approach and a healthy attitude to risk taking not shown by other funders:

"The Coalfields Regeneration Trust operates very closely with the community at a grassroots level. Their close involvement with the many, often small organisations they help encourages a healthy attitude towards risk taking in their support. My experience is that they are more likely to 'take a punt' in offering support, especially in relation to social enterprises, than many other funders operating in the field... every funding organisation inevitably develops its own distinctive approach and its own client group. On this argument the more organisations that are offering funding opportunities for third sector projects the more chance you have that a greater number and range of projects will emerge and survive."

Professor Kevin Morgan thought that the Trust's current emphasis on funding social enterprises was working with the grain of the Welsh Government's

funding policy:

“The new era in community development support will focus on outcomes rather than processes. In it business and enterprise are being emphasised and given a greater priority than in the past. I very much endorse this new approach being signalled by the Welsh Government in its current consultation around taking forward Communities First. Therefore, if the CRT is planning to invest more in supporting social enterprises across the coalfield regions then this will dovetail very well with the new direction that is being given to Communities First.”

Barbara Castle, of the Bronafon Housing Association, also thought that the Coalfields Regeneration Trust operation could be made to align with the new direction that Communities First was taking. As she said:

“I’m broadly supportive of the way the Communities First programme is being realigned – the widening of spatial identity with the creation of clusters of projects, activities and communities and establishing closer relationships between these and the local authorities. In this way resources, such as IT and staff training, can be shared. Compared with the funding and scope of Communities First the Coalfields Regeneration Trust has limited capacity but I think it could be made to fit with the new direction that the programme will be taking.”

Graham Benfield, Chief Executive of the Welsh Council for Voluntary Action, thought there was scope for the Coalfields Regeneration Trust to add value to the direction that Communities First is taking:

“We have problems with the way Communities First is being recalibrated. They are trying to create a three-tier system, with existing partnerships being corralled into clusters. These will be overseen by Regional Boards combining local authority areas. Overseeing the whole will be a National Programme Board. We don’t see what scope there is for the proposed Regional Boards adding value. To the extent that the Coalfields Regeneration Trust operates regionally, across the south Wales coalfield, then it might offer a template which Communities First could look at.”

Gerald Powell, of 3G’s in Merthyr added:

“Communities First is crucially important for deprived areas in creating core resources to create capacity for people to take on projects and initiatives. However, developing projects on top of this invariably needs additional pump-priming money and this is where the Coalfields Regeneration Trust can be a key player. Typically projects can operate within a two to three year cycle from conception to raising money to getting off the ground. To cut back the funding of the Coalfields Regeneration Trust would mean that a great deal of effort that has already been invested in many projects that are anticipating funding from this source would be wasted.”

## **7. Future options for the Coalfields Regeneration Trust in Wales**

Looking ahead over the next three to five years the Coalfields Regeneration Trust faces a fluid and uncertain funding and policy environment in Wales, for the following six reasons

1. The Trust's current round of funding ends in March 2012 and there is no certainty about the extent of or the period for future support.
2. The Communities First programme is being recalibrated in a number of directions. The current consultation on its future suggests that outputs will be sharpened in terms of economic achievement measured by jobs delivered by social enterprises. At the same time management of the programme is likely to be streamlined by the creation of regional clusters of delivery organisations.<sup>7</sup>
3. Within the Welsh Government, Ministerial responsibility for the regeneration activities that the Coalfields Regeneration Trust supports straddles a number of departments. Responsibility for the CRT itself rests with the Department for Housing, Regeneration and Heritage, the Trust's sponsoring department. Responsibility for delivering the Communities First programme lies with the Department for Local Government and Communities, while responsibility for the development of social enterprises rests with Edwina Hart, Minister for Business, Enterprise, Technology and Science. These split responsibilities make it difficult for the CRT to establish a profile for itself across the Welsh Government as a whole.
4. At a time when the CRT has been giving greater emphasis to its role in promoting social enterprises, this is also the remit of an ever widening range of other organisations. These include the new stock transfer social landlords such as RCT Homes and Tai Calon, and also consortia of local authorities utilising European Convergence money. This prompted the recommendation from the National Assembly's Enterprise and Learning Committee, in its report on *The Role of Social Enterprises in the Welsh Economy*, that the Welsh Government should ensure that financial and business advice for the sector "be provided together in one place as a coherent and comprehensive package for enterprises across the whole of Wales".<sup>8</sup>
5. As its title indicates, the CRT focuses solely on the coalfield regions of southern and northern Wales. However, this does not fit easily with other agencies operating in the field, whether they be local authorities, the Welsh Government's Heads of the Valleys programme, or the Welsh European Office's Convergence programmes. With so many

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<sup>7</sup> Welsh Government consultation document, *Communities First - The Future*, 5 July 2011.

<sup>8</sup> Enterprise and Learning Committee, *op.cit.*



different regeneration agencies operating within different spatial locations it is difficult to bring coherence to a targeted programme of work.

6. In England funding for the Coalfields Regeneration Trust has been guaranteed for the next four years, but with the proviso that henceforth it becomes self-supporting. The Government has also provided guidance that this should be achieved by developing a loans system for new businesses, rather than continuing the Trust's grant aiding activity. In England the Coalfields Regeneration Trust has decided to convert its own operation from a charitable trust into a social enterprise after March 2015. It is difficult to see how the Coalfields Regeneration Trust in Wales can be insulated from these changes.

### **Keeping the 'cause' alive**

After referring to many of these developments and challenges, an internal strategy paper produced by the CRT suggests that there is an underlying, more fundamental issue, which is "Keeping the 'cause' alive". As it states:

"In order to retain its legitimacy, the Trust must keep the coalfields 'cause' alive in people's minds, by helping to celebrate the tradition and heritage of mining in Wales, to continue to shine a light on the legacy of needs in these areas, and to be seen to actively champion these areas."<sup>9</sup>

However, such evidence as we have collected in putting together this report suggests that the Trust has not been notably successful in this endeavour. Our report, and particularly our survey of the organisations that have had direct contact with the Trust, provides plenty of evidence of the high regard in which it is held. But in the wider policy community there is some uncertainty about its role. For instance, Barbara Castle, Director of Community Investment and Involvement with Bronafon Community Housing Association told us:

"I don't think they have a clear identity. I took a look at their website and that didn't help much. It's as though you have to be in the know to know them. They don't seem to me to maintain a consistent profile. They fund a wide range of projects and my impression is that, if they like a proposal, they will bend it to fit their criteria. I have to ask: do they have a clear idea of what they are doing?"

Professor Kevin Morgan, of Cardiff University, said

"Community organisation support of the kind the Coalfields Regeneration Trust undertakes is a very crowded field. There are a proliferation of partnerships and it is not clear who is doing what. I'm

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<sup>9</sup> CRT Discussion Paper *From Legacy to Leadership?* August 2011.

not clear how well the Coalfields Regeneration Trust and other organisations operating in the field, such as the Wales Co-operative Centre, meld together. In general terms partnerships are designed to claim a credit, but pass the buck. Very often it is not easy to know where the added value from collaboration in this field of community support lies.”

The same point was underlined by John Bennett, Chief Executive, Welsh Social Enterprise Coalition:

“I think it has a problem in that there are so many organisations elbowing their way into its territory, especially so far as co-operatives, mutuals and social enterprises are concerned – the WCVA, the Wales Co-operative Centre, Social Firms Wales, the Development Trust Association, Cylch, ourselves. Branding is very difficult when you have so many different organisations pitching in. I think they are finding it difficult to create a niche for themselves, except of course that they only operate within the coalfields. But one way or another we’re all trying to help not-for-profit organisations move to a position where they can function sustainably.”

These views suggest that the Coalfields Regeneration Trust in Wales needs to do more to promote its own cause within the wider policy community in Wales. It was noteworthy, for example, that the Trust was not involved in giving either written or oral evidence to the National Assembly Enterprise and Learning Committee’s inquiry into the role of social enterprises in the Welsh economy during 2010. Other related organisations did so, including the Development Trusts Association Wales, Cooperatives and Mutuals Wales, Collaborative Communities, Cymorth Cymru, the Enfys Foundation, the Wales Council for Voluntary Action, Social Firms Wales, the Wales Cooperative Centre and the Welsh Social Enterprise Coalition.

In this respect it is noteworthy that in our online survey of the organisations that received CRT funding during the period 2008-11, reported on in Chapter 4, we found a good deal of appreciation of the Trust’s engagement beyond providing financial grants:

- Financial advice was identified by 23 per cent of the respondents.
- Assistance with access support from other organisations was mentioned by 21.3 per cent.
- Insights provided by the Trust into how their organisation should develop in future was highlighted by a 18 per cent.

These findings suggest that there is scope for the CRT to enhance its wider, advice giving and policy-focused role in promoting regeneration. Certainly, when compared with larger, in some ways more unwieldy regeneration organisations such as local authority consortia, the CRT is more nimble footed in developing capacity among the projects it supports.

## **Coalfields Regeneration Trust punches above its weight**

Against these wider perceptions about CRT's role and identity there can be no doubt, based on our research, that it is very highly regarded amongst its client base. This came through strongly in the six in-depth profiles described in Appendix 2. As we found, applicants invariably need a good deal of support and encouragement in putting their bids together. Great experience is needed in sensing what projects, and crucially which kinds of people, are calculated to achieve value for money in terms of successful outcomes. Often relatively small sums are at stake, but often, too, the risk of failure is high. Funders need an in-depth knowledge of the communities and people they are trying to support and an instinct for what is likely to succeed. All these qualities were amply demonstrated by our case studies. The one instance where this was not entirely the case, with Refurbs Flintshire, the application had been administered by the Coalfields Regeneration Trust's Rotherham office rather than from Pontypridd.

Equally, a key conclusion arising from the on-line survey we undertook amongst the 131 organisations funded by the Trust is that recipients believe it to be punching well above its weight. Despite operating with a small Wales-based team, with a mean score of 1.97 on the 6-point Likert scale CRT compares favourably with other funders in terms of user-friendliness. And although 71.6% of respondents had received grants of under £10,000 – compared with just 43.4% receiving larger grants of up to £100,000 – 93.5% of all respondents felt that the Trust's intervention had played a "crucial" or "very important" role, with 80% able to cite specific changes within their organisation.

It is noteworthy, too, that when asked to give their perspectives on the Trust's weaknesses, by far the greatest concern – more than 30 per cent compared with around 10 per cent for other issues – was devoted to the limited funding available to the CRT. This points to a need for more funding to flow through the Trust rather than less.

Whilst one might expect successful grant applicants to view their funding body favourably, the positive comparison with other funders, coupled with the extent of the bias towards highlighted strengths over weaknesses, suggests that the Trust is a genuinely well-regarded funder. Additional comments volunteered by respondents support this view. For example, the training provider we quoted from the survey stated:

“After 16 years of working in the sector I am clear that the CRT are the most effective and efficient grant distributing organisation. They need to be recognised as such and their role, influence and investment power must be increased if the sector is to grow. Other organisations such as the CVCs and WCVA and Lottery are nowhere near as effective even taking into account their financial resources. You need an organisation that understands the sector and Coalfields Regeneration Trust do.”

The CRT's funding of a wide range of activities and its high degree of flexibility, allowing funded projects to adapt to changing needs, are particularly valued by recipients. Similarly important is the fact that funding is combined with advice and support – on grant applications, governance, business development and project management.

That level of support is made possible by the Trust's proximity to the communities it serves. This is not simply an issue of physical proximity, but relates to CRT officers' deep understanding of specific communities' needs and of the strengths and weaknesses of organisations operating within them. It allows them to make informed judgments on distribution of resources and support needs. Ongoing engagement with community organisations on project design and development can be seen as a means of further deepening this understanding.

The expertise that the Coalfields Regeneration Trust's staff display in dealing with often complex applications can be contrasted with newer funders that have appeared on the scene. For example Collaborative Communities, a European Convergence funded project run by a consortia of local authorities in south west Wales, with funding far surpassing that of the Coalfields Regeneration Trust, has achieved comparatively little impact. It had a start date of July 2009 which ends in December 2013, and has a target of creating 30 social enterprises and 200 new jobs. So far it has created just one social enterprise and only nine new jobs.<sup>10</sup>

Furthermore, we found a widespread view amongst the professionals and academics working in the field that there was a strong case for agencies like the CRT to be involved in administering grant funding, rather than the Welsh Government directly. For example, Nick Bennett, Director of Community Housing Cymru, was unequivocal:

“The Welsh Government, and before that the Welsh Development Agency, are not best placed to deliver small-scale programmes to deprived communities across Wales. This is much better done by third-sector initiatives supported by organisations like the Coalfields Regeneration Trust.”

## **Future Options**

There seems little doubt that most of those actively involved with supporting the Coalfields Regeneration Trust in Wales, and especially its Welsh Advisory Committee, would prefer the organisation to carry on much as it has done in the past. They would stress the continuing, identifiable need of the coalfield communities – especially in terms of youth unemployment, their relatively poor facilities and services, and their distance from the main centres of

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<sup>10</sup> Welsh Local Government Association Regional Collaboration Compendium, *South West Wales Collaborative Communities*, June 2011.

prosperity. They would also point to the Trust's record and the high regard with which it is held amongst its client base, and the fact that it is the only organisation specifically dedicated to the cause of the communities of the former coalfields. All these factors are undoubtedly true. However, this option of continuing to operate as in the past is unlikely to be available to the Trust, for the six reasons outlined at the beginning of this section of the report.

Instead, in our view the Trust faces two major strategic choices:

1. Should it continue as at present to offer a wide portfolio of community support, or should it pursue further the emphasis it opted for some years ago and put more of its effort into promoting social enterprise?
2. Should it continue to confine its activities to the coalfield communities, or should it widen its remit to embrace the whole of Wales while, at the same time, giving special emphasis to relatively deprived areas coming within the remit of Communities First, many of which fall geographically within the former coalfield areas?

Our recommendation is that the Coalfields Regeneration Trust in Wales should follow the latter course in both cases. To give more emphasis to social enterprise would fit with the emphasis being given to it by the Welsh Government's regeneration policies and, specifically, in its Communities First consultation. It would also be likely to fit more closely with future funding streams, especially where these are linked to the Trust making loans rather than grants, as is the direction of travel with the Coalfields Regeneration Trust in England.

Finally, widening its remit to embrace the whole of Wales would have at least two advantages. It would encourage the coalfield communities to look outwards in terms of making links with the wider Welsh community, which could be especially advantageous in developing markets for social enterprises. Secondly it would place the Trust in a strategically stronger position, perhaps in collaboration with the Welsh Social Enterprise Coalition, to be involved in running the new all-Wales social enterprise funding and support organisation that has been recommended by the National Assembly's Enterprise and Learning Committee.

# Appendix 1

## Survey Questionnaire

Online survey of attitudes to the work of the CRT amongst all organisations in receipt of support from the Trust during the period 2008-11

The Institute of Welsh Affairs, a policy research institute for Wales ([www.iwa.org.uk](http://www.iwa.org.uk)), has been commissioned by the Coalfields Regeneration Trust Wales to undertake a review of its activities to help with its forward planning over the next few years.

As part of this we are contacting organisations the Trust has been involved in assisting to gather information about their perception of its role and effectiveness. We are contacting you, as the named contact for one of these organisations, with the request that you complete this online questionnaire.

We would be very grateful if you could take the time – about five minutes – to complete the questionnaire, which is mainly in the form of tick boxes. This will be of enormous help to us in gauging the views of the Coalfields Regeneration Trust Wales’ partners and grant recipients.

Please complete the questionnaire as soon as possible, and certainly by 5 September 2011 at the latest.

1. Name of organisation:

2. How would you categorise your activity as an organisation?  
(Select one answer)

- Social enterprise
- Developing community services or facilities
- Tackling financial exclusion and debt
- Improving transport
- Promoting sport and physical activities
- Helping young people nursery/ playgroup/after school club/holiday play schemes etc.
- Helping older people
- Encouraging volunteering
- Promoting environmental activity
- Education or training
- Promoting health and wellbeing
- Other (please specify)

3. How many employees do you have?  
(Select one answer)

- 0 (purely volunteer led)
- 1-5 (full time equivalent)
- 6-25 (full time equivalent)
- 26- 50 (full time equivalent)
- 51+ (full time equivalent)

4. How many volunteers do you have?  
(Select one answer)

- 0-5
- 6-20
- 21-50
- 51-100
- More than 100

5. From which CRT grant scheme(s) have you received funding?  
(Select all that apply)

- Bridging the Gap (up to £10,000)
- Main Grant (up to £100,000)
- Social Enterprise Grant, Associate & Consultant Support (Level 1)
- Social Enterprise Grant, Grants up to £10,000 (Level 2)
- Social Enterprise Grant, Grants up to £100,000 (Level 3)
- Other (please specify)

6. Please enter the approximate total funding that you have received from CRT:

7. What other help have you received from the Trust?  
(Select all that apply)

- Advice in developing my organisation
- Support with applying for a grant
- Access to other grant awarding bodies
- Other (please specify)

8. On a scale of 1 to 6 (with 1 the most positive and 6 the most negative) how would you rate the Coalfields Regeneration Trust on the following measures?

Ease with which you made contact with CRT						
	1	2	3	4	5	6
CRT's responsiveness to requests for guidance and advice						
	1	2	3	4	5	6

CRT's involvement in terms of offering support

1 2 3 4 5 6

CRT's openness to negotiation on the design of your project

1 2 3 4 5 6

Level of bureaucracy encountered

1 2 3 4 5 6

User-friendliness of CRT in relation to other grant awarding bodies

1 2 3 4 5 6

9. Apart from its provision of finance, what support from CRT do you value most?  
(Select one answer)

Financial advice

Assistance with accessing support from other organisations

Insight into how best our organisation should develop

Advice on governance of our organisation

Other (please specify)

10. How important has the Coalfields Regeneration Trust been in helping your organisation?  
(Select one answer)

Crucial

Very important

Fairly important

Not important

11. At what stage(s) in your lifecycle did CRT offer funding support?  
(Select all that apply)

Start up

Expansion

Support in challenging situations

12. What activity did CRT fund?  
(Select all that apply)

Accessing new markets

Publicity and promotion (including website design, advertisements etc.)

Training

Staff costs

General running costs (e.g. rent, utilities, volunteer expenses, travel costs etc.)

Asset purchase or upgrade

Other (please specify)



13. What was the main reason for your approach to CRT for support/funding?  
(Select one answer)

- Approachability and ease of communication
- User friendly application/reporting process
- We had heard that they supported organisations like ours
- They were recommended
- We thought they would be interested in our project
- No other funders would support the activity
- To secure access to match funding
- CRT did not require match funding (i.e. funded 100% of project costs)
- CRT funds a broad range of capital and revenue items
- Other (please specify)

14. What would you say are the strengths of the Coalfields Regeneration Trust's support?  
(Select all that apply)

- Speed of response
- Sympathy with our objectives
- Provision of practical advice
- Appreciation of the particular needs of our organisation
- Funding of projects that others will not
- Brokering of discussions with other agencies to enable ongoing support
- Flexibility allowing project to adapt as and when needs change
- Openness to negotiation on targets
- None of the above
- Other (please specify)

15. What would you say are the weaknesses of the Coalfields Regeneration Trust's support?  
(Select all that apply)

- Delays in responding
- Lack of support/advice
- Requirement for too much information
- Complexity of forms requiring completion
- Complexity of monitoring requirements
- Inflexibility in responding to specific needs
- Size of grants too small
- Limited available funding
- None of the above
- Other (please specify)

16. Please describe any changes that occurred in your organisation as a result of CRT's support.

17. What support would you like to see CRT provide in the future, for your organisation and others like it?

18. If you have an opinion on how funding should be distributed to coalfields communities in future, please explain it here.

19. If you have any other comments that you wish to share, about CRT or funding for coalfields regeneration, please do so here.

## **Appendix 2: Profiles**

### **Cleanstream Carpets**

Cleanstream Carpets, a social enterprise based on the Rheola Industrial Estate in Porth, Rhondda, recycles carpet tiles. It estimates that 1.75 million carpet tiles are disposed of in south Wales and south west England every year. This is the equivalent of 2,500 tonnes of waste going to landfill, all of which has the potential of being re-used or recycled.

The business collects or takes delivery of used carpet tiles and then grades them into three categories – nearly new, some wear, and relatively worn. Since it began trading in 2009, Cleanstream has diverted 150,000 tonnes of carpet tile waste from landfill and sold more than 20,000 square metres of re-used tiles. It has provided more than 150 small businesses, community enterprises, and individual homes with hardwearing flooring at a fraction of the cost of buying new. It provides top quality grade A tiles for around £1 each, compared with the £3 per tile it costs for new, but lower quality tiles at commercial outlets such as B&Q. As Ellen Petts, founder and Director of Cleanstream Carpets, put it:

“The variety of carpet tiles we are receiving is fantastic and the quality amazes us at times. It is hard to believe that so many of them would have gone to landfill when there is obviously so much life left in them. Some of the carpet tiles look nearly new. We have had some great feedback from customers and over the last year our reclaimed carpet tiles have ended up in all sorts of places from community centres to small businesses.”

Starting from a low base, Cleanstream Carpets’ turnover has grown significantly despite of the recession – from £35,000 in 2009-10, to £100,000 in 2010-11. It is predicting a £150,000 turnover in the current 2011-12 financial year. At its launch in 2008 the enterprise had two part-time paid staff, which have now grown to four full-time paid staff, assisted by a number of volunteer workers, one of whom it is hoped will become full-time by the end of the 2011-12 financial year.

Ellen Petts was formerly Communications Manager with Cylch, the Wales Recycling Network that provides advice and support to community recyclers across Wales. As she says, “I reached a point that rather than just talking about recycling I wanted to become actively involved in putting it into practice.”

The idea for recycling carpet tiles followed a meeting she had with Mark Halifax, the UK Sustainability Director for InterfaceFlor, one of the world’s largest multinational manufacturer of carpet tiles. They discussed how the company’s problem with disposing used carpet tiles – it offers a take-back facility to purchasers – could be turned into a social enterprise opportunity.

Cleanstream Carpets' business plan was developed through 2008, and a small amount of capital raised to launch the company. InterfaceFlor invested £10,000, a local flooring retailer in Porth £5,000, individuals £55,000. In addition a £25,000 loan was raised from the Charity Bank.

Initially, the company rented part of a unit occupied by a Porth second hand furniture shop *Too Good to Waste*. However, from the start this presented difficulties, both in terms of establishing a distinctive identity for Cleanstream Carpets, but also because there was an acute lack of storage space for carpet tiles.

Meanwhile, a more fundamental problem turned out to be a basic flaw in the company's business plan which initially led them down the wrong track. Guided by advice from InterfaceFlor, whose main outlets are designer led, at first Cleanstream Carpets aimed at supplying the low volume top end of the market. This proved disastrous since this segment of the market was invariably looking to buy new.

After nearly a year of trading at an increasing loss, using up most of Cleanstream's investment capital, Ellen Petts resolved to change course completely, and go for higher volume, lower cost sales utilising the internet as the main marketing tool. This proved a very steep learning curve. As Ellen Petts explained:

“We had to up skill ourselves virtually overnight in using every technique we could think of to promote search engine optimisation to drive traffic to our website. We posted news items, created a blog, used Ebay and Facebook and so on. We also ensured we were linked to a wide range of local business directories. Eventually, however, this effort paid off and we began developing a much improved sales record as the increase in our turnover has shown.”

Nonetheless, the first year's losses presented the fledgling company with a critical dilemma. Going in the new direction meant it urgently needed greater space in order to store a higher volume of carpet tiles. But having exhausted most of its start-up capital it was not in a position to commit the increased outlay that was needed to rent new premises.

It was at this point, in early 2010, that Ellen Petts contacted the Coalfield Regeneration Trust and sought a small Level 2 grant of £9,440 to cover the cost of renting a unit on the Rheola Industrial estate. “I was given the idea of approaching the Trust by Jeff Lovell, the Wales Co-operative Centre's regional development officer,” she said. “It was precisely the help we needed at the time.” The support gave Cleanstream the confidence to be bold enough to make the critical change that it desperately needed to take – to move into its own, larger premises. As Ellen Petts put it:

“The Coalfields Regeneration Trust intervention was exactly what we needed and at exactly the right time. At a stroke we had our own warehouse with much needed extra space and our offices in one

building. Within a month we saw our sales beginning to lift. We haven't looked back since then, really. After a year we were well able to cover the rental costs ourselves from our increased turnover.

“We had a lot of interaction with the Trust's staff in Pontypridd in making our application. They also put us in touch with the Fairwood Trust's mentoring scheme which has been useful.

“At the time the Coalfields Regeneration Trust offered us the grant I think we must have looked quite a shaky prospect. At that point, in late 2009, we had very little in the way of a track record of implementing a credible business plan. But we were able to persuade them that the business had enormous potential for growth. Moving into the new premises also allowed us to provide work placements and volunteering opportunities. Cleanstream Carpets is providing people in the local area with the chance to get experience within an office and warehouse environment and also of the carpet industry”.

Looking ahead Cleanstream Carpets aims to position itself as the leading alternative to landfill for all kinds of carpets in south Wales, not just carpet tiles. In the medium term it is aiming to be the lead filter for the take back of 2,000 metres of carpet a month, double its current capacity. It also hopes to establish a contract carpet cleaning business utilising much of the machinery it has already invested in to upgrade the carpet tiles it currently processes.

### **3G's Development Trust, Merthyr**

3G's is a social enterprise that attempts to improve the life chances of some of the most deprived people in western Europe who live on the Gurnos, Galon Uchaf and Penydarren estates to the north of Merthyr. These estates house some 5,500 people in 2,500 properties, most of which is social housing. Merthyr has around 2,500 unemployed people registered fit to work and on the latest statistics, only 56 jobs were available. Many of these unemployed people live on the Gurnos estate.

A major objective of the Trust is to improve the quality of life of the estate's inhabitants, with youth and family oriented projects, and providing people who have missed out on formal education opportunities to re-enter the education system to give them a better chance of finding work.

The Trust employs 32 staff and has a turn-over of £1.3 million, most of which – some £800,000 – comes from Communities First funding from the Welsh Government. Support also comes from Merthyr Valley Homes, the stock transfer housing association, which has renovated the Trust's main office above the small Gurnos shopping centre on which it has a 25-year pepper corn rental lease.

The Forsythia Youth Project, located opposite Prince Charles Hospital, is

open for young people from the ages of 8 to 25 years of age. Sessions held at the centre include health and beauty, healthy eating, sexual health awareness, a monthly pool competition, arts and crafts sessions, music and media workshops, organisation and planning skills, and job search and CV writing.

The Busy Bee Family Centre runs after school clubs, cooking courses, a craft group, a family history course, a computer group, a smoking cessation support group, and healthy lifestyles and coffee mornings. It also provides a school uniform recycling project, street and break dancing sessions, a community choir, song writing and recording, singing and drama and arts projects.

The Health and Resource Centre, where the Doctors Surgeries, Podiatry and Baby Clinic are based, as well as some of the 3G's Development Staff, was taken over by the 3G's Trust in 1999 and still provides many services:

- A children's cinema club, established in 2002.
- The Forsythia Youth drop-in centre.
- Redevelopment of existing play areas and new locations.
- People in communities schools project.
- A Bridges to Work programme with Pen-y-Dre school.

One of the more innovative projects run by 3G's, with which the Coalfields Regeneration Trust has been closely involved, is Life Support, a programme for providing young women, often single mothers, with new skills to give them a better chance for entering the labour market. It offers a wide range of subjects geared to a career in the health and social care sector. Young women are helped gain the qualifications they need to move either into Higher Education or other suitable training courses. Subjects include English, Maths, Sociology, Psychology, Counselling, IT and Communication Skills. Free childcare is offered to women undertaking these courses which have attracted around 40 women a year over the past three years.

Careers advice is an integrated part of the programme, with placements arranged with local employers, such as schools and the Prince Charles hospital, to provide work experience. On average around six out of the 40 participants have gone on to further and higher education.

The project began as a two-year action research pilot project funded by a £250,000 grant from the European Social Fund's *Equal* programme between 2005-07. It involved a team leader plus three researchers and administrative support. The objective was to discover ways of giving hard to reach young people on the estate, typically young mothers who had left school with no qualifications, the incentive and support to re-enter the world of education. As the Project Coordinator Deanne Rebane explained:

“What we set out to prove was that these young people were perfectly capable of achieving education qualifications at Level 2 and 3. However, their life circumstances meant they needed extra support to enable them to achieve this. They needed basic skills, but also the academic

attainment necessary for them to go on to further education and become equipped to enter the quality jobs market. We developed an expertise in personal engagement and support to build their life skills, confidence and resilience. This meant that, as well as formal tutoring by staff from Merthyr College and the Workers Educational Association, we provided them with ongoing mentoring to help them cope with the realities of their unstable and often difficult home circumstances which militate against academic engagement. We proved that we were able to influence their behaviour on a long-term sustainable basis which often had a positive impact on their home environments as well”.

As the European funding came to an end, towards mid 2008, there was great uncertainty about where money could be found to allow the project to continue. This was when 3G's approached the Coalfields Regeneration Trust for funding for two years to put the pilot project on a more sustainable footing. The Trust awarded them a £100,000 grant for two years from January 2009. As Deanne Rebane said:

“We were able to demonstrate to the Trust that our project was unique and achieving results. But without their support at that time the project would have folded. There is no doubt that the Trust's support was both timely and critical. It gave us a period of stability during which we could transform what had essentially been a piece of action research into an ongoing established programme.”

3G's were able to use the Coalfields Regeneration Trust support as match funding to access the European Social Fund's Bridges into Work programme, in which six local authorities - Caerphilly, Torfaen, Blaenau Gwent, Bridgend, Merthyr Tydfil and Rhondda Cynon Taf - are collectively deploying £10 million European Social Fund money for this purpose. The joint funding enabled 3G's to open a second centre in the south of Merthyr to expand the programme.

Although The Coalfield Regeneration Trust's funding for the project came to an end in March 2011, the European money is enabling it to continue at least until April 2012, with match funding now being provided by Merthyr College and the WEA. As Deanne Raban said:

“We have now built up our support staff to include myself as Coordinator and three full-time support workers. We have also attracted volunteers giving one-to-one support where necessary and also placements of two occupational therapy students from Cardiff University. From next year we are hopeful that we will be able to continue with support from the new European Convergence money.”

## **Green Earth**

The brainchild of Gwynfor Evans, variously a teacher, youth worker, round-the-world traveller, and latterly a Communities First organiser in Blaenau Gwent, Green Earth was founded as a voluntary social enterprise in 2005. Its objective was to mobilise community action around environmentally-related projects, from tree planting and woodland clearing to improving social housing landscapes and developing gardens for primary schools. As Gwynfor Evans put it:

“We collaborated with organisations like the British Trust for Conservation Volunteers, the Groundwork Trusts and others. However, a major focus for us was to demonstrate that a lot of the kind of work they were doing could be done much more effectively and cheaply. We wanted to challenge a culture in which organisations utilised grant money for projects as if they were in the business of repairing cars using insurance settlements. We reckoned a lot of money was leaking out of the system as a result. We wanted to show that communities could get a better deal.”

Although supported by Communities First in Blaina, where Gwynfor Evans worked part-time, initially Green Earth was an entirely voluntary enterprise with only a handful of people contributing. In the first few years its turn-over was no more than a few thousand pounds, rising to around £10,000 in 2007 and 2008.

By now Green Earth was beginning to win small contracts for projects from local authorities across the Heads of the Valleys, the Forestry Commission, Keep Wales Tidy and various community groups. However, without an administrative infrastructure, with its own dedicated office the nascent social enterprise was struggling to establish itself on a firm footing with the prospect of developing a sustainable business plan.

The breakthrough came in December 2008 when Gwynfor Evans applied to the Coalfields Regeneration Trust for a £10,000 Bridging the Gap grant to establish an office and employ a full-time administrator. The job was earmarked for Johanna Reames, an unemployed Blaena Communities First volunteer. When they were successful with the application she was taken on for a year at a salary of £7,000, with the balance taken up by office and on costs, though Communities First provided free accommodation. As Gwynfor Evans explained, processing the application was relatively straightforward and only took six weeks:

“I think the Coalfields Regeneration Trust was sufficiently impressed with what we had already achieved on a voluntary basis, especially as we had received an Environmental Award from Blaenau Gwent County Council. They could see that we had potential for developing the business and took a calculated risk.”

It paid off. Within a year Green Earth had increased its turnover three-fold to more than £30,000 and was earning enough money to employ Johanna



Reams without grant support, though at this stage she remained the social enterprise's sole paid employee. Nonetheless, it represented a step-change in Green Earth's operation. As Gwynfor Evans recalled:

“Having Johanna running our office full-time was a huge leg-up. We could operate on a more professional basis and it put us in a much better position to make contacts and apply for contracts, especially with local authorities. For instance, we took on Blaenau Gwent's schools biodiversity programme.”

Green Earth also began tapping into the Future Jobs Fund's work experience programme, training young people aged 18 to 25 in a range of skills such as operating chain saws, excavators and other equipment. Moreover, once in post Johanna Reames immediately set about making a further, successful, application to the Coalfields Regeneration Trust, this time for a much larger amount of £100,000 from the trust's Main Grants fund. This was to enable Green Earth to invest in a range of equipment to enable it to take on a greater range of work. This included a mini excavator, a four-wheel drive vehicle, a dumper truck, wood chipper, generator, chain saws and other power tools. Commenting on her experience in making the application Johanna Reames said:

“It was a quite a difficult, complex process but it was made clear I could always pick up the phone to sort out issues, and they were very helpful in the Pontypridd office in allowing us to extend deadlines and so on. They also made several visits to us so they fully understood what we were trying to achieve.”

In all the process of awarding the grant took six months before the grant became operational in the Autumn of 2009. However, the success meant that Gwynfor Evans, along with two colleagues, could start working for Green Earth on a full-time paid basis. At the same time Green Earth rented a factory unit from Blaenau Gwent council on a Brynmawr industrial estate, where the operational side of the business - the housing and maintenance of vehicles and machinery and so on - was based. The business's turnover rose above £150,00 for the first time during 2010.

During 2010 Green Earth applied to the Coalfields Regeneration Trust for a further grant of £60,000 a year for three years to enable it to employ more people to expand the business even further. However, on this occasion they were unsuccessful. As Johanna Reames put it:

“I think the timing of our application was difficult for the Trust which was facing significant cuts to its funding by the Welsh Government in the wake of the election of the Conservative-led coalition government in London and the general atmosphere of looming public spending cuts. Also, I think the Trust judged that as a business we were now up and running and that we could probably sustain our own operation.”

This proved to be the case since at this same moment an alternative opportunity opened up for Green Earth. Due to Blaenau Gwent Council's

decision to vest itself of its social housing by creating a stock transfer vehicle Tai Calon, Green Earth was presented with the opportunity of taking on the contract for providing all of its environmental services. Tai Calon, which was incorporated in mid 2010, is responsible for 6,300 homes in Blaenau Gwent, with significant environmental services needed, including grass cutting, garden maintenance and looking after community spaces. A large contract for providing these services was negotiated between Tai Calon and Green Earth, involving significant further capital investment in equipment and hiring more staff. In effect Green Earth became a subsidiary operation of Ta Calon as a result, though it continues with its own operational identity. Green Earth now employs 13 full-time staff and is looking forward to expanding its operation still further, based on the sustainable foundation of an established amount of work with Tai Calon.

Looking back at Green Earth's rapid development from a tiny voluntary organisation six years ago to today's substantial social enterprise, Gwynfor Evans identified the Coalfields Regeneration Trusts support as critical. As he said:

“Sometimes things come at the right time, and if you don't succeed or make a decision at that moment you never get a second chance. The two tranches of funding we got from the Coalfields Regeneration Trust were vital in enabling us to take a step forward at key moments. The Bridging the Gap grant was important in enabling us to put ourselves on a more professional footing. Without that I doubt that we would have had the confidence to make the application for the bigger Main Grant from the Trust that enabled us to invest in the equipment we needed to take the next crucial step in developing the business. And without creating the profile we achieved on the back of that we wouldn't have been in a position to negotiate our present relationship with Tai Calon.”

However, Gwynfor Evans did have one caveat in speaking about Green Earth's relationship with the Coalfields Regeneration Trust. This was the way implementation of the £100,000 Main Grant for investing in equipment was administered. When the application for the money was being put together Green Earth had no option but to quote the full list prices for the various items of equipment they were proposing to buy. But when it came to actually buying the equipment Gwynfor Evans was able to negotiate reductions on the list price, reducing the overall spending by £14,000.

However, when he approached the Trust to ask if he could spend the money saved, the £14,000 on more equipment, Green Earth was required to resubmit its application on the basis of the new figures and the overall grant had to be reconsidered by the Main Grants Panel. This caused delays and a good deal of uncertainty for Green Earth. In effect the social enterprise was placed in the position of being penalised for operating according to good business practice.

## **Pant and Dowlais Boys and Girls Club**

Late afternoon in Dowlais in the school holidays and all is quiet. There are no youngsters scorching up behind on BMXs, no knots of youths outside the chip shop or the convenience store. Where are they all? At home helping their mothers with the cooking? Busy doing homework? Heads down with self-improvement manuals?

Quite a few are in the Engine House, a giant brick building the size and height of a small cathedral which now acts as headquarters for the Pant and Dowlais Boys and Girls Club which was founded 24 years ago. Welcome to Marshy's world, the institution that 60-year-old Paul Marshallsea, a former coal merchant and now football coach and referee, has turned into a haven for young people. They are aged from six years upwards and occupy the last remaining vestige of what was once the biggest ironworks in the world, exporting more than 180,000 tons of rails a year.

Marshy, as he likes to be called, became involved with the club in 2000 after seeing the impact on his own family of the drug and other temptations into which young people in the area were being drawn. In 2006, six years after local manufacturer, OP Chocolates, stopped using the cavernous building for storage, and after persuading a variety of funders, including the local authority, to back him, he was able to move the club into a newly-refurbished home that had been made watertight and free of the rats and pigeons it used to harbour.

Since the official opening by Prince Charles, the Engine House has grown to host a large and impressive array of activities embracing young people not just from the neighbouring communities of Pant and Dowlais but from other parts of Merthyr Tydfil, including the remoter communities of Bedlinog, Fochriw, Gurnos and Gelli Deg as well as the town itself. The centre is open six afternoons and evenings a week, and during school holidays in the day as well. On an average evening it can be home to more than 100 children, rising to 200 on a Saturday.

Mini-buses and larger 38 and 52 seater buses bring in the children for free from distant parts. For £1 a visit they can take part in football, basketball and netball training sessions, join one of 25 teams, play pool, borrow DVDs or books, make films, and use the computers, Wiis, PS3s or X-Boxes. A £11,000 collapsible stage and a £9,400 professional dance floor make it possible to offer dance and drama classes. There are guitar, drum and cookery lessons as well as a café.

Young people from the centre have participated in more than 20 community gardening projects, brightening up the area or tidying the gardens at local old peoples' homes. An allotment at Dowlais Top grows seasonal fruit and vegetables which are sold through the Engine House farm shop. Now a small

area at the back of the building is being developed as an onsite allotment for younger children. One post at the centre is funded by Environment Wales.

There are trips, too, to Dinefwr Castle, Big Pit, Aberdulais Falls, St. Fagans, Slimbridge, the opera and various nature events, organised in some cases as rewards for the efforts the young people put into various community activities. Adventure trips have taken in overnight stays on Skomer Island in Pembrokeshire and camping on Gower. Soon 12 new mountain bikes will arrive to enable more youngsters to combine a ride along local bike trails with history lessons on the area's extensive industrial heritage. Young people from the club have also participated in German exchange programmes and visited Disneyland Paris. As the club's website has it:

“Our objectives are to provide a facility within the local community where children and young people can participate in sport, leisure and environmental activities in a fun, stimulating and safe environment and when we have their attention then to home in on the other aspects that affect their daily lives such as drugs, alcohol, teenage pregnancy, healthy living and job training.”

The club now employs 20 full time and part-time staff, many of whom previously attended as children and who now have gained youth or social work qualifications. Other young people who cannot get work or college places have enrolled at the centre for volunteer work and are able to pick up valuable training in a variety of skills as well as hands-on experience, thus improving their CVs.

Marshy, a tough disciplinarian, has a simple philosophy. Children get into trouble and start on the downward path that can lead to drug-taking, truancy and teenage pregnancy because they are bored, particularly in the summer holidays. His motto is, “Better a fence at the top of the cliff than an ambulance at the bottom”. The club's approach is to leave the children too exhausted and exhilarated from exciting activities to get into trouble.

However, as a strong character Marshy has had his own difficulties with both the local authority and the local Communities First partnerships. One result has been funding gaps and a threat of closure in early 2011. He became unpopular with the local authority when trying to cut through red tape that made it difficult to lease the building and get activities going. He has been banned from local Communities First meetings because of the insistence with which he pressed his demands for money. Funders have expressed concerns about governance and financial management at the project. Lack of Communities First and local authority support resulted in the Welsh Government withholding funding until a late date for the current financial year.

The calm in the middle of the storm, which saw young people from the centre threatening to protest outside the Welsh Government's offices in Merthyr, has been the Coalfields Regeneration Trust and, in particular, its Programme Manager Alun Taylor, who has been one of Marshy's wisest and strongest supporters. The Trust has been able to look beyond the rivalries that have

often bedevilled co-operation between voluntary bodies, local authorities and powerful personalities in the Valleys. Most importantly, it was the first funder to venture into the project, setting an example which made it easier for others such as the local authority and the Big Lottery to follow. Since 2000, Coalfields Regeneration Trust backing has consisted mainly in paying Paul Marshallsea for his work at the centre and providing other short-term financial and moral support. As Marshy put it:

“The Coalfields Regeneration Trust took this project to heart and gave us a chance. The first and most important domino was down and the rest of the funders just followed suit and the funding came rolling in. Imagine the scene – a cold, damp, old dilapidated building with no windows where pigeons fly in and out, where the rain just sweeps in every day. I was standing there in this massive space with water up to our ankles and telling this guy Alun Taylor from the Coalfields Regeneration Trust – ‘this building is going to change the lives of countless amounts of young people, it will be the best youth project in the whole of the UK’”.

Following a new financial and management structure that has been put in place for the current year the Welsh Government is providing £181,000 through Communities First for the year to end March 2012, mainly for salaries and to cover other running costs.

The Coalfields Regeneration Trust is providing a further £76,000, which is being used to fund a business development manager engaged in developing long-term sources of funding and hence sustainability. A key task will be finding other tenants, such as business start-ups and community users, to operate from the centre, alongside the youth club. Other local businesses, among them Asda, which has a superstore nearby on the Heads of the Valleys road, Tesco and T-Mobile, and the Cardiff-based Waterloo Foundation as well as other local and UK-wide charitable trusts, have provided one-off grants for individual projects.

Feasibility studies have recently been done, and business plans developed, with the ultimate objective of securing sufficient funding for the building to be purchased from the local authority and the interior to be remodelled. If the plans go ahead – and it is hoped Heritage Lottery Funds can be accessed - three new floors will be created inside the interior at a cost of up to £3 million, enabling the number of activities that can be provided to be greatly increased. Then it will be possible to draw in even more children from the surrounding area.

At present the centre has around 1,300 children on its books. However, Marshy believes this could expand to 2,000 over the next year, with a wider network of bus services bringing in children from across the area. Just as importantly, space will be created for renting out to outside organisations for conferences, presentations and other events. Already more than 20 outside organisations are using the facility.

Its hilltop location means Dowlais can at times be a bleak place. Yet, according to Marshy, crime and anti-social behaviour has seen an 80 per cent reduction

since the Engine House opened. Successes at the centre include young people who have gone on to college and to jobs in teaching and other careers. Many others have acquired a new self-esteem and confidence. As Marshy put it:

“We asked the young people what they wanted from the outset and we’ve provided exactly that. We have a listening corner and our youth workers are trained to listen and bring out the best in our young people.”

Commenting that the Coalfields Regeneration Trust’s intervention had sustained the club through difficult times, he said:

“They are not like other funders. They have people who understand what is happening on the ground. Before the money is committed they have to be convinced it is worthwhile.”

The Trust’s funding process is also seen as relatively uncomplicated with a relatively straightforward application form, though it could be speedier:

“You would need to be a Philadelphia lawyer to fill in some of the forms we get from other funders.”

To Marshy the Engine House is the best young people’s club in Wales. To prove it he won an award from Children and Young People Wales, the association for youth clubs, this year.

## **Porth Telecentre and Business School**

Paul Nagle had a career of 20 years in information technology as a programmer working for various multinational companies, including Avon Cosmetics, in the US and on the Continent when he decided it was time to return to Wales and put something back into the community from which he had sprung.

The outcome was Telecentre and Business School (TABS), a company he set up in Porth, Rhondda with colleagues in 1995 at a time when unemployment in the area was running at 17 per cent. Its aim was to provide office-based skills and vocational training for individuals trying to find work in the many companies at that time just getting to grips with information and computer technology.

By 2004 TABS was growing by up to 16 per cent a year, employing 16 people and had offered training to 500 learners, with the help of core funding from the Welsh Government and Rhondda council. Partnerships were formed with universities in the area to help widen access to education. It also secured finance under European Union programmes such as Objective One and Rechar for individual projects, including the making of specially commissioned films for the BBC and other organisations. At this stage roughly

60 per cent of its income came from core funding, with projects contributing the remainder. As Paul Nagle recalled:

“We had established a record of helping people into work through personal development programmes, key skills training, and NVQ provision. We also had experience in managing complex and fast-moving contracts and service level agreements.”

Since then the business has been through difficult times and is now down to only one employee – Paul himself – and another individual working part time. However, its problems have not been of its own making. Instead, it has been an innocent victim of the Pop Factory debacle which saw £4 million of public money provided by Elwa, the quango then responsible for learning in Wales, go missing on an ill-fated scheme for training deprived youngsters in the Rhondda in music and TV.

After damning criticism of Elwa by auditors for failing to properly supervise its funding of the scheme – in the premises of the former Thomas & Evans Welsh Hills works in the middle of Porth – the structure was changed. Elwa was absorbed into the Welsh Government. Then, scarred by the experience, civil servants decided to concentrate funding for training on larger regional or UK-wide providers.

According to Paul Nagle, as a result scores of smaller providers were prevented from working effectively. Many were forced to sub-contract to organisations such as Sheffield-based multinational, A4E. Its latest press release announces its move into Australia with the claim: “Nine countries down, 180 or so to go. No, this isn’t an empire we’re building. It’s a global social movement”.

Working for the likes of A4E, TABs found its margins squeezed after the bigger companies’ administration fees had been paid. With ten successful years behind it as a local business providing tailored training for local people within a radius of 8-10 miles from the former Porth Junior School, five years ago TABs took the decision to move on from being a training provider as such and to become involved in helping budding entrepreneurs to create businesses.

The question TABs sought to answer was whether incubation - a set of procedures for helping fledgling businesses – would work for social enterprise. Funding was obtained for a pilot programme and the intention was to move on to the launch of a hub and spoke service linking the centre at Porth with six Communities First partnerships in Rhondda Cynon Taf. These would act as initial contact points and referral centres for would be social entrepreneurs.

This new approach was seen as tying in with the requirement by the Welsh Government that the future emphasis for Communities First partnerships and others working with public funds to help the unemployed and socially disadvantaged should be on economic outcomes. Equipping individuals with training for jobs they might never find would no longer be good enough.

Instead, funding should be used to develop businesses that might go on to employ a number of individuals.

Yet, in spite of demonstrating successfully through pilots the potential for this approach, delays in funding a full roll-out now threaten the project, which will run out of money in March 2012. Funding that had been expected from, among others, Communities First, Rhondda Cynon Taf council, and RCT Homes, has failed to materialise. At present TABS is operating on a virtual care and maintenance basis with Paul Nagle offering advice and guidance to would-be entrepreneurs referred to him, undertaking outreach visits to Enterprise Clubs and Jobs Clubs in the area and lecturing at local colleges.

The lifeline during this difficult period when TABS has been trying to create for itself a new role in business incubation has been the Coalfields Regeneration Trust. It is currently the only secure funder, paying Paul Nagle's salary until March when it is hoped other support from Rhondda Cynon Taf council, the Welsh Government and other potential backers will come on stream.

With Coalfields Regeneration Trust assistance, several individuals have been helped to start new businesses, despite the funding crisis. In all around 60 people have benefited from new business courses run at the centre. One entrepreneur has established a service, now employing eight people, that goes around schools bringing science, technology and maths to life. Community Computer Care, another business helped into existence by TABS, collects redundant computers from schools, repairs and updates them and returns them to community groups. Acrow trains people in building skills. TABS has also been behind a scheme to rent unlet shops in the area for use by Enterprise Clubs and Jobs Clubs, and in one imaginative approach as a display space for local artists to show their wares. Paul Nagle is full of praise for the backing he has received from the Coalfields Regeneration Trust:

“The support they have offered has been more than financial. They are accessible, they get out and about, they are responsive and they have significant sums to make available. If you took the Trust out of Wales it would create a huge gap in developing social enterprise. They are needed more than ever with the coming jobs shortfall in the Valleys predicted to be more than 70,000.”

Nagle regards the Trust's decision-making is seen as relatively swift and uncomplicated, with a turnaround time from application to funding of only about three months. This compares with much more complex local authority procedures. A recent application for funding to Rhondda Cynon Taf was turned down after a 12 month delay.

Paul Nagle's vision is for the large space at the Porth centre to be buzzing again, as it was when scores of people were there on a daily basis to receive IT and other skills and vocational training. If this happens the occupants will in future be entrepreneurs being helped by a team of five people in TABS incubation service to get their business ideas working. Others who have already made some progress towards their business goal will occupy cheap



rented space in subdivided areas. Though the amounts would be small - typically £100 or even only £50 a week for smaller spaces – this in itself would create a new stream of income for TABS. As Nagle says

“Plenty of people want to have a go at setting up businesses but they invariably encounter barriers. My role is helping them to surmount them.”

However, for Paul Nagle to continue in this role he will need more funding packages, in addition to the support from the Coalfields Regeneration Trust, to be in place before March 2012. Without this his operation will fold making it even tougher for the two people chasing every job vacancy in Rhondda Cynon Taf.

## **Refurbs Flintshire**

Established by Flintshire County Council in 2002, Refurbs recycles used and unwanted furniture from its base on the Aber Park Industrial Estate in Flint. Modelled on a number of successful initiatives in south Wales, in particular Caerphilly Community Furniture Enterprise and Newport Wastesavers, it was established as a stand alone registered charity and not-for-profit community enterprise. At the same time, a complementary objective of the business was to provide training and work experience and to find jobs for the unemployed and economically inactive.

In the early years Refurbs received significant grant funding from the Welsh Government: £150,000 over 18 months between 2002-03 from the Local Regeneration Fund, and a further £150,000 over 18 months between 2004-05 from the Community Facilities and Activities Programme, as well as some funding came from the Big Lottery (Enfys and Cleanstream grants). This money enabled Refurbs to establish carpentry and electronics workshops together with a qualified carpenter and electrician. By the end of the period of these grants, both the electrical and carpentry workshops were generating sufficient income from renovating furniture and electrical goods to become self-sustaining in terms of paying the wages of the dedicated employees.

Refurbs continues to receive around £65,000 a year from Flintshire County Council, though the bulk of this - £46,000 in 2010-11 – is made up of a sustainable waste management grant, reflecting the tonnage of material diverted from ending up as landfill.

At the beginning Refurbs employed three full-time and people by today has expanded their number to 12 full-time and three part-time. The Manager is Cheryl Nance who previously worked with Flintshire County Council as its People and Places Officer. When Refurbs was launched she was seconded to Refurbs for three years. After that time had elapsed she decided to continue working with the enterprise rather than

return to her old job. Running an expanding business at the same time as having a positive environmental impact attracted her to stay. As she said:

“The demand for recycled furniture and electrical goods is higher than ever, not only because people know it is great value, but increasingly because people are more keen to recycle and not waste household items.”

Refurbs occupies three adjacent warehouses on the Aber Park estate, two of which have been turned into showrooms for recycled and renovated furniture and electrical goods. Opening hours are Monday to Thursday 8.30am – 4.30 pm, Fridays 8.30am – 4pm, and Saturdays 9.30am to 2pm.

To cope with shortages of space Refurbs has recently rented two additional industrial units. These are situated opposite the current premises and house the furniture refurbishment/paint workshop, stock storage, vehicle parking, an intermediate labour market office/training room and an ancillary showroom.

Refurbs’ turn-over has steadily increased by around 25 per cent a year for the past five years and is projected to reach between £275,000 and £300,000 during the current 2011-12 financial year. The client base has been growing by around 100 a month and the business now has more than 10,000 registered customers. Typically people who donate unwanted furniture contact Refurbs by telephone. The following table, for the months April to June 2011, provides an example of the detailed records the enterprise keeps:

<b>Month</b>	<b>Telephone calls received</b>	<b>Items collected</b>	<b>Tonnage</b>	<b>Deliveries made</b>
April	516	283	18	271
May	536	245	16	285
June	572	330	20	425

The general trend has been one of growth in all Refurbs’ activities. However, the recession has had a significant impact on the number of domestic appliances being recycled. In the face of financial difficulties and pressure on incomes people are responding by hanging on to appliances for longer. The number of discarded washing machines, washing up machines, and cookers that Refurbs collected for recycling declined from 450 per month in 2007-08 to 275 per month in 2010-11.

A major part of Refurbs’ activities is to provide work placement opportunities in the Intermediate Labour Market, for young people not in employment, education or training (NEETs), and unemployed or economically inactive people aged over 50. Initially, in a pilot project funded by the European Social Fund, Refurbs recruited three groups of jobless people for 16 weeks' paid work experience and training. This proved a great success, with 76 per cent of those completing the course finding full-time employment afterwards - the highest success rate in north Wales.

Participants in the scheme are offered work experience in carpentry and joinery, electrical appliance repair and testing, furniture refurbishment and restoration, customer service, administration and operational activity. In addition they are given support in CV preparation, job interview techniques and searching for suitable

vacancies. Recent recruits have gone on to take up employment in areas such as delivery and care work to engineering and stores management. One person set up as a self-employed handyman and two others were encouraged to go into university education to study music in Cardiff and complete a sports degree in Liverpool.

However, support for the project came to an end with the end of the first round of the European Commission's Objective 3 funding in 2008-09. New EU funding programmes were due to come on stream in 2010-11, leaving a gap in 2009-10. To fill this gap Refurbs applied to the Coalfields Regeneration Trust.

A grant of £91,145 was eventually awarded by the Trust in June 2009, but this followed two years of negotiations which were far from satisfactory from Refurbs' point of view. An initial approach was made in September 2007, but they were told that the Trust had used up all its grant money for that financial year and were advised to apply the following year. Following extensive negotiations with the Trust's Rotherham headquarters, which handles large grant applications over £10,000, Refurbs finally submitted its application on 8 December 2008.

A positive decision on the application was made at a meeting of the Trust in Rotherham on 19 March 2009. However, news of this decision was not transmitted to Refurbs until nearly three months later, in a letter from the Rotherham office dated 15 June 2009. These delays meant that Refurbs was unable to maintain the momentum with its Intermediate Labour Market scheme, and a key training staff member was laid off. As Cheryl Nance put it:

“It was a very long and drawn out process. Due to the delays we lost a critical six months which resulted in our having to lay off a valued member of staff. We eventually heard we were successful with the grant in June 2009 and started receiving the money in September. However, by then it was too late for us to continue with a seamless succession. In general the contacts we had with the Rotherham office of the Trust and our allocated grant officer were not very happy. Normally with grants of this size some-one from the grant awarding body visits us and we can talk through the issues and they can see for themselves conditions on the ground. In this case this simply did not happen. We had no visits from the Trust, not even while the project they were funding was running. I found the whole thing extremely frustrating. The process was uncomfortable. I've worked with a lot of funding organisations and I can truly say the one I've least enjoyed working with is the Coalfields Regeneration Trust.

“Refurbs is of course very grateful to the Trust for having approved and funded our project which enabled us to continue providing ILM services for eligible unemployed and economically inactive people. If the application process had been less protracted, if communication had been better, and if the allocated grant officer had been a bit more approachable and less officious, it might have been a more positive experience.”

In the event the scheme that the Trust funded was highly successful. Fifteen people underwent training, all recruited from the northern part of Flintshire where the Point of Ayr colliery had been located. Of these, 11 people were found full-time work at the

end of the 16 weeks training period. Again this registered a 76 per cent success rate, at a cost of £7,000 per person. The project generated good publicity and press coverage.

Funding for the scheme has now been taken up once again by the current round of European Social Fund money, administered through the Welsh Council for Voluntary Action. During 2010-11, 25 people were recruited, of whom 13 found full-time work and two went into full-time education following the course. Another programme has now been set up and runs until June 2012. This will provide for 88 eligible participants to undertake paid work experience, training and individual job search support over the 18 month period of contract.

## **Appendix 3: Interviews**

### **Professor Kevin Morgan, Cardiff University**

#### **1. Impression of the overall operation of CRT in Wales**

I became aware in detail of the kind of organisations the Coalfields Regeneration Trust Wales supports when I was invited to present awards to some of their best performing projects in the Autumn of 2010. All the projects I saw were worthwhile, but I wasn't sure how robustly they had been monitored and evaluated.

#### **2. How well does CRT Wales fit together with other organisations operating in the field?**

Community organisation support of the kind the CRT undertakes is a very crowded field. There are a proliferation of partnerships and it is not clear who is doing what. I'm not clear how well the CRT and other organisations operating in the field, such as the Wales Co-operative Centre, meld together. In general terms partnerships are designed to claim a credit, but pass the buck. Very often it is not easy to know where the added value from collaboration in this field of community support lies.

#### **3. Does the CRT have a USP – how would you describe it?**

If its USP is to invest in the social, cultural and environmental infrastructure of the coalfield, then yes. I would say that its major role is to build up the social capital of these deprived communities. Of course, other organisations would say the same. What we need in making assessments of this kind is to have a proper evaluation framework so we can measure what is being achieved. We're not very good at this in Wales. What is the value added for the kinds of investments we are making in our communities? What is the opportunity costs of the investments we are making? I'm not confident that the Coalfields Regeneration Trust have done enough to evaluate the impact of their work in these terms.

#### **4. Is the trend to give greater emphasis to supporting social enterprises the correct approach?**

I would say it is for two reasons:

- (iii) It should help overcome the problem of ensuring the sustainability and therefore longevity of the kind of projects that the CRT supports. The resources and process we have in Wales don't allow

funding for very many projects. We need to nurture a support system that has built in the prospect of projects outlasting the period when they are directly funded.

- (iv) It should help to address the enterprise deficit in Wales. We certainly have enterprising people but in Wales their energies and creativity tend to be directed towards cultural and educational activities – in short, diverted into every human activity apart from commerce, trading and business. Focusing on building up our social enterprises should go at least some way to addressing this enterprise deficit, which is especially prevalent in the coalfield regions.

## **5. How well does the CRT's activity fit with the likely new direction being taken by Communities First in Wales?**

The new era in community development support will focus on outcomes rather than processes. In it business and enterprise are being emphasised and given a greater priority than in the past. I very much endorse this new approach being signalled by the Welsh Government in its current consultation around taking forward Communities First. Therefore, if the CRT is planning to invest more in supporting social enterprises across the coalfield regions then this will dovetail very well with the new direction that is being given to Communities First.

### **Barbara Castle, Director of Community Investment and Involvement, Bronafon Community Housing Association**

#### **1. Impression of the overall operation of CRT in Wales**

I don't think they have a clear identity. I took a look at their website and that didn't help much. It's as though you have to be in the know to know them. They don't seem to me to maintain a consistent profile. They fund a wide range of projects and my impression is that, if they like a proposal, they will end it to fit their criteria. I have to ask: do they have a clear idea of what they are doing?

#### **2. How well does CRT Wales fit together with other organisations operating in the field?**

It would be good to know that there was a clear fit between their initiatives and the work of Communities First and county-based regeneration. It would be desirable to see a clear, unique slot into which they fit – for example, asset acquisitions to give local communities greater autonomy in what they do.

### **3. Does the CRT have a USP – how would you describe it?**

A few years ago it seemed as if the Coalfields Regeneration Trust were shifting strongly into social enterprises as being the defining characteristic of their work. I think the Trust might benefit from looking back at how their support for social enterprises has worked out in recent years and whether they have had a consistent theme in the kind of projects they have supported. My view would be that they should aim to provide communities with fixed assets, such as refurbished community halls and so on, that can provide an anchor for future. I think they should be aiming to link social enterprises with these assets to give them an income stream. I would like to see the CRT's USP as building community hubs in this way. For instance, the way Communities First is going I don't see it fulfilling this role. Nevertheless, it is a critically important role, but its not clear to me that this it is a central focus for the Coalfields Regeneration Trust. In the coalfields there has always been a lack of advice and support on ways community ownership can be linked to social enterprise.

### **4. Is the trend to give greater emphasis to supporting social enterprises the correct approach?**

It is broadly the right direction, so long as it is accompanied by encouraging the local ownership of community assets. It also reflects likely trends of the way some public services will be delivered in future. If communities are going to sustain some services they are going to need home-grown organisations that can position themselves to tender for contracts for the delivery of some services. This could be a key role for social enterprises.

This would also address the reality that otherwise many poor communities could not sustain social enterprises which, ultimately, depend on an income stream to sustain their operation. But you cannot trade if there is no-one buying whatever you're trading in. The alternative is to lapse back into a grant consuming culture. Its very hard to generate income in poor communities. One way around this is to create social enterprises that can focus on a wider procurement environment. The CRT could have a role in supporting and advising social enterprises on tendering for contracts

### **5. How well does the CRT's activity fit with the likely new direction being taken by Communities First in Wales?**

I'm broadly supportive of the way the Communities First programme is being realigned – the widening of spatial identity with the creation of clusters of projects, activities and communities and establishing closer relationships between these and the local authorities. In this way resources, such as IT and staff training, can be shared. Compared with the funding and scope of Communities First the Coalfields Regeneration Trust has limited capacity but I think it could be made to fit with the new direction that the programme will be taking.

## **Professor Dave Adamson, Director, Centre for Regeneration Excellence Wales**

### **1. Impression of the overall operation of CRT in Wales**

Two basic things make the CRT useful. First of all is the focus it gives to the coalfield communities which are still suffering from the collapse of the coal industry in the 1980s. The result is that assistance is given these communities in ways that otherwise would be unlikely to happen. Secondly, the way the CRT operates is to work very closely with the community at a grassroots level. Their close involvement with the many, often small organisations they help encourages a healthy attitude towards risk taking in their support. My experience is that they are more likely to “take a punt” in offering support, especially in relation to social enterprises, than many other funders operating in the field.

### **2. How well does CRT Wales fit together with other organisations operating in the field?**

I think you’ll find the CRT is more popular than other funders. This is a sharp contrast with most other usually larger funders operating in this territory, whether it be the Welsh Government, the Big Lottery or the Wales European Funding Office. You constantly hearing grumbles about these funders - because they are too bureaucratic, too slow, or just generally difficult to penetrate and deal with. On the other hand, I’ve never heard a bad word said about the CRT from organisations that have been in contact with it.

Having said that I think the CRT is going to have to review the way it operates in relation to new organisations coming into their patch. In particular, registered social landlords and community housing associations are evolving into regeneration organisations with a much broader brief. For example, in 2008 RCT Homes established a subsidiary charity Meadow Prospect. Since then it has created a £500,000 fund to establish Social enterprises - about seven or eight have been created - capacity building, and community-based renewable energy schemes.

### **3. Does the CRT have a USP – how would you describe it?**

Its provided a lifeline for a lot of small scale organisations that don’t need a large amount of money but, because of that, tend not to be attractive to other larger-scale funders who are more risk averse and, anyway, don’t want to deal with sums below what they would regard as creating a critical mass.



#### **4. Is the trend to give greater emphasis to supporting social enterprises the correct approach?**

Broadly yes, but I would add that in addition the CRT should give more emphasis to what you might call soft support, the mentoring and training that social enterprises need, especially at the start-up stage. There may well be opportunities for collaborating with the Wales Co-operative Centre in providing a more systematic approach to this side of things.

#### **5. How well does the CRT's activity fit with the likely new direction being taken by Communities First in Wales?**

In the consultation the Welsh Government has indicated that its main priority is to create what it calls prosperous communities, and the headline indicator it gives for that is "the development of local organisations into social enterprises". This is four square with the Coalfields Regeneration Trust's own priority as far as I can see. And although the CRT does overlap to a certain extent with other organisations in supporting initiatives in this field, there is what I would call a bio-diversity argument. That is to say, every funding organisation inevitably develops its own distinctive approach and its own client group. On this argument the more organisations you have that are offering funding opportunities for third sector projects the more chance you have that a greater number and range of projects will emerge and survive.

### **Derek Walker, Director, Wales Co-operative Centre**

#### **1. Impression of the overall operation of CRT in Wales**

It's a grant funder for mainly social enterprises in the coalfield areas of Wales, concentrating I would say on the lower end of the range, between £10,000 and £25,000. Its well known in the field and generally very well regarded

#### **2. How well does CRT Wales fit together with other organisations operating in the field?**

There is some contact between funding organisations in Wales but not as much as there should be. There's a need for funders to work more closely together to avoid duplication. I would point to the new South East Wales Community Economic Development Programme, aimed at social enterprises and being administered across the six counties of Blaenau Gwent, Bridgend, Caerphilly, Merthyr Tydfil, Rhondda Cynon Taf and Torfaen. This money, worth £5 million over a five year period sourced from European Convergence funding, and is aimed at similar organisations being targeted by the Coalfields

Regeneration Trust. I would imagine there must be scope for more collaboration between funding organisations, at least at the level of sharing information, in the administration of these programmes.

### **3. Does the CRT have a USP – how would you describe it?**

Thus must be the close knowledge the Trust has of the area it works in. Compared with local authorities it can also take a holistic, cross-boundary view of the needs of the old coalfield area. There should be administrative advantages, too in covering the whole of the coalfield in this way, compared with siphoning funding through the smaller local authority areas. The Trust's independence from both the Welsh Government and local authorities is an important asset, too, in taking the politics out of funding decisions. The fact that the Trust's funding decisions can be in addition to mainstream government funding is also important since such sources are in short supply. In fact, fewer independent funders for the third sector than any other part of the UK Wales.

### **4. Is the trend to give greater emphasis to supporting social enterprises the correct approach?**

Yes, because unless the coalfield communities have jobs how can they be sustainable in the long run. For many of the most deprived communities there is little alternative to social enterprise as a source of job opportunities.

### **5. How well does the CRT's activity fit with the likely new direction being taken by Communities First in Wales?**

The direction being taken by the Coalfields Regeneration trust, with its emphasis on support for social enterprises fits well with the new direction that is being given Communities First. In the early years of Communities First there was a lack of clarity over its objectives which could be variously interpreted as sustaining service provision, tackling poverty, capacity building, and economic renewal. Now the programme is becoming much more focused on outputs in terms of the sustainability of the economic legacy from the spend. This, it seems to me, fits closely with the Coalfields Regeneration Trusts' own priorities.

## **Gerald Powell, Manager, 3G's Social Enterprise**

### **1. Impression of the overall operation of CRT in Wales**

It is focused on the old coalfield areas and tries to target its resources on

schemes such as community cafes which have a chance of becoming self-sustainable through generating their own income.

## **2. How well does CRT Wales fit together with other organisations operating in the field?**

It is not as competitive and does not operate at the same levels of complexity in terms of gaining funds as other sources, such as the Big Lottery. Many organisations use the Coalfields Regeneration Trust to fund feasibility studies in order to make the case for larger-scale funding from other sources. I get the impression that the Trust liaises quite well with other funders when it is undertaking projects such as this. Often feasibility studies will cost under £10,000, which is well within the range of grants it distributes, but often too small for other funders to consider.

A question I have about this aspect of the Coalfields Regeneration Trust's activity is that it tends to work with a list of approved consultants for undertaking feasibility studies – accountants, architects and so on. I can see why they have such a list but it does tend to limit the autonomy and control of organisations that are undertaking projects.

## **3. Does the CRT have a USP – how would you describe it?**

I would say it is simply that they concentrate on our most disadvantaged communities which tend to fall within the areas of the old coalfields. They also tend to be more responsive and flexible than other funders, especially on small scale projects.

## **4. Is the trend to give greater emphasis to supporting social enterprises the correct approach?**

On the whole I would say yes. However, there is an inherent contradiction in one aspect of the aspiration to create social enterprises. This is the underlying pressure for them to become self-sustaining, even to the extent of making a profit that can be re-invested, to create job opportunities for example. But social enterprises invariably tend to be set up in poorer communities whose defining characteristic is to have very little disposable income, if any. This raises the question how sustainable social enterprises can be in such environments.

So social enterprises are a very important tool for economic regeneration, but it is very difficult to make them sustainable in deprived areas without continued grant funding. You need a very large turnover for a project to have any hope of releasing a surplus big enough to re-invest with any impact. For instance, in Merthyr we're developing a recycling operation, which will create four jobs and perhaps have a turnover of £150,000 to £200,000. This is a considerable amount of money for a social enterprise. But we'll be lucky if this achieves a surplus of more than £10,000 to £15,000 a year after running costs

are taken into account. That's a useful amount of money but not a great deal in terms of re-investing into other projects.

## **5. How well does the CRT's activity fit with the likely new direction being taken by Communities First in Wales?**

Communities First is crucially important for deprived areas in creating core resources to create capacity for people to take on projects and initiatives. However, developing projects on top of this invariably needs additional pump-priming money and this is where the Coalfields Regeneration trust can be a key player. Typically projects can operate within a two to three year cycle from conception to raising money to getting off the ground. To cut back the funding of the Coalfields Regeneration Trust would mean that a great deal of effort that has already been invested in many projects that are anticipating funding from this source would be wasted.

## **John Bennett, Chief Executive, Welsh Social Enterprise Coalition**

### **1. Impression of the overall operation of CRT in Wales**

I think it has a problem in that there are so many organisations elbowing their way into its territory, especially so far as co-operatives mutuals and social enterprises are concerned – the WCVA, the Wales Co-operative Centre, Social Firms Wales, the Development Trust Association, Cylch, ourselves. Branding is very difficult when you have so many different organisations pitching in. I think they are finding it difficult to create a niche for themselves, except of course that they only operate within the coalfields. But one way or another we're all trying to help not-for-profit organisations move to a position where they can function sustainably.

### **2. How well does CRT Wales fit together with other organisations operating in the field?**

Small organisations starting up need help from where they can get it and it doesn't really matter where it comes from. I think the CRT is good in giving small amounts of help to small organisations at the point they're starting up and when they most need help. For instance, banks just don't understand them, regarding them as quirky. They don't get their legal model which is built around their not-for-profit status.

In general there should be closer collaboration between the funding organisations working in this field.

### **3. Does the CRT have a USP – how would you describe it?**

It is the only organisation that has a specific remit for regenerating coalfield communities.

### **4. Is the trend to give greater emphasis to supporting social enterprises the correct approach?**

In general yes and there is a buzz around social enterprises at the moment. But they're not a panacea for the problems of deprived communities, they're not a silver bullet. Social enterprises are social businesses and to be successful they have to trade. If they don't manage to generate an income through trading they're simply left lurching from one grant to another. But there's a view that if an organisation is simply converted into a social enterprise it'll be OK. I've heard it said that if an organisation's business plan doesn't stack up call it a social enterprise.

### **5. How well does the CRT's activity fit with the likely new direction being taken by Communities First in Wales?**

To the extent that Communities First is now emphasising that the emphasis should be put on 'prosperous communities' and social enterprise is central to that, then there must be scope for an alignment. But civil servants, with their risk averse instinct, are the enemies of enterprise. We have to create an enabling environment for social enterprises, to provide people with opportunities to test out ideas and to regard things that don't work as learning experiences rather than failures. This is not an attitude typically found within government.

## **Graham, Chief Executive, Welsh Council for Voluntary Action**

### **1. Impression of the overall operation of CRT in Wales**

I wasn't too clear about its funding activities in Wales. I suppose I assumed it does what it says on the tin – help areas with post-industrial challenges. I guess its mainly about physical regeneration, not on the old WDA sense of clearing tips and so on but broader community regeneration, supporting social enterprises and so on.

### **2. How well does CRT Wales fit together with other organisations operating in the field?**

The main fit, so far as the WCVA is concerned is with our Community

Investment Fund, which gives loans to the riskier end of the market where typically banks will not venture. Representatives from the Coalfields Regeneration Trust have sat on our assessment panel and provided helpful advice in channelling resources in the right directions. Generally, I think the more organisations that operate in the broad regeneration field the better.

### **3. Does the CRT have a USP – how would you describe it?**

I suppose I would say it's the support they give to social enterprises. I think they are pretty creative in helping small organisations become self-sustaining by using the social enterprise model.

### **4. Is the trend to give greater emphasis to supporting social enterprises the correct approach?**

Yes, but of course, its very difficult to pull this off in the areas that the CRT works in, where there isn't a strong market for trading. You have to trade to create an income.

### **5. How well does the CRT's activity fit with the likely new direction being taken by Communities First in Wales?**

We have problems with the way Communities First is being recalibrated. They trying to create a three-tier system, with existing partnerships being corralled into clusters. These will be oversee by Regional Boards combining local authority areas. Overseeing the whole will be a National Programme Board. We don't see what scope there is for the proposed Regional Boards adding value. To the extent that the CRT operates regionally, across the south Wales coalfield then it might offer a template which Communities First could look at.

## **Nick Bennett, Director, Community Housing Cymru**

### **1. Impression of the overall operation of CRT in Wales**

Given where it operates I think the CRT targets those organisations that are hardest to help. They tend to fund projects and organisations that other funders would regard as high risk and as a result tend to be more innovative.

### **2. How well does CRT Wales fit together with other organisations operating in the field?**

The CRT does tend to overlap with other related organisations offering either

funding or support, for instance the Wales Cooperative Centre. In the last few years, with the advent of stock transfer, housing associations in local authority areas such as Rhondda Cynon Taf, Blaenau Gwent and Torfaen, are taking on many regeneration activities that the Trust has traditionally supported.

However, the support they offer tends to be more user-friendly, flexible and has faster response times.

I think now there is a case for all these organisations to sit down together in a formal way to consider what scope there is for collaboration, working in partnership and undertaking action research

### **3. Does the CRT have a USP – how would you describe it?**

Undoubtedly its USP is the exclusive focus it gives to coalfield communities. I think in general the Welsh Government for example, and before that the Welsh Development Agency, are not best placed to deliver small-scale programmes to deprived communities across Wales. This is much better done by third-sector initiatives supported by organisations like the Coalfields Regeneration Trust.

### **4. Is the trend to give greater emphasis to supporting social enterprises the correct approach?**

Probably, but it also has to be recognised that for social enterprises to succeed you need a population around them with a disposable income. This is not only to provide a market and outlet for the goods and services they provide but also as a pool for the talent and entrepreneurship you need to get them started in the first place. You'll often find, for instance, that the key people running social enterprises, giving them leadership, come from outside the relatively deprived communities where they are based.

### **5. How well does the CRT's activity fit with the likely new direction being taken by Communities First in Wales?**

The new Communities First initiative that is emerging will give greater emphasis to employability, community development, tackling child poverty and enhancing the skills set of the population. Given its track record the Communities Regeneration Trust is well placed to take advantage of this.