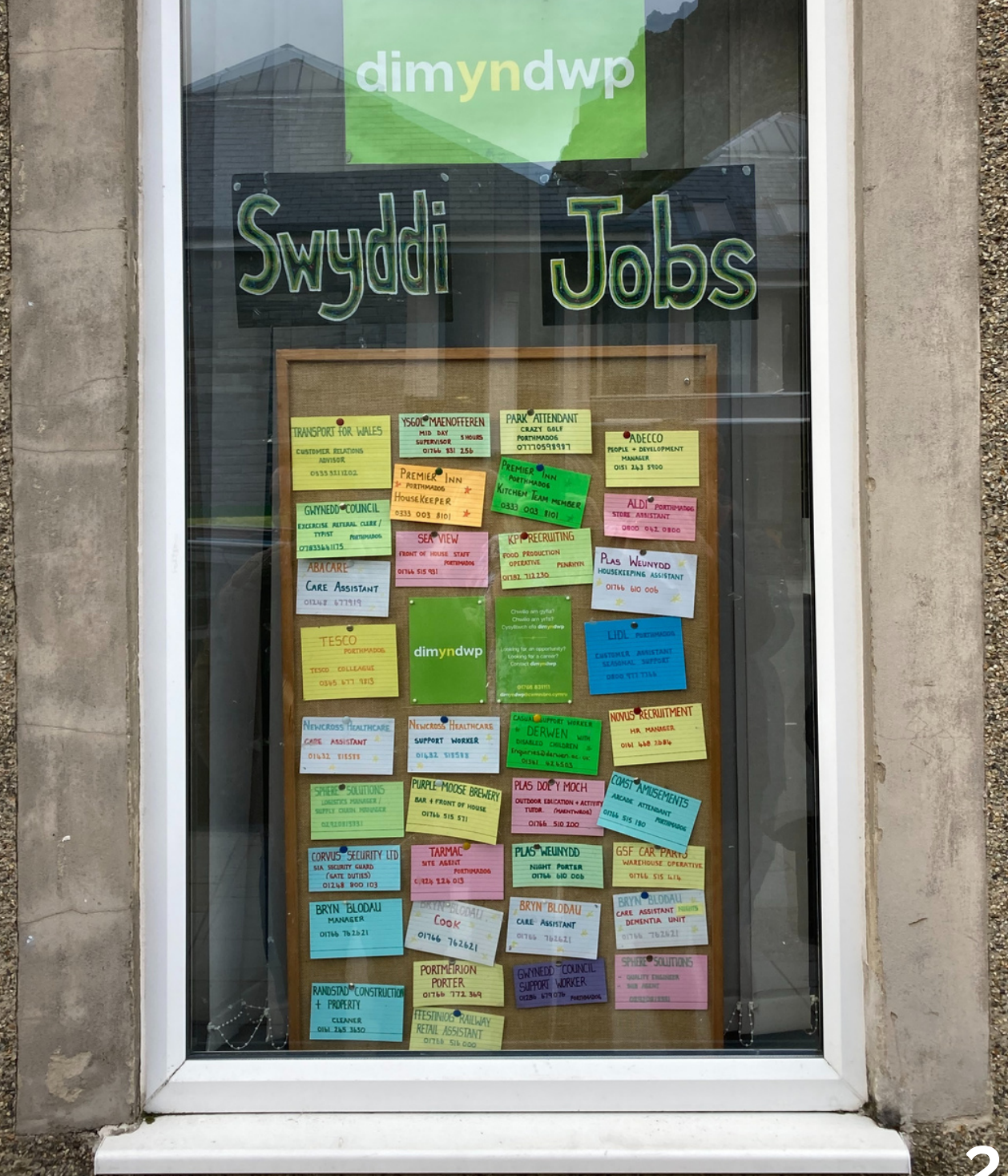


# From capitalism to community wealth: Building new economies in Wales



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# Introduction

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Over centuries, wealth has been taken away from communities across Wales.

In the past, industries such as coal and slate devastated the environment and blighted lives, while the profits were enjoyed by mine and quarry owners. Today, it is industries such as tourism and energy production which extract wealth from local communities.

Increasingly, people want to build a different kind of economy – one in which the wealth they create is retained and shared locally, which is sustainable environmentally, and which supports people's languages and cultures.



This community or social enterprise approach to local economic development has been around for some time. However, progress is slow, with 2.6% of all businesses being social enterprises in 2022 – fewer than 3,000 businesses.[1]

But in one part of Wales, community and social enterprises are flourishing. After a century of deindustrialization, Blaenau Ffestiniog now has so many social enterprises that they are forming the foundations of a new type of economy. The Cynon Valley and area, hit equally hard by deindustrialization, wants to develop its community businesses to create a similar transformation.

In summer 2023, a group of people from each community participated in study visits to each place to share experiences and learn from each other. This report sets out key findings from the collaboration.

*[1] Cwmpas (2023) Mapping the social business sector in Wales - 2022 Census*



**Video: Dr Victoria Winckler, Director of the Bevan Foundation explains what the visiting group hoped to learn.**

# Shared Challenges

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On the face of it, Blaenau Ffestiniog and the Cynon Valley could not be more different.

One has a small population with less than 5,000 residents, the other is more than ten times as large with around 70,000 people. One is remote, with the nearest large towns being Bangor and Llandudno, while the other is less than 25 miles from the capital. One is predominantly Welsh-speaking while in the other Welsh is spoken by a minority.

Yet both places are united by significant social and economic challenges associated with large scale deindustrialisation.



Video features Ceri Cunnington from Cwmni Bro Ffestiniog.

# Blaenau Ffestiniog

Blaenau Ffestiniog was once the world centre of the slate industry, with a population of around 12,000 in the late 1800s.

As the industry declined, jobs have disappeared and the population has shrunk to 4,600 in 2021. [1] Welsh is spoken by almost everyone who was born in Wales and lives in Blaenau Ffestiniog.

The area has faced many challenges. The centre of the area, the Bowydd and Rhiw ward, was in the 100 most deprived communities in Wales in 2001.

[1] *Census of Population 2021*

[2] *Census of Population 2021*

[3] *Annual Survey of Hours and Earnings, 2023, resident based for Dwyfor Meirionnydd.*

[4] *Census of Population 2021 Table PP011 – Occupation, for Ffestiniog parish.*

[5] *Understanding Welsh Places*

[6] *Census of Population 2021 Table PP010 – Availability of Car or Van, for Ffestiniog parish.*

[7] *House of Commons Library Constituency data: house prices, for Dwyfor Meirionnydd.*

[8] *Understanding Welsh Places*

Today, the key challenges facing the community are:

- Low levels of employment – less than half (47.3%) of people aged 16+ in part of Blaenau Ffestiniog were in employment in 2021. [2]
- Very low average wages – median earnings of residents are £143.70 a week less than the GB average. [3]
- Dependence on tourism – a quarter of workers are in leisure, caring, sales and other customer service jobs. [4]
- High levels of out-commuting – 46% travel more than 10km to work. [5]
- More than one in five households (22.4%) do not have access to a car. [6]
- House prices are out of reach for local people at 9 times average earnings. [7]
- The area has lost essential services including its petrol station, bank, job centre and 6th form.
- 11% of premises do not have superfast broadband. [8]

## Today, the key challenges facing the community are:

- Cynon Valley has half the number of businesses per head than the GB average. [1]
- Low levels of employment – less than two thirds (63%) of people aged 16-64 are in employment. [2]
- Very high levels of disability and ill-health – 37% of people aged 16-64 are disabled. [3]
- A third of all households receive Universal Credit or a working-age legacy benefit. [4]
- More than a third (36%) of workers travel more than 10km to work. [5]
- Below average wages – median earnings are £82.50 a week less than the GB average. [6]
- Almost a quarter (24%) of households do not have access to a car. [7]

## Until the 1930s, coal mining was almost the sole industry in the Cynon Valley, with 60 pits.

The industry gradually disappeared, to be partially replaced by manufacturing. This too has contracted in recent years, leaving a weak economic base. The population declined substantially as a result, although has recovered slightly in recent years to reach 70,000 in 2021. Welsh is spoken by 13.7% of people born in Wales and living in the area.

The area has faced a lot of challenges. Sixteen different small areas were in the top 100 most deprived places in Wales in 2001.

[1] ONS UK Business Counts - enterprises by industry and employment size band, for Cynon Valley.

[2] Annual Population Survey, June 2023, for Cynon Valley.

[3] Ibid

[4] House of Commons Library Constituency data

[5] Understanding Welsh Places Aberdare

[6] Annual Survey of Hours and Earnings, 2023, resident based for Cynon Valley.

[7] Census 2021 Table RM008 - Car or van availability by household composition, for Cynon Valley.

# Opportunities & potential

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People in Blaenau Ffestiniog and the Cynon Valley both want to develop new, less exploitative economic models, which retain and share wealth in the community.

Social or community businesses are good for the local economy and community. Across Wales [1]:

- Nine out of ten reinvest any surpluses or profits to grow their business.
- Nearly half use profits for community, social or environmental benefit.
- Two thirds of social enterprises pay the real Living Wage.
- Around three quarters of social enterprise employees live within 10 miles of their workplace.
- One in five social enterprises recruits people who were previously unemployed.



Video features Tom Addiscott from Down to Zero.

*[1] Cwmpas (2023) Mapping the social business sector in Wales - 2022 Census.*



# Blaenau Ffestiniog

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**In Blaenau Ffestiniog, the scale of community-owned business is incredible.**

There are community enterprises in almost every economic sector: from social care to an arts centre, from a hardware shop to a mountain bike hire business, from two hotels, a chip shop and a pub to an electric vehicle hire business.

The economic impact is huge. Blaenau Ffestiniog enterprises have come together with others in Gwynedd in a network called Cymunedoli. Twenty three of them have a combined turnover of £13.56 million, employ 239 people full-time and 215 people part-time, and have assets of £43.2 million. In small communities, social enterprises are now a sizeable part of the local economy.





# Cynon Valley

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In Cynon Valley and area, there is a thriving third sector providing a wide range of services, from social care to adult learning to environmental projects.

Many rely on grants from charitable trusts and foundations or the public sector, but are now exploring the potential for trading.

Strong start-up activity of new social enterprises is reported in Rhondda Cynon Taf as a whole, suggesting that the potential is beginning to be grasped.

**Left: View from above the Cynon Valley looking west**

# CASE STUDY:

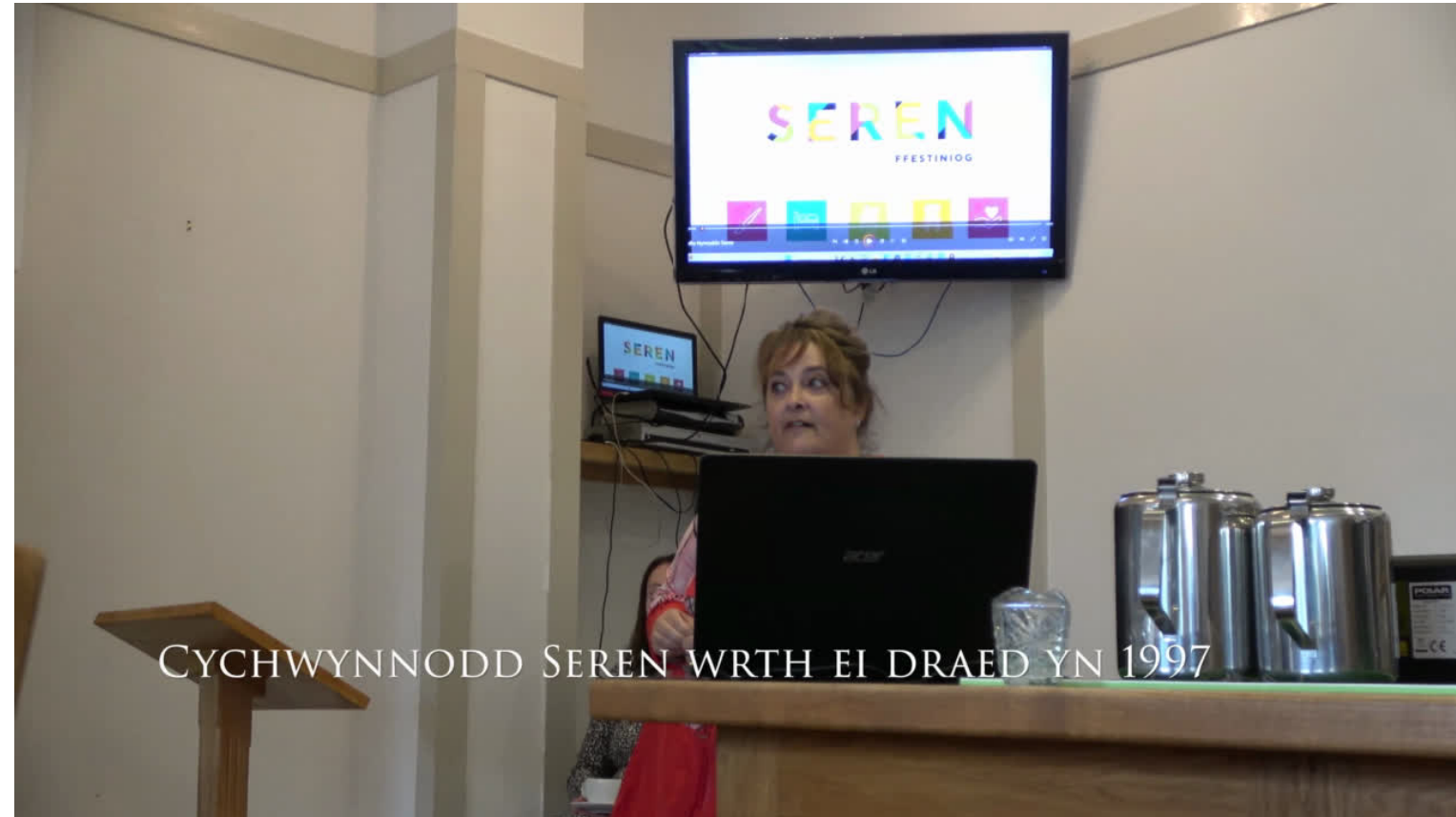
## Seren Ffestiniog

Seren Ffestiniog provides a wide range of services to learning disabled adults in Blaenau Ffestiniog, including domiciliary care, day care and activities.

It also runs 10-bed, three star hotel, Gwesty Seren. The hotel is fully accessible for disabled adults and their carers, as well as being open to the general public.

It offers gardening, crafts, work placements at a furniture recycling centre, and day trips to local attractions.

Seren Ffestiniog opened in 1996 and its 60 staff make it the second largest employer in Blaenau Ffestiniog. It injects around £1m a year into the local economy through purchasing local goods and services and in wages.



Video features Angela Middleton-Jones from Gwesty Seren.

[gwestyseren.co.uk](http://gwestyseren.co.uk)

# CASE STUDY:

## Dref Werdd

Dref Werdd – or Green Town – is a community environmental organisation, set up in 2006 to protect and enhance the local environment.

It now provides a wide range of services, some commercial and some grant-aided.

### Environmental activities

Dref Werdd's environmental activities include developing green spaces such as community gardens, wildflower meadows and an outdoor classroom and roundhouse. The spaces protect nature and also support people's mental health and reduces loneliness and isolation.



YN 2019 CYCHWYNNON NI CYNNIG GWASANAETHAU  
STATUDOL I POBL GALLU DERBYN CEFNOGAETH

Video features Gwydion ap Wynn from Dref Werdd and  
Lis McLean from Canolfan Soar, Merthyr Tudful.

[drefwerdd.cymru](http://drefwerdd.cymru)

## Community Hub

Dref Werdd operates a community hub which provides advice on benefits, energy and utilities and hosts a community pantry, food bank and log bank, and repair cafe. Following the closure of the local Job Centre it also includes help with job search via its Dim yn Dwp job board.

## Bro Ffestiniog Skyline

Dref Werdd is one of several Skyline projects, developing a trading garden, Coed Call - an affordable and sustainable firewood enterprise, and a traditional skills centre to teach old skills to the new generations.

## Community vehicles

Dref Werdd has two electric vehicles for hire at affordable rates, plus a community driver is available if required.

Dref Werdd is a company limited by guarantee and employed 11 people in 2021/22.



# CASE STUDY: Antur 'Stiniog

Antur 'Stiniog is a social enterprise that develops the potential of the outdoor sector for the benefit of local people and the local economy. It was founded in 2007.

## Bike hire and trails

Antur 'Stiniog's main business is mountain bike hire, with 14 acclaimed mountain bike trails around Blaenau Ffestiniog, accessed by one of the best uplift services in the UK. It also offers training and coaching in mountain biking.

## Café and Y Siop

Antur 'Stiniog runs a café at the Mountain Bike Centre, and Y Siop in the town centre. Y Siop is an information centre with coffee, quality clothing, and a makers' space.



[anturstiniog.com](http://anturstiniog.com)

## CASE STUDY:

### Cynon Linc

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Cynon Linc is a community hub for all ages, based on the site of a former day centre for older people, operated by Age Concern Morgannwg.

#### Services for older people

Cynon Linc supports older people to live a healthier, more independent life. It offers a wealth of activities from fitness classes to coffee mornings to choir practice, independent advocacy and befriending, as well as nail cutting and information and advice services. The Hyb kitchen and coffee shop offers quality tea and coffee, healthy light bites and full meals.

#### Little Lincs

Little Lincs provides Stay and Play activities for up to 16 children up to 6 years old. Its two rooms and outdoor space include play gyms with sensory toys, make-believe, a ball pool and soft play shapes. It can also be booked for parties.



AC MAE EIN GWELEDIGAETH A'N PWRPAS YN  
YMWNEUD Â GWELLA'R GYMUNED YR YDYCH YN BYW

Video features Rachel Rowlands from Cynon Linc.

#### Other services

Also based at Cynon Linc are Maendy Surgery, office space to rent, a Changing Place (specialist toilet facilities for disabled people) and rooms to hire. Age Concern Morgannwg had 62 employees in 2021/22.

[cynonlinc.co.uk](https://cynonlinc.co.uk)

## CASE STUDY: Cynon Valley Organic Adventures

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Cynon Valley Organic Adventures is a company limited by guarantee which owns 5 acres of formerly-derelict land near Abercynon.

It includes a stretch of riverbank, woodland, orchards, a pond, roundhouse and polytunnels.

Cynon Valley Organic Adventures offer accredited learning, volunteer placements, social prescription activities, corporate volunteer days and as well as regular community activities and events. Food produced by them is usually given away free of charge to people in the community who need it. They also provide consultancy services to other organisations wishing to create similar initiatives.

In 2022, the business had an average of 20 employees.





# CASE STUDY:

## Ynysybwl Regeneration Partnership

Ynysybwl Regeneration Partnership aims to raise the quality of life of people in Ynysybwl.

In particular it aims to make better use of the natural environment, develop and take on community assets that enhance employment, health and well-being and help build the capacity of community groups and individuals.



## Key recent activities include:

- Restoring Butcher's Pool, a community-run paddling pool open every summer.
- Caban Guto, a visitor centre in St Gwynno Forest, providing information on trails, heritage and culture.
- Y Cae/The Field: a series of exhibitions about the former Lady Windsor Colliery site. Curated by curated by Valley Ffocws art collective, each exhibitor takes over six presentation boards along the Taff Trail for two months.

Ynysybwl Regeneration Partnership has recently bought land and buildings at Station Yard, Windsor Place which it will develop for social enterprise uses. Ynysybwl Regeneration Partnership is a company limited by guarantee and registered charity, with an average of 7 employees in 2022.



*For the past six -and-a-bit years we've been delivering the vision for the Valleys: the vision has reimaged Ynysybwl as a green, sustainable and highly connected valley, with a necklace of community-owned assets and that looks at enhancing health and wellbeing, the environment and the local economy.*

Hayley Fidler, Ynysybwl  
Regeneration Partnership.

# Learning and action

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People in Blaenau Ffestiniog and the Cynon Valley are taking extraordinary and inspiring steps towards building fairer, more prosperous and sustainable futures for their communities.

They are spurred on by a combination of necessity, including wanting to solve the deep poverty many people experience, and frustration with decision-makers who they feel overlook them and their locality.

While every place is different and must chart their own route to a different kind of economy, there is some important learning that applies to all.



Video: Dr Steffan Evans, Head of Policy (Poverty) at the Bevan Foundation outlines his key takeaways.

## Ownership matters

The ownership of a business – and hence who retains and shares in the profits generated – is fundamental to the long-term prosperity of people in Wales. For too long, wealth has been extracted and distributed elsewhere.

Community ownership should therefore be seen alongside nationalisation as an economic model – termed Cymunedoli by people in Blaenau Ffestiniog.

Changing Wales's – and communities' – economic fortunes requires shared ownership of assets and a fair distribution of profits. Public and community ownership of businesses should be at the centre of Welsh economic development policies rather than being a niche. This means that:



Video features Haydn Jones from Cymunedoli.

- Providers of business support services should be trained in creating and advising social and community enterprises.
- Community business legal forms – companies limited by guarantee, cooperatives, community interest companies – should be the norm not the exception when advising start-ups.
- Terms and conditions of any funding of community enterprises should be no more onerous than those expected of private businesses.

## Community enterprises can do anything!

There should be no limits to the social or community enterprise model. Social enterprises are often expected to solve social problems or provide goods and services in struggling sectors, where neither the public or private sector will venture. Yet community ownership can work well in every type of business activity, from food and energy production to leisure and tourism opportunities to vehicle hire and hospitality. Support agencies' expectations that community businesses cannot operate in profitable markets therefore should be dropped.

## Cooperation and networking

Businesses of all kinds know the value of cooperation and networking. Community-owned businesses are no different – by coming together, they can offer mutual support, trade with one another and build a pool of knowledge, skills and experience.

This eco-system of enterprise needs to be driven by the businesses themselves – it cannot be created or imposed by external bodies.

An effective eco-system needs a critical mass of community enterprises if they are to reap the rewards of cooperation. Connections between emerging, new and established community businesses can accelerate their growth and help them to survive and thrive.

## Movement for change

Underpinning the success of community enterprise in Blaenau Ffestiniog is a powerful world view: one which is based on self-help, the interdependence between a successful local economy and a thriving Welsh language and culture, and a desire for social change. It is this that enables community businesses to overcome hurdles and weather the inevitable storms.

# What you can do

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You can help to make your local economy fairer, more prosperous and sustainable by changing the ownership and business model of enterprises.



## Community groups and charities

- Are there business opportunities in your area that you could pursue?
- Could some of your services be provided on a commercial basis?
- Are there opportunities to generate revenue from your assets?



## Economic development organisations

- Do you aim to develop locally- and socially-owned businesses as well as SMEs and inward investors?
- Do you support social and community businesses to start up and grow on the same basis as other businesses?
- Do you maintain good relationships with local social businesses in your area?



## Public bodies

- Could you procure more from community businesses?
- Do your procurement processes exclude many social enterprises?
- Do you engage with social and community enterprises to explore the potential?



## Small and medium enterprises

- Have you thought about social- or community owned legal entities? How can you trade with and support social or community owned businesses in your area?
- If you cease trading e.g. because of retirement could a community-owned business buy you out?

# Useful contacts

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**Cwmpas** - <https://cwmpas.coop/>

Advice and support for social businesses and co-operative start ups and growth.

**UnLtd** - <https://www.unltd.org.uk/>

Advice and support for social entrepreneurs

**Social Business Wales** -

<https://businesswales.gov.wales/socialbusinesswales>



# Acknowledgements and thanks

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**The Lipman-Miliband Trust**



**Barry Amiel &  
Norman Melburn Trust**

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The views in this report are those of the Bevan Foundation – they do not necessarily represent those of any of the participants in the programme.