



OUR LOCAL ECONOMIES

CASE STUDY

SOCIAL ENTERPRISE
IN BRO FFESTINIOG





One hundred and twenty years ago, Blaenau Ffestiniog was one of the boom towns of north Wales. The country's largest slate mining centre was also the second largest town in north Wales, with a population of about 13,000 people and more in surrounding villages.

However, as the slate industry declined, the population more than halved over the twentieth century to about 5,500 by the last census. Blaenau Ffestiniog is one of the poorest areas in Wales, with the lowest average wages anywhere in the UK¹.

HISTORY OF COMMUNITY WORK

The area has long had a vibrant history of community activities, covering a wide range of cultural, sporting, religious and welfare activities. In the last 30 years or so, elements of this activity have developed into a more formal voluntary sector.



The town's first large social enterprise, *Cwmni Seren*, was established in the 1990s to provide professional support for adults with learning difficulties as part of the UK Government 'Care in the Community' programme.

At the same time, local branches of wider organisations – *Barnardo's* and *Gisda* – were set up to provide family and youth work support, and both have provided vital social support over the last 20 years.

There has also been a longer term focus on social enterprise as a means of regeneration and creating locally-owned economic benefit. At the beginning of the century, a community regeneration company called *Trawsnewid* was established in response to the rundown of the nuclear power station at Trawsfynydd.

In nearby Penrhyndeudraeth, *Deudraeth Cyf* was set up – a community company specialising in new technology projects, which was at the heart of the community becoming Wales' first networked village. And in the village of



Llanfrothen the community council helped establish a social enterprise to run the village store and ensure affordable premises were available for other local businesses.

When Bowydd and Rhiw ward in Blaenau Ffestiniog was included by the Welsh Government in its Communities First programme in 2001, the local group in Blaenau decided to set up a community company limited by guarantee as a vehicle to develop relevant projects.

Unusually for Communities First, as well as supporting disadvantaged groups, the Blaenau Communities First Company's business plan emphasised the development of economic and environmental projects. The Company wanted to build on the work that social enterprises were already doing locally, generating and retaining wealth locally, and providing sustainable local services.

As the local landscape already attracted visitors interested in outdoor activities and the environment, there was an opportunity

to develop projects that would transform the appearance of Blaenau and the area generally, and contribute to the growth of tourism.

Two distinct social enterprises were established from the thinking around Communities First. *Antur Stiniog* started as a mountain bike business on the slopes of Llechwedd slate quarry in Blaenau Ffestiniog (where it has hosted the World Downhill Mountain biking championships), and has now taken over the Tourist Information Centre and established other projects, including a cycle track around the town.

The other initiative is *Dref Werdd* (Green Town), which concentrates on the environment, including clearing rhododendron, cleaning rivers, establishing green community areas, as well as projects to lessen food waste, save energy and create allotments. *Dref Werdd's* work has encouraged very high take up rates of Welsh Government support. In north Wales, almost a third of all investments from the energy efficiency scheme *Nest* have been in Bro Ffestiniog.

Independently from these, in 2010, residents in the neighbouring village of Llan Ffestiniog established a community co-operative *Pengwern Cymunedol* in order to buy and run the local hotel and pub. *Y Pengwern*, which had closed in 2009, had been an integral part of life in Bro Ffestiniog from at least 1728.

In a village of about 300 homes, around 200 local people invested over £30,000 in shares in the Industrial and Provident Society community co-op set up by *Pengwern Cymunedol*. The money needed to buy the asset and re-open the business (£187,000) was obtained through the efforts of the community plus a grant from the Wales Government, facilitated by the local housing association, *Tai Eryri* (now part of

Grŵp Cynefin). In April 2011 the doors reopened and the venture has subsequently gone from strength to strength, attracting visitors from all over the world. By 2016 its turnover was over £200,000 a year.

More recently, four new enterprises have developed.

Ysgol y Moelwyn, the comprehensive school serving Bro Ffestiniog, took over the responsibility of running the local leisure centre from the county council in an asset transfer. The business is now thriving and there is often insufficient space to accommodate an ever increasing demand.

Opra Cymru presents well known operatic works in Welsh and provides educational opportunities. Recently 60 school students from four secondary schools in Meirionydd worked jointly on an operatic performance.

Cwmni Gwesty Seren was set up as a separate venture by *Cwmni Seren* to develop a three-star hotel aimed primarily at people with disabilities. The hotel doors opened in 2014 and the venture is very successful, employing 10 people and contributing to the marked increase in the number of tourists staying locally.

Cyfeillion Croesor operates a café and art gallery in the tiny village of Croesor, catering to the tourists who visit their isolated valley.



Cwmni Bro Ffestiniog

As a result of all these developments there are probably more social enterprises per head of the population in Bro Ffestiniog than anywhere else in Wales.

The diverse activities of these ventures includes: two hotels, shops, restaurants, cafes, tourist information centre, leisure centre, arts and crafts workshop, mountain biking centre, horticulture, energy saving projects, educational and cultural activities, projects reducing food waste and increasing recycling, river cleaning, work with adults with supplementary needs, youth work (including tackling homelessness) and teaching environmental and media skills.

Twelve of the area's social enterprises have come together to form a network under the banner of a community company called *Cwmni Bro Ffestiniog*. The company operates in the communities of Blaenau Ffestiniog, Trawsfynydd and Penrhyndeudraeth and nearby villages, which between them have a population of about 8,000 people. The company's aims are to promote co-operation between the constituent social enterprises, nurture new enterprises and work with small businesses in the community.

Between them, the ventures that are members of Cwmni Bro Ffestiniog employ 150 local people. They offer permanent employment and provide career opportunities for professional workers who wish to stay in their community. As well as providing paid employment, the enterprises also create opportunities for volunteers. The vast majority of those employed live in the area and spend locally, creating a multiplier effect. This effect is enhanced as the revenue and profit generated by the enterprises are spent locally or re-invested, making the enterprises more sustainable in the long term.

A recent analysis of their economic impact showed that a high percentage of their income stayed and circulated in the area. For every pound received as grant or loan 98 pence was spent locally, mainly on wages. Of the 1.5 million pounds spent on wages, 53% is retained locally. Nearly half the expenditure on goods and services was local.²

Making It Sustainable

The growth of local social enterprises has been steady and marked by clear business strategies. Most enterprises are as financially self-sustaining as possible: either by trading or by tendering for contracts, mainly from the public sector.

Some – such as *Pengwern Cymunedol*, *Antur Stiniog*, *Gwesty Seren* and aspects of *Cwmni Seren*'s work such as recycling – do not depend on grants or service level agreements. These are entirely commercial ventures competing with wholly private local businesses, as well as collaborating with them in some cases (one enterprise, *CellB*, is a partnership between a commercially-run restaurant and bunkhouse and a social enterprise, *Gwallgofiad*, which runs a cinema and activities for young people).

As the public sector has retreated in recent years, the work of social enterprises has become more prominent within the community and more central to key social activities. Those running social enterprises are keen for people

to join with them and help run the activities rather than being recipients of services, so investment in communication has become increasingly important.

Llafar Bro, a volunteer-run community monthly newspaper, is used for communication with and within the community. Facebook and Twitter are widely used and the principal social enterprises all have their own websites. A community digital broadcasting service, *BROcast Ffestiniog*, has also been launched recently (facebook.com/BROcastFfestiniog).

The increase in community activity has also resulted in residents generally doing more together which helps to further community spirit, neighbourliness and quality of life.

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“In January 2015 I lost my husband to cancer just 12 months after moving to Blaenau. I was left very isolated, on a very limited income and with an electricity debt of £1500. I spent the following year very anxious and depressed passing away most of my time in bed as I couldn't afford to heat the house. I heard of *Y Dref Werdd*. Thanks to their service I am writing this in a warm house and am putting up Xmas decorations with an optimism for the coming year, that this time last year I would never have believed was possible. They made me feel, not only that I will be able to cope with life going forward but that I am also a part of a warm and caring community.”

Susan, Local Resident

UNDERSTANDING OUR SUCCESSES

There are a number of factors behind the success of the work in Blaenau Ffestiniog, but the key ones are:

Recognising the importance of wealth building

By adopting an integrated and holistic approach to community development, work in the area links the environmental, economic, social and cultural elements of community. This is what most community-based initiatives claim to do, but in Bro Ffestiniog, making the shift from providing activities that only support people in need, and moving into creating initiatives that generate income, and provide leisure and entertainment opportunities, means that what they do appeals to a wider audience – both local people and tourists – which then creates more economic opportunities.

“Everything that’s happened in *CellB* has been down to the young people themselves and the Gwalgofiad community project. The enterprise has made a huge difference in the lives of young people. If you look at the first crew who came through here back in 2004-5 they have now gone on to running design departments, being heads of theatres, another is quite high up as a technic.”

Rhys Roberts, *CellB*

Using local assets

Using local assets for economic benefit has been central to generating wealth in the area. Blaenau Ffestiniog is in the middle of Snowdonia National Park, an area that attracts visitors for hiking, cycling and sightseeing. Historically, tourists often avoided the former industrial town, but developing and promoting the town’s facilities has seen an increase in visitors.

Local social enterprises have developed a symbiotic relationship with the well-known Zipworld investment in the former slate mines. Zipworld were dependent on using the access roads built by Antur Stiniog for their main ziplines, and there is now work going on to ensure local people, working with the school and college, get the required skills to work in the major tourist attractions, as well as trying to ensure that people attracted to the area by Zipworld are tempted to spend at other local attractions.

These links have been developed in spite of the government strategies for the area, which focused entirely on the large external investor and ignored the numbers of small local enterprises already in place.

Some of the unused buildings in the town have also been used repurposed for business and social activities – like the old police station, which is now *CellB*, a café, cinema and bunkhouse and the old industrial units in the centre of town that is now a café, shop and community-run tourist information centre. There is currently work being done on the town council building in the centre of town, working directly with the town council, *Cwmni Bro*, *Antur Stiniog*, *indycube* and *Social Business Wales* developing and bringing ‘community enterprise space’ to the heart of the town.

“I don’t see us as a tourist attraction to tell you the truth. we need to show people don’t we? Pride in what we have got. ‘I live in Blaenau Ffestiniog and I’m proud of that’, you know.”

Hefin Hamer, *Antur Stiniog*

“We’re creating a culture in the area that’s an old kind of culture of doing things for ourselves. Instead of being dependent and moaning, just do it. If we do something successful here it’s a pattern other areas could follow.”

Sel Williams

People, relationships and trust

And, of course, the biggest assets are the people in Bro Ffestiniog. Many of those who lead initiatives worked together in the Communities First programme in the area as both paid workers and volunteers, gaining valuable experience and skills – and almost all had their roots in the community and were deeply committed to the area. So there are now a number of people working in the town who lead in accord with community development principles.

Most local people went to the same school – Ysgol y Moelwyn – which means there are close connections and high levels of trust between the leaders of different organisations. Without these levels of trust it is highly unlikely that work in Ffestiniog would have gone as far or as quickly. The willingness of people to work together without guarantees, to invest their own money, to share and promote each others’ activities comes from a willingness to believe in each others’ intentions and competence that can only come with strong levels of mutual belief.

For a strongly Welsh-speaking area like Bro Ffestiniog, the opportunity to develop the community and lead change locally whilst working in Welsh has been a big ‘pull’. Welsh is the everyday language of the vast majority of the people in the area today and Welsh has been the main medium of transferring community identity

and attitudes from the past. It is difficult to measure the influence of the Welsh language, but the members of *Cwmni Bro* are certain that the interweaving of the language and community is instrumental in the development of community in the area, in the past, present and future.

Building on Government programmes

For over a quarter of a century, Bro Ffestiniog was in receipt of a number of programmes and projects led and financed by state bodies: European Union, central and local government initiatives. Despite their top-down nature, some of the initiatives were successful and helped to enhance conditions in the area, especially the work to smarten up the town centre, which created a physical environment that was more attractive to private and social investment.

The development of social enterprises and a social enterprise culture has been a long, slow process. The first major social enterprise is now well over 20 years old. There has also been a long and intensive history of activity by the *Wales Cooperative Centre* in the town and local organisations have grown accustomed to drawing on outside support on their own terms.

Critically, the group leading Communities First in the town used the flexibility within the programme’s earlier stages to focus on a wide range of activities, including building social enterprises and supporting a wider range of environmental and leisure activities than in many other areas. It is highly unlikely that the more prescriptive version of Communities First in place after 2012 would have been as fruitful an environment for the work in Bro Ffestiniog. It has succeeded in large part because it has found a role for everyone who wants to be involved, rather than targeting only ‘the neediest’ and as far as possible ignored the ward boundaries the programme operated on, to work across the whole town which is a much more natural community.

The legacy of Communities First in Blaenau has been a strong network of people and institutions who trust each other and a number of growing social enterprises. These are key building blocks for the work that is going on now but of course were not valued (or more importantly understood) by central government at the time and thus not evaluated properly.

CHALLENGES

Despite the enormous successes, work in Bro Ffestiniog also faces a number of on-going challenges.

These include:



An absence of capital to take forward certain business ideas. This is exacerbated by the lack of trust among some public bodies in social enterprises when compared with larger private enterprises, despite the much higher levels of social benefit they provide.



Limited capacity to develop new ideas and initiatives, as many of the social enterprises are run to maximum capacity.



The retreat of the public sector due to austerity has led to a greater onus on communities and voluntary bodies to provide local services and regenerate local economies, as the range of services run by social enterprises in Ffestiniog illustrates. However, this is still largely unrecognised by public bodies, who don't recognise the necessity of this work for promoting wellbeing or regard it as being of the same value as similar services run by themselves.



The rigidity of some grant-making processes which channel organisations to follow external agendas rather than community priorities, even when the latter approach can produce far more integrated work. Support for local place initiatives requires space for local organisations to be flexible, integrating the work of different types of organisations.

WHAT NEXT?

Cwmni Bro is discussing with a local private company the possibility of erecting a community wind turbine. The private company owns land which is suitable for the project and is anxious to co-operate with a community enterprise in this venture.

The local history society organises heritage exhibitions during the summer and is eager to find a building that would be a permanent home to display local heritage. This would celebrate the history and heritage of the area and provide another attraction for the increasing number of visitors to Bro Ffestiniog.

Cwmni Bro are also looking to establish a 'Velorail' and parallel cycle and walking route to run on the disused railway tracks between Blaenau Ffestiniog and Trawsfynydd. If this project was developed it would be a new and unique tourist attraction and provide a safe healthy route for local people.

More widely, they are looking at organising an energy survey for the area to assess the possibility of developing renewables and working with large private sector energy providers who are located locally. They have persuaded a group of community councils in the wider area to establish a community interest company (CIC) as a vehicle for rolling out such projects.

Cwmni Bro are also working with local employers and education bodies to do a local skills audit with a view to identifying what attributes young people need to secure local jobs and filling skills gaps faced by local employers.



"It's an area of social deprivation with a lot of challenges and a sense of remoteness from activities and services for young people. We're looking to work together on a higher level to give better support to our young people. How do we contribute to the jigsaw to move our community forward? We have resources and expertise here [in the school] and we have people in the wider community with expertise and resources that are different to ours. We need to bring them together."

Dewi Lake, Head of Ysgol y Moelwyn



About us

BCT supports people and places to develop solutions to local issues, improve wellbeing, raise aspirations and build stronger communities. It runs the Big Lottery-funded Invest Local programme, working with 13 disadvantaged communities across Wales. **www.bct.wales**

Thank you

Thank you to Cwmni Bro Ffestiniog for their help in producing this case study. **www.CwmniBro.Cymru**

References

¹ According to the 2018 Gwynedd and Mon local wellbeing assessment

² Evaluation of the economic impact of the social enterprises connected to Cwmni Bro Blaenau Ffestiniog and surrounding areas – Interim Report – Elin Hywel