


Innovation and the Third Sector

Innovation Strategies for Wales



CYMDEITHAS DDYSGEDIG CYMRU
THE LEARNED SOCIETY OF WALES



The Learned Society of Wales is currently convening a programme of activities to help inform and improve innovation policies and practices in Wales.

This is a timely programme given the publication of the BEIS [Innovation Strategy for the UK](#), the [Advanced Research and Invention Agency Bill](#), and the increasing importance of a place-based agenda. The [HM Treasury's Comprehensive Spending Review 2021](#) makes a strong commitment to increasing R&D funding to £20 billion by 2024-25, a 35% increase on current funding levels.

The recent UK Government White Paper on Levelling Up outlines an ambition to ensure that an increased proportion of government spending on R&D over the next three years is invested outside the Greater South East of the UK. If achieved, this will see several billions of additional funding outside the golden triangle and go a long way to addressing the previously identified deficit, as noted in Thomas Forth and Richard A.L. Jones's [The Missing 4 Billion: Making R&D work for the whole UK](#) report for Nesta, 2020. The [Nurse Review of the research, development and innovation organisational landscape](#) will also likely prompt further shifts in BEIS policy.

At the same time, the Welsh Government is reviewing its innovation policies and is currently consulting on a new integrated cross-governmental strategy for innovation. The [Tertiary Education and Research Bill \(Wales\)](#) has progressed through the Senedd and proposes reforms to the regulation and funding of post-16 education and research under a new Commission for Tertiary Education and Research (C-TER), which would supersede the Higher Education Funding Council for Wales (HEFCW).

Wales is also adapting to a funding landscape without European Structural Funds, which had been significant in developing Wales's research and innovation capacity and collaborative potential. The new Wales Innovation Network (WIN) will work to leverage the diversity of Welsh institutions through collaborative activity.

In June the Society hosted the sixth in the series of roundtable discussions, which explored the potential for innovation in the third sector in Wales.

All roundtable sessions are conducted under Chatham House rules, and this is the anonymised and unattributed report of key points from the sixth discussion.

In June 2022 the Society hosted the sixth session in the roundtable discussions, which explored innovation potential in the third sector in Wales.

The speakers included representatives from three pan-Wales third sector organisations: [Community Housing Cymru \(CHC\)](#) – the body representing housing associations, the business and economic development agency [Cwmpas](#) (formerly the Wales Co-operative Centre), and the [Wales Council for Voluntary Action](#) (WCVA), an umbrella organisation for the third sector in Wales.

Third Sector potential and Innovation

The third sector in Wales is recognised as one of the key strategic partners in fostering the well-being of communities in Wales by [Welsh Government](#). The proximity to the locality and communities of many third sector organisations, as well as citizens at large was said to offer the vast potential and opportunities for third sector to not only actively promote, but also involve communities and citizens in the process of innovation. However, third sector organisations are currently operating in an environment of relatively low resource and high demand for their services, and this can often impact their capacity to consider opportunities to innovate.

The discussion considered how third sector organisations have specific and located knowledge which could have potential to inform the formulation of problems and challenges. Housing Associations, as builders and providers of housing, offer significant potential for innovation in terms of decarbonisation – [energy positive homes](#). But Housing Associations have a role that extends far beyond being a landlord and a provider of social housing. In working closely with communities, Housing Associations have direct

experience of social challenges and the impact these can have on people; they are often a first point of contact when people are in crisis. This knowledge, and their trusted relationship with their tenants and communities place Housing Associations in a position to help define the challenges that need to be addressed.

Collaborations and connections as key ingredients

Connections and networking were said to be crucial for getting individuals and partners together and to find the common ground for joint initiative. The CHC's recent [Alcemi](#) programme seeks to develop new ways of thinking and new ways of working in Housing Associations, so that they would be better prepared to deliver their vision of 'A Wales where good housing is a basic right for all'. In addition to collaborating to tackle structural issues that require policy and funding shifts, the programme aims to build capacity and foster a culture of collaboration and innovation. The programme was designed to create a space dedicated to problem-solving, and works to foster a more innovative mindset through a [Challenge-Driven](#) approach, rather than solely focusing on the end product, in keeping with the Sustainable Development Goals ethos of the [Wellbeing of Future Generations \(Wales\) Act 2015](#).

The programme provides a reason for those involved to meet regularly, pool information, and to carefully consider, understand and define the significant challenges that need to be tackled. Participants reflected that the programme offered a rare opportunity to share information and consider potential joint solutions to common problems and provided a valuable intangible benefit as they learned to work together and align priorities, while also extending the potential reach of their work. Such strong focus on collaboration and networking as crucial ingredients for

innovation in third sector echoed the [Innovation Commons approach](#), discussed earlier in the series, and potentially strengthens the case for this approach in Wales. With the duty of public sector bodies in Wales to embed the elements of the [Five Ways of Working](#) model of the Wellbeing of Future Generations Act (Thinking for the long term, Prevention, Integration, Collaboration, and Involvement), there is ample opportunity to develop this approach.

Building trusted partnerships

Participants raised that better collaboration and sharing of information also provided the opportunity to share contacts, identify potential new connections and partners both within and beyond their sector. Working together in this way also built trust amongst partners, further increasing opportunities for innovation. One thing that would help third sector organisations to develop new partnerships would be better sign-posting of resources and opportunities, making it easier to know which organisations or key individuals are receptive to engagement. Universities were suggested as important partners for the third sector in designing, implementing and potentially evaluating new programmes and solutions, which if successful, could be replicated on a wider scale. However, it was acknowledged that the institutions can be impenetrable to those outside. Adopting and implementing practices that were discussed in the previous [roundtable on civic mission](#) could help in this respect.

Citizen involvement

The ways in which citizens could be directly involved in the innovation process was exemplified by the [Cwmpas](#) 'Community Hackathon' events. Each hackathon considered a societal challenge - decarbonisation or child poverty in Wales. The

events were open to everyone who was and who was willing to work collaboratively to search for the ideas that had potential to tackle the problem. The events were said to be high on challenges and low on threat. As in the Alcemi programme, a problem-solving approach was taken, with aim to find the shared solutions to address the challenge, while building collaborations. The participants included range of individuals, including professionals, students and people not currently in employment.

Key Challenges for Innovation in the Third Sector

During the discussion there seemed to be a broad consensus that the problem-defining and problem-solving approaches were the most appropriate way to develop and foster the culture of innovation within the third sector. Key to this approach is developing collaborations and providing opportunities for people and organisations to connect.

Speakers commented on the challenges facing their organisations whilst attempting to innovate, and the two main issues raised were time needed for developing relationships and funding allowing for networking and collaboration. The structure of employment in the third sector was said to leave very little room for the employees to participate in networking events and it was suggested that regular provision for staff to connect with partners within and beyond the sector should be accommodated. It was also suggested that specially designed funding streams allowing people to come together could run alongside traditional large innovation funding scheme, in order to build strong collaborative relationships which could work to develop larger projects and interventions.