



Select Committee on Social Enterprise

7 November 2006

Submission from

Social Firms UK

Response from Social Firms UK to discussion points raised in ‘Social Enterprise: from the margins to the mainstream’

1. Because the social enterprise sector is so broad, and encompasses so many different types of business, we would suggest that time spent on defining would be better spent on illustrating the diversity of the sector with case studies etc. We, for example, explain ‘social enterprise’ with ‘any business that trades for a social purpose’ then to explain Social Firms within that context we say ‘and the specific social purpose of a Social Firm is to create employment specifically for disabled people’.
2. As implied in the report, social enterprise is barely mentioned in the draft 2006-16 RES. If this was a mistake then we have yet to see a second draft. The answer, in the light of not having seen anything else, is No.
3. Because of various dynamics in the South East SEEDA probably needed to initiate the lead on social enterprise, but ways of passing this across to the sector should be explored at every opportunity in order for the sector to have credibility and reflect true representation of social enterprise from grass-roots upwards. SEEDA’s role needs to be enabling in the long-term.
4. Compared to other regions ‘social enterprise’ seems relatively low in profile and understanding – the team at SEEDA is incredibly small and overstretched, you could say under-supported within the organisation – and this has a bearing on how much can be achieved. Regional press coverage on the sector is practically invisible yet if the case for social enterprise had been put across in a persuasive and convincing manner then a regular feature in ‘South East Business’ magazine, for instance, should have been secured by now. The lack of profile and the lack of social enterprise case studies in the mainstream results in lack of understanding re. their potential.
5. Good case studies, decent regional press coverage and encouragement to individual social enterprises to build up their own PR and marketing capabilities would make a difference. If the individual social enterprises were persuaded of the value of local PR then SEEDA could build on this with the regional overview/facilitation of decent professional photography and approach to regional media for coverage. So it’s a joint task – Social Firms UK works in a similar way with its Social Firm members, it’s worked well so far and has the potential to achieve much more than either one party could do on its own.
6. I think there’s a need for a separately branded specialist service but also know that a lot of work’s being done on this issue by SEC in consultation with the sector currently. The crucial points are: understanding and funding, both of the diagnostic service but also of the delivery. Suggest link in with SEC’s working group to get the current thinking on this issue, as that will be representative of the social enterprise sector’s perspective.
7. The role of SEEDA should be as enabler – enabling the sector to organise itself and grow. This sounds idealistic and the context of dynamics in the SE doesn’t make it particularly easy, but it should be the aim. Also more faith in social enterprise should be instilled into SEEDA as an organisation – what we see is a very small team of people really struggling for resources and capacity themselves, let alone to boost the sector with initiatives that will get things moving together. It’s indicative that the majority of those resources are from European funding, not even SEEDA’s own core budget, and projects are

usually time-limited. I'd question the message this puts out to the sector. Social enterprises have been around for much longer than SEEDA, and are not dependent on SEEDA for existence, but if we're talking about joined-up approaches, joint working and profile building as a sector then that's something the individual social enterprises would (understandably) struggle to resource themselves, hence the need for SEEDA's input financially. If that's what SEEDA really wants to do then they'll find the funding to achieve it – where there's a will there's a way. The question is, does SEEDA (rather than just two or three staff) have the will?

8. As mentioned in a previous point, the need for region-wide PR and marketing would go a long way towards mainstreaming social enterprise as a concept and approach to business. Opening up the sector to mainstream business in a thematic way (e.g. best practice on having a social impact in your every day operations) could be of interest to private sector businesses, encouraging purchasing from social enterprise and even operating a trade website for that purpose could all be initiatives to assist. I do think that it helps to break the social enterprise sector down into more manageable chunks for potential customers/partners, e.g. the type of social enterprise that sets out to achieve community regeneration could be categorised as development trusts, the type of social enterprise that sets out to create paid jobs for disabled people are Social Firms, etc. etc. so that people take it forward from the social aim that they have an affinity with, rather than expecting them to understand the jargon at entry point...
9. The RDA has a significant role to play in encouraging an equal playing field for social enterprise in public (and private) sector procurement. Businesses and statutory bodies in the SE should be encouraged to learn how they can extend their CSR activities through purchasing e.g. inclusion of social clauses, usage of reserved contracts, etc. – this is a promotional and training function that needs co-ordination by a regional body. The interest in this is rising to such an extent that it would be criminal to miss the window of opportunity. More definitely needs to be done to ensure the sector can cope with the increased level of interest/potential contract opportunities but as very few Social Firms deliver public services (they're mostly market-led in their trading products/services) for their main trading activity I have little in-depth knowledge of what's required to boost skills and capacity. I just know that 'to go for procurement contracts comes with a health warning for social enterprise'.
10. SEEDA is co-financing the social impact project regionally and should therefore take advice from the experts in this group how it can measure its own impact. One tool that we developed at Social Firms UK is the Performance Dashboard but there are others which could possibly be more appropriate and SEEDA would need to work back from its objectives in order to assess which one would be best. There's certainly plenty to choose from! I do think that both SEEDA and the sector need to be agreed on what SEEDA's objectives are in the social enterprise field as a fundamental first step.

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