



Select Committee on Social Enterprise

7 November 2006

Submission from

Southampton City Council

**Response to the South East England Regional Assembly Select
Committee on Social Enterprise
Context and Issues Paper –
Social Enterprise: From the Margins to the Mainstream?**

Southampton City Council welcomes the opportunity to contribute to the discussion by the Regional Assembly for the South East on the role of SEEDA in the development of Social Enterprise across the region.

This feedback has been drawn from comments from a range of stakeholders in the Social Enterprise sector within Southampton including those which are involved in Southampton's Social and Generative Enterprise network such as Southampton Voluntary Services, as well as local authority services such as Economic Development, Health and Social Care, and Regeneration which play a role in supporting and developing Social Enterprise across the city.

In response to the Discussion Points identified within the Context and Issues paper prepared by the Mackinnon Partnership, we have the following comments to add:

Discussion Point 1: does it matter whether SEEDA and its partners define 'social enterprise' or not? Can they make real progress without a clear definition?

The definition of Social Enterprise provided by the DTI is sufficient. This provides for a wide range of different approaches and aims, while focussing on the key element; that social enterprises are businesses with a social aim. Otherwise meetings and discussions tend to be overtaken by the debate over what constitutes a social enterprise and defining the sector rather than focussing on the practicalities of developing support and awareness to grow the sector based on sound business practice, and driven by the need for better social outcomes.

Discussion Point 2: does the Regional Economic Strategy give the right focus to social enterprise?

No, the draft RES for this and coming years only refers to social enterprise within the objective of increasing access to public sector procurement opportunities alongside SMEs.

Discussion Point 3: should the regional leadership role still be with SEEDA? Are there now alternatives, or could there be reasonably soon?

SEEDA and SEERA should still play a strategic role but this should be a support role to allow the sector to lead its development at regional, sub-regional and local levels.

A similar model to that used by Social Enterprise East of England (SEEE) is a possible alternative.

Discussion Point 4: how well is 'social enterprise' understood now, and how far is its potential understood, in the South East?

'Social Enterprise' despite its current popularity is still not understood very well in the wider public domain, perhaps due to the wide range of types of organisations that fall into the category. As the understanding of what social enterprise is low, its potential is therefore not well appreciated. Greater and clearer promotion of 'social enterprise' is required across the South East. Locally a recent study of the potential for Social Enterprise, supported as part of an ESF Objective 6 initiative, identified that social enterprise within Southampton had the potential to generate 600 jobs per year.

Discussion Point 5: what else could and should be done, by SEEDA and by others, to develop greater understanding? How far is it SEEDA's job, and how far the job of others?

SEEDA should play a role in developing a greater understanding. One way this could be achieved is for SEEDA to develop or expand access to the current enterprise grant support and loan facilities to include social enterprises. As well as potential social enterprises, training needs to be targeted at community development workers and leaders to develop their understanding of social enterprise so that they can promote the concept to community and voluntary groups in the local community.

The funding and responsibility for this training and promotion of social enterprise should become part of the core work of all public agencies.

Promoting social enterprise should also be aligned with demonstrating to community or voluntary groups that income generation alongside their social aims is a potential alternative to reliance on grant funding. This will combine well with the Change Up agenda within the CVS sector, facilitating the development and sustainability of organisations and communities through enterprise and build on the support to sub-regional social enterprise networks which SEEDA already provides.

Discussion Point 6: will the current work to brief and train Business Link staff be sufficient, or is there likely to be a need for a separate, or separately-branded, specialist service?

The work to expand the support to the Social Enterprise sector through Business Link is good although local experience in Southampton was that there was reluctance on the part of advisers to take on this role. The local Business Link operator has expanded provision by contracting specialist advice in the Social Enterprise field and by including it as part of the remit of the Enterprise Gateway activity. The expansion through specialist advice is beneficial in that the contractor selected is locally based and has long experience of the sector within the local area.

As the aims of the majority of the groups who are interested in going down the 'social enterprise' route are different from those interested in just the 'enterprise' side, a more specialist, separately branded service may be perceived as a more welcoming advice service by budding social entrepreneurs.

Discussion Point 7: what role should SEEDA play to achieve the most from its influence, including stimulating the effort of others?

SEEDA should retain its strategic role and work in partnership with other players in the Social Enterprise field across the region, such as RCCs, CVS bodies, the strong Social Enterprise networks and local authorities. It does this to an extent through its facilitation and support of sub-regional Social Enterprise networks, although this is very small scale.

To stimulate the greater development of the social enterprise sector, SEEDA's input should be via investment devolved to the local level and through auditing of the impact of this investment.

Discussion Point 8: what is the best way forward to ensure that social enterprise takes its place effectively 'in the mainstream' and influences it?

The best way forward is to not only promote the concept and potential of 'social enterprise' to local people through community development workers and leaders by increasing their understanding that profitability and income generation which is ploughed back into communities is more sustainable than grant support.

It is also important to develop an understanding of social enterprise and the potential it offers to children and young people in secondary, further and higher education, so that enterprise, and specifically social enterprise, is seen as a credible career option.

Discussion Point 9: how important is the role which social enterprise can play in public procurement, and should more be done to make it possible?

Social enterprise should play a role in public procurement, but more needs to be done to make this a reality. Public procurement officers need to be educated in the potential of social enterprise, and to enable the assessment of tenders according to social enterprise principles, or the 'double/triple bottom line'.

Social Enterprises and public sector commissioners need to learn and accept the principle of full cost recovery for contracts. In addition, the strengthening of the COMPACT agreements with the CVS would increase the ability of social enterprise to access contract opportunities.

Also, the Mackinnon paper mentions SEEDA's plans to provide funding to

enable training for social enterprises that wish to bid for public procurement contracts. This seems a positive way forward.

Discussion Point 10: How should SEEDA's success in the social enterprise field be measured?

Output based measurements such as training given, number of start-ups and survival rates can be used to measure success.

However, other measures, such as those based on the impact of the social enterprises created via social auditing, or alternatively, the setting of targets for the level of investment in Social Enterprise organisations in a similar way to how investment levels in R & D is measured, may provide a means to judge the increase in social enterprise support.

Note:

Contributors to this report included –
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