

SOCIAL ENTERPRISE IN SCOTLAND

A Practitioner's Perspective

Programme Questions

- ❖ **What is social enterprise?**
How can it help to tackle social exclusion?
- ❖ **What roles can partnerships play?**
Should they be involved in generating as well as facilitating social enterprises?
- ❖ **What are partnerships strengths (& mandate) ?**
In relation to social enterprise
Common Pitfalls in Partnership Working

**Address these questions in
relation to my experience of
partnership & social enterprise
development in Scotland**

What is Social Enterprise

Simple Definition: A business that trades for a social, environmental or community purpose, rather than for shareholder profit

(Abridged DTI Definition 2002)

Key Characteristics of social enterprises:

- ❖ They are driven by social objectives
- ❖ They achieve sustainability through trading
- ❖ They operate democratic decision-making and participative, user-led management structures

EXAMPLE:

Rosies Café – Turning Point

- ❖ A Company Ltd by Guarantee, Wholly Owned Subsidiary of the Charity 'Turning Point'.
- ❖ Operates a successful coffee shop & catering service
- ❖ Provides vocational training and work experience for mental health service users
- ❖ Offers employment opportunities to people who may otherwise find it difficult to access the local job market
- ❖ Staff receive a regular allowance known as therapeutic earnings, agreed with the relevant benefits agency

.... Its Legal Form & Structures:

Social enterprise can take a no. of different legal forms

And is sometimes, but not always, a charity

- ❖ Unincorporated Association
- ❖ Company Ltd by Guarantee
- ❖ Industrial and Provident Society
- ❖ Community interest company (a new option)
- ❖ Community Interest Organisations (new option)

... and have different corporate structures, e.g.

- ❖ Housing associations/Credit unions/Co-operatives
- ❖ Community Businesses/Development Trusts
- ❖ Social firms
- ❖ Corporate Social Responsibility

EXAMPLE: FEAT Enterprise

Company Ltd by Guarantee/Social Firms

- ❖ Has a turnover of £1.2m and around 50 staff.
- ❖ A charitable company with a number of Subsidiary Social Firms including a 4-star tourist hotel, horticulture & garden maintenance service and a recycling facility.
- ❖ The Social Firms provide employment opportunities for people with a disability or other disadvantage in the labour market (25% of all staff)

... and the Scale of Social Enterprise

Social enterprises makes a significant contribution to economic growth through providing jobs & services

Scottish Social Economy Review

In the UK

- ❖ The 2005 UK Annual Survey of Small Businesses found 55,000 social enterprises with a combined turnover of £27 billion.
- ❖ Social enterprises account for 5% of all businesses with employees, contribute £8.4 billion per year to the UK economy

In Scotland

A key study by Glasgow University (TERU '97 & '03) suggests that the social economy sector in Lowland Scotland:

- ❖ Has an annual turnover of around £2 billion representing 3% of Scotland's GDP
- ❖ Employs around 40,000 people, many from disadvantaged areas or groups
- ❖ employs 100,000 paid workers,
- ❖ mobilise over 600,000 regular volunteers.

... Its diversity and Growth in Scotland:

Social enterprise involves a wide range of organisations engaged in a variety of activities, e.g:

Training, childcare, social care, health services, leisure and sports, recycling, construction, social housing, workspace management, hotel and catering, arts companies, financial services, food retail, wood retail, high street retail, craft products, textile production, waste management

Some well known examples of Social Enterprise:

- ❖ Jamie Oliver's Fifteen
- ❖ The Big Issue
- ❖ Wise Group

Scottish Executive's Promotion of Social Enterprise

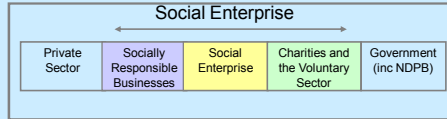
- ❖ Social Enterprise a business model of choice
- ❖ Create an enabling environment
- ❖ Improve access to finance for Social Enterprises
- ❖ Improve support infrastructure to encourage the development of sustainable social enterprises

Social Enterprise in Scotland has grown significantly in the last decade, increasing its turnover from £ in 1998, to £2b in 2008**

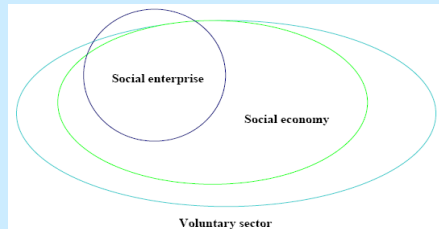
Caution re stats: Issues around definition & boundaries/ the diversity of organisations & complexity of the sector

The Social Enterprise Sector

The Social Enterprise Spectrum

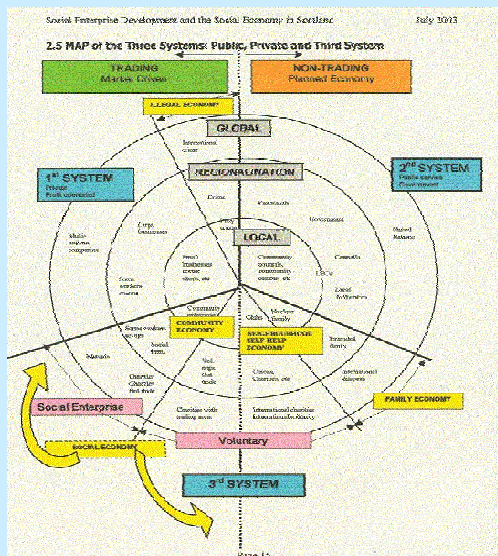


On The Scottish Executives Map



Source Scottish Executive Social Enterprise Strategy, 2006

In the Economy and Society, A Dynamic Sub-System:



CBS Network: 'Social Enterprise Development & the Social Economy in Scotland', July 2003

The Scottish Policy Framework

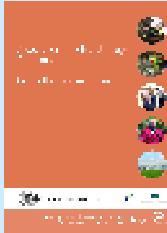
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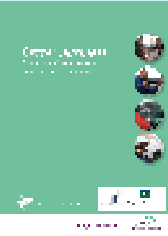
September 2004



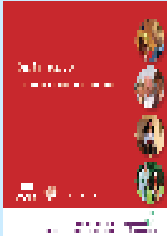
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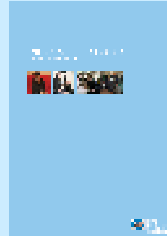
March 2007



May 2007



June 2008



Recognition of the Role of the Social Economy in Scotland:

From the Framework for Economic Development in Scotland

Box 17. The social economy

The social economy¹⁸ has a key role to play in the regeneration of communities and in tackling the problems of socially excluded groups

The social economy in Scotland operates on a substantial scale. In lowland Scotland alone... it employs around 42,000 people ... 60,000 volunteers (the equivalent of a further 4,000 jobs) ... in several disadvantaged areas, it is one of the major employers. The voluntary sector comprises the largest part of the social economy in Scotland, and at 3 per cent of the workforce... now employs more people than the electricity, gas and water industries in Scotland or the Scottish agricultural, fishing and forestry sector.

Social enterprises at a community level are a very diverse group, ranging from financial services providers (such as credit unions) to providers of childcare ... they deliver key services in such fields as health, welfare, housing, training and education. The social economy is a vast services sector for individuals and local communities where the usual markets have broken down.

The social economy can make a significant and valuable contribution to the building of social capital and the economic regeneration of deprived communities ... providing services such as intermediate labour markets, helping to develop the skills of local people by providing training and work experience, or by creating employment opportunities. They can thus build vital capacity in marginalised communities and act as a bridge to the mainstream economy.

Scottish Executive Activity. The Scottish Executive is committed to supporting the continued development of the social economy, helping communities to help themselves. ... Building a strong and sustainable social economy requires innovative thinking about how best the infrastructure of the sector can be strengthened, how partnerships with other players can be developed

Some More Examples

Scottish Examples:

- ❖ The Big Issue
- ❖ Wise Group
- ❖ Forth Sector
- ❖ Kibble
- ❖ Haven

Glasgow North Examples:

- ❖ Petershill Community Initiative
- ❖ North Area Transport Association
- ❖ Possil & Milton Forum on Disability

“Social enterprise has a distinct & valuable role to play in helping to create a strong, sustainable and socially inclusive economy”

UK Department of Trade and Industry, 2006

... How Can Social Enterprise help to tackle Social Exclusion?

The UK Government definition of social exclusion:

"A shorthand term for what can happen when people or areas suffer from a combination of linked problems:"

- ❖ A *systemic* problem: global in its causes, local in its impact
- ❖ Problems are multiple, entrenched and often passed down the generations
- ❖ Persistent exclusion of a small 'hard to reach' minority in each generation (about 2%)

A complex set of linked problems centred around lack of opportunity and poor life chances

Social Inclusion. Opening the door to a better Scotland, Scottish Executive 1999

Map of multiple-deprivation hot spots in Scotland: Building Better Cities: Delivering Growth & Opportunities

Major Review of Scotland's Cities designed to address the challenges and opportunities faced by:

- ❖ Aberdeen
- ❖ Dundee
- ❖ Edinburgh
- ❖ Glasgow
- ❖ Inverness

...How Can Social Enterprise help to tackle Social Exclusion?

"Social enterprise is a dynamic way of doing business that can transform communities & drive profound and lasting social change"

Scottish Social enterprise Coalition

Social enterprises are value-led and market driven. They are seen to add value in terms of:

- ❖ Innovation, local knowledge and engagement with service users
- ❖ Their social mission focus
- ❖ Participative structures, involving beneficiaries
- ❖ Their ability to connect with the 'hard to reach'

Social Enterprise can contribute to social inclusion by:

- ❖ Tackling long-term unemployment (*Glasgow Works*)
- ❖ Providing opportunities for learning (*core & vocational skills*)
- ❖ Providing supported employment (*Blindcraft, Remploy*)
- ❖ Tackling financial exclusion (*Credit Unions*)
- ❖ Helping homeless People (*The Big Issue*)
- ❖ Community Regeneration (*Closing the Opportunity Gap*)

Better Communities in Scotland – Closing the Gap 2004:

Scottish Executive Community Regeneration Statement, provides a framework for "to support the growth and development of the social economy to improve the contribution of this sector to regeneration".

Some Quotes About Social Enterprise?

"It's not just about helping to tackle social problems at the community level; it's about mainstream businesses delivering public services with a distinctive focus on quality, serving the community, and employee pride. Social enterprises are not just creating social good, but creating jobs and opportunity."

David Cameron, Leader of the Conservative Party 10-01-06

"In the years to come, I believe we will see more social enterprises, making greater strides towards social justice, working more easily with conventional businesses and the public sector. We will see social enterprises thrive."

Tony Blair, Prime Minister 15-11-06

"Social enterprises offer real potential for improving our health and social care services, whether they are innovative community-owned hospitals, groups of nurses running services from the bottom up, or businesses that train the unemployed to be skilled and committed carers. The social enterprise model has a lot to offer the health sector."

Patricia Hewitt, Secretary of State for Health 26-03-07

"Britain has some of the most successful and vibrant social enterprises in the world. The sector generates £27bn turnover a year and contributes £8.4bn to GDP. It makes economic sense to enhance their success and give communities throughout the country a great social and environmental boost."

Margaret Hodge, Industry and Regions Minister, 24-01-07

The Role of Partnerships

Government alone can not meet all the challenges that face us in the early 21st Century ... Environmental threats, regenerating deprived communities, ending poverty, discrimination & disadvantage and creating strong, safe communities are important joint agendas of the future.

Scottish Executive 2005

'Patchwork Quilt' - Need for a Integrated Approach

- ❖ Growing complexity of the regeneration task – technological advance, demographic change, globalisation and Increased competition
- ❖ Mushrooming of short-term funding initiatives – overlap and duplication; limited impact; confusion for the customer
- ❖ Growing need for "more effective, joined up & appropriate delivery of services"

Potted History of Regeneration Partnerships in Scotland

- ❖ Comprehensive multi-agency, partnership approach 1970's (e.g. GEAR, New Life for Urban Scotland, Urban Programme)
- ❖ Major shift in regeneration policy from a needs based approach to one which focuses on economic opportunity as part of a competitive bidding process.
- ❖ From the Urban Programme to Priority Partnership Areas then to Social Inclusion Partnerships and Community Forums
- ❖ Now, **Statutory Community Planning Partnerships and Community Engagement Strategies**

Community Planning Partnerships Scotland

Local Government in Scotland Act 2003:

- ❖ Places a duty on Local Authorities to initiate, maintain & facilitate Community Planning and partnership activities in their area.
- ❖ Integrates other regeneration partnerships within the Community Planning Process.

Glasgow Community Planning Partnership

Established in February 2004 and made up of all the key agencies operating within the city, the remit of the Glasgow Community Planning Partnership is to develop and lead on a strategic overarching plan for Glasgow:

- ❖ Developing a clear and shared long term vision for the city that sets out joint priorities, performance indicators & targets.
- ❖ Developing joint approaches to improving service delivery and the quality of life for the citizens of Glasgow.
- ❖ Ensuring that partnership working in the city is co-ordinated and cohesive.
- ❖ Negotiating directly & collectively with the Scottish Executive and other bodies on national policy and resource issues.
- ❖ Supporting the development of active and informed communities that can engage with and have an influence on the community planning process.
- ❖ Developing ways of working that support the values of openness, parity between partners and achieving progress through consensus.

...What are Partnerships strengths in relation to social enterprise?

Well-functioning partnerships have strengths in the following areas:

- ❖ Enabling a more integrated approach to the delivery of services for users – **customer focus**
- ❖ Bringing together different knowledge, skills and expertise – **added value**
- ❖ Contributing additional capacity to plan and develop services – **sustainability**
- ❖ Providing scope for developing new service models not achievable by a single agency – **innovation**
- ❖ Ensuring value for money in the use of resources – **cost effectiveness**

Petershill Community Initiative Glasgow

- ❖ Local Junior FC, Local Housing Association, Local Regeneration Agency, Local Colleges - Combined Customer Intelligence
- ❖ £5.2m Investment in Community Sports & Enterprise Facility.
- ❖ Synergy % League games/hospitality/conference and social events/football and sports training/coaching certificates
- ❖ Catalyst - £1m investment from the private sector
- ❖ First Junior Football Club to be involved in a Flagship partnership
- ❖ A Campus – achieved economise of scale, sharing facilities with the local authority and local college

... Should Partnerships be involved in generating as well as facilitating social enterprises?

The Local Regeneration Agencies and Other Partnership bodies in Scotland **are involved in generating as well as facilitating social enterprise**

❖ Equal Strengthening the Social Economy Partnership

A European Community Initiative set up to promote new ways of combating discrimination and inequality in the labour market. Theme D partnerships concentrate on creating opportunities in the social economy and involved work on local sourcing, research into social enterprise success factors, community work training and the development of social accounting tools

❖ Glasgow Network of Local Regeneration Agencies

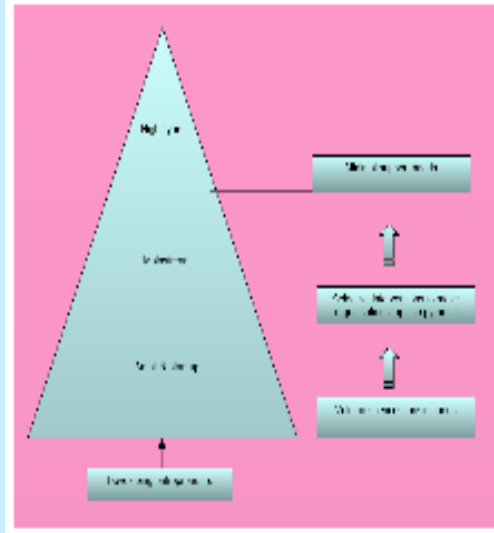
Provide a range of services from employment and training job search support to property development, facilities management and business start-up/business development services, including support for social enterprise and social economy organisations.

Ultimately, it depends on the Mission and Objectives of the Partnership – what it is constituted to do

In Scotland there are key issues around Developing the sector - not just picking winners

And there is increasing focus on building and sustaining the pipeline of growing social enterprises

The Pipeline of Social Enterprise Development



SQW: Evaluation of the Social Economy Infrastructure and Support for Communities Scotland, 2002

The Top Ten Partnership Killers!

- ❖ For ever and ever...
- ❖ One-upmanship
- ❖ Right place, wrong people
- ❖ Pulling rank
- ❖ Mission creep
- ❖ Only here for the cash
- ❖ Target? What Target?
- ❖ Death by drudgery
- ❖ We know what's best for you
- ❖ Strictly on a need-to-know basis....

Useful Contacts List

Social Enterprise Web-links:

Scottish Social Enterprise Coalition: <http://www.ssec.org.uk/>

Social Firms Scotland: <http://www.socialfirms.org.uk/>

Senscot: <http://www.senscot.net/>

Community Business Network Scotland: <http://www.cbs-network.org.uk/>

Development Trust Association Scotland: <http://www.dtascot.org.uk/>

Scotland Unlimited: <http://www.unltd.org.uk/template.php?ID=23>

Glasgow Community Planning Partnership:

<http://www.glasgowcommunityplanningpartnership.org.uk/qcphome.aspx>

Glasgow social Economy Partnership: <http://www.gsep.org.uk/>

Forth Sector

<http://www.forthsector.org.uk/>

The Scottish Social Enterprise Academy <http://www.theacademy-ssea.org/>

Haven Scotland:

<http://www.momentumscotland.org/web/OurServices/HavenProducts>

The Wise Group

<http://www.thewisegroup.co.uk/site/>

Kibble: <http://www.kibble.org/>

Social Investment Scotland: <http://www.socialinvestmentscotland.com/>

ScotCash: <http://www.scotcash.net/>