



# Bigger, Better, Bolder

**Social enterprise solutions for Scotland**

➔ The manifesto of the Scottish Social Enterprise Coalition



Championing business with a social purpose

"The Scottish Social Enterprise Coalition calls on all parties to support and champion social enterprise solutions for all Scottish communities."

**Antonia Swinson, Chief Executive, Scottish Social Enterprise Coalition**

# Bigger, Better, Bolder: Social enterprise solutions for Scotland

## ➤ The manifesto of the Scottish Social Enterprise Coalition

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

By combining a business approach with a commitment to community benefit, social enterprises deliver solutions that are bigger, better, bolder and fit for 21<sup>st</sup> century Scotland.

**Bigger** because they seek to deliver the greatest possible benefit to their community and drive change faster, wider and deeper.

**Better** because they are community-focused, promote participation and are sustainable – making them better equipped to deliver long-term change.

**Bolder** because their independence enables social enterprises to be innovative and ambitious.

However, the sector can be bigger, better and bolder still with the right support and political will.

The Scottish Social Enterprise Coalition calls on Scotland's politicians to:

### **Grow the economy**

➤ By delivering 10% of public spending through social enterprise by 2012.

### **Improve public services**

➤ By making community benefit clauses standard in all public procurement contracts.

### **Transform communities**

➤ By making it easier for communities to acquire and use assets as a catalyst for enterprise.

### **Change lives**

➤ By developing a national supported employment programme for those furthest from the labour market.

### **Realise sustainability**

➤ By creating new investment funds for businesses that deliver social or environmental benefits.





"The future of the world lies in the hands of market-based social entrepreneurs. We are free and we have unlimited opportunities to expand and do more."

**Muhammad Yunus, winner of the 2006 Nobel Peace Prize**



## What is social enterprise?

Social enterprises are businesses with a social purpose. They have social aims, trade in competitive markets and reinvest their profits to benefit communities.

The sector includes co-operatives, credit unions, housing associations, community development trusts, social firms and community businesses, and it operates across a diverse range of industries including high-growth sectors such as recycling, renewable energy and social care.

DTI research in 2005 indicated there are at least 1,100 social enterprises in Scotland, employing 30,000 people and adding £1.25bn to the national economy. More recent local and national studies suggest the true figure could be more than 3,000 businesses.

Scotland's social enterprises are pioneers – developing the business model of the future now. The sector is growing and evolving to meet new social and environmental challenges and there will be many new opportunities for this dynamic business model in years to come.

## Why support social enterprise?

Social enterprises provide solutions to a number of contemporary Scotland's biggest challenges. They can help the Government meet a number of its goals on issues right across the policy spectrum.

The Scottish Social Enterprise Coalition calls on all parties to support the social enterprise sector in:

### **Growing the economy**

➔ Social enterprises are making economic growth sustainable by investing in community benefit.

### **Improving public services**

➔ Social enterprises are adding value to public services and getting better value for the taxpayer.

### **Transforming communities**

➔ Social enterprises are helping communities take greater control over their future and bringing about long term change.

### **Changing lives**

➔ Social enterprises are supporting people out of poverty and disadvantage and helping them realise their full potential.

### **Realising sustainability**

➔ Social enterprises are making sustainable development a reality by enabling communities to meet their own energy and environmental needs.



"We believe growth should be environmentally sustainable and should contribute to wider objectives of social well-being. We believe that social enterprise will have an ever more important role to play in the future."

**Report of the Scottish Parliament Business Growth Inquiry (2006)**



## Growing the economy

Scotland needs businesses to create jobs and generate wealth. But business growth must also be sustainable and committed to Scottish communities.

Social enterprise produces businesses that exist to make profits and benefit communities. The Scottish Parliament's Business Growth Inquiry recognised this in describing social enterprise as a business model for the future. Social enterprise is already creating a new breed of entrepreneur and inspiring a growing number of people looking for values-driven business careers.

We believe social enterprise needs to be valued as a driver of economic growth for Scotland's communities. It should be supported by dedicated finance and business support and a well-resourced strategy for growing the sector.

### Case study

M<sup>c</sup>Sence has helped transform a former mining area of Midlothian following economic devastation of pit and factory closures in the 1980s. Established with £5-a-week donations from local businesses, it is now a £5million+ group of seven profitable companies within a charitable holding company that gives grants to the local community.

## Delivering the vision

- Aim to deliver 10% of public spending through social enterprise by 2012 helping to grow the social enterprise sector and make public money work harder for community benefit.
- Deliver a well resourced growth strategy for the sector driven by bold targets and clearly aligned with the national enterprise agenda.
- Develop a national marketing campaign to promote social enterprise as a vibrant business and career option for aspiring entrepreneurs and business leaders.
- Improve the quality of business support for social enterprises provided through Business Gateway and create a pipeline of tailored support for social enterprises at all stages of their development.





"The aim of public spending, particularly for public service delivery, is to maintain happy and healthy communities. When phrased in such a way public procurement turns into a highly strategic and creative business. What if we could turn all this money into a vehicle for regeneration?"

**Public Spending for Public Benefit, New Economics Foundation (2005)**





## Improving public services

The challenge facing all those engaged in delivering public services is how to achieve better quality for service users and better value for the taxpayer.

Social enterprise can provide a positive alternative for public services. By combining a community benefit ethos with an entrepreneurial approach they find innovative and efficient ways of joining-up and improving services.

We believe that social enterprise should have an integral role in delivering innovative, community-led public services all over Scotland. The sector is established in areas like housing and community care, but it should be supported to grow across the full range of public services – particularly key areas like health, recycling, employability and childcare.

The public sector also needs to commission services better to enable social enterprises to grow and innovate.

### Case study

Highland Home Carers is an employee-owned business providing nursing support and home care services to elderly, vulnerable or disabled people across the North of Scotland so they can continue to live independently in their own homes. Since 2004 the company has been owned by its workers, resulting in a committed, motivated and well-trained staff delivering high-quality, reliable and flexible support.

## Delivering the vision

- Put community benefit at the heart of public service reform. Make community benefit clauses standard in all public procurement contracts.
- Give social enterprises and their representatives a bigger and more strategic role in policy development.
- All local authorities and government departments should identify areas where social enterprise can play a bigger role in delivering services, including health, childcare, employability and recycling. Provide ring-fenced investment and support for social enterprises that need to build capacity to deliver services and encourage greater use of public-social partnerships.
- Embed good practice in commissioning from social enterprises across the public sector. This means awarding long-term contracts with built-in profit margins – not short-term service level agreements which often fail to even meet the full cost of delivering a service.



"People are more optimistic and feel like they have some control over what happens on the island and are willing to take responsibility for it. There is a new optimism and people are looking forward to the future."

**Lorna Andrew, Isle of Gigha Heritage Trust**



## Transforming communities

It is now widely recognised that involving local people and building social capital is key to the lasting success of community regeneration initiatives. However planners and policy makers still grapple with the best means of achieving this.

Social enterprises often emerge from bottom-up collective action and in response to community needs or aspirations. As such they need to be a key part of a vision to truly empower communities.

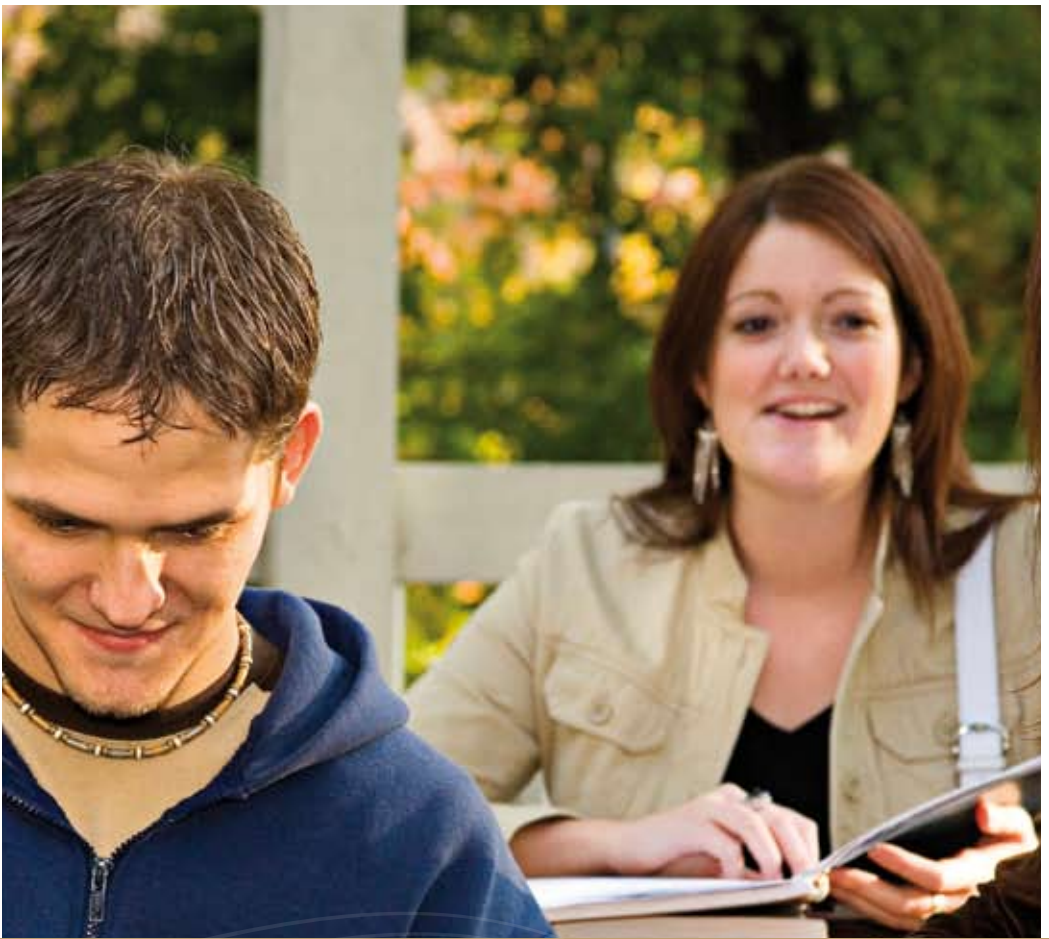
This must include action to help communities acquire assets, develop enterprises, deliver services and manage their own affairs.

### Case study

Acquired by its residents in a pioneering community buy-out, the Isle of Gigha is a stunning example of rural regeneration that works. Community-owned businesses including tourist facilities and a windfarm have revitalised the island and helped reverse its declining population.

## Delivering the vision

- Review and revise the Land Reform Scotland Act so that it is simpler, more flexible and enables all Scottish communities, rural and urban, to benefit.
- Enable the transfer of public assets into community ownership for a sub-market value without the need for ministerial approval where community benefit can be clearly demonstrated.
- Make an overt commitment to 'double devolution' in Scotland, endowing communities with extensive new decision making powers over planning and delivering local services. This should start with an urgent review of Community Planning following criticism of its failure to properly engage local communities.
- Provide ring-fenced resources to help communities build capacity and acquire assets which are at their most effective when used as catalysts for enterprise. Examples of good practice in using assets as 'active capital' should be widely promoted, particularly to social landlords and other 'asset-rich' organisations.



"An MP came to visit us and asked a member of staff with mental health problems what he got out of working for us. I couldn't have scripted his reply better – he said that if he didn't work here he wouldn't be alive."

**Kevin Robbie, Forth Sector**



## Changing lives

A succession of strategies have attempted to tackle inequality and disadvantage across Scottish society. However, these problems are complex and require highly-personalised, multi-dimensional solutions.

We believe social enterprise can make a powerful contribution to this agenda and more must be done to harness its untapped potential. In particular there is a need to recognise its effectiveness in creating employment for those furthest from the labour market.

Social enterprise must be fully integrated into local and national employment plans, but as part of a joined-up approach that recognises its added benefits, including improved levels of health, well-being, confidence, life skills and civic engagement.

### Case study

Some of Scotland's most at-risk boys are supported from care to training and employment by the Kibble Education and Care Centre. It has won national awards for its pioneering social enterprise approach to tackling Scotland's NEET problem and giving vulnerable young people a real chance in life.

## Delivering the vision

- Develop a national supported employment programme for those furthest from the labour market. This should enable employers to create supported employment within integrated businesses, and be jointly funded by Health and Enterprise Departments and the Department for Work and Pensions (DWP).
- Promote social enterprise models in regional DWP-backed pilot programs trying out innovative approaches in local employability strategies.
- Use social clauses in public sector contracts to create employment opportunities for those furthest from the labour market. Reserve 5% of all public contracts for Social Firms and other supported employment programmes that employ a significant proportion of disabled people.
- Enable people to be involved in shaping their own solutions, particularly from a young age. Support the development of Youth Community Trusts which enable young people to plan and deliver their own services and community facilities whilst developing enterprise and employability skills.





"We are operating planet Earth as a business in liquidation. We have to modify how we deal with 'value' so it includes the sustainable profitability of companies... how they conduct relationships with communities and the environment."

Al Gore, speech to the Skoll World Forum on Social Entrepreneurship 2006





## Realising Sustainability

Sustainable development goals need to become part of everyday decision making. Scotland has set a very positive sustainability agenda and is making good progress – but social enterprise can help make this progress faster and smoother.

By encouraging recycling, renewable energy and responsible business practices at community level, social enterprises are able to engage people in the issues and solutions and deliver social benefits too.

We believe that businesses which aim for social or environmental returns need new forms of investment and agreed measurements for their multiple impacts. Scotland also needs to invest now in a business model which can sustain its long-term future.

### Case study

Alloa Community Enterprise operates county-wide kerbside recycling collections for Clackmannanshire Council. It has helped the local authority achieve the highest recycling rate in Scotland, whilst also creating sustainable jobs for dozens of local people.

## Delivering the vision

- Create new investment funds for businesses that deliver social and environmental benefits. This could be funded by applying a 'polluter pays' principle that penalises businesses with poor social and environmental records.
- Make it easier for communities to secure planning and finance for small-scale renewable energy projects.
- Set a 'Zero Waste' agenda in Scotland, increasing recycling targets, promoting re-use and continuing to invest in building the capacity of community recycling and re-use organisations.
- Develop a Centre for Sustainability Excellence in Scotland that develops new environmental technologies and explores new methods and markets for recycled materials.



"Scotland should now be in the forefront of social innovation. It is the right size, has the right traditions, and sits in the part of the world that is now doing it best. And it has a very strong network of organisations involved in supporting social enterprise."

**Geoff Mulgan, Director, The Young Foundation**



## Supporting social enterprise in Scotland

The Scottish Social Enterprise Coalition (SSEC) is a national collective voice for social enterprise, representing the sector's needs and interests to politicians and policy makers.

SSEC has campaigned for clearly differentiated policy for social enterprise that recognises it as a business model for delivering lasting social change. As a result of our lobbying efforts the Scottish Executive is committed to developing a dedicated Social Enterprise Strategy.

We believe the Strategy must deliver a step change in support for social enterprise, driving it up the policy agenda and championing its potential across the policy spectrum.

Priorities should include:

- Cross-departmental delivery and clear alignment with the national enterprise agenda.
- Tailored specialist and mainstream business support for social enterprises at all stages of their development.
- Investment in social enterprises to help them build capacity, develop assets, enter new markets and become financially sustainable.
- Dedicated support for improving the skills of social enterprise staff and leaders.
- A national marketing campaign to promote the sector as a positive business and career choice.
- Agreed measurements for social, environmental and economic impacts to ensure that social enterprise's added value is recognised and acted upon.
- A holistic approach to public sector procurement that recognises the social and environmental added value of social enterprise.
- Mechanisms to give social enterprise a bigger and more strategic role in planning and delivering public policy.

## Sign up to our vision

The Scottish Social Enterprise Coalition has produced this manifesto to set out our vision for social enterprise.

We want to build a strong force for change and hope you will add your support to our manifesto. For more information visit our website [www.ssec.org.uk](http://www.ssec.org.uk)

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Championing business with a social purpose