



DERRY CITY COUNCIL

Local Strategy Partnership
Derry City Council.
98 Strand Road,
Derry

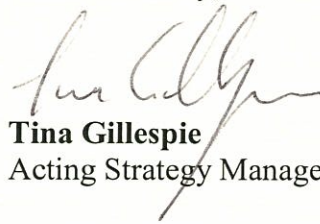
BT48 7NN

18th September 2009

Dear Jim,

Please find attached, response to your letter regarding the Social Economy Enterprise Strategy 2009 – 2011.

Yours sincerely,



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Acting Strategy Manager

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Draft Social Economy Enterprise Strategy for Consultation

Response From Derry City Council

Derry City Council welcomes the opportunity to respond to the draft Social Economy Enterprise Strategy 2009-2011. The format of the response follows the consultation questions as outlined in page 40 of the draft strategy.

Background

The new draft Social Enterprise Strategy for Northern Ireland focuses on social enterprise as a distinct part of both the wider social economy, and of business, and articulates the distinctive role played by Social Economy Enterprises (SEE) in terms of social and economic regeneration. The strategy follows on from the first SE strategy launched in 2004. It has been developed in partnership with the social economy sector and is considered to represent a transitional strategy in preparation for the enhanced role envisaged for district councils under RPA.

For information, the definition of the social economy as adopted by the Department of Enterprise, Trade and Investment (DETI) is *“organisations with a social, community or ethical purpose, operating using a commercial business model and having a legal structure appropriate to a not-for-personal-profit organisation”*.

The SEE Strategy includes actions designed to:

- Increase knowledge and understanding
- Provide support for business growth
- Build business skills
- Foster a SEE culture
- Build the evidence base
- Measure the impact of SEEs

The new strategy continues to build upon the existing support structures for the social economy in Northern Ireland, including the Social Economy Network, which represents the sector. The Inter-Departmental Steering Group (IDSG) is to be replaced by a Social Economy Policy Group, to develop greater cross-departmental cooperation between those departments most closely involved in the social economy. In addition, the Social Economy Forum will continue where representatives from the Network and officials from government work together in partnership to champion the social economy.

Comments on the Draft Strategy

Three Key Strategic Objectives:

1. Increase awareness of the sector and establish its value to the local economy
2. Develop the sector and increase its business strength
3. Create a supportive and enabling environment

The three strategic objectives remain unchanged from those established for the first SE Strategy. Derry City Council believes it is appropriate to continue with the same three objectives, and suggests that, within the implementation of the actions, the emphasis should vary depending upon the nature and maturity of the social economy sector in each locality.

Areas for Future Action

Action 1.1 Increasing our knowledge and understanding

The publication, in June 2007, of SEEs baseline of the size and scale of the sector provides a solid foundation upon which to build on and communicate the key message of the importance and value of this sector. The activities identified, and the exploration of opportunities across government departments and liaison with European, UK and ROI counterparts, is welcomed. It was felt that the focus of the work with DEL could have been stronger, in terms of the employability agenda, considering the contribution the sector makes in terms of job creation and the future opportunities for growth.

The social economy sector is not necessarily “well respected”, and there is a general lack of knowledge of, and low awareness of, the potential of the sector. This can impact negatively upon those organisations in the sector. Increasing the knowledge and understanding of the sector is a key priority and Derry City Council is fully supportive of all events and actions to achieve this objective.

Action 1.2 Measuring the impact

Recent years have seen a growing interest, from both social economy organisations and external influencers, in how to identify quality and measure impact within the sector. In response, the social economy has witnessed a proliferation of tools designed to assist organisations in the measurement and recording of added value. However, evidence suggests that use of these tools is generally low. Derry City Council is supportive of actions to record the value of social enterprise. To our knowledge there exists, particularly in the UK, numerous piloted measurement toolkits which could be used as learning tools and which are currently being considered for mainstreaming. Care must be taken to avoid the utilisation of both time and resources reinventing the wheel. Clearly, it will be beneficial for all concerned to build upon the existing work undertaken elsewhere to capture the return from the many different types of social economy activity.

Action 2.1 Providing support for business growth

This is essential to the future sustainability of the sector, to unlock market opportunities for new and existing social economy organisations. The level of support in terms of finance, training, marketing and innovation assistance to SEEs should be offered at a level comparable to that being provided through the existing support delivered through Invest Northern Ireland.

Derry City Council concurs with the joint actions identified with UCIT and Invest NI. Finance is one area in particular which we would like to highlight as

a priority for the sector. The lack of access to finance for social enterprise remains a barrier to growth. This is most often the “highest concern” for organisations regardless of their stage of development.

In the Derry City Council area, investment in the sector under the EU PEACE 11 programme assisted the establishment of many new enterprises and the consolidation of others. The intention was to prepare the social economy sector for the transition which was acknowledged as being necessary due to the demise of grant aid. This transition has not been easy and has been further affected by the current economic crisis. Derry City Council welcomes the work to be undertaken by UCIT on financial instruments in order to assist the sector to grow but we must do more and act more quickly.

Derry City Council encourages and welcomes the pilot SEF Programme for West Belfast and Greater Shankill and wishes to see continued support for the development of such pilots across Northern Ireland. In the Derry City Council area, utilising EU Peace funds the SEE sector was heavily invested in, with the establishment of an Intermediate Labour Market infrastructure supporting a two-pronged approach of creating jobs whilst supporting local social economy enterprises. This was a very successful programme and we would suggest that the strategy is limited in terms of actions, which could build on the job creation potential of the sector. Therefore, as the social economy is acknowledged as being critical in improving the employment prospects of those from the most disadvantaged communities, we would suggest an increased emphasis in this area would significantly enhance the sustainability of the sector.

The development of the Social Economy is increasingly seen as a driver of improved public services and economic development and this is happening within the context of emerging policy frameworks at European, UK and Scotland wide level. Derry City Council welcomes the recognition of the importance of the social economy in the delivery of improved public services and, in particular, making more accessible opportunities for doing business with CPD and highlighting opportunities within the health and social care sector.

Action 2.2 Building the business skills of SEEs

There are inadequate support mechanisms for the sector and the ‘non-profit’ nature of the organisations makes mainstream business provision inappropriate in some areas. Derry City Council welcomes the initiatives to build the business skills of the SE sector. In particular, assisting social economy organisations to gain equal access to service delivery contracts. There is a perception in some quarters that social economy organisations may lack the expertise necessary to secure public service contracts. We need to help the social economy work to overcome this perception, whilst also being able to demonstrate the relevant added value it brings. The issue of procurement, as identified in the draft strategy, is a key area for the SE sector in terms of future growth and trading opportunities.

Action 3.1 Building the evidence base

Derry City Council agrees with the actions identified and believes the creation of a supportive and enabling environment for the sector is fundamental to its success and development. Social enterprises have a significant and valuable contribution to make to Northern Ireland's social, economic and environmental life. Derry City Council endorses further work to build upon the existing baseline.

Action 3.2 Fostering a SEE culture

The proposed draft Social Enterprise Strategy for Northern Ireland outlines clear support for the Social Economy sector within Northern Ireland and should ensure that more Social Enterprises develop and expand. The strategy clearly articulates actions across the key contributors. Derry City Council welcomes the reference to developing the role of credit unions in the SEE sector and the alignment with neighbourhood renewal.

Monitoring & Evaluation

The proposed monitoring and evaluation mechanisms are appropriate in relation to the contents of the proposed strategy and action plan. The engagement of the social economy support structures as being integral to the process is most welcomed.

Equality Impact

Derry City Council feels that the Equality issues included are appropriate. By the nature of the work of SEEs, we agree that it would be reasonable to consider that the implementation of this strategic plan will have a positive impact on Section 75 groups and on both disadvantaged individuals and areas.

We have noted that in the Legislation Screening Form, at section 3.2, racial groups have been marked as not having different needs, experiences, issues and priorities. Given that the findings from DETI's first survey of Social Economy Enterprises in NI show that 'special interest, ethnic/racial groups and homeless people' make up 10% of the main groups that the SEEs try to help we believe that ethnic minority groups may have access issues to employment and training in terms of language and literacy.

Conclusion

To conclude, Derry City Council looks forward to the publication of the Strategy and to the successful implementation of the actions.