



school for
social
entrepreneurs

SSEI/DA/Oct01

Dr Jim McConnell
Social Economy Branch
Department for Enterprise, Trade and Investment
Netherleigh
Massey Avenue
Belfast
BT4 2JP

8th October, 2009

Dear Dr. McConnell,

Re: Social Economy Enterprise Strategy 2009/2011

Please find attached the School's response to the above strategy consultation. Our Board of Directors hope that you find it constructive. If you wish to discuss any aspects of it please let us know.

Yours sincerely,

Danny Angus
Administrator

SCHOOL FOR SOCIAL ENTREPRENEURS IN IRELAND

School for Social Entrepreneurs (SSE) – Since its inception in 1997, over 420 SSE Fellows have now completed programmes across the schools in the SSE Network. There are now 10 UK SSE franchises, and one international one in Sydney, Australia. The number of Fellows is set to treble to over 1200 in the next three years. SSE is strategically funded in the UK and Australia at a national government level, is a strategic partner to the Office of the Third Sector, and sits on the board of both the Social Enterprise Coalition and UnLtd.

SSE also established and chairs the Social Entrepreneurship Policy Group which includes the following organisations: SSE, Ashoka UK, Changemakers, Community Action Network (CAN), Training For Life and UnLtd. This chief executives group collates evidence and information to better influence government and other policymakers about the needs, barriers and impacts of social entrepreneurs. Earlier this year, the Department for Communities & Local Government awarded this partnership £500k under its Empowerment Fund to better support and empower social entrepreneurs in communities.

The School for Social Entrepreneurs in Ireland (SSEI) is one of the longest-running franchises, based on a partnership with Flax Trust. SSEI has expanded upon the core SSE programme to deliver other accredited options with Ulster University, though still based on an action-learning, peer-to-peer methodology. It is widely viewed as the leading support and development institution for social entrepreneurs in Northern Ireland.

INTRODUCTION:

SSEI believes that social entrepreneurs are the lifeblood of the social economy, founding, running and populating new charities, social enterprises and social businesses. These driven and committed individuals are responding to unmet needs and new opportunities in innovative, robust and sustainable ways, delivering services and goods for social change at local, regional, national and international levels. The drive to a good society is powered by such people. They are the leaders in creating social capital and social cohesion.

Social entrepreneurship is inclusive, providing a substantial opportunity for the involvement of people from all backgrounds, ages, sectors and communities: from the school pupil to the refugee to the ex-banker to the new retiree, all can contribute to a wider change. Supporting and empowering those who best understand the problem they are aiming to solve creates a movement that has diversity hardwired into it, that has a greater chance of achieving sustainable change, and that creates the next generation of socially-aware leaders that is needed in Northern Ireland.

Social entrepreneurship connects and joins up tackling worklessness, fostering enterprise and promoting sustainable regeneration. It empowers people to take control of their own lives, make change in their own communities, and engage with local government. Whilst the first job a community-based social entrepreneur creates is often their own, they continue to create jobs (and volunteering positions), attract inward investment, and recycle that money in the local economy. They also root change in communities, not only through often living in the area, and through (capital) asset transfer but also through building networks and movements of people who support their work. Successful social entrepreneurs are spark plugs and leaders that build networks, assemble teams and mobilise groups in their communities, rather than mavericks acting alone.

The UK is the world-leader in grassroots social entrepreneurship, and it has proven to have significant impact in improving communities and the lives of those who live in them and are helping change them: tackling poverty, delivering better services, including and encouraging aspiration from as diverse a constituency as possible. This work has been proven to truly unlock the talent in communities and, with long-term support from government, it can flourish and grow in delivering significant change across the country. This is as true in Northern Ireland as anywhere.

SPECIFIC RESPONSES TO THE DETI SEE STRATEGY:

OBJECTIVES:

SSEI endorses the three strategic objectives as proposed in this strategy, and would make the following recommendations and comments:

Objective 1: Increasing awareness of the sector and establishing its value to the local economy

This is an important objective, and the awareness-raising needs to be aimed across sectors, and at key audiences (for example, policy-makers, young people, business) using appropriate means. For example, policy-makers and government officials will get most from a demonstration of impact and (added) value for money, whilst encouraging and fostering a culture of social entrepreneurship amongst new generations requires inspiring examples and case studies.

SSEI makes social impact measurement a key aspect of all of its programmes, and promotes the need and importance of evaluation to all the social entrepreneurs and leaders it supports. This evidence, allied to the inspiration from relevant role models, is a key part of ensuring there is reality behind the rhetoric of the social economy.

SSEI would also recommend a short-to-medium term focus on the clear benefits created by social entrepreneurs in the current economic climate:

- they create jobs, lifting themselves and others out of poverty, and providing opportunities and inspiration in the most deprived areas
- they learn skills, confidence and networks, making themselves more employable and engaged
- they address social needs and problems not currently being met or solved by anyone else

Objective 2: Developing the sector and increasing its business strength

SSEI's work over the past 5 years and more has demonstrated the need for appropriate and specialist support to improve the effectiveness and sustainability of organisations in the social economy. So SSEI views this objective as an absolutely crucial one for the sector to achieve its full potential.

SSEI recommends considering separating out access to finance as a separate objective, given the importance of this aspect to social entrepreneurs. In recent surveys conducted by SSE, over 90% of social entrepreneurs responding pinpointed access to finance, funding and investment as the key barrier to their growth.

This would also allow for a greater focus on the type of specialist support, information and advice that is most relevant, timely and appropriate to the needs of social enterprises and social entrepreneurs.

Objective 3: Creating a supportive and enabling environment

This objective focuses on the value of the social economy in delivering public policies or strategic objectives of government. SSEI would endorse this objective, given the importance of governmental engagement in other parts of the UK, and would recommend making this clearer in the language of the objective:

"Enabling the social economy to work effectively with government"

This rephrased objective would still encompass all the various suggested actions, but would make more evident that it is about government and the sector working more effectively together in research, evidence, policy development and joint / partnership working.

ACTIONS:

1 Increasing Awareness

SSEI agrees with the proposed actions and has the following additional comments and suggestions:

Action 1.1 : Increasing our knowledge and understanding

- a key initiative in England has been the Social Enterprise Ambassadors programme, which involved selecting 25-30 leading social entrepreneurs to promote the movement to relevant audiences (including public sector, young people and business / finance); it has proved particularly valuable for engaging policymakers at local, regional and national level (via speaking opportunities, meetings and visits); SSE has been a partner in delivering this successful programme with the Social Enterprise Coalition

>>SSEI recommends a similar, smaller-scale Ambassadors programme is undertaken in Northern Ireland

- SSEI's alumni network is a growing and impressive body of leading practitioners in the field; SSEI utilises project visits and expert witnesses (social entrepreneur speakers) as key elements of its methodology and would be keen to work with government departments and other sector bodies to practically assist in raising awareness

>>SSEI recommends utilising SSEI's alumni as credible and inspiring role models at events and in meetings with relevant government departments, sector agencies and local authorities

- the Community Interest Company (CIC) model is a relevant and useful addition to the spectrum of legal structures that can be chosen by social entrepreneurs for their organisation. SSE's experience elsewhere in the UK has demonstrated that it has limitations, primarily in accessing either grant funding (which only goes to registered charities) or social investment (which may want greater financial return than the CIC allows). Further, social entrepreneurs should choose their legal structure after they are clear what their mission, activities, financing and governance will be, and require support to make informed choices.

>>SSEI recommends learning from existing experience, and promoting CIC as one of a number of legal or company models that exist in the social economy; and providing relevant links to support and information

Action 1.2 : Measuring the impact

- appropriate tools and resources are hugely important and relevant to the social economy sector proving its social impact and added value; there are a significant number of resources out there already in this space, in the UK and beyond (eg. www.proveandimprove.org; www.sroi-uk.org; www.socialauditnetwork.org.uk; <http://socialcompact.org/index.php/site/drilldown/category/introduction/>) which are already open and accessible by practitioners and support agencies in Northern Ireland; it may also be worth dovetailing with the current OTS-funded work on social return on investment (SROI)

>>SSEI recommends desk-based research to map existing resources and identify specific gaps and needs, before committing resources to creating new NI-specific toolkits and tools

- In addition, SSEI will commit to ensuring that social impact measurement remains central to the delivery of each of its programmes, and to its own work; the most recent evaluation of SSE's national activity included the following findings¹:

- each SSE Fellow creates, on average, 3 jobs and 7 volunteering positions
- 60% report an increased turnover having attended the programme (average fivefold increase);
- over half report that more than 50% of their income comes from trading activity.
- 85% of Fellows' organisations established on the SSE programmes are still in existence

¹ *Evaluation of School for Social Entrepreneurs 1997-2007* by new economics foundation, downloadable from www.sse.org.uk

2 Developing the sector and increasing its business strength

SSEI agrees with the proposed actions and has the following additional comments and suggestions:

Action 2.1 Providing business support for growth

- SSEI fully supports the excellent work to date by UCIT and therefore endorses them as the lead agency for developing new financial products in the field; experience in other parts of the UK would point to a gap in the social finance and investment market in the 'growth middle'; that is, SEEs that are in years 2-5 of development with turnover between £50k and £250k, when innovation + start-up grants (such as UnLtd) are no longer possible, but before sufficient credibility and stability is in place to access significant contracts, loans or venture philanthropy-type money.

>>SSEI recommends a needs-based approach to the development of new financial products for the sector

- SSEI can assist with sourcing and developing links with best practice in England (and Scotland) through its place in the national SSE network, and the central SSE's close working relationship with relevant government departments

>>SSEI recommends working with NI-based organisations that have national links or are part of national and international networks to identify and source best practice

Action 2.2 Building the business skills of SEEs

- SSEI welcomes the support of DETI, and would seek a closer, more engaged working relationship in future to help ensure it can work more effectively with government to support social entrepreneurs and leaders of social economy organisations; DETI can particularly assist SSEI in building relationships with other government departments to whom the organisation's outcomes are relevant; this is crucial because the work of social entrepreneurs cuts across government and sectoral boundaries

>>SSEI recommends a set number of face-to-face meetings with DETI per annum, and assistance with broadening and deepening its government relationships with other departments and local authorities

- SSEI further welcomes the involvement of DEL in developing appropriate programmes of learning and support for the sector; SSEI's experience demonstrates the need for personal support² to be provided alongside business-focused and technical support; this is particularly the case with early-stage social enterprises, when the entrepreneur effectively is the organisation; to foster greater numbers of SEEs within Northern Ireland, focusing investment on such personal development and relationship-based support is crucial³ and has been proven to result in significant long-term benefits elsewhere⁴

>>SSEI recommends investing in proven agencies which provide relationship-based, long-term, person-centred support alongside technical and knowledge-based learning

>>SSEI recommends a greater focus on learning programmes and support for new and fledgling start-ups and their leaders, alongside programmes for those who are more established

>>SSEI recommends investing in practical, action-focused, grassroots programmes that widen access and encourage diverse participation beyond university environments

² See also *Social Entrepreneurship Monitor 2006*, by Rebecca Harding, London Business School/GEM; particularly p.17 'Are social entrepreneurs different?': "it appears that social entrepreneurs may become disheartened the longer they have been managing a social enterprise. Policy needs to focus on maintaining and developing the strength of attitudes amongst the population of social entrepreneurs, if the population of social enterprises is to continue."

³ "For some, the SSE acts as a [place for] fine-tuning, giving them the ability to move forward with their project in a variety of ways and to create a greater impact than they would have otherwise. For others, the SSE is nothing less than the difference between existence and non-existence of their organisation and profound change within their own lives" (nef report, ibid)

⁴ See *Developing fledgling social enterprises? A study of the support required and means of delivering it*, Fergus Lyon and Mark Ramsden, 2006; *Social Enterprise Journal*, Volume 2, Issue 1; p.38-39

3 Creating a supportive and enabling environment

SSEI agrees with the proposed actions and has the following additional comments and suggestions:

Action 3.1 Building the evidence base

- SSEI is committed to working in partnership with SEN, and will contribute its own evidence, and communicate with its own members, as and when appropriate; SSEI would particularly endorse the need for a trade directory which will help social entrepreneurs and their SEEs gain practical benefits from SEN's work directly; this, in turn, will make membership more valuable
>>SSEI strongly endorses a trade directory that will allow practitioners to buy and procure services from each other, creating a stronger sector; SSEI commits to proactively helping SEN
- SSEI is a strategic partner to the Office of the Third Sector in England, and SSEI would strongly endorse a close working relationship with the Social Enterprise and Finance team at OTS; this is particularly relevant for its parallel work on creating an evidence base, proving impact, and developing research, as well as broader capacity-building work (eg. strategic partners scheme)
>>SSEI recommends a close working relationship with OTS is developed to ensure that NI is not duplicating existing activity, and to dovetail effectively with wider activity across the UK

Action 3.2 Fostering a SEE culture

- SSEI strongly endorses the involvement across government, as the people and organisations it supports have outcomes that cut across sectoral and government boundaries; SSEI believes that for mutually beneficial relationships, the social economy support agencies need to have their capacity for advocacy increased, in addition to the funding that is currently provided to SEN and NICVA; this will be even more important as power and funding is increasingly devolved to local government
>>SSEI recommends diversifying the number of agencies funded and supported to provide information and influence to government departments + local authorities on behalf of the sector
- With respect to DARD and their support for Rural Community Development, SSEI fully supports the focus on developing the confidence, skills and networks of the people in those communities, something to which its own core programme is well suited
>>SSEI recommends making contact with the Plunkett Foundation, the leading social economy agency focusing solely on rural issues
- SSEI would again refer to the SE Ambassadors programme (see previous answer above) which could prove useful across a whole range of these actions, including case studies of effective delivery of public services by SEEs, sustainable procurement work, public service contracts and so forth

MONITORING & EVALUATION:

SSEI agrees with the monitoring and evaluation procedures as proposed in the document. It is particularly important that the Action Plan is seen as a 'living document' that may evolve and change as the sector and the needs of SEEs evolve and change.

SSEI would further recommend a SMART approach to monitoring and evaluating the strategy: if there were to be a criticism of the strategy, it would be that there are few numbers and clearly delineated goals within it, which will make the monitoring and evaluation necessarily broad and vague, rather than tightly focused. SSEI would recommend SMART-ening up the actions that are included in the final strategy to ensure best value for money and clarity of reporting.

EQUALITY IMPACT:

SSEI agrees with all the equality considerations detailed here. As written in answers previously, a focus on inclusion, accessibility and diversity across the activities being supported by this strategy (finance, support, research, policy) will ensure a representative range of people (of age, gender, race, background etc) is reached.

GENERAL CONCLUSIONS:

SSEI agrees with the strategy's direction of travel and makes several specific recommendations and amendments to suggested objectives and actions. In order to foster a socially-entrepreneurial culture in Northern Ireland, and to scale up both the number of people involved in this movement and some of the organisations delivering services and products, the SSEI recommendations are grouped as follows:

- Recognise social entrepreneurs as individuals leading social change across sectoral (and govt. department) boundaries who are focused on outcomes and have significant social impact
- Resource and insist on appropriate, informed, high quality support for social entrepreneurs which is not purely knowledge-based or output-driven
- Promote and advocate for practical programmes for individuals that seek to inculcate an entrepreneurial mindset and approach
- Recognise the ability of social entrepreneurs to create jobs, lifting themselves and others out of poverty, and providing opportunities and inspiration in the most deprived areas
- Promote a bottom-up, grassroots-led approach to supporting the social economy, which aims to reach and hardwire diversity into the next generation of socially-aware leaders; scale up the numbers involved in all parts of the movement as well as individual organisations to achieve greater impact
- Invest in social entrepreneurs, both through direct financial support and through funding support agencies with a proven track record to advocate on their behalf

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