

Consultation on Social Economy Enterprise Strategy 2009-2011

Response from Down District Council

Down District Council welcomes the opportunity to comment on the proposed Social Economy Enterprise Strategy 2009 – 2011. The Council will be merged with its neighbouring Newry and Mourne District Council to create a new local authority with greater responsibilities in local economic development, including the current Social Entrepreneurship Programme, in 2011. As such we have a particular interest in ensuring that the Social Economy Enterprise Strategy makes sense from a local perspective.

Invest NI has recently established a joint working group with existing councils reporting on progress of the Enterprise Development Programme (EDP), Social Entrepreneurship Programme (SEP) and other local economic development programmes that will transfer to management by new local authorities on 2011.

With regard to the consultation document we note:

- the relative progress to date on Objectives 1 and 3, and the future priority focus on Objective 2: Develop the sector and increase its business strength
- that the Strategy recognises the above context of responsibility transferring to new local authorities and is deemed a 3-year transitional strategy
- the identification of some 400 SEEs across Northern Ireland and that some 16 projects have gone forward to mainstream Invest NI support.
- the intention of Invest NI to provide support to over 100 groups per annum across Northern Ireland at various stages of development including transition to mainstream Invest NI support
- the intention of Invest NI with DEL support to provide 25 placements in SEEs during the period under a pilot Social Economy Fund (SEF) programme in North and West Belfast, with an aim of 50% 'pull through' to mainstream Invest NI business development support
- evaluation of the pilot SEF was initiated in early 2009

We observe:

- Invest NI mainstream support targets manufacturing and tradeable services companies, with export and /or significant growth potential

- Social economy enterprises, particularly in rural areas, are generally small-scale providing services and products to local markets, with enterprises in the manufacturing and export sectors the exception
- Social economy enterprises are highly valued by local authorities for their joint economic and social outputs contributing to a range of both economic and social policies including Good Relations, New TSN, etc often with a strong emphasis on social inclusion.
- Local authorities also recognise the social economy sector as stimulating enterprise and entrepreneurship, particularly where the private sector is weak or is not present.
- It is clearly in the interest of local authorities as local service providers and funders to support local organisations with social objectives that are able to maximise income from trading / economic activity and limit pressures on the public purse.

Comments:

1. Programme objectives and focus

We understand the regional competitiveness issues driving Invest NI programme priorities, and that these determine a focus on particular sectors and encouragement of companies pursuing export markets. However, from the local authority perspective the focus for developing the social economy is different, and certainly broader, involving more sectors than are currently eligible for Invest NI mainstream support. Activities within the social economy sector certainly include tradeable services and small scale manufacture, but also include a wide range of service provision, retail activity and others. Not all, indeed only a small proportion, of these are likely to meet Invest NI mainstream support criteria, and for many SEEs, not unlike many smaller companies in Northern Ireland, this is not necessarily the direction in which they are aiming.

We believe this is evidenced by the small number of SEEs transferring to Invest NI mainstream support at present. The issue is not that these may not be viable business projects. Rather it is that designing support within the current Invest NI framework does not properly recognise the breadth of social economy activity and the contribution to local economic development that can be made by SEEs, particularly in the provision of intermediate labour market activities that combine training and employment, and are significant in introducing / re-introducing a variety of excluded groups into the world of work. The support and development needs of the wider majority of SEEs can be better catered for in a less constrained programme, open to SEEs irrespective of their sphere of activity.

Key point 1: SEEs can exist across almost all sectors and business development support should be available to all, irrespective of sector, and not limited to those which best fit Invest NI growth and/ or export potential criteria.

2. Programme delivery

With the move to 11 new councils of similar population size the current Social Entrepreneurship Programme targets equate to approximately 10 per annum per Council. Various delivery arrangements might be considered but it appears unlikely that new Councils would see this as a cost-effective stand-alone programme and will be more likely to see this as best delivered alongside, or as an option on other programmes, particularly the EDP. Given EDP targets are also identified for Neighbourhood Renewal Areas, where SEEs are also a particularly valuable option for creating training and employment opportunities, new Councils are likely to see advantages in packaging these enterprise support options in a more integrated way.

Key point 2: The delivery arrangements for the SEP and other programmes due to transfer to new local authorities need to be reviewed by an early date in 2010.

3. Communication between Councils, Invest NI and DETI

The above illustrates that existing councils and the new local authorities can be expected to view the objectives and priorities for the Social Entrepreneurship Programme differently from Invest NI, the current managing body. Variations in the numbers of SEEs, sector capacity and local experience of the sector can also be expected which make alternative priorities emanating from local authorities less easy to predict. For that reason we emphasise the importance of continuing the current joint Invest NI / Councils working group monitoring progress on the EDP, SEP and other related programmes due to transfer to local authority responsibility in 2011.

Key point 3: Use the current joint Invest NI/ Councils' Enterprise Development Programmes group to ensure that councils' priorities for the SEP are identified, recognised and integrated into the programme to be delivered from 2011.

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