



Social Economy Network (N. Ireland) Ltd consultation response to

Department of Enterprise Trade and Investment

Draft Social Economy Enterprise Strategy 2009 -2011

October 2009

1.0 Background

1.1 The Social Economy Network Northern Ireland Ltd (SEN) is a membership organisation (current membership 119) drawing its members from social enterprise initiatives throughout Northern Ireland. The aims of the network are to:-

- Develop and strengthen the membership
- Foster, support and encourage exchange of experience, information and knowledge within the sector
- Provide a channel for social economy sector input into policy development
- Represent the views of the sector in engagement with government
- Promote the role of the social economy and its contribution to socio – economic growth and development

We welcome the opportunity to comment on the draft Social Economy Enterprise Strategy 2009-2011.

This submission was informed by input from members who attended consultation sessions facilitated by SEN in September 2009 (three sessions held in Belfast, Derry and Lurgan to facilitate easy access for SEEs across Northern Ireland) and written comments from SEEs unable to attend.

2.0 General comments on the draft Social Economy Enterprise Strategy 2009-2011

2.1 The Network believes that it is useful to identify the location and fit of this draft strategy within the overall policy context. The Network welcomes the fact that the five strategic and interdependent priorities of the Programme for Government (PfG) 2008-2011 are outlined in this draft strategy as this is recognition that the economic and social agendas are interconnected. It is encouraging that the PfG recognised that part of developing our economy also includes developing the social economy, hence the development of this draft SEE Strategy.

2.2 There is however no reference made in the policy context to the global economic recession, the impact it has had and will continue to have on the economy of Northern Ireland and the potential role for the social economy sector in addressing issues of increased unemployment and disadvantage as a consequence of the recession.

2.3 Given the time already elapsed between the last SEE Strategy and this new refreshed Strategy and allowing for a further period of time post consultation, for final approval, it is unlikely that the strategy will be launched until 2010. Further clarification therefore is needed as to the actual time period this new refreshed draft SEE Strategy will cover. Reference is made throughout the document to specific time bound related programmes such as the Social Entrepreneurial Programme and the Rural Development Programme. Reference is also made to the transition strategy in preparation for the enhanced role Councils will have in the delivery of social economy policy and programmes under the Review of Public Administration (RPA). It would appear that the strategy is a statement of intent until powers

are transferred to the new Councils. As policy responsibility for the social economy will still rest with DETI after RPA, there is an argument that the timeframe of the strategy should be extended beyond 2011 to facilitate: - a smooth transition of responsibilities; support the development of a policy framework; and encourage the development of Council strategies in support of the social economy sector into the future.

2.4 Financial investment and political support has been a major impetus for the successful growth and development of social enterprises in England and Scotland. In both jurisdictions the role of the social economy sector is recognised as integral to overall prosperity and finance has been made available to realise these commitments. Since 2003 in England the Government has invested £215m in Futurebuilders which provides a mixture of loans and grants to SEEs. In England there is also a clear policy commitment to build the capacity of social enterprises to deliver public services. The Department of Health has committed £100m (for a 3 year period up to 2011) into a Social Enterprise Investment Fund to specifically assist SEEs already engaged in health & social care delivery to scale up their operations and readiness for public procurement.

In Scotland, the Executive invested £30m into a Scottish Investment to provide a mix of loan and grant finance to SEEs over a 3 year period from 2008-2011. In Wales a new £8m Community Asset Transfer Fund has been established to help SEEs renovate public buildings for community benefit. The absence of any financial investment – beyond the Social Entrepreneurship Programme and reference to funding for SEEs under the Rural Development Programme- is a major concern. Without financial investment to support the development of the social economy sector the vision and commitments will remain rhetoric and we will continue to lag behind the progress that has been made in Scotland and England.

3.0 The Vision and the role of the key stakeholders

3.1 The Network endorses the vision of the Social Economy Enterprise Strategy –

An enterprise environment which encourages greater social entrepreneurial activity and is supportive of those social economy enterprises that want to grow.

With DETI as the lead department, the Network agrees that achievement of the vision requires the co-operation and partnership of a wide range of stakeholders from local and central government, private, social economy and the voluntary and community sectors. In order to achieve this vision however, as already stated, financial investment from the key stakeholders represented on the Social Economy Policy Group (SEPG) -Government Departments and Invest NI - will be also needed.

3.2 As the new Councils, under the Review of Public Administration (RPA), will have a key role in promoting and supporting enterprise it is imperative that the Social Economy Policy Group (SEPG) be extended to include representation from the Department of the Environment to provide the necessary contact and communication with the new proposed Council structures and personnel and to ensure that support of the social economy sector is embedded in future Council policy. In addition it is important that the SEPG and the SEE sector engage with the new Councils to promote social enterprise as a viable business model

and to raise awareness of the role of social enterprises in the delivery of public services and their capacity as potential suppliers of goods and services for Councils in the future

3.3 The strategic vision will not be realised if there is only a focus (as stated on page 21) on developing the business strength of existing SEEs. The social entrepreneurial activity rate for Northern Ireland, at 3.3%, is the fifth highest out of twelve regions in the UK (GEM 2007) and as such should be nurtured and supported. Existing SEEs should be supported to develop their business capacity and increase their viability but support should also be available for new start up SEEs. If we want a strong vibrant social economy sector to flourish in Northern Ireland access to support should be available for SEEs at every stage of their development. The SEN take issue with and question the position put forward in the strategy that a general policy supporting the volume growth of SEEs is not needed.

4.0 Strategic Objectives

4.1 While DETI is identified as having the lead role in developing an integrated approach to the social economy and the roles of the Departments and key agencies within the social economy sector are clearly outlined there is no real sense of a joined- up approach with an agreed pathway to a common goal. Some of the actions outlined specify to a large extent ongoing respective work activities/ responsibilities for example Invest NI – programme management of the delivery of the pilot Social Economy Fund (SEF), existing programmes in which SEEs will be accommodated (as in DELs actions) and statements of support as opposed to action as in the actions outlined by the DHSS&PS.

Should the SEF being piloted in West Belfast prove to be effective consideration should be given to rolling it out to other areas across the region.

4.2 The three objectives remain relevant and while there are associated tasks related to the objectives some of them are vague and do not go far enough to have any real impact. The actions do not have any associated targets, timescales or outcomes without which there is no clear plan of the way forward and no possibility of holding anyone to account for inactivity and failure to deliver on the strategy. Realistic targets, timescales and outcomes need to be set against each action in order to facilitate evaluation and measurement of progress and success.

5.0 Objective one - Increasing awareness of the sector and establishing its value to the local economy

5.1 There is evidence of an increased awareness and understanding of the social economy sector within the public sector, especially among some individual civil servants. However, our experience has been that this knowledge is not widespread throughout departments, and therefore, is either not taken into account into departmental policy and planning or remains a periphery consideration. This could be addressed by the inclusion of a training programme on the social economy into the Northern Ireland Civil Service staff training schedule developed and delivered by the SEN which incorporates a number of “seeing is believing”

tours of successful social enterprises operating in diverse areas across Northern Ireland. While it is important for the respective Government Departments to identify actions to raise awareness of the social economy sector, this should not be seen as an end in itself. Increased awareness should lead to the consideration and integration of social economy policy into departmental planning. SEN believe that significant progress could be made on this objective if Champion for social enterprise were identified at a senior level in each government department. Reference is made to the need to maintain an awareness of and to share good practice about social economy developments in other countries however we need to go further and ensure that steps are taken to adopt best practice in Northern Ireland.

5.2 Action 1.2

Measuring the impact

The actions in this section of the document deal with two distinct areas of measurement. The recording of information on the uptake by SEEs of departmental programmes/initiatives is the more straightforward of the two and the collation of such information would be beneficial for future planning. The action specified however is not strong enough. Government Departments, if they are not already doing so, should have systems in place to collate this type of information.

Measuring the social, economic and financial impacts of SEEs is a much more complicated exercise. The actions outlined are welcome but there needs to be a greater focus on support to develop the capacity of the sector to measure the social impact of their activities.

6.0 Objective 2 - Developing the Sector and increasing its business strength

6.1 The SEN welcomes Invest NI's commitment to continue the SEP. Invest NI could further assist SEEs by ensuring that other services, such as one off workshops are promoted and targeted at the social economy sector. It has been the Network's experience that, on further investigation, workshops targeted at SME's have been open to SEEs. This is possibly because of a lack of awareness of the social economy sector and perhaps the failure to recognise social economy enterprise as a viable business model.

In order to access the full range of mainstream business support available from Invest NI it is necessary for organisations to qualify as an Invest NI client. While a number of SEEs have qualified as Invest NI clients the vast majority will not as one of the qualifying criteria is ability or capacity to export.

6.2 The actions identified by CPD are disappointing in that they do not go beyond promotion of tendering opportunities using a common platform and providing basic training in sustainable procurement to procurement practitioners. There is no recognition in the strategy of the barriers SEEs face in competing for public sector contracts and consequently no related actions to address them. If the goal, as it should be, is to improve and increase the capacity of SEEs to access the £2 billion public procurement marketplace it is essential to address the barriers they face in competing for public contracts. This will be achieved through: - delivery

of awareness raising programmes on the social economy for public procurement practitioners in both central and local government; inclusion of social clauses into tender specifications; provision of training programmes to the social economy sector to develop tendering skills and the establishment of a public procurement brokerage service for social enterprises. The lack of progress on the inclusion of social clauses into the procurement process is one of the most significant problems facing the development of SEEs in Northern Ireland. SEEs operate their businesses in a market place which does not recognise or take account of the added value they create and this puts them at a disadvantage when competing for public sector business.

6.3 The DHSS&PS actions are also disappointing given the number of SEEs and Voluntary Organisations currently delivering health & social care services through contracts and Service Level Agreements and the impact of a proposed move to open competitive tendering. In recognition of the value of the social enterprise model in the delivery of health & social care services, in England the Department of health (DOH) adopted a proactive policy of support and investment to assist SEEs already engaged in health & social care delivery to scale up their operations and readiness for public procurement. If it is the intention of the DHSS&PS to introduce competitive tendering greater transparency and clarification is needed. A similar programme of support to improve the readiness of SEEs in Northern Ireland for public procurement should be adopted by the DHSS&PS. The business strength and viability of SEEs in the field of health & social care would be strengthened and improved by specific actions related to the development and delivery of such support.

7.0 Objective three- Creating a supportive, enabling and environment.

7.1 While there is a statement about the potential role of SEEs in the delivery of public services to communities it is vague and confusing. Further clarity is needed on this issue.

The SEN welcomes the actions in respect of building information and intelligence on the sector. The collation of robust information on the sector builds evidence on the extent and nature of the sector and the socio-economic contribution it makes and will strengthen efforts to raise awareness of the sector and heighten the profile of the sector with all stakeholders. The collation of information by CPD on the numbers of SEEs successfully securing public sector contracts is a positive action. It will provide a baseline for comparison year on year and an indication of the success of actions undertaken to improve and increase the capacity of SEEs to tender. It will also inform the need for future actions to bring about positive improvements and increase the role of SEEs in the delivery of public sector contracts. While many of the actions in this section are welcome, as stated previously, they need to have time bound measurable targets and outcomes.

8.0 Monitoring progress

8.1 The SEN is of the view that the current structures in place for monitoring and reporting progress on the implementation of the strategy would be strengthened if the SEPG were accountable to a Government Minister/ Ministerial Group.

9.0 Conclusion

In conclusion, the Network welcomes the long awaited draft SEE Strategy 2009-2011 but believes that it does not go far enough to address the current and future needs of the sector post RPA.

SEN believes that without financial investment to support the development of the social economy sector the vision and commitments will remain rhetoric and we will continue to lag behind the progress that has been made in Scotland and England.